

PPC Bid Management Guide

Top Bidding Tips from 10 PPC Experts



A WordStream Guide

PPC Bid Management Guide

Top Bidding Tips from 10 PPC Experts

PPC Advisor Free Trial

Make smart bid changes, write better ads, improve results and save money — all in just 20 minutes a week with a free trial of PPC Advisor.

[Start now.](#)

PPC bid management is one of the more complicated areas of PPC marketing, so many advertisers choose to automate using either the automated bidding option in Google AdWords or a third-party bid management solution. Both approaches have their upsides and downsides — Google's automated bidding feature is free, but requires you to give up complete control, and it's less than transparent. Third-party bid management software is generally more robust, but (obviously) it comes with a price tag, so it may not be feasible for smaller, budget-strapped advertisers.

I was curious how most AdWords advertisers handle the PPC bid management process, so I asked 10 practicing PPC experts three questions:

1. **Do you use automated AdWords bidding in Google AdWords? Why or why not?**
2. **If not, when do you raise and lower keyword bids?**
3. **What's your best PPC bid management tip?**

Read on to learn their answers and get some awesome PPC bid management tips from the pros!

Aaron Levy

Do you use automated bidding in Google AdWords? Why or why not? If not, when do you raise and lower keyword bids?

No-ish. SEER uses a third-party tool for reporting and bid management. The tool can set up specific bid rules (either on a keyword or ad group level) and our software sends us alerts whenever a specific keyword or grouping meets the criteria.

I prefer this to the AdWords automated bidding, largely because I have to go in and actively approve (or reject) each bid change. With AdWords automated bidding the changes are ... well, automated! While you can go in and revert after the fact, I like to check before things are posted to make sure the changes are in line with goals.

The main rules I run are checking to make sure top-performing groups are getting the traffic they deserve, and to make sure that we're not paying too much for competitive terms. A few examples:

- **Rough keywords/groups:** If CPA is 2x goal and position is less than 3, reduce bids.
- **Strong keywords/groups:** If conversion rate is 2x average and position is less than 3, increase bids.



More often than not,
the top position isn't
the most profitable.

What's your best PPC bid management tip?

Don't bid more than you can afford! More often than not, the top position isn't the most profitable.

Aaron Levy is a PPC associate at [SEER Interactive](#), a Philadelphia-based search agency. He's been involved in digital marketing for the better part of 5 years, and has managed clients as large as Fortune 50 companies and as small as regional plumbers.

Brad Geddes

Do you use automated bidding in Google AdWords? Why or why not?

That really depends on the client. We have used third-party bidding software, AdWords CPA bidding, Excel spreadsheets, and helped others build their own system. Some of the big questions we look at are:

- **Scale:** How many keywords, placements, audiences, etc. need to be adjusted.
- **Conversion volume:** How many conversions happen on a daily/monthly basis.
- **Average sale amount & margins:** Is the amount/margin static, within a small range, or all over the place?
- **Sale/lead flow:** One-off sales, sales forces, phone calls, affiliate, downloads, etc. How does a sale actually happen and what steps are taken along the way?
- **Technical integration:** How many systems need to talk to each other to get the data correct?
- **Technical savvy:** Can the client create and maintain their own system?
- **Long-term goals:** What should the account look like in 1-3 years?

With all of this information, then you can examine the cost benefits of where and how the accounts are managed and what technology is required.

I don't think there's a one-solution-fits-all approach. A site making \$15/lead with 100 leads a month doesn't need to pay for a huge bid management system. A site doing thousands (or tens of thousands) of sales where the prices and margins are variable needs a robust system. A site that is bidding on multiples of email captures, page views, click-outs, sales, installs, downloads, etc., probably needs their own custom system.

If not, when do you raise and lower keyword bids?

That depends on volume, volatility, CPC ranges, and workflow. The higher any one of those items are, the more often bids need to be examined. A site spending \$100/month does not need daily bidding. An account spending \$4mm/month needs to change bids multiple times per week. Some companies watch how busy their sales force is and adjust bids or campaign budgets in real time based upon call volume, phone wait times, and their current capacity, which is a workflow bidding environment.

What's your best PPC bid management tip?

Understand the true value of a customer and work to increase the customer's value post sale. If you can raise the customer value and have a true picture of customer worth, then you can make much better bid decisions. I can't count the times I've seen a company say "My competitors must be losing money — there's no way they can afford to pay that much"; and sometimes I'll know the other side (of course, I can't say that) and that they aren't losing money. In reality, they have great lead nurturing, upsell, and customer retention programs that make their customer worth more.

Brad Geddes is the founder of [Certified Knowledge](#), a PPC training and toolset platform. He is the author of [Advanced Google AdWords](#), and an official Google AdWords Seminar Leader.

