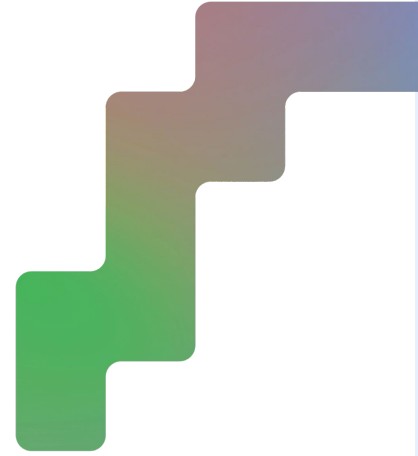# Drive profitable growth with Google AI in Ads

Friends of Search
Amsterdam, 2024

Hedwich de Groot
Tetsuo Konno

Google

Google has been pioneering AI advances for a while

2017	2018	2018	2019	2021	2022	2023	2024
Transformer	BERT	AlphaFold	T5	LaMDA	PaLM	Bard	Gemini

Google

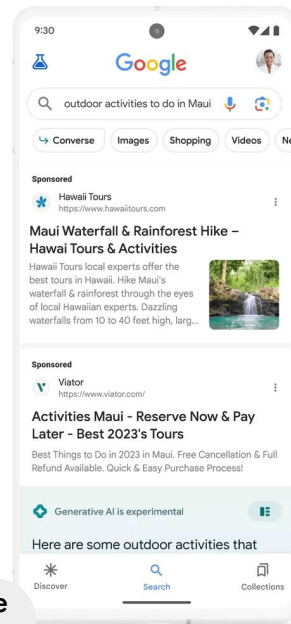Which is integrated in our **everyday lives**

Magic Editor

Google

And enabling the reimagination of our core products, like search
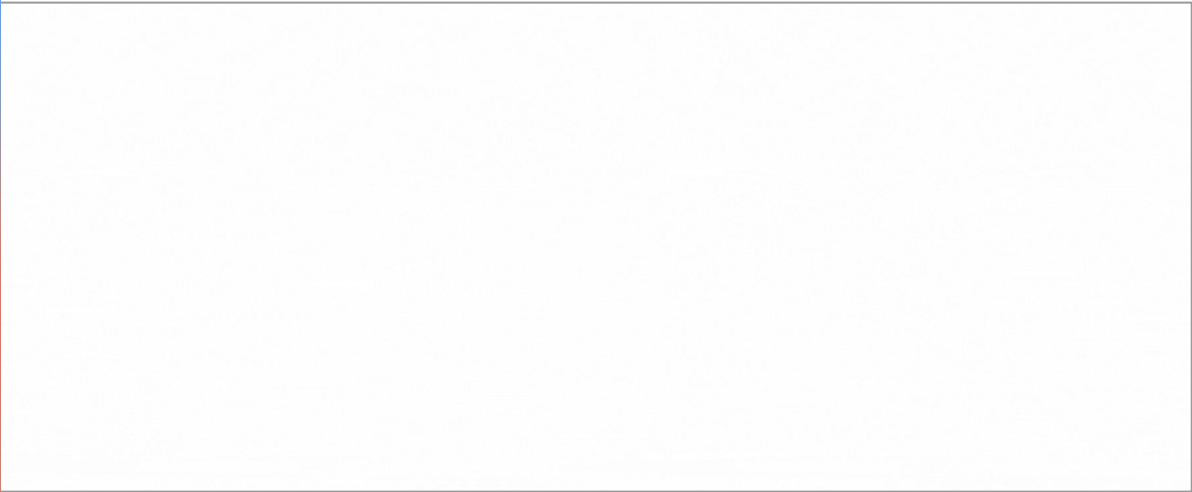

Circle to search

Search Generative Experience

Google

While generative AI is bringing new opportunities

coming to accounts with language setting **English**, globally in the coming months

