

# Outsmarting high CPCs in 2025 with PMax & demand gen

Aaron Young





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# Aaron Young

- Top Google Ads educator turning strategy into actionable insights.
- Managed campaigns from \$1,000 to \$750,000+ since 2010.
- Founded Define Digital Academy in 2022 for PPC success.
- YouTube's biggest Google Ads educator with 100k+ subscribers.
- Achieved over 5 million views on YouTube content.

# **Outsmarting high CPCs in 2025 with PMax & demand gen**

# What We Will Cover In This Session

How Search is Changing & Why CPCs will Increase

Using PMAX & Demand Gen

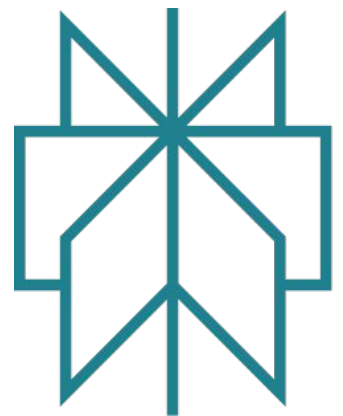
PMAX & Demand Gen Warnings

Account Examples



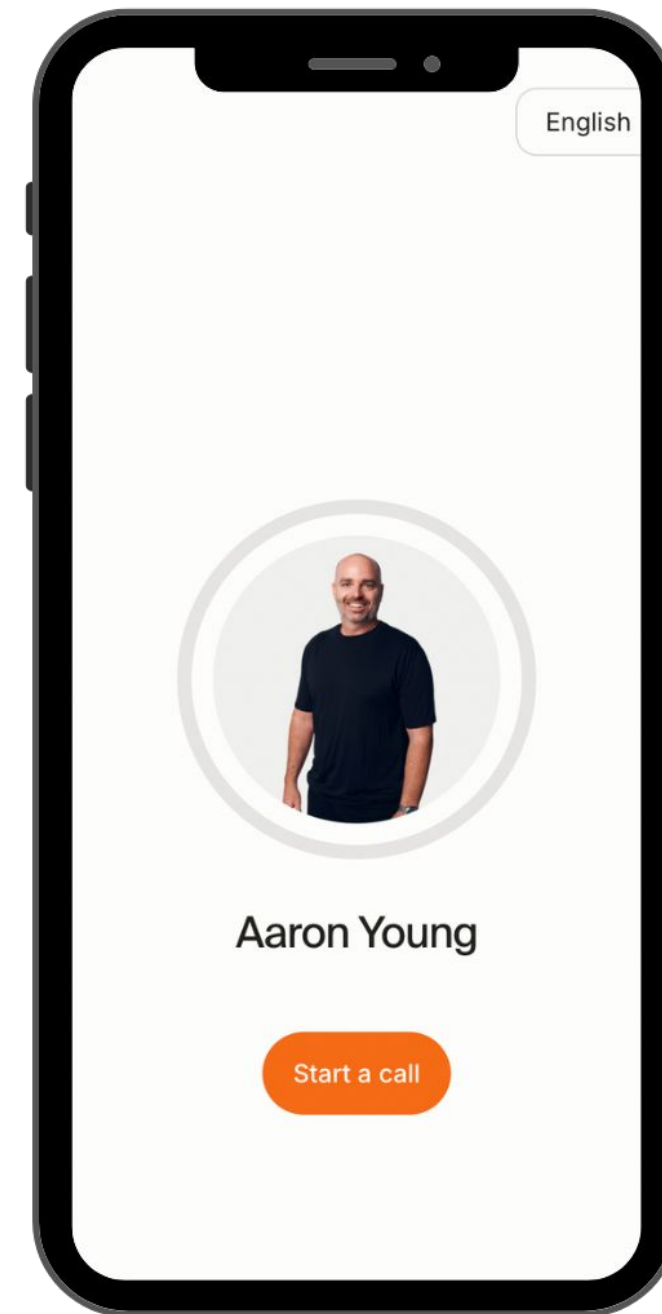
# How Search is Changing & Why CPCs will Increase