Elizabeth Marsten

Do you use automated bidding in Google AdWords? Why or why not?

I use a combination of automated rules bidding and manual bidding. I rarely use tools like Enhanced CPC or CPA. Why: I find that unless the campaign has significant and consistent conversion data, the automated options are more expensive than manual CPC bidding or using an automated rule to control costs.

If not, when do you raise and lower keyword bids?

Depends on the amount of data/spend, but weekly is at minimum when bids see evaluation and adjustment.

What's your best PPC bid management tip?

For new campaigns, I take the suggested max CPC by the traffic/keyword estimation tools and add another 25-50% to the max CPC for the ad groups. It's better to start high and come down than to try and keep climbing up. Build that Quality Score right out of the gate.

Understand the true value of a customer and work to increase the customer's value post sale. If you can raise the customer value and have a true picture of customer worth, then you can make much better bid decisions.

For new campaigns, I take the suggested max CPC by the traffic/keyword estimation tools and add another 25-50% to the max CPC for the ad groups. It's better to start high and come down than to try and keep climbing up.

Elizabeth Marsten is the Director of Search Marketing at [Portent, Inc.](#), an internet marketing company in Seattle, WA. She oversees the day-to-day workflow of PPC, SEO, Links, Copy and Social at Portent while also managing some PPC clients of her own.

Jeff Daniel

Do you use automated bidding in Google AdWords? Why or why not?

I do not. I use a third-party bid management tool for our SEM efforts for a couple reasons:

1. **Workflow Efficiency.** I, like most search marketers, run campaigns on more platforms than just AdWords. So I use a third party bid management tool to manage all of my campaigns. Sure, I could use the AdWords tool, but then I would be using one tool for that and another tool for the rest and that just doesn't make sense for us to do.
2. **Objectivity.** Letting Google optimize for me seems little like "letting the fox in the hen house." I'm sure their tool does a great job but I wouldn't feel comfortable about turning over this much spend control to them.

If not, when do you raise and lower keyword bids?

Bid strategy is completely dependent on the account goals. For example, if I'm optimizing for conversions and have a CPA goal of \$15, bid management tools might automatically slash bids on keywords that are delivering CPAs over \$15. Of course, that's what they're supposed to do, but what if there are still keywords delivering at \$15.50 and I could be missing out on real sales? Automated rules don't usually account for that. I like to manually monitor situations like this to understand where to raise and lower bids instead of "setting it and forgetting it" with a tool. I also typically look at a basic 20/80 percent rule (although not fixed to those specific numbers) — manually monitor and optimize the top 20% performing keywords delivering on my goal and providing the most volume and let the bid management tool optimize the other 80%, assuming I'm 100% comfortable with the tool itself.

What's your best PPC bid management tip?

If you're going to use any PPC bid management tool, learn everything you can about it. How does it really work? What are its limitations? What are its advantages? Understand the ins and outs to make sure the tool can and will do what you think it will do to ensure that you won't end up actually hurting performance. By knowing this information, you can make sure the tool is making the right decisions when you're not looking.

Jeff Daniel is an account supervisor at [Fuor Digital](#). He oversees digital media strategy, planning and execution across a variety of vehicles and tactics.



Joe Kerschbaum

Do you use automated bidding in Google AdWords? Why or why not?

Yes! We use a couple different automated bidding options provided by Google. We use a third-party tool as well. Depending on the needs of the campaign, we use Cost-per-Acquisition bidding (CPA) or we use AdWords automated bid rules.

As a rule of thumb, we utilize CPA bidding (Conversion Optimizer) to maintain mature, stable campaigns. For those types of campaigns we can focus our optimization efforts on ad testing, negative keywords, ad group break down, etc. We use the automated bid rules when we want to maintain control, and get more specific with our bid adjustments. In general, we use AdWords automated bid rules to improve a campaign that may have fluctuating performance.

We also use automated bid rules to launch new campaigns as we establish ad position, click-through rates and Quality Scores.

If not, when do you raise and lower keyword bids?

We utilize as much automation as possible. This way we can focus our optimization brainpower elsewhere within our campaigns. However, there are campaigns that aren't eligible for automation, such as those with low conversion volume (high value but few conversions). When this is the case, we monitor bids, ad rank, CTR and other metrics at least once per week and make changes as needed.

What's your best PPC bid management tip?

I have two bonus tips.

1. **Monitor your automation closely:** You can't set and forget your bid rules. Monitor the trends closely to make sure the rules that you've implemented are actually helping your campaign. You may find that your settings are too aggressive or not aggressive enough.
2. **Adjust automation strategy as needed:** Throughout the life of a campaign, there will be varying strategies and goals. At some point you may need to focus on increasing volume (impressions, clicks). At other points you may need to focus on improving ROI (lowering CPA, increasing conversion rate). As these needs shift over time your automation should evolve as well. Remember, bid rules can be paused or adjusted to suit your current needs. Of course, don't adjust your bids too frequently. But don't be afraid to adjust in order to focus on your current KPIs.

