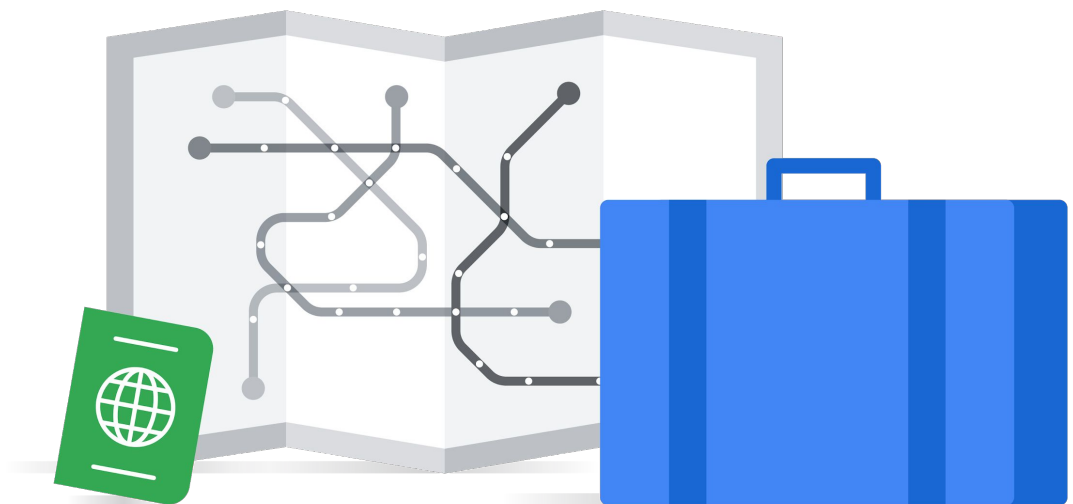


August 2020

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# Google for Hotels 401:

## Hotel Ads Advanced Features



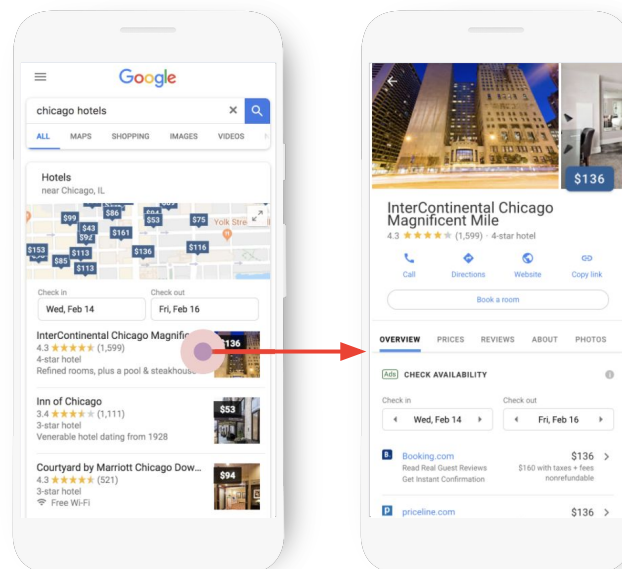
# Google For Hotels 401:

## Hotel Ads Advanced Features

### Smart bidding with Hotel Ads

Hotel Ads can be complex as campaigns are organized by hotel property and user intent, not keywords. Hotel Ads are triggered for the hotel or accommodation + a city, like 'Hotel in London' or 'Paris hotel'.

Hotel Ads are ranked using a variety of factors including your room rate, bid and quality score. Over time, we have added many signals to our algorithm to help you account for device type, location and time. These modifiers act as levers you can adjust to influence what you pay per click. More information on hotel ads bid multiplier can be found [here](#).



With more signals than ever before, it's difficult to manually pull individual levers. Enter Google Smart Bidding. With smart bidding, we look at a combination of bid multipliers already available to partners in addition to signals only available via Hotel Ads Smart Bidding to optimize your bids in auction-time.

Quality score	Room Price	Bids
A combination of <b>price accuracy</b> , <b>price competitiveness</b> and other factors. In order to influence QS, partners should focus on improving price accuracy and providing their best available price.	<p><b>Point of Sale:</b> landing points for your hotels.</p> <p><b>Hotel list feed:</b> hotels for which you will provide pricing</p> <p><b>Price feed:</b> pricing and availability</p>	<p>Base bid</p> <p>Bid multipliers</p> <ul style="list-style-type: none"> <li>• Data type</li> <li>• Device</li> <li>• Advanced purchase window</li> <li>• User country</li> <li>• Day of week</li> <li>• Length of stay</li> </ul>

