

A person wearing a straw hat is seen from behind, looking out at a vast blue ocean under a clear sky. The image is overlaid with a semi-transparent blue filter and several white geometric shapes: a large circle, a smaller circle, and a triangle. The text is positioned in the lower-left area of the image.

HOTEL CAMPAIGNS IN GOOGLE ADS

The Hotelier's Guide to the Google Ads Migration

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INTRODUCTION

With a massive user base and market share, Google has played a significant role in the growing metasearch industry. According to [netmarketshare.com](https://www.netmarketshare.com/), in 2018 Google accounted for 73% of search engine market share for desktop and 81% on mobile. Many people turn to Google first for answers to their travel research questions, submitting millions of hotel search queries through the search engine every day. Smart brands are taking advantage of this advertising channel, and as a result, have found a huge opportunity to showcase their hotel properties to customers.

Whether you're a seasoned metasearch expert or just dipping your toes into the metasearch pool, you need to know about Google's hotel advertising product. This guide will introduce you to Hotel campaigns, one of the latest updates to Google Ads, and explain the key components that go into making a metasearch campaign on Google.



HOTEL CAMPAIGNS AND THE MIGRATION TO GOOGLE ADS

Since its inception, Google Hotel Ads has seen frequent updates and experimental revisions made to both its front and back end functions. The introduction of Hotel campaigns in 2018 marked one of the most significant structural changes to date. Hotel campaigns changed Hotel Ads' structure by introducing a new campaign level. This update transitioned Hotel Ads to a product that more closely mirrors the rest of the AdWords products.

In 2019, Google announced that all Google Ads partners will be required to migrate their Hotel campaigns from the Hotel Ads Center to Google Ads. Marketers that are familiar with Google's paid search, display, and other offerings will feel right at home with this change. For marketers who have only worked in Hotel Ads, this shift will take a little getting used to.

So why is this change so significant? The additional campaign structure allows advertisers to set multiple bid variations for a unique property, as opposed to the previous structure, which only allowed for one variation. Base bids can now be set at an ad group or hotel group level. This means more flexibility in bidding and campaign optimization, but also brings added complexity to building and managing a campaign structure. Hotel campaigns allows advertisers to finely tune their marketing budgets and strategically segment their audiences.



THE BENEFITS OF HOTEL CAMPAIGNS

IMPROVED BID PRECISION – The campaigns structure separates bid multipliers and allows for more precise control. Before Hotel campaigns, to capture the demand for last-minute mobile bookings, an advertiser would increase the multiplier for mobile searches. However, increasing this multiplier would heighten visibility for all mobile searches (not just same-day searches). The introduction of Hotel campaigns makes it possible to create a campaign to specifically target mobile bookings and adjust the advanced booking window and stay length multipliers, thus strategically targeting same-day mobile bookers without disrupting other strategies.

SET SPECIFIC BUDGETS AND BID STRATEGIES – Budgets and bid strategies can be set at the campaign level. This can be especially beneficial for advertisers that leverage multi-source funding or incremental budgets of funds targeted at specific goals, such as driving bookings to a specific region or low-demand/low-occupancy time periods.

BETTER MONITORING AND BID CHANGES – Hotel campaigns promote the flexibility of bidding at multiple levels, including setting default bids at multiple levels. This allows advertisers to group and optimize properties based on performance. This can be especially useful for advertisers with broad inventory sets that frequently add new hotels.

OPPORTUNITY TO SEGMENT BY AUDIENCES – In addition to advancements in targeting, campaigns also offers new opportunities to bid by specific customer segments or audiences, further enhancing the advertiser's capability to capture demand for highly valuable customers.



CREATING A HOTEL CAMPAIGN

If you have ever managed a paid search campaign, then the concept of a Hotel campaign on Google Ads will be familiar. In paid search, a campaign is a set of ad groups (ads, keywords, and bids) that share a budget, location targeting, and other settings. Now, hotels can also use a campaigns structure to set bids and location targets.

