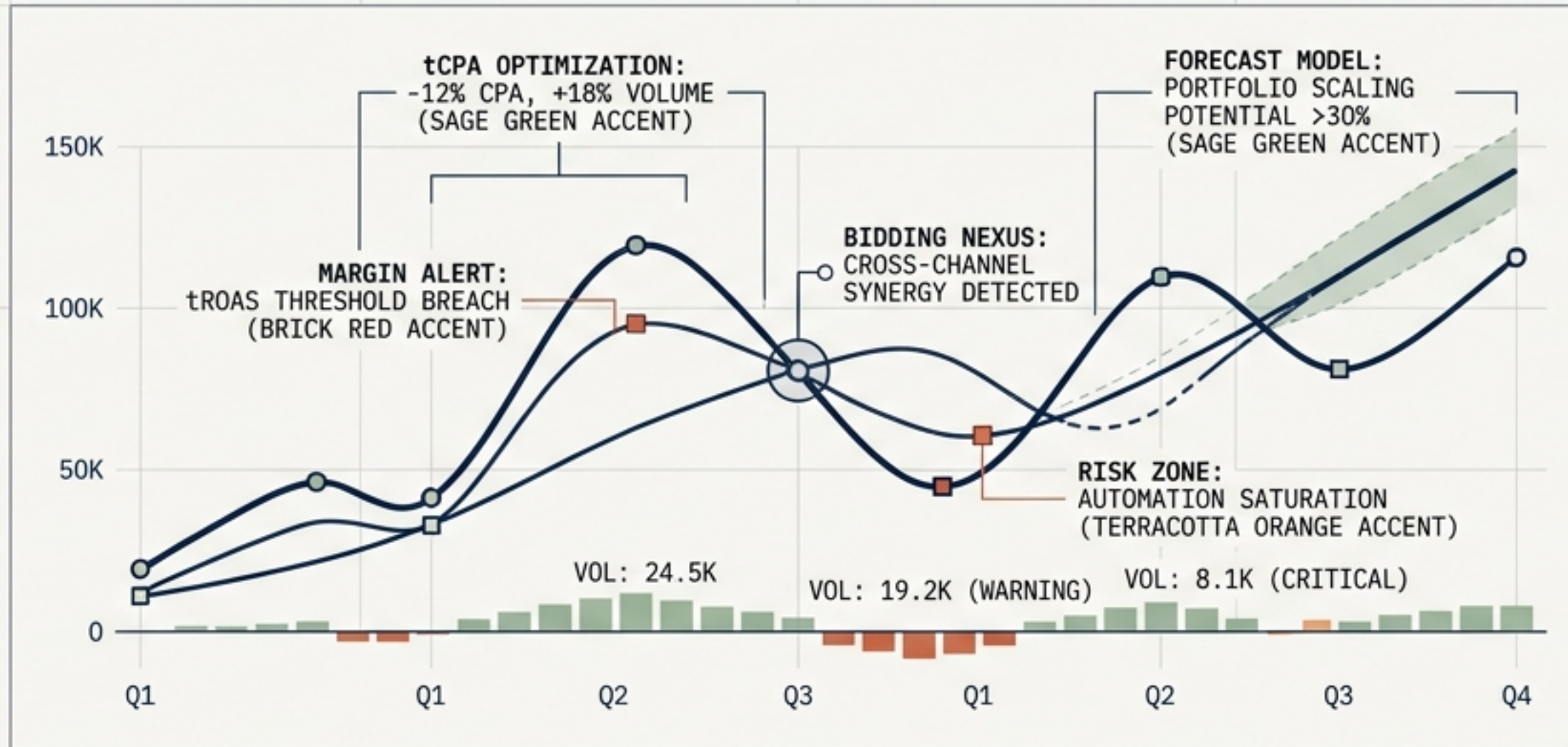


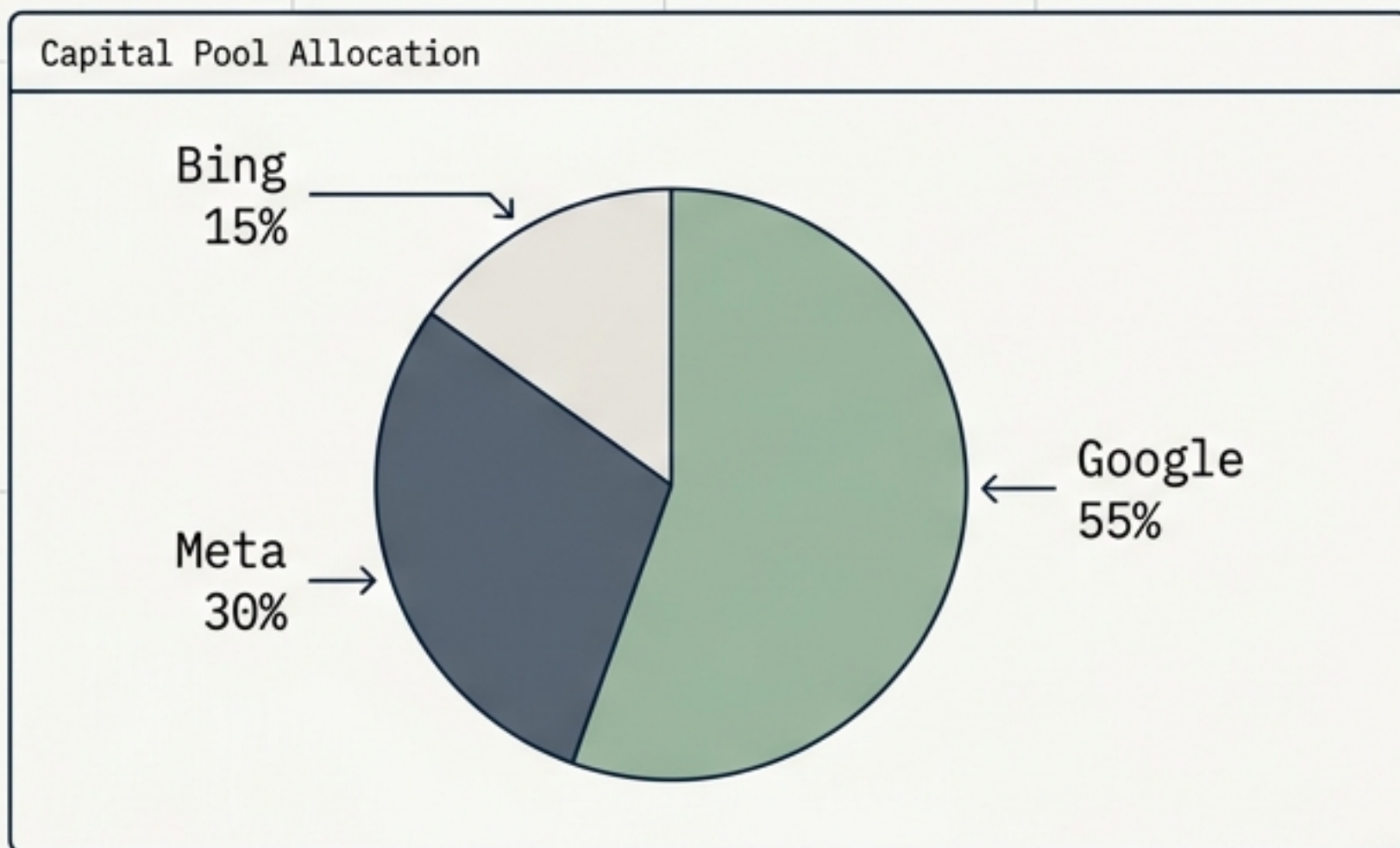
Mastering the Bidding Algorithm

A Playbook for tCPA, tROAS, and Multi-Channel Automation

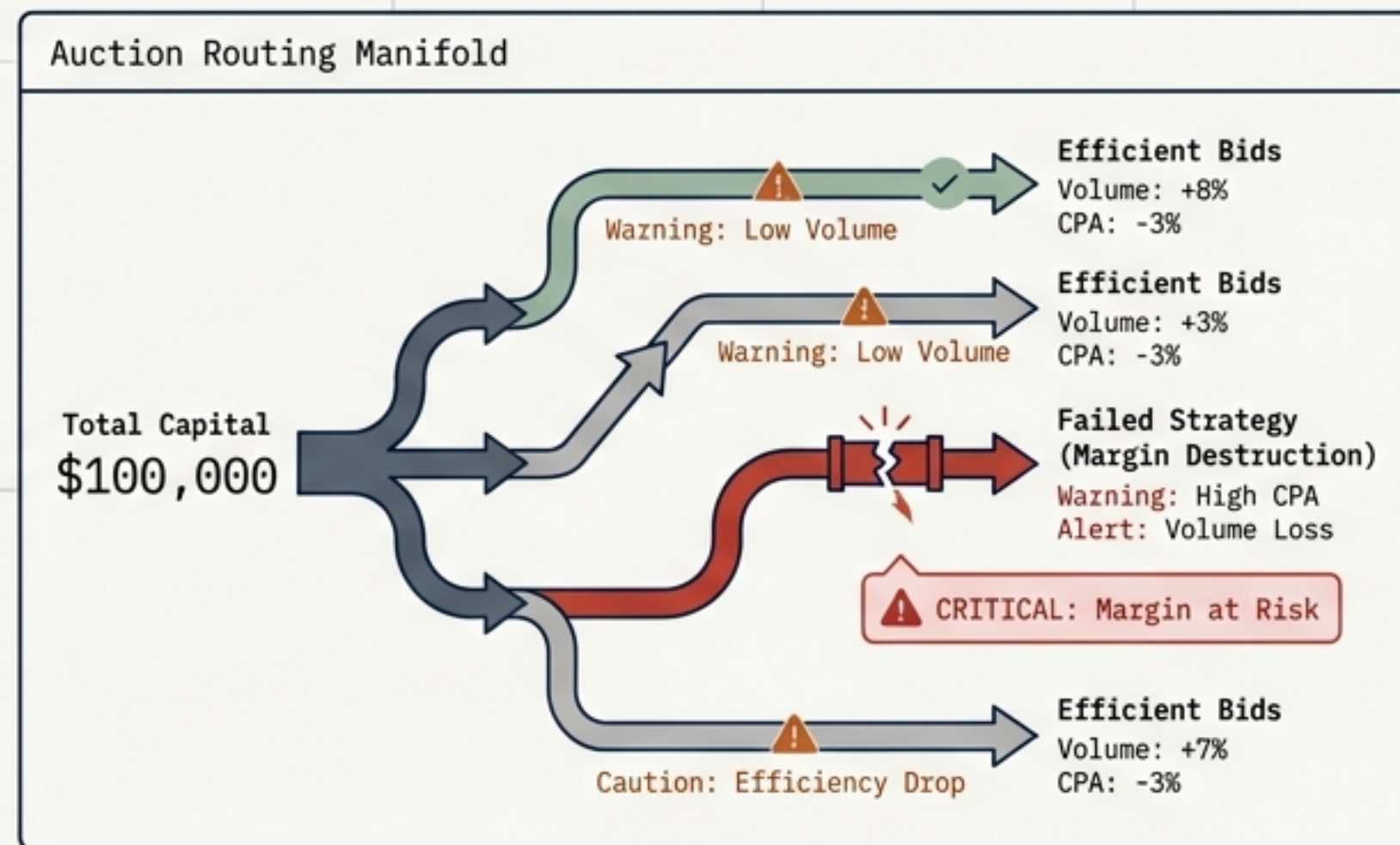