### Smart bidding signals: rich user context for each and every auction

Predicted Conversion value

Average nightly price

Mobile Tonight

Distance to a hotel on mobile

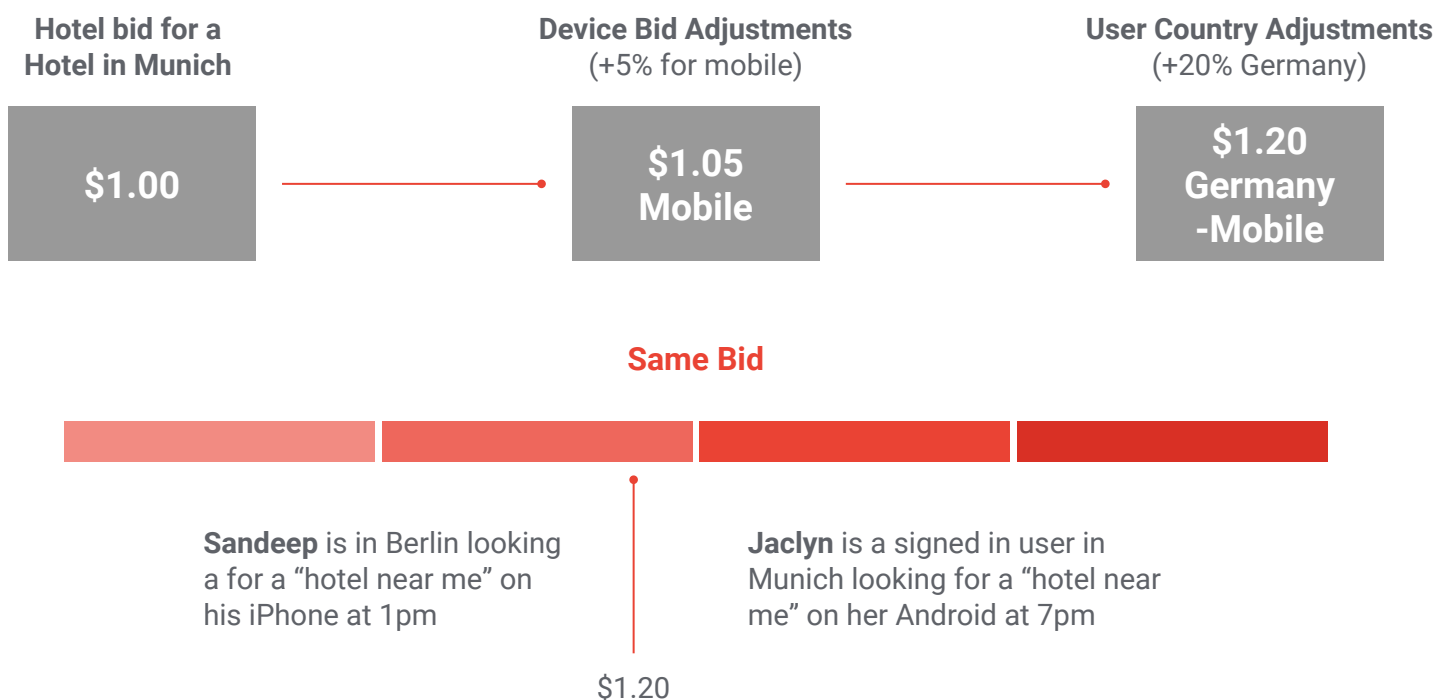
Predicted Conversion rate

Signed in status

Let's use mobile as an example of a signal.

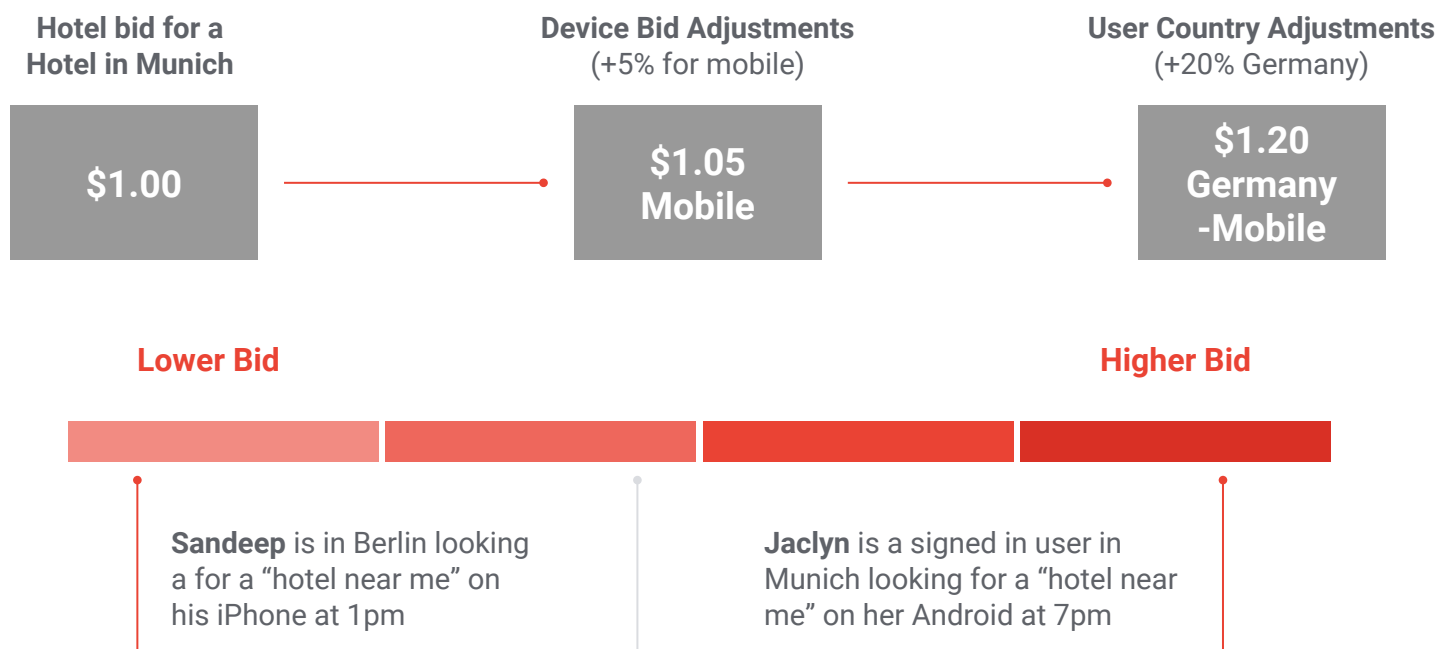
Using manual bidding, you would set one bid for users searching on mobile. In the example below, although you are able to manually set bids for device and user country for a Hotel property in Munich, Sandeep and Jaclyn, 2 users in different locations searching at different times of day, will receive the same bid based on your manual inputs.

### Manual Bidding:



Using Smart Bidding, you no longer have to treat mobile signals the same for every auction. With smart bidding our algorithm will adjust your bid based on distance to your hotel, the time of day and signed in user status in order to increase the bid for Jaclyn and decrease the bid for Sandeep.

## Smart Bidding:



**Smart bidding signals used:** Distance to hotel on mobile, mobile tonight, signed in user status

The smart bidding example above demonstrates why smart bidding is uniquely positioned to help you achieve your goals. We can recognize users as having different values to your business and treat them differently by using true action time bidding, adaptive learning at the query level and rich user signals to provide meaningful context to every search.



