Optimizing Paid Search through Data-Driven Objectives

You may already be using Adobe Advertising Cloud, but you might not know that it can give you unprecedented insight into the metrics you need to optimize your paid search campaigns—but only if you have the right objectives in place.
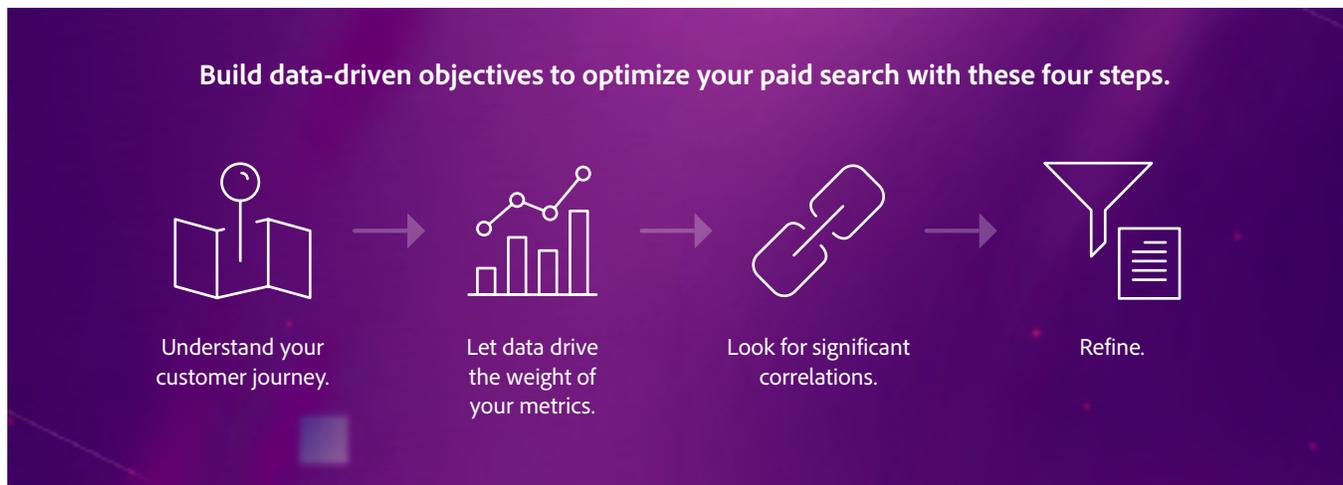
My name is Josh Kelson and, as an account manager and search specialist for Adobe Media Optimizer, I've helped many brands better understand their paid search campaigns in order to acquire more—and better—customers.

The process of assigning budget to paid search campaigns almost always starts with a seemingly simple question: "How much is a lead worth to me?" While this might seem like a clear enough destination, the process of getting there—using data to define the right objectives—is elusive for almost all paid search managers.

You're probably already very focused on maximizing your advertising dollars. You do all you can to bid swiftly on the highest quality keywords at the lowest rates. Like a hawk, you watch which keywords are performing well and eliminate those that you think are underperforming relative to how much you spend on them. But that's where things get dicey. How do you determine what differentiates good performance from poor performance? How can you ensure that your methods for determining those objectives are truly data-driven and not tainted by your own bias?

Fortunately, working side-by-side with a number of forward-thinking paid search professionals has taught me a few invaluable lessons when it comes to setting up paid search campaigns and analytics. Most essential? Pursuing data-driven objectives and then measuring them with absolute confidence. Following, are four steps you can take to set the right objectives, measure how effectively campaigns are meeting those objectives, and continually optimize your paid search campaigns.

Build data-driven objectives to optimize your paid search with these four steps.

Understand your customer journey.

Let data drive the weight of your metrics.

Look for significant correlations.

Refine.

The Path to Optimized Paid Search Through Data-Driven Objectives

1. Understand your customer journey.

In large companies, it's common for teams to neglect to share data with each other or to fully understand the customer journey as it straddles different parts of the sales funnel. For example, attributing the impact email has on your conversion is impossible if you don't have access to that data. You are left to draw conclusions solely from paid search or web traffic data, which is only part of the picture. In a case like this, creating an effective objective is nearly impossible.

On the other hand, if you're already sharing data between teams and understand the customer journey, then the stage is set. You can identify and target the right points along the conversion path with your paid search strategy—rather than focusing solely on the point of conversion itself.

Identifying the overall conversion metric and the important micro-conversions along the way, and determining what's important to tracking, sets the foundation for getting the most accurate objectives possible.
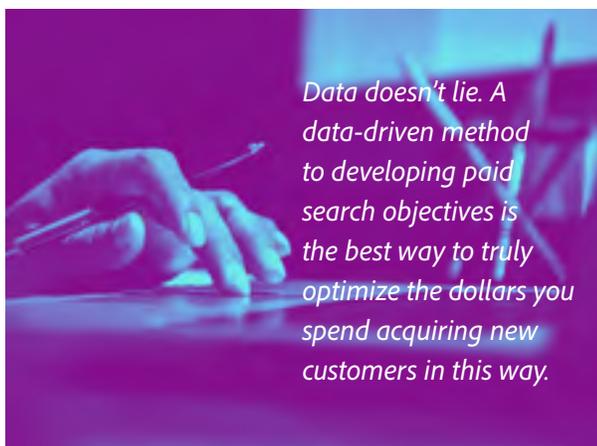
Think about a mortgage company, for example. Their primary conversion metric is the number of loans they originate. But if a lead doesn't produce a loan, they still want to use paid search to maximize the other conversion points that are taking place along the way—such as clicking on the lead form, reading an article, or using a calculator.