Target Profile:
Mid-Level Multi-Channel Operators / Portfolio Managers

Budget is how much. Bidding is how.



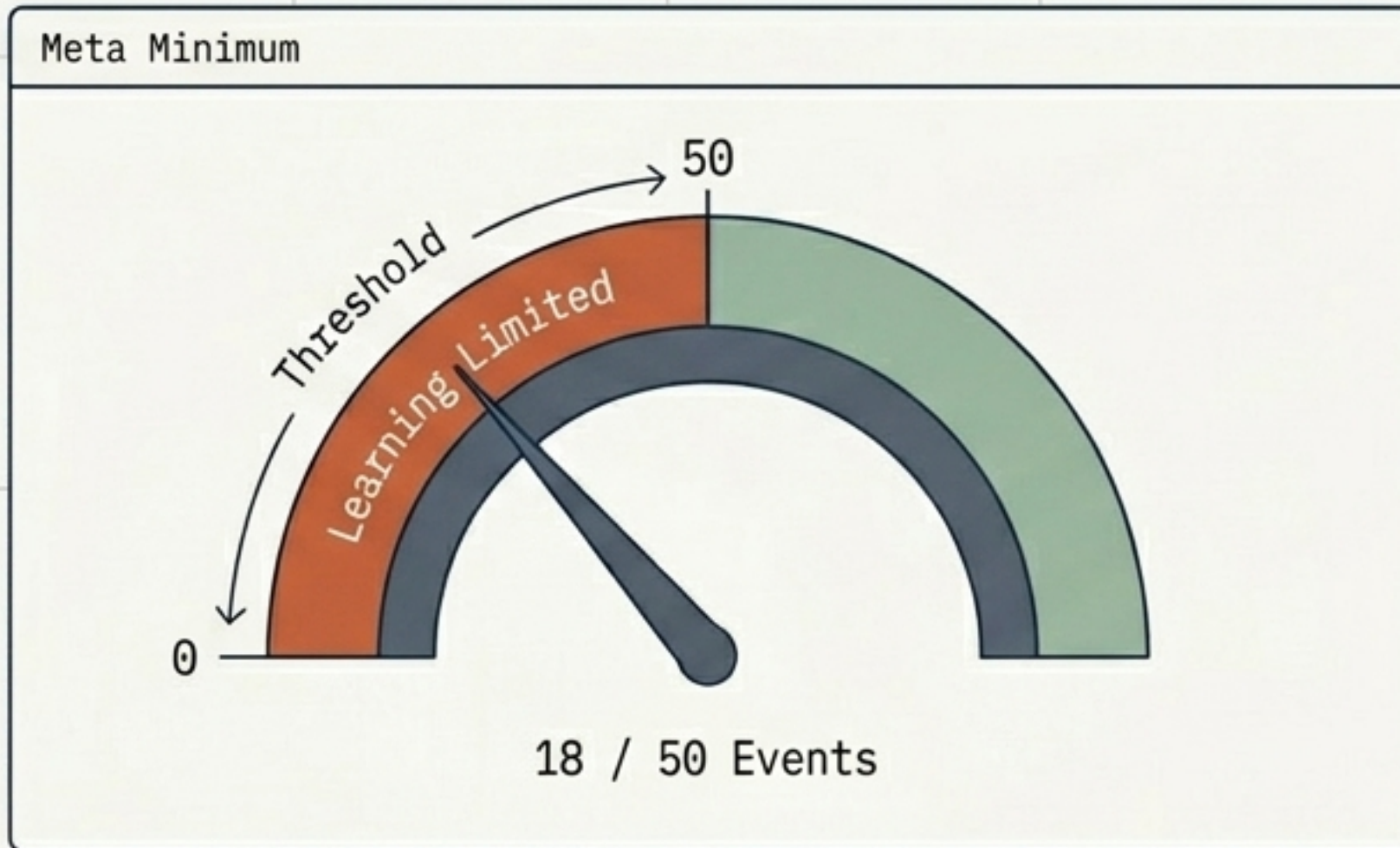
Budget allocation dictates the size of your capital pool.