**True auction-time bidding** to set bids for each individual auction, not just a few times a day



**Adaptive learning at the query-level** that predicts performance at different bid levels



**Rich user signals** to provide meaningful context to every search

## Choosing the right bid strategy

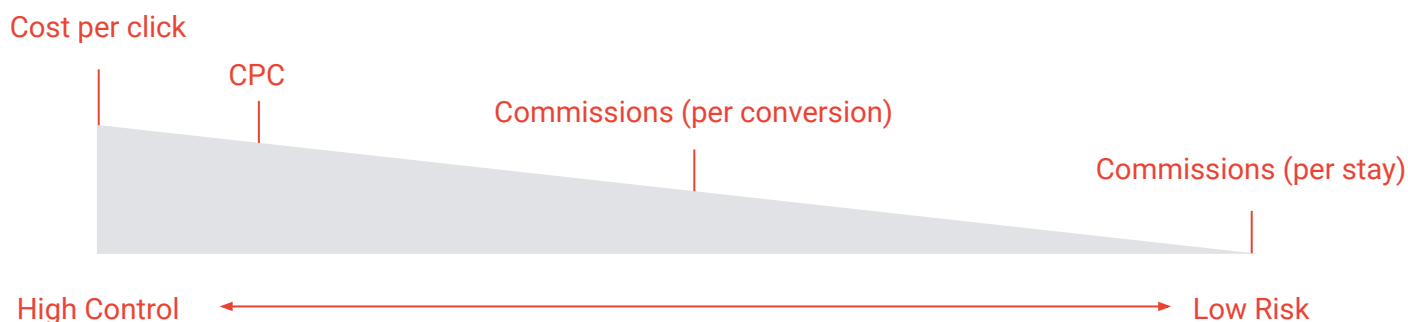
Let's take a deeper look at the bidding options for Hotel Ads. There are two different types of bidding strategies: manual/in-house and automated.

If you are considering utilizing manual bidding you will want to ask yourself if you have the time and resources to dedicate to manual bidding. If you are not able to scale manual bidding by using an in-house algorithm or resources, you should consider Smart bidding.

A third party (such as Koddi) is another option if you do not have the time to dedicate to manual bidding. All of our bidding strategies are also open to third parties to use on behalf of their clients.

### Smart bidding overview

If smart bidding is a good option for you, there are many different smart bidding strategies for you to consider.



### Ideal bidding option if:

#### Pay per click

You want to control optimization & have strong ability to manage through fluctuating user demand cancelation rates.

#### Pay per conversion

You want to maximize the number of conversions while keeping costs predictable. You bid a percent of the booking value, and the bid is automatically adjusted.

#### Pay per stay

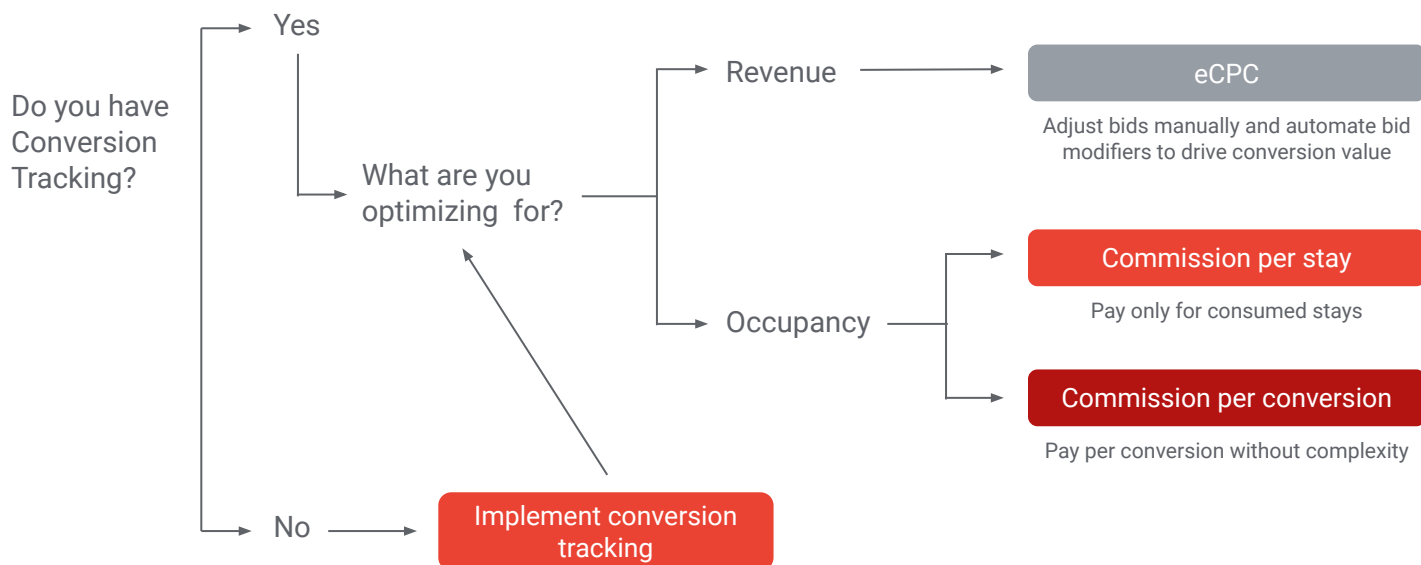
You are unsure whether the guest stay will occur. This removes any risk of cancellation.

