FOSPHA

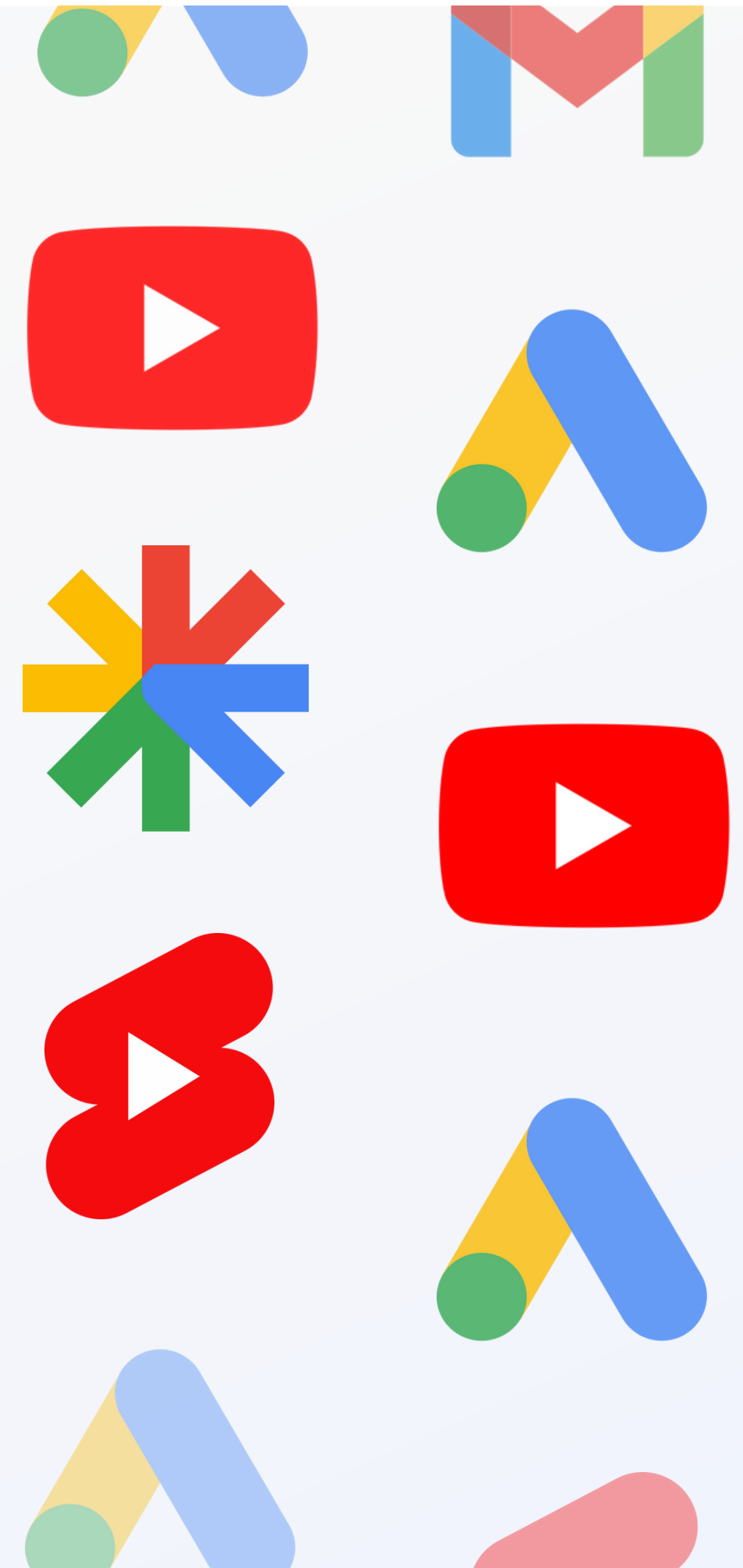# Demand Gen and YouTube Playbook

Spark demand, fuel discovery, and amplify downstream performance through full-funnel investment

FOSPHA

TL;DR

The Landscape

As brands embrace full-funnel marketing, they face two key challenges. First, common measurement approaches like Last Click are effective at capturing direct conversions but fail to reflect the true impact of discovery campaigns like Demand Gen and YouTube. Second, without a full-funnel view, brands lack the proof they need to confidently invest in these upper-funnel channels—despite their critical role in driving future growth.

The Opportunity

- Brands increasing investment in Demand Gen & YouTube saw **32%** better YoY blended revenue growth versus those that did not scale these channels.

- Demand Gen is a new customer acquisition powerhouse, with **18%** higher new conversions generated than the paid channel average.

- Demand Gen & YouTube still offer significant untapped growth potential (**60-69%** headroom for profitable growth).

- The channels create a "halo effect," boosting sales on other platforms like Amazon (Unified ROAS is **41-48%** higher when including Demand Gen & YouTube's impact).

- Consistent investment in these channels drives long-term Average Order Value (AOV) growth.

Introduction

The Google performance challenge

Google remains a mammoth channel for most brands. But with increasingly complex customer journeys and declining visibility over touchpoints, many still struggle to take full advantage of Google's arsenal.

Fospha's recent research explored optimization strategies in Performance Max and Search—two products that account for 30% of our clients' media spend on average and remain their strongest conversion drivers.

The full-funnel imperative

Despite the power of Google's conversion-focused channels, sustainable growth doesn't come from harvesting demand alone. That's why this Playbook turns attention to two underutilized campaign types: Demand Gen and YouTube. Built for upper and mid-low funnel activation, they play a foundational role in driving future performance across your entire media strategy.

The attribution disconnect

This misalignment between impact and attribution leads to underinvestment—especially when growth goals are tied too closely to immediate conversions. But Fospha's data shows that brands allocating **at least 5–10%+ of total spend** to upper- and mid-funnel activity consistently see stronger results at the blended level.

The growth opportunity

More than at any time in recent history, your CFO needs to know exactly what's working and what's not in your marketing mix —where efficiency lies today and where the next wave of growth will come from tomorrow. At Fospha, we believe that growth is already in your Google account—you just need the visibility to unlock it.

Who is Fospha?

Fospha is the leader in always-on, full-funnel measurement for retailers everywhere. Our evolved measurement approach adapts to changes in consumer and platform behavior immediately, driving incremental outcomes for our customers every day.

With the granularity of attribution and the predictive power of MMM, our measurement solution delivers full-funnel measurement and forecasting. That means brands who work with Fospha can both generate and capture demand sustainably—and outperform the market by 30%

Fospha has tools for all teams, creating a shared source of truth towards smarter, more confident budget decisions.

In this report

1 **The Data**

- Why Demand Gen and YouTube?
- How Demand Gen and YouTube impact overall revenue growth
- The true cost of Last Click attribution
- YouTube's year-on-year efficiency gains
- Why Demand Gen is a new customer powerhouse
- The scaling potential of Demand Gen & YouTube
- Demand Gen and YouTube's significant impact on Amazon
- Sustained investment in Demand Gen leads to higher AOV

2 **Success Stories**

- **River Island**
- **Corston Architectural Detail**
- **Underoutfit**

3 **Proven Strategies**

- Demand Gen: structuring campaigns, bidding & creative strategies
- YouTube: structuring campaigns, bidding & creative strategies

The Data

Why invest in Demand Gen and YouTube?

Demand Generation

Demand Gen is a mid-low funnel combination of Google's most visual and immersive surfaces: YouTube, Gmail, Discover and Google Video Partners.

It combines high-impact creative formats with Google AI to help advertisers reach new audiences, spark interest, and generate demand before intent is captured by Search.

YouTube

YouTube is an upper funnel solution including Video Reach and Video View campaigns. It offers brands a high-impact space to reach billions of users through immersive video ads across formats like Shorts, in-stream, and in-feed.

It is a powerful tool for building brand awareness and driving long-term engagement.

Three key trends are evident from our YoY analysis:

1. Massive shift toward visual and AI-powered campaigns

Demand Gen saw the highest growth (**+112%**), reflecting a major shift toward visual-first, AI-powered acquisition strategies.

2. YouTube's rise as a full-funnel player

Seeing a **49% year-over-year surge in ad spend**, YouTube has become a critical space for brand and product research—twice as likely to be used for this purpose than any other platform. Viewers also rate YouTube ads as significantly more trustworthy and credible.*

3. Performance Max continues to expand

+42% growth for PMAX indicates brands are leaning further into automation and cross-channel reach. It's a signal of trust in Google's ability to optimize budget across Search, Shopping, YouTube, and more.

But PMAX can only perform at its best when there's **sufficient demand being generated** higher up the funnel. Channels like Demand Gen and YouTube play a vital role in priming audiences, feeding the funnel, and unlocking the full potential of performance-driven automation.