However, they need to understand how those micro-conversion points are correlated with, or lead to, the ultimate conversion and how to properly weigh them. In other words, if a person makes it to step two of the journey, are they more likely to make it through the entire process and create a loan, or are they still likely to drop out? Identifying the overall conversion metric and the important micro-conversions along the way, and determining what's important to tracking, sets the foundation for getting the most accurate objectives possible.

2. Let data drive the weight of your metrics.

Every paid search campaign has one metric that stands above the rest in terms of importance. In our example of a mortgage lending site, that all-important metric is the number of leads that convert into actual loans. But along the way, other metrics—like bounce rate or percentage of visitors that filled out steps 1, 2, or 3 of your form—tell the story of why that keyword traffic turned into loans or evaporated into thin air. As a paid search manager trying to create visibility around how your campaigns are performing, you're faced with the task of deciding how heavily each of those metrics will be weighted in your overall analysis—or what objectives you should use to measure paid search success for each metric.

Data doesn't lie. A data-driven method to developing paid search objectives is the best way to truly optimize the dollars you spend acquiring new customers in this way.

In my experience, this is often done arbitrarily. For example, the mortgage lending paid search manager will reason, "The loan is my most important conversion metric, so I'll weight it at a 10. I know a lead comes before that, so I'll give it a weight of 5. And then, I'm not really sure how much the steps in the funnel matter, so I'll just weight them at maybe a .5 or a 1." The manager is just throwing out arbitrary weights for these conversion metrics based on a sense of what's more important and what's less important.
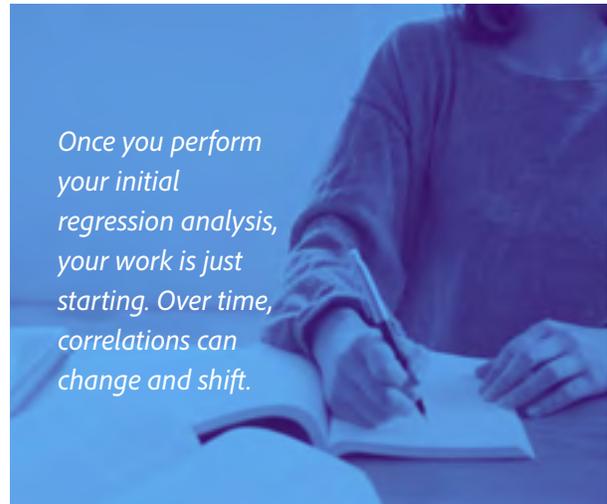
Other common approaches use some type of percentage mix or value-based weighting. However, data doesn't lie. A data-driven method to developing paid search objectives is the best way to truly optimize the dollars you spend acquiring new customers in this way.

Of course, in order to pull this off, your company needs to have a complete picture of all of your conversion data, or at least understand and acknowledge that you are missing some data. You also must run your analytics for a sufficiently long time to ensure that the data tells an accurate story. Once you're confident in your data to determine the importance of each metric—how important it is to your overall goal—then you can be confident that your objectives are not based on guesswork or bias, but on solid, real-time data.

3. Look for significant correlations.

Once you have this kind of data at your fingertips, you're ready to use regression analysis to understand each conversion metric. Using this analysis, you can see which metrics have a significant correlation to your main objective—a new loan origination, for example—and which micro-conversion points in your campaigns are going to move the needle the most.

Once you perform your initial regression analysis, your work is just starting. Over time, correlations can change and shift.

I have worked with clients who have five or six funnel conversion metrics—such as downloading a PDF, clicking on the chat window, etc.—that they believe are important to overall conversion. The client may go into our conversation certain that metrics A through F are the six things that definitely lead to a conversion, only to be shown during regression analysis that metrics B and C on their own are actually the most influential. In this way, a data-driven approach can help you be more efficient by narrowing the journey points you want to optimize from six to the two that are most highly correlated. This allows you to focus your paid search budget on a smaller number of metrics, while still improving overall conversions.

4. Refine.

Once you perform your initial regression analysis, your work is just starting. Because the correlations you've identified can shift over time, you'll want closely monitor your regression equation.

Many kinds of changes can affect your analysis. For example, your analysis can shift due to increasing or decreasing budgets on different keywords, or adding completely new keywords. Or, perhaps you change a landing page and it's not leading to as many conversions as you had in the past. Another change could be moving the chat window to a new location on your page—perhaps using the chat window was predictive of conversions, but now that it's moved people are using it less.

To get the most out of your optimization efforts, you'll want to monitor your regression equation and continue to make sure the regression analysis is applicable to the data you see at the current moment. Then, adjust as necessary. When you're just getting started, this process may be required as often as every week or two. However, once you get going, the tweaking and refining you need to do may be necessary only once every three to six months.

Unlock customer acquisition with data.

Paid search has always been the foundation of digital customer acquisition, and I think it will continue to be. It's continuing to gain marketing dollars that have typically been assigned to traditional marketing. But when it comes to your ability to acquire new customers through paid search, using data is the key to optimization and efficiency.

The more complete your data, the greater your ability to maximize your advertising spend and increase your revenue. The ideal process begins with a sufficient amount of data, which can be narrowed down to focus investments on the marketing objectives that really drive your business and make a difference.

After finding new customers with optimized paid search, be sure to continue your customer relationships with Adobe Experience Cloud marketing tools. Our integrated cloud solutions will help you build and manage audiences, understand their behaviors, deliver personalized experiences, and continually test and optimize your content.

With the right data and advertising objectives, you'll optimize your ad dollars to find the best new customers.

To learn more details on getting the most value from
Adobe Media Optimizer, visit the link below.

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