

Mastering Google's Performance Max: Campaign Performance, Impact, Key Use Cases, and More

EBOOK

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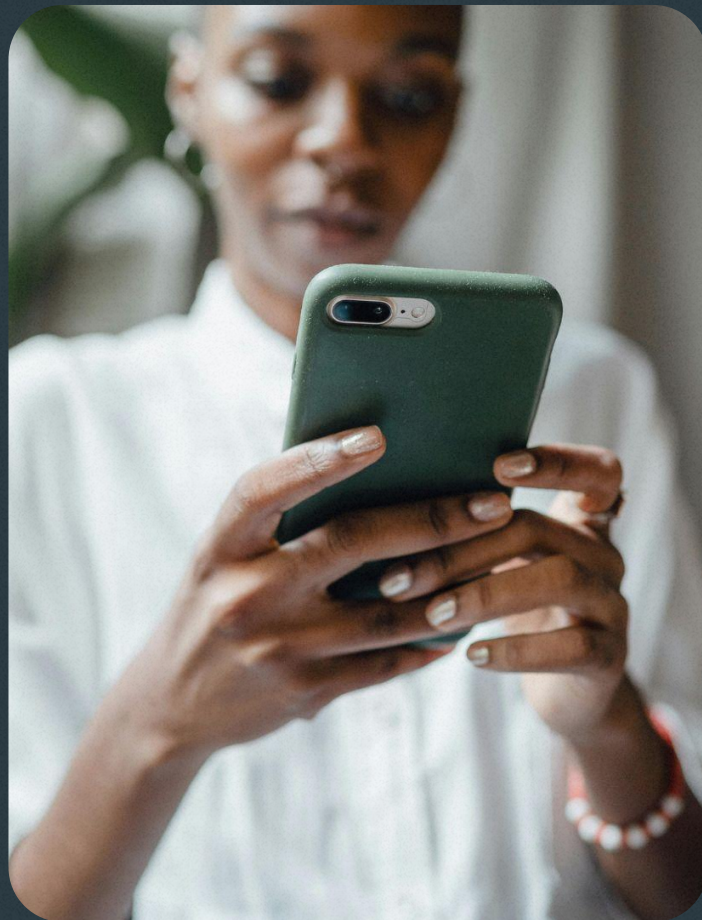
Google's Performance Max

Google's Performance Max is a unique type of campaign that takes advantage of multiple marketing channels, utilizing all of Google's inventory for your hotel's advertising efforts.

For more details on the utilization, pros, and cons of Performance Max campaigns, see our previous blog post on "[What Is Google's Performance Max?](#)"

On the surface, Performance Max seems like an incredible option. Taking advantage of multiple marketing channels with one campaign increases the potential for traffic growth, increased conversions, and better cost efficiency.

But is Google's Performance Max really all it's cracked up to be? We put this campaign type to the test, and the results surprised us.



The test

We tested Google's Performance Max with a sample of hotels and resorts in the United States. Each property was already running Paid Search campaigns with Google Ads, and Performance Max ran alongside these existing campaigns with additional budget.

Each property's Performance Max campaign had a slightly different setup, with unique audience signals, ad assets, and time frame. However, test data for all properties was collected over the first three months after a Performance Max campaign was launched.

See the following slides for key highlights of our data. Full results from each property can be found in the Appendix.



Performance Max vs Paid Search campaigns

Our first step was comparing Google's Performance Max against traditional Paid Search campaigns, to determine the more effective use of our marketing efforts. We compared Performance Max campaigns against existing Brand and Market Terms campaigns, which targeted branded and non-branded keywords respectively.

Summary: Performance Max vs. Paid Search campaigns

Performance Max tends to see lower CPC and cost per booking than other Paid Search campaigns, making it an efficient use of budget. This campaign type is also more effective than Market Terms in almost every way, but struggles to match Brand Terms performance in a number of areas.



