



PMAX PLAYBOOK

A four-stage strategy to achieving **success**

INTRODUCTION TO PMAX PLAYBOOK

As the digital landscape evolves, consumer journeys are becoming increasingly complex and fragmented. With consumers curbing their spending, brands are turning to advertising to explore new avenues for growth. This shift has placed pressure on media giants like Google to deliver scale and incremental reach to advertisers, while also striving to boost ad revenues to offset the costs associated with the race to win AI.

Launched in 2021, Performance Max (PMax) stands out by enabling advertisers to reach customers across the Google ecosystem. By integrating the best of Google Ads and AI, PMax identifies high-value audiences based on the set campaign goal, and adapts to changes in consumer search behaviour.

At MG OMD, we've crafted a four-stage iterative strategy to achieve remarkable success for our brands using PMax, unlocking up to +32% conversions.

This paper highlights the advantages of integrating PMax into search strategies, the current limitations of the product, and the future developments we hope to see from Google.

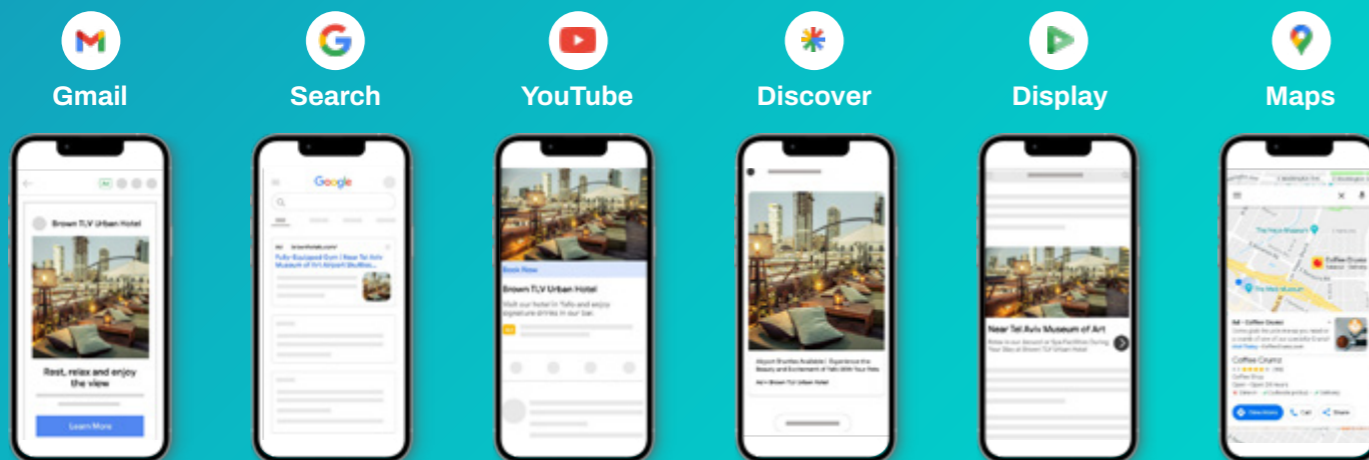


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01

AN EVOLVING SEARCH LANDSCAPE

Beyond traditional search

Search has undergone a significant transformation, which has accelerated in recent months. Consumers now use multimodal search, incorporating image, voice, and video, as well as conversational search to find information. Every day, 15% of searches are new. As reaching consumers becomes increasingly challenging, Google enables advertisers to do so effectively with their AI-powered ads, by analysing a large amount of data signals to orchestrate business outcomes, matching advertisers with relevant users.

Broad match and PMax, the “Ads Power Pair”

Combining AI-powered broad match keywords with PMax can drive an 18% incremental increase in conversions, by unlocking additional reach, according to Google’s studies. This strategy, referred to as the “Ads Power Pair” by Google, has been corroborated by our internal studies at MG OMD, indicating a **+100% in return on ad spend (ROAS)** when comparing period-on-period (PoP) results to standard shopping and broad match search.