*Source: Google-commissioned Ipsos Consumer Continuous Study
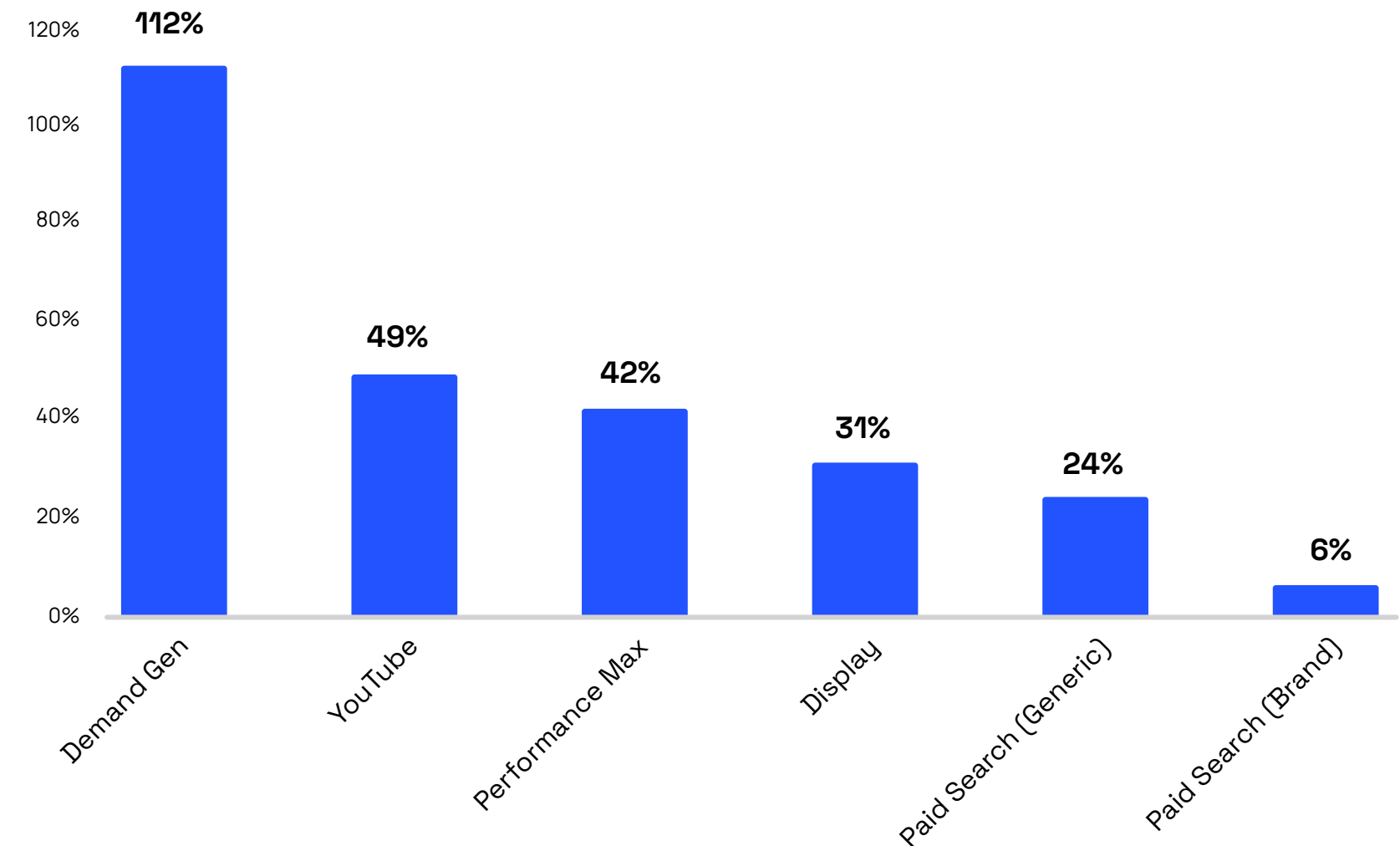
Why invest in Demand Gen and YouTube?

In this Playbook, we'll share data-driven strategies to maximize Demand Gen & YouTube's potential—from budget allocation to creative execution. We feature insights from **Wpromote**, a leading marketing leadership agency with deep expertise in Google's ecosystem.

> **"Consumption of YouTube is continuing to outpace ad spend** - this creates a real opportunity for brands to get in front of consumers before the market gets flooded. **Demand Gen has been a hit for advertisers who know how to position it.** We fully expect continued growth here."

Calvin Nichols,
Head of Paid Search,

WPROMOTE

YoY change in spend across Google campaign types*

Campaign type	YoY change
Demand Gen	112%
YouTube	49%
Performance Max	42%
Display	31%
Paid Search (Generic)	24%
Paid Search (Brand)	6%

*April 2024-2025 versus April 2023-2024

Brands scaling Demand Gen & YouTube achieve up to 145% better blended revenue growth

Key takeaway

Brands that treat upper-funnel investment as a growth engine—not a cost center—are seeing significantly better performance at the blended level.

New data shows a clear pattern: brands increasing investment in YouTube and/or Google Demand Gen see significantly stronger business outcomes than those that maintained or reduced spend.

- Brands that grew their Demand and/or YouTube spend in the last year saw **+32% better YoY blended revenue growth** than those that maintained or reduced spend.

- These high-growth brands increased Share of Wallet in Demand Gen and/or YouTube by **44% YoY,** with spend rising disproportionately in these channels.

- The most aggressive investors—brands that scaled Demand Gen and/or YouTube spend by **over 400% YoY** saw the most dramatic gains: **145% better YoY revenue growth** versus non-scalers.

Investing in Demand Gen & YouTube boosts blended revenue

32%

better blended revenue growth for brands scaling Demand Gen and/or YouTube YoY*

More aggressive scaling wins even better results

145%

better blended revenue growth for brands scaling Demand Gen and/or YouTube by **>400% YoY***

*compared to a group who maintained or reduced spend

Last Click undervalues Google's upper funnel by 14X

Demand Gen and YouTube play a critical role in creating demand—but their impact often isn't reflected in traditional measurement models like Last Click attribution.

Fospha reveals **12.8X more revenue** for Demand Gen versus Last Click, while for YouTube it's even higher at **15.9X**.

This gap highlights a fundamental problem with Last Click attribution: it only gives credit to the final touchpoint before conversion, ignoring all the awareness-building and consideration-driving activity that happened earlier in the journey.

To truly understand what's working, brands need to look beyond Last Click. With full-funnel attribution, you can measure how upper- and mid-funnel activity is driving long-term growth, filling your remarketing pools, and improving downstream conversion rates across campaign types like Search and Performance Max.

Full-funnel investment builds the future pipeline, and effective attribution is what makes that value visible.

Key takeaway

To truly understand the impact of YouTube and Demand Gen, brands must move beyond Last Click attribution and adopt full-funnel measurement.

Last Click significantly undervalues Demand Gen and YouTube

12.8X — Demand Gen

15.9X — YouTube

■ Fospha   ■ Last Click
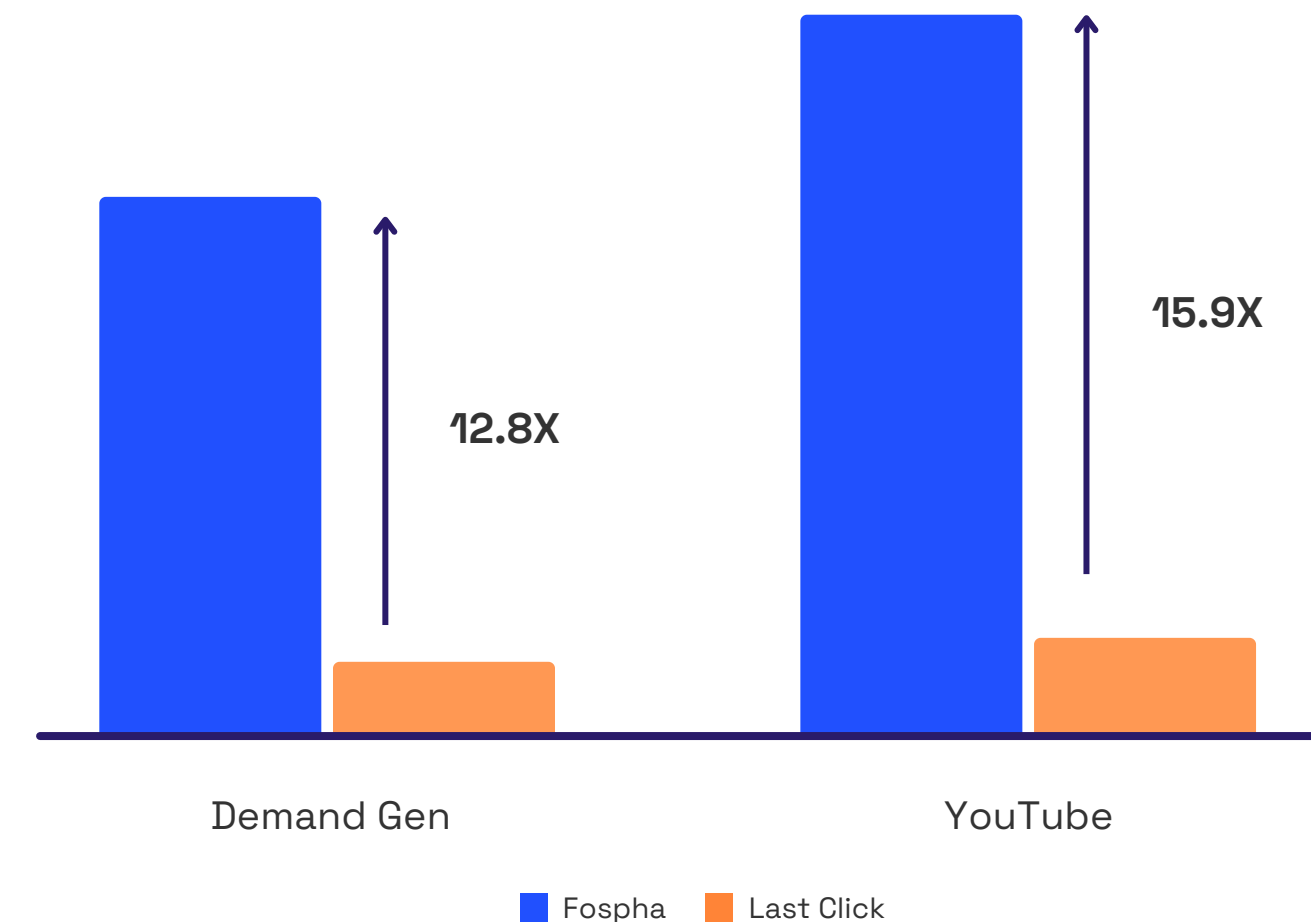
YouTube's efficiency soars as brands invest more

In Fospha's 2024 State of eCommerce Report, YouTube reported one of the highest CPAs across Google channels—highlighting that many brands were still in the early stages of optimizing performance.

