PPC 2018: These changes will have the biggest impact on advertisers in 2019

Major changes in SEM made waves throughout 2018 and are redefining nearly every aspect of paid search marketing. There were a number of momentous shifts, nearly all with a common thread of more automation and machine learning.

We identified nine big areas of change in 2018 that will shape the way paid search marketers work in the year ahead (and beyond).

1. Google Ads: New brand name, new UI

If you still call it AdWords, you're not alone, but Google Ads is catching on. The name change from AdWords to Google Ads is indicative of the fact that keyword selection plays a lesser role in paid search marketing than even a year ago, but more broadly the name change reflects the platform's growth from one created for text ads to one that now includes dozens of ad formats across Search, YouTube, Gmail, Maps and a network of partner sites and apps.

Former head of ads and commerce, Sridhar Ramaswamy, said during the announcement that the AdWords name connoted keywords and search, "It's basically a slight cognitive dissonance to all the other great things that we are doing in terms of both the format and surfaces these ads can show."

Aaron Levy, director of paid search at Elite SEM, put it this way in a talk at SMX East: "Keywords are an old data level. We have many more ways of targeting now. AdWords is now called Google Ads for a reason."

With the new interface, we lost some things such as Display Planner and gained a YouTube reach planner, notes and the ability to make changes from the Overview page in addition to other new featurs. If you're still not totally onboard, here are some helpful tips.

"The new UI is more of a command center than a dashboard."
Why is the UI change significant? "The UI itself isn't the impact, but what the new design means," said Levy via email this week. He sees the new UI as the change that will have the biggest influence in 2019. "The new UI is more of a command center than a dashboard – it looks strikingly similar to the artist formerly known as DoubleClick. There are a million new levers and a million new ways to segment data, which to me says we're finally moving away from keywords and text ads as the 'core' levers of SEM, especially with Google blowing up match types. There are a ton of sections of the UI that currently only have one or a few features (see: advanced bid strategies), which definitely were not put there by accident."

2. Responsive Search Ads

We first reported on the bigger, more automated ads in May when they were still in beta. Responsive search ads RSAs) are part of the continuum of letting machine learning models do the work of ad creative optimization. Some of the initiatives that have come before it: dynamic search ads, automated ad suggestions (formerly Ads Added by Google) and Google's efforts over the past year to get advertisers to give up manual A/B testing and add at least three ads per ad group.

"From our perspective, the introduction of Responsive Search Ads (RSAs) was by far the biggest development of 2018," said 360i VP, Search Marketing Practice Lead **Jason Hartley**. The importance of RSAs, said Hartley is less about performance (though he said they've seen interesting results), and more about the balance of automation and control that RSAs offer.

“In 2019, we expect the equation to shift further toward automated creative and away from the manual control we’ve become accustomed to, with modular ads becoming the default unit in the major search engines.”

An ad strength indicator and somewhat more extensive reporting for RSAs were introduced in August. That same month, Google said it would soon roll out RSAs to more languages and in the meantime extend the extra character benefits of RSAs to text ads for everyone. This fall, Bing added support for the third headline and second description in text ads, including the ability to import the longer ads from Google.

3. Exact Match becomes “exactish match”

As with ads, more machine learning was injected into keyword-to-query matching in 2018 with the inclusion of same meaning words in close variants of exact match keywords. The match type lost its literal meaning (the community voted to dub it “exactish match” in our renaming contest earlier this month) and forced marketers to rethink how they use match types altogether.

Opinions ran the gamut when we checked in with marketers in November about the impact and how they were managing the change, match types and campaign organization.

“PPC pros need to focus on understanding the full customer journey.”
Amy Bishop, founder of Cultivative Marketing said, “With the transition of exact match to more of an “exactish” match, the release of the audience reports in Google Analytics, the increased emphasis on YouTube targeting settings, it has become more and more clear that PPC pros need to focus on understanding the full customer journey.” With that focus and infllux of automation, Bishop said, the marketing disciplines

of understanding your market and customers take precedent over manual management tasks.

“We will likely be less and less able to continue to rely so heavily on keyword targets and, instead, need to continue to focus on leveraging demographic, firmographic and engagement data to map out campaigns to our advantage,” said Bishop.