PMax campaign data vs. Brand Terms

Overall, Performance Max campaigns saw better cost efficiency than Brand Terms campaigns, shown by metrics such as cost per click (CPC) and cost per booking.

However, Performance Max campaigns tended to perform worse than Brand Terms when it came to conversion metrics such as total bookings, booking rate, and revenue.

PMax campaign data vs. Market Terms

Performance Max campaigns tended to perform better than Market Terms campaigns in almost every metric. The only exception was CTR, which could be explained by the wide variety of advertising channels that Performance Max utilizes.

This performance suggests that PMax campaigns may reach potential guests who are further into the conversion funnel than Market Terms. PMax campaigns do generate some level of exposure, as shown by their high impressions and clicks, but Market Terms campaigns may be more effective at driving very high-level awareness.

	Clicks	Imp	CTR	CPC	Bookings	Cost / Booking	Booking Rate	Revenue	ROAS
Most properties' Performance Max campaigns performed [blank] than Brand Terms.	Worse	Better	Worse	Better	Worse	Better	Worse	Worse	Worse

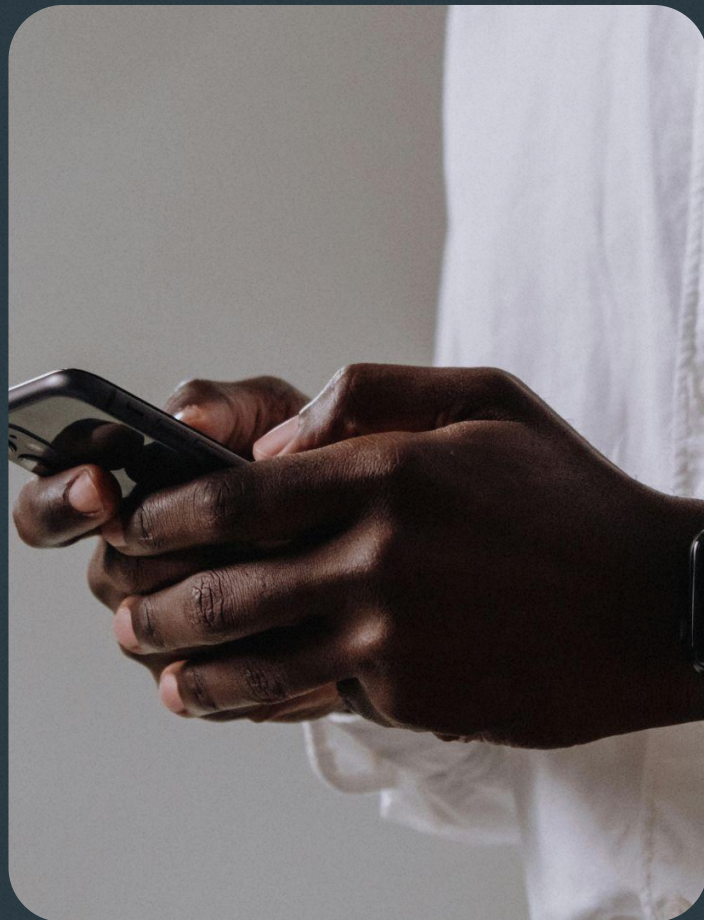
	Clicks	Imp	CTR	CPC	Bookings	Cost / Booking	Booking Rate	Revenue	ROAS
Most properties' Performance Max campaigns performed [blank] than Market Terms.	Better	Better	Worse	Better	Better	Better	Better	Better	Better

How PMax impacts other Paid Search campaigns

We also wanted to measure the impact of Performance Max on existing Paid Search efforts. We compared data period-over-period (POP) to see if Performance Max had any effect on general Paid Search performance or current Paid Search campaigns.

Summary: How PMax impacts other Paid Search campaigns

In general, Performance Max campaigns seemed to have an uplifting effect on Paid Search performance. Despite some decreases to Brand Terms visibility and Market Terms booking metrics, account-level performance in these areas seemed to improve after launching Performance Max.



