Put Google Al to work for your business

A Marketer's Guide



Welcome

In this new era of Al and unprecedented change, Chief Marketing Officers (CMOs) are navigating uncharted territories, essentially becoming "Change Management Officers."

As Al revolutionizes the marketing landscape, early adopters stand to gain a significant competitive advantage.

Al is poised to enhance the entire advertising lifecycle, from ideation and content creation to measurement and insights. However, it's crucial to remember that Al is a tool, not a strategy in itself.

We developed the approach that follows — The Al for Marketing Pathways — in consultation with Google's own marketing team and leading CMOs. We hope it serves as a useful guide to the opportunities to apply Al across your measurement, media, and creative.

Dive in and tell us what you think!

The promise of Al for marketing

The traditional process for developing creative assets is timeconsuming. Coordinating a comprehensive media campaign involves significant orchestration, and measuring its effectiveness is often a challenge.

But what if this entire process could be streamlined? Imagine a scenario where insights are at your fingertips, and where creative assets and media campaigns are continuously refined based on real-time data. That's the kind of innovation that could truly revolutionize marketing.

With AI you can build campaigns faster. Draw on your highestperforming creative assets to deliver infinite variations. You can create more compelling ads that are a better match for consumers' needs, context, and mindset — in short, you can drive relevance at scale.

And with Al, you can make real-time measurement a reality. Imagine launching a campaign in the morning, and by lunch your creative and media strategies are already being adjusted. This is our vision for what Al can do for marketing, and we've made big steps towards it already.

This guide lays out essential actions you can take to get started with AI, and ways to use AI for broader transformation. Treat it as a tool for taking stock of what you're doing now, and preparing for what you're going to do next.