Joseph Kerschbaum is Vice President of [Clix Marketing](#).

At some point you may need to focus on increasing volume. At other points you may need to focus on improving ROI. As these needs shift over time your automation should evolve as well.



The most advanced prediction models won't beat a PPC manager who sees the sun shining and decides to raise bids for sunscreen.

Martin Roettgerding

Do you use automated bidding in Google AdWords? Why or why not?

I believe that there is often a human advantage when it comes to bidding. Algorithms are great to make sense of tons of data, but when it comes to semantics, they're lost. The most advanced prediction models won't beat a PPC manager who sees the sun shining and decides to raise bids for sunscreen. However, when an account grows there is a point where manual bidding is no longer feasible. You simply can't look after thousands of bids manually. So yes, we absolutely use automated bidding. This includes proprietary software as well as Google's Conversion Optimizer.

If not, when do you raise and lower keyword bids?

Even though we usually rely on automated bid management, we've found that there are times when it's necessary to intervene and correct things manually. A classic example would be the first day in December, when you can no longer ship in time for Christmas. Conversion rates drop like a stone from one day to the next, but most bid management systems will need some time to adapt to the change. Unless you intervene, your bids will be far too high at a time when many people still search and click on your ads.

Another extreme but not uncommon example is a software effectively "killing" a keyword. This might happen if you advertise for a product that is temporarily out of stock. A corresponding keyword will then perform badly and will consequently be bid down. If the bids get too low, there is little or no new performance data and the keyword can't redeem itself. An automated system is stuck here. If you want to give the keyword another chance, you have to raise the bid manually.

What's your best bid management tip?

The best bid management tip would of course be to understand how the ad auction works and that improving CTR and therefore Quality Score is often cheaper than increasing bids. But with so many experts I expect that this one is mentioned more than once. So let me just share a little hands-on tip: Whenever you have to raise or lower all bids in a campaign quickly, consider the ad scheduling settings. Simply adjust all bids to, for example, 80% for all days of the week and you're done. It's fast, easy, and quickly reversible.

Martin Roettgerding is the head of SEM at SEO/SEM agency [Bloofusion Germany](#) and oversees a small team working on client projects.

Pamela Lund

Do you use automated bidding in Google AdWords? Why or why not?

Only for very large accounts that need frequent bid changes. Other than that, I prefer to make manual changes that I control because I am a control freak with PPC changes. In order to use automated bidding you have to be completely sure that you have set up the rules properly, then audit those rules and results regularly. If you don't do that, you run the risk of having poor results. Sometimes that takes as long as manually making the changes. So, given those two choices, I prefer to make the changes myself.

If not, when do you raise and lower keyword bids?

Bids are always changed based on ROAS (return on advertising spend). If a keyword is exceeding the goals we have set for it and there is room to increase the bid to try to get more clicks (and therefore conversions), a higher bid will be tested. If a keyword is not meeting its performance goals, a lower bid will be tested in conjunction with other optimization techniques.

What's your best bid management tip?

Schedule your optimization. Don't obsessively look in campaigns every day and make reactionary changes. If you make bid changes every day, you're most likely not gathering enough data for those changes to be warranted. Use your calendar or project management system to task you with regular bid optimization, ad optimization, search query report review, etc. Keeping your optimization on a regular schedule will ensure you are making the right changes at the right time based on the right data.

Pam Lund handles PPC management for [BlueGlass Interactive](#).

Shawn Livengood

Do you use automated bidding in Google AdWords? Why or why not?

Not currently, but I have in the past. I stopped using it because the automated rules got stuck in a negative feedback loop. The system reduced the bids due to a lack of performance, which in turn resulted in lower visibility and poorer performance, which triggered the system to decrease bids further.

If not, when do you raise and lower keyword bids?

For an e-commerce retailer like BuildASign.com, profitability is key. We try to find that sweet spot between customer acquisition and total profit. So we increase and decrease bids to get to a position where we're getting the maximum amount of orders while maintaining a healthy

If you make bid changes every day, you're most likely not gathering enough data for those changes to be warranted.

The time frame you need in order to gather this data is going to vary depending on your vertical, keyword bids, match type, campaign budget, and many other factors. However, I have personally found the ideal interval to be around two weeks of data between bid adjustments.

profit margin. I also like to increase bids on anything that's showing off the first page (generally position 8 or below). Once a keyword has adequate visibility on the first page, I can make a better decision on whether or not to keep it active.

