Google Ads

Unlock the Power of Search

Inside Google AI-powered ads



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In this guide, we'll take you behind the scenes and walk through how Google Ads keyword matching solutions work. You'll learn what signals are used, how queries match to keywords, how Google Al-powered tools make keyword matching more effective, and what you can do to improve performance.

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The keyword challenge

Search marketing has always had one goal: delivering the right ads to the right customer.

But consumer behavior is changing. Google sees billions of searches every day many of which we've never seen before. Various factors can lead to this, such as people not knowing the best way to search for something when they first learn about it, or unexpected world events.

As customer behavior and technology evolve, so does the way we deliver ads. The goal is the same, but now we can do even more to create excellent ads experiences.

Consumer behavior and technology have changed over the years, and using an outdated keyword strategy may mean that you're missing out on valuable conversions and revenue.

Google Ads keyword matching

In Google Ads, keywords are words or phrases that are used to match ads with the terms people use when they search. You control which searches your keywords and ads will match to by using three <u>match types</u>: exact match, phrase match, and broad match. These match types determine how related a search can be to each keyword.



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Google Ads



Did you know? Phrase match reaches all the same queries that exact match reaches, and more. Broad match reaches all the same queries that phrase match and exact match reach, and more.





How we understand language and intent

There are many ways to say the same thing. At its core, Search is about understanding the intent behind the specific words that are used. It's our job to figure out what people are searching for and surface helpful information from the web, no matter what their searches look like.

As technology has evolved, so has our <u>understanding of how people search</u>. You may have seen this shift in your own searches over the years. Searching for "can you get medicine for someone at a pharmacy" used to return general search results around filling a prescription. Now, we understand that "for someone" is an important part of this query, and it matches to a result based on picking up a prescription for another person.

Keyword matching in Google Ads has evolved similarly. We used to match searches to keywords based on **syntax—matching the specific words within each search**. Now, the same technology that is used to understand search intent is employed in keyword matching. That's how we can match user searches to keywords based on **semantics—the meaning conveyed by the search—**in addition to the syntax.

For example, let's say you're a landscaper and have lawn mowing service as your keyword. People searching for "grass cutting service near me" or "local lawn cutting services" are likely to be interested in your business, even though they aren't using the exact words found in your keyword. By including an understanding of meaning in our keyword matching, it's easier for you to reach more people that are interested in your business and removes the need for exhaustive keyword lists.

When you use broad match, the system also looks at additional signals in your account to match more relevant traffic—which includes landing pages, keywords in your <u>ad group</u>, previous searches, and more.

For example, when a user searches for "rose", we may show them an ad for rosé wine or a dozen roses, depending on if their previous searches were for "summer drink ideas" or "florists".

By including an understanding of meaning in our keyword matching, it's easier for you to reach more people that are interested in your business and removes the need for exhaustive keyword lists.

How Google Ads keyword matching works

Our query systems are optimized to find searches that are likely to meet your goals. We've designed these solutions to work better together in an ecosystem, so you can reach the right user, with the right message, all within your business objectives. The process that takes a user from typing in a search to seeing your keyword-matched ad follows these core steps:

1

When a user enters a search on Google, **the system interprets their input using information like spell-corrections, synonyms, and related concepts to form the retrieval query.** This retrieval query is used to retrieve all potentially relevant keywords whose status is "enabled" rather than "<u>low search volume</u>".

2 Among the retrieved keywords, **the system checks for eligibility based on keyword match type**, requiring a much stricter match for exact keywords while allowing broader matching for phrase and broad match keywords, and campaign and ad group criteria.

For keyword eligibility, we use machine learning and natural language understanding technologies like BERT to better understand the intent behind search queries, and match them to the most relevant, best performing keywords.

For campaign and ad group eligibility, we check budget, geotargeting, audience targeting, negative keywords, that the ad group has at least one approved creative and landing page, time of day restrictions, and more.

3

When deciding between multiple eligible keywords for the same account or set of linked accounts, **the system prioritizes eligible keywords that are identical to the search term** or the spell-corrected search term (across all match types). In other words, if you use broad match keywords and want to ensure traffic goes to keywords that are identical to the user's search term, you don't need to repeat the same keywords in exact and phrase match.

¹ Note that keywords with the "enabled" status may not be enabled to serve, e.g. if they have low search volume.

