

Target ROAS Bidding (tROAS)

tROAS is a Smart Bidding strategy that automatically sets bids at auction-time based on your desired return on ad spend.

How does Target ROAS bidding work?

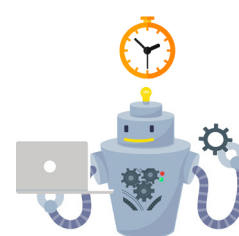
AdWords predicts future conversions and associated values using your reported conversion values, and will set max. CPC bids to maximize your conversion value, while trying to achieve an average return on ad spend (ROAS) equal to your target.



Define the Target ROAS based on your business goals. The algorithm also models an expected conversion value.



The algorithm uses the Target ROAS, the predicted conversion value, and its understanding of the entire market of auctions to determine the right CPCs.



The algorithm regularly evaluates predicted vs. actual CTR, and predicted vs. actual ROAS, to drive accuracy over time.

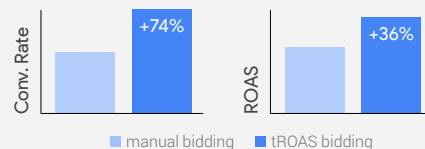
Benefits of Target ROAS Bidding

- 1 Get the highest conversion value possible at your target return on ad spend**
Automate routine bid management tasks using most impactful bids based on your performance
- 2 Enacts real-time auction-level bid adjustments**
Offering unparalleled optimization frequency at auction time that only Google can provide.
- 3 Work faster with Google's powerful Machine Learning capabilities**
Rapidly evaluates vast sets of data signals to proactively set the optimal bid for every auction.

Client Success Case

Hepsiburada increased revenue by 104%

By implementing the tROAS smart bidding strategy, Hepsiburada boosted conversion rate by 74% with an improved ROAS of 36%.



Target ROAS vs third-party platform bidding

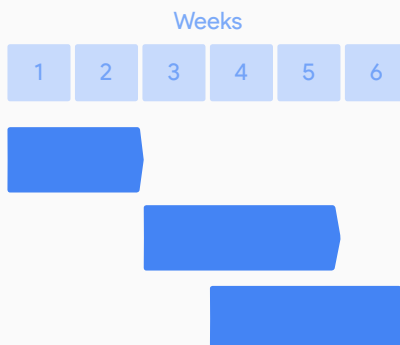
By using AdWords Drafts & Experiments A/B testing platform, you can now easily test tROAS against any third-party bidding solution (like Kenshoo, Marin Software or Adobe) or manual bidding. In a few clicks, you can create an experiment and see which bidding performs better.

[Learn more about Drafts & Experiments](#)

How to test Target ROAS with Drafts & Experiments

For effective testing, choose campaigns that use conversion tracking, and that have at least 50 conversions in the last 30 days. Use the timeline below as a reference.

- 1 Smart bidding launch and ramp up**
Learning period, apply a 50/50 traffic split
- 2 Smart bidding running at full speed**
Allow test to run min. 2-3 weeks without changes
- 3 Performance evaluation**
Consider the conversion delay (5-10 days)



Client Success Case

Talibudur.com: +120% conversion value

Talibudur.com tested Target ROAS against manual bidding in drafts & experiments, and increased return on advertising spend by more than 40% while investing 10% more.