LLMs



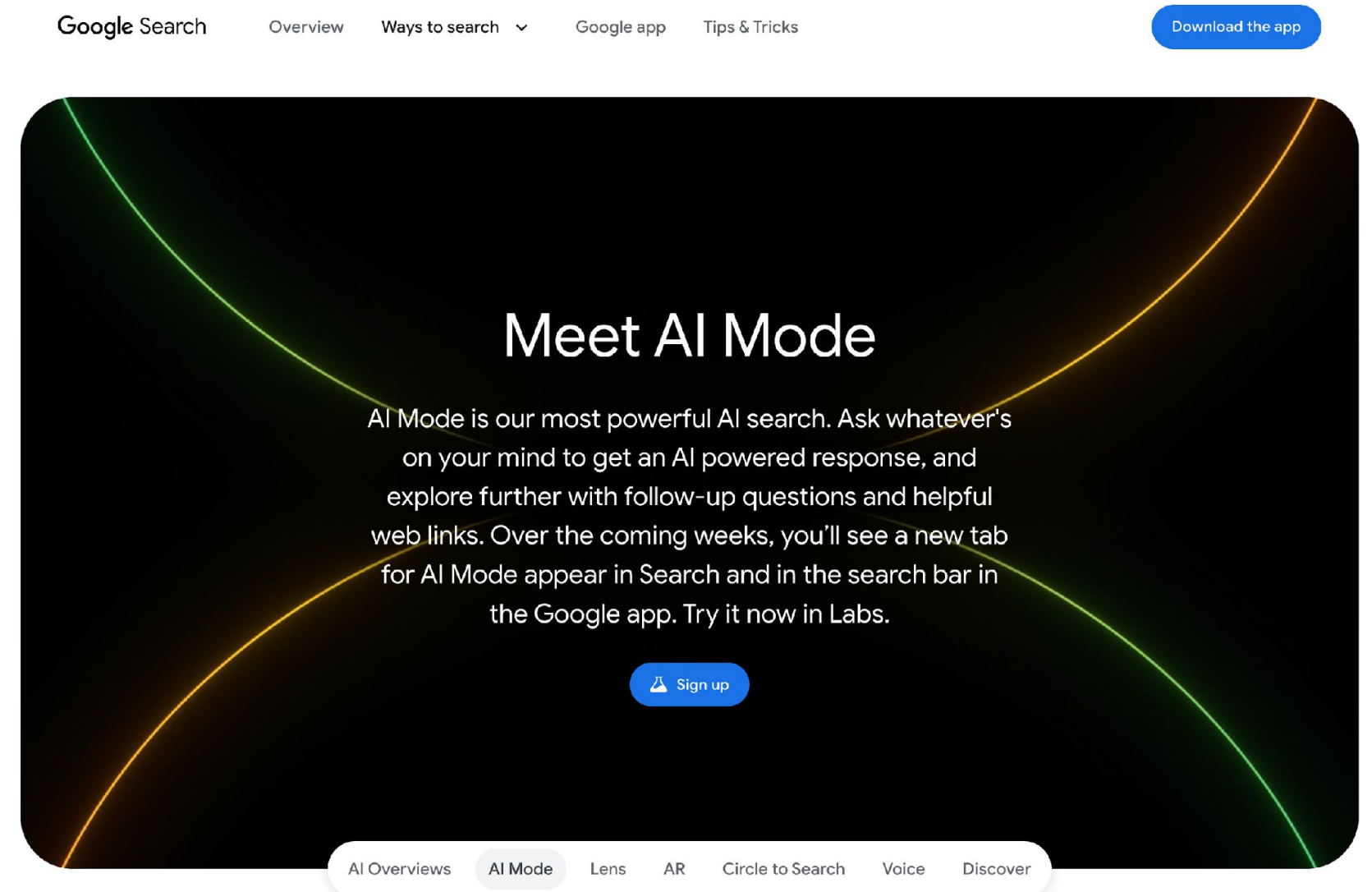
perplexity

AI Agents



# How Search is Changing & Why CPCs will Increase

## Conversational Search Experience

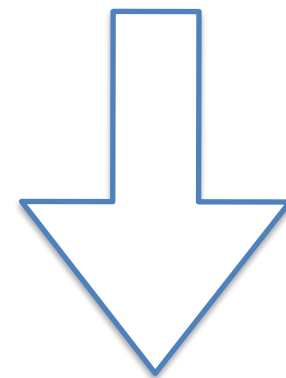


# How Search is Changing & Why CPCs will Increase

People will do initial searches in LLMs (like ChatGPT)

Ads or Recommendations will show within LLM

Less Google Searches with Conversational Answers



Higher CPCs for High Intent Search Traffic 😡



# You Can No Longer Ignore The Changes

Advertisers who are already using Performance Max, Shopping and Search campaigns with broad match, including [AI Max for Search campaigns](#), will be eligible to have their ads appear in AI Overviews and AI Mode. And advertisers can check out the [AI Essentials](#) for best practices on how to drive new customer connections. ■

Source: <https://blog.google/products/ads-commerce/google-search-ai-brand-discovery/>



# The Dangers of Only Targeting High Intent Keywords

## The Dangers of High Intent ONLY

The risk of only targeting high buying intent traffic is that extra competition & fewer ads placements will make your **CPC unprofitable very quickly**.

\*From GML: How do you target keywords for conversational searches?

## Know Your Campaign Types

Knowing how each campaign type works in Google Ads and how to best use them allows you to then create a full journey experience for your customers.



# Using PMAX & Demand Gen

## Performance Max:

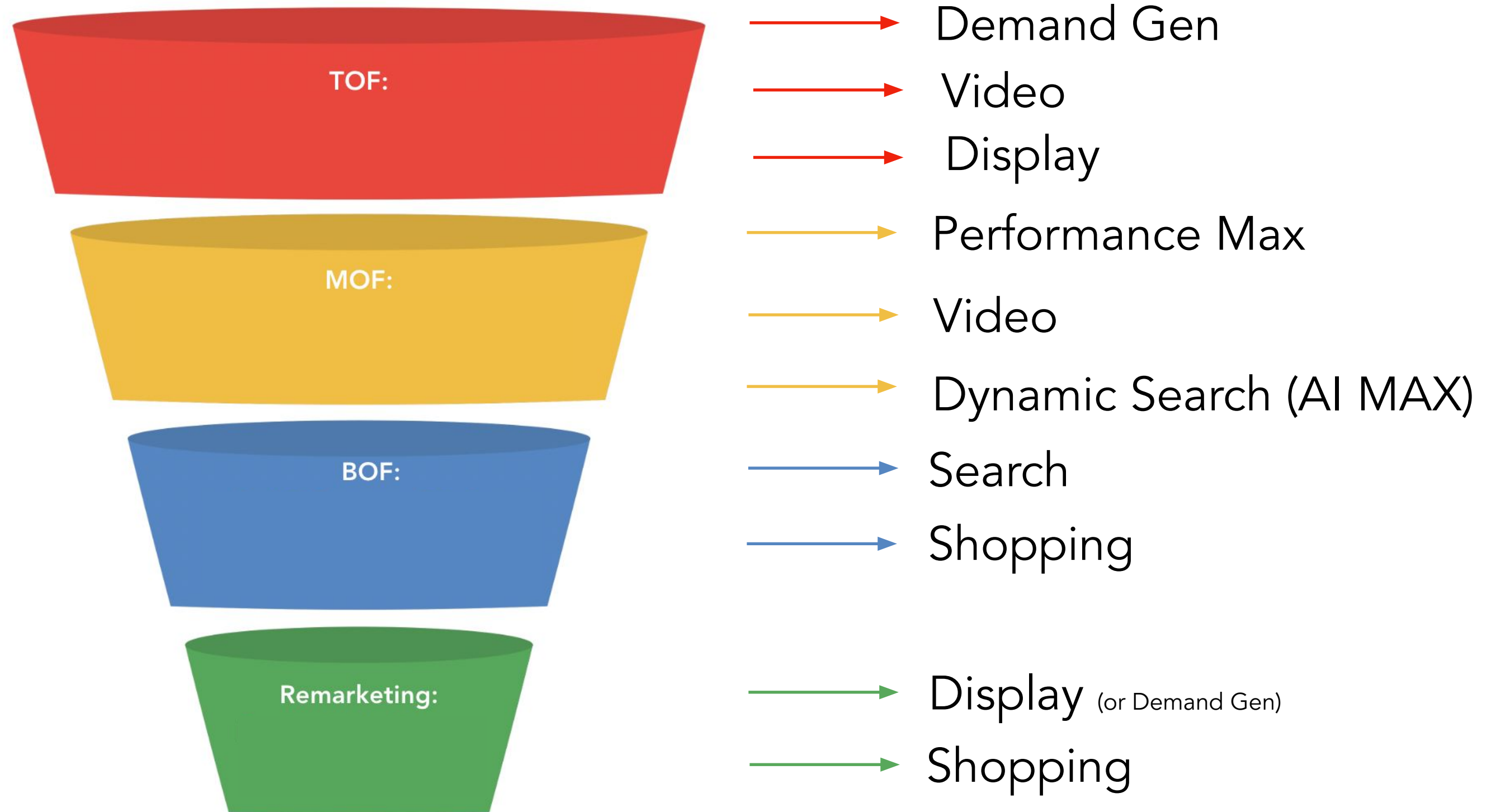
- Remember Performance Max is designed to generate more conversions for your business
- For best results start after you already have accurate conversion tracking as it will target similar & related audiences to get more “similar” conversions