Most partners could benefit from testing a combination approach

Before we start choosing a smart bidding strategy, we recommend implementing conversion tracking. Here's why:

- Deepen your insight into consumer behavior and property demand
- Go beyond a click and measure the effectiveness of your Hotel Ads
- Understand user intent across devices
- Set your attribution window between 1 and 30 days
- Access Hotel Ads Smart Bidding solutions

Check out the below flow chart to help choose a bid strategy that fits your needs:



If you are still unsure which strategy to use, answering these questions might help you to make a decision:

**Note:** All of these assume you have conversion tracking\*

1. Do you have a good mobile site?  
**yes:** use any bidding strategy  
**no:** use campaigns broken out to reach mobile separately with manual bidding or eCPC.  
CPA and tROAS won't allow you to specify a mobile specific bid multiplier
2. Do you have separate KPIs for mobile?  
**yes:** use campaigns broken out to reach mobile separately with eCPC  
**no:** use tROAS, CPA or eCPC
3. How do you manage budgets for hotel ads?  
**Fixed budget per period:** use tROAS or eCPC  
**No set budget (just set returns):** use CPA
4. Do you optimize more for occupancy or revenue?  
**Occupancy:** use CPA  
**Revenue:** use tROAS
5. Is audience important to you?  
**Yes:** use eCPC (audience bid multipliers not yet compatible with other smart bidding strategies)  
**No:** use tROAS or CPA
6. How many resources are able to focus on bidding?  
**A lot:** use manual bidding with eCPC (many campaigns broken out for location, device and performance goals).  
**Some:** have a single CPA campaign with eCPC used for a few (5-15) strategic breakout campaigns  
**Very few:** have a single CPA campaign with eCPC used for a couple (1-5) strategic breakout campaigns

## Smart bidding: Cost-per-Click (CPC)

[Cost Per Click \(CPC\)](#): can be set as a dollar amount OR % of booking value. HA bid multipliers allow partners to adjust CPCs by key segments of traffic.

- You can select either a Manual CPC (fixed) or CPC% strategy at the campaign level.
  - With Manual CPC, you bid a fixed amount for a click on your Hotel ad. With CPC%, you bid a percentage of the total hotel price per night (including taxes & fees)
- With CPC, your base bid is your auction bid before any bid adjustments are applied.

### Benefits:

- Optimize your bid for a wide variety of inventory.
- Customize base bids at the ad group and hotel group level.
- Can be used with Enhanced CPC to automate your bid adjustments.
- For advertisers who prefer the highest degree of control, CPC can be used with manual bid adjustments.

\*\* To use eCPC, you must have conversion tracking enabled.

## Smart bidding: Commissions (pay-per-conversion)

[Commissions \(pay-per-conversion\)](#): Commissions pay-per-conversion is a way to pay only when a traveler books your hotel. Commissions is a Smart Bidding strategy that automatically adjusts your bid to help you maximize conversions. You pay a percent of the booking value that you set.

### Benefits:

- Maximize your conversion value with minimum effort
- Define a consistent cost relative to revenue you earn from Hotel ads
- Adaptive learning predicts performance at different bid levels to maximize conversions
- Auction-time bidding for every auction, not just a few times per day

### Best Practices:

- Implement conversion & revenue tracking
- Campaign should have at least 20 conversions per day for best performance



## Smart Bidding: Commissions (pay-per-stay)

Commissions (pay-per-stay): you pay a % of total booking value only when users complete their stay at your property, removing any risk of cancellation.

### Benefits:

- Leverage the power of Google's machine learning to acquire guest stays.
- Drive bookings through Hotel Ads with no spend up front.
  - At the end of the month you report actual guest stays and you're billed based on the set commission rate for guest stays

### Best Practices:

- Keep in mind the various requirements to get started:
  - Google account approval
  - Conversion & revenue tracking
  - Reconciliation file uploaded once per month
- Campaign should have at least 10 conversions per day for best performance
- Conversion tracking must be implemented on all devices and points of sale

## Getting started with Hotel Ads smart bidding

Once you have decided upon your smart bidding strategy, implementation does not have to be complex. Here is a recommended timeline for the next month.



## Implement conversion tracking

[Conversion tracking](#) can help you see how effectively your ad clicks lead to valuable customer activity on your website, such as bookings.

After you set up conversions for hotel campaign reporting, Google will send the booked hotel data to you to enable campaign performance tracking. This will allow you to monitor your hotel data and overall campaign performance.

Refer to the [Help Center](#) to follow steps to implement conversion tracking.

## Apply Smart Bidding

Before applying Smart Bidding to your campaigns, make sure you define your objectives before choosing a bidding strategy:

- What are you looking to achieve with your campaign?
- Hotels with similar KPIs should be grouped together in the same campaign
- Keep in mind efficiency is not the same thing as profit

**Note:** We highly recommend Cost Per Acquisition (CPA) bidding for an easy way to guarantee bookings at your preferred ROI (i.e. an “always on” campaign).

Once you’ve decided on your bid strategy, follow these steps to implement:

1. Sign in to your [Google Ads account](#).
2. In the page menu on the left, click Campaigns.
3. Select the campaign you want to edit.
4. Click Settings in the page menu for this campaign.
5. Open Bidding and then click Change bid strategy.
6. Select your new bid strategy from the drop-down menu.
7. Click Save.

## Evaluate Performance

Keep the below points in mind when evaluating performance. We recommend letting your smart bidding run for 2 weeks before making any changes once you have set it up.

- Give Smart Bidding changes up to two weeks for data to accumulate, the system to build machine learnings, and to ensure you have enough data to clearly see performance trends (instead of temporary fluctuations)
  - Account for conversion delays and enough time to allow users to complete a conversion cycle before making any changes.
  - You may see swings in your performance and bidding. Don't be alarmed. :) The system is learning how to optimize for your customers and account.
- Keep an eye on both performance and traffic indicators to make sure you aren't losing traffic at the expense of performance
  - Traffic indicators - click share, impression share, clicks, impressions
  - Performance indicators - CPA, conversions, ROAS
- We recommend comparing performance differences at the property level to ensure properties are grouped correctly according to your goals at least once a month

## Adjust bidding goals

If you are not seeing the performance you expected once you let the bid strategy run, try refining your bidding goals based on your performance results.

### Not getting clicks

- Check your budget to ensure you're not budget capped
- Use bid simulation reports and adjust your bidding goals and bids to get more eyes on your ads
- Use Auction Opportunities reports to understand why you're not showing up as much as you'd like
- Try updating the rates in your Hotel Price Feed or ensuring price accuracy

### Getting clicks but not conversions

- Check your Conversion Tracking pixel is firing properly
- Check that your booking flow is working the way it is intended
- Make sure the prices you are sending are accurate

## Optimize for mobile

Mobile traffic is important but many partners struggle to optimize for mobile. Our smart bidding algorithm is designed to optimize mobile traffic better than any other segment of traffic. However, there are different points to keep in mind when optimizing for mobile based on your campaign set up.