What's your best bid management tip?

Don't feel like you need to manage bids every day. A lot of people do daily bid adjustments (or set up automatic systems to do daily adjustments for them). A keyword needs to gather adequate historical data before you can make a good decision. The time frame you need in order to gather this data is going to vary depending on your vertical, keyword bids, match type, campaign budget, and many other factors. However, I have personally found the ideal interval to be around two weeks of data between bid adjustments.

Shawn Livengood writes about pay-per-click marketing on his blog, [PPC Without Pity](#).

Todd Mintz

Do you use automated bidding in Google AdWords? Why or why not?

I've never used the automated bidding feature before. I either bid at the keyword level or do CPA bidding.

If you look at the wording next to the choice, it says "AdWords will set my bids to **MAXIMIZE CLICKS** within my target budget." Maximizing clicks is never a goal for PPC ... maximizing conversions is. This choice doesn't map to my goals. In theory, this choice would appeal to the non-professional marketer who isn't savvy enough to track conversions and bid to them ... however, that isn't me.

If not, when do you raise and lower keyword bids?

Raising and lowering bids is purely a function of my CPA goals and how the keyword is performing relative to them. How much and how often to adjust the bids is as much an art as a science, and as you get more experience with a particular account, you can make your moves with a much clearer picture as to the predicted outcome.

What's your best bid management tip?

Dayparting can be your best friend. Frequently, the easiest way to slash CPA is just to shut down during the lowest performing hours of the day.

Todd Mintz, who has been with [PPC Associates](#) since March 2011, has over 10 years of experience in search marketing and has used Google AdWords since it began. He also is very visible in the SEM social media space and is a curator/contributor at Marketing Land.



Dayparting can be your best friend. Frequently, the easiest way to slash CPA is just to shut down during the lowest performing hours of the day.

Tom Demers

Do you use automated bidding in Google AdWords? Why or why not?

I do occasionally — basically the decision to use this or not (on campaigns for my own properties or as a recommendation for a client account) is a cost/benefit decision: if I think we or even the client internally can do a better job managing the account by hand and/or using a bidding tool and that it'll have a major impact on the revenue generated by the campaign, then we'll do that. If the spend on the account is relatively small and based on the fundamentals of the campaign I just don't think there is a ton of extra yield over using Google's free tools, though, I think the Google automation tools or possibly a [really quick and simple approach to bid management](#) can be a good option.

If not, when do you raise and lower keyword bids?

At a high level you want to raise bids when you can get more profitable traffic from a keyword, and you want to lower bids when you can generate valuable (i.e., converting) traffic but it's currently costing you too much. Depending on the account, though, there may be a number of more nuanced factors including:

- **Rough keywords/groups:** If CPA is 2x goal and position is less than 3, reduce bids.
- **Different margins on different products or offers:** In other words, "profitable" may mean different things for different offer types and products.
- **Seasonal trends:** If conversion rates are dramatically higher right before Christmas, you don't want to continue bidding with the same aggressiveness post-Christmas simply because a keyword had been converting well the previous week/month — you need to account for historical account data.
- **Competition:** You may be able to increase bids to get more traffic for a keyword, but the jump from your current bid to move up a spot in the SERPs may push you over the line from profitable to unprofitable, in which case you obviously wouldn't want to blindly push bids up simply because a keyword is converting profitably.

As with the question of whether or not to use free automated bidding tools, how granular you get in managing bids really has more to do with the yield you expect and effort/cost to you to manage bids this way (by way of a service fee, software fee, your own time, etc.).

Still Want More?

For even more bid management tips, check out the [full guide on our blog](#) with answers from 18 top PPC practitioners.

What's your best bid management tip?

I think a good tip is to look at your bids from a perspective you don't always consider — this could be a different date range (i.e., if you're consistently looking at the last week's performance, pull back and look at a month and a quarter to see if there are longer-term efficiencies or inefficiencies you're missing) or it could be looking at a different dimension of your account where you can alter bids such as [dayparting](#), targeting by device, or other [reports](#) that could lead to [quick wins within your AdWords account](#) by way of altered bids.

Tom Demers is co-founder and managing partner at [Measured SEM](#), a boutique Boston SEO and PPC agency offering search marketing consulting services.

About WordStream

[WordStream Inc.](#) provides search marketing software and services to small and medium-sized businesses that want better results from paid search. WordStream's easy-to-use PPC Advisor software facilitates more effective PPC campaigns by providing a customized workflow, the 20-Minute PPC Work Week, to help advertisers increase relevance across Google, Bing, and Yahoo and get expert-level results in a fraction of the time. Whether you're new to search marketing or are an experienced PPC manager, WordStream's PPC management software can provide the boost you need to grow your business and drive better results