Predictive AI has been the foundation of Google Ads for years

Google
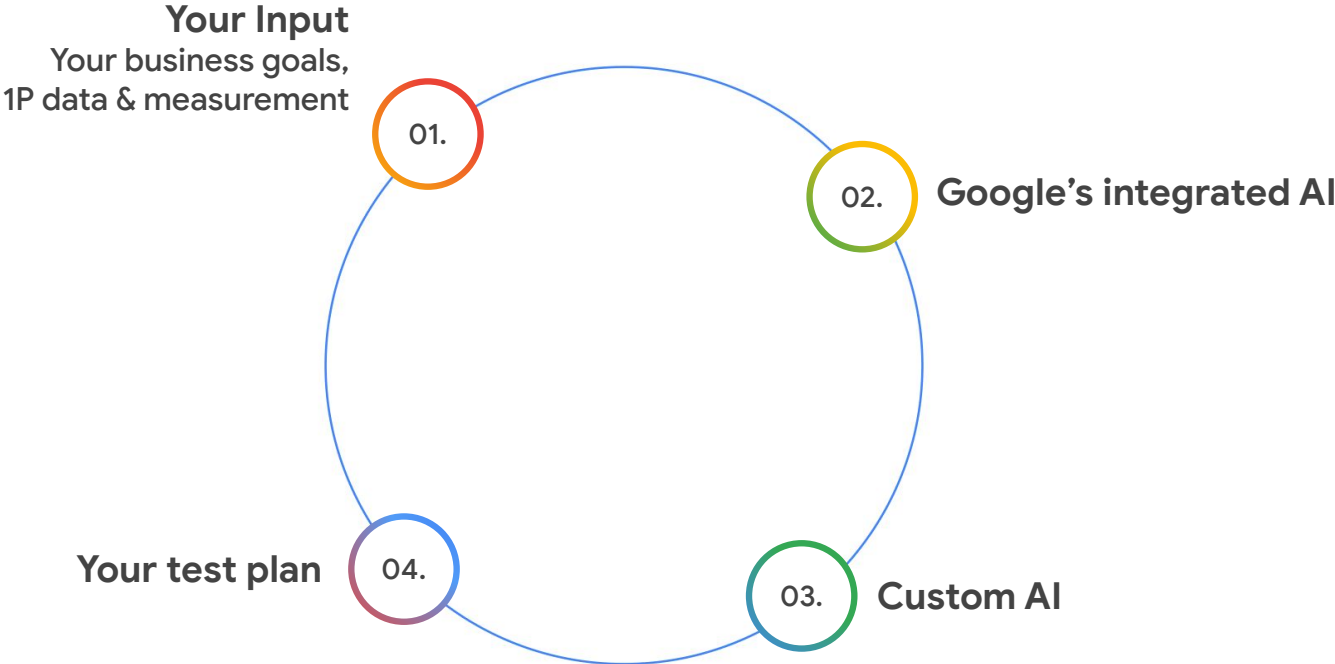
2024 is an inflection point in marketing

AI is very capable and improving but still dependent on the quality of **data** input

1P Data Platform & regulatory changes drastically impact how we collect data

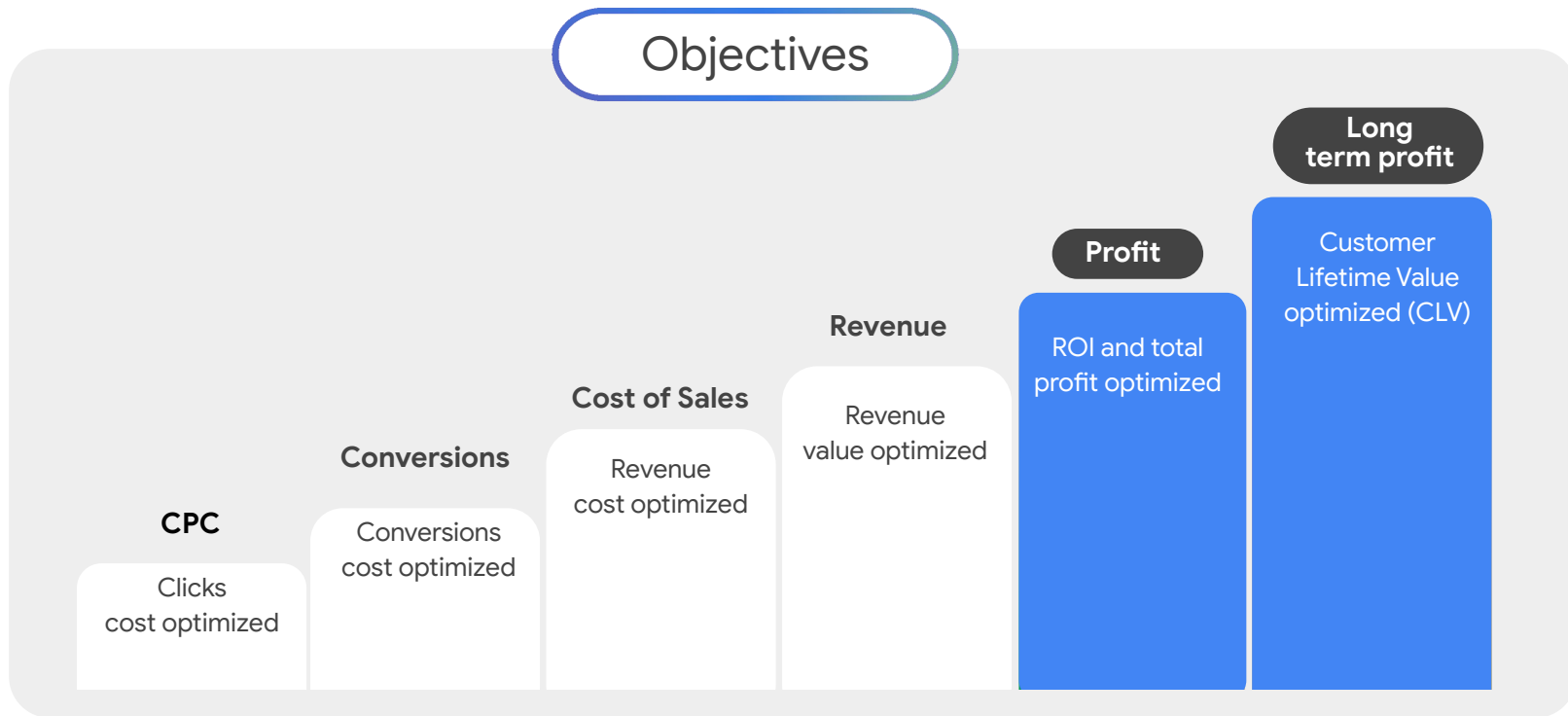# Four steps to make Google AI work for you