Both campaign types are designed not to compete with each other, as they operate within an auction hierarchy that prioritises Search over PMax campaigns. However, overlaps are bound to occur, and the opaque nature of Google’s algorithm makes it difficult to assess their scale. Yet, observations from existing MG OMD clients suggest that PMax can deliver **increased ROAS by up to 110%**, with Google offering new measurement solutions to assess its incrementality.



PMax and Demand Gen, a full-funnel strategy

Performance Max and Demand Gen campaigns share similarities such as broader targeting beyond traditional search, same inventory, and visually rich assets to enhance outcomes. The largest difference lies in the campaign goal and role in the media mix. Performance Max is aimed at the lower funnel, whereas Demand Gen is geared towards driving users from awareness to consideration, leveraging 1st and 2nd party audiences to pinpoint early purchase intent. Although both solutions complement each other across the purchase funnel, they depend on AI to prevent overlap, with effective implementation showcasing a 19% conversion uplift when pairing both Demand Gen and PMax. Given the inherent limitations of AI, it is crucial to use levers such as shared floodlights, managing Demand Gen using DV360 or SA360 when this becomes available, data strategy, and placement exclusions to effectively mitigate cannibalisation.

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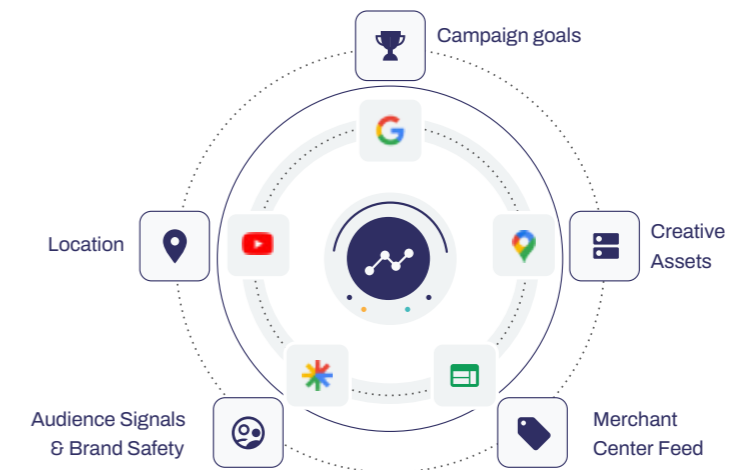
ON MAXIMISING PMAX

The effectiveness of PMax reflects the quality of efforts invested

PMax offers expansive reach and tangible outcomes. However, its scope presents several challenges, including the potential for misaligned spending, reduced quality of site traffic, and concerns around brand suitability.

When launched in 2021, PMax was positioned as a plug-and-go solution. However, with the pace of new features such as “brand guidelines” allowing advertisers to customise their brand identity, and PMax’s vast reach potential, its success fundamentally relies on the quality of the data it leverages, and advertisers’ input. MG OMD actively engages in roundtable discussions with Google product managers including those for PMax to shape the development of Google’s ad solutions. The primary focus is on ensuring that these solutions are tailored to the business requirements of our clients and addresses challenges around transparency and brand suitability.

Despite some limitations around reporting and, thus, optimisation, integrating PMax into a search strategy has clearly demonstrated benefits. The product’s inherent nature does underscore the importance for advertisers to adopt an experimentation mindset in order to unlock growth, engage in rigorous testing, use triangulated measurement, and stay abreast of the latest developments. Relying solely on AI is not enough to maximise business outcomes.



The new AI era has reshaped the skills essential for search

As AI reduces setup and production times, search practitioners must act as the conduit between a brand’s business objectives and the outcomes produced. Data analysis to continuously improve campaign performance, strategic thinking to orchestrate outcomes and align campaign objectives and optimisations, technical expertise, creativity to stand out and engage relevant audiences, and business acumen are critical skill sets for PMax. Organisations that invest in these skill sets will stay ahead of the curve.