But a year later, the platform has undergone a clear shift. With ad spend up **49% year-on-year, ROAS has increased by 38%**, and **CPA has fallen by 19%**, signaling a significant improvement in efficiency.

Fospha data shows YouTube still delivers a wide range of outcomes, but that variance is a feature, not a flaw—it reflects the creative and strategic flexibility of the platform. Advertisers who test and refine are now unlocking exceptional performance.

Google's own guidance to use a mix of video and image, add product feeds, and apply custom segments is proving to be effective in improving relevance and results.

As a predominantly mid- to upper-funnel channel, YouTube's CPA has historically been higher by design. But this recent performance surge signals something more: **YouTube is evolving into a full-funnel powerhouse**—and brands that master its tools are turning it into a key driver of profitable growth.

Key takeaway

YouTube's efficiency improvements represent a significant opportunity for brands looking to launch or scale the channel.

YouTube's ROAS and CPA see significant YoY improvements with increased spend

49%
Spend growth YoY

38%
ROAS change YoY

-19%
CPA change YoY
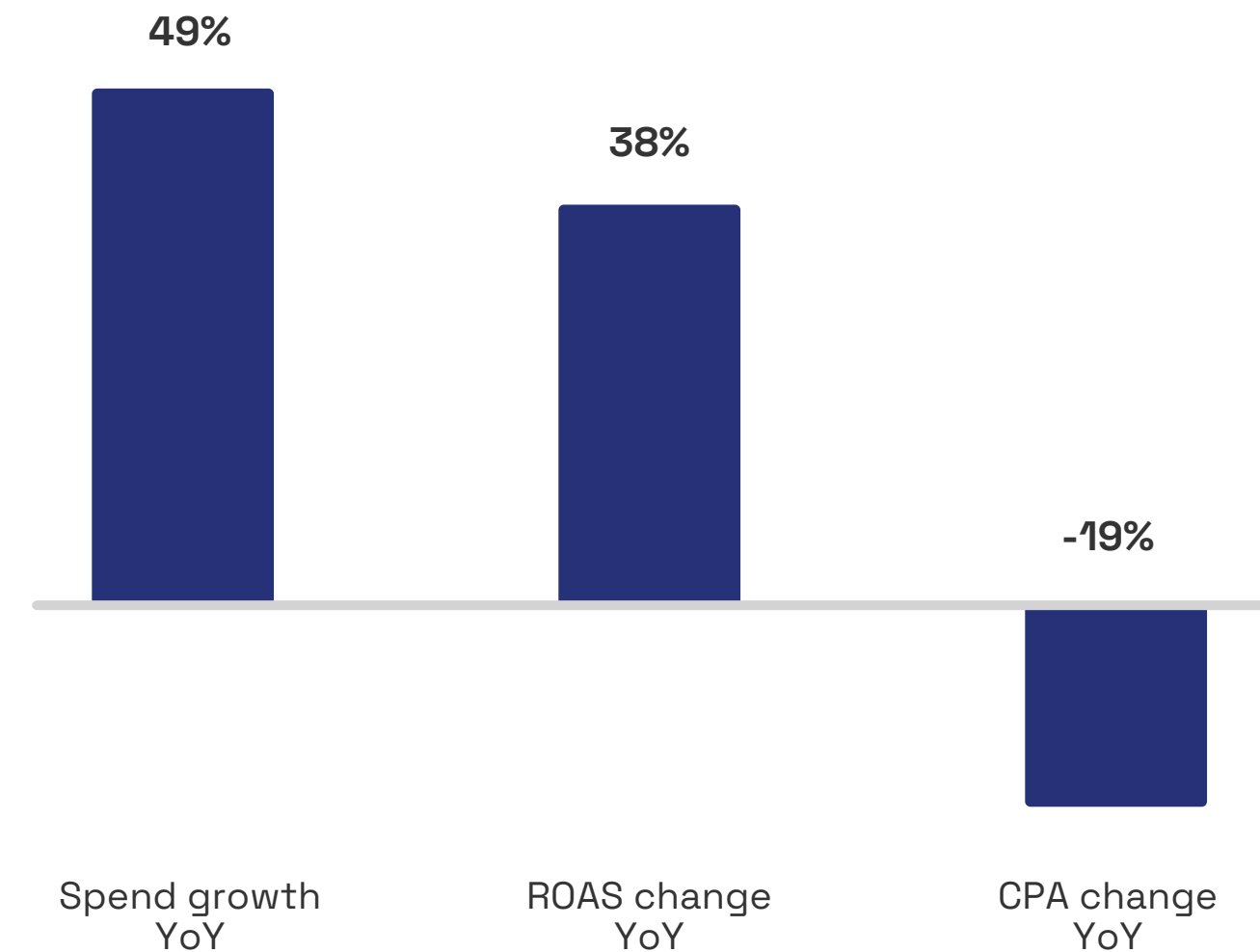
Demand Gen is a new customer acquisition powerhouse

Driving efficiency is important—but sustainable growth comes from expanding your customer base. That starts with a strong upper-funnel strategy.

Fospha's new vs. returning customer segmentation shows Demand Gen is particularly effective at acquiring new customers. Compared with the average across all paid channels, Demand Gen drives **18% higher proportion of conversions from new customers**.

It's a reminder that new customers don't appear at the bottom of the funnel—they're built upstream through brand awareness, product discovery, and intent-building creative. Strategies like Demand Gen and YouTube do the heavy lifting at this stage.

That said, you still need Performance Max and Search to capture and convert these high-intent users as they move further down the journey. These campaign types remain essential for closing the loop and scaling profitable growth.

Key takeaway

Demand Gen effectively sparks demand with new customers, creating valuable prospects for demand capture channels.

18%

higher proportion of new customer conversions compared to paid media average

65% growth potential remaining across Demand Gen & YouTube

Key takeaway

The often-underutilized channels of Demand Gen and YouTube hold significant untapped potential for profitable growth.

To understand the extent to which you can scale Demand Gen and YouTube, utilizing forecasting technology is a huge advantage.

Fospha's Spend Strategist tool can be a game-changer when it comes to forecasting your budget. By analyzing the performance of your campaigns, you can create more accurate predictions of budget allocation and expected outcomes.

Spend Strategist allows you to model different budget scenarios and forecast how changes to spend will affect your sales and overall marketing ROI.

Analysis using this technology reveals that brands see huge scalability in Demand Gen and YouTube, with brands on average having an **additional 69% headroom to profitably scale spend in Demand Gen**, and **60% in YouTube**.

To unlock the opportunity we see in Demand Gen and YouTube, brands need to shift mindset - treating full-funnel investment not as optional spend, but as the engine of future demand, stronger efficiency, and sustainable growth at scale.

