

I don't know about you, but when we first started getting involved in PPC it felt like we were just throwing money at everything and seeing what sticks. We had no idea how to track what was performing and had no real method for what we were doing.

So we sat down with ZonGuru CTO Stefan, who lives and breathes processes and complex code, to help us curate an SOP for improving our PPC Campaigns. We were expecting complex systems and time-intensive daily maintenance and were prepared for some heavy content.

We were surprised and relieved to find that even the most analytical thinkers have a very simple weekly process that they follow to get the best results. Stefan has been following this process for a while, and he only spends about 10 minutes a week optimizing his campaigns. So for us humans, we will strive for around 20 - 30 minutes once we are past the learning curve of the first few weeks.

Part of the overwhelm and confusion of PPC is that there is so much noise, from the latest hacks and tricks you "need" to be trying, to confusing terminologies like campaigns, Ad groups, and broad match or exact match types. The goal of this article is for you to be able to create a simple system that you follow each week that will allow you to maintain and scale a high-performing PPC campaign.

Before we get into the simple process you should be following we will run over what some of the terms mean so you know exactly what we are talking about. One thing about PPC is the exact terminology is VERY important; slight variances can mean a completely different thing.

Campaign: Where you group your Ad by Parent Product. eg Yoga Mat Campaign

Ad Group: Where you break down your campaign based on variations.

Sponsored Product (SP) Targeted ads based on keywords

Sponsored Display (SD) Targeted ads based on audience buying behavior

Sponsored Product – Automatic(SPA) Ads fully automated by Amazon you just control budget

Broad Match: You'll show up for all kinds of things related to your keyword you're bidding on.

This **can** mean synonyms, spellings, and variations of the keyword

Exact Match: Search terms need to exactly match the keyword for your ad to show. If a customer searches with other words before or after your exact keyword, the ad will not show

Phrase Match: This is where you specify an exact phrase and Amazon can add keywords before or after that phrase.

ACOS: Advertising Cost of Sale. If I sold 1 unit for \$10 and I spent \$3 on advertising to make that sale my ACOS would be 30%.

ACOTS: Advertising Cost of Total Sales. If I sold a total of 10 x \$10 units for \$100, 9 sales were organic and 1 unit I spent \$3 on advertising to make that sale. My ACOTS would be 3%

Keyword: All words that are in your listing that tell Amazon what searches to display your product for. Eg: Yoga

