Profit or Growth?
Profit and Growth
How to grow profitably and beat the competition in the age of AI
1 Why
Many companies are facing challenges right now:

- More demanding consumers
- Global competition
- Pivot to profitable growth
There has never been more complexity for Marketers:

- Browser & regulatory changes
  - Less observable data
- Need to prove ROI
- More complex customer journeys
  - When observable, much more data
In our ads products, Google’s AI can find the most valuable users for you, if you teach it what value means to you.

Google’s AI

All users

Most valuable users
Think of it like a puppy. You have to train it to do exactly what you want.
2 How
The Profitable Growth Engine

Step 1
Define your “true” goal

Step 2
Build and connect your first-party data to train Google’s AI on your goal, using privacy-first measurement

Step 3
Find the most valuable customers by activating all media, cross-channel
Train Google’s AI to deliver on your true business objectives. For retail, for example:

- Cost of Sales / ROAS
- Profit
- Omni-channel profit incl returns

Higher Business Impact

OMNI-CHANNEL PROFIT / LTV

Lower Business Impact
Step 1: Train Google’s AI to deliver on your true business objectives. For finance it can be:
Step 1: Train Google’s AI to deliver on your true business objectives. For lead gen or B2B:
A de-siloed organization with a clear measurement owner to drive media investment decisions across the entire customer journey.
Build and connect your first-party data to train Google’s AI on your goal, using privacy-first measurement.

Specifically: profit data, CRM data, and inventory data.
Building, connecting and activating your 1st party data in a privacy-first way is how you gain the competitive edge.
Step 2: Teach Google’s AI to optimize for profit after returns - instead of revenue. For retail:

100% Revenue
40% COGS (Cost of goods sold)
10% Payments, Shipping, Returns, other OPEX
20% Ads investment (at 500% ROAS)
30% Net profit
Step 2

Build a consented first-party database, connected to future-proof, privacy-centric measurement solutions

Ensure you have correct tagging in place across your website

Invest in additional sources of 1P data (e.g. Enhanced Conversions)

Respect user’s choices by collecting consent as needed (and use Consent Mode)
Use your 1P data strategy to build an account structure that reflects your goals.
Find the most valuable customers by activating all media, cross-channel.

Using Google’s AI, activate all media driven by your goal and focused on the user, not the channel.
Step 3

Activate all media driven by your goal, focused on the user rather than the channel. Like Performance Max:

- Shopping
- Gmail
- Search
- YouTube
- Discover
- Display
- Maps*

*When bidding towards store visits, Beta only
Brainlabs PMax study: 30% more revenue @ 16% higher ROAS
Step 3  Understand how your ROAS targets define where you are on the profit curve - then test, learn and scale

- **High ROAS**: Higher profit % per conversion, but lower volume
- **Optimal ROAS**: Revenue and profit maximization
- **Low ROAS**: Lower profit % per conversion, but more revenue
Step 3: It’s your input combined with Google’s AI that drives the highest performance.

- **Tech with human input**: Average +35% performance with human input and advanced technology.
- **Tech alone**: Average +20% from advanced technology.
- **Baseline**: Average +15% with human input.

*The Dividends of Digital Marketing Maturity, Boston Consulting Group, 2019*
Step 3: Because Google’s AI allows you to focus on what you are best at, to create the highest impact.

Machines are good at this:
- Setting Bids
- Finding Audiences
- Generating Insights
- Optimising Performance
- Scaling Creatives

Humans are good at this:
- Marketing Strategy
- Goal Setting
- Creative Design
- Experimentation
- Data Management
- Media Effectiveness
The Profitable Growth Engine

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**Step 2**
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**Step 3**
Find the most valuable customers by activating all media, cross-channel

Foundation: test, learn & scale