In each ad group that has an eligible keyword, **the responsive search ads** creative system automatically assembles the best-performing creative for the user.

With responsive search ads, candidate ads are automatically assembled from the available headlines and description lines. These candidate ads are evaluated for their relevance to the user's query, and the creative expected to perform best is selected.

5 Bids are then calculated for use with Ad Rank.

With <u>Smart Bidding</u>, this means that a unique, optimal bid is set for each ad impression combination based on how likely it is that the ad, with that landing page, to that specific user, with that specific search query, will lead to a valuable conversion. Note that Smart Bidding uses data from across your account to predict performance, and is not limited to data from a single keyword or campaign.

If you're using manual bidding, the system will only use the static bid that was provided, along with any relevant bid modifiers.

The system selects the best combination of relevance and Ad Rank among the ad candidates still in consideration. These candidates consist of a matched keyword or landing page, a creative, and a bid.

Relevance is determined by looking at the meaning of the search term, the meaning of all the keywords in the ad group, and the landing page within the ad group. If broad match keywords are eligible to match, only relevant broad match keywords from the most relevant ad groups will be selected. This is why it's important to group your keywords into ad groups by theme. We consider these relevance signals in addition to <u>Ad Rank</u> when determining which keyword is selected.



6

Note: To ensure the most relevant keyword will always be prioritized when you use broad match, only broad match keywords from the most relevant ad groups will be considered. Ad Rank is then used to decide which keyword will be selected, including any exact and phrase match keywords that are eligible to match. Learn more about how a keyword is selected in the <u>Google Ads Help Center</u>.

Note: This system eliminates the need to add the same keyword in multiple match types to funnel traffic to certain areas of your account. When you duplicate keywords in separate ad groups or campaigns, it can:



- 1) Segment and reduce the available data that <u>Smart Bidding</u> can use for optimization, which may result in fewer conversions and higher costs.
- **2)** Increase the margin for error and make it harder to have consistent ads, budgets, targets, etc. across a large number of campaigns and keywords.
- 3) Cause you to hit your Google Ads account limits.

Note that if you have duplicate keywords for other reasons related to your business, you'll want to check that your goals can still be accomplished before making any changes.



8

The ad with the highest Ad Rank from each advertiser then enters into the auction. Because each advertiser only enters their best ad into the auction, no advertiser competes with themselves in the auction.

The auction then runs, and the ads with the highest Ad Rank across all advertisers show.



Did you know? Because each advertiser only enters their best ad into the auction, no advertiser competes with themselves in the auction.

Here's how it works in practice...





Reaching the right customers with your keywords

There are many ways to reach your customers with each match type, and many instances in which each can work well for you. Throughout the years, we've developed our products to work together in an ecosystem. For keywords, this means that your bidding strategy helps determine which match types are most effective for you.

For example, if you have clear performance goals and can accurately measure them within Google Ads, you'll get the best performance by optimizing for those performance goals using Smart Bidding, then pairing that with broad match. This will get you the most conversions within your performance objective because Smart Bidding ensures that for all relevant searches broad match helps you reach, you are competing in the right auctions, with the right bids aligned to your performance goals, for the right user. Or, if you have other goals like showing your ad 100% of the time when a user searches for your brand, you may want to consider <u>Target Impression</u> Share bidding paired with exact or phrase match.



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How to find more queries that perform

World events, seasonality, and constantly changing search trends have shown us how dynamic search behavior can be. It has become impossible to capture new opportunities and demand with a manual approach. This is why many marketers now turn to solutions like broad match to reach the expected searches, as well as the search terms that haven't been discovered yet. That's because broad match can reach searches related to your keywords, even if they don't contain the exact same words. For example, a specific query like "most popular gifts this year" can now match with the broad match keyword gift ideas because we can tell they're related in meaning, even though some words in the query and the keyword are different.

Broad match is the only match type that uses all of the signals available (i.e. landing pages, other keywords in the ad group, previous searches, user location, etc.) to understand the intent of both the user's search and your keyword, while having the flexibility to find the most relevant match that is expected to perform for you. Because exact and phrase match must adhere to additional matching requirements, they are restricted from using these additional signals.



Did you know? Broad match is the only match type that uses all of the signals available to understand the intent of both the user's search and your keyword, while having the flexibility to find the most relevant match that is expected to perform for you.