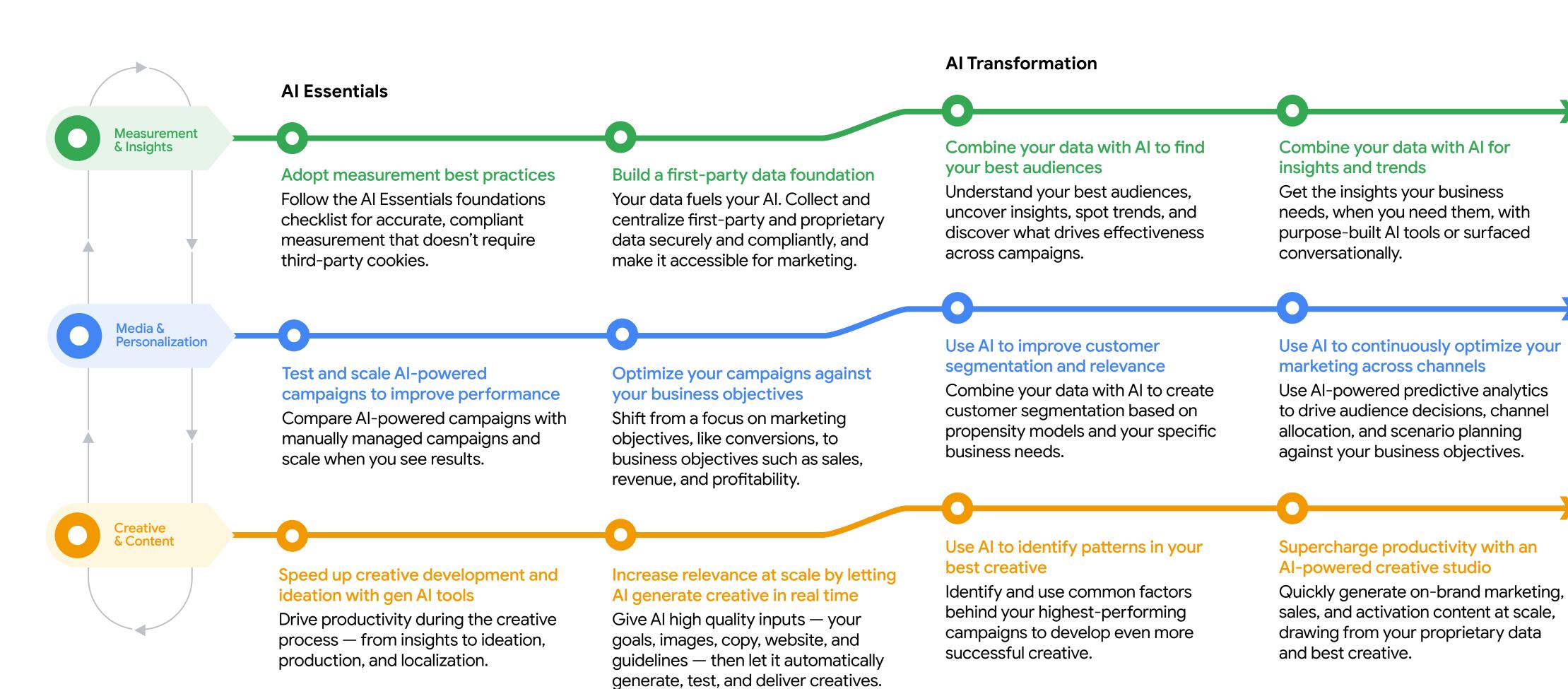
The Al for Marketing Engine

To orient you to our vision for the future and what we're helping customers build towards, we created the "Al for Marketing Engine." It's premised on familiar marketing functions: creative, media, and measurement. These aren't independent activities, of course — they're increasingly interlinked drivers of growth and efficiency.

They're also a useful way to categorize the opportunities Al offers. In the pages that follow, we'll unroll the engine and explore each category as an "Al for Marketing Pathway": Measurement & Insights; Media & Personalization; and Creative & Content.



The Al for Marketing Pathways



From Al Essentials to Transformation

We've tested our approach in workshops with leading CMOs from around the world. For each Pathway, there are "Essential" and "Transformational" steps.

Al Essentials

These are essential steps you should take now, using off-the-shelf tools you can start to implement immediately.

They drive quick wins, growth, and efficiency for your business.

Al Transformation

These are transformational steps, using purpose-built tools that draw on the unique strengths of your business and data.

They take longer to build, but they drive stronger gains and deliver lasting competitive advantages.

Measurement & Insights

Al Essentials

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Adopt measurement best practices

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Build a first-party data foundation

Al Transformation

Combine your data with AI to find your best audiences

Combine your data with AI for insights and trends

Al Essentials

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Adopt measurement best practices

Getting great results from Al requires a great data foundation. The more Al knows about your business, your customers, and your goals — the more it can deliver for you.

The rules for how we gather and use data for advertising are evolving quickly. Access to data has changed, signals like web and app identifiers have been disappearing, and consent requirements have made measurement more difficult.

At Google, we have tools that can respond to this new reality. Products like <u>Google Analytics 4</u>, <u>Google Tag Manager</u>, <u>consent mode</u>, and <u>enhanced conversions</u> ensure you're legally collecting and storing user consent, and that your conversions are accurately counted.

Al Essentials

Build a first-party data foundation

Your aim should be to develop a robust set of first-party data — that's data made available to you directly by your audiences and customers.

Strong first-party data helps you uncover unique insights and trends, identify valuable audiences, and better measure the lifetime value of your customers

Here are some tips to building a strong foundation of user-consented first-party data:

- Start with the first-party data you have in marketing.

 The results of online forms, surveys, email lists, loyalty programs, customer reviews, and so on. Consolidating data is much cheaper than acquiring it, so leave no stone unturned.
- Then, bring together data sources from other parts of your organization.

For example, purchases or customer service interactions. You'll need to build your relationships across the organization, and ensure you're doing all this in a way that complies with the usage permissions your audience has given you.

• Finally, think about new ways to collect first-party data.