Account-level impact of PMax campaigns

Performance Max campaigns tended to boost Paid Search account performance, with most properties seeing improvements to total clicks, impressions, bookings, booking rate, revenue, and ROAS. This also occurred with little to no effect on cost per booking, acting as a true uplift to account performance.

However, account-level CTR did seem to decrease as a result of launching Performance Max campaigns, and the impact on CPC was somewhat inconsistent across properties.

	Clicks	Imp	CTR	CPC	Bookings	Cost / Booking	Booking Rate	Revenue	ROAS
Most properties' Paid Search accounts performed [blank] POP after launching Performance Max.	Better	Better	Worse	Inconclusive results	Better	About the same	Better	Better	Better

PMax campaign impact on Brand Terms

After launching Performance Max, Brand Terms campaigns tended to see lower visibility, with most properties subject to decreasing clicks and impressions as a result of rising CPCs.

Despite this, Brand Terms campaigns were able to maintain a steady CTR after launching Performance Max. This, along with improvements to booking rate, helped offset the reduced visibility, with most properties nevertheless seeing increases to Brand Terms bookings, revenue, and ROAS.

PMax campaign impact on Market Terms

Performance Max tended to have a negative effect on Market Terms campaigns. Even with increased CTR, almost all properties saw worse CPC, bookings, cost per booking, booking rate, revenue and ROAS after launching Performance Max.

The effect on visibility, though, is inconclusive. For about 50% of tested properties, Market Terms clicks and impressions continued to increase after launching Performance Max. For the remaining properties, however, Market Terms saw a notable decrease in these metrics.

	Clicks	Imp	CTR	CPC	Bookings	Cost / Booking	Booking Rate	Revenue	ROAS
Most properties' Brand Terms campaigns performed [blank] POP after launching Performance Max.	Worse	Worse	About the same	Worse	Better	About the same	Better	Better	Better

	Clicks	Imp	CTR	CPC	Bookings	Cost / Booking	Booking Rate	Revenue	ROAS
Most properties' Market Terms campaigns performed [blank] POP after launching Performance Max.	Inconclusive results	Inconclusive results	Better	Worse	Worse	Worse	Worse	Worse	Worse

PMax campaign impact on overall website performance

Paid Search is only one part of the story, though. Finally, we looked at overall property performance to see if Google's Performance Max campaigns have a larger impact on a hotel's general brand awareness and revenue production.

Summary: PMax campaign impact on overall website performance

There's no strong evidence that Performance Max campaigns have an overall negative or positive effect on a property's general website performance. Most metrics were incredibly varied by property, with no clear conclusion one way or the other.



PMax campaign impact year-over-year (YOY)

YOY results were fairly mixed, and the overall benefits of a Performance Max campaign seem to rely heavily on unique characteristics of each property.

However we can conclude that, while sessions and session engagement rate may decrease as a result of launching a Performance Max campaign, revenue and user booking rate are likely to improve.

PMax campaign impact period-over-period (POP)

POP results were also fairly mixed, with metrics such as engaged sessions and booking rate seemingly dependent on unique characteristics of each property.

However, Performance Max campaigns are likely to improve website traffic and growth, with new users, total users, and sessions tending to increase. Engagement and production may suffer though, as shown by the somewhat common decreases to session engagement rate and total bookings.

	New Users	Total Users	% New Users	Sessions	Engaged Sessions	Session Engagement Rate	Bookings	Revenue	User Booking Rate	Session Booking Rate
After launching Performance Max, most properties performed [blank] YOY.	Inconclusive results	About the same	About the same	Worse	Inconclusive results	Worse	Inconclusive results	Better	Better	About the same

	New Users	Total Users	% New Users	Sessions	Engaged Sessions	Session Engagement Rate	Bookings	Revenue	User Booking Rate	Session Booking Rate
After launching Performance Max, most properties performed [blank] POP.	Better	Better	About the same	Better	Inconclusive results	Worse	Worse	Worse	Inconclusive results	Inconclusive results

Pros and cons

There are a number of management-related pros and cons to utilizing Performance Max campaigns, as we covered in [our previous Performance Max analysis](#). But what does the data tell us about their impact?