- Device performance differences are incorporated in Smart Bidding strategies
- If your campaigns are set to reach all devices, choose from the following strategies to optimize your mobile traffic
  - Utilize the device level bid multipliers to simply set a conservative (but non-zero) mobile multiplier
  - Use eCPC to allow our smart bidding algorithm to adjust your mobile bid multiplier for each user in each auction
  - Utilize CPA or tROAS with all devices enabled as both of these bid strategies optimize for ALL devices
- If your campaigns are device specific, choose from the following strategies to optimize your mobile traffic
  - Use eCPC with your mobile modifier set to -100% in order to automate your other bid modifiers without impacting mobile
  - Setup one or more campaigns with a CPC bid strategy that has a -100% mobile bid modifier in order to reach desktop only. Then set up a CPA campaign (automatically set to reach all devices) alongside the desktop campaigns.
    - This will not guarantee that desktop traffic will not go to the CPA campaign, but if your desktop bids are high enough, traffic should preference the CPC campaigns.



## Commission-per-stay

Commission (per stay) is a bid strategy for Hotel campaigns that allows advertisers to be charged a commission only when the stay has occurred.

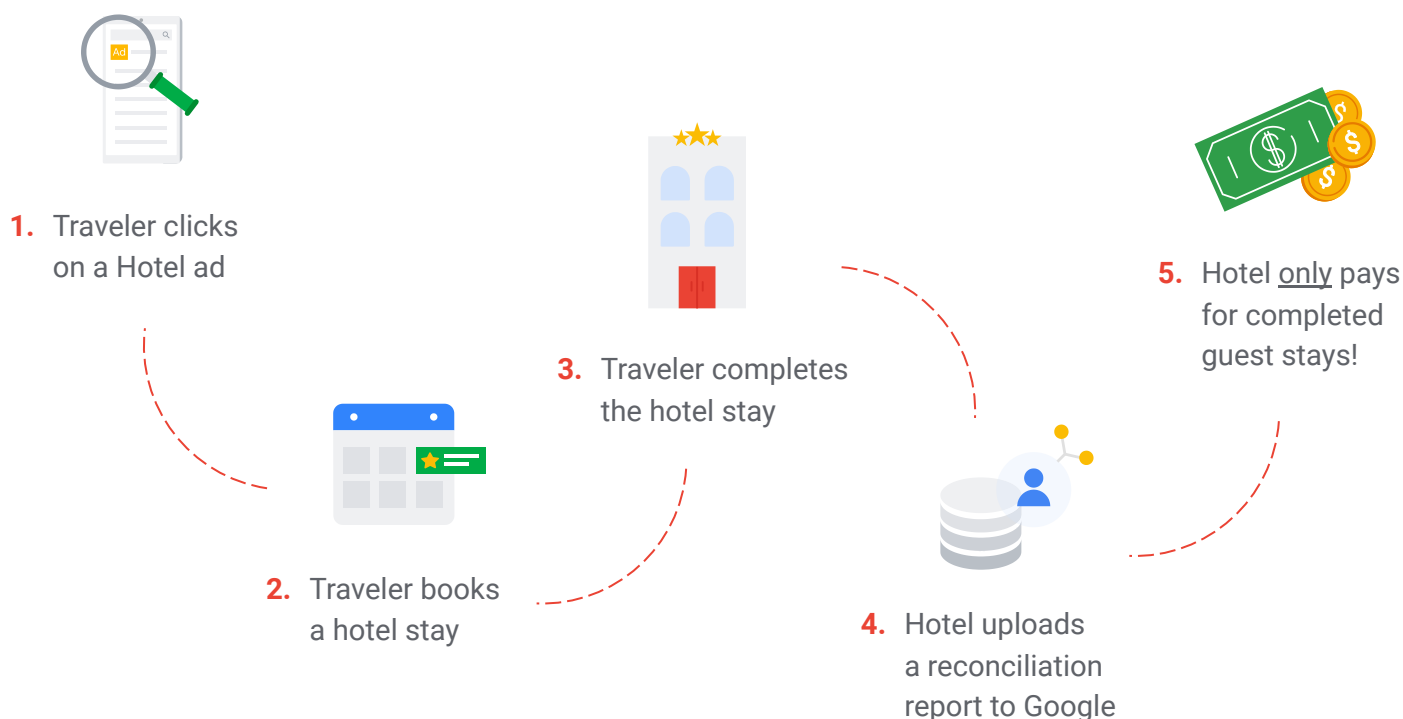
How does it work? Advertisers set their commission percentage which is a percentage of their booking value and Google's machine-learning will optimize your bids to align with the commission rate you have set. The advertiser must provide conversion data and reconciliation reports on a recurring basis.

This model is ideal for advertisers who want to minimize risk of cancellations and it is designed to help partners acquire guest stays.

A few key callouts or benefits of commission per stay

- Risk-free: Partners pay only after a guest has stayed
- Flexible commission-based payment: Pay a percentage of booking value set by the partner,
- Hassle-free: No need to manually adjust bids; Google's algorithms do all the bidding for you

Commission (per stay) is a bid strategy for Hotel campaigns. This bidding strategy allows partners to pay only when the guest stay has actually occurred, removing any risk of cancellation for the partner.



## Getting started with Commission (per stay)



Set up **conversion tracking** for Hotels conversions (room bookings) in all Google Ads accounts where commissions (per stay) campaigns will run.



Notify your Google representative that you want to run Commission (per stay) campaign and we will whitelist your account & ensure the billing is set up within your Hotel Centre account.



Only one Google Ads Account can be whitelisted per Hote Center ID. Create a new Hotel campaign in Google Ads, and select commission (year stay) bid strategy.



Upload reconciliation reports each month **by the 17th** in the Hotel Center.