4. AI-powered insights

This may not strike you as a big impact change, but both Google and Bing have dedicated significant resources to developing much more robust (read AI-driven) recommendation engines in their interfaces. Bing introduced a competition tab, performance insights and location recommendations that highlight performance changes and competitive pressures, all delivered with machine learning. The amount of suggestions can get overwhelming at times, but they are generally light years ahead of the “Raise your budget to get more clicks” variety of recommendations of yore.

David Pann, general manager of global search business at Microsoft, explained at SMX East this fall that the whole system changestoo often for people to keep up. “So what we did is we built an AI infrastructure that is really powering all the recommendations that we are putting up through our user interface or through our sales team.”

Google also continues to iterate on the data visualizations available from the Overviews page. Ahead of the Black Friday weekend, it added a card in retailer accounts showing how their campaigns were trending compared to last year.

The goal is to spend less time downloading and analyzing spreadsheets and more time focused on strategy and creative tactics.

5. AI-powered bidding

The manual bidding option is now buried below a growing list of machine learning-driven bidding strategies, including ECPC. On the Smart bidding front, Google introduced Target Impression Share, Pay for Conversions in Display campaigns when Target CPA is the bidding strategy, and rolled out Smart Bidding for search partners. Bing introduced Target CPA and Maximize Conversions bidding strategies.

Bishop said of the Pay for Conversions option, “It’s almost as if Google is giving us some training wheels to test our wings with some of the targeting options that advertisers have been leery of. Marketers now have a safety net for testing new targeting options without the risk of spending a significant amount and getting no leads in return.”

6. Audiences: LinkedIn data for Bing, MSAN and more

In May, Bing launched the Microsoft Audience Network (MSAN), which encompasses native ad inventory on MSN.com, Microsoft Outlook and the Microsoft Edge browser, as well as syndication partner for what are now called Microsoft Audience Ads. It uses AI for ad delivery optimization and uses data from the Microsoft Graph for audience targeting, including web and search activity, demographic and consumer behavior activity, and select LinkedIn profile dimensions. In October, Bing also made LinkedIn categories of company, job function and industry available for targeting in search and shopping campaigns in the U.S. Look for more attributes to possibly become available next year.

If you advertise in the EU, you’ve likely been dealing with the repercussions of GDPR and rethinking how you work with audiences. **Maria Corcoran**, worldwide search marketing media

manager at Adobe Systems, said GDPR had the biggest impact for her EMEA team and caused them to completely pivot their handling of both email and audiences. Apple's Intelligent Tracking Prevention (ITP) and version 2 of Google's global site tag caused their audiences sizes to shrink by 5 to 10% on average, said Corcoran. And she sees that continuing into 2019.

"The changes in audiences with MSAN in Bing, in-market for Google, expansions and improvements in similar audiences are all immensely impactful," said Corcoran. "So the question becomes: how do we get more effective utilizing audience options such as in-market, detailed demographics, YouTube viewers as an audience for search, LinkedIn and MSAN."

7. Universal automation vs. hybrid management

Universal automation is the term I'm using to refer to campaigns that are nearly entirely automated – taking a cue from Universal App campaigns, which was the first campaign type to have automation woven throughout from targeting to bidding. Universal automation was a major theme this year.

Google introduced goal-optimized Shopping campaigns, Smart Campaigns for small businesses and Local campaigns for driving in-store traffic.

With Smart Campaigns, everything from ad creation, audience targeting, ad delivery across Google channels – and soon landing page creation – are automated based on the advertiser's goal.

Goal-optimized Shopping campaigns employ machine learning to automatically optimize ad delivery to achieve the defined conversion goal value, such as revenue or return on ad spend (ROAS). It also combines dynamic remarketing and standard

Shopping in one campaign to deliver an ad across Google properties and the Google Display Network.

For Local campaigns, advertisers set a budget, and the ads are generated automatically based on ad creative elements from the advertiser and their location extensions. Google automatically optimizes ad delivery across Search, YouTube, Maps and websites and apps in its ad networks.

“We have to embrace machine learning as a tool that helps us find opportunities that are imperceptible through traditional techniques.”
These universal automation campaign types are designed primarily for smaller, resource-strapped businesses. For more sophisticated advertisers, we can see the engines trending toward an automation-heavy approach that still provides some levels of control for marketers.

