



JAMES SCHRAMKO

# What You Need to Know about Google's Performance Max Campaigns

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Performance Max is Google's newest paid traffic feature. Teach Traffic's Ilana Wechsler delivers ad campaign tips for getting the most out of PMax.





### **James Schramko and Ilana Wechsler**

**James:** James Schramko here. Welcome back to my podcast. This is episode 956. Today, we're talking about paid traffic, and in particular, the Performance Max feature of Google that has come out. And so this is a time-sensitive episode. I've brought along my paid traffic expert, [Ilana Wechsler](#) from [TeachTraffic.com](#). Hello, Ilana.

**Ilana:** Hi, James. How are you going?

**James:** I'm great. I love it when we catch up. I always get positive feedback, especially because you are in the trenches, you're using your former data analyst super skills to figure out and decode what's going on with all these platforms.

I know you're teaching people there in TeachTraffic.com if they want to learn about paid traffic across multiple platforms, Google, YouTube, and Facebook, you're doing that. And of course, you've got a few agency clients. So you get to see what's really happening with real budgets and big ad spends.

## The future of Google?

But you told me, there's something going down at Google. And I'm curious to know what your thoughts are about this new Performance Max feature.

**Ilana:** Yeah, I thought it's quite time sensitive to talk about this. Although Performance Max is not brand new, it has been around for a little while. What I am noticing, and we're experimenting with a few of our agency clients, is testing this new type of Performance Max campaign. It is the future of where Google is heading, it really leans into their artificial intelligence and machine learning.

But it's quite important for, if, you know, any of your listeners are running their own traffic. And maybe they've been running some Smart Shopping campaigns. So these are going to be, or and have been now, as of the time of this recording, automatically upgraded to Performance Max. Like, literally, you don't even have the option.

It just is automatically upgraded, which I thought this is relevant for your audience because this is happening, whether you want it or not, whether you want to implement it or not, Google has just made these changes inside your ad accounts. So I thought for this episode, we can kind of go through what you need to know about it. And the pros and the cons, and also some tips in trying to get a good Performance Max campaign running.

**James:** Wow. Okay, so I can see that might be a sexy feature for them to promote. It's like, you know, hands off, you don't have to tinker with it anymore. But I can also see that some people would want control.

So why don't we break down, what exactly is it? You're talking about automatic ads placed into your Google campaigns. Do you mean across all the different categories?

## What Performance Max is

**Ilana:** Exactly. This is one campaign where your ads are placed across all the Google platforms. So Google Search Display, Discovery, YouTube, Gmail, shopping maps, so one campaign that basically sprays your ads across all of the platforms. Now, that's not new from Google, Google have done this for some time. But those products were pretty terrible. And people got pretty bad performance from them. And they were not really widely adopted.

But obviously, Google has changed over the last number of years, and leveraged machine learning and artificial intelligence so those campaigns, what's now known as the Performance Max, has improved significantly. And there's a big but, it is a black box, right? Where essentially, what Google wants you to do is you just give it a budget, you give it your website URL, and they deliver you sales, which sounds great, right?

**James:** It's a dream. Yeah, it's like a magic wand, although there seems to be a conflict of interest here. And that would be that sometimes the ad companies, they get paid for ad spend. And unless you're keeping a really good eagle eye on the result that you're trying to get, it could be in their interest to spend a little more of your campaign, you know, mixing a little bit of that, a little bit of this, and to keep billing for that.