Significant growth potential remaining across Demand Gen and YouTube
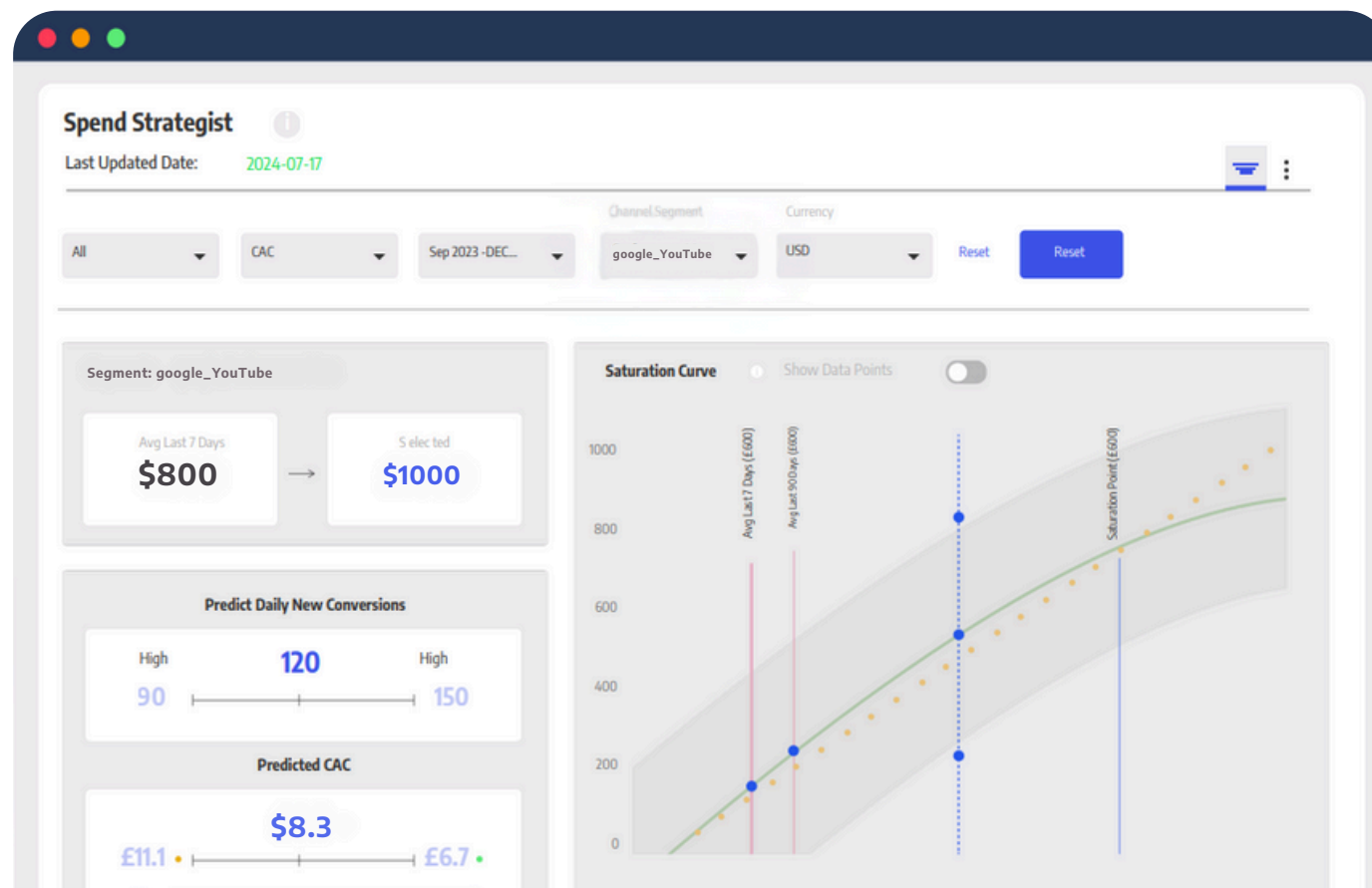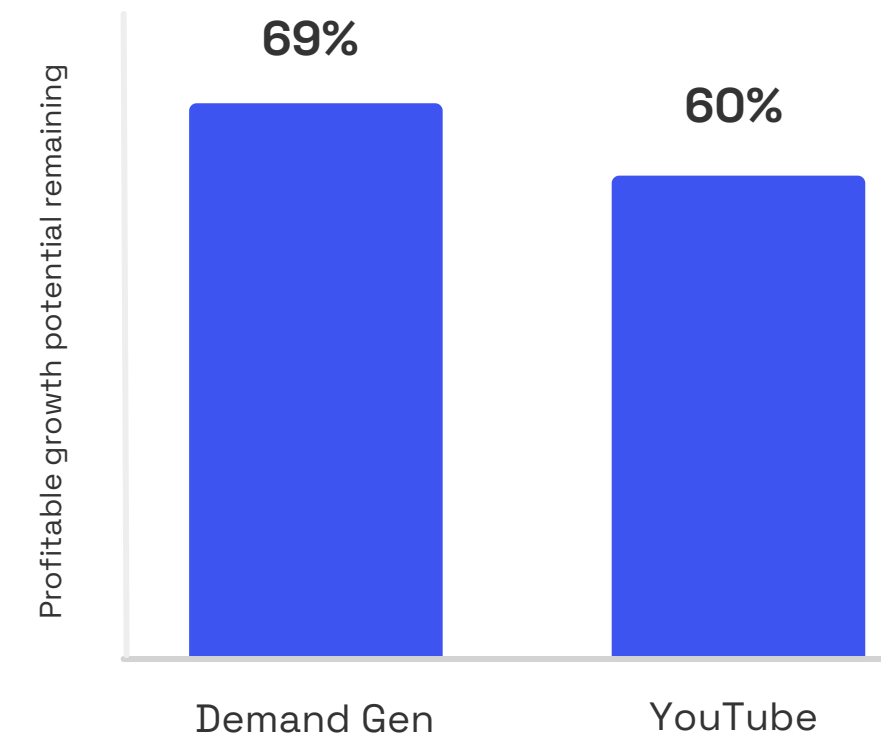
Demand Gen and YouTube drive a significant impact on Amazon sales

Key takeaway

Demand Gen and YouTube significantly boost downstream conversions on both Amazon and DTC. Brands should harness Unified ROAS to quantify this halo effect.

New Fospha research reveals the impact of Demand Gen and YouTube extends beyond their individual contribution. Fospha's Halo capability reveals that these channels also drive significant downstream conversions on platforms like Amazon.

What is the halo effect?

The halo effect is the indirect impact a channel has on conversions elsewhere—such as ads on YouTube or Demand Gen creating interest that later turns into Amazon sales.

Introducing Unified ROAS (uROAS)*:

Unified ROAS = Revenue from both DTC + Amazon, divided by channel ad spend.

- Captures the total value of upper-funnel media
- Goes beyond Last Click to reflect how awareness drives purchases across ecosystems

Why this matters:

- YouTube's **uROAS is 48% higher** when Amazon sales are included
- Demand Gen shows a similar trend, with **uROAS 41% higher when Amazon sales are also measured.**
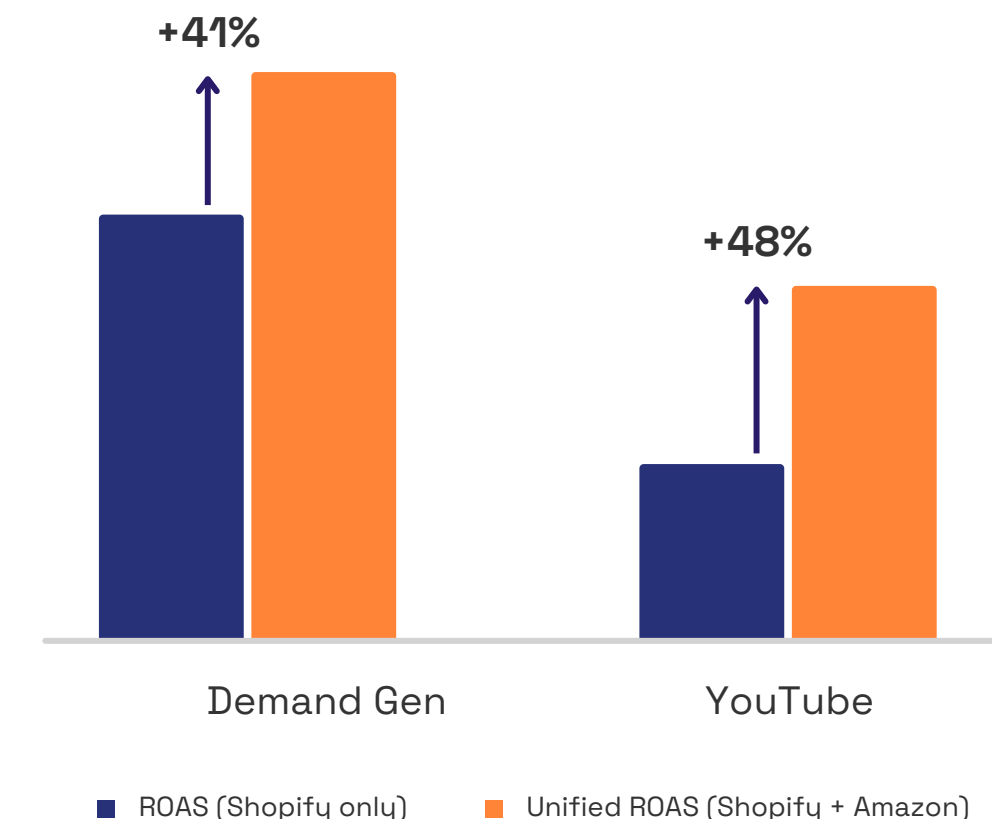- These channels aren't just valuable on their own—they **boost third-party sales too.**

YouTube and Demand Gen aren't just effective in their own silo. They **fuel long-term growth** while also lifting performance across marketplaces like Amazon.

*see Glossary for more information.

Demand Gen and YouTube's Unified ROAS is 45% higher than DTC-only ROAS

Chart legend: ■ ROAS (Shopify only) ■ Unified ROAS (Shopify + Amazon)
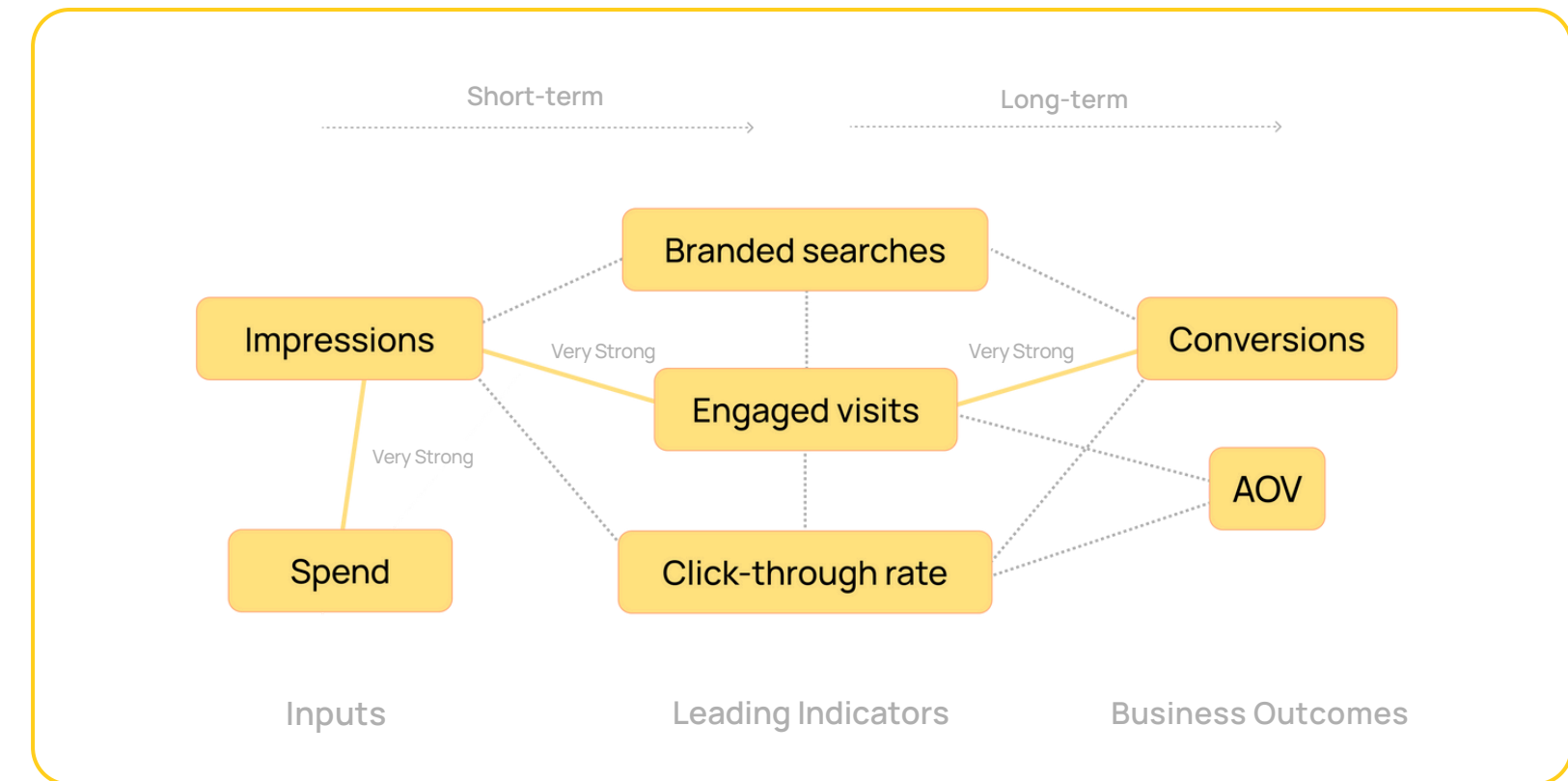
Demand Gen: +41%
YouTube: +48%