Your Input
Your business goals,
1P data & measurement

01.

02. **Google's integrated AI**

03. **Custom AI**

Your test plan 04.

Google

Step 1

Your input
Your business goals, 1P data & measurement

Google

Clarify your true business objectives

Objectives

CPC
Clicks cost optimized

Conversions
Conversions cost optimized

Cost of Sales
Revenue cost optimized

Revenue
Revenue value optimized

Profit
ROI and total profit optimized

Long term profit
Customer Lifetime Value optimized (CLV)

Google

Align on the definition of that objective across the organisation

Get as far down the P&L as possible

Gross Sales	Discounts & returns	Net sales	COGS	Gross Profit 1	Fulfilment	Gross Profit 2
100	5 / 10	85	45	40	10	30

Example data

Google
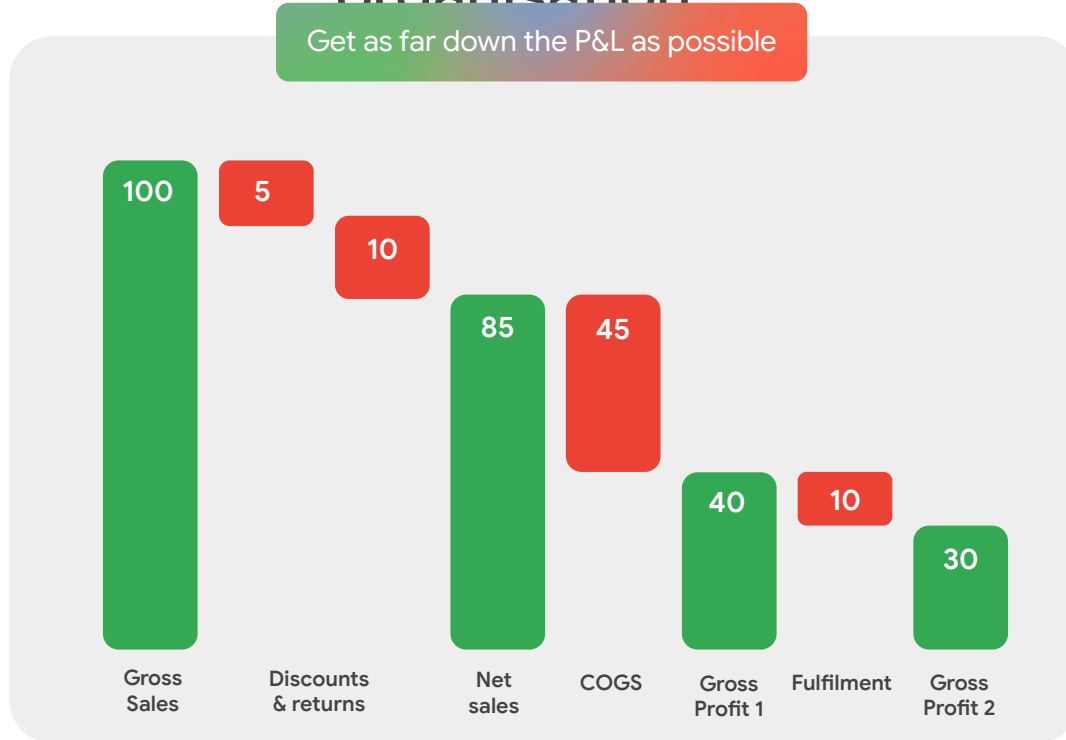
Build a future proof data foundation and use advanced solutions on top if required

Measurement

Advanced solutions

Data foundation

Enhanced Conversions

Consent Mode (v2)

