

# Sponsored product bidding

Before your ads show on Instacart, you must [participate in auctions to win ad placements](#). We offer ad placements in multiple locations, including (but not limited to)—

- Search results pages
- Browse placements
  - These placements are subject to change but can include aisles, departments, Buy it Again, etc.

You choose a default maximum cost-per-click (CPC) bid when [setting up your ad group](#). You'll use your default maximum CPC bid to bid on browse placements. For search placements, you bid on keywords using either the default maximum CPC bid or a custom keyword bid.

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## Keywords

Keywords are words or phrases customers might search for on Instacart. For example, if a customer wants to buy bread, the customer might search for terms like "bread," "loaf," "whole grain," etc. If you win a keyword auction, your product appears in a sponsored placement when a customer searches for that term on Instacart.

Each keyword has a CPC bid, which you pay every time a customer clicks on your ad after searching for the applicable keyword. You can increase your chance of winning keyword ad placements by—

- Increasing your keyword CPC bid.
- Bidding on keywords relevant to your sponsored products.

We only support exact match keyword bids. This means customers must type in your exact keyword to see your ad. For example, if you win an ad placement under the keyword "ice cream," customers won't see your ad if they search for "icecream," "ice cream bar," "ice," "ice creams," or any other variation.

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## Bidding settings

Your campaign's bidding settings determine how sponsored products in your campaign bid on keywords. We offer 3 different bidding settings—

- **Maximize sales optimized bidding:** We use the target Return on Ad Spend (ROAS) goal derived from your campaign ad input to help drive sales.
- **New-to-brand optimized bidding:** You can bid higher on new-to-brand customers to help drive sales with new customers.
- **Manual bidding:** We recommend this bidding type to help maximize impressions.

## Optimized bidding

Optimized bidding takes the heavy-lifting and guesswork out of keyword bidding. Our advanced algorithm finds relevant keywords and calculates optimal bids in an effort to maximize sales.

Please note, you can't manually add or adjust keywords for optimized bidding campaigns, since the algorithm does this for you.

Target ROAS dynamically adjusts bids to deliver your desired ROAS value. Both Maximize sales and New-to-brand performance metrics depends on the entered target ROAS. Note—

- Target ROAS that's too high might result in lower spend, lower sales, and a lower win rate
- Low Target ROAS values can lead to higher spend, higher sales, and a higher win rate

Whenever possible, we recommend a target ROAS goal for your campaign. You can find these recommendations in 3 places—

1. If historical data exists for the products in your campaign, we show contextual target ROAS goal recommendations when you [set up a new campaign](#).
2. We show a target ROAS goal suggestion on the **Sponsored product campaigns** page to help you spend all your available budget, while optimizing for sales.
3. We show campaign ROAS recommendations on the **Recommendations** page. [Learn more about reviewing recommendations](#).

A target ROAS goal determines how to bid your campaign in the ad auction.

The target ROAS goal delivers over the campaign's lifetime, dynamically adjusting bids to maximize sales. For example, if you want your budget of \$100 to result in \$110 in sales (or a 110% return), you would set your target ROAS goal at 1.1.

Keep in mind—

- We aim to stay around the target ROAS goal you set, but you might notice fluctuations daily.
- Algorithms aren't static and need some time to adjust. You can expect higher ROAS fluctuations during the learning phase of about 3-7 days (depending on the magnitude of the change, the bigger the change, the more time it will take)
- Your campaign might struggle to spend your full budget if your ROAS goal is too high.
- We recommend lowering the target ROAS to increase the likelihood of fully spending your campaign budget. No inputs will use 1.5x of your target goal.
- Maximum sales and new-to-brand optimized bidding are most effective with a low target ROAS.

We don't recommend running identical campaigns for the same collection of products simultaneously.

## Manual bidding

Manual bidding gives you complete freedom over which keywords you bid on and how much money you bid. You can use default keyword bids, override keyword bids, or a combination of both.

### Default keyword bids

When your ad group launches, we use your default maximum CPC bid to bid on relevant keywords based on the products in your ad group. This gives you ad coverage across search, browse, and buy it again and is a great option if you have limited time or resources to manage bids.

When your ad gets at least one click on a particular keyword, we automatically add that keyword to your ad group's keyword table. Default keywords show the bid type as "default" and the source as "autotargeted". [Learn more about reviewing keyword tables](#).

## Override keyword bids

Override keyword bidding lets you adjust your ad group's default keyword bids. This is a great option if you want a more granular, hands-on approach to keyword bidding.

With override keyword bids, you can—

- Manually add additional keywords to your ad group.
- Change keywords' CPC bids to something other than the default maximum CPC bid.
  - You can bid more for high-value keywords or bid less for keywords you want to reduce your investment in.

Learn more about [adding keywords](#) and [editing keyword bids](#).

Since keyword bids apply to the entire ad group, make sure to choose keywords that make sense for every sponsored product in the ad group.