Sustained investment in Demand Gen leads to higher AOV

We know that not all demand generation campaigns deliver immediate payback.

Many drive lagging effects on key business indicators like average order value (AOV). The challenge is that brand teams often lack early signals to demonstrate campaign effectiveness, making it hard to defend brand budgets. Without this proof, brands over-focus on capturing existing demand and chasing short-term returns—leading to a reliance on continuous promotions just to hit targets. Over time, this underinvestment in brand-building campaigns like Demand Gen and YouTube raises new customer acquisition costs and stalls long-term growth.

Fospha's Glow is designed to solve this. It models the real causal chain between brand investment and business outcomes, quantifying the strength of relationships from inputs like impressions to leading indicators (e.g., brand search volume, engaged sessions) and, ultimately, commercial results like AOV and sales. This allows teams to prove the payoff of brand—not just in the long term but by tracking meaningful signals that move earlier.

In one of our studies, we isolated a cohort of brands that consistently invested in Demand Gen (spending in at least 12 of the last 24 months).

The results comparing YoY Q1 2024 vs. Q1 2025
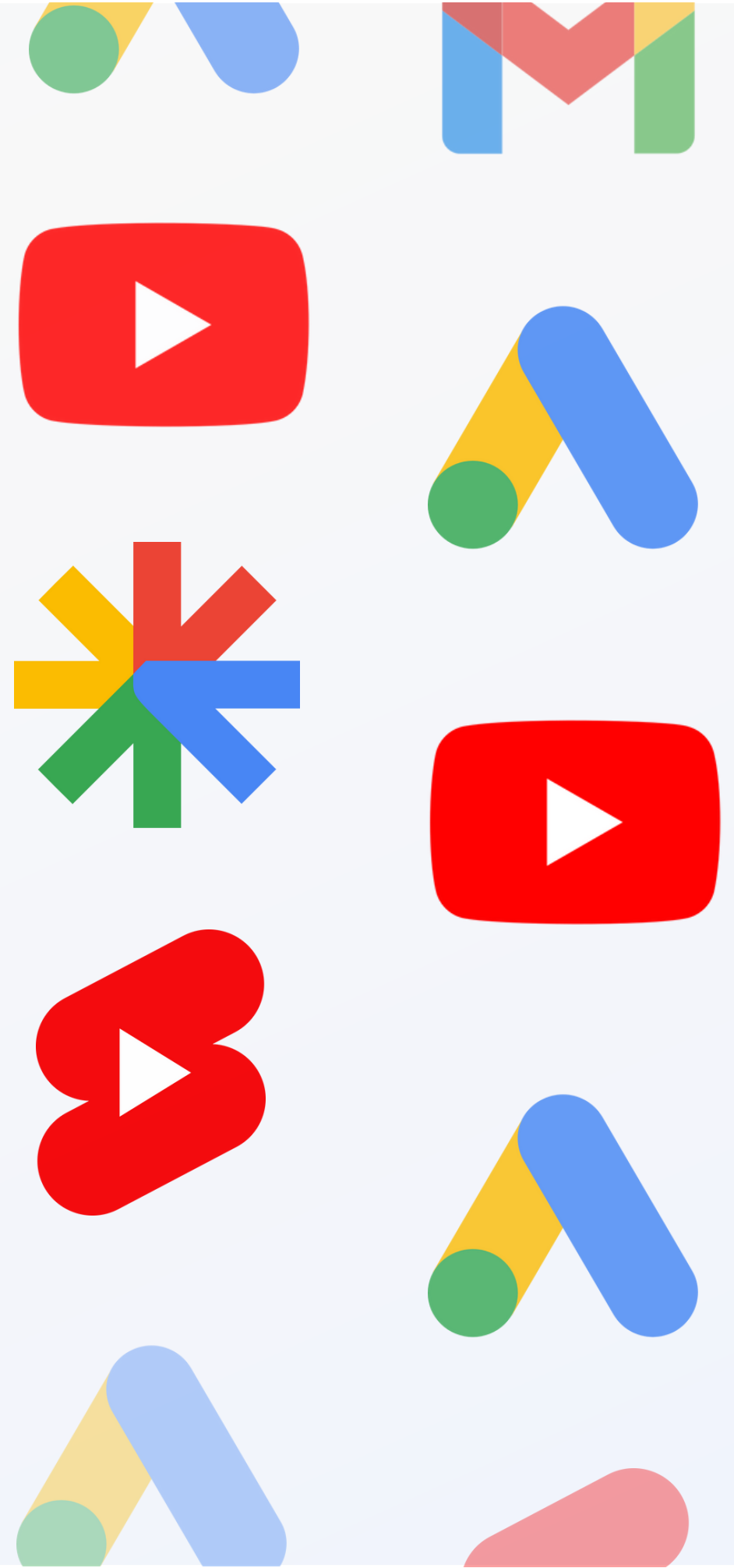
28% growth in brand search impressions

72% growth in engaged sessions

3% growth in AOV

Insight: Consistent Demand Gen investment is correlated with a sustained upward trend in AOV over time, driven by measurable lifts in early brand engagement signals.

Success Stories

River Island: $1.8m incremental revenue boost through scaling YouTube

River Island is a multi-channel fashion brand known for accessible, trend-led styles across womenswear, menswear and accessories.

The Problem

Before using Fospha, River Island measured the performance of YouTube campaigns using a mix of in-platform metrics, geo-tests and twinned store analysis to evaluate campaign performance.
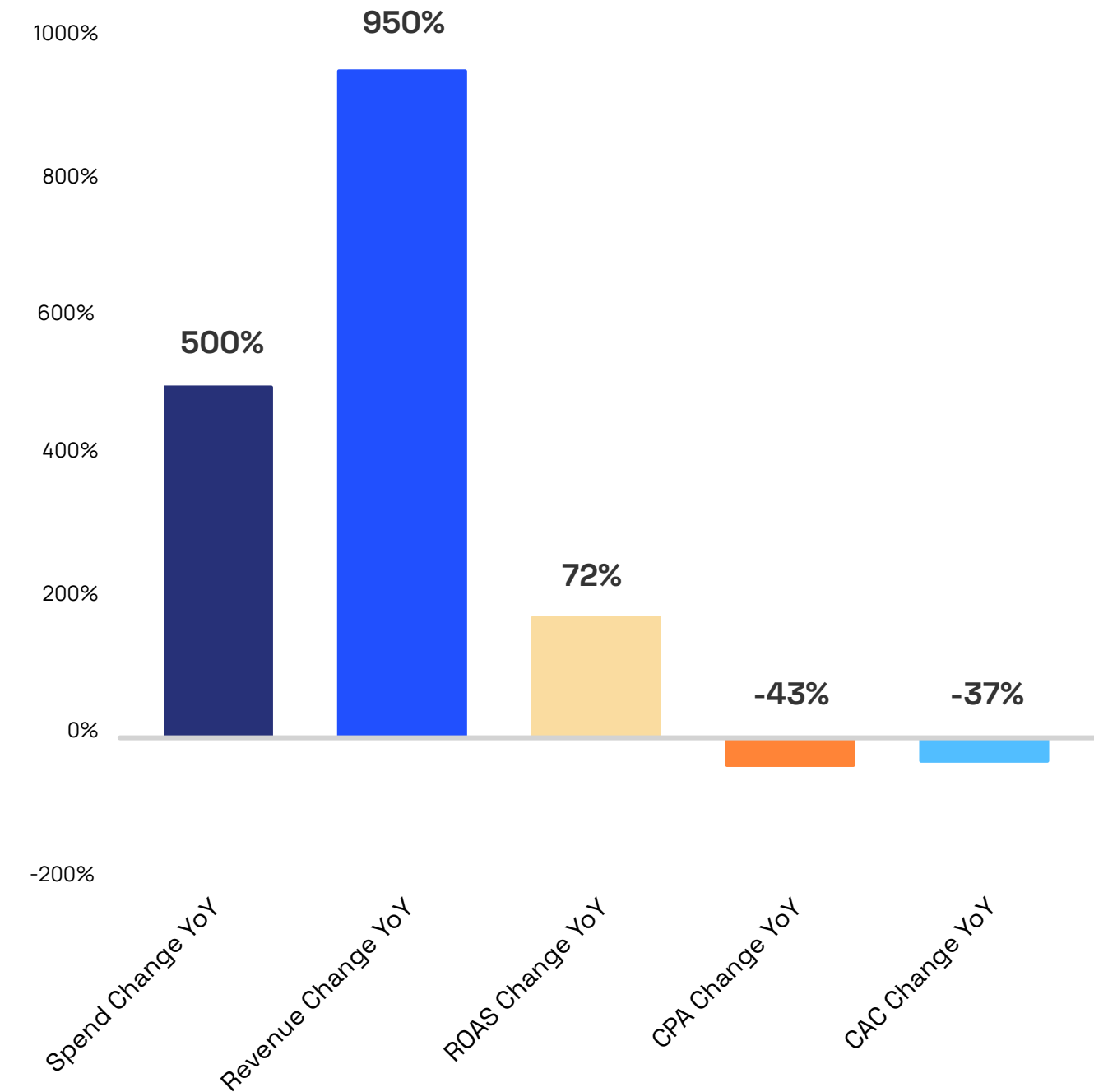
The result? The team found it difficult to capture the true value of the channel and to justify an always-on strategy, even though the team saw potential in the channel. Approaching Q4, the team was tasked with strengthening upper-funnel activity by increasing awareness and consideration across key audience segments to influence purchase ahead of the peak trading period.