Google Tag + SDK

Clicks　　　　Orders　　　　Revenue　　　　**Profit**　　　　**Long term profit**

Google
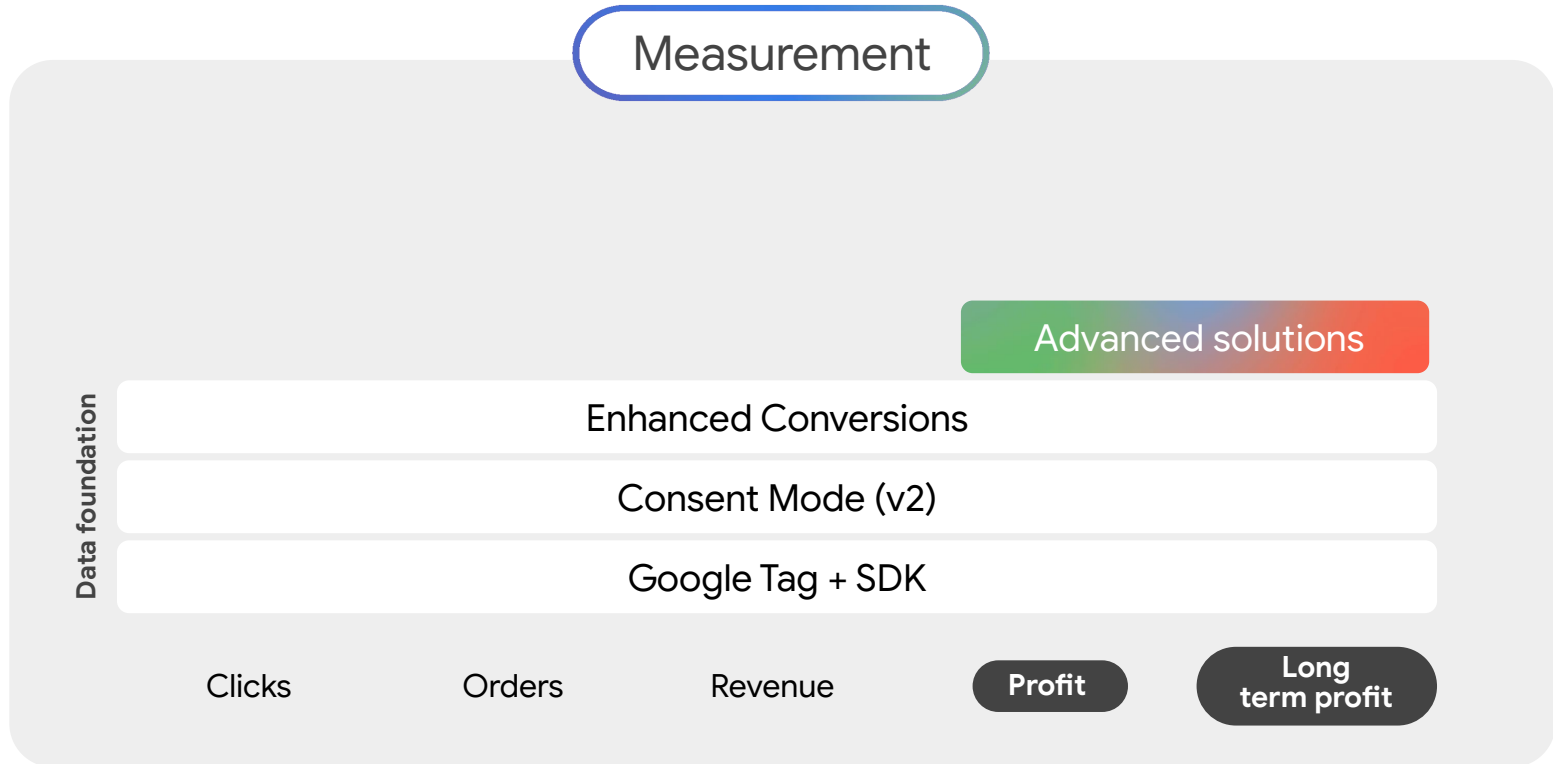
Which solution should you use for advanced values ?

Use case 1

Lead generation

Example verticals:
Finance, B2B,
Insurance

Use case 2

Online Sales

Example verticals:
E-commerce, Travel

Which solution should you use for advanced values ?

Use case 1

Lead generation

Focus on **leads that become valuable customers**

Example verticals:
Finance, B2B, Insurance

EC for leads

Upload converted lead value to Google Ads based on hashed PII data (up to 63 days delay). **Within 14 days is best**.

Vertex AI

Predict closed lead probability and value through AI in Google Cloud based on historical data

Which solution should you use for advanced values ?

Use case 2

Online Sales

Optimize marketing towards Profit

Example verticals: Travel, Retail

DOCA

Upload profit data directly into Google Ads up **to 7 days after** the initial conversion, based on order_id.