Are Performance Max campaigns able to uplift performance on a large scale?

Are they prone to cannibalizing performance from other advertising campaigns? Are they simply a waste of time and money?



Pros

Pro: General uplift of production

- Paid Search bookings, revenue, and ROAS tended to increase at the account-level after launching Performance Max.
- This account-level uplift did not come at the expense of Brand Terms performance, as these campaigns continued to see POP improvements to the same metrics.
- YOY, overall website revenue also saw increases after launching Performance Max campaigns.

Pro: Improved efficiency

- Performance Max campaigns were more cost-efficient than both Brand and Market Terms campaigns, with better CPC and cost per booking.
- Performance Max campaigns also seemed to improve booking rate. Paid Search accounts and Brand Terms campaigns saw improved booking rate POP, and total website user booking rate tended to increase YOY.

Pro: Increased visibility and awareness

- After launching Performance Max, account-level clicks and impressions tended to increase POP.
- Performance Max campaigns also tended to generate more clicks and impressions than Market Terms.
- POP, total website users, and sessions tended to increase.

Cons

Con: Decreased engagement

- Account-level Paid Search CTR tended to decrease after launching Performance Max.
- Performance Max also saw a lower CTR than both Brand and Market Terms campaigns.
- The total website session engagement rate tended to decrease both POP and YOY.

Con: Negative effect on CPC

- After launching Performance Max, both Brand and Market Terms saw increased CPCs POP.
- At the account level, CPCs increased for about half of the tested properties.

Con: Limited insights

- While PMax campaigns do offer some reporting insights, they don't offer data on keywords, asset combinations, or exact network conversion sources.
- Measuring the efficacy of PMax campaigns is largely limited to analysis of campaign-level and account-level performance.

Con: Few campaign controls

- PMax campaigns allow you to provide direction with audience signals and broad keyword topics, but these are not used for direct targeting. Instead, these additions simply act as a guide for Google's algorithm, helping the platform to find converting audiences.
- PMax campaigns offer limited settings around negative keywords, network placements, bid adjustments, and other exclusions, providing little control over when and where your ads are shown.
- There is a lack of control over specific ad design and branding in PMax campaigns, as a result of automatically created ad variations for each network placement type.

Should I use Google's Performance Max campaigns?

The efficacy of Google's Performance Max, just like any other campaign type, comes down to your hotel's individual marketing goals.

Production

If your hotel is looking to increase production metrics such as total bookings and return on ad spend (ROAS), Google's Performance Max could be an amazing addition to your existing Paid Search account.

Performance Max campaigns seemingly have a positive impact on bookings, revenue, and booking rate on Paid Search, and there's some evidence that this extends to overall website production as well.

However, Brand Terms campaigns nonetheless tend to see the best performance in terms of production, so Performance Max should not be used as a replacement for existing Brand Terms efforts.



Should I use Google's Performance Max campaigns?

Awareness

Performance Max is also a great choice if your hotel is looking for a high-awareness campaign. There's strong evidence that Performance Max can drive both visibility and website traffic, and often more efficiently than Market Terms campaigns. While we don't suggest ignoring Market Terms altogether, Google's Performance Max may be an option for hotels with a smaller budget or otherwise limited ability to bid on Market Terms.

Engagement

However, if your hotel is interested in boosting engagement among your audience, it's best to avoid Performance Max campaigns. Clickthrough rate (CTR) and website engagement rate seem to decrease after launching this campaign type, making it ineffective for improving engagement.



Should I use Google's Performance Max campaigns?