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The list below summarizes many of the important signals broad match takes into consideration.

| Broad Match Signals | Description | Example |
|-----------------------------------|--|---|
| Other keywords in the ad group | System looks at other keywords in your ad group to better understand the meaning of a keyword | Keyword: <i>pink socks</i> Search term: salmon socks Other keywords in ad group: red socks, blue socks, purple socks The system understands "salmon" refers to the color of the socks, not socks with pictures of fish on them. |
| Previous searches | System looks at previous searches to better understand the intent of the current search | Keyword: chicago vs ny baseball Search term: chicago vs ny Previous searches: baseball scores Based on the user's previous searches, the system understands that the user is interested in baseball scores between the two teams, even though the current search term only includes the two cities. |
| User location | System looks at the user's location to find more relevant matches | Keyword: <i>restaurants in NY</i> Search term: Restaurants near me User location: New York The system takes into account that the user is in New York in order to find more relevant matches. |
| Landing page | System looks at your landing page to better understand the context of your business | Keyword: shoes Search term: RunFarFootwear 1000 Landing page content: shoes for running ultramarathons, including the RunFarFootwear 1000 The system looks at your landing page to understand that you offer this type of shoe, so the search is relevant (even if your keyword doesn't contain the specific words in the search). |



Review the <u>search terms report</u> frequently to see which searches are triggering your ads and how those searches are performing. This report also helps you discover new ideas for creative and landing page content to align with what your customers are looking for. If you see terms that you don't want to match to, you can add them as negative keywords.

You can also <u>check consumer interest</u> insights on the <u>Insights page</u> to understand the consumer intent behind these searches. These insights aggregate the top performing themes for the search queries that drove performance in your campaigns. You'll see the number of people who searched for each theme, its growth and how it performed in your account.



Note: Test broad match with an experiment. Create an experiment to test out a broad match keyword strategy on the Experiments page.

If you're using Smart Bidding¹, we'll identify existing keywords that are likely to improve performance if you switch them to broad match, and automatically surface these opportunities to you on the <u>Recommendations</u> page in your account.

When to use exact and phrase match

We still recommend exact and phrase match for specific use cases, such as:

- Campaigns that don't have conversion based goals and don't use a conversion-based bid strategy, such as targeting an impression share on a specific set of search terms
- Campaigns that may have specific budgets and goals for specific terms, like brand and competitor campaigns
- Campaigns where matching only to specific user searches is mandatory based on industry regulations-like those in finance, pharma, and more



¹This recommendation currently applies to Target CPA, Target ROAS, Maximize conversions, and Maximize conversion value bidding strategies

Case Study

Meetic uses broad match to grow customer acquisition from generic search by 70%

The challenge

Meetic Group (part of Match Group), a leading online dating service in Europe (8 brands, 15 markets), operates a free registration / paid subscription model. After adopting Smart Bidding, Meetic was looking for their next growth opportunity. Besides a few common searches in the dating segment (e.g. dating, dating site) the dating category is mostly comprised of long-tail searches. For the small Search Marketing team, adding new keywords for all markets would be too time consuming, and they'd miss out on opportunities.

The approach

Meetic was initially apprehensive about losing control of queries its ads could appear on with broad match. Therefore, they started by testing broad match with Smart Bidding in one market. The initial results were impressive, so as a second phase they expanded broad match to 6 more markets.

The results

Conversions increased by **70%** and traffic to the site increased by **180K** clicks quarterly. Additionally, all broad match campaigns are meeting their CPA targets due to Smart Bidding.



"Broad match has become one of our top strategic tools for growing our search activities, enabling us to be less dependent on our industry's limited and competitive top keywords. It has shown strong results across all of our markets with incremental and qualitative conversions."

Audrey Rebelo | Head of Search

Setting the optimal bid for each user

Smart Bidding is a set of bidding strategies that uses AI to optimize for conversions or conversion value. Smart Bidding sets precise bids for each and every auction to help drive higher conversion volume or conversion value for your budget and return on ad spend (ROAS) goals.



Note: The machine learning algorithm is only as good as what it's given to learn. That's why measuring and reporting on the conversions that matter to your business is critical for helping Google AI work for you.

We recommend first setting up conversion tracking, then adopting AI driven conversion-based bidding strategies.

