

ADS WIZARDS / RESEARCH / 2026

The New Operating Model for Growth

How to operate when discovery, targeting, optimization and distribution are increasingly controlled by AI systems.

| Automation does not remove control. It moves control upstream.

Research note: this paper separates platform-documented mechanisms, Adswizards field observations, and Adswizards inference/framework. Anonymous client observations are directional and are not presented as controlled experiments.

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Executive Summary

AI is changing the operating model of digital growth. For years, performance teams created advantage through execution: selecting keywords, defining audiences, adjusting bids, segmenting campaigns, choosing placements and reallocating budget. Increasingly, platforms automate a larger share of those decisions.

Google describes Smart Bidding as auction-time optimization that uses machine learning and contextual signals to optimize for conversions or conversion value. Meta's Advantage+ audience similarly uses advertiser inputs as guidance while allowing delivery beyond the initially selected audience when the system expects better performance.

This can create the impression that marketers are losing control. They are not. Control is moving upstream: toward the definition of business outcomes, measurement, signal quality, positioning, creative inputs, initial constraints, eligibility and feedback loops.

When these inputs are strong, automation creates leverage. When they are weak, automation can scale the wrong outcome efficiently. The new operating model is therefore not about giving AI maximum freedom. It is about designing the conditions under which that freedom becomes useful.

The competitive advantage is moving from operating the machine to deciding what the machine should learn.

Evidence: [1] [2]

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From Campaign Management to System Architecture

The traditional performance model treated the campaign as the primary unit of control: target, bid, ad, landing page, conversion. Modern acquisition systems increasingly use machine learning to determine combinations of context, intent, creative, inventory and bid based on predicted outcomes.

Google's Smart Bidding documentation makes the shift explicit: bids are calculated for individual auctions using contextual signals, and strategies optimize toward the conversion goals or conversion value supplied by the advertiser.

The campaign still exists, but it increasingly acts as a container around a larger decision system. The operator's question therefore changes from "Which setting should we change?" to "What information is the system using to make this decision?"

Business objective → Measurement → Signals → Learning → Automated decisions → Outcomes → Feedback

RECENT EXAMPLE – LOCAL CUSTOMER OPTIMIZATION

A recent example is Google's Local customer optimization for Performance Max store-goal campaigns. The advertiser explicitly defines an offline objective — such as store visits, sales, contacts or directions — and Google then changes optimization toward users with immediate local intent across Maps, Waze and Search. The objective remains a human input; AI determines how to pursue it.

Evidence: [1] [3] [19]

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The Signal Quality Problem

AI systems optimize against observable signals. They cannot independently determine what a business actually values unless that value is represented in the data they receive.

Google explicitly distinguishes Primary conversion actions, which are used for bidding when their goal is selected, from Secondary actions, which are generally observation-only. Google also warns that misconfiguration can prevent Smart Bidding from optimizing effectively.

This makes conversion architecture a control layer, not merely a reporting choice.

43%**OBSERVED IN PRACTICE**

In one anonymous regulated financial-services account, AdsWizards observed a 43% performance improvement after the conversion architecture was cleaned up and optimization was centered around one meaningful Primary event. This is an observational case, not a controlled causal experiment.

Define success before automating it.

Platform evidence: [4]

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AI Has a Cold-Start Problem

Automation is strongest when it has useful information. New products often begin with limited conversion history, uncertain positioning, unvalidated audiences, weak first-party data and no stable value benchmark.

Google notes that Smart Bidding models continuously learn and can use query-level data across an account to address data scarcity, but this does not remove the business problem of supplying a meaningful objective and valid market hypothesis.

Across AdsWizards' new-product work, a recurring pattern is that substantial spend can fail to produce sustainable acquisition when audience assumptions, positioning or the initial optimization strategy are wrong. More spend may create more data, but not necessarily more useful information.

The algorithm may not be under-trained. It may be learning from a badly defined problem.

Platform evidence: [5]

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Freedom Is a Stage, Not a Starting Condition

Platform direction increasingly favors broader algorithmic exploration, but the same platforms continue to add controls that let advertisers steer that exploration.

In Performance Max, Google introduced campaign-level negative keywords and other controls explicitly described as ways to "steer AI." AI Max for Search combines broader matching and keywordless technology with URL exclusions, brand and location controls, text guidelines and improved reporting.

AdsWizards interprets this as a conditional operating problem rather than a binary choice between manual and automated management.

ADSWIZARDS OPERATING MODEL

Low signal confidence: Controlled exploration → signal collection → validation.

Increasing signal confidence: Validated signals → broader exploration → automated optimization.

High signal confidence: Automation → scale → continuous downstream feedback.