(Beta solution)

Soteria

Provide profit data **securely** and in **near real time** through **sGTM and Firestore**

github.com/google-marketing-solutions/**gps_soteria**

Vertex AI

Predict lifetime value or things like returns through AI in Google Cloud based on historical data

OMODA

So…

01 Optimise towards your business objectives

02 Make sure your data foundation is set-up for success.
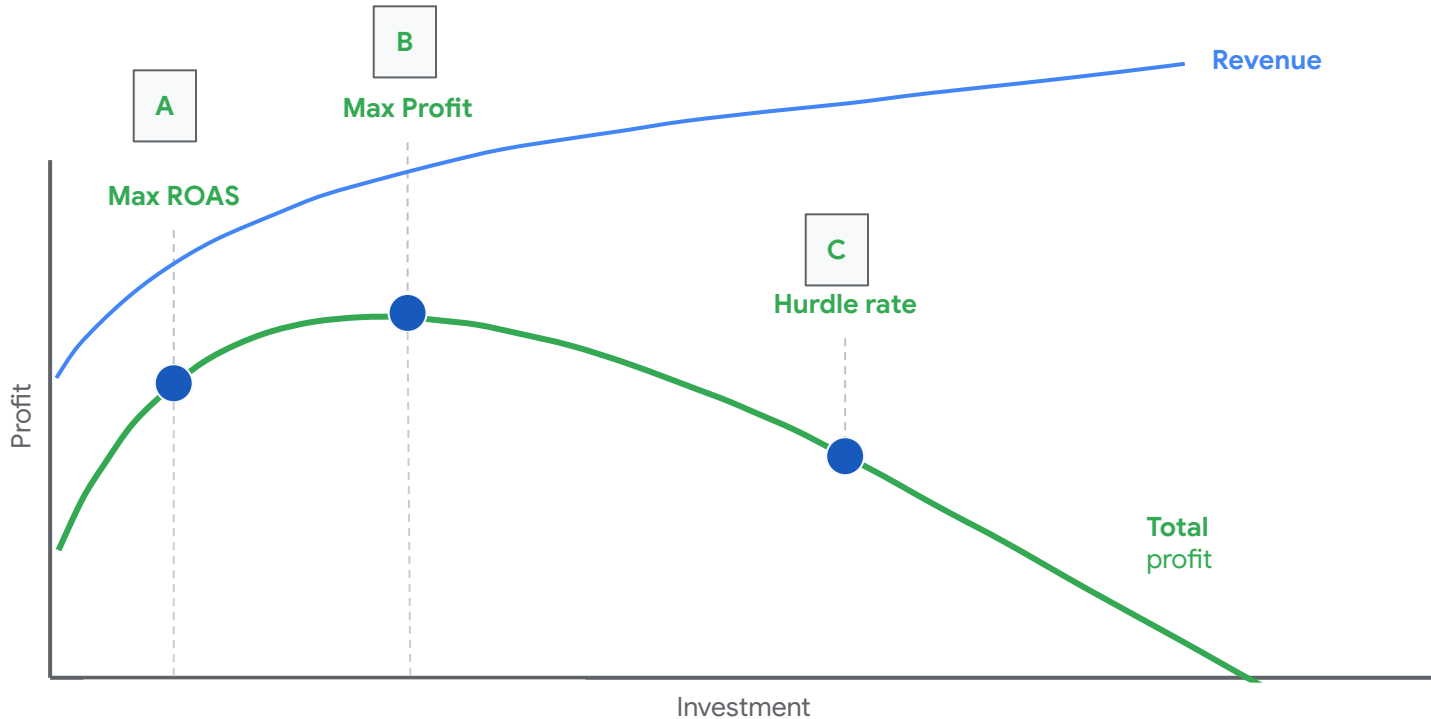
Step 2

Google's integrated AI
Activate the data from step 1

Google

# Invest to maximize profit by using predictive AI in target simulators

Available for all, best if step 1 is done right.

B

Max Profit

A

Revenue

Max ROAS

C

Hurdle rate

Profit

Total profit

Investment

Google

Invest to maximize profit by using predictive AI in target simulators

Available for all, best if step 1 is done right.

Target ROAS	Cost	Conv.	Conv. value
○ 500%	€4,506.56	924	24,562.80
○ 417%	€5,797.65	1,051	27,957.33
○ 357%	€7,223.34	1,138	30,278.91
○ 308% (current)	€8,720.83	1,213	32,262.38
○ 303%	€8,873.64	1,221	32,464.78
● 238%	€11,433.76	1,321	35,121.39
○ 182%	€14,292.30	1,407	37,416.57
○ 143%	€17,334.48	1,478	39,317.15
○ 110%	€20,909.74	1,545	41,103.82
○ 88%	€24,324.33	1,597	42,499.03
○ 67%	€28,018.71	1,645	43,750.72
○ Set a different target %			

Set a campaign-wide target ROAS of **238%**   — Conv. value
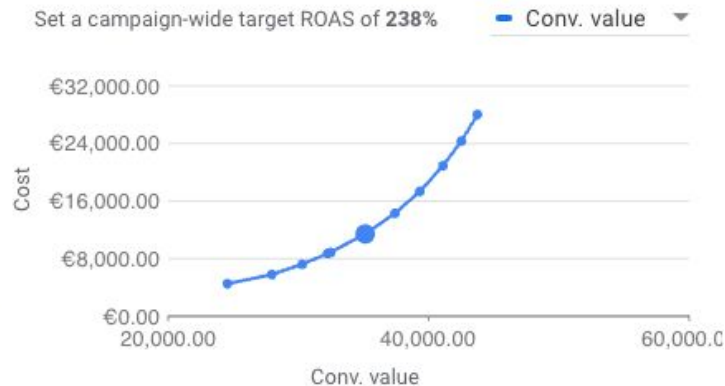
**Example:** One retailer proved success by setting up a geo-test with different targets.