This is particularly important if your business doesn't have much first-party data by nature. For example, customers are happy to provide their data booking a flight, but less so when buying soap. According to BCG, over 90% of consumers are willing to share their personal information for the right incentive — so consider offering rewards or reasons for them to engage.

Google has built tools to manage your first-party data securely and make it useful for marketing, like <u>Ads Data Manager</u> and <u>Ads Data Hub</u> <u>for Marketers</u>. Google Cloud offers solutions like composable data platforms (CDPs), which provide sophisticated ways of amalgamating and using data in marketing.

Al Transformation

Combine your data with Al to find your best audiences

Google AI can use your data to predict how customers and potential customers will behave. You can use these predictions in your campaigns to maximize ROI.

Google offers several Al-powered products and features that do this. For example:

- **Predictive lifetime value (LTV)** predicts which customers and potential customers will have high LTV, based on the lifetime value of your existing customers.
- **Predictive metrics** show customers' likely behavior in the future. It works for anything that can be measured directly, such as purchases, churn, and revenue.
- **Predictive audiences** allow you to build high-propensity audiences for any directly measurable action, like spend or conversion.

Al Transformation

Combine your data with Al for insights and trends

Al can transform your understanding of the market and your customers by generating insights from vast amounts of data — both inside and outside your company.

For example, <u>Gemini in Looker</u> from Google Cloud helps make your organization's information more accessible. You can ask simple, conversational questions about your data — without the need for a degree in data analysis.

It provides answers immediately, in everyday language. This makes it easier and faster for your teams to uncover insights and increases the value you get from the data you hold.

You can also create purpose-built tools with Google Cloud to deliver unique insights and trends tailored to your business. For example, several leading marketers have developed insight platforms that deliver real-time alerts from social conversations and reviews, allowing them to jump on emerging trends faster than ever before.

Measurement & Insights

Case Studies





ESTĒE LAUDER

Nestlé adopted measurement best practices globally.

They delivered a global technology roadmap to lay a future-proof measurement foundation.

This ensures all their brands can access high-quality data and deliver personalized experiences.

PepsiCo built a data foundation.

They developed innovative approaches to building first-party data, like QR codes for their reward programs.

They increased their first-party data by 50% in 18 months.

Estée Lauder made business insights faster and more actionable with AI.

They developed a purpose-built insights platform to deliver real-time alerts from social conversations and reviews.

Now they can jump on trends faster than ever before.

Al Essentials



Test and scale Al-powered campaigns to improve performance



Optimize your campaigns against your business objectives

Al Transformation

Use AI to improve customer segmentation and relevance

Use AI to continuously optimize marketing across all channels

Al Essentials

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Test and scale Al-powered campaigns to improve performance

Consumers have more ways to search, stream, and shop than ever before. With so many permutations, manually managed campaigns can't hope to keep pace.

Al-powered campaigns, like our "Power Pair" of <u>Performance Max</u> and <u>broad match</u>, optimize for you. They make it far easier to discover and reach your most valuable customers.

Here's how to take advantage of this revolution in campaign management:

 Test Al-powered campaigns against your equivalent manual campaigns

Tell the Al what your objective is — for example, reach, views, conversions, sales, or even profit. Then let it optimize toward those goals. It will find the best-performing audiences, placements, and creatives, and allocate budget accordingly.

Scale the best performing Al-powered campaigns
 Move budget to an Al-powered campaign when it outperforms its manual equivalent. Break down any budget silos and ensure that the most effective campaigns can pull budget from other channels if the performance is there.

Al Essentials

Optimize your campaigns against your business objectives

Focusing on proxy metrics like clicks, conversions, or CPAs can make it harder to spot unprofitable results, and can skew budget toward less profitable outcomes.

Successful marketers optimize for business outcomes, like profitability.

Al allows you to target true business outcomes — like sales, revenue, or profit. These should be the goals you choose for Al-powered campaigns.

Delivering results directly to your bottom line makes it easier to demonstrate marketing's ability to drive growth.