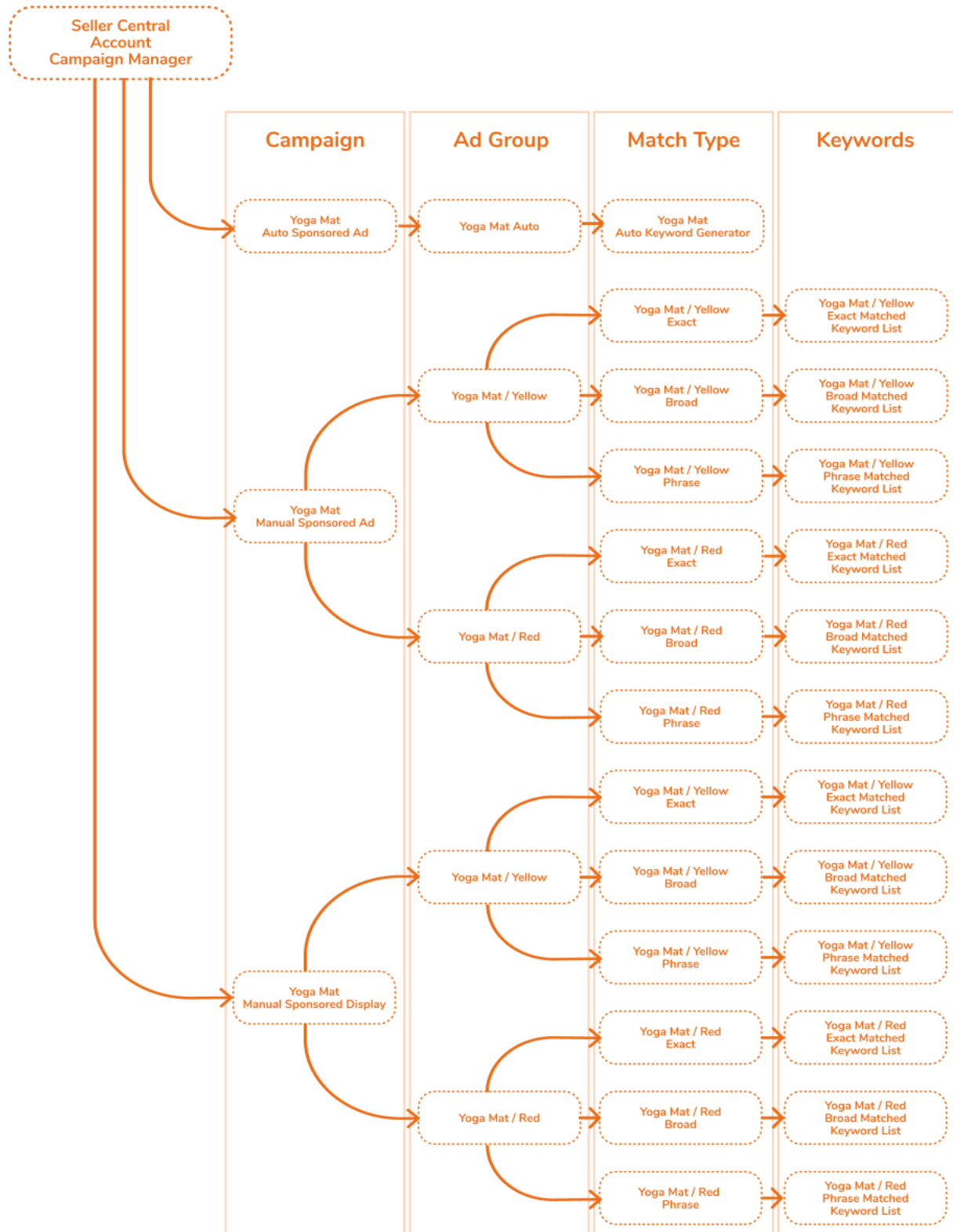
Search Term: A combination of keywords that a customer uses to find products on Amazon

Negative Match: A keyword that you have indicated that when it is searched for, your ad will not show up.

Parent Product: The main product listing that all the variations sit underneath. Ie: Yoga mat.

Child Product (Variation): The listing for the individual variations like size, color, or weight. Ie: Yoga Mat / yellow.

PPC structure can sound confusing, so we made the following visual to make everything a little easier to digest.



Each parent product has its own campaign that is split into three different types Sponsored Display (SD), Sponsored Product (SP), and Sponsored Product Auto (SPA) campaigns.

For example, if you had two products ie: A Yoga Mat and Cutting Board they would have their own separate Ad campaigns with one single Ad group inside.

But, if you have variations of your parent ASIN, for example, a Yellow and Red yoga mat, they are called child ASIN's and they would sit in the same Yoga Mat Campaign but their Ad Group would be different based on the variation.

Campaign = Parent Product ASIN, split into SP, SD, and Auto

Example:

SD - Yoga Mat

SP - Yoga Mat

SPA - Yoga Mat Auto

Ad Group = Child ASIN level so you can optimize at the variation level

Example:

SP - Yoga Mat / Yellow

SP - Yoga Mat / Red

Each Variation has its own Ad group and that's where all the optimization happens so you can optimize at a very accurate level. This is where you add all your keywords specific to that variation, place negative keywords, and raise or lower your keyword bids.

Inside of your Ad Group, bid on all three match types for each keyword: Broad, Phrase & Exact.

Each Ad group has a target ACOS range that you want to keep your ad spend at, this range depends on your situation.