## Demand Gen:

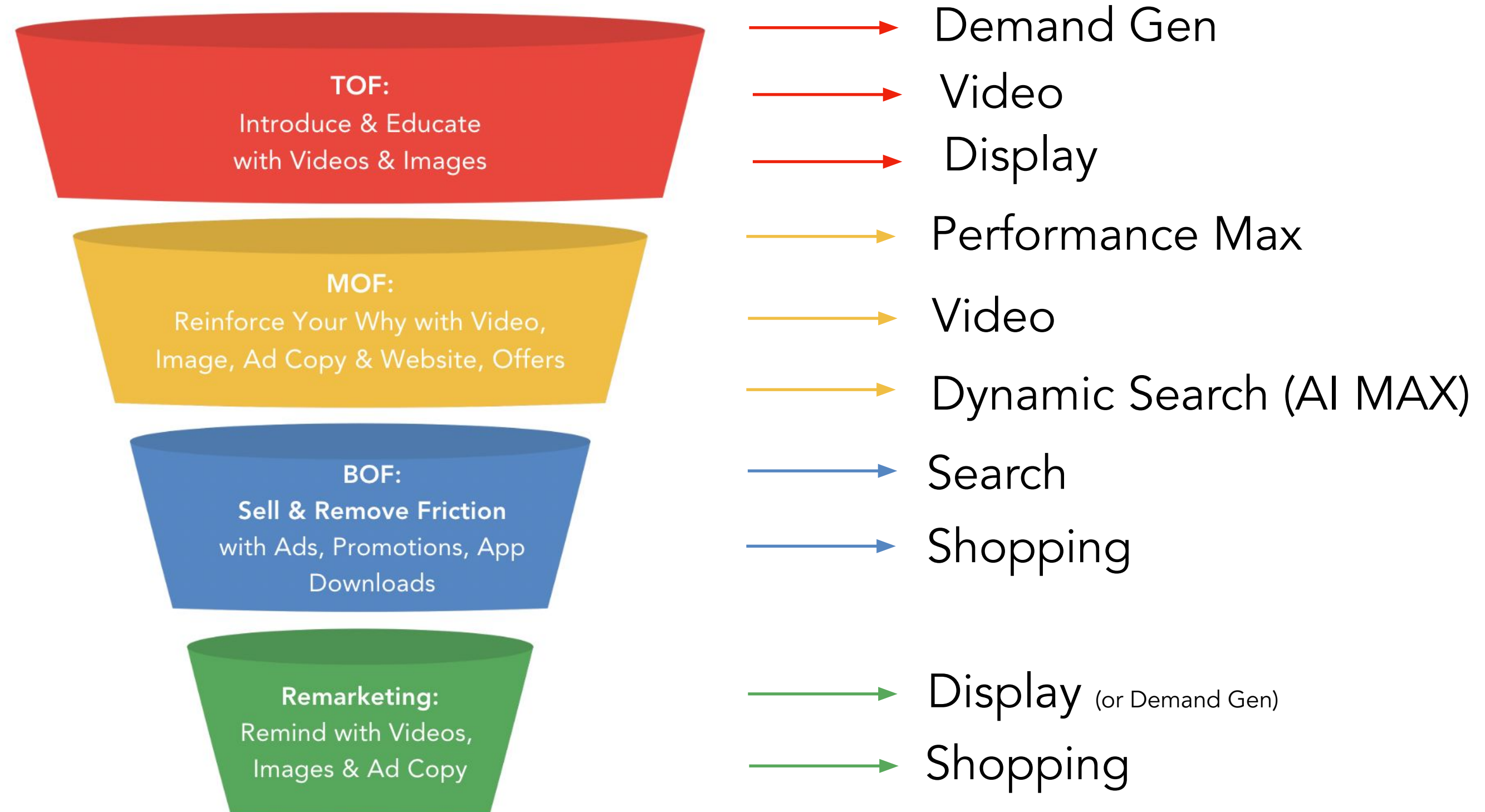
- In most cases Demand Gen will only be used once you have already scaled your BOF campaigns to the point where CPC is becoming more expensive
- It can also be used earlier for businesses who need to educate about the benefits of their product or service