Why it's critical to use Smart Bidding with broad match

How Smart Bidding drives quality conversions with broad match

Every search query is different, and bids for each query should reflect the unique contextual signals present at auction-time. Smart Bidding takes into account signals like a user's operating system, web browser, language settings, time of day, presence on a remarketing list, and many more to optimize for performance differences across platforms and users. Smart Bidding also uses data from across your account to predict performance and is not limited to data from a single keyword or campaign. This additional context allows Smart Bidding to more accurately predict the conversion likelihood of each auction and set the optimal bid.

Essentially, Smart Bidding ensures that, for all of the relevant searches you could reach with broad match, you're only competing in the right auctions at the right bid for the right user. That means that Smart Bidding not only helps you get more conversions within your goals but that those conversions are also more valuable—in terms of both quality and revenue. This is all based on the conversion values that you send back to Google, which is why it's critical to measure and report on the conversion actions that matter most to your business.

Broad match works well with Smart Bidding because it expands the range of auctions available to the bidding algorithm. By providing Smart Bidding with more inventory, it makes it easier for it to reach your performance targets.

You can also use <u>Google Ads data-driven attribution (DDA)</u> modeling to understand the contribution of each keyword across the conversion path. DDA is fully integrated with Smart Bidding in Google Ads. If you use Smart Bidding to drive more conversions or conversion value, your bids will use this data to help you meet your goals.



How Smart Bidding drives performance with broad match

When you use a conversion-based Smart Bidding strategy, like <u>Maximize conversions with a target CPA</u> (cost per action) or <u>Maximize conversion value with a target ROAS (return on ad spend)</u>, **broad match can help you find more conversions within your budget.** Because broad match can choose from a wider range of queries, it can find additional queries expected to perform within your given target CPA or target ROAS.

Let's say you manage an Italian restaurant in San Francisco. Broad match can help you find a variety of interested people—from a couple searching "places to eat tonight" on their phones nearby, to a family searching "family friendly restaurants in SF", to a traveler searching "best risotto in North Beach" on their laptop in their hotel. While any of these users could visit your restaurant, the optimal bid to reach them will vary. Manually adjusting the bid on individual keywords for each of these users is impossible, and would lead to missed conversions. Smart Bidding can use machine learning signals to understand these users and automatically bid more for those that are most likely to buy from you. Learn more about how Google Al-powered bidding systems do this.

Advertisers that switch their exact match keywords to broad match in campaigns using a target CPA can see 35% more conversions. Advertisers that switch their exact match keywords to broad match in campaigns using a target ROAS can see 20% more conversion value.

Google internal data, July 2021

Additionally, Smart Bidding works best when it can aggregate all of the available data to optimize against your goals.

- Smart Bidding works best when you have a pooled budget and single bidding strategy across all campaigns with the same goals. You will get the best performance by keeping traffic together as it helps Google AI equalize the marginal ROI across all traffic, leading to the most possible volume at a given ROI level.
 That's why we recommend using one campaign per business objective, and one ad group per creative theme.
 For example, if you have different conversion goals for emerging markets and your core markets, they should be separated into different campaigns so Smart Bidding can optimize towards each of those goals.
- Smart Bidding works best when it can optimize towards the same marginal cost per conversion² across all related traffic. If that traffic is segmented into separate ad groups and campaigns (i.e. separate exact, phrase, and broad match keywords), Smart Bidding may have to attain the target average cost per conversion for each of the segmented match types independently. This can result in a higher marginal cost for some conversions, reducing the overall efficiency of the bid strategy. This is why we **don't recommend** single keyword ad groups.

Did you know? When you have a shared budget, a single portfolio bid strategy across campaigns with the same goals, and use broad match, Smart Bidding can optimize towards the same marginal cost per conversion to drive better performance.

This is why we don't recommend splitting up your account structure, where the traffic from the same keyword is split across campaigns that don't share a portfolio bid strategy.



²Your marginal cost per conversion is the cost of additional conversions (cost divided by increase in conversions). Your average cost per conversion is the cost of all your conversions (cost divided by total conversions).