CPC

If your hotel is highly focused on decreasing cost per click (CPC), Performance Max would also be a poor choice. While this campaign type does see better CPCs than other campaigns, Google's Performance Max tends to have a negative effect on account-level CPC.

Budget

We recommend a minimum actual spend of \$45 per day to support a Performance Max campaign. If you are able to add extra budget to support the addition of Performance Max, we highly recommend testing it out. Though there are some risks, Google's Performance Max tends to offer something for everyone and could be a valuable addition to any hotel's advertising strategy.

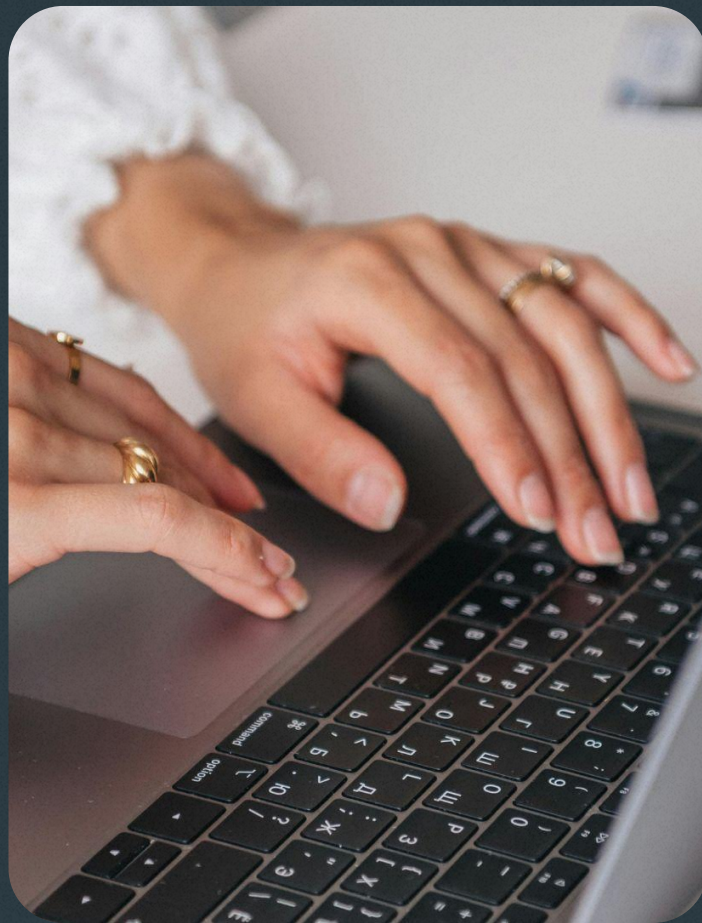
However, if you are unable to add additional budget, it's important to consider your hotel's specific goals when making the decision to launch Performance Max. If you must redistribute budget to support this campaign type, we suggest reallocating from Market Terms and other non-branded campaigns.



Summary

Google's Performance Max is an incredibly unique campaign type, and its potential effects are just as unique. While launching Performance Max tends to have a positive impact overall, there are a number of situations where you may want to have better visibility into the campaign as well as more control over your brand messaging. It's important to always consider your property goals when determining whether or not Google's Performance Max campaigns are the right fit for you and your property.

If you're looking for more information on Google's Performance Max, or want to get your hotel set up with this campaign type, [don't hesitate to reach out.](#)



Appendix- Performance Max vs Paid Search campaigns

PMax campaign data vs. Brand Terms

	Clicks	Imp	CTR	CPC	Bookings	Cost / Booking	Booking Rate	Revenue	ROAS
Property 1:	-114%	32%	-133%	29%	-163%	112%	-91%	-165%	-116%
Property 2:	-47%	25%	-70%	-2%	-65%	18%	-20%	-52%	-4%
Property 3:	-145%	52%	-166%	-32%	-126%	-65%	35%	-152%	16%
Property 4:	-3%	147%	-148%	-32%	-29%	-7%	-25%	-176%	-166%
Property 5:	-38%	109%	-133%	-36%	-37%	-37%	1%	-24%	49%
Property 6:	-29%	82%	-104%	-38%	-48%	-19%	-19%	-67%	-2%
Property 7:	Did not target branded keywords during this test.								
Property 8:	37%	186%	-180%	-118%	-92%	2%	-119%	-100%	-12%
Property 9:	72%	175%	-151%	-85%	-35%	21%	-101%	-39%	-25%

How to read this table: Property 1's Performance Max campaign generated 114% fewer clicks than Brand Terms in the first 3 months after launching Performance Max.