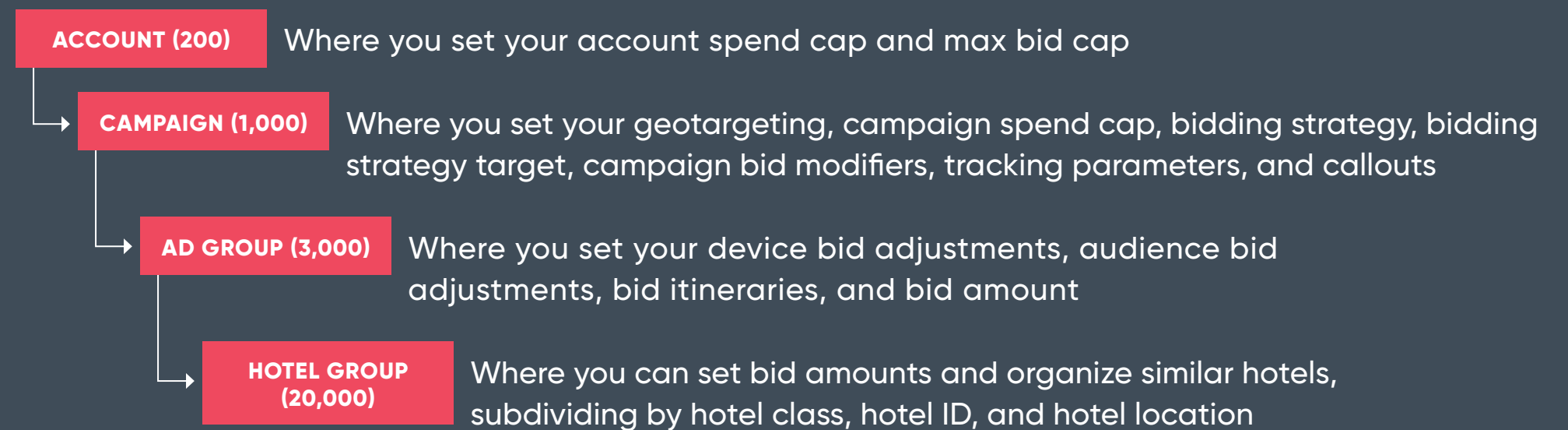
Currently, an advertiser can have up to 1,000 hotel campaigns. Within each campaign, advertisers can create up to 3,000 ad groups and within each ad group 20,000 hotel groups. When setting up a campaign, an advertiser can determine the following:

- Name of the campaign
- Budget for the campaign
- Base bids at the campaign, ad group, and property level
- Multipliers at the device and user country level
- The ad groups that will live within the campaign and the hotels that will live in each ad group

Ad Groups

Ad group are the second level of hierarchy within the Hotel campaigns structure. By default, an ad group includes all properties in an advertiser's inventory. Ad group settings include device bid adjustment, audience bid adjustment, bid amount, and bid itineraries (check in day, length of stay, user set dates, and advanced booking window). Currently, each hotel campaign can have up to 3,000 different ad groups, and each ad group can have up to 20,000 hotel groups.

Google Ads Structure





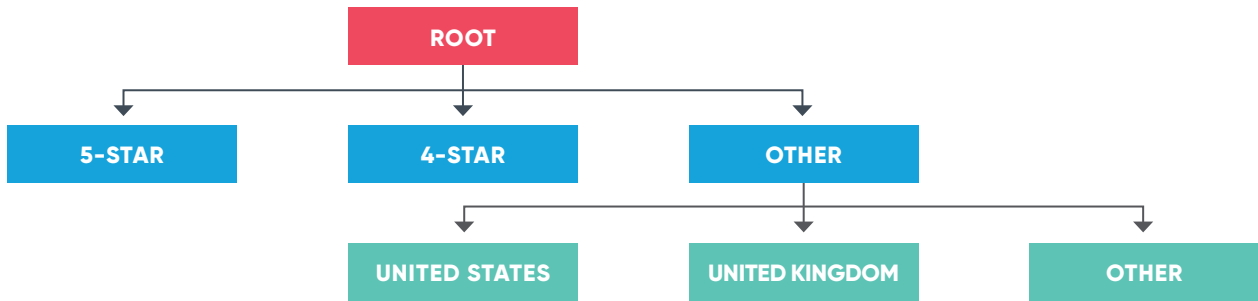
Hotel Groups

Hotel groups allow advertisers to automate the grouping of individual hotel properties by attributes such as class and geolocation. The groups are capable of automated updates, which means that when an attribute changes for an individual property (e.g. a class change), the individual property will automatically shift to the correct group.

Hotel groups allow advertisers to subdivide properties within their ad groups. There are five types of hotel group subdivisions: Hotel Country/Region, Hotel State, Hotel City, Hotel Class, and Hotel Id. While subdivisions are currently limited to these five types, we fully anticipate that more will become available over time. For instance, Hotel Brand seems like an obvious addition.

Once created, hotel groups can be used to alter the base bids of properties that belong to that group. Furthermore, an advertiser can choose to exclude properties within a hotel group, removing them from the ad group altogether. This method of grouping can then be used to create campaigns tailored to achieve specific goals.