### **Who should be using the feature?**

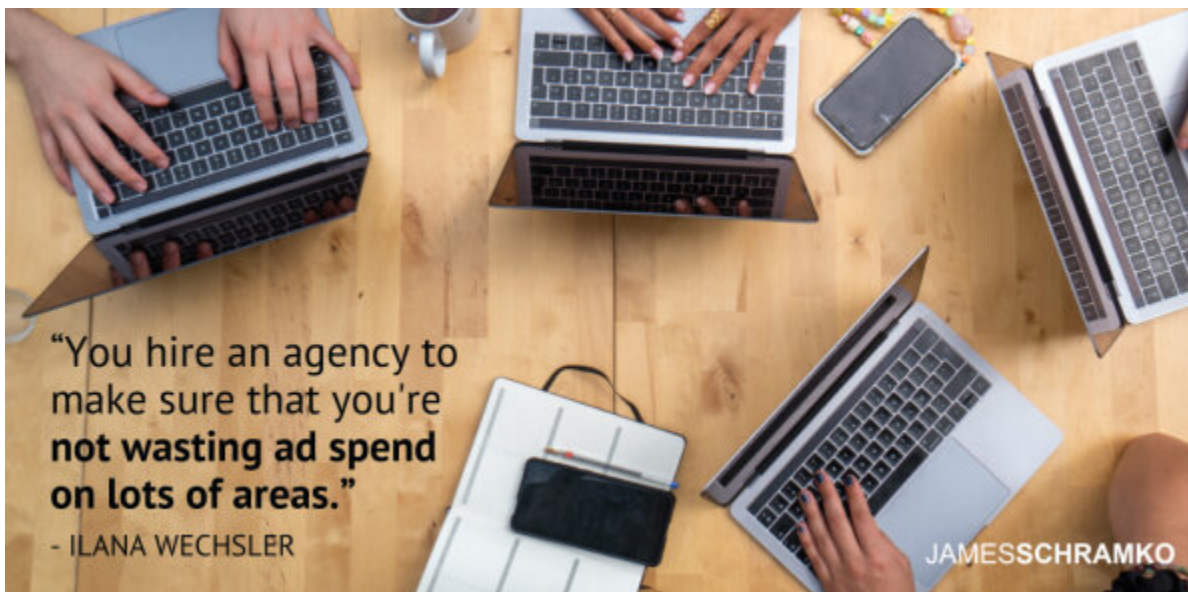
I know there's been issues in the past where ad campaigns weren't exactly tracking right, or weren't spending the money in the very best areas, maybe the AI and the machine learning really improved that. But would you suggest that for some people, they should not be using this feature?

**Ilana:** Absolutely. Look, I think it's worth mentioning, for some people, this is a really good option.

**James:** Right. Like who? Who's it a good option for?

**Ilana:** It's a good option for people who have a well-established ecommerce brand and ad account. So right, who have a decent budget, and don't really have the time nor inclination to tinker with campaigns, essentially. I'd say also, you probably don't really need an agency in order to run a PMax campaign. Well, that's what the industry calls it, PMax or Performance Max.

Once you set it up correctly - and we're going to go through some tips about how to do that in this episode - it's probably over-engineering, I think, to have a really high-powered agency kind of running these types of campaigns for you, because you're very limited in what you can do to optimize it, right? Which is why you hire an agency.



You hire an agency to make sure that you're not wasting ad spend on lots of areas. You hire an agency to get the most amount of performance from tinkering and playing around with budgets, and all this kind of stuff. So that eliminates all of that responsibility by implementing this type of campaign, because it's kind of somewhat-ish set and forget.

**James:** So it's kind of like an automatic camera that if you're using the auto settings, it's probably okay for people who are just happy with the standard sort of shots. But if you're going to hire a photographer coach and learn how to really tap the most out of the camera, then you want to be - you go manual, so to speak.

**Ilana:** Exactly, exactly. But it's also worth mentioning who this type of campaigns are not for.

## **Who should pass on PMax**

**James:** Okay.

**Ilana:** So it's not for small budget accounts. These Performance Max campaigns need data, okay? So they need budget, which gives them that data, because they have enough traffic running through them, so that the machine can learn and optimize and give them more sales. So it's not for small budget accounts.

It's also not for brand new accounts. Once again, new accounts do not have data. So the machine doesn't know who to show the ads to and who not to show the ads to. And at the time of this recording, we're not running Performance Max campaigns for lead generation campaigns. So you know, small businesses or local kind of businesses, like dentists or plumbers, any kind of lead generation, we're not running these campaigns for. It's strictly well-established ecommerce websites.

**James:** Because there's so much data. It just like, it gets in there and says, Okay, I can see what you're trying to do here. Let me just put my robot onto this and make it better.

**Ilana:** Exactly. And actually, recently, I was auditing an ad account of a Teach Traffic member, who has a very, very well-established ecommerce brand and ad account, and they are running Performance Max campaigns actually pretty well, you know? So that is the type of person who it is for.