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ACHIEVING SUCCESS WITH PMax

We've seen that AI presents significant advantages but comes with limitations. Getting the most out of PMax relies on leveraging AI capabilities while incorporating expertise from search practitioners to fine-tune the algorithm, ensuring that the outcomes effectively align with a brand's business goals. At MG OMD, we outlined an iterative 4-stage approach to unlocking success with PMax.

1 Targeting strategy and data enrichment

Set budget, bid strategy, and campaign goals according to the business objectives. To maximise campaign outcomes, ensure that no budget or bid constraints may limit the campaign's ability to participate in auctions. As PMax is goal-oriented, feeding AI with suitable conversion goals to optimise against is crucial. Apply first-party data and audience signals to refine the algorithm, and expect to increase efficiency by a decrease in cost per acquisition of **10% based on internal studies at MG OMD**.

Our tip

Should the campaign goal not yield sufficient volume, considering micro-conversion actions can help by providing the algorithm with more data to optimise, thereby enhancing traffic quality.

2 Campaign optimisation and brand control

Optimisation

The introduction of Search themes allows for more precise targeting. By implementing these themes at the asset group level, we **reduced Brand presence in PMax campaigns to below 10%**, focusing the campaign toward Generic incrementality. The launch of final URL expansion further tightened targeting, **improving conversion volume by 8%**, as seen via A/B tests at MG OMD. Although PMax reporting and insights remain limited compared to a standard search campaign, recent feature launches such as placement reports and category insights, alongside GA reporting segments for cross-channel impact, and tailored scripts, can offer a robust foundation for optimising PMax.

Brand control

While PMax is yet to offer integration with third-party verification providers, actions can be taken to adapt to brands' requirements and preferences. URL rules can be used to exclude non-suitable and underperforming domains.

Domain-level opt-outs, content and brand exclusions, combined with frequent search report analysis for keyword exclusions can be used to align with brand ethos and mitigate overlap with search campaigns.

3rd party verification integration available with IAS, DoubleVerify and ZEFR.

Our tip

Create PMax script reports for asset and performance insights over varying placement types. As part of Omnicom Media Group, MG OMD has access to Google's PMaximiser dashboard which offers a view of performance, and optimisation opportunities across all PMax campaigns.

“ Search practitioners must act as the conduit between a brand's business objectives and the outcomes produced

3 Creative excellence

Adhering to Google's creative best practices is key to maximising user engagement.

We noticed Google penalising customers for not having enough video assets. The latest PMax assets comms state that using 3 videos will drive up to 20% incremental conversions. Therefore, advertisers who don't include videos in their Pmax activity risk losing up to 20% of the potential conversion volume.

Linking the product feed allows the product inventory to be directly displayed across Google's inventory, extending beyond the SERP and shortening the path to purchase.

Google's Generative AI features enable rapid creative testing with multiple variations for use across different formats and devices, using prompts, existing assets, and brand guidelines.

