

# Introduction to sponsored products

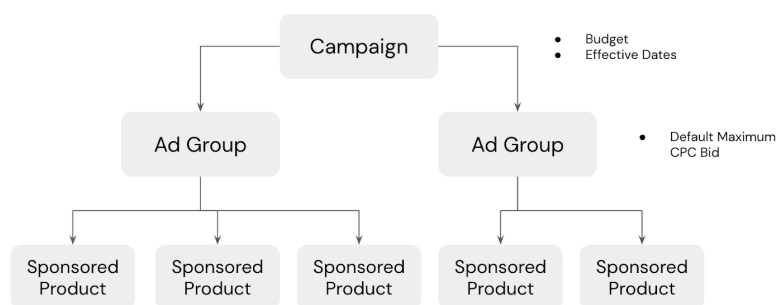
Sponsored product ads highlight your product throughout the consumer journey. Consumers see sponsored product ads on the Instacart homepage, in search results, and while browsing, among other places.

The sponsored product ad format is available under the “Maximize sales” and “Build your own” campaign objectives. [Learn more about campaign objectives.](#)

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## Campaigns and ad groups

Sponsored product ads belong to ad groups, which belong to campaigns.



The dates and budget you set for a campaign apply to all ad groups and sponsored products within the campaign. However, each ad group within a campaign has its own default maximum cost-per-click (CPC) bid.

Ad groups usually contain similar or related sponsored products. Here are a few tips on how to organize your products into ad groups—

- Group products from similar categories (e.g., soft drinks, cheese, chocolate bars, etc.) so you can take a similar approach within each category.
  - It's easier to bid on keywords if all the sponsored products in an ad group are relevant for similar searches. [Learn more about keyword bidding.](#)
- Group products with similar price points and gross margins so you can take a similar bidding approach for these products and get a consistent return on ad spend (ROAS).
- Group products that you would like grouped together in your performance metrics, as you can export data on the ad group as well as campaign level. [Learn more about exporting performance metrics.](#)
- Take a similar approach to ad groups to what worked for you on other platforms. Monitor and tweak as needed.

Learn more about creating [campaigns](#) and [ad groups](#).

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## Auctions

In order for your sponsored products to show on Instacart, you bid against other advertisers to win ad placements.

You set a maximum CPC bid for each ad group, which reflects the most you're willing to pay every time a customer clicks on your ad. We use CPC bids, product conversion rates, and additional metadata to decide which ads win the auction and show on Instacart.

Even though ads in the same ad group have the same default maximum CPC bid, they compete in auctions independently. Each ad has unique metadata and conversion rates, so they rank differently in auctions.

If you win an auction, we don't always charge your full CPC bid. We use a second-price auction model, which means we only charge you \$0.01 more than your next-best competitor's bid.



You can increase your chances of winning auctions by choosing a higher CPC bid. Keep in mind: your competitors also bid with the maximum amounts they would pay.

[Learn more about bidding for sponsored product placements.](#)

## Budget profiles

Your campaign's budget settings control how many auctions you participate in and how quickly you spend your budget. You can set your campaign's budget settings to lifetime budget or daily budget.

### Lifetime budget

Choose a start date and lifetime budget (end date is optional) to automatically participate in all eligible auctions for relevant ad placements. When your budget runs out, your campaign ends and you stop participating in auctions.

<b>Pros</b>	<b>Con</b>
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<ul style="list-style-type: none"> <li>• While your campaign is live, as many customers as possible see your ad.</li> <li>• You won't miss out on an opportunity for the lifetime of your budget .</li> <li>• Serves ads to all relevant customers, not just a subset, to maximize share of voice.</li> <li>• Never spend more than your lifetime budget.</li> </ul>	<p>Doesn't pace spending, so your budget can run out sooner than you anticipate.</p>
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## Daily budget

Daily budget helps protect you from quick budget burn while still participating in auctions on high-traffic days.

Choose your start date, daily budget, and bid settings (end date and lifetime budget are optional), and Instacart Ads spends—on average—your daily budget for each day.

During high-traffic days, Instacart Ads may spend above your daily budget to ensure you participate in as many auctions as possible. We then spend less during low traffic days to average this out.

We never spend more than double your daily budget on any single day and no more than 30.4 multiplied by your daily budget in a given month if you don't set a lifetime budget.

Pros	Con
<ul style="list-style-type: none"> <li>• Setting a daily budget gives you greater control over how much you spend.</li> <li>• Provides enough flexibility to limit ads “going dark” before the end of the day, while still adhering to the daily target budget—on average—over the course of a month.</li> <li>• Never spends more in a month than your daily target budget multiplied by the average days in a month.</li> </ul>	<p>Limits the number of auctions your campaign participates in.</p>

You can use the daily budget amount to calculate your campaign's monthly allocated budget—

- If you don't change the campaign daily budget during the month, the monthly allocated budget is the daily budget multiplied by 30.4.
- If you change the campaign daily budget during the month, multiply the new daily budget by the number of days left in the month. Then, add the monthly spend so far to get the new monthly allocated budget.