Appendix- Performance Max vs Paid Search campaigns

PMax campaign data vs. Market Terms

	Clicks	Imp	CTR	CPC	Bookings	Cost / Booking	Booking Rate	Revenue	ROAS
Property 1:	60%	89%	-33%	-101%	100%	-133%	47%	125%	151%
Property 2:	32%	25%	7%	-108%	108%	-156%	83%	116%	160%
Property 3:	-127%	-61%	-82%	-2%	59%	-158%	157%	45%	151%
Property 4:	101%	135%	-52%	-18%	200.00%	N/A	200.00%	200.00%	200.00%
Property 5:	31%	21%	11%	39%	183%	-167%	177%	183%	167%
Property 6:	108%	56%	61%	-91%	169%	-162%	113%	167%	160%
Property 7:	56%	153%	-124%	-113%	-7%	-62%	-62%	Revenue data unavailable.	
Property 8:	138%	181%	-113%	-125%	164%	-155%	59%	168%	161%
Property 9:	96%	146%	-77%	-51%	117%	-77%	29%	116%	75%

How to read this table: Property 1's Performance Max campaign generated 60% more clicks than Market Terms in the first 3 months after launching Performance Max.

Appendix- How PMax impacts other Paid Search campaigns

Account-level impact of PMax campaigns

	Clicks	Imp	CTR	CPC	Bookings	Cost / Booking	Booking Rate	Revenue	ROAS
Property 1:	71%	127%	-25%	-14%	89%	-22%	11%	106%	40%
Property 2:	20%	21%	0%	-26%	-7%	-4%	-23%	-12%	-1%
Property 3:	7%	6%	0%	8%	126%	-49%	112%	128%	98%
Property 4:	53%	117%	-30%	-21%	50%	-19%	-2%	29%	6%
Property 5:	-5%	37%	-31%	33%	10%	15%	16%	32%	4%
Property 6:	18%	64%	-28%	30%	12%	37%	-5%	-6%	-39%
Property 7:	-56%	-59%	8%	127%	-12%	14%	99%	Revenue data unavailable.	
Property 8:	58%	1774%	-92%	-10%	17%	22%	-26%	-12%	-38%
Property 9:	119%	402%	-56%	-15%	80%	3%	-18%	84%	-1%

How to read this table: In the three months after launching their Performance Max campaign, Property 1's entire Paid Search account generated 71% more clicks than the previous period.

Appendix- How PMax impacts other Paid Search campaigns

PMax campaign impact on Brand Terms

	Clicks	Imp	CTR	CPC	Bookings	Cost / Booking	Booking Rate	Revenue	ROAS
Property 1:	120%	112%	4%	-8%	180%	-28%	27%	221%	58%
Property 2:	-9%	-12%	3%	-16%	-32%	11%	-25%	-39%	-19%
Property 3:	5%	-4%	10%	13%	83%	-35%	73%	112%	78%
Property 4:	16%	6%	10%	-40%	-12%	-22%	-24%	-21%	14%
Property 5:	-39%	-37%	-4%	46%	16%	-23%	90%	38%	56%
Property 6:	-30%	-29%	-2%	61%	-30%	61%	0%	-38%	-45%
Property 7:	Did not target branded keywords during this test.								
Property 8:	-42%	-38%	-6%	68%	-17%	18%	42%	-36%	-35%
Property 9:	-2%	-3%	1%	40%	14%	20%	17%	19%	-13%

How to read this table: In the three months after launching their Performance Max campaign, Property 1's Brand Terms campaign generated 120% more clicks than the previous period.