## **How will this impact the need for agencies?**

But funnily enough, they don't need an agency anymore.

**James:** Well, that's the interesting thing. Do you think these robots are coming to get the agencies that over time, this is the future of where things are going, that they're trying to remove that sort of variable out of the equation?



**Ilana:** I think yes. And I think that the future of an agency is just changing away from tinkering on bid adjustments, and all that kind of stuff in ad accounts towards more creative, because that's really, you know, machines are limited in producing creative. And I think that's the role of agencies, is morphing into more of that aspect rather than, as I said, the tinkering.

**James:** What do you see your role as, as an educator with TeachTraffic.com?

**Ilana:** I see my role as educating people on how best to set up these campaigns, how to structure them, because many of the default settings are not in the best interest of an advertiser. And we're going to get to my tips for that.

**With the good, there's the bad**

**James:** Why don't you? Go through that. Let's talk about what are the negatives of this fantastic PMax?

**Ilana:** What are the negatives?

**James:** Yeah, what are the cons?

**Ilana:** The cons. Okay, so you get much, much less control at your disposal, right? The fact that your ads are being sprayed across all the Google platforms, you know, you might not want to have your ads on YouTube, for example, you don't think it's applicable. You have no choice. You can't opt out of your ads being on a certain type of platform. So you have to accept that you're going to have much, much less control.

The reporting is going to be minimal, which means that you won't be able to eliminate wasted ad spend, you kind of have to be comfortable with the fact that your ads are going to be placed somewhere which you know are not going to produce results. And you can't kind of say, Sorry, Google, I don't want to do that anymore. So wasted ad spend is just something that you're going to have to tolerate.

You also can't really leverage insights from one platform and apply it in a strategic way to another platform.

**James:** Ah, you have [Traffic Puzzle](#).

**Ilana:** Exactly, right? I also am noticing that these campaigns are quite difficult to scale. Like, sometimes Google, these campaigns are bound by a certain ROAS limit. So even if you increase budget, it might not even spend it. So really putting pedal to the metal and trying to go hard in scaling campaign can be difficult. The reporting is very minimal. I'm not painting a very good picture of them, am I? [laughs]

**James:** [laughs] I'm just wondering, why couldn't they say, Listen, here's our robot campaign, it's doing your thing. And then you can just add in negative keywords and say, Well, you want better data to help me train you. It's a shame they won't let you train it a bit.



**Ilana:** So currently, you can't add negative keywords. Apparently, if you have a Google rep, you can add in your brand as a negative keyword. And apparently, Google are going to be introducing account-level negative keywords. As of the time of this recording, you can't do that yet. They're rumored to be introducing that.

So perhaps when someone is listening to the recording of this, that might be available. So you could have a look at that.

## **What PMax does to existing campaigns**

But I think the biggest issue that people need to know about this is that your Performance Max campaign is what's called a high priority campaign, in which case, it will kill your existing shopping campaigns.

So if you're running a shopping campaign, like a standard manual shopping campaign, where you can add in negative keywords and all that kind of stuff, if you launch this, it will kill it, like it won't get any impressions or any clicks, it just won't get any air time. And it will also kill your search campaigns, because this incorporates Google search.

So historically, the predecessor of this type of campaign was Smart Shopping. And Smart Shopping was just a shopping campaign, we'll put ads elsewhere as well, but it did not sacrifice and impact your search campaign. So many people have well-established, well-honed search campaigns, be it a brand campaign...

**James:** Well, like me, I've got a very specific campaign.

**Ilana:** Exactly. So that also will mean it gets absolutely zero impressions as well. So you have to know that going in as well.

**James:** Does that mean I would need to log in and make sure they haven't just automatically switched this thing on?

## **E-commerce people better check this**

**Ilana:** Not for your account, because you're not ecommerce, so it automatically upgraded Smart Shopping to Performance Max. So you don't have to worry about that. But for people who are listening to this who are running Smart Shopping, you're probably already doing a Performance Max campaign, and you don't even know it.

