Combining Adobe® Analytics engagement metrics with Adobe Media Optimizer to improve results from paid search

Better keyword modeling results in increased revenue per click and higher return on investment

Adobe Media Optimizer uses industry-leading algorithms to predict and optimize the performance of paid search keywords. Including engagement metrics from Adobe Analytics results in significant improvements in forecasts, especially for long-tail keywords. For advertisers with large sets of keywords, such as retailers and travel providers, these improved forecasts can lead to better optimization and higher ROI.

The SEM bid optimization challenge

Search engine advertising programs, like Google AdWords and Bing Ads, operate a real-time auction every time a user submits a query. The result of the auction is determined largely by the advertiser’s cost-per-click (CPC) bid for the keyword and the click-through rate (CTR) of the ad. However, the auction is opaque; the advertiser knows only the metrics for their own campaigns. The search engine does not disclose bids and CTRs for other advertisers.

Finding optimal returns for a search engine marketing (SEM) campaign depends on understanding the dynamics of each keyword. As you increase or decrease the CPC bid, how does that affect your ad’s position on the page, the clicks received, and the revenue generated? Being able to accurately forecast this information empowers you to distribute your budget optimally, depending on the marginal cost-to-revenue opportunities available for every keyword.

Adobe Media Optimizer uses an advertiser’s historical search data—impressions, clicks, cost, average position, and so on—and conversion data, such as sales, orders, basket value, and margin, to create accurate forecasts for each keyword. Campaigns with a common goal, for instance, sales at a given cost per order target, are grouped into portfolios. A portfolio can consist of hundreds, thousands, or even millions of keywords, all individually modeled. Optimization algorithms then place bids across the entire portfolio to maximize the business goal. An advertiser can also run simulations to predict performance at different spend levels and for different goal targets.

Keyword modeling with sparse data

Head terms, with lots of clicks and conversions, can be modeled to a high degree of accuracy, but what about long-tail keywords? Individual tail terms, each with few clicks and even fewer conversions, are a bigger challenge to model, yet they can represent the majority of keywords in a portfolio, especially for retail and travel advertisers.

The Adobe Media Optimizer algorithms have used hierarchical clustering techniques for many years to build tail keyword models. Keywords are judged to be similar based on campaign hierarchy; data from similar keywords is aggregated to create useful models so that the revenue potential for each can be ascertained. But it’s now possible to improve on clustering by using engagement metrics from Adobe Analytics.
Adding Adobe Analytics engagement metrics

The robust data integration between Adobe Media Optimizer and Adobe Analytics lets an advertiser see conversion metrics alongside SEM metrics in either user interface, all without the user having to configure anything. No need to worry about data de-duplication, FTP uploads, or double-redirect URLs.

Adobe Analytics engagement metrics, such as time spent on site, page views per visit, and bounce rate, are now baked in to the Adobe Media Optimizer keyword models, improving accuracy, especially for data-sparse tail terms. The algorithm coordinates and adapts between the hierarchical clustering model and the behavioral engagement data from Adobe Analytics. Higher importance is attached to the hierarchical clustering model when there are few clicks and no conversions. As clicks increase, the engagement metric model asserts more influence on the modeling.

As a result, keyword models—especially those for long-tail terms—are more accurate. That lets the Adobe Media Optimizer portfolio algorithms make better bidding decisions, leading to higher ROI.

Ancestry.com.au uses advanced analytics for better returns


Using real-time data analysis capabilities supported by the exchange of information between Adobe Analytics and Adobe Media Optimizer, Ancestry.com.au gains insight into user behaviors, including how visitors reach the site, how they engage when they are on the site, and which types of actions lead to conversions.

By enriching both sets of information, the tools can greatly enhance campaign performance. "With the integrated Adobe solutions, we’ve seen a lift in conversion for the long tail in our main product portfolio," says Godfrey. "Other portfolios have seen even greater conversion lifts for terms with previously limited or no conversion data."

Benefits

- Go beyond clustering techniques to improve modeling of long-tail keywords with engagement metrics
- Gain significant accuracy lift in predicting revenue of the tail that comprises the majority of the keywords in a portfolio by extracting predictive signals from Adobe Analytics data
- Discover hidden treasures in the tail without extra spend for experimentation and learning
- Improve revenue per click and ROI
- Spend learning budget smartly through more-informed and guided learning enabled by the new model
- Manage portfolio risk by having more revenue-generating keywords