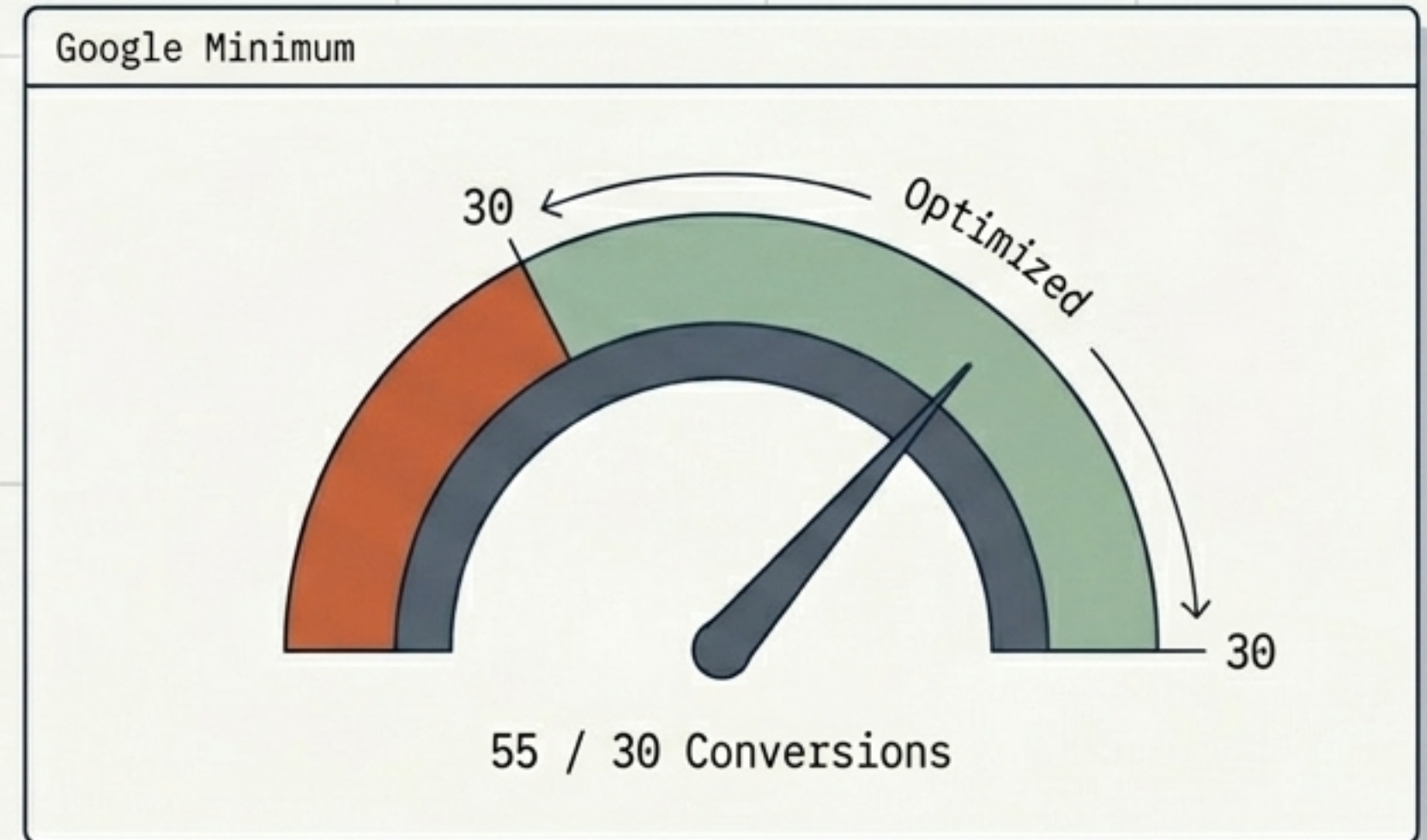
Bid strategy dictates how the algorithm trades that capital in the live auction.

The Risk: Get the strategy wrong, and perfectly allocated budgets underperform by chasing efficiency at the cost of volume, or volume at the margin's expense.

The Guardrails of Automation



Rule 1 (Google): Smart Bidding requires ≥ 30 conversions/month. For reliable tCPA/tROAS, target 50+.



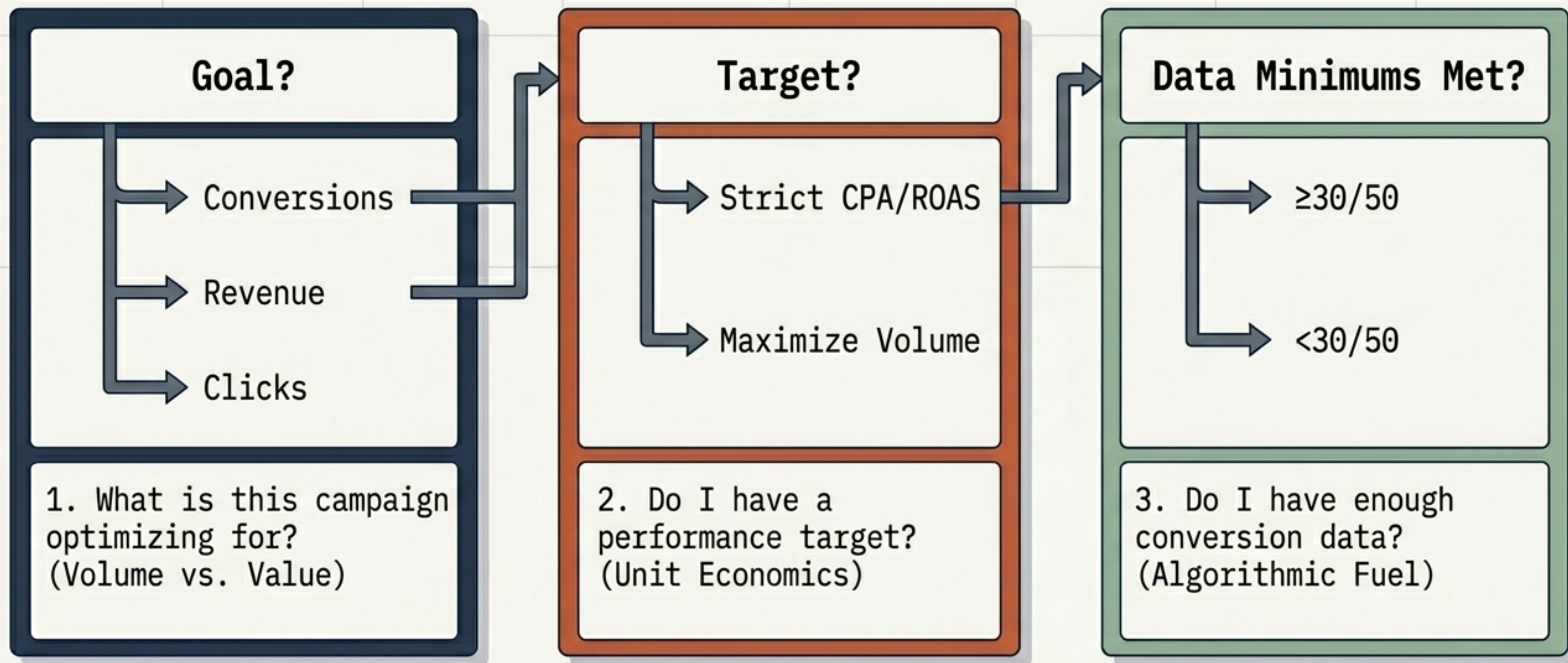
Rule 2 (Meta): The learning phase demands 50 optimization events per ad set per 7 days.