Al Transformation

Use Al to improve customer segmentation and relevance

Once you've identified your best audiences, as we covered in the previous section, you can use them in your media campaigns. You'll also have a template for what good customers look like.

Google's <u>Customer Match</u> finds new audiences that look like your current customers, making them more likely to show interest in your proposition.

Using AI to enrich your customer segmentation can be faster and more effective than using traditional techniques, helping you deliver more impactful results and broadening your customer base.

Use AI to continuously optimize your marketing across channels

True media transformation happens when you use AI in every part of your media process.

When you do, Al is continuously learning and optimizing across your marketing, helping to make audience decisions, creative decisions, and budget decisions. Your teams remain involved, and there is still plenty of space for experimentation.

For example, you might choose to conduct scenario planning for a big marketing decision, using AI to help predict the results before making the final call. Consider partnering with Google Cloud to develop real-time optimization systems for:

- Media performance and personalization
- Audience segmentation and propensity modeling

Case Studies







Coach tested and scaled Al-powered campaigns.

After seeing strong conversion rates in Canada-based pilots, Coach doubled down on Al-powered campaigns in the US.

Performance Max delivered a 38% increase in return on ad spend (ROAS) in its first full quarter in the US.

Reckitt drove new customer acquisition with Al-powered media and lifetime value.

Reckitt developed a lifetime value (LTV) model, which they set as the goal for Alpowered broad match and value-based bidding on Search.

This AI-powered Search strategy produced a 60% increase in new customers.

Indeed powers growth with new lifetime value modeling scaled with Al campaigns.

Indeed segmented customers using a lifetime value model based on profitability. They set this as their goal in Al-powered Search campaigns.

They cut employer cost per acquisition by 50%, while increasing return on ad spend by 200%.

Creative & Content

Al Essentials

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Speed up creative development with gen Al tools

Increase relevance at scale by letting AI generate creative in real time

Al Transformation

Use AI to identify patterns in your best creative

Supercharge productivity with an Al-powered creative studio

Al Essentials

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Speed up creative development and ideation with gen Al tools

Creative requirements have expanded exponentially. To deliver optimal performance, large campaigns can now require thousands of versions and iterations. And failing to tailor assets to different devices, platforms, and audiences means losing ground to competitors who do.

But producing this volume of assets consumes valuable time and resources. Generative Al offers a solution — freeing creatives to focus on innovation instead of production pains.

The process begins with ideation. Cutting-edge Al models, like Google's <u>Gemini</u>, help teams get to work on their ideas faster. Gemini's multimodal nature — its fluency in text, audio, and video — coupled with its vast context window, allows teams to easily

play around with vast amounts of information. Once the asset is created, generative AI can rearrange it for any occasion.

Google has integrated this technology throughout its ad products. For example:

- Product Studio orchestrates Al-powered "photoshoots"
- Translation and dubbing tools adapt content for global audiences
- Tools like <u>Trim video</u> and <u>flip video</u> optimize creative for whatever placement it finds itself in.

These tools maximize creative variety and drive performance, minimizing the cost and time associated with creative production.

Al Essentials

Increase relevance at scale by letting Al generate creative in real time

It used to be that you only had one shot at making a piece of creative — but now you can keep working and reworking it until you find the version that works hardest.

In the previous section, we covered how AI-powered campaigns can optimize your media performance. They can do the same for your creative.

Tools like Performance Max use AI to produce, test, and refine creative assets at scale in real time. They use your brand guidelines and creative components — like headlines, descriptions, images, and logos — to automatically generate variations tailored to different audiences and placements across Google's Search, YouTube, and Display Network.

This goes far beyond traditional "dynamic creative," which showed predetermined options. Al produces and tests thousands — even millions — of creative variations, constantly refining and optimizing based on performance, and allocating budget for maximum impact.