## Set up gTag for commission (per stay) bidding

For commissions (per stay), partners need the following from the Global Site Tag (gtag.js)

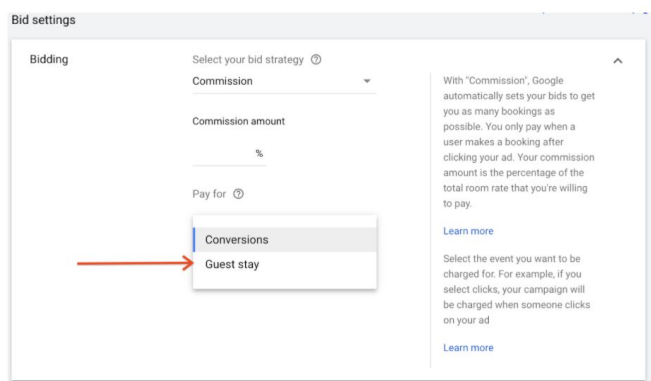
1. Set the conversion category to Purchase
2. Conversion tracking with the following required parameters:
  - 'start\_date'
  - 'end\_date'
  - 'Id'
  - 'value'
  - 'currency'
  - i. 'Value' is used to compute the cost for each conversion. If 'value' and associated 'Currency' are not provided, Google will use the default value in the conversion settings,, and the bidder will adjust bids accordingly.
3. Ensure each landing page URL has conversion tracking enable

For more information:

[Setting up GTag](#) | [Privacy Policy](#) | [Help Center](#)

## How to create a Commission (per stay) campaign

When your account has been whitelisted for Commission (per stay), you can create a new campaign within Google Ads.



- Within GAds select "Guest stay" payment option during campaign creation.
- Campaigns can also be set up using the Google Ads API; just use the payment mode "GUEST STAY"

**Tip:** Set up a new Hotel campaign. Do NOT switch an existing campaign to use commissions (per stay); if you do so, the campaign will not serve.

## Setting a commission bid

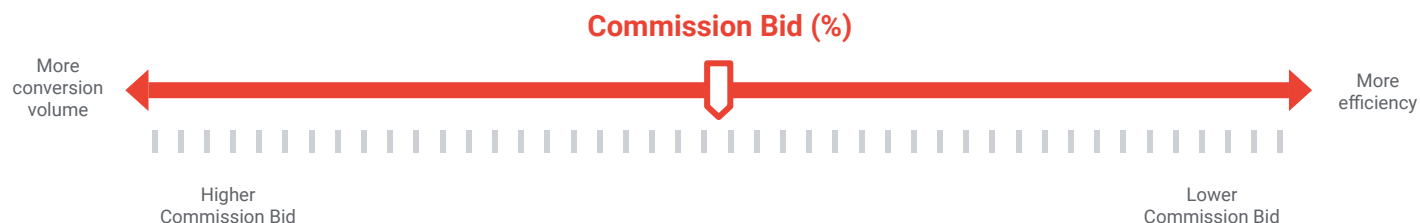
To find the right Commissions pay-per-conversion bid, determine what distribution margin you want to spend for your bookings. Your commission rate can be set between 0 and 100%.

### Want more conversions?

If volume of sales is your goal, increase your commission target.  
Drive more traffic volume. Please note that this can impact the efficiency of the campaign.

### Want better cost efficiency?

If efficiency is your goal, reduce your commission bid! Decreasing your bid will limit the number of auctions you participate in to actions that are more likely to lead to a conversion. This means better efficiency, but less volume.



**Tip:** Adjust your target gradually by +/- 1pp increments, wait two weeks after making an adjustment before making a new one. Keep in mind this depends on the auction, and booking volume changes aren't guaranteed with Commission changes.

## How does Google calculate the ranking of your ad position?



Google converts the commission percentage bid into an equivalent CPC bid. Like with every auction the position you achieve is based on the bid and your quality score. Your quality score is made up of a number of metrics with the main ones being your price accuracy score & CTR. For commission per stay campaigns we also factor in your payment rate so this is based on your reconciliation reporting and comparing that with what we expected to get based on your conversion tracking factoring in cancellation rates.

## Quality Score + Bid = Ad Rank

### Tips for structuring your campaigns

As you start to think about how you want to structure your hotel campaigns please take into consideration the following points:

- Each campaign should receive at least 20 conversions per week. If you have campaigns that are expected to get fewer than 20 conversions on a weekly basis, then consider merging your campaigns or creating a catchall campaign to hit the 20 conversions per week threshold.
- Commission (per stay) may perform better when properties with similar performance expectations are included in the same campaign together. Look at historical data, comparing conversion rates and click-through rates to determine most optimal property groupings.
- Allow each campaign to run for at least seven days after any change to commission %, targeting or properties in the campaign, before evaluating performance and making additional changes.
- Try to avoid frequent and drastic changes while the campaign is running.



#### Conversion volume

- Each campaign should receive at least 20 conversions per week



#### Property groupings

- Campaigns may perform better when properties with similar performance expectations are included in the same campaign



#### Give your campaign Time

- Allow each campaign to run for at least 7 days after making any change to commission %



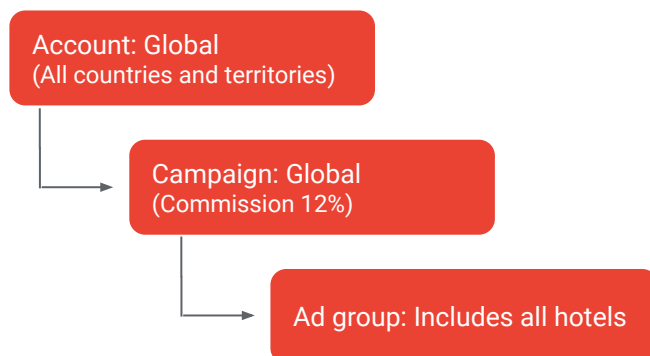
## Structuring your campaigns for Commission (per stay) when you have multiple hotels

When structuring your campaigns for Commission per stay we recommend to keep it simple.