The Penalty Box: Dropping below thresholds triggers Learning Limited. Delivery becomes volatile, and Cost Per Result spikes.

Action: Never start Smart Bidding with a target on a campaign without conversion history.

The Diagnostic Decision Engine



tCPA & Cost Cap: Efficiency-First Automation

| Device | Time | Match Quality | Conversion Probability | Bid Adjustment |
|---------|----------|---------------|------------------------|----------------|
| Mobile | 14:23:05 | High | 85.4% | +25% |
| Desktop | 14:23:18 | Medium | 62.1% | +5% |
| Mobile | 14:23:31 | High | 91.2% | +40% |
| Tablet | 14:23:45 | Low | 35.8% | -10% |
| Mobile | 14:23:59 | High | 88.7% | +30% |

Algorithm Targeting

Mechanism:

The algorithm aims for maximum conversions at or below target cost, adjusting bids in real-time based on auction signals.

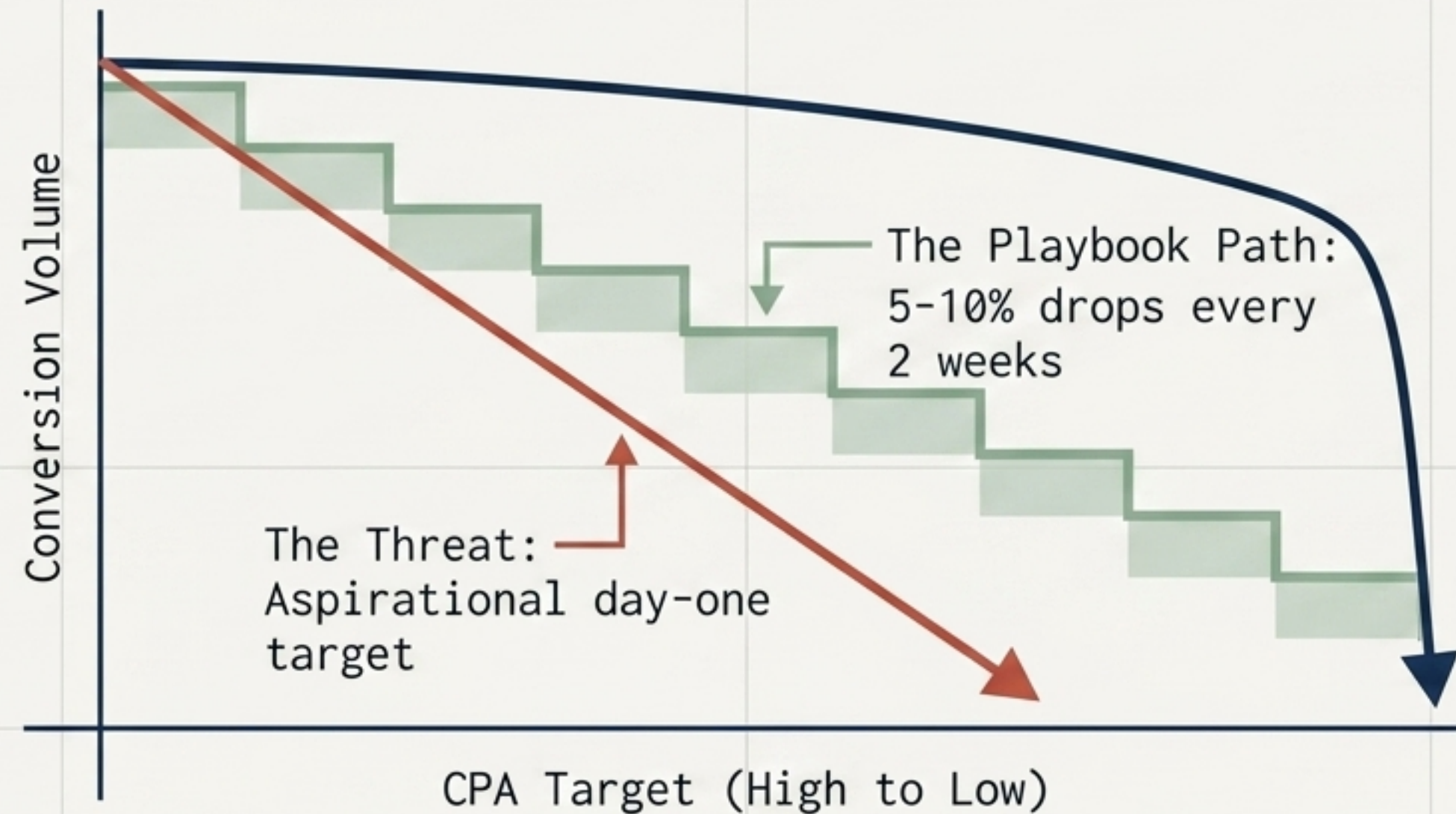
Prerequisites:

Stable CPA targets derived from unit economics, ≥ 30 conversions/month (Google) or 50/week (Meta), consistent conversion events.

