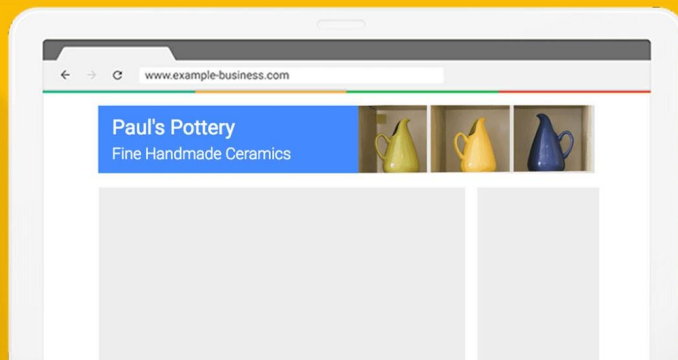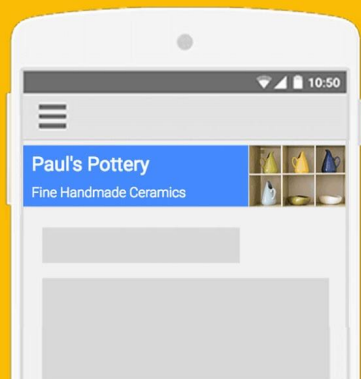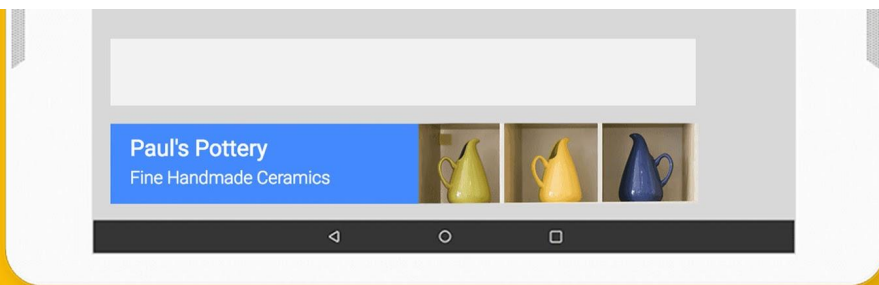**Google** Ads

Smart Display Campaigns

Practitioner's Guide

APRIL 2018

Revolutionize your approach to Display advertising with Smart display campaigns

Smart display campaigns (SDC) are performance-focused campaigns that offer a simple solution to managing the complex variables of mid-to-lower funnel Display advertising.

These campaigns leverage Google's best-in-class machine learning capabilities to help you find the right users and optimize your bidding and ad creatives, enabling you to broaden your customer base and win new conversions. Use SDC to show ads in text, native and image formats across all sizes on the Google Display Network, reaching people at all stages in the buying cycle—from those with demonstrated interests to customers just about to buy.

Work Faster

All you need to do is enter the building blocks for your ads and we'll find you as many customers as we can within the CPA bid and budget you control.

This **frees up your bandwidth to focus on more impactful, strategic efforts.**

Work Smarter

Not harder! **SDCs automatically optimize within days.** Your campaign selects the best combination of assets to give you the best performance.

Through this, you can learn which of your headlines, descriptions, images, and logos perform best.

Win More

SDCs leverage machine learning to proactively identify the people who are most likely to convert and get as many conversions as possible at a bid you set.

With SDCs, advertisers see 20% more conversions at the same CPA when compared to other Display campaigns.[1]

Google Ads

Table of Contents

In this guide, we'll cover everything you need to know to implement, measure, optimize and troubleshoot your Smart display campaigns.

Google Ads

Setting yourself up for success

Before implementing, here are a few important notes to consider:

Understand how SDC fits into your overarching audience strategy

Google offers various features that help you connect with your ideal audiences based on their characteristics, demographics and buying behavior across both the Search and Display networks.

To run a comprehensive audience strategy, we recommend implementing a combination of features to help you re-engage your existing customers and expand to brand new prospects.

SDCs enable you to run a complete re-engagement and expansion strategy on the Display network through a singular campaign-type, so you do not need to set up additional forms of remarketing, similar audiences, in-market, topic, placements, keywords or custom intent campaigns for Display.