**James:** Right. So you're going to need the tips then. I hope you've got a couple of tips.

**Ilana:** Exactly. And there was another Teach Traffic member who was running a Smart Shopping campaign with great success. I mean, the conversion rates were amazing because they had a really popular product, people really wanted it, it was a rabid market. Once again, it automatically upgraded to Performance Max, and their conversion rate from Smart Shopping, which was, I think around eight or nine percent, dropped to like one to two percent.

**James:** Oh no.

### **It starts with a good tracking setup**

**Ilana:** And that's because, when we talk about these tips now, it wasn't set up in their best interest. So the first thing you're going to need to make sure is that you have a really good tracking setup. So you're giving Google the right conversion data, okay? So you might have a whole bunch of different conversions set up, maybe you want people to obviously buy, contact you, etc. So you've got to be really laser-specific with your objective for the campaign so it can optimize for that rather than conflicting signals.

**James:** Is this something you still help people with? Because I know that without doing this, there's just no point even going deeper into paid traffic.

**Ilana:** Exactly. Yes. So actually, I have started offering people to do this for them, and just this component, to set up the tracking for them so that they have good data, to set up these types of campaigns with the right structure. So yeah, if you're worried you're going to stuff it up, then yeah, absolutely, you can get in contact me, and we can make sure we do this correctly.

**James:** How do we best reach you?

**Ilana:** You can go to [TeachTraffic.com](https://TeachTraffic.com) and just either join Teach Traffic or you can send me an email, you fill in the contact form on [TeachTraffic.com](https://TeachTraffic.com), and that'll come to me.

**James:** Awesome.

## **Structuring things correctly**

**Ilana:** Okay, so the next thing you need to focus on is good structure. Alright? And this is really across - this is the same thing that I've been talking about, I can't even, you know, for the last decade, right? So the way campaigns are structured is like you've got the Performance Max campaign at the top. Within that campaign, you have what's called audience signals or your asset groups, and then you've got your assets tied to that.

So structure being, you want to create one audience signal per asset group, okay? And that way, you then can force Google to kind of give you insights as to which audience are working. Because if you group all your audience together in the one asset group, then you're not going to be able to decipher which audience is working or not. And so it's going to be really, really difficult.

You also need really good assets, you need really good images, because once again, your ads are going to be sprayed everywhere.

## **Why you MUST have a video**

And you must have a video. So currently, you can launch a Performance Max campaign without a video. Like, it will allow you, right? So let's say you've only got images, and you don't have a video on YouTube that is good to use as an ad, Google will automatically create a video for you based on your images, right?

**James:** Wow!

**Ilana:** I know. And so they don't tell you this. And when you look in how your ads are performing, it will show you, if you look at the source, automatically created. And I've seen this in an ad when I've audited an ad account that it's like a 15-second video, you can actually play that video. I played it, and it's terrible. It's like a really, like my nine-year-old daughter could have done a better job.

**James:** Sounds like a step backwards. Sounds like those little SlideShare video type things that people were doing 10 years ago.

**Ilana:** Honestly, my nine-year-old daughter could have done a better video, right? It's like a slideshow video, just pulled together a couple of the images that you've loaded in with some of the headlines that you've loaded in, and it looks terrible. And it's 15 seconds, which means it's going to cost you a lot of money, because you haven't even leveraged the most amount of free, YouTube real estate.

**James:** So control the bits you can and the assets you can control.

**Ilana:** Exactly. And I would urge you, if you do not have a video, I wouldn't even do it.

**James:** Okay, that's very important. No video, no PMax.

## **Then there's the audiences**

**Ilana:** Correct. You also need to create some really good audiences, okay? And obviously, I help people how to do this. You can create an audience, obviously, based on your website traffic, upload your customer list, custom segments, so you can create your own kind of audience based on the keywords people type into Google, and browse the websites they visit.



And you need to give Google data, right? So lots of keywords, lots of competitor URLs, etc., so that these audiences have the best chance of working. So yeah, good structure, good tracking, good creative and good data with good audiences.

## **Keep an eye on your overall performance**

And monitor it closely. So make sure that if you do launch it, you're monitoring your overall account performance, because it is going to impact your - so PMax campaigns will take credit for brand traffic, right?