Here's an example of how it works in these two scenarios using a target CPA of \$10:

- With a consolidated ad group: When all broad match traffic for a keyword is in a single ad group, Smart Bidding might set a marginal CPA of \$12.50 to attain the maximum possible conversion volume at your CPA target of \$10.
- With ad groups segmented by match types: When exact match or phrase match traffic for a keyword is split into another ad group from the one that has the broad match version, it could force Smart Bidding to set two different marginal CPAs (i.e. \$14 for exact and \$11 for broad). This would result in less conversion volume at your CPA target of \$10 because the lower marginal CPA of the broad match keyword means you'll compete in fewer auctions. Additionally, when you use exact match, you can eventually become inventory-constrained, and getting incremental conversions would cost significantly more.
 - When exact match or phrase match traffic for a keyword is kept in the same ad group as broad match (i.e. you have the same keyword in multiple match types in one ad group), you increase the margin for error and make it harder to have consistent ads, budgets, targets, etc. across a large number of campaigns and keywords.

| CPA Target: \$10 | | | | | |
|-------------------------------------|---|--------------------------------|------------------------------|--|--|
| | With ad groups segmented by match types | | With a consolidated ad group | | |
| Campaign | Shoes | | Shoes | | |
| Ad Group | Running shoes - exact match | Running shoes - broad match | Running shoes | | |
| Keywords | [running shoes] | running shoes | running shoes | | |
| Marginal CPA when avg CPA = \$10 | \$14 | \$11 | \$12.50 | | |

Google Ads





That's why if you're using Smart Bidding, there is no performance benefit from repeating the same keyword in multiple match types in a campaign. Smart Bidding works best in broad match-only campaigns because it has more data to optimize.



Did you know? when you add new keywords or move keywords to a different ad group. Google Ads bidding algorithms don't have to relearn performance from scratch. Because they learn at the query level rather than the keyword level, if a search query has already been matching to keywords in other parts of your campaigns, the algorithms simply apply what they've learned about it across your account to make more informed bidding decisions. In practical terms, this means you can simplify your accounts by predominantly using broad match for performance-based keywords.

Is exact match cheaper than broad match?

The short answer is **no. Our systems do not operate in a way that causes exact match to be innately cheaper than broad match.**

For example, if you pause an exact match keyword and have a broad match keyword pick up that traffic with the same bids, creatives, and budgets, **this will not change how the traffic that used to match to the exact match keyword is evaluated.** All other factors being equal, the cost for that traffic is equivalent to the exact match keyword. Adding new traffic, or moving existing traffic from one keyword to another – while keeping everything else constant – doesn't change how that traffic is evaluated.

Note that your reporting and account structure may make exact match appear cheaper. For example:

- You're comparing cost per click (CPC) instead of CPA / ROAS
 - Using broad match with Smart Bidding is designed to be the most efficient way to get you the most conversions within your bidding objective, not the cheapest CPC.
- You're using broad match only to find new queries, with core performance-based queries in exact match
 - Comparing broad match for new queries vs. exact match for queries you already know will perform is not an apples-to-apples comparison. We recommend setting up a test on the <u>Experiments page</u> to compare the performance of the same keywords in broad match and exact match.

Case Study

Mey & Edlich drives 137% more conversions by adopting broad match and Smart Bidding

The challenge

The German online retailer Mey & Edlich offers high-quality fashion. They had seen declining revenues from their Search campaigns, and wanted to find ways to increase performance while staying efficient.

The approach

In order to generate efficient growth, Mey & Edlich followed a two-step approach. First, they implemented Smart Bidding, responsive search ads, and dynamic search ads to ensure they were getting the most out of automation. In order to find new relevant Search traffic, they ran a drafts & experiments test with broad match keywords.

The results

The test strongly outperformed the original set-up, driving a **137%** increase in conversions and a **204%** increase in revenue–all while staying efficient and improving ROAS by **24%**. This lead to the full roll-out of broad match keywords across all product categories.

"We are excited about the results of the optimization. The broad match setup surprised us with a strong revenue growth, but the even better thing is that there was no downside in efficiency. The new setup leads to a valuable amount of new customers and a wider spread of our ads."

Thomas Prange, Marcus Bauer | Performance Marketing

Creating the most relevant ad

Responsive search ads combine your creativity with the power of Google AI to help you show more relevant ads to more people. They help you compete in a wider variety of relevant auctions by delivering ads that adapt to show the right message for the right query. This means that you can drive incremental conversions and create fewer ads.

Why keyword theming is important for ad relevance

Creative assets and landing pages are shared across your ad group. Focusing each ad group on a creative theme makes it easier to write relevant, high-quality creative assets that perform well across all of the traffic in your ad group. <u>Ad Strength</u> provides you with feedback to help you focus on providing the right messages to your customers. This helps you determine if the themes of your keywords are incorporated into your ad copy.