Google

Guide AI to invest in the right customers by using lifecycle goals and conversion value rules

Available for all, best if step 1 is done right.

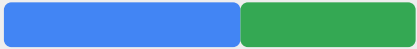**Lifecycle goals, incl. NCA can be found on account or campaign level**

Conversion value rules can be found on account or campaign level

How conversion value of a €10 purchase would be calculated for different customer types

Existing customers: €10.00
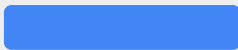
- €10.00

New customers: €16.00

- €10.00
- €6.00

New customers (high value): €22.00

- €10.00
- €12.00

Lapsed customers: €13.00 (NEW BETA)

- €10.00
- €3.00

Primary condition

Select your rule's primary condition

Audience segment ▼

○ All audience segments

● Enter audience segment

Audience segment | Customer match - super loyalists

Value | **Select the value adjustment that will apply to your base conversion value**

Multiply ▼ | 0.8

Conversion value rules to spend less on loyal customers without losing incremental sales
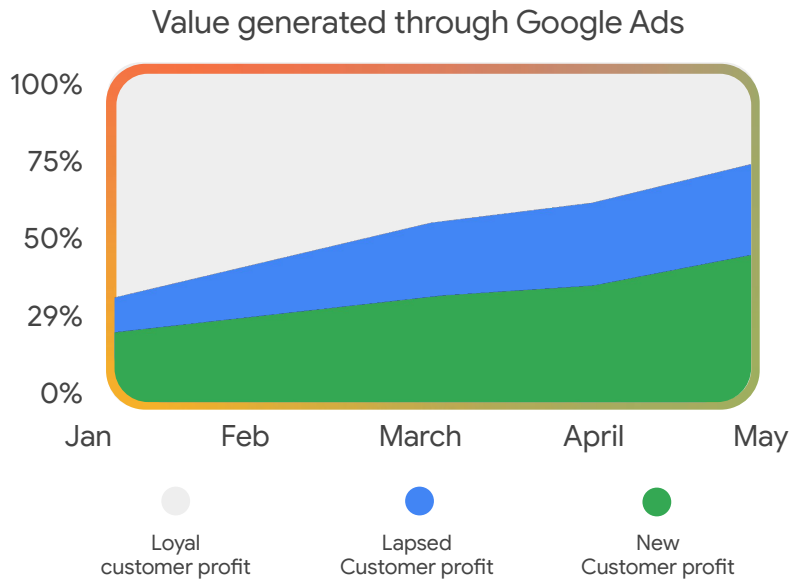
NCA in Performance Max increased new customer sales ratio by +8%

Monitor longer term 'shifts' to determine success

Value generated through Google Ads

	Jan	Feb	March	April	May
100%					
75%					
50%					
29%					
0%					

- ● Loyal customer profit
- ● Lapsed Customer profit
- ● New Customer profit

Indexed example data

Use segments to check original vs adjusted value

Segments > conversions > value rule adjustment

☐ ● Campaign	Conv. value
☐ ● **Campaign 1 - Search - Generic**	15,000
Original value (rule applied)	5,000
New vs. returning customer	2,500
Original value (no rule applied)	9,500
Audience	-2.000

Google

Step 3

Custom AI example
Generative AI to enhance product feeds

Google

github.com/google-marketing-solutions/**feedgen**

FeedGen

Improve titles, generate compelling descriptions, and fix feed quality issues.

Multimodal, supports images and loading website data!

+29% clicks +25% impressions

Input

Title:
2XU Men's Swim Compression Long Sleeve Top
Website:
https://2xu.de/products/core-compression-l-s-ma6398a
Color: White
Size: M
Description:
Lightweight, sleek and comfortable design, UPF-50+ protection.

Output

Title:
2XU Men's Swim, Compression Long Sleeve Top, Black, Size M, PWX Fabric, Crew Neck

Color: Black

Description:
The 2XU Men's Swim Compression Long Sleeve Top is a sleek and comfortable top designed for swimmers of all levels. Made from lightweight and breathable PWX fabric, this top provides excellent moisture-wicking properties to keep you cool and dry during your swim. The UPF 50+ protection shields you from the sun's harmful rays, while the crew neck and long sleeves offer additional coverage. The black color of the top makes it a versatile choice that can be paired with any swim bottoms.