Execution Rule:

Start at your historical average. **Do not set an aspirational target on day one.**

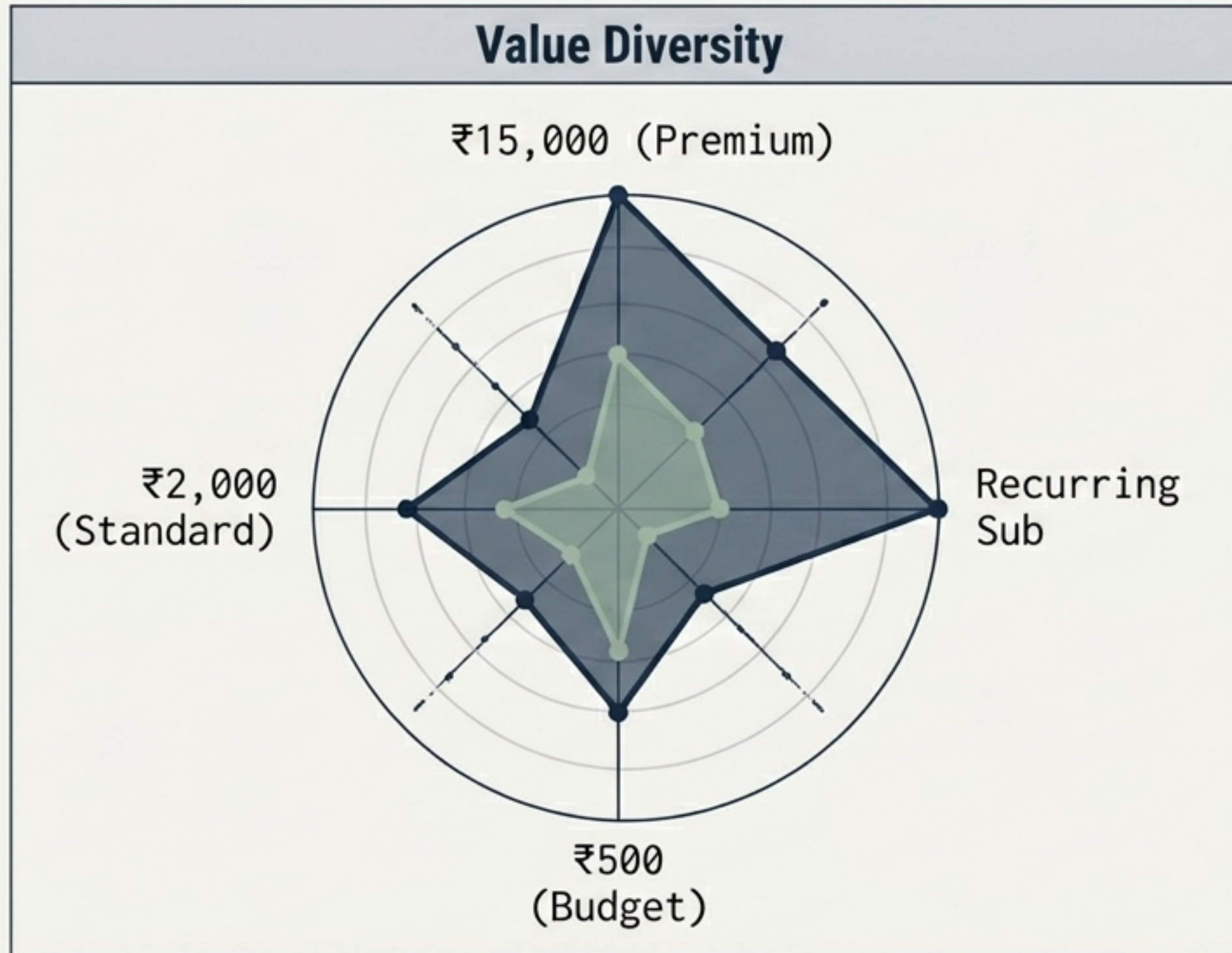
The Volume vs. Efficiency Trade-Off



Setting a day-one aspirational target over-restricts bids. The algorithm enters a fraction of auctions. Volume collapses.

Establish stability at the historical average. Tighten the target gradually once the algorithm proves it can hit the baseline.

tROAS: Revenue-First Automation



Mechanism:

Shifts optimization from binary events to transaction value. Maximizes revenue while maintaining target return on ad spend.

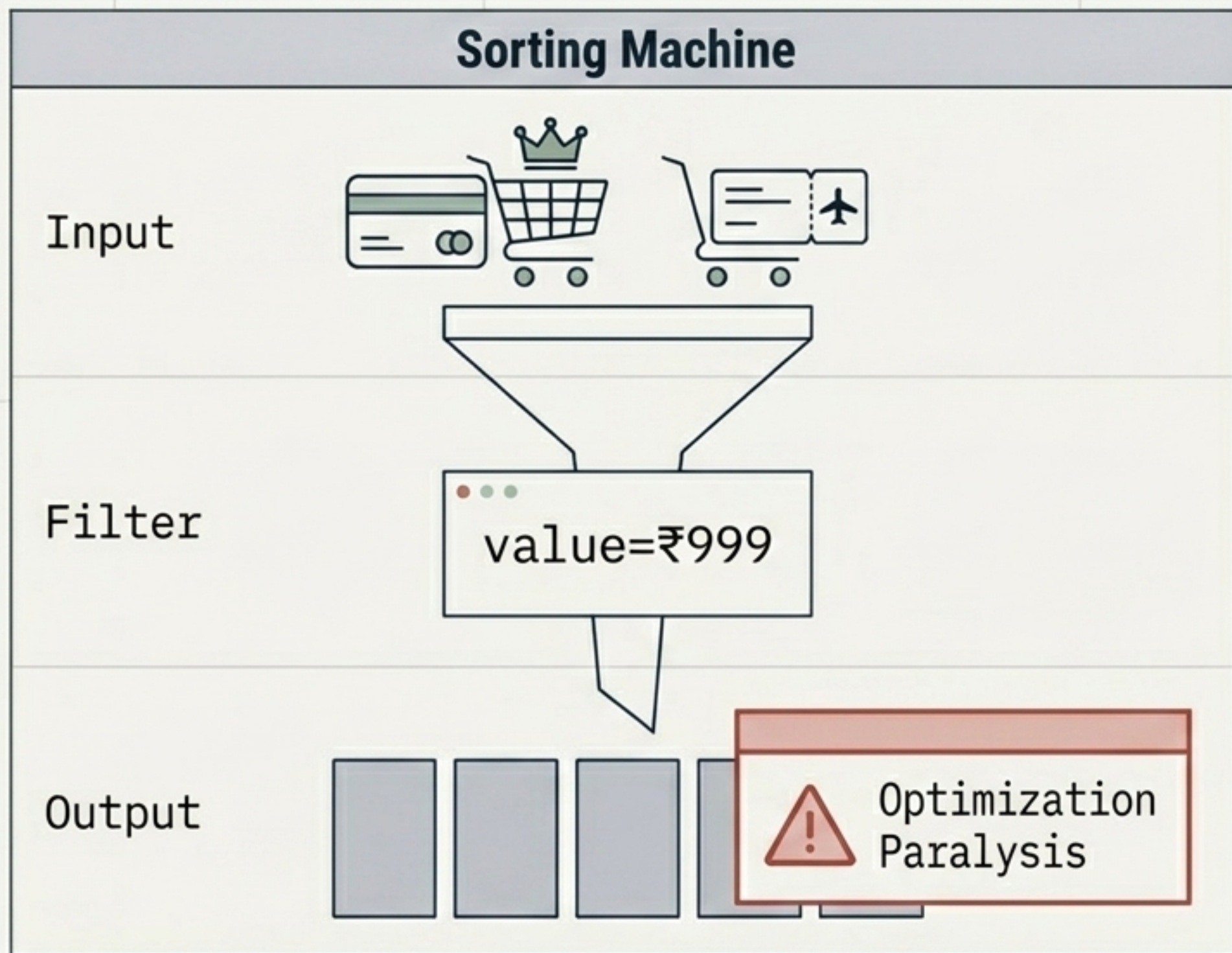
Ideal Scenario:

Product sets with highly variable order values (e-commerce carts, OTA bookings, subscription upgrades).