For example:

- When you are starting out, your maximum ACOS might be close to 100% because you are trying to get as many sales as possible and climb up the rankings without worrying about profit.
- Once you're established with market share your goal is to keep your ACOS as close to the range of +5% to -5% of your total profit margin. Eg: If your profit margin was 50% you would aim to keep your ACOS at 47.5% - 52.5%. The one caveat here is depending on your strategy to make sure to keep an eye on your ACOTS and keep that at a profitable level. It doesn't matter if you are only breaking even with PPC because your organic sales will increase and that is where you will generate your profit.

Stefans Weekly Tasks

Keywords: Yoga Mat

Search Term: Large Yellow Yoga Mat, Thick Yoga Mat Non Stick, Yoga Mat For Women. etc

Step 1.

Remove Non-performing Search Terms -

1. Generate a **search term** report inside your campaign manager.
2. Go through the report and make a list of the search terms that are performing poorly.
3. Add non-performing search terms as a "negative exact match" inside its correct ad group.

What is a non-performing Search Term?

At the start, you can be loose with the rules while you are just testing and trying to get market share. Once you are established, you can enforce these rules a lot more strictly. For example,

the metric Stefan uses is any search term that gets 11 clicks and 0 sales is marked as a **negative exact** search term and would be added to the negative exact match group.

Step 2.

Keywords Bid Optimization -

1. Any keyword that gets over 15 clicks and 0 sales. Set its bid to 11 - 20 cents. Such a low bid that it's not going to get many clicks and eat away at your budget, but a better option than archiving it.
2. Other keywords I adjust the bid 10-30% based on how close it is to the target ACOS

Example: Target ACOS range = 47.5% - 52.5%

- **Poor Performer:** "XL Yellow Yoga Mat" was making sales but was sitting at a 70% ACOS which is outside my range. I would lower my bid by 15% and then check in again next week to see how it performed. I would then continue to lower my bid until my ACOS was close to my ACOS range of 47.5% - 52.5%
- **High Performer:** If I had a keyword that was performing exceptionally well, for example at an ACOS of 5%, then I want to send more traffic to that keyword. To do that I would increase the bid on that keyword by a logical percentage. Because it's a really high performing keyword I would increase the bid by around 30%. If it was closer to our range for example an ACOS of 15% with our target being 25% then I may increase my bid 15 - 20% and then check in next week to see how it is performing.

The trick is to make gradual changes by small percentages and then to check in the next week to see how those changes affected results. If you increase your bid by an extremely high amount like 200% and then leave it a week you may find that keyword stops performing as well and eats all your budget. That is why incremental change and tracking is the name of the game.

Step 3.

Keyword Hunting:

1. Go into your campaigns and run a search term report.
2. Then look for any new keywords generated from the auto campaign that have generated 2+ sales. 1 sale is a coincidence, 2 sales are a pattern.
3. Add these new keywords to your Ad Group in all three broad, exact, and phrase match types

Every 6 Months

Review Negative Exact match Groups:

I give some poor performing keywords from the past another chance, especially if a product was really new. It may have been that the product did not have enough social proof like reviews or questions answered to convince customers to buy.

If you see search terms in the list of the negative exact match keywords where you have the thought “why wouldn’t people buy for this search term?” then you should give it another chance, add it back into your Ad Groups, and test.

For example, if “best yoga mat” was underperforming when you had just launched with no social proof and was added to your negative exact match list. Now you have 25 reviews, a few customer questions answered, and more overall social proof. It’s probably time to test that search term again and see if it performs better than before.

And that’s it, it’s a lot to take in but when you really look at it there are only three steps involved on a weekly basis. Once you’re established not too many changes occur in your ad account week to week so with some practice this shouldn’t take too long at all to get a solid system in place that most importantly you actually understand and can stick to.

If you need more information on any of the above content please don’t hesitate to reach out to the ZonGuru support team – support@zonguru.com