AI Transformation

Use AI to identify patterns in your best creative

It's always been hard to say with any certainty what makes a particular piece of creative effective. Was it the creative itself, the audience, the media placement, or even just the timing?

Al helps unravel these mysteries by analyzing your past ads and their performance. It finds key characteristics — like featured elements, copy style, and logo placement — and correlates them with real-world results, pinpointing the most effective components and messaging for your brand.

You can share these insights with your creative teams and use them to train your Al models, so you can double down on what works best.

Supercharge productivity with an Al-powered creative studio

Working with Google Cloud, many organizations are building Al-powered "studios" for their marketers.

These studios — trained on each brand's guidelines, their tone of voice, and their previous high-performing campaigns — can generate high-quality, versatile creative and marketing content at scale, quickly producing assets to meet the ever-evolving demands of customers.

Bespoke applications like these are made possible by Google Cloud's Vertex AI platform. With Vertex, marketers can access a wide range of AI models — both from Google, and from trusted external partners — to build and develop experiences tailored to their specific needs. The ability to experiment with new AI capabilities in a secure environment opens up remarkable possibilities for marketers as we reimagine how to reach our goals.







Pfizer used AI to produce creative variations.

Changes in barometric pressure can cause migraines. Pfizer used AI to create 93 creative variations for Nurtec migraine medication, and showed the ads when pressure changes were forecast.

The strategy drove a 2.9% increase in prescriptions.

Mondelez drove performance with scaled creative.

They used AI to unify their data sets, delivering 20 million creative assets across more than 150 countries.

They saw a 20% increase in ROI in the US, and 10% increase globally.

Carrefour supercharged creative production.

They wanted to improve the time to market and quality of their marketing campaigns. They built an Al creative studio with Google Cloud, and trained it on their most successful campaigns.

Now they can create first-draft campaigns in minutes.

Relationships and Responsibility

Moving forward with Al requires a focus on relationships and responsibility

Relationships

Responsibility

What connections are necessary for progress?

How will we manage governance and set guardrails?

Relationships

Success in marketing requires a collaborative effort. As you embrace AI you will find yourself working with people from all over your organization.

Alliances and advocacy is crucial if you want to escape "pilot purgatory" and deliver fully integrated Al programs.

There's no one-size-fits-all organizational structure, but building strong relationships is key. We call this network the "Magic Circle."

To build your magic circle:

- Identify your current stakeholders. Reach out to them proactively before you need them.
- Think strategically about who else you need to involve. Identify the key relationships to build. It might be as simple as scheduling a coffee with someone within the next month.
- Collaborate with your peers to develop business cases that can drive impact value beyond your department.



Responsibility

Sound Al governance empowers your organization to harness the opportunities of Al while mitigating risks.

Establish strong Al guardrails to ensure responsible use.