Requirement:

Platform tracking must pass dynamic transaction revenue (Google `conversion_value` / Meta purchase value).

The Garbage In Revenue Trap



The Failure State:

tROAS optimizes exactly against the signal it receives.

The ₹999 Placeholder Error:

If tracking passes a fixed value or uses the wrong currency, high-value orders become invisible. The algorithm has no signal to prioritize big spenders.

Action:

Audit the conversion value parameter before enabling tROAS.

Max Conversions: Uncapped Volume Modes



When it Works (The Throttle)

1. New campaign launches (building toward 30-conversion minimum).
2. Seasonal surges with high ROI tolerance.
3. Testing new campaign types to find baseline CPA.



When it Destroys Margin (The Leak)

1. Mature, always-on campaigns (chasing marginal conversions at 5-10x target CPA).
2. Low-quality events (spending budget on cheapest page views or spam).

The Cross-Platform Rosetta Stone

| Google | Meta | Function |
|------------------|--------------|---|
| Max Conversions | Lowest Cost | Spend the budget, get maximum volume. |
| Target CPA | Cost Cap | Keep average cost per result at/below target. |
| Target ROAS | Minimum ROAS | Enter auctions only if expected return meets minimum. |
| Manual CPC Limit | Bid Cap | Hard ceiling on individual auction bids. |

Meta Nuance: Cost Cap vs. Bid Cap

Cost Cap (Efficiency Control)



Averages out over time.

The primary **efficiency lever**.
Start at historical average.

Bid Cap (Auction Ceiling)

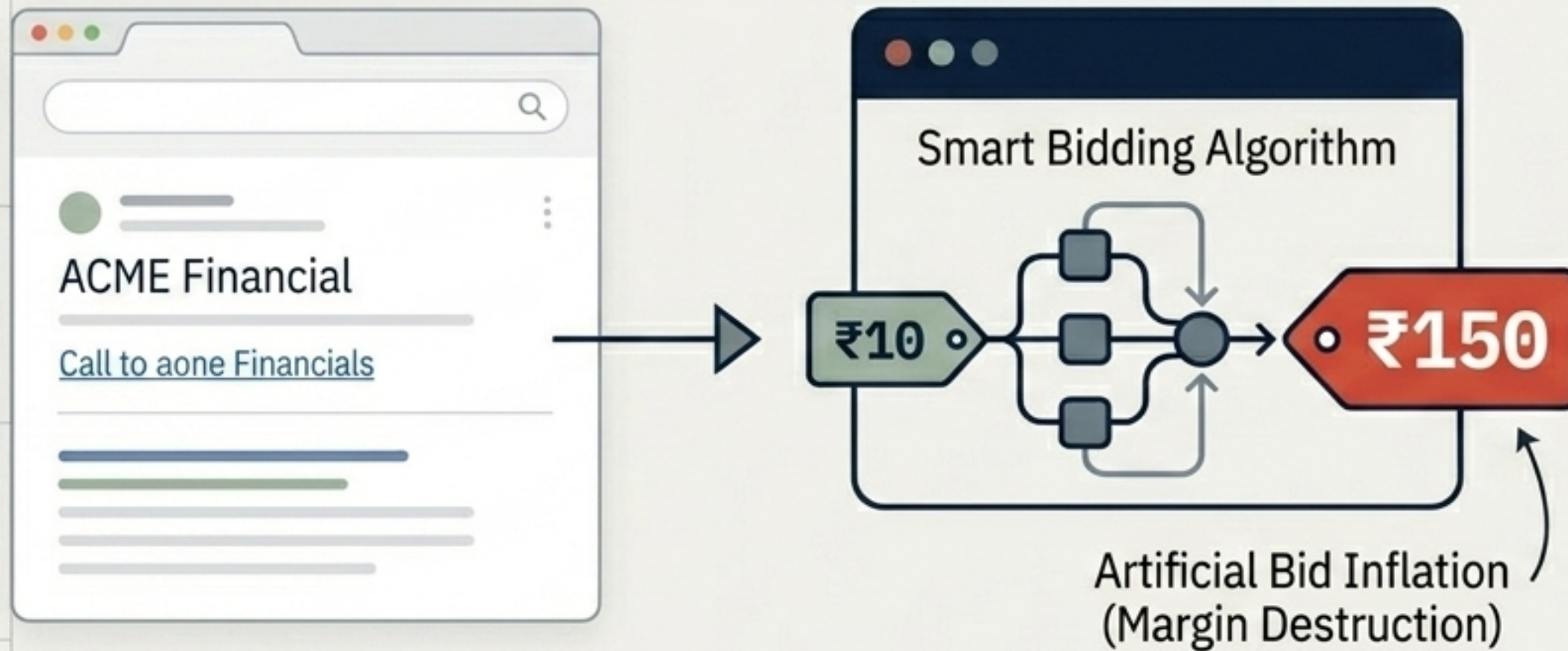


Direct control over individual bids.
Highly volume-restrictive.



Rule of Thumb: Never use Bid Cap as a default. Deploy exclusively to enforce ceilings in highly competitive, saturated auctions.

When Manual Bidding Still Wins: Branded Search



The Context:

High intent, high conversion rates, near-zero competition.