Keep in mind

SDC does not extend to the Search Network, so we recommend enacting your Search audience strategy separately. SDC does show Display ads on YouTube, but video ads must be implemented separately.

Re-engage

Serve your existing audiences relevant, powerful messages in every moment that matters

Expand

Extend your reach to new, qualified users who you've never connected with before

Remarketing Lists for Search Ads

Display Remarketing

Customer Match

Smart Display Campaigns

Leverage Smart Display Campaigns to execute your full Display Audience strategy at once, using automation.

▲

If using this, you do not need to set up Display Remarketing for your re-engagement strategy.

▲

If using this, you do not need to set up any additional Display features for your expansion strategy.

Similar Audiences (Search/Display)

In-Market (Search/Display)

Custom Intent

Google Ads

Setting yourself up for success

✓ **Determine how your Smart display campaigns will interact with other campaigns running in your account:**

If you are new to the Display Network

You can use SDCs to manage all of your mid-to-lower funnel Display advertising. Your SDCs will automatically re-engage with your existing customers and expand your reach to new, qualified prospects, meaning you do not need to set up any additional campaigns.

If you're currently running campaigns on the Display Network

(such as Display remarketing, Similar Audiences for Display, In-Market for Display or Custom Intent)

We recommend gradually consolidating your SDCs with other Display campaigns, **which will provide more data points for the algorithm to use for optimization.** To do this, lower the bids on your manual Display campaigns by -10% on a weekly basis until you feel comfortable pausing them altogether.

That said, if you would prefer to continue running your pre-existing Display campaigns alongside your SDCs, you can continue to do so.

✓ **Confirm that you meet the eligibility requirements**

To run SDCs, your account must have:

Either at least | **Over the last** | **or** at least

50 Conversions
via Display Campaigns

30 days
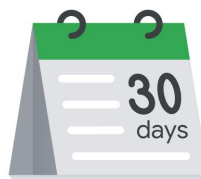
100 Conversions
via Search Campaigns

In addition, you must be using Google Ads conversion tracking or tracking conversions through Google Analytics.

Google Ads

Setting yourself up for success

Ensure that your conversion tracking has been set up properly

SDCs leverage your conversion data to drive campaign optimization, so it's crucial that your conversion count is accurate. Be sure to track every interaction that matters to your business (ex. online sign ups, in-app purchases, phone calls, etc.) and set up your conversion tracking in accordance with Google Ads best practices.

Tag your site for remarketing

To ensure you're connecting with previous site visitors through your SDCs, you'll need to add a snippet of code to your site, known as a remarketing tag. You can set this up through Google Ads or through Google Analytics. You do not need to build remarketing lists for your SDCs; our algorithms will automatically take your Audience insights into account.

Leverage reCaptcha to ensure quality conversions (if your focus is lead generation)

reCaptcha is a free API developed by Google that helps prevent bot activity on your forms. It uses advanced techniques to automatically detect whether a given user is a bot or a human, and presents more difficult challenges to suspected bots. This allows high quality users to get through with minimal inconvenience, but still disrupts bot activity and prevents them from submitting low quality leads.

Familiarize yourself with the SDC ramp-up process

SDCs can take some time to scale and stabilize depending on how many conversions you're generating (a higher conversion volume typically yields faster optimization). The length of this learning period (typically 2-4 weeks) will impact when you can make changes to your campaign and evaluate your performance. To confirm whether your campaign is still in learning mode, visit the Campaigns tab and check your status.

Google Ads

Implementation

Here are a few important notes to keep in mind as you walk through the implementation process:

Be mindful of your campaign structure

If the budget you're willing to spend per product grouping or geographical location is different, we recommend that you **build separate campaigns based on your budget allocations.**

Confirm that you're using a proper ad group structure

Each ad group directs to one landing page and uses a combination of the same set of creative assets. **Create separate ad groups when advertising a different product/service.**

This ensures that your ads will be super-relevant and customized to the viewer. The more relevant your ads are, the more likely the user is to click through and convert, ultimately helping you meet your conversion goals.