Ad Strength has two components: the overall rating that indicates the effectiveness of a relevant ad, and the specific action item(s) that can improve the strength of the ad. When making changes to your keywords, Ad Strength will update to reflect the relevance of your ads for those keywords. <u>Click here</u> to learn more about how to create effective Search ads.



Did you know? Group your keywords by themes. Grouping your keywords into similar themes makes it easier for Google to understand your keywords, select the best one, and determine which ad should serve for each query.

Why responsive search ads work well with broad match

Al-powered responsive search ads work with broad match because the system needs flexibility to optimize the right creative variant to each query. By entering multiple headlines and descriptions in a responsive search ad, Google Ads will automatically learn which combinations perform best across all of the traffic provided by broad match.

How match types affect Quality Score

Keep in mind that changing keyword match types will not impact <u>Quality Score</u> because it's based on the historical impressions for **searches that are identical to your keyword**. For example, if all else is equal (bid, ad, etc.), the broad match keyword running shoes and exact match keyword [running shoes] should have the same Quality Score.

If your broad match keyword running shoes matches to the search "shoes for running", that doesn't factor into its Quality Score. Note that Quality Score is meant to be a diagnostic tool only, to give you a sense of how your ad quality compares to other advertisers.

Advertisers that switch from expanded text ads to responsive search ads, using the same assets, in campaigns that also use broad match and Smart Bidding, see an average of 20% more conversions at a similar cost per conversion.

Google internal data, Global, 6/3/2021 - 6/12/2021

Here's an example of how it works: let's say you're a shoe retailer using responsive search ads, Smart Bidding, and broad match keywords like running shoes and marathon shoes. Below, you'll see how Google AI incorporates multiple signals to serve the most relevant ad to each person.



In this example, an ad for marathon shoes was served to a search for "running shoes" instead of an ad with a headline of "running shoes" – even though you might think the latter is more relevant to the query. Because Google AI is able to incorporate more information to better understand the **user's intent**, it's able to personalize the right message for each search.

Case Study

By combining broad match, responsive search ads, and Smart Bidding, Tails.com drove 182% increase in trial sign-ups at a stable cost per conversion

The challenge

tails.com is a subscription company offering tailor-made dog food that recently expanded its offering to Germany. With limited brand awareness and a competitive market in Germany, it was important for them to find a strategy to scale sign-ups from generic searches, and cost-efficiently.

The approach

tails.com tested switching broad match modifier keywords to broad match on generic campaigns in a A/B test with drafts and experiments. They followed all automation best practices, including the use of Smart Bidding, responsive search ads, and data-driven attribution.

The results

The broad match campaigns strongly outperformed the original campaigns. Traffic increased by **258%**, which then led to a **182%** increase in sign-ups. In addition, conversions from generic campaigns nearly tripled, leading to an all-time high in trial sign-ups since the brand's launch in Germany–all at a stable CPA. After the first wave of experiments proved successful, they rolled out broad match across all generic campaigns.

View their story on <u>YouTube</u>.



"Testing broad match has allowed us to capture longer tail keywords that generated extra sign-ups at the same cost-per-signup as before"

Lucy Tsyrenzhapova | Performance Marketing Manager

Key takeaways

The consumer journey and search behavior is constantly changing, which makes it impossible to anticipate every keyword that's relevant to your business. That's why Google Ads keywords are designed to work with other Al-powered products in an ecosystem – namely responsive search ads and Smart Bidding – to give you the best reach, relevance, and performance in any environment. Here are some final takeaways to keep in mind:

- Align your keyword strategy with your bidding: You should group your campaigns by your bidding goals. If you can accurately measure your conversions and use a conversion-based Smart Bidding strategy, broad match gives you the most reach and conversions within your goals. If you have other bidding goals, like Target Impression Share, you may want to consider using phrase match or exact match.
- Broad match helps you find more queries that perform: Broad match is the only match type that uses all of the signals available (i.e. landing pages, other keywords in the ad group, previous searches, user location, etc.) to understand the intent of both the query and your keyword, while having the flexibility to find the most relevant match that is expected to perform for you.
- It's critical to use Smart Bidding with broad match: Smart Bidding ensures that for all the relevant searches broad match helps you reach, you are competing in the right auctions, with the right bids aligned to your performance goals, for the right user (determined by all the signals taken into account).
- If you're using Smart Bidding, there's no need to repeat the same keyword in multiple match types: Because Smart Bidding works best with aggregated data, and broad match reaches the same queries that phrase match and exact match reach, you can simplify your accounts by using broad match with Smart Bidding. In fact, when you duplicate the same keyword in multiple match types, it segments the data Smart Bidding has to work with, and can reduce performance.
- Measurement is the foundation that helps Google Al work: Make sure you're measuring the conversions that matter to your business, and that you're providing that data through Google so Smart Bidding can optimize for the right customers. Also, use data-driven attribution to understand the contribution of each keyword across the conversion path.
- Keyword theming is more important than ever: Grouping your keywords into ad groups and campaigns with similar themes makes it easier for Google to understand your keywords, select the best one, and determine which ad should serve for each query.
- Responsive search ads keep your ads relevant, especially when you use broad match: Al-powered responsive search ads work best with work best with broad match because the system needs flexibility to optimize the right creative variant to each query. By entering multiple headlines and descriptions in a responsive search ad, Google Ads can automatically learn which performs best across all of the traffic provided by broad match.
- Google Al-powered tools are designed to help you spend less time managing your ads, and more time managing your business: Get the best reach, relevance, and performance with broad match, responsive search ads, and Smart Bidding. Broad match reaches all queries that exact and phrase can reach plus more, responsive search ads automatically create relevant ads for each of those queries, and Smart Bidding customizes bids for every query—not just every keyword.



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<u>Did you know?</u> When you have a shared budget, a single portfolio bid strategy across campaigns with the same goals, and use broad match, Smart Bidding can optimize towards the same marginal cost per conversion to drive better performance.

This is why we don't recommend splitting up your account structure, where the traffic from the same keyword is split across campaigns that don't share a portfolio bid strategy.



Did you know? when you add new keywords or move keywords to a different ad group. Google Ads bidding algorithms don't have to relearn performance from scratch. Because they learn at the query level rather than the keyword level, if a search query has already been matching to keywords in other parts of your campaigns, the algorithms simply apply what they've learned about it across your account to make more informed bidding decisions. In practical terms, this means you can simplify your accounts by predominantly using broad match for performance-based keywords.



<u>Did you know?</u> Group your keywords by themes. Grouping your keywords into similar themes makes it easier for Google to understand your keywords, select the best one, and determine which ad should serve for each query.



Glossary

Ad group: An ad group contains one or more ads that share similar targets. Each of your campaigns is made up of one or more ad groups.

Algorithm: A set of rules to be followed by a computer in calculations.

Attribution: How much credit an ad interaction gets for a conversion.

Automated bidding: A solution that helps advertisers automatically set bids based on performance goals.

Average CPA: The cost of all your conversions (cost divided by total conversions).

Bidirectional Encoder Representations from Transformers (BERT): An open-sourced neural network-based technique for natural language processing (NLP) pre-training. BERT models can consider the full context of a word by looking at the words that come before and after it—particularly useful for understanding the intent behind search queries.

CPA: Cost-per-action, calculated as total cost divided by total conversions.

CPC: Cost-per-click, calculated as total cost divided by total clicks.

Conversion: An action that's counted when someone interacts with your ad or free product listing and then takes an action that you've defined as valuable to your business.

Conversion value: The values you assign to certain actions that matter to your business, for example \$5 for calls and \$20 for sign-ups.

Data-driven attribution (DDA): Gives credit for conversions based on how people engage with your various ads and decide to become your customers. It uses data from your account to determine which keywords, ads, and campaigns have the greatest impact on your business goals.

Machine learning: A system that trains a predictive model from input data.

Margin for error: An amount that is given in case of mistakes.

Marginal CPA: The cost of additional conversions, calculated as cost divided by increase in conversions.

Marginal ROAS: The additional return you get for additional spend, calculated as increase in conversion value divided by increase in spend.

Portfolio bid strategy: An automated, goal-driven bid strategy that groups together multiple campaigns, ad groups, and keywords.

ROAS: Return on ad spend, calculated as total conversion value divided by total spend.

ROI: Return on investment, calculated as total profit divided by total spend.

Search auction: The process that happens with each Google search to decide which ads will appear for that specific search and in which order those ads will show on the page (or whether or not any ads will show at all).

Search query: The word or set of words one enters when searching on Google.com or one of our Search Network sites.

Search signals: Attributes or context about a search query.