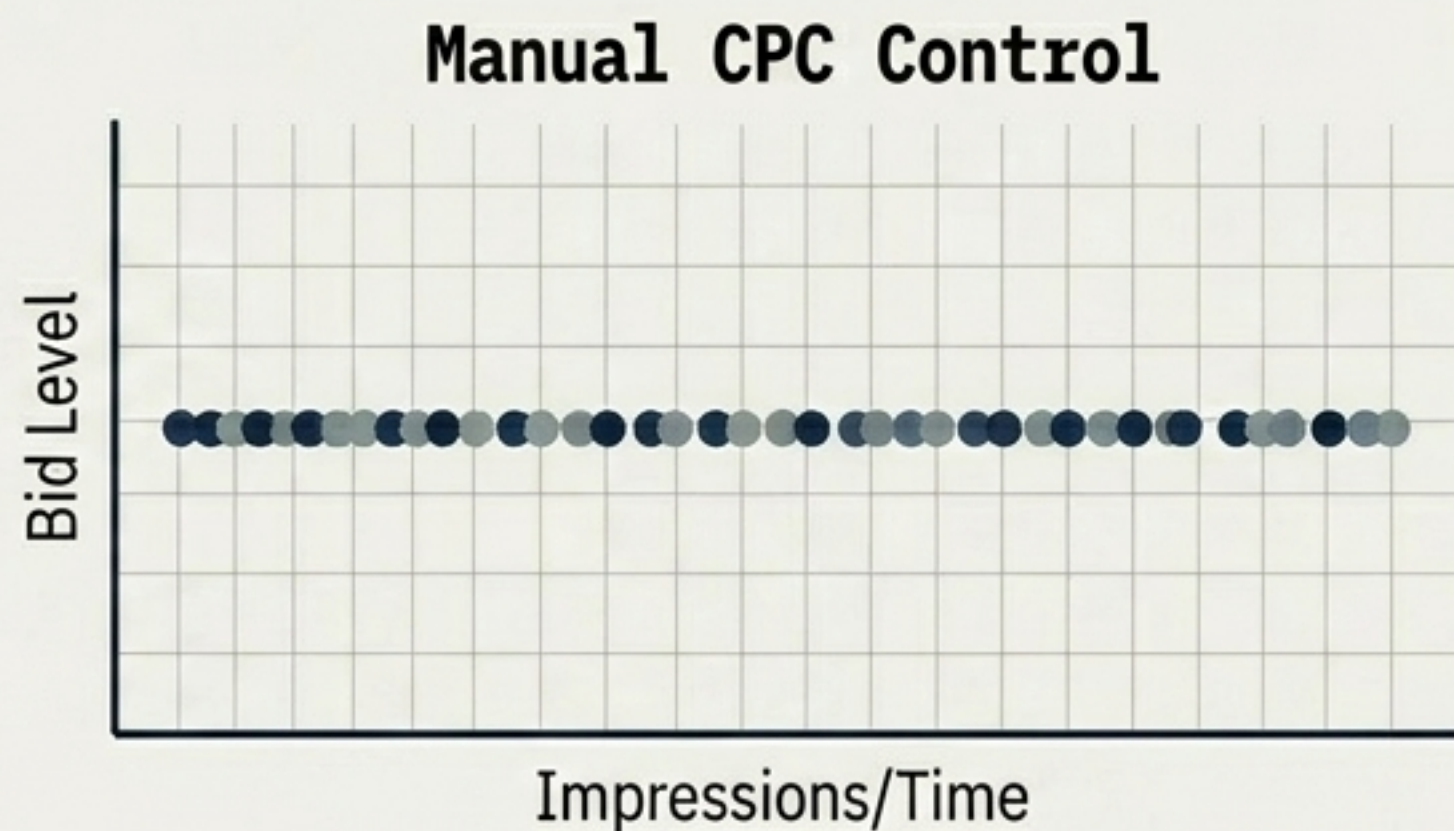
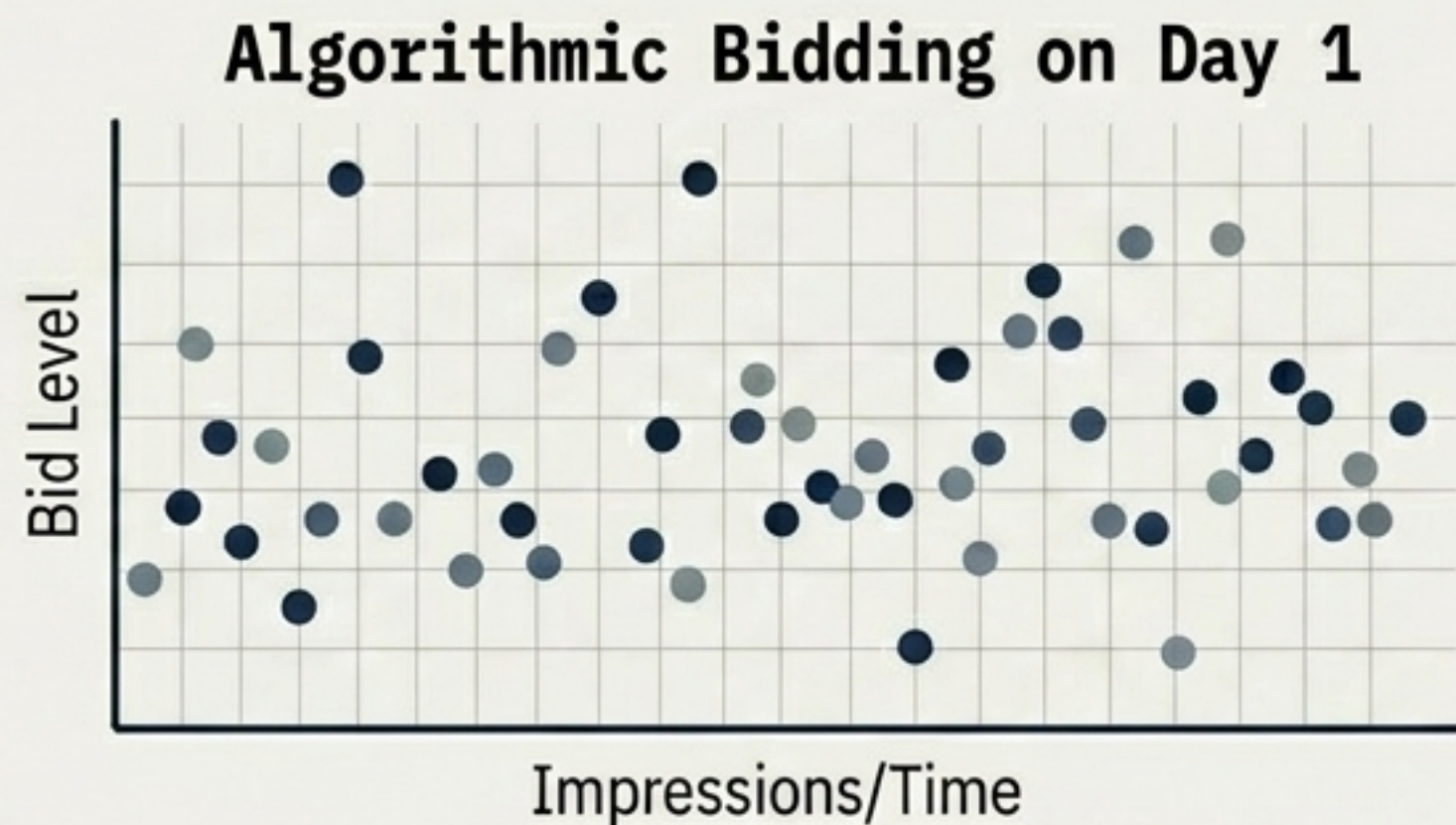
The Algorithmic Flaw:

Smart Bidding adds unnecessary complexity to simple campaigns. It artificially inflates bids to protect conversions you would have won anyway at baseline CPCs.

The Fix:

Keep mature branded search on Manual CPC with well-calibrated bid adjustments.

When Manual Bidding Still Wins: Cold Testing



The Context:

Launching completely new keyword groups or creative variants with zero historical data.