# Surviving In The New World of Search



# Surviving In The New World of Search



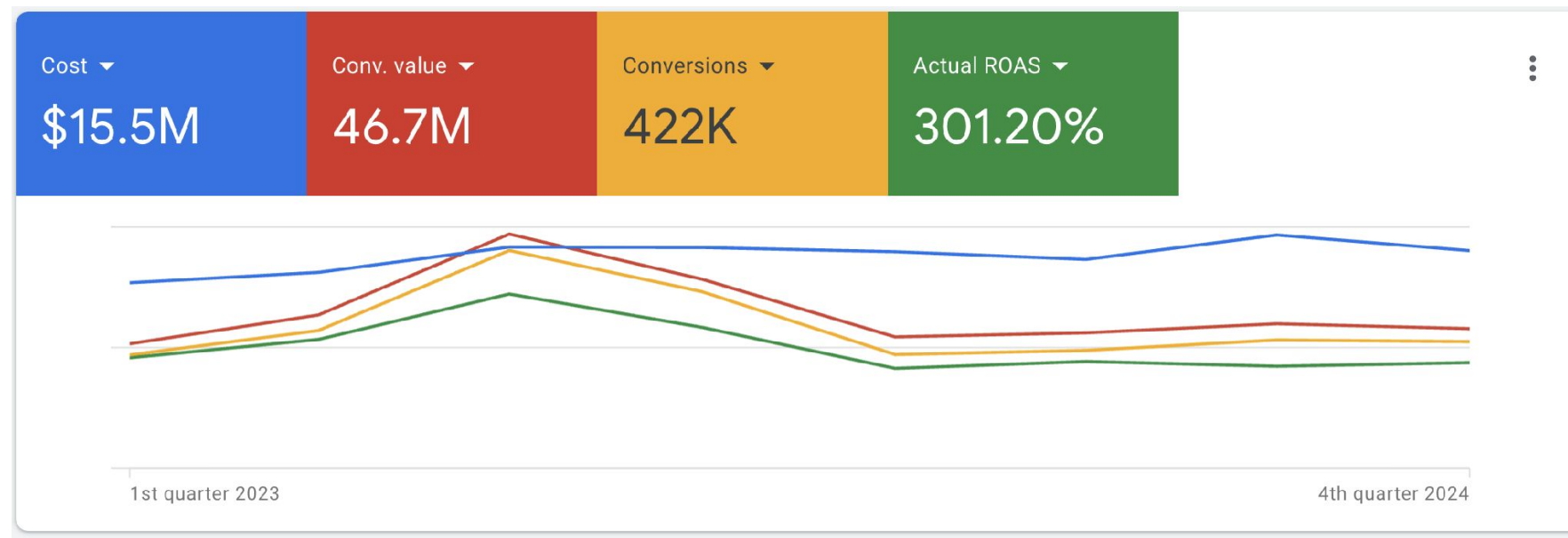
# PMAX & DGEN

## Warnings

# PMAX & DGen Warnings

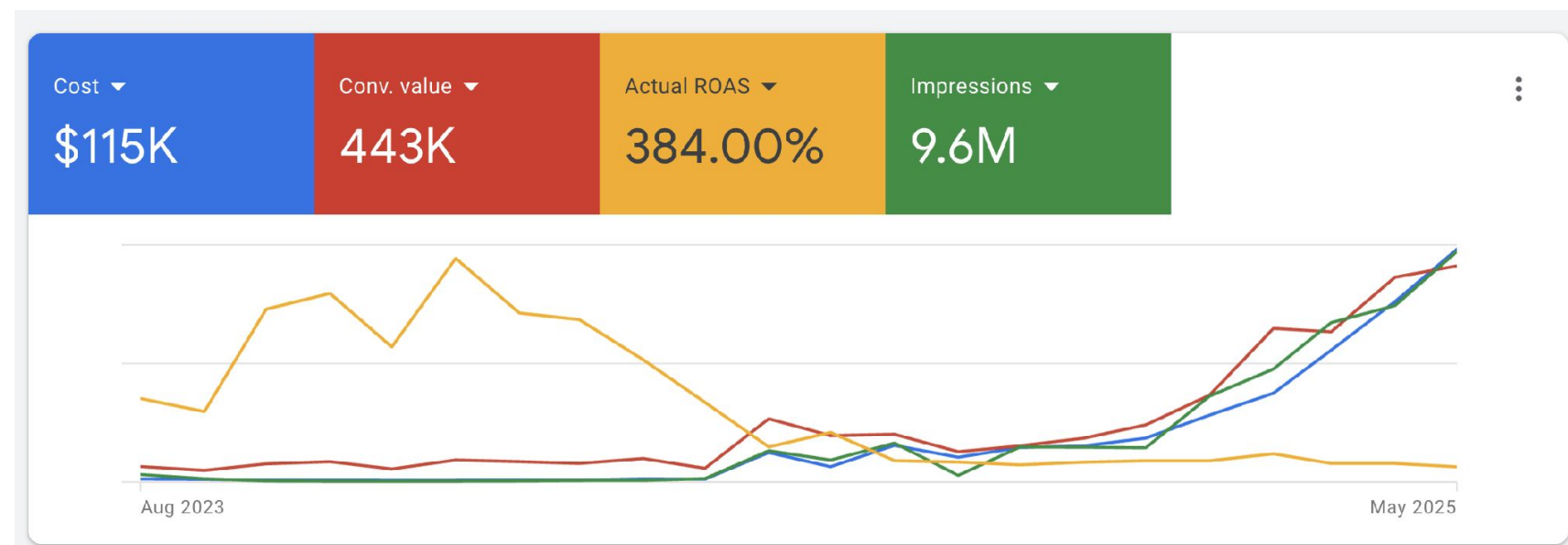
## Performance Max:

- For eCom brands that rely on PMAX for 80%+ of spend if the structure is not right with no separation between TOF, MOF & BOF funnel you CANNOT "spend your way out of trouble with PMAX"



NOTE: I don't manage these accounts 🧐

- 11 different PMAX campaigns, scaled spend to over \$700k per month with diminishing ROAS



NOTE: I don't manage these accounts 🧐

- 5 different PMAX campaigns, as soon as they increased budget ROAS dropped



# Settings, Structures & Considerations

Demand Gen [in it's current form is only 3 months old]:

- Test in small batches with no more than 10% of budget
- Test: Audiences, Placements & Creatives.
- For some brands Display will perform better, while for other Shorts will be the winner



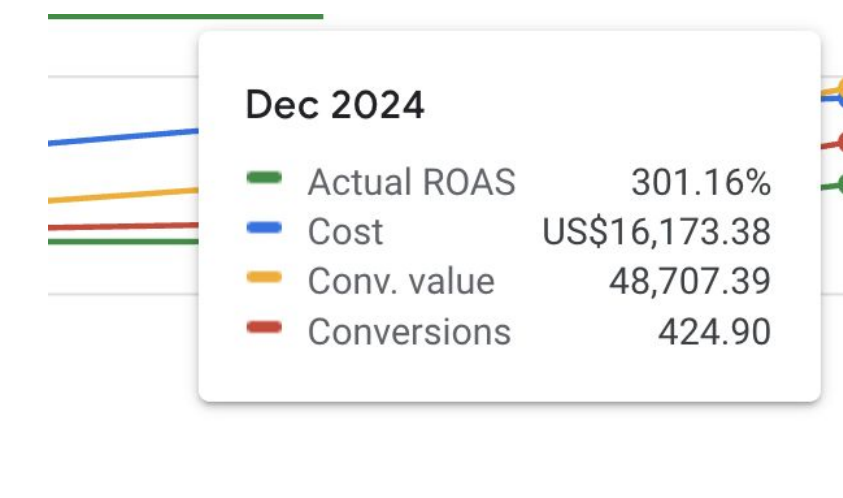
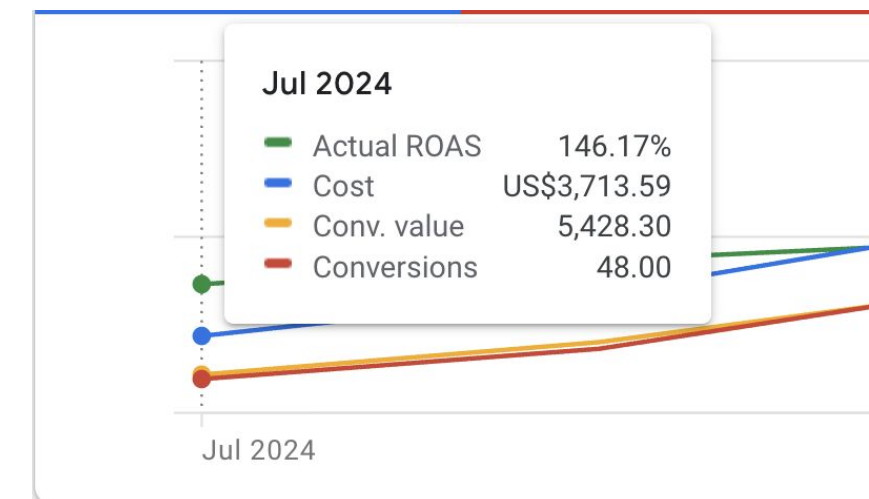
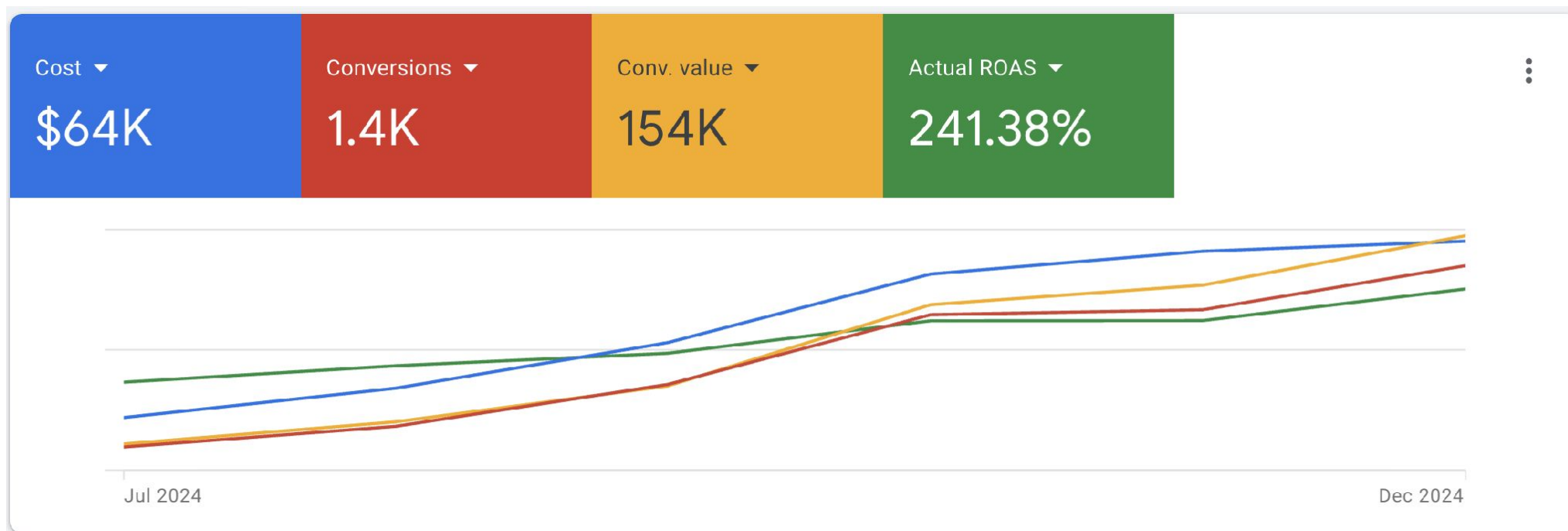
# Account Examples

# eCommerce - Bottom Up Funnel

## Core Details:

New Brand that had to achieve below by December 2024 to secure long term contract for USA market:

- 300+ sales per month
- While maintaining a ROAS of 200%+



# eCommerce - Bottom Up Funnel

<input type="checkbox"/> ● Campaign	Campaign type	Bid strategy type	↓ Cost	Conv. value / cost	Conv. value	Conv. rate	Conversions	Avg. CPC	Clicks
✓  Drafts in progress: 0									
<input type="checkbox"/> ●  PMAX [New Customers]	Performance Max	Maximise conversion value	US\$30,182.87	2.07	62,585.42	2.89%	630.43	US\$2.97	10,155
<input type="checkbox"/> ●  BOF Search - Product 1	Search	Maximise conversion value (Target ROAS)	US\$20,001.04	2.84	56,886.41	8.99%	403.49	US\$4.46	4,489
<input type="checkbox"/> ●  BOF Shopping	Shopping	Target ROAS	US\$8,143.66	8.22	66,905.90	10.35%	549.54	US\$1.53	5,311
<input type="checkbox"/> ●  BOF Search - Product 2	Search	Maximise conversion value (Target ROAS)	US\$4,840.28	1.69	8,190.91	5.00%	66.35	US\$3.64	1,328
								US\$2.97	21,283

## Structure Overview:

- Used PMAX to focus on 'New Customers'
- While Shopping & Search Campaigns focussed on High Intent Traffic
- Shopping was set to target 'website visitors' & 'product page viewers' & 'cart abandoners'
- PMAX allowed volume with a lower CPC than search

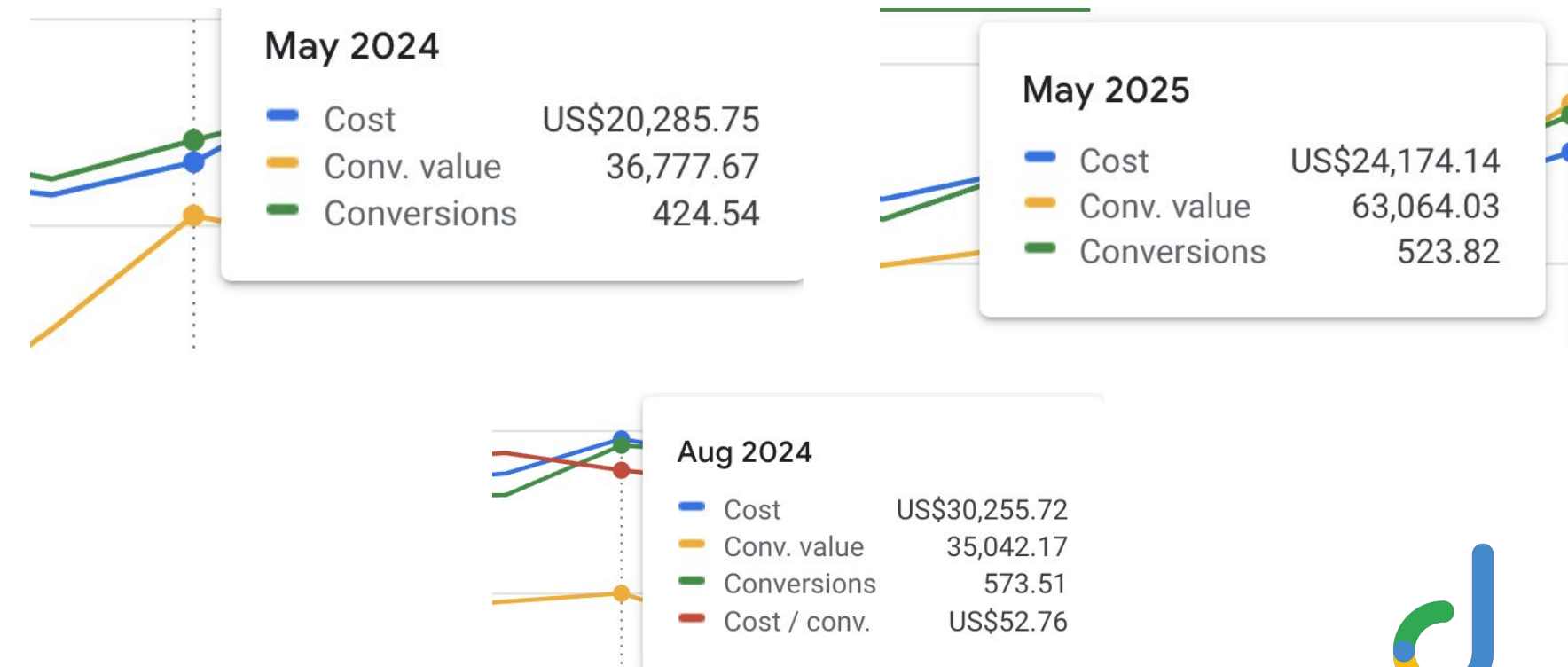
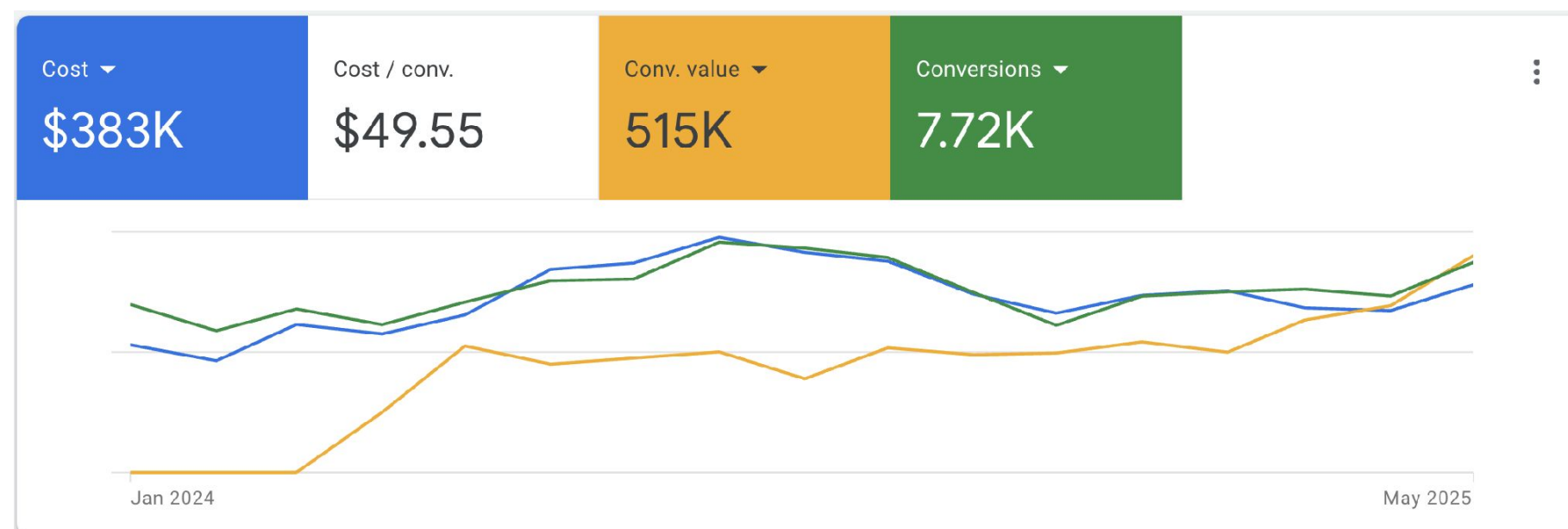