Blue: Obtained by analysing website data
Green: Obtained via image understanding

Google

Step 3 | Custom AI

Feed Settings	Item ID Column Header *must be the first column*	Title Column Header	Description Column Header	Landing Page Link Column Header	Image Column Header *must be the last column*	Generate Titles	Generate Descriptions	Image Understanding *only with gemini-pro-vision only image/png and image/jpeg*
	Item ID	Title	Description	Link	Image Link	☑	☑	☑

Vertex AI API Settings	Google Cloud Project ID	Model Family	Language Model ID	Generation Language	Estimated Price *(excluding Landing Page Information)*		
	my-gcp-project	♊ Gemini ▾	gemini-pro-vision ▾	English	$5.31		

Description Prompt Settings / Model Parameters	temperature			Min. Evaluation Approval Score	Use Landing Page Information
	0.9			4	☑

FeedGen

P1		fx

	A	B	C	D	P	S	T
1	Approved	Generated	Error Rate	Feed Items with missing Attribute(s)			
2	50/210 (24%)	210/1000 (21%)	0/210 (0%)	79/210 (38%)			
3	Approval	Status	Item ID	Generated Title	Generated Description	Generated Category	Full API Response
4	☑	Success	2480	ASICS Women's Performance Running Capri Tight White Size S C	The ASICS Women's Performance Running Capri Tight is a great c	Activewear	product attribute keys in original t
5	☑	Success	21084	Agave Men's Jeans Waterman Relaxed Grey 33x30 Denim	Agave Men's Waterman Relaxed Grey Jean is a great choice for me	Jeans	product attribute keys in original t
6	☑	Success	27569	2XU Men's Swim Compression Long Sleeve Top Black Size M PW	The 2XU Men's Swim Compression Long Sleeve Top is a great cho	Swim	product attribute keys in original t
7	☐	Success	8089	Ice Beige L Satin Evening Suit	This elegant satin evening suit is perfect for any special occasion. T	Suits	product attribute keys in original t
8	☑	Success	1	Seven7 Women's Tops & Tees Long Sleeve Stripe Belted Top Black	Seven7 Women's Long Sleeve Stripe Belted Top is a great option fc	Tops & Tees	product attribute keys in original t
9	☐	Success	28629	City Hunter Winter Hat Black One Size Soft Nylon	The City Hunter Soft Nylon Russian/Trapper/Trooper Winter Hat is a	Accessories	product attribute keys in original t
10	☐	Success	7760	Fashion Love 16 Black Polyester	The Fashion Love 16 Black Polyester is a plus size black jazzy jack	Blazers & Jackets	product attribute keys in original t
11	☑	Success	8605	Darling Outerwear & Coats Peacoat Black Size S Wool, Cashmere	Darling's peacoat is a classic style with a modern twist. It's made of	Outerwear & Coats	product attribute keys in original t
12	☐	Success	13662	Pashminas4u Unisex Accessories Scarf Beige Acrylic	Pashminas4u Unisex Accessories Scarf Beige Acrylic is a one size	Accessories	product attribute keys in original t
13	☐	Success	17884	Nautica Men's Hoodie Size S Fleece	The Nautica Men's Castaway Stripe Hoodie is a classic raglan style	Fashion Hoodies & Swe	product attribute keys in original t
14	☐	Success	16424	Hurley Men's Shirt Relaxed Navy Size M 100% Cotton	The Hurley Men's Amigo Shirt is a relaxed fit, casual button-down s	Tops & Tees	product attribute keys in original t
15	☐	Success	17962	RetroFit Men's Hoodie White/Navy Size S	The RetroFit Men's Hoodie is a comfortable and relaxed fit hoodie t	Fashion Hoodies & Swe	product attribute keys in original t
16	☑	Success	11888	Rago Pull On Open Girdle Beige Size M Spandex	The Rago Pull On Open Girdle is a firm control undergarment that p	Intimates	product attribute keys in original t
17	☑	Success	27451	Nautica Men's Swim Solid Swim Trunk Navy Size S Polyester	Nautica Men's Solid Swim Trunk is a comfortable fit with classic des	Swim	product attribute keys in original t
18	☐	Success	27886	Billabong Men's Board Short 32 White/Tie-Dye Water-repellent Fab	The Billabong Gettin Jiggy Board Short is a great choice for men wh	Swim	product attribute keys in original t
19	☐	Success	24441	Alpha Industries Outerwear & Coats Field Jacket Black Size L Cord	The Alpha Industries M-65 Water-Repellent Field Jacket is a timeles	Outerwear & Coats	product attribute keys in original t
20	☐	Success	8445	Patty Women's Outerwear & Coats Motorcycle Biker Black Size S L	The Patty Women Black Motorcycle Biker Zip Front Jacket is a mus	Outerwear & Coats	product attribute keys in original t
21	☐	Success	9374	SmartWool Women's Socks Purple Heather Size M/L Merino Wool	SmartWool Women's Flowering Around Socks are made with 100%	Socks & Hosiery	product attribute keys in original t
22	☐	Success	6972	FineBrandShop Women's Shorts Charcoal Size L 100% Cotton	Ladies Charcoal 4 Pocket Sleek Hook Closure Shorts, 100% Cottor	Shorts	product attribute keys in original t