Appendix- How PMax impacts other Paid Search campaigns

PMax campaign impact on Market Terms

	Clicks	Imp	CTR	CPC	Bookings	Cost / Booking	Booking Rate	Revenue	ROAS
Property 1:	128%	152%	-10%	3%	88%	25%	-18%	2%	-56%
Property 2:	-12%	-36%	39%	-15%	-32%	11%	-23%	-42%	-23%
Property 3:	-6%	-26%	27%	2%	155%	-62%	171%	79%	86%
Property 4:	-55%	-61%	16%	52%	-100%	N/A	-100%	-100%	-100%
Property 5:	-23%	-24%	1%	32%	-69%	223%	-59%	-50%	-50%
Property 6:	226%	64%	99%	-56%	-9%	57%	-72%	25%	-13%
Property 7:	-56%	-59%	8%	127%	-54%	121%	3%	Revenue data unavailable.	
Property 8:	3010%	4143%	-27%	-94%	200%	N/A	200%	200%	200%
Property 9:	14%	10%	4%	21%	26%	9%	10%	26%	-9%

How to read this table: In the three months after launching their Performance Max campaign, Property 1's Market Terms campaign generated 128% more clicks than the previous period.

Appendix- PMax campaign impact on overall website performance

PMax campaign impact year-over-year (YOY)

	New Users	Total Users	% New Users	Sessions	Engaged Sessions	Session Engagement Rate	Bookings	Revenue	User Booking Rate	Session Booking Rate
Property 1:	5%	6%	0%	5%	-7%	-12%	-63%	-4%	-65%	-64%
Property 2:	-1%	-1%	-1%	-7%	-10%	-4%	-3%	11%	-2%	4%
Property 3:	Previous year's data unavailable.									
Property 4:	-50%	-50%	0%	-46%	-24%	41%	-8%	-32%	85%	73%
Property 5:	6%	5%	1%	0%	-7%	-7%	2%	-6%	-2%	2%
Property 6:	-20%	2%	-22%	24%	12%	-9%	29%	22%	26%	4%
Property 7:	20%	30%	-8%	-24%	25%	65%	Booking and revenue data unavailable.			
Property 8:	-19%	-5%	-15%	22%	-4%	-22%	60%	39%	69%	31%
Property 9:	Previous year's data unavailable.									

How to read this table: After launching their Performance Max campaign, Property 1's website saw 5% more new users than the same period of the previous year.

Appendix- PMax campaign impact on overall website performance

PMax campaign impact period-over-period (POP)

	New Users	Total Users	% New Users	Sessions	Engaged Sessions	Session Engagement Rate	Bookings	Revenue	User Booking Rate	Session Booking Rate
Property 1:	23%	24%	-1%	26%	15%	-9%	-29%	18%	-43%	-44%
Property 2:	23%	23%	0%	15%	18%	3%	0%	-6%	-19%	-13%
Property 3:	8%	9%	-1%	9%	3%	-5%	6%	-8%	-3%	-3%
Property 4:	5%	6%	0%	6%	23%	16%	20%	17%	13%	13%
Property 5:	-3%	-3%	1%	-5%	-7%	-2%	-19%	-13%	-17%	-15%
Property 6:	-14%	-16%	3%	-18%	-25%	-9%	-9%	-23%	8%	10%
Property 7:	-12%	-11%	-2%	-11%	-16%	-5%	Booking and revenue data unavailable.			
Property 8:	-25%	-26%	1%	-28%	-23%	7%	-1%	-18%	33%	37%
Property 9:	Previous period's data unavailable.									

How to read this table: In the three months after launching their Performance Max campaign, Property 1's website saw 23% more new users than the previous period.

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Thank you for
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