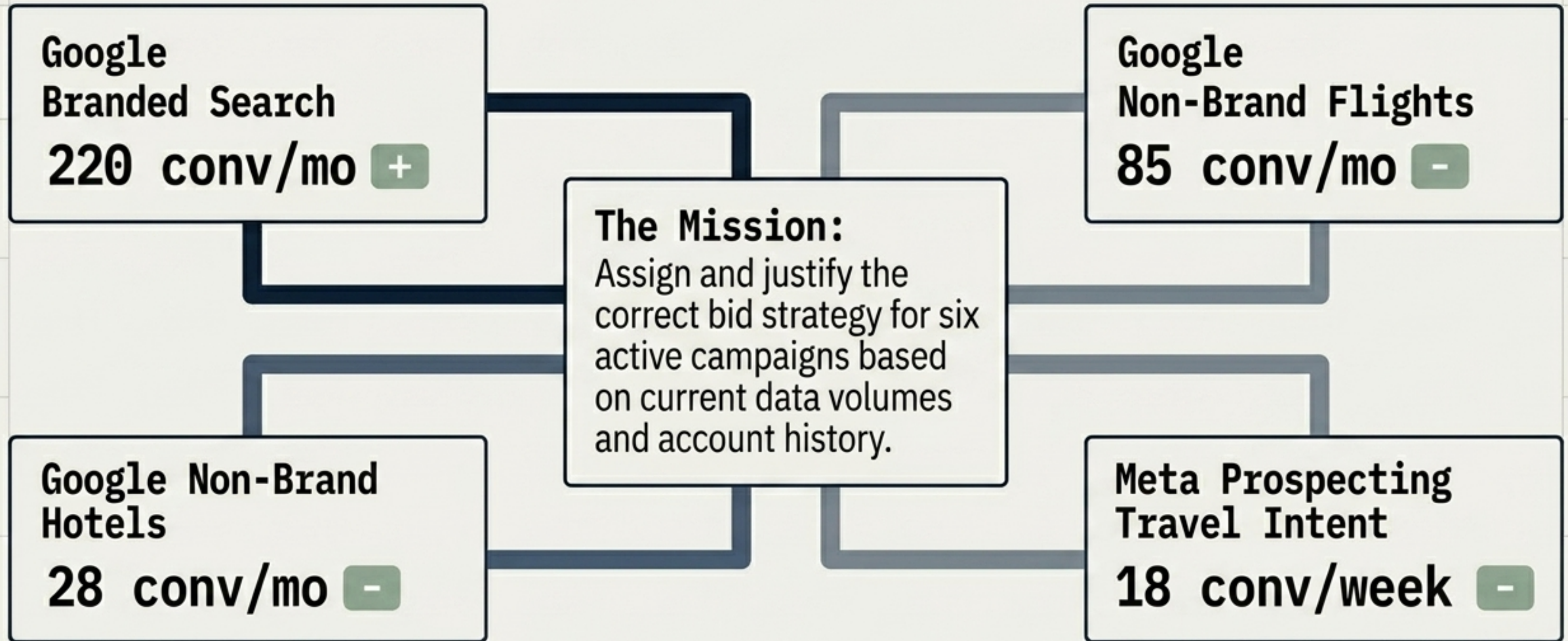
The Algorithmic Flaw: ⚠️

Without historical signal, the algorithm bids randomly and burns testing budgets inefficiently.




The Fix: ✅

Run initial tests on Manual CPC to lock the bid level, gather stable baseline data, and then graduate the campaign to automated bidding.



Portfolio Audit: B2C Travel Platform



Audit Execution: Google Search Portfolio

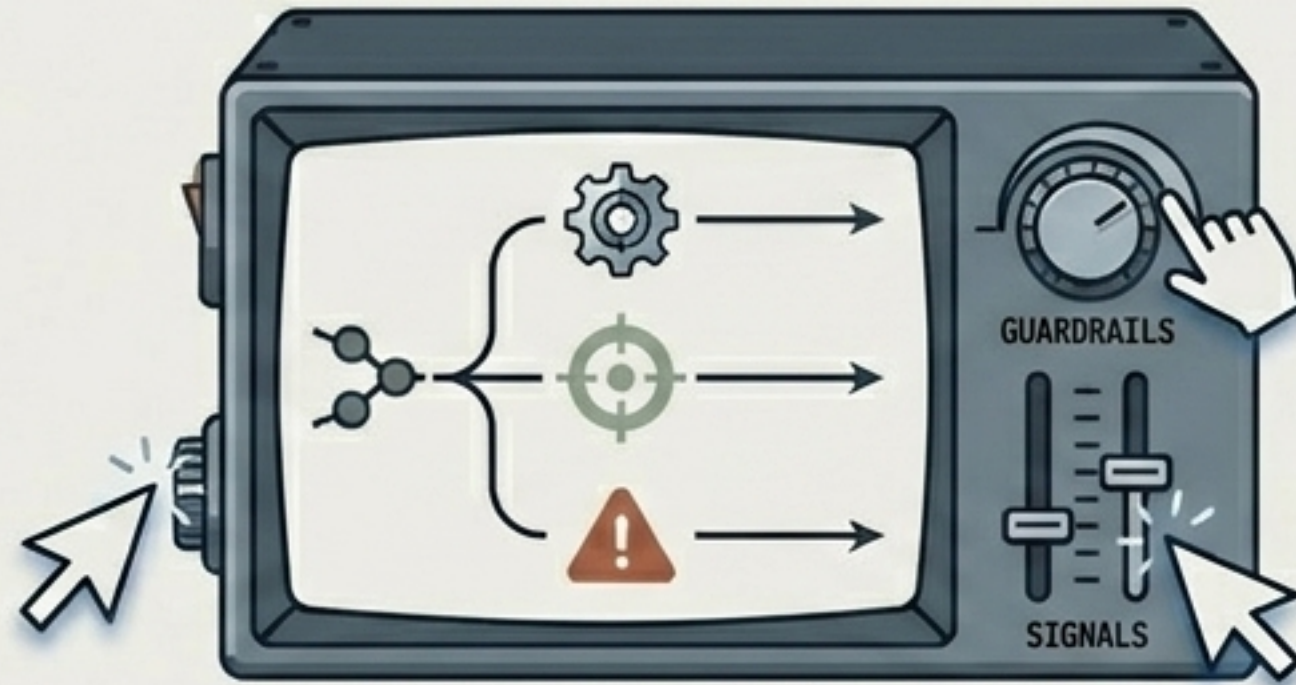
| | Campaign | Assigned Strategy | Justification |
|---|--|--------------------------------|--|
|  | Brand Search (220 conv/mo) | Move to Manual CPC | High impression share (96%) means the algorithm will likely inflate bids unnecessarily. |
|  | Non-Brand Flights (85 conv/mo) | Move to tCPA | Safely above the 30-conv threshold. Start at historical ₹420 baseline. |
|  | Non-Brand Hotels (28 conv/mo) | Move to Max Conversions | Stuck below the 30-conv threshold. Uncap volume to build data density before layering targets. |

Audit Execution: Meta & Display Portfolio

| | Campaign | Assigned Strategy | Justification |
|---|--|---------------------|---|
|  | Meta Prospecting App Installs (18 conv/week) | Move to Lowest Cost | Currently deep in Learning Limited (needs 50/wk). Cost caps will stall delivery entirely. Broaden audience to drive volume first. |
|  | Display Retargeting (42 conv/mo) | Move to tCPA | Sufficient volume for automated efficiency controls on warm audiences. |

Trigger to Watch: Monitor Meta weekly. Once the app install ad sets cross 50 results/week, immediately lock in a Cost Cap based on observed CPR.

The Algorithm Works For You



Synthesis & Mandate

- **Synthesis:** Smart Bidding is essentially high-frequency algorithmic trading. It is completely indifferent to your margins.
- **The Operator's Mandate:** Feed the machine clean signals, set strict guardrails, and let the code do the math.

Final Takeaways

1. Never enforce efficiency targets without data density.
2. Base initial targets on historical reality, not aspirational math.
3. Protect pristine, high-intent traffic from algorithmic bid inflation.