The Solution

Fospha's attribution revealed that YouTube was driving **254X more revenue** than previously reported. The team at River Island used this insight to:

- Confidently **scale YouTube spend by +500% YoY in Q4 2024** ahead of peak season

- Test campaigns by audience type and optimize based on Fospha's ROAS insights

- Using Fospha's Spend Strategist, identify that YouTube could have been **scaled +200% further** in Q4 without exceeding CPA targets

River Island saw substantial channel-level revenue and efficiency boosts from scaling YouTube

Bar chart showing YoY changes: Spend Change YoY 500%, Revenue Change YoY 950%, ROAS Change YoY 72%, CPA Change YoY -43%, CAC Change YoY -37%.

Results

- **950% rise** in YouTube revenue
- **72% increase** in YouTube ROAS
- **43% better** YouTube CPA
- **1271% increase** in YouTube impressions
- Proven ability to scale further profitably

Demand Gen expansion

With proven results from YouTube, River Island launched Google's Demand Gen in February 2025. Just one month in, the channel exceeded expectations—beating CAC targets by **33%** and ROAS targets by **120%** in March.

Fospha gave River Island the confidence and clarity to scale full-funnel channels profitably—turning YouTube and Demand Gen into key drivers of efficient growth.

$1.8m

in incremental revenue achieved through scaling YouTube

"Fospha has become a crucial part of how we guide strategy and make investment decisions—especially in upper-funnel channels like YouTube. It helps us clearly connect media spend to business outcomes, and that clarity plays a part in helping unlock investment and confidence across the business."

Elvis Mugera,
Paid Media Lead, River Island

RIVER ISLAND

Corston Architectural Detail: Achieving full-funnel growth on Google

Corston Architectural Detail is a premium hardware, lights, switches and sockets brand known for its high-quality, design-led fittings for the home.

The Problem

Corston were looking to scale their high-performing Google advertising further, but struggled to justify upper-funnel investment due to limited visibility into its true impact.
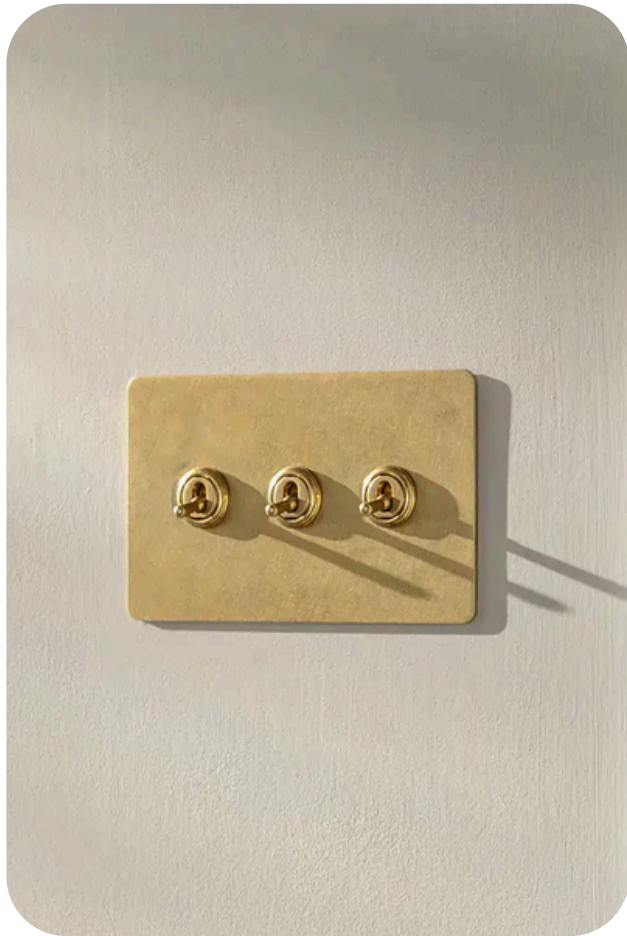
The Solution

In September 2024, Corston launched Google Demand Gen campaigns to complement its performance mix and drive discovery among new audiences.

To track results, the team used Fospha's full-funnel measurement platform, which revealed how these campaigns impacted not just direct returns—but also boosted performance across other Google channels.

The Results

- It quickly became Corston's most efficient Google channel, **outperforming ROAS targets by 51%**.

- Performance Max **ROAS improved by 25%** – demonstrating how upper-funnel activity can enhance efficiency across conversion-focused campaigns.

- Overall **Google ROAS rose 15%**, even as spend increased and **Google revenue grew +23%**, validating the power of full-funnel investment.
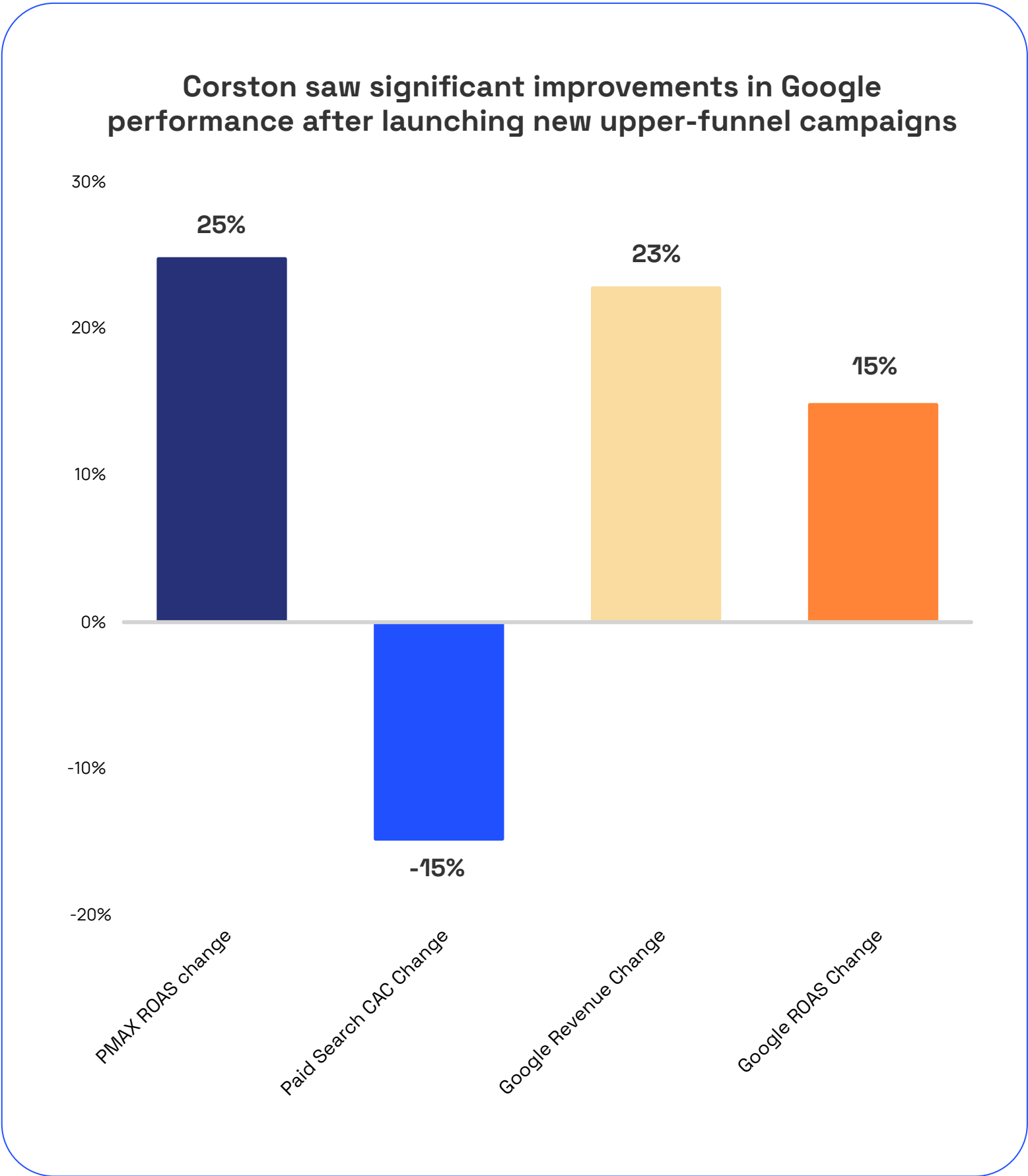
15%

increase in overall Google ROAS

23%

uplift in overall Google revenue

Corston saw significant improvements in Google performance after launching new upper-funnel campaigns

	25%	-15%	23%	15%
	PMAX ROAS change	Paid Search CAC Change	Google Revenue Change	Google ROAS Change

Underoutfit: Scaling YouTube to unlock millions of $ in revenue growth

Underoutfit is a shapewear and undergarments brand that puts comfort and confidence first.

