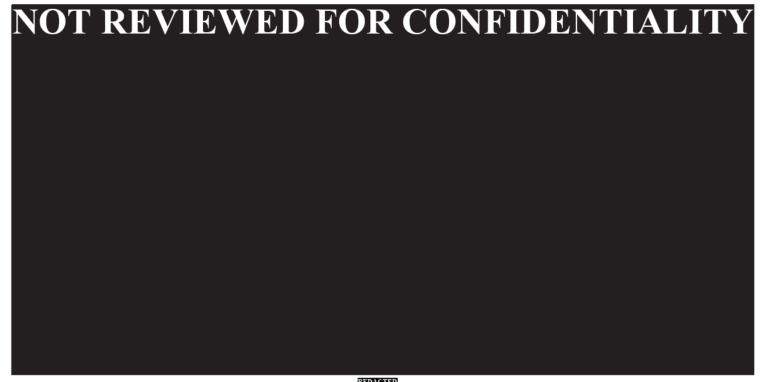PSX00191

On Sun, Jun 25, 2017 at 4:03 PM, Greg Friedman <REDACTED google.com> wrote:
These will be useful discussions, and I'm sure they'll lead to insights, and probably to pricing improvements. So let's have these conversations.

I do want to make sure people realize that simply "equalizing ROI" is not an, a priori, necessarily the right answer. Shopping and Text Ads are different products with different goals. For one thing, Shopping has the dual purpose to Google of being an advertising product AND the canonical shopping results on the SRP. Additionally, Shopping is increasingly concerned with optimizing the user's entire Shopping journey, and with the Shopping Property and the Shopping Express "Mall", we own much more of the user experience than text ads does.

My point is that we need to think carefully about what Shopping, text ads, and Google are trying to optimize for, and whether equalizing ROI between text ads and Shopping will, on balance, move us toward or away from optimum. (At this early point, I don't have an answer -- I just want to make sure we don't assume something which, in my mind at least, is not axiomatic.)

Hope this makes sense to folks.

On Sun, Jun 25, 2017 at 3:15 PM, Khanh Nguyen REDACTED google.com> wrote:
Thanks Jerry for the background on this. Given the differences in format and user intent addressed by SCU and text ads, let's not think about equalizing ROI at the query-by-query level only. Please try to think about this from the merchant point of view.

Happy to join the mtg to discuss this more in person.

On Jun 25, 2017 2:57 PM, "Chris Monkman" REDACTED google.com> wrote:

Thanks. I'm setting up a meeting with Anand/Greg/Archana and our team, and we can think about quicker modifications to SCU in WPA as well as possible longer term work around making the two ad types compete and equalizing ROI.

On Sat, Jun 24, 2017 at 7:56 AM, Jerry Dischler **REDACTED** google.com> wrote:
+1 to Shiv's PoV. This came up in the context of how can advertisers optimize their whole-page objectives across PLA and Text Ads. Shiv asked the excellent question - why is there any need to optimize? Why don't we have equivalent ROI across the two formats such that advertisers don't need to think about it? So this would be the top-line objective of such an exercise.

On Fri, Jun 23, 2017 at 9:16 PM Anand Murugappan **REDACTED** google.com> wrote:
Sounds good to me. Looking forward to the discussions and coming up with a proposal.

- Anand

On Fri, Jun 23, 2017 at 8:49 PM, Khanh Nguyen **REDACTED** google.com> wrote:
This is ground that Chris, Anand and others have worked through in the original WPA work, and made simplifying assumptions about in the initial launch.

I think it would be a good start to get the teams who worked on SCU in WPA to discuss whether there are new wins to be had + low-cost experiments that can be run to gather confirming data. Thoughts?

For shopping, as before, Anand/Greg/Archana are the right contacts on the Shopping side. Thx.

On Jun 23, 2017 20:20, "Jennifer Liu" **REDACTED** google.com> wrote:
Interesting, would be good to discuss more. Also adding Archana and Greg. Chris, are you setting up a meeting already?

~Jenn.

On Fri, Jun 23, 2017 at 8:11 PM, Oliver Heckmann **REDACTED** google.com> wrote:
+Khanh

On Fri, Jun 23, 2017 at 7:21 PM, Shiv Venkataraman **REDACTED** google.com> wrote:
Omkar, the hypothesis is that PLA's are good experience on shopping queries, however, the cpc's on PLAs arent comparable to text ads. Today these two formats are siloed in their own world and dont compete, it will be worth looking at pricing from that point of view.

On Fri, Jun 23, 2017 at 7:17 PM, Omkar Muralidharan **REDACTED** google.com> wrote:
Jerry, did you and others have specific problems or objectives in mind (eg, poor auction dynamics on some queries or current mechanism hurting the ability of some PLA or text team to innovate), or did you just generally think it was a good time to take another look at our mechanisms given PLA growth?

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