Hartley refers to this as a hybrid approach. Based on the trajectory of automation in ads and exact match, Hartley speculates, “This hybrid approach has the potential to spell the end of manual control of match types (except negatives), bid modifiers, geotargeting and other tools we use for campaign management. This doesn’t mean people will be erased from the equations—and certainly not in 2019—but it will require SEM specialists to adopt a very different mindset. We have to embrace machine learning as a tool that helps us find opportunities that are imperceptible through traditional techniques. That’s been optional in the past. In 2019? It’ll be mandatory.”

8. New inventory locations and surfaces

There were a number of new surfaces for ad formats that opened up in 2018. Bing’s native ads extending across the Microsoft Audience Network, as mentioned above, is just one example.

In November, Google made AMP Story ads available to all publishers, and there are now more than 100 ad tech vendors with AMP integrations.

Hotel deals from Google Search are now featured on the Benefits tab of the new Google One cloud storage app (for Android only at this point. Expect to see more promotional opportunities. Google said more promotions from the Google Store and Google Express benefits and more will eventually be featured on the tab.

Google has also been testing native ads in the Discover Feed (originally Google Now) on the front page of the Google app. It's a limited whitelist test for now, but could open up more native inventory in a prominent location.

Connected TV advertising is growing rapidly, and YouTube says more people are streaming it on their televisions. This fall, "TV screens" became the latest device type for video and display campaigns in Google Ads. Eligible display and video campaigns are running on TV screens by default now, and can be managed with bid modifiers. Expect to continue hearing much more about connected TV advertising in 2019.

9. Amazon advertising comes into its own; Google's counter-strategy comes into focus

The Google-Amazon face off started with where consumers start their product searches. Now it's extending to search and other advertising. Amazon was declared the third-largest digital ad seller in the US by eMarketer in September, (far) behind Google and Facebook. Its ad revenue is expected to increase by 50 percent per year through 2020, which would put its market share at 7.0 percent, up from 4 percent currently. From a market share perspective, that may not sound impressive, but

consider some analysts expect Amazon's ad business to surpass that of AWS by 2021.

In our Amazon Advertising Forecast 2019, 80 percent of Amazon advertisers said they plan to increase spend in 2019, with 30 percent saying they'll shift some budget from search. Agencies are taking note of the growth and building up their Amazon advertising practices. Elite SEM acquired CPC Strategy primarily for its Amazon practice and bidding technology. Merkle built its own bidding platform for Amazon sponsored brand ads. Just two examples.

"I think the rise of Amazon as a major player in the paid search space is the biggest development of 2018 that will continue to impact advertisers throughout the next year, both in terms of budget allocations and campaign management," said **Andy Taylor**, associate director of research at Merkle. "With ad formats that operate differently than those offered through Google or Bing Ads, advertisers are developing distinct best practices for the platform." Taylor said that though Amazon's management and reporting capabilities are still well behind Google's, he expects to see progress in the coming year.

"I think the argument that Amazon is stealing budget directly from Google has been a bit overblown, said Taylor, "but there's no denying that Amazon has become a paid search force very quickly and is here to stay."

Google's strategy to counter Amazon's encroachment into product search is to partner with retailers. It debuted Shopping Actions in March to address three key challenges on the e-commerce front: (1) how to make mobile shopping from its properties like Search faster; (2) how to maintain market share for product search in a splintering mobile landscape of apps and digital assistants; and (3) how to compete against Amazon.

Shopping Actions runs across Search, any Google Assistant-

enabled devices, Google Express (which includes Shopping ads that now feature blue shopping tags instead of parachutes), and features a universal shopping cart and a Google-hosted checkout when users save their payment information in their Google accounts. It launched with 40 retailers, including early partners Walmart and Target. The program now includes more than 300 retailers, big and small.

On the omnichannel front, at SMX Advanced, Google announced the launch of local catalog ads for Display, extended affiliate extensions to YouTube and more. At SMX East, Google shared more options for message extensions and store visits.

Looking ahead

In reviewing last year's recap of the year in paid search, the overarching trend was that "artificial intelligence and machine learning underpinned nearly every paid search update." Sound familiar? The difference this year is that the shifts were even more pronounced and pervasive.

"2018 is kind of a turning point in terms of SEM I think," said Levy. "Keywords aren't gone, but they've been *greatly* depreciated. Methinks SEM in 2019 is going to be much closer to modern programmatic than it is to the 'enhanced' era."

About The Author



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