# Lead Gen - Scaling with PMax

## Core Details:

Established lead generation (education & certification) business that had struggled to scale through high season of May - October while maintaining Cost/Conv under \$55 due to high CPCs.

- Had previously tried PMAX in 2023 with poor results (low quality leads & diminishing returns on established search campaigns).
- Core changes were to set-up 'Offline conversion tracking' & re-engage PMAX with restrictions of: Brand Exclusions + Campaign Specific Goals + Targeting New Customers Only



# Lead Gen - Scaling with PMax

Campaign	Cost	Avg. CPC	Conversions	Conv. value	Conv. rate	Cost / conv.
<input type="checkbox"/> ● Drafts in progress: 0						
<input type="checkbox"/> ●  US [SEARCH]	US\$234,183.01	US\$5.87	4,134.32	366.46	10.37%	US\$56.64
<input type="checkbox"/> ●  US [PMAX] <small>...g (OFFLINE UPLOAD)</small>	US\$81,037.21	US\$4.17	919.97	459,064.46	2.58%	US\$88.09
<input type="checkbox"/> ●  US [SEARCH] Nurse	US\$50,961.99	US\$2.95	2,201.62	178.83	12.73%	US\$23.15
<input type="checkbox"/> ●  US [SEARCH] California	US\$3,224.89	US\$7.92	68.17	8,495.67	16.75%	US\$47.31
<input type="checkbox"/> ●  US [SEARCH] Texas	US\$2,743.76	US\$8.02	86.61	11,212.86	25.32%	US\$31.68
<input type="checkbox"/> ●  US [SEARCH] Florida State	US\$6,967.72	US\$5.87	191.08	18,763.90	16.08%	US\$36.46
<input type="checkbox"/> ●  US [SEARCH] New York	US\$3,296.64	US\$7.33	113.52	16,001.91	25.23%	US\$29.04
<input type="checkbox"/> ●  US [SEARCH] Illinois	US\$286.52	US\$6.82	8.00	1,248.50	19.05%	US\$35.81
Total: All enabled campaigns in yo... ?	US\$382,701.74	US\$4.84	7,723.29	515,332.59	8.11%	US\$49.55

## Structure Overview:

- Used PMAX to focus on 'New Customers' Only + Campaign Specific Goal (offline conversions) + Brand Exclusions
- PMAX was released at volume nationwide
- Extra location based search campaigns were added to better control CPC & bidding
- Combining PMAX & Targeted Search allowed us to limit CPC & reach Cost/Conv targets (while scaling)



# Demand Gen Testing

The story so far...

# eCommerce

<input type="checkbox"/> ● Campaign	↓ Cost	Avg. CPC	Clicks	CTR	Conversions	Cost / conv.	Conv. rate	Conv. value	Conv (Platform comparable)	Conv value/Cos (platform comparable)	View-through conv.
▼ Drafts in progress: 0											
<input type="checkbox"/> ● Demand Gen [New Customers]	US\$6,781.44	US\$2.70	2,514	0.30%	15.89	US\$426.84	0.02%	1,877.10	20.00	0.35	0
<input type="checkbox"/> ● Demand Gen [Remarketing]	US\$648.37	US\$2.20	295	0.90%	16.97	US\$38.20	0.21%	2,107.01	24.00	4.53	2
Total: All enabled campaigns in yo... ?	US\$7,429.81	US\$2.65	2,809	0.32%	32.86	US\$226.12	0.03%	3,984.12	44.00	0.72	2
▼ Total: Account ?	US\$60,710.96	US\$3.13	19,396	0.95%	1,218.31	US\$49.83	0.88%	156,630.80	44.00	0.09	16

## Core Details:

- For this Brand using Demand Gen for Remarketing (Shorts Only) combined with product feed has become a profitable test with ROAS of 4.53 (brand goal is 300%+)
- While TOF (New Customers) is improving it is still yet to become profitable
- Best Ad is a simple product 'voice over' review

Ad 1	0.71%	US\$2.73	US\$147.55	US\$19.40	8.00	US\$18.44	6.84	40.88%	21.80%	17.69%	14.88%	0.44%	7.71	US\$19.14
Google Ad Conversions (Purchase)	-	-	-	-	8.00	-	-	-	-	-	-	-	7.71	-