Our tip

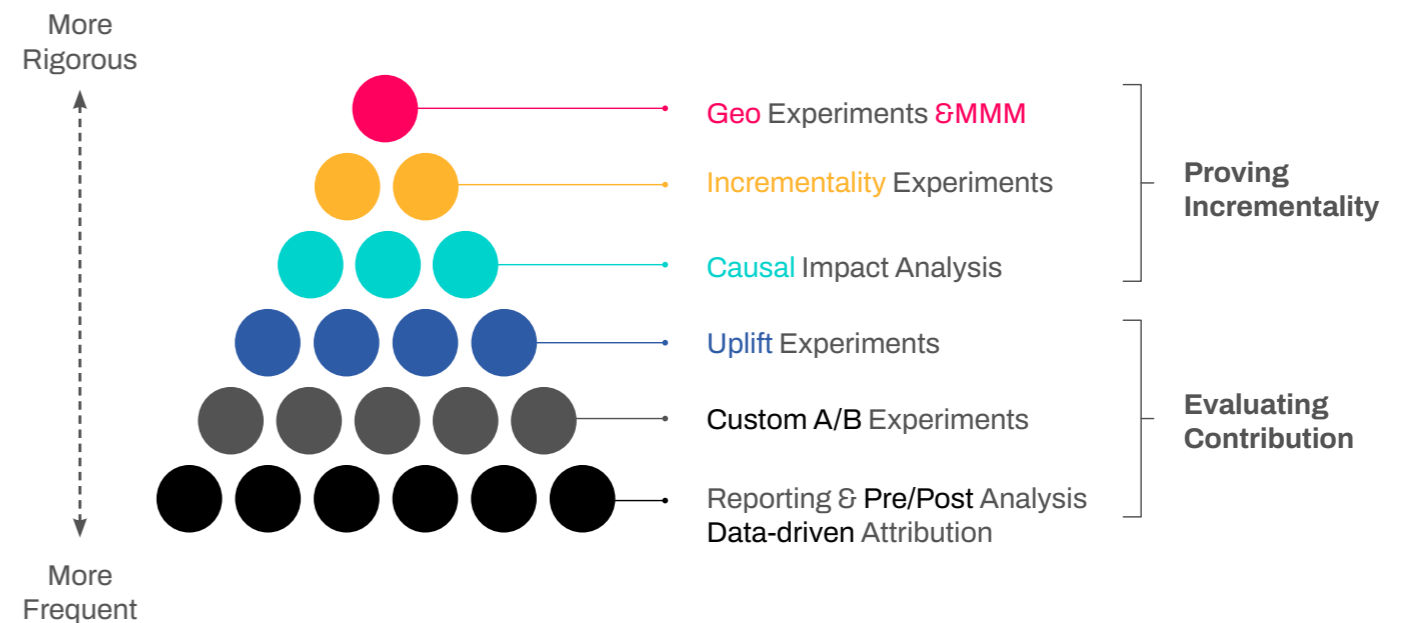
Consolidating creative assets into fewer groups provides more data for the algorithm to optimise ad performance, while using all asset types enables ads to serve across all of Google's inventory. A simple way to maximise asset volume is to repurpose existing assets from paid social and programmatic campaigns

4 Measurement and best practices

Once the foundational groundwork has been established, we recommend launching a Google uplift study (~8 weeks duration) to evaluate the incremental value of PMax. This step is crucial to refining your search strategy and determining the optimal budget allocation. By adopting this approach and a test-and-learn mindset, we have observed a **32% uplift in conversions**.

Our tip

Use a triangulation approach including multi-touch attribution (MTA), incrementality tests and media mix modelling (MMM) to bolster your understanding of PMax's value to your search strategy. Use a test-and-learn approach to codify and scale best practices across your accounts.



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SUMMARY AND FURTHER DEVELOPMENTS

Summary

PMax is Google's most innovative search product, integrating state-of-the-art AI to deliver growth at scale. However, to fully leverage PMax, advertisers need to do more than rely on AI only, serving as the conduit between a brand's business objectives and the outcomes delivered, to ensure optimal performance. Although some limitations have made advertisers cautious about integrating PMax into their search strategy, at MG OMD, we have adopted an iterative strategic approach to maximise PMax's potential.

Further Developments

We've placed PMax at the core of our search strategy and hope to see further developments from Google in these areas:

Enhanced transparency: reports to detail where ads were shown, their viewability, and the factors behind an ad being triggered

AI-powered ingestion of client Brand guidelines for campaign placements, further tightening Brand suitability in pipeline for BETA tests

API integration and customisation, enabling advertisers to create tailored solutions

Different access profiles in PMax: analytics access reporting functionalities, creative teams access creative studio etc.

Greater detail surrounding the interaction between Demand Gen and PMax

AI reset button to reduce risks associated with echo chambers and algorithms optimising only for specific "higher value" cohorts

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