### Goal: Return on Investment

- Generate revenue, at a predictable cost, with a minimum effort
- One Global campaign and ad group
- Always on at your preferred Return on investment target

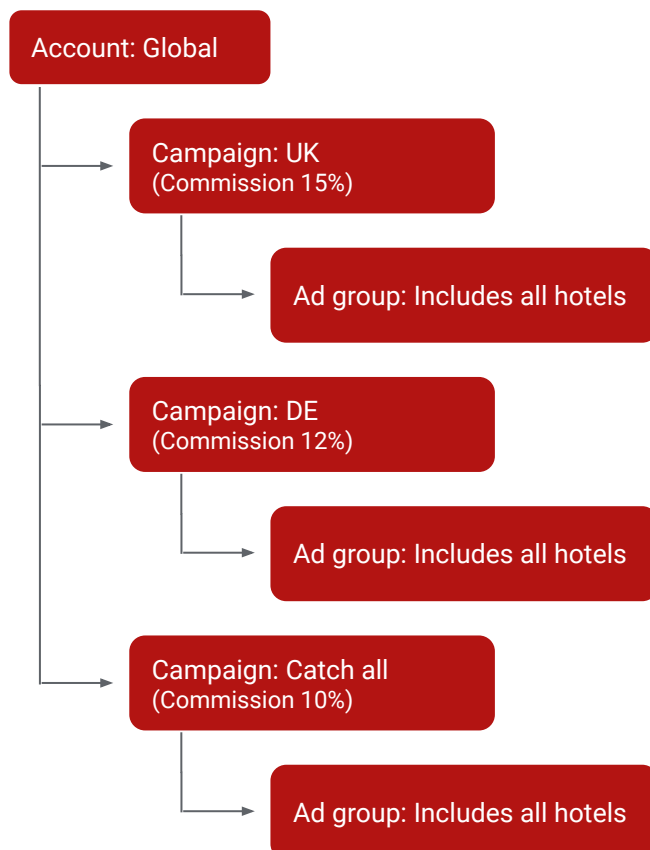
★ Also known as the “set it and forget it” strategy



### Goal: ROI + Volume

- Layered campaign approach where goals is to get more volume depending on market with a strong focus on ROI
- Multiple campaigns by budget source (e.g. country or hotel brand)
- Recommend for partners who want to start optimizing based on hotel performance

★ Hotels can be present in multiple campaigns, when triggered the campaign with the highest bid will serve



## Align your bid strategy to your marketing goal

Different bid strategies meet different marketing goals. Having a layered strategy approach allows your business to flex up and down very quickly with accordance to your business goals and the market environment.

If your goal is to have even more flexibility you can then start to layer in Commission (per conversion) & manual CPC bidding strategies which gives you more granularity in terms of the bid adjustments, bid multipliers etc.



### Step 1: Commission

#### Return on Investment

- Commission (per stay): generate revenue at ROI that works for your business



### Step 2: Layered Commission levels

#### + Volume

- Increase commission % for markets where you see opportunity & want more traffic volumes  
Base campaign for always approach



### Step 3: Commission + CPA/manual CPC

#### + Flexibility

- Commission per conversions/manual CPC: prioritize your best engaged traffic (high CTR)
- Commission (per stay): generate revenue

## Cost data not showing in the Commission (per stay) campaigns?

Cost data is not reported in Google Ads. Because cost is based on uploaded guest stays, we are not able to report on cost before reconciliation reports are uploaded. Therefore, cost will be reported in the invoice generated on the 18th of every month.

## Using the reconciliation report

The reconciliation report is a CSV file which contains guest stay information that is critical for billing & bidding purposes. The reconciliation report should cover guest stays from the previous calendar month.

## Sample reconciliation report

Hotel ID	Hotel Name	Hotel Address	Hotel City	Hotel State/Region	Hotel Postal Code	Hotel Country Code	Hotel Phone Number	Booking Reference	Booking Date at	Check-in Date	Check-out Date	Number of Rooms	Number of Guests
1	Hotel 1	123 street name	Chicago	Illinois	12345	US	(123) 456 7899	1111ABC	2020-01-07T13:00:00Z	2020-01-08	2020-01-02	1	1
1	Hotel 1	123 street name	Chicago	Illinois	12345	US	(123) 456 7899	222ABC	2019-11-29T22:00:00Z	2020-01-28	2020-01-29	1	1
1	Hotel 1	123 street name	Chicago	Illinois	12345	US	(123) 456 7899	333ABC	2020-01-25T06:00:00Z	2020-01-27	2020-01-28	1	1
1	Hotel 1	123 street name	Chicago	Illinois	12345	US	(123) 456 7899	444ABC	2019-11-19T07:00:00Z	2019-12-25	2020-01-02	1	1
1	Hotel 1	123 street name	Chicago	Illinois	12345	US	(123) 456 7899	555ABC	2020-01-09T16:00:00Z	2020-01-13	2020-01-14	1	1
1	Hotel 1	123 street name	Chicago	Illinois	12345	US	(123) 456 7899	666ABC	2019-12-26T13:00:00Z	2020-01-09	2020-01-14	1	1
1	Hotel 1	123 street name	Chicago	Illinois	12345	US	(123) 456 7899	777ABC	2020-01-23T15:00:00Z	2020-01-27	2020-01-27	1	1
1	Hotel 1	123 street name	Chicago	Illinois	12345	US	(123) 456 7899	888ABC	2020-01-03T10:00:00Z	2020-01-05	2020-01-06	1	1
2	Hotel 2	45 avenue	New York	New York	34567	US	(222) 333 4444	999ABC	2019-11-28T17:00:00Z	2019-12-30	2020-01-04	1	1
2	Hotel 2	45 avenue	New York	New York	34567	US	(222) 333 4444	101ABC	2019-12-18T15:00:00Z	2019-12-30	2020-01-04	1	1
2	Hotel 1	45 avenue	New York	New York	34567	US	(222) 333 4444	102ABC	2019-12-30T18:00:00Z	2019-12-31	2020-01-01	1	1
3	Hotel 3	6789 new road	Boston	Massachusetts	78910	US	(333) 444 5555	103ABC	2019-10-25T21:00:00Z	2020-01-04	2020-01-06	1	1
3	Hotel 3	6789 new road	Boston	Massachusetts	78910	US	(333) 444 5555	104ABC	2020-01-02T10:00:00Z	2020-01-03	2020-01-04	1	1
3	Hotel 3	6789 new road	Boston	Massachusetts	78910	US	(333) 444 5555	105ABC	2020-01-01T21:00:00Z	2020-01-30	2020-01-30	1	1