# eCommerce (cont)

Ad groups

Custom 1 Mar - 31 May 2025 < > Show last 30 days

Ad groups Product groups

+ Add filter

Search Segment Columns Reports Download Expand More

Ad group	Conversions	Cost / conv.	Clicks	Impr.	CTR	Avg. CPC	Cost	Avg. CPM	Conv. (Platform comparable)	Cost/Conv. (Platform comparable)	Conv. value/Cost (platform comparable)	Conv. rate
Shorts [Remarketing]	16.97	US\$29.62	178	26,662	0.67%	US\$2.82	US\$502.59	US\$18.85	22.00	US\$22.85	5.27	0.22%
Google Ad Conversions (Purchase)	16.97	-	-	-	-	-	-	-	22.00	-	-	-
Display Gmail [Remarketing]	0.00	US\$0.00	117	6,120	1.91%	US\$1.25	US\$145.78	US\$23.82	2.00	US\$72.89	2.00	0.00%
Google Ad Conversions (Purchase)	0.00	-	-	-	-	-	-	-	2.00	-	-	-
Total: Ad groups in your current v... ?	16.97	US\$38.20	295	32,782	0.90%	US\$2.20	US\$648.37	US\$19.78	24.00	US\$27.02	4.53	0.21%
Total: Campaign ?	16.97	US\$38.20	295	32,782	0.90%	US\$2.20	US\$648.37	US\$19.78	24.00	US\$27.02	4.53	0.21%

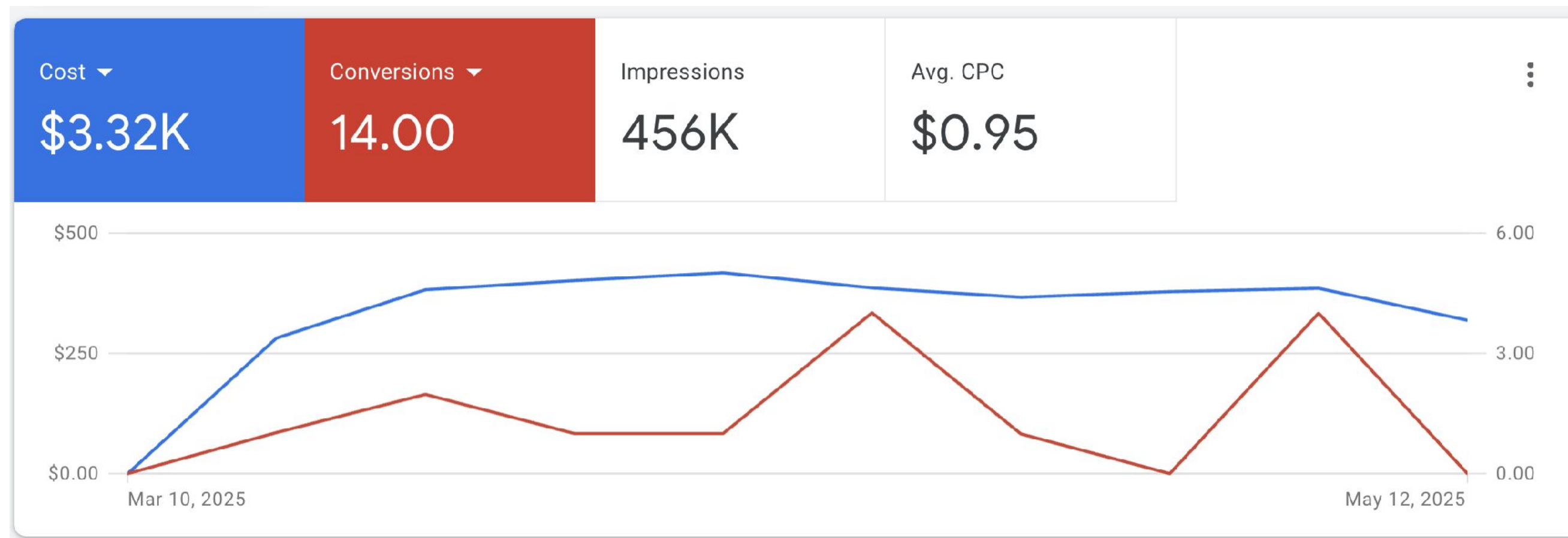
1 - 2 of 2

## Core Details:

- After the first 30 days we stopped 'Display' and went 100% on Shorts due to results



# Personal Brand - Coaching



## Core Details:

- For the release of a new Paid Community we used Demand Gen to drive traffic to a new sales funnel. Conversions tracked at full after 'free trial signups'.

## Revenue to Date:

- \$8,571 (vs spend of \$3,320)
- Revenue breakdown is: \$2,178 community payments + \$6,393 courses & coaching upgrades
- 11 signups with average LTV of \$990 (\$10,890)
- Total Revenue including est. LTV = \$15,105



# Personal Brand - Coaching

Ad groups

+ Add filter

<input type="checkbox"/>	Ad group	Conversions	Cost / conv.	Cost	All conv.
<input type="checkbox"/>	Display [YouTube Audiences]	3.00	A\$345.27	A\$1,035.81	297.53
<input type="checkbox"/>	Display (Remarketing)	9.00	A\$146.80	A\$1,321.21	260.72
<input type="checkbox"/>	In-Stream (Remarketing)	1.00	A\$493.35	A\$493.35	217.59
<input type="checkbox"/>	In-Stream [YouTube Audiences]	0.00	A\$0.00	A\$32.23	7.00
<input type="checkbox"/>	Shorts (Remarketing)	0.00	A\$0.00	A\$133.62	8.51
<input type="checkbox"/>	Display (Lookalike)	0.00	A\$0.00	A\$0.80	0.00
<input type="checkbox"/>	Shorts [YouTube Audiences]	0.00	A\$0.00	A\$0.42	0.00
<input type="checkbox"/>	Shorts (Lookalike)	0.00	A\$0.00	A\$0.05	0.00
<input type="checkbox"/>	In-Stream (Lookalike)	0.00	A\$0.00	A\$0.56	0.00
Total: All enabled ad groups in yo... ?		13.00	A\$232.16	A\$3,018.03	791.35
<input checked="" type="checkbox"/>	Total: Campaign ?	13.00	A\$232.16	A\$3,018.03	791.35

## Core Details:

- Unlike the eCom example we have seen greater success with Display for this brand.



# Next Level eCommerce is powered by...