The Problem
As one of the fastest-growing D2C brands in the US, Underoutfit saw an opportunity to expand beyond its strong lower-funnel performance by exploring upper-funnel channels like YouTube—but lacked the measurement confidence to scale investment.

The Solution

Underoutfit adopted Fospha in January 2024 to get a clearer, data-driven view of the full customer journey. Within weeks, Fospha revealed that YouTube was driving **5X higher ROAS** than reported by Last Click models.

Backed by this insight, Underoutfit significantly increased YouTube spend—scaling it **+315% month-over-month**—as part of a new full-funnel demand generation strategy.

The Results

With Fospha, Underoutfit unlocked a new wave of profitable growth:

- **$3.3 million** in incremental revenue in a single month

- **15% reduction** in blended customer acquisition cost (CAC)

- **315% increase** in YouTube spend while improving efficiency

- **70%+ growth** in weekly revenue in just two months

Underoutfit increased revenue and cut CAC by scaling their upper-funnel spending

Proven Strategies

Demand Gen: Structuring Campaigns

Key takeaway
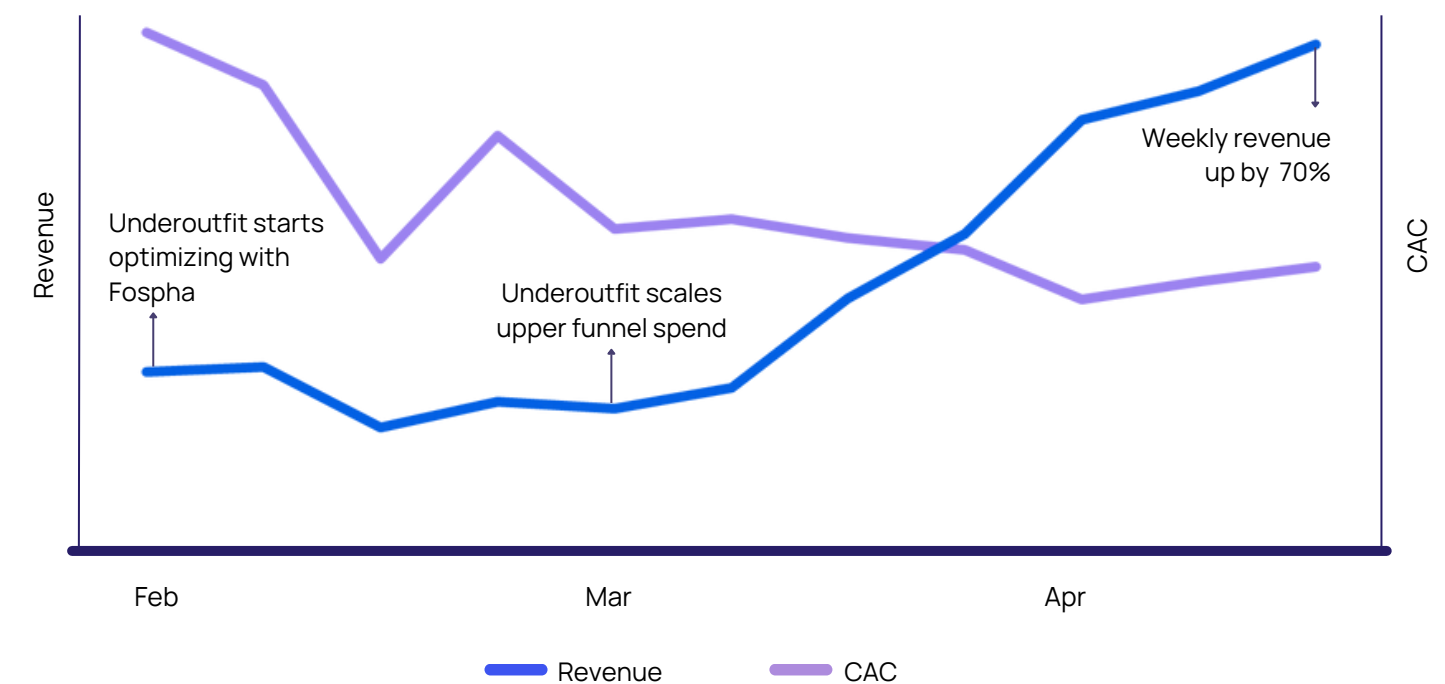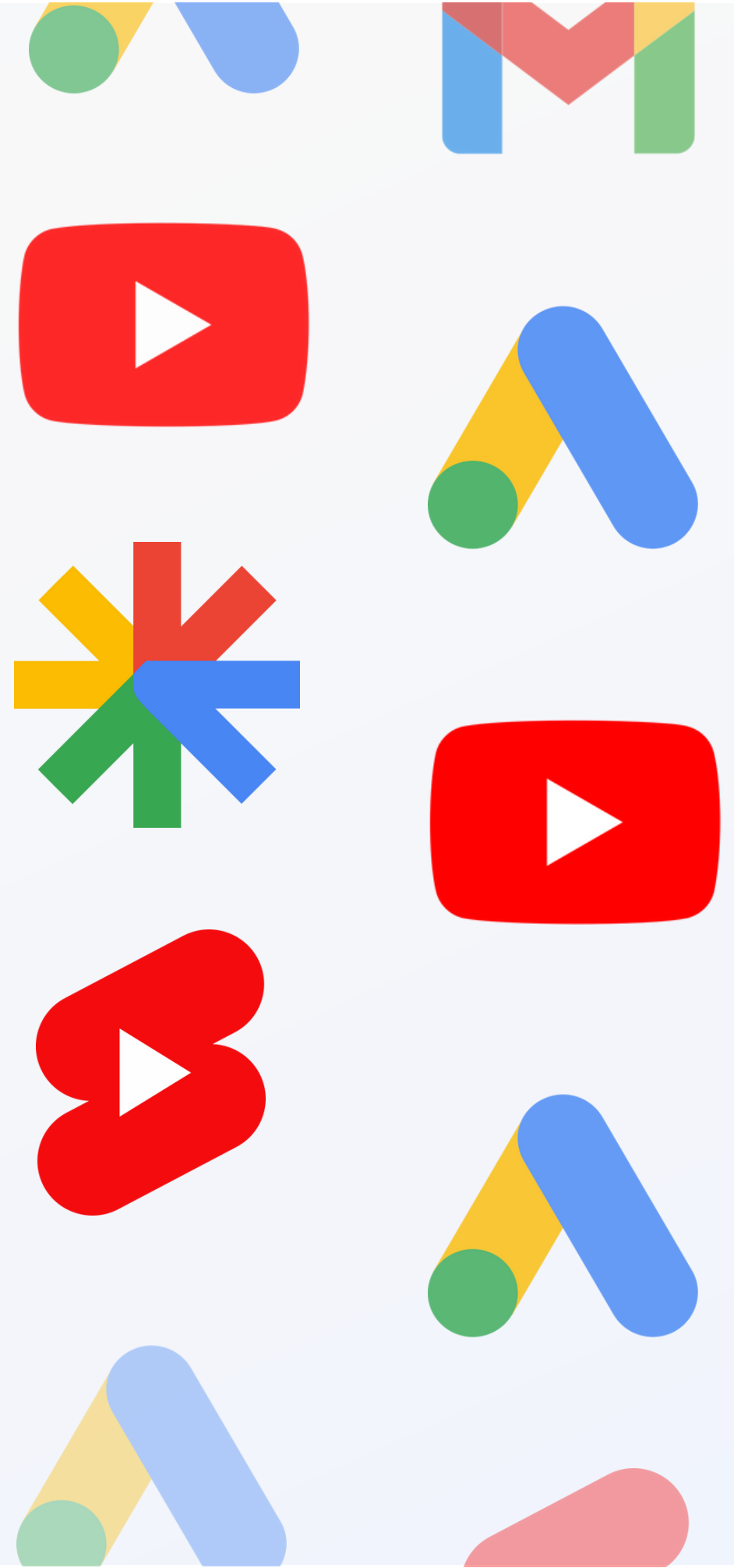
A well-structured campaign gives Google's AI the clean data signals it needs to optimize effectively. Focus on consolidation, conversion volume, and dynamic ad tools like product feeds to power scalable, high-impact Demand Gen campaigns.

Demand Gen campaigns can drive conversions, increase brand awareness, and boost engagement when executed effectively. Getting the most out of your Demand Gen campaigns starts with smart campaign structure. Get it right and you give Google's machine learning models the best chance of success.

1

Consolidate campaigns to accelerate machine learning

Demand Gen thrives on volume. Google recommends a single campaign each for Prospecting and for Remarketing. Only segment campaigns further for objectives, location targeting, ROI targets, or bidding strategies.