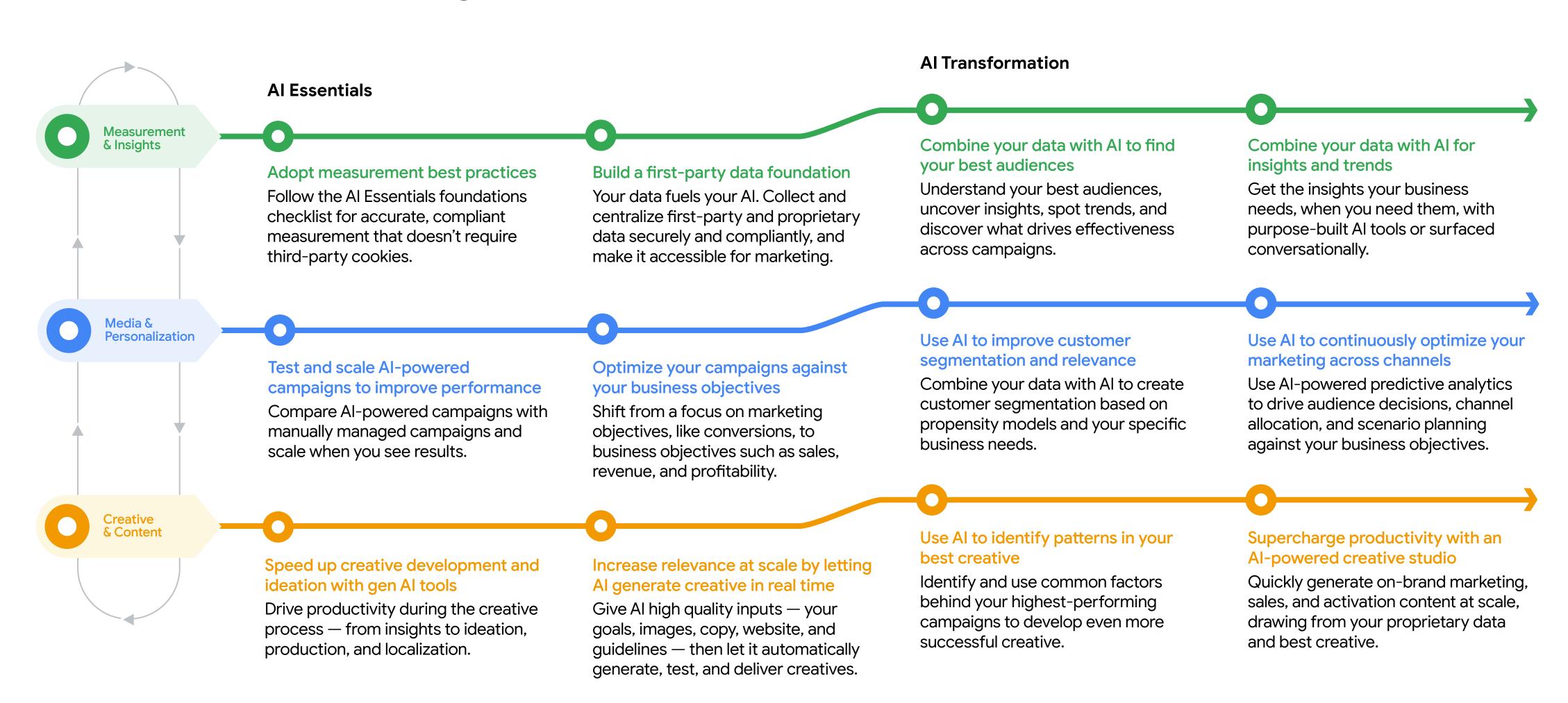
- Publish clear principles for responsible Al use. A good example is <u>Google's Al Principles</u>.
- Implement a comprehensive Al governance policy. <u>Google's Al governance policy</u> serves as a useful guide.

Minimize risk by setting clear guidance for Al use.

- Remember, the market is saturated with AI models and providers.
 Partner with reputable organizations that prioritize data and intellectual property protection.
- Provide your team with access to trusted AI tools. This ensures they
 make informed decisions, safeguarding your organization and data
 from potential risks.