For example, a goal may be to increase the volume of efficient mobile traffic for United States customers. To do this, a user would start by creating a campaign that targets users in the United States searching from their mobile devices. Then, the user would create an ad group with multipliers customized to reach itineraries likely to convert on mobile. After collecting some data, the advertiser may find that lower class, domestic hotels tend to have the highest conversion rate. Hotel groups could then be used to show hotels that meet those characteristics using the Hotel Class, and Hotel Country/Region subdivisions. The hotels shown could be limited to only those that are in the target location and are of the appropriate class.





BEST PRACTICES

To achieve optimal results with your campaigns set-up, here are a few tips to consider before you get started:

1/ CONSIDER THE BUSINESS'S NEEDS. The ability to precisely target specific segments can be very powerful. For advertisers that need to increase visibility in certain areas, selecting the right campaign structure can be the key to unlocking opportunity and capturing demand. If you have different budgeting segments, you might consider separating them, as Google caps budgets at the campaign level.

2/ START BY TESTING DIFFERENT SEGMENTATION STRATEGIES IN YOUR TOP MARKETS. There are thousands of ways to dissect your campaign

traffic. Learning what works for your campaign in your top markets first will yield the best possible results. You can then apply this knowledge to your smaller markets.

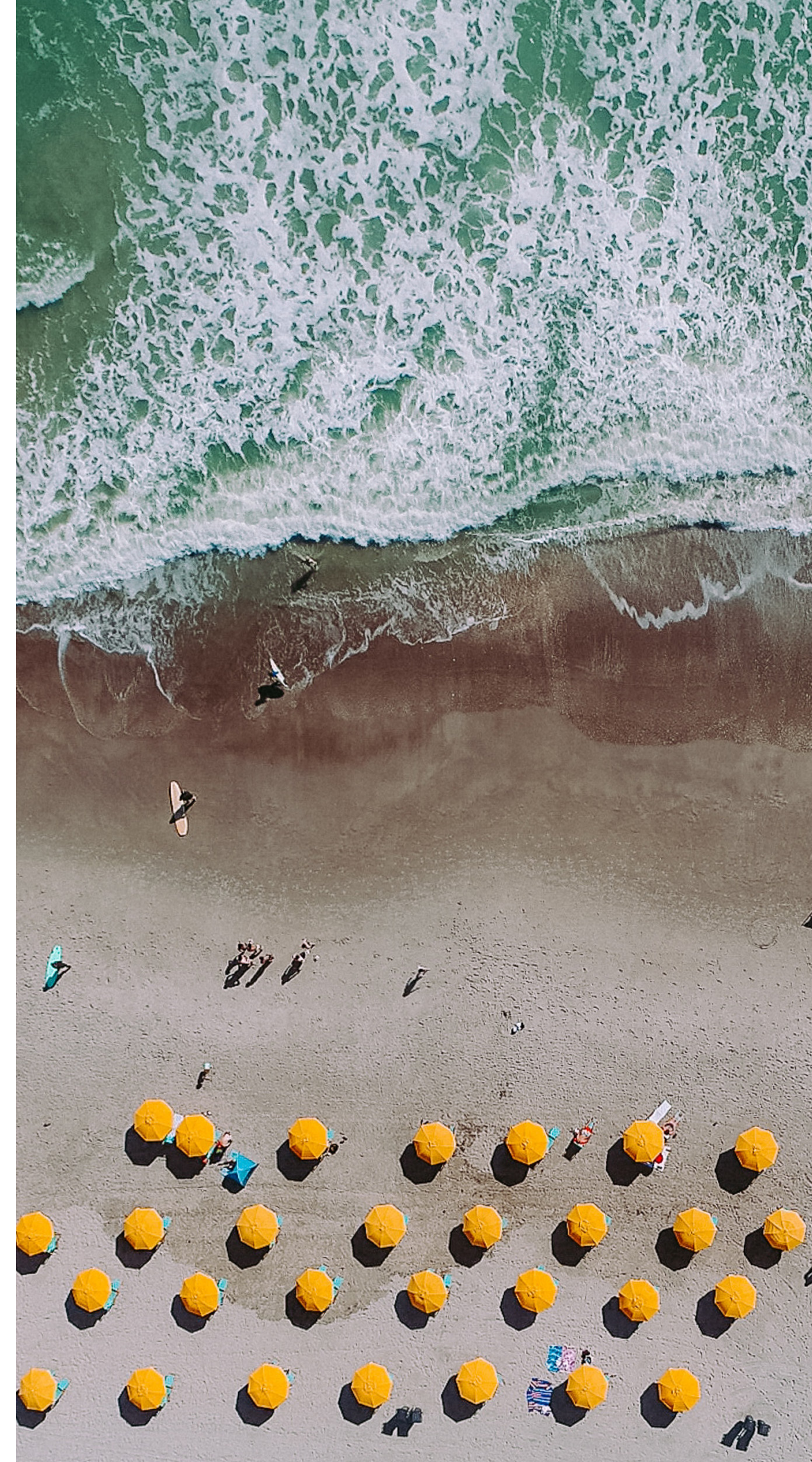
3/ CONSIDER KEEPING CAMPAIGNS GROUPED BY GEOGRAPHICAL MARKETS. Your country multiplier will be the same for all ad groups and hotels in that campaign, so you will want to avoid grouping hotels in different countries together. For example, because Chinese hotels and Brazilian hotels will require different user country multipliers, they should be organized into distinct campaigns.