So it might look like it's doing well, but it's killed your brand campaign, therefore inflating the performance of that account. You think, oh, it's actually doing all right, you know, but there will be brand traffic sprinkled in there as well as retargeting traffic, because that comes by default. So that's kind of a bit sneaky, because Google's kind of over-inflating it.

## **The role of negative keywords**

**James:** So it's kind of like they're taking your fantastic campaigns and smushing them into theirs and stealing but at their credit. And it's also worth collecting a negative keyword list for when they do allow that feature, right?

**Ilana:** Exactly. Yeah.

**James:** Can you explain what a negative keyword list is? Because I found that was one of the most critical tools of the trade that a lot of accounts don't have. I rarely would see people adding negative keywords.

**Ilana:** Me too, actually. I audit accounts all the time. So I don't know, if any of your listeners want me to audit their account...

**James:** And this applies to any type of Google ads, right?

**Ilana:** Exactly. Yeah. So negative keywords will prevent your ads for showing for certain terms. So for example, I sell a course, free would be a negative keyword.

**James:** Or if you're Apple selling phones and laptops, you might want to block things relating to apples in an orchard or apples at a fruit stall or something, you know like, apple core maker or skinning, apple juice, etc.



**Ilana:** Exactly. So you're trying to just, once again, stop wasted ad spend, stop unnecessarily showing your ads for the wrong things. So you need to guide Google by adding those negative keywords.

### **What ROAS is, for those who don't know**

**James:** You also mentioned ROAS. I think it's probably worth explaining that term.

**Ilana:** ROAS is return on adspend, which is how much revenue you've got relative to how much you've spent to acquire that customer. So you can give ROAS targets to your campaigns. So let's say you've got a recurring product, so I don't know, coffee subscription. Right?

**James:** Sounds good.

**Ilana:** Exactly, right? I only think that because we're recording this in the morning, and I've just had my morning coffee.

**James:** And I just had mine, which I get - I do have a coffee subscription. I was gifted one for my birthday from our friend, John Lint. And it's a great way to be remembered. I also, I'm drinking it from a cup that I got gifted from a guest of mine at one of my SuperFastBusiness events, and it's from the Ukraine. And so I think of him every day.

So big shout out to Orest. Good luck. Hope you go well. Yeah, but things like that, anchored gifts. Very, very good to give, because if you give people things that they won't throw away, then they will remember you on a perpetual basis. Just thought I'd throw that in there. Okay, so back to coffee subscription.

**Ilana:** Yeah, so if you've got a coffee subscription, obviously, you've got a recurring product that people are going to keep buying and buying. And I also know this because I have a client who does this, where from a ROAS point of view, we're prepared to kind of take a loss on the front end, because we know we're acquiring a customer with a recurring aspect. So our ROAS targets might be lower than if I'm selling something that's just a one-off product that once I bought it, I'm not going to buy it again. Then I'm bound by higher ROAS targets.

**James:** Because you're thinking about customer lifetime value, CLV or LCV, whatever people want to call it.

**Ilana:** Exactly. Yeah.

**James:** Oh, I love it. You make all this geeky tech stuff sound so simple, Ilana. I appreciate you for sharing this update. This is a timely update. This is episode 956. We've been talking about Performance Max, which is a Google setting, that if you have ecommerce, you want to go and check what your status is.

If you need help with this, or you're running any kind of paid ads, and you want help with setting up, or auditing, or audience evaluation, or checking what you're doing, or you've got someone in your team who needs training, I would recommend [TeachTraffic.com](https://TeachTraffic.com). Ilana is an absolute gem. Thank you so much.



A top-down view of a person's hands working at a desk. The person is using a silver laptop that displays a dashboard with the title 'Tributary Cleanup'. The dashboard includes a table with columns for 'Name', 'Status', and 'Priority', and a pie chart. To the right of the laptop is a coffee cup with a black and white checkered pattern. In the bottom left corner, there is a silver calculator showing the number '275673'. The person's hands are visible, with one hand on the laptop trackpad and the other near some papers. The person is wearing a ring and a bracelet. The overall scene is a professional workspace.

JAMES SCHRAMKO

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