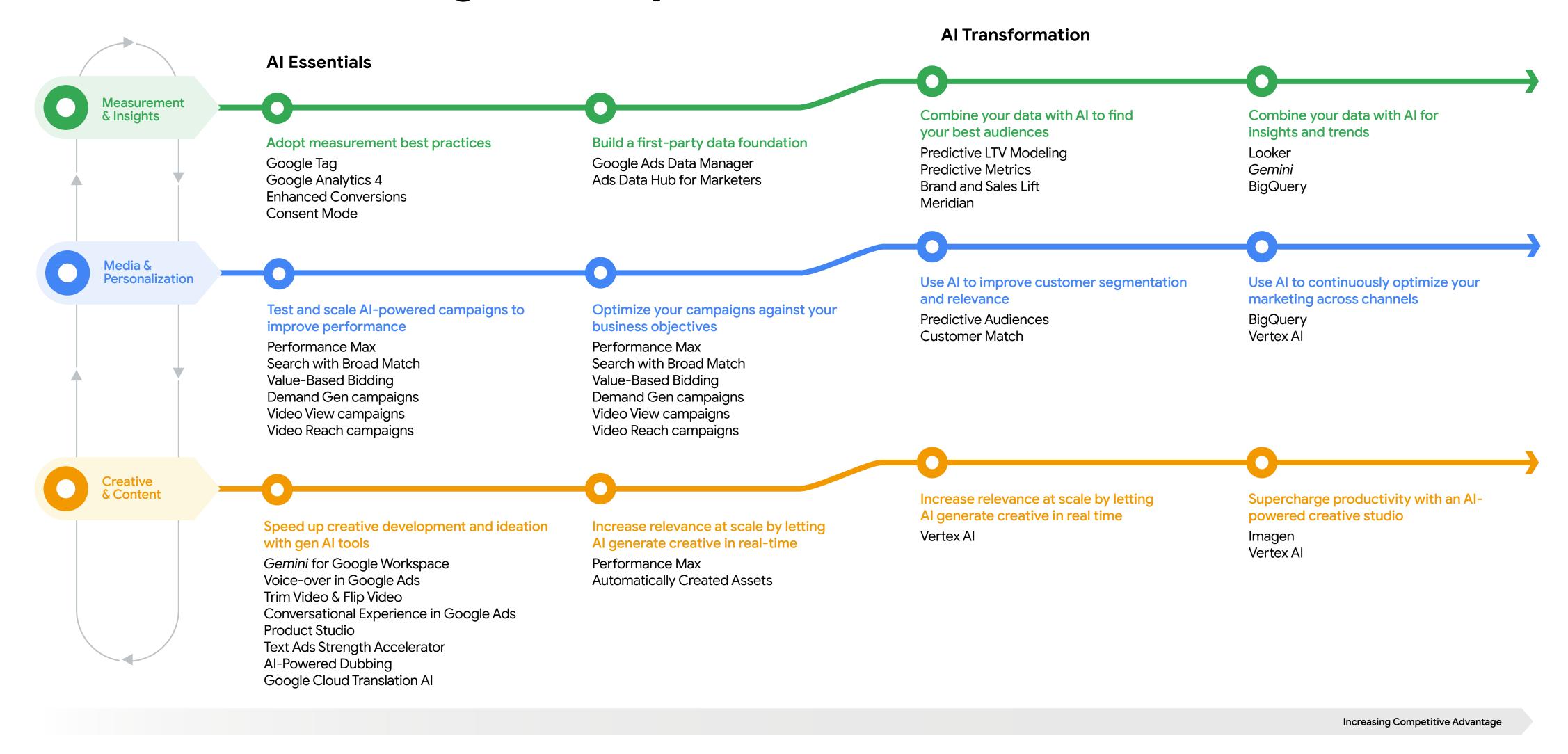
Additional resources

The Al for Marketing Pathways



Increasing Competitive Advantage

The Al for Marketing Pathways — Products



Additional resources

The best way to get more familiar with AI is to experiment and play around with it. We have a wide selection of freely available tools that can help people grow their understanding of the technology.

Experiment with

<u>Gemini</u>. Helps you generate ideas or learn about a new topic.

<u>Search Labs</u>. Test early stage Google Search experiments and share your feedback.

<u>Gemini in Workspace</u>. Helps you write emails in Gmail, build presentations in Slides, and visualize data in Sheets.

Al.Labs. Google's home for the latest Al tools and technology.

<u>Al Test Kitchen</u>. Experiment with a set of tools for image, music, video, and text generation.

Learn more

Al Essentials. Core products and approaches to ensure success with Al in Google Ads.

<u>Crossing the Generative Al Tipping Point</u>. Explore proven strategies that drive immediate value, while laying the foundation for future breakthroughs.

Marketers Al Handbook. Regularly updated list of relevant Google resources and tools.