examples

Campaign 1	Campaign 2
Geo 1	Geo 2

Campaign 1	
Ad Group 1	Ad Group 2
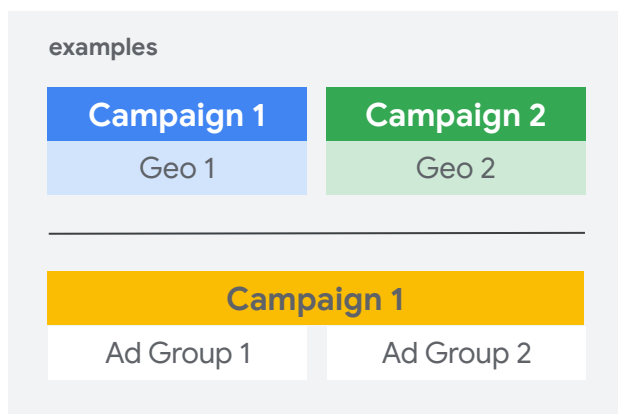
Allocate a sufficient daily budget

With an adequate, unconstrained budget, your campaign will have bandwidth to explore more opportunities to connect with customers. As a general rule of thumb, **we recommend setting a daily budget of at least 10x your target CPA.**

Provide strong creative assets

Google automatically builds SDC ads using the assets you provide. To ensure that your ads are eye-catching and compelling to viewers, it's important that you provide the system with high-quality inputs.

We recommend entering 5 high-quality assets per category – headlines, descriptions and images – and one logo, all of which will support one landing page. These assets should be interchangeable within each SDC ad. Any headline, for example, could be paired with any description. Learn more about asset best practices in this Help Center article!

Keep in mind Your creative assets must go through the ads approval process before they can run externally. This process typically takes up to 24 hours. Assets that are still under review will show a status of "waiting" in the Google Ads interface.

Google Ads

Implementation   *continued*

✓ Set a realistic CPA bid

If you've been running Display campaigns focused on finding new customers (such as In-Market or Similar Audiences) and are now launching SDC, **start with a CPA bid target that is on par with the average CPA of your existing campaigns for the same product/service.**

If the only campaigns you've been running on the Display Network are remarketing, **start with a CPA bid target that is 20%-30% higher than the average CPA of your remarketing campaigns.**

Keep in mind that your average CPA for SDCs will likely be higher than that of a traditional Display remarketing campaign, since it is not only re-engaging your existing customers, but also expanding your reach to brand new customers.

If you've never advertised on the Google Display Network before, **start with a CPA bid target that is at least 50% higher than your average CPA on your Search campaigns.**

Remember, SDCs will enable you to reach new customers who are not actively searching for your products, but do demonstrate interest in making a purchase.

! We recently launched a new option that allows you to pay for conversions, rather than clicks, when running SDCs. Paying for conversions means that you only pay when customers convert through your website or app.

Learn more about pay for conversions here and don't hesitate to contact your Google Ads Representative if you have any questions!

✓ Link your product feed (if applicable)

If you have a product feed, we'll use it's data to serve highly-customized, dynamic ads to any previous site visitors that receive ads through your SDC. You can attach your product feed to your SDC one of two ways:

- During initial implementation: Head to the "advanced settings" section and click on "dynamic ad settings," where you will see the option to attach your feed.

- Post-implementation: Visit your campaigns settings tab and click on "dynamic ad settings."
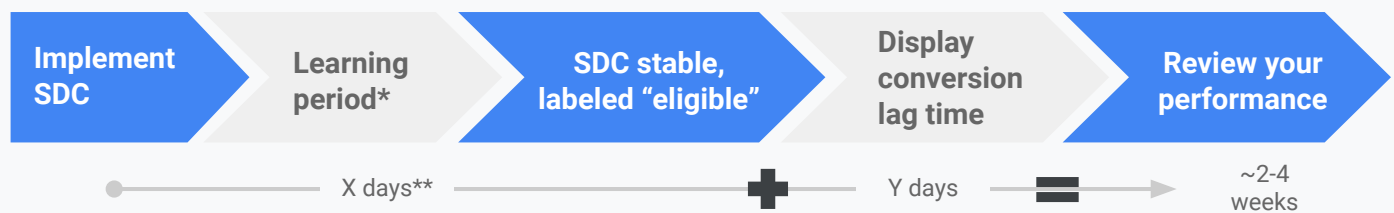
Google Ads

Measuring the success

Once you've implemented an SDC, it's important to consider how you will evaluate its performance.