2

Structure ad groups by theme

For example, gender or product category, to enable creative and product feed targeting.

Aim for 50+ conversions per ad group per 30 days. Below this threshold, Google's AI can underperform—consolidate weaker ad groups to maintain optimization velocity.

3

For retail, enable product feeds with 50+ SKUs:

Activating Merchant Center feeds transforms your Demand Gen campaigns into dynamic storefronts.

Google recommends using feeds with a cover image, video, and 50+ available products to serve across formats.

Sources: Google Internal Data
Creative Excellence Guide for Demand Gen campaigns
Google's Demand Gen Best Practices: How To Maximise Performance

Demand Gen: Bidding Strategies

Key takeaway

Matching your bid strategy and budget to campaign goals is essential for success. Demand Gen campaigns need runway to learn—so give them the space, consistency, and capital to scale effectively. Let the data guide you, and optimize incrementally for long-term impact.

Demand Gen campaigns operate most effectively when budget and bid strategies are aligned with campaign goals. With sufficient spend and clear objectives, Google's AI can maximize your ROI across Google's visual surfaces.

1

Choose goal-aligned bidding

Conversions = Max Conversions or tCPA

Revenue = Max Conversion Value or tROAS.

Use Maximize Clicks or Max Conversions if optimizing for high-quality traffic or consideration-stage audiences.

2

Minimum $100/day budget per campaign—or 20x your tCPA or average conversion value ÷ tROAS

This ensures sufficient data flow. For example, with a $25 target CPA, you'd need $500/day minimum.

3

Avoid learning phase resets

Limit bid adjustments to ±10% and wait for 50+ conversions before optimizing.

Abrupt changes delay performance gains and re-trigger AI learning cycles.

Demand Gen: Creative

Creative is one of the most powerful levers in a Demand Gen campaign. Google's AI selects and serves creative across YouTube, Discover, and Gmail placements, so giving it variety and quality is essential. This page breaks down how to build creative that converts.

Key takeaway

Diverse, high-quality creatives give Google's AI the tools it needs to drive performance. Don't treat creative as a one-and-done task—invest in testing and variation to unlock scale and efficiency.

1

Creative diversity is non-negotiable

Include at least 3 videos and 3 static images in every aspect ratio (landscape, square, vertical) to unlock full inventory across YouTube, Discover, and Gmail. This increases eligible reach and improves AI optimization.

2

Implement the ABCD framework for maximum effectiveness

Use Google's proven ABCDs—Attention, Branding, Connection, and Direction—to build high-performing creatives.

Applying these principles can lift short-term sales by 30% and long-term brand impact by 17%, according to Google/Kantar research.

3

Mobile-first is essential

Vertical video alone reportedly lifts conversions by 35%+ on Shorts, and combining video + static lifts conversions by 20% at the same CPA.

Always include CTA in both voiceover and on-screen text.

Sources: Google Internal Data
Creative Excellence Guide for Demand Gen campaigns
Google's Demand Gen Best Practices: How To Maximise Performance

YouTube: Campaign Structure

Key takeaway

Start with a clear goal, pick the right subtype and format, and build a simple, well-targeted structure. This keeps your campaigns easy to manage and ready to scale.

A well-structured YouTube campaign helps you meet your objectives—whether that's awareness, consideration, or conversions. This page covers the core components to get your campaign set up for success.

1

Choose the right subtype for your goal

Drive Conversions: Lower funnel, optimized for sales/leads with tCPA or Max Conversions.

Video Reach Campaigns: Broad awareness using in-stream + bumper to maximize reach or CPM efficiency.

Get Views (In-feed): Optimized for watch time and engagement; ideal for mid-funnel/content-led strategies.

Ad Sequence: For storytelling across multiple touchpoints; best for product education or brand-building.

2

Match ad formats to subtype

Skippable/Non-skippable in-stream → Drive Conversions & Reach

Bumper → Short-form brand recall in Reach or Ad Sequences

In-feed → Get Views campaigns in discovery environments

Keep structure clean and scalable

3

Group by product or audience theme with consistent targeting per ad group

Avoid over-segmentation—Google's AI performs best with high-volume, clearly defined signals.

Sources: Google: Create a Video campaign

YouTube: Bidding Strategies

Your bid strategy defines how Google spends your budget and what your campaign optimizes toward, whether that's views, reach, or conversions.

1

Match bid strategy to campaign objective

Drive Conversions: Use Max Conversions, Target CPA, or Target ROAS

Video Reach: Use Target CPM or Maximize Reach

Get Views (In-feed): Use Maximize Conversions or Target CPA for downstream action, or Max CPV for engagement

Ad Sequence: Use Target CPM to control reach and frequency

2

Set appropriate budget types

Daily budgets give Google flexibility to pace over time

Total campaign budgets ensure consistent delivery across a fixed flight period

Budget scale is key—Google recommends at least 20x your target CPA or ROAS to exit learning efficiently

3

Use automation when historical data exists

Automated bidding (e.g. Target CPA) works best with conversion history.

If launching net-new, consider starting with Maximize Conversions or CPV before shifting to performance-based models.

Sources: Google: Create a Video campaign

YouTube: Creative

Key takeaway

Great YouTube ads are fast, flexible, and built for how people watch. Design for format, lead with attention, and always make it easy to test and improve. That's how to stand out and scale effectively on YouTube.

Creating strong YouTube ads means going beyond just video quality. To be effective, creative needs to match the platform's formats, grab attention quickly, work across devices, and be easy to test and scale. This guide outlines simple, actionable creative practices for YouTube success.

1

Design specifically for each placement

Vertical for Shorts, horizontal for in-stream, and square when flexibility is needed.

YouTube's efficiency has improved dramatically—CPA is down 19% and ROAS up 38% YoY, in part due to better creative format alignment.

2

Use the ABCD framework (Attention, Branding, Connection, Direction)

Google reports that ads using this model outperform on view-through and conversion rates, especially when brand is shown in first 5 seconds.

3

Build modular creative for speed and scale

Creative built in "blocks" (hook, feature, CTA) can be localized or A/B tested more easily.

This flexibility enables faster iteration and alignment with Google's creative rotation systems.

"**Creative is still king. An amazing campaign strategy can't make up for poor creative.** Ensuring to hit the ABCDs from Google on creative will vastly improve business outcomes."

Calvin Nichols,
Head of Paid Search,

WPROMOTE

Sources: How creative storytelling drove 2024's best YouTube ads
ABCDs of effective video ads

Key Takeaways

The Opportunity:

YouTube and Demand Gen are highly effective components of a full-funnel Google strategy.

- Brands scaling budget in Demand Gen and/or YouTube see **32% higher YOY revenue growth.**

- YouTube and Demand Gen are scaling efficiently with **65% remaining headroom** for profitable growth.

- These channels drive huge value not only across DTC, but also Amazon **with 45% higher ROAS** when Amazon sales are considered (Unified ROAS).

"**Agility, creativity, and smart measurement are key.** Brands that want to maximize digital marketing success in 2025 must act with agility by capitalizing on underutilized channels like YouTube and ensuring their campaign strategies are data-driven and objective-specific. They should also prioritize high-quality creative and adopt pragmatic measurement approaches, even when perfect attribution isn't possible."

Calvin Nichols,
Head of Paid Search,
WPROMOTE

Why some brands are missing out:

- **Measurement:** Last Click attribution severely undervalues YouTube and Demand Gen by **14X**, leaving brands without the confidence to invest sufficiently in Google's upper funnel channels.

- **Impact lag:** Demand generation campaigns can drive lagging effects on key business outcomes. Marketers often lack early signals to demonstrate campaign effectiveness, making it hard to justify and defend these upper-funnel budgets long enough to see results.

Strategies for Success:

- **Ensure internal alignment:** Educate teams on YouTube & Demand Gen's full-funnel contribution and Last Click's limitations. This is essential for securing upper-funnel budgets.

- **Implement full-funnel measurement:** Use a tool to capture true value delivered by YouTube and Demand Gen, forecast, optimize and achieve profitable growth in these channels.

- **Optimize with channel-specific strategies:** Maximize YouTube & Demand Gen performance with tailored campaign strategy, bidding, and creative.

- **Measure unified performance:** Understand and measure Unified ROAS across both DTC and Amazon.

Glossary

Awareness   Brand campaigns (highest funnel)

Consideration   Traffic campaigns (higher-to-mid funnel)

Conversion   Ads focused on driving sales (bottom-of-funnel)

CAC   The cost of acquiring a new customer. Calculated by Total Cost / New Conversions

CPA   The cost of acquiring all customers. Calculated by Total Cost / Total Conversions.

Unified ROAS (uROAS):

A performance metric that captures the **total revenue influenced by a specific channel**, including both direct-to-consumer (DTC) and third-party platforms like Amazon, divided by that channel's ad spend.

Designed to measure the **true impact of upper-funnel media** (e.g., YouTube, Demand Gen)

Accounts for the **halo effect**—when awareness created by one channel drives conversions elsewhere

Moves beyond Last Click attribution to show **cross-channel value**

Blended ROAS:

A broader performance metric that looks at **total revenue across all channels** (paid + organic) divided by **total paid media spend**.

Reflects the **combined impact of the entire marketing mix**

Often used for **high-level budgeting and efficiency tracking**

Doesn't isolate specific channel impact, but gives a **holistic view of marketing ROI**

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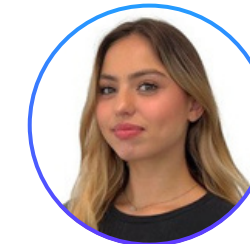
Google
PMAX & Paid Search Report

Strategies to Maximise Performance on PMAX and Paid Search

Demand Gen and YouTube Playbook

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