4/ STRUCTURE CAMPAIGNS BY DEVICE TYPE. While performance trends vary, there are always major performance shifts

between tablet, mobile, and desktop traffic. Make sure that your traffic is optimized accordingly.

5/ TEST EVERYTHING FOR QUALITY ASSURANCE. Confirm that the campaign structure you envisioned is the campaign structure that you have. Similarly, make sure that the bid changes you intended to make are the bid changes that you made.

6/ LEVERAGE GOOGLE AUDIENCES. Audience targeting in Google Ads allows you to meticulously choose where to increase bid multipliers, maximizing your media spend. There are currently three types of audience segmentation available for Hotel campaigns: marketing lists, customer match, and similar audiences.





GETTING STARTED WITH THE MIGRATION

So, now that you know the ins and outs of setting up Hotel campaigns in Google Ads, it's time to get started with your migration.

Existing Users

For current Hotel Ads partners, you'll first need to decide whether to migrate your existing campaigns to Google Ads or to create a new structure. At the time of this guide's publication, the official transition date is set for early July. At that time, advertisers will no longer be able to advertise using the old experience.

If you choose to migrate your current structure, there is a handy Campaign Migration tool in the Hotel Ads Center. This tool can be used to migrate campaigns or your entire account, and it will maintain the budget and bids you've used. It won't, however, migrate past performance data and does not currently support all bidding strategies. We recommend migrating only a couple of campaigns to test the setup and confirm performance before transferring all campaigns.

New Users

If you're new to Google Ads, you'll need to create an account before you can set up your first Hotel campaign. It's recommended to start with one global campaign that targets all markets and hotels and then to refine your targeting and strategy as you gain data insights into your performance and opportunities.

Hotel campaigns are run on two primary components -- hotel feeds and bidding. There are a lot of technical details that go into setting up your data feeds and ensuring you meet Google's standards for price accuracy. This is where a third-party integration partner can be key to making sure your integrations run smoothly and are set up for success.

When it comes to setting your bids, there are billions of possible combinations and options to choose from. Choosing a technology partner like Koddi can help your team to navigate the bidding auction with tested strategies that point to your marketing team's KPIs.





TERMINOLOGY

Below are the definitions for some of the terms you'll find today in Google Ads.

AD GROUP – The second level in the campaign organization hierarchy. Ad groups allow advertisers to tailor their bidding and targeting strategy to unique groups of hotels.

AUDIENCES – Advertisers can create groups of customers with specific interests, intent, and demographics (for example, loyalty users). These audiences can then be used to augment a campaign's bidding approach.

BASE BID – The default or starting bid for an individual property. This bid will be impacted by bid multipliers. It can exist as a flat CPC or as a percentage of the room's rate.

BID – The amount an advertiser agrees to pay for a specified user action which may include clicks or acquisitions.

BID MULTIPLIER – A number that when applied to the base bid determines its effective bid. Multipliers can be used to either increase or decrease the base bid based on when, where, and how the user searches.

CAMPAIGN – The highest level in the account organization hierarchy. In a campaign, advertisers dictate where ads should be displayed, what the daily budget is, and which bid strategies should be used.

DEVICE TYPE – The device a user is searching from. Device types include desktop, mobile, and tablet.

HOTEL CLASS – The star rating of a hotel on a 1-5 star scale.

HOTEL GROUP – The lowest level in the campaign hierarchy, a hotel group enables advertisers to group, set bids, and exclude properties from campaigns based on their characteristics. A hotel group can be created using Hotel Class, Hotel Location, or Hotel Id.

HOTEL LOCATION – The physical location of a hotel, advertisers can group properties based on their location, using country, state, or city.

ITINERARY – The details of the booking a user is searching for. These details include the searched length of stay, day of week, and how far in the future a user is searching. Advertisers can adjust bid multipliers to prioritize traffic based on the user's itinerary.



ABOUT KODDI

Koddi provides digital marketing technology for the travel industry. Travel brands and agencies leverage the Koddi platform and its fully automated and customizable reporting features to manage ad campaigns for hundreds of thousands of hotel properties. **Learn more at www.koddi.com.**

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