For more information, visit:

[Hotel Help centre article](#) | [Sample reconciliation report](#) | [Reconciliation csv template](#)

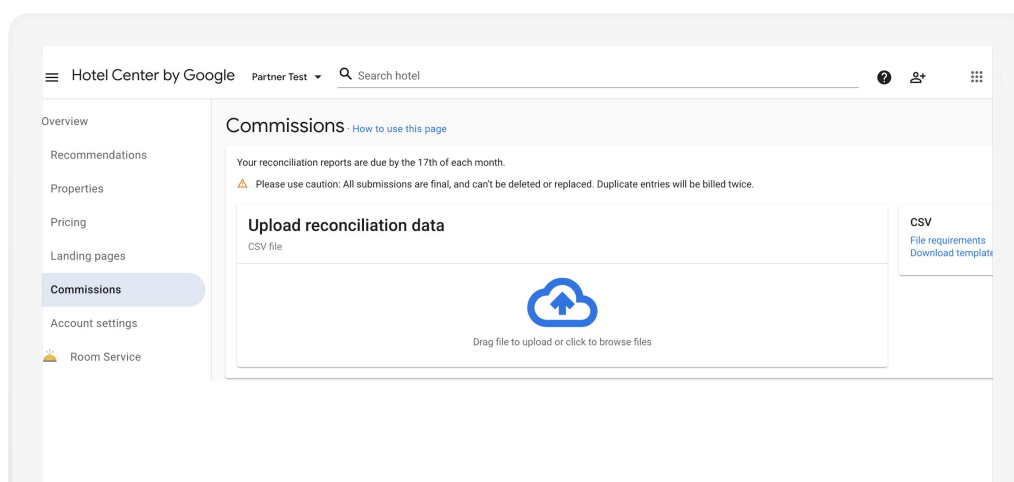
## Uploading the reconciliation report

The Reconciliation report must be uploaded **before the 17th of every month** (end of billing cycle). Partners will receive alerts which will remind them when a reconciliation report is due.

If you accidentally uploaded incorrect data,, you will need to reach out to support. If you accidentally did not include a few guest stays in the latest report, you may include those guest stays in the next month's report.

You have two options when uploading the Reconciliation report:

1. Hotel Center
2. Reconciliation Reports API



## Commission (per-stay) reporting

Google provides a landing page ("point of sale") parameter that shows which bookings were generated from a commission (per stay) campaign.

We recommend that partners should log this traffic source, provided as a URL parameter, against the bookings through your own internal analytics / marketing tracking solution separately from Google Ads, which you can use to identify the relevant bookings.

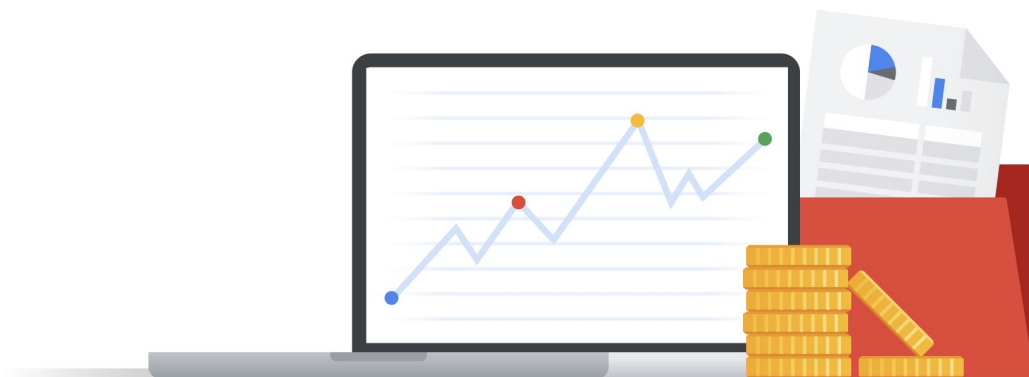
## Commission (per-stay) billing

Commissions (per stay) campaigns are billed after the 18th of every month based on reported guest stays in the advertiser's uploaded reconciliation report. Commission is paid on net revenue (excluding taxes and fees).

Invoices for Hotel campaigns that use commission (per stay) will be billed out of the Hotel Center, we have plans to build out all invoicing in Google Ads in the future.

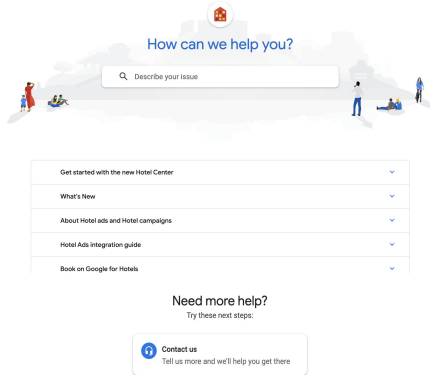
If you are running CPC & Commission (per stay) campaigns together you will receive a separate invoice for commission per stay activity CPC campaigns will be billed depending on your account payment method in GAds.

For IPs with sub account structures: You will receive one invoice for all activity & will be invoiced to the details on the master account level of your Hotel Centre.



## Contacting support

1



2

### Contact Us

1 Let's get started

Tell us what you need help with:  
Example: "I can't find my invoice"

5 characters required

Next step

2 Issue details

3 Contact options

3

### Contact Us

1 Let's get started  
example

2 Issue details  
Other

3 Contact options (show hours)

Chat

Email

Visit the [Help Centre](#)  
& click Contact Us

1. Describe your issue
2. Share issue details
3. Click next for Channel options

1. Choose your preferred channel
2. Complete form & submit
3. Agencies should enter MCC in customer ID field.