We **do not recommend assessing your SDC until your campaign's learning period is complete** and its performance has stabilized. **You should also factor in your standard time lag for Display conversions** (the average time it takes for a click to result in an online conversion).

For example, if your standard time lag for Display conversions is Y days, you should wait to review your performance those many days after your SDC is out of the learning period and it's status is labeled as "eligible." For most advertisers, the pre-evaluation period lasts about 2-4 weeks.

Implement SDC	→	Learning period*	→	SDC stable, labeled "eligible"	→	Display conversion lag time	→	Review your performance
←————— X days** —————→				**+**		Y days	**=**	~2-4 weeks

*You can check this by visiting your Campaigns tab and reviewing the status column. **Actual number of days varied based on account.

The primary way to evaluate your SDC is to consider how many conversions it is driving at your target CPA. This is the data that the algorithms use to optimize your campaigns. That said, you may also wish to consider secondary metrics to track, based on your business goals. Advertisers have various options when choosing the success metrics that gauge the effectiveness of Display and can value these engagements differently.

As you consider the metrics that you wish to track, keep in mind:

Display ads have the ability to influence a potential client and encourage them to make a purchase. This might materialize at the time of seeing a Display ad or later through search or a direct site visit.	Even if no click occurs on your Display ads, they may still attract your clients' interest in your brand and products.	Most advertisers place value on whether an ad view resulted in a conversion, regardless of whether the customer interacted with the ad. [1]

Once you've selected the metrics that you want to track, review your performance in:

1) Google Ads

You can view your success metrics directly within the interface. Remember, if you measure your SDC activity against other channels that leverage view-through conversions by default, build view-through conversions into your CPA calculations along with your click-through conversions.

2) Google Analytics
(if you've set up and linked an account)

When assessing your performance use the Model Comparison tool to understand the impact that can be attributed to your SDCs.

Source: [1] Google – External Practitioner's Guide

Google Ads

Optimize

SDCs leverage machine learning to understand your users' signals and automatically adapt your campaigns to meet your performance goals, without requiring any effort on your end. That said, you can further boost your performance by making tweaks to your SDC settings and inputs.

Revise your creative assets

To boost ad performance, it's important to regularly test new creative. Leverage your Asset Report to understand how your existing assets are performing relative to one another. The report ranks each asset as "best", "good," and "low," based on how frequently ads that include these assets generate conversions. As you review and adjust your ads, we recommend:

- **Rotating in new assets regularly.** View your asset report and swap out assets with "low" performance. Note: you may wish to draw creative inspiration from top performers, which are resonating with customers!

- **Building ads with seasonal/promotional assets to support your business needs.**

Avoid replacing all assets simultaneously, which can negatively impact campaign performance. Instead, rotate in new assets gradually to replace low performers. This will limit campaign volatility and give the system time to learn.

Optimize your landing pages

Our algorithms will optimize your SDCs to get more people to your site, but they won't make any adjustments to your website itself. Your site's content, design, usability and speed all heavily impact whether a visitor completes a conversion. Use this guide to review the components of a strong landing page and identify adjustments that you may wish to make to your designated landing pages.

It's also crucial to ensure you're selecting the *right* landing pages for the audiences you wish to reach through your SDCs. Build ad groups around specific audiences by targeting product category pages of your site which will allow the SDC to find the most relevant audience for that particular content.

Google Ads

Optimize   *continued*

Re-evaluate your budget allocation

It's important to confirm that your SDCs are not budget-constrained, which may cause you to lose out on valuable conversion opportunities.

If your budget is constrained, try boosting it to at least 10-20X your target CPA or uncapping it altogether to drive even more conversions at your target CPA.

If you're still running manual Display campaigns (such as In-Market, Similar Audiences, etc.), consider reallocating budget from these campaigns to your SDCs. To avoid performance volatility, limit your budget changes to once a week, at most.

Make adjustments to your bid settings

Once your learning period is complete, you can start to make gradual adjustments to your CPA bid targets. To prevent volatility, **we recommend making small, incremental adjustments of +/- 10-20%.**

Is your campaign budget-constrained?	**If your campaign is not budget-constrained, and you wish to scale the growth of your SDCs:**
Leverage Maximize conversions bidding to drive as many conversions as possible within your specified budget. Learn more here.	Raise your target CPA bid to increase competitiveness.