FeedGen

Optimise Shopping Ads feeds with Generative AI

Ready

Generate

Approve Filtered

Export to Output Feed

Clear Generated Data

So at this point, we could have a

Shopping feed enhanced by GenAI,
In an AI-powered PMax campaign,

bidding on future values predicted by AI,
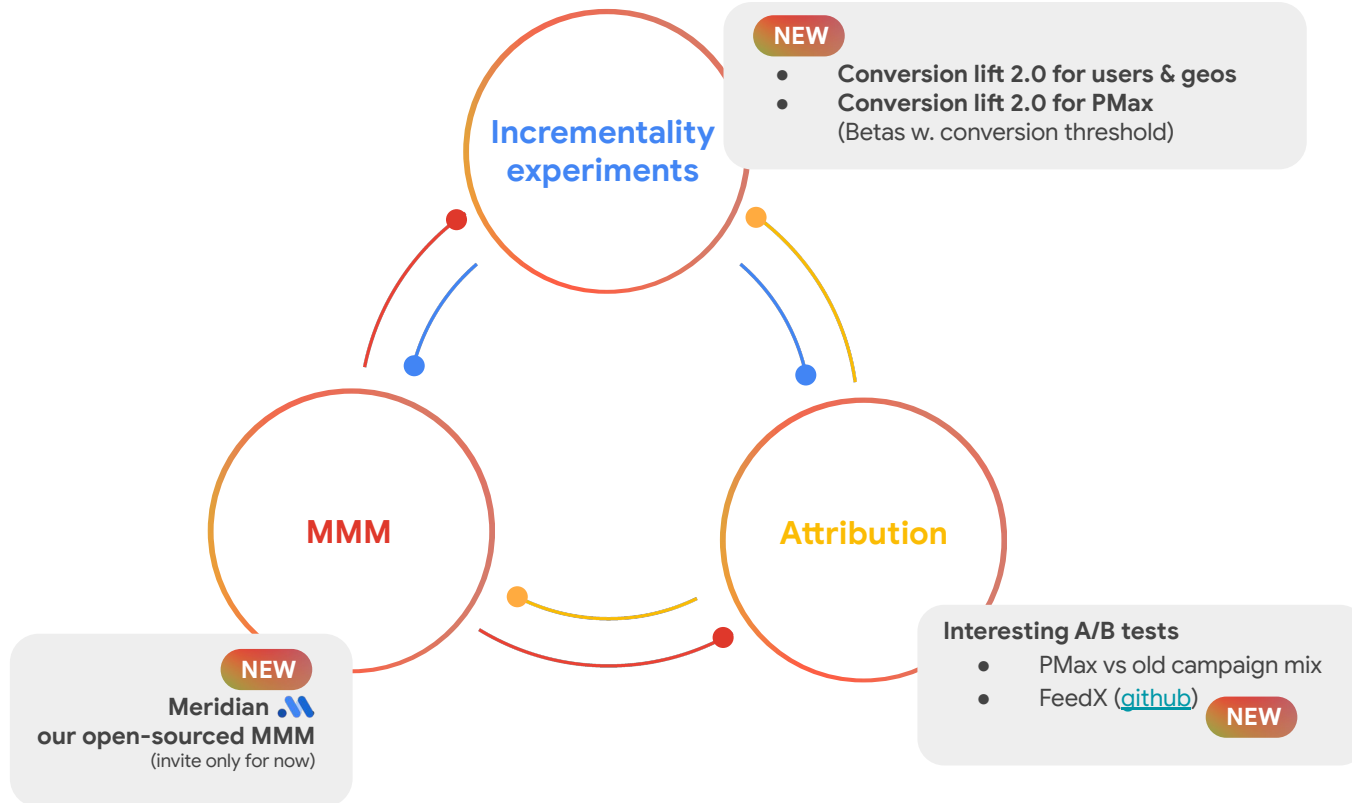and partially modelled by AI

Google

Step 4

Your test plan
Test integrated AI fast and ask bigger questions

Google

In your test plan, go beyond A/B tests in Google Ads

Tools for sophisticated tests are becoming **more accessible**

Incrementality experiments

NEW
- **Conversion lift 2.0 for users & geos**
- **Conversion lift 2.0 for PMax**
  (Betas w. conversion threshold)

MMM

Attribution

NEW
Meridian
our open-sourced MMM
(invite only for now)

Interesting A/B tests
- PMax vs old campaign mix
- FeedX (github) **NEW**

Your next steps

Your Input
Clarify business objectives
Check data foundations

01.

02. **Google's integrated AI**
Set targets to maximize profit, not ROAS
Guide PMax through NCA & value rules

Your test plan
Prioritize speed & bigger topics

04.

03. **Custom AI**
Explore 1 solution

Google

SEA specialists looking for things to do

Google

See you later

Thank you

さよなら +

Google