Google Ads

Ready to set up an SDC? Check out this step-by-step guidance!

Consider shifting to Pay for Conversions

Google's new billing option allows marketers to find their highest-value customers in a cost efficient manner on the Google Display Network. **Paying for conversions means you only pay when customers convert on your website or app rather than paying when they click.** The option to pay for conversions is available when you use Target CPA bidding on eligible tCPA campaigns.

What are the benefits?

Pay only for conversions

You pay only what you set as the target CPA **when we drive a conversion, instead of paying for clicks**. This is a good way to estimate and set an ROI that you are expecting to see.

Experience Smart Bidding

Pay for Conversions allows you to experience Smart Bidding first hand. Google's automated bid strategies **use machine learning to optimize for conversions** or conversion value in every auction.

Compare Pay for Clicks to Pay for Conversions

Determine whether moving beyond paying for clicks suits your goals. Below is a roundup of the key differences between the 'Pay for Clicks' and the 'Pay for Conversions' billing models.

	Pay for Clicks	Pay for Conversions
Bidding	Compatible with select automated bidding and bidding strategies.	Compatible with Target CPA Smart Bidding strategy.
Budget	Set a daily or lifetime budget. Your ads may stop running if your budget is extinguished or you reach the campaign end date. For lifetime budgets, Google Ads will try to spend your total budget evenly over the duration of your campaign to optimize performance and generate the maximum number of clicks.	Set a daily budget, which will be extrapolated to a monthly calendar budget from the highest daily budget set during the calendar month. Google Ads uses this monthly budget (the pacing of this spend may not be even) to generate conversions. This may result in the budget being exhausted before the end of the month, and your campaign could stop serving.
Payment	You pay every time a user clicks on your ad.	You pay every time a user who arrived on your site through clicking on one of your ads completes a conversion. The conversion could be a sale, lead, download, or any other conversion that you define.
Billing	Billing is calculated as the **number of clicks on your ad multiplied by CPC**. This CPC is based on your bids on the day that the click occurred. You will not be billed for ad impressions.	Billing is calculated as the **number of conversions multiplied by tCPA**. The conversion is always billed at the tCPA based on day that the impression occurred. You will not be billed for ad clicks/ impressions.

Ready to get started with Pay for Conversions? Here are some helpful resources:
Get started with Pay for Conversions | Automate your Bidding Strategy | Target CPA Bidding

[1]**Source:** Google/Shopper Sciences, Zero Moment of Truth Macro Study, April 2011

Most common pitfalls to avoid

#1
Setting an unrealistic tCPA bid

If your initial CPA bid is too low, your SDC will not have the flexibility to meet its full potential during the learning period.

Leverage the guidance outlined here to determine realistic initial CPA bids.

#2
Setting an insufficient daily budget

For optimal performance, we recommend allocating a budget of at least 10x your target CPA. This provides the campaign sufficient bandwidth to explore opportunities for conversions at all hours of the day and prevents you from losing out on valuable conversions.

#3
Making changes during a campaign's learning period

SDC algorithms leverage your initial campaign setup to drive performance that meets your goals. We recommend limiting the changes made to your campaign or landing pages until your learning period is over.

Moving forward, we recommend making changes gradually to prevent the campaign from going back into learning mode. Bid changes are particularly impactful, so we recommend limiting your adjustments to +/- 10-20% at a time.

#4
Lack of creative assets

SDCs run creative testing across many different combinations of images, headlines, logos and descriptions to achieve optimal performance. The more assets you provide, the more flexibility your campaign has to test new ad combinations. Be sure that you're providing the system with a wide variety of high-quality ad inputs that are reflective of the landing page you are driving users towards.

#5
Neglecting to tag your website for remarketing

SDCs enable you to easily re-engage users who have already visited your website and have a high likelihood of converting. To ensure you're taking advantage of this benefit, be sure to add a remarketing tag to your site. You can use the Tag Assistant Chrome extension to confirm that you have installed your tags properly across your website.

#6
Uploading static ad creative instead of individual assets

Through machine learning, SDCs build smart ad combinations that are customized to your audience. To benefit from this feature, you must provide the system with a variety of individual assets, rather than uploading your existing, static ads.

Google Ads