Expand algorithmic autonomy as signal confidence increases.

Evidence: [6] [7] [8]

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Search Intent Still Matters

Broader matching does not make intent irrelevant. It changes how intent is used. AI Max itself combines expanded matching with controls and reporting designed to keep campaigns relevant to user intent.

In the same anonymous financial-services environment, AdsWizards observed materially better results after low-quality query traffic was removed and commercially relevant intent was prioritized.

The finding is not "broad is bad" or "exact is good." It is that exploration becomes useful when the system can distinguish valuable discovery from noise.

Initial hypothesis → Controlled traffic → Qualified outcomes → Better signal → Expanded exploration

Platform evidence: [7]

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Creative Is Becoming Part of the Matching System

Creative is no longer only a persuasion layer. In automated systems it also provides information about the product, use case, message and likely relevance.

Google describes AI Max as using advertiser inputs including ads and website content alongside richer signals, and its text customization is designed to match creative to intent. Demand Gen guidance groups audiences, bidding/budget, creative and data strength as connected best-practice inputs.

This does not mean that creative alone determines targeting. It means creative increasingly participates in the matching and optimization environment.

Creative variety should represent different hypotheses, not only cosmetic variations.

Evidence: [8] [9] [10]

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Eligibility Is Part of Performance

For policy-sensitive industries, compliance is not downstream administration. It can determine whether demand is accessible at all.

Google's Limited Ad Serving policy states that advertiser qualification can depend on account attributes, user activity and reports, account maturity, policy compliance history, advertiser industry and verification status.

In June 2026, Google announced new Financial Services Verification requirements across 24 additional EEA markets, with rolling enforcement beginning July 23, 2026. Destination requirements also make functionality, crawlability, destination experience and original value part of ad eligibility.

↑ OBSERVED IN PRACTICE

For an anonymous policy-sensitive men's-health product, AdsWizards repeatedly observed sharp increases in Demand Gen delivery after relevant rejection issues were resolved. The observation supports treating eligibility as a practical distribution constraint, while not implying a documented platform-wide causal formula.

Market demand $\neq$ obtainable scale.

Evidence: [11] [12] [13]

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The Business Is Becoming the Unit of Evaluation

Campaigns do not exist in isolation. Platforms document multiple surrounding signals and requirements: advertiser verification, account history, policy compliance, destination quality, conversion data and business context.

Google does not document a universal advertiser "Trust Score," and this paper does not claim that one exists.

AdsWizards uses Trust Architecture as an operational framework for reasoning about the coherence of identity, eligibility, infrastructure, destination, measurement and behavior around a business.

Trust Architecture is an AdsWizards framework — not a claim about a single hidden platform score.

Evidence: [11] [13]

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Discovery Is Moving Upstream Too

The same structural change is visible outside paid advertising. AI-mediated discovery can interpret a question, perform multiple searches, synthesize an answer and select supporting sources before a user visits a website.

Google says AI Overviews and AI Mode may use query fan-out across subtopics and data sources, while identifying supporting web pages. Google also states that there are no special technical requirements for AI features beyond normal Search eligibility: a supporting page must be indexed and eligible to appear with a snippet.

OpenAI describes ChatGPT Search as providing conversational answers with links to relevant web sources, making original web content part of the answer experience.

The underlying problem is machine comprehension, not a new bag of ranking tricks.

Evidence: [14] [15]

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The New Feedback Loop

Measurement is increasingly an input into automated decision-making, not merely a record of what happened.

Google's enhanced conversions for leads and Data Manager are designed to connect first-party and offline data back to Google Ads for more accurate conversion measurement and improved bidding performance. In 2026 Google further unified how user-provided data can be accepted from tags, Data Manager and APIs.

Define → Instrument → Constrain → Teach → Observe → Expand → Feed back → Repeat

Where technically and legally appropriate, the system should learn not only who converted, but which conversions became valuable business outcomes.

Evidence: [16] [17]

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What Changes for Growth Teams

OLD MODEL	AI-ERA MODEL
Manage campaigns	Architect learning systems
Choose targeting	Define outcomes and supply signals
Adjust bids	Set goals, values and constraints
Segment aggressively	Consolidate where evidence supports it
Produce ads	Create meaningful creative hypotheses
Treat policy as compliance	Treat eligibility as market access
Treat analytics as reporting	Treat measurement as machine input
Scale when CPA looks acceptable	Expand autonomy when signal confidence supports it

Reporting tells humans what happened. Measurement increasingly tells machines what to do next.

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A Practical Decision Framework

- 01 Outcome**
What exact business event are we asking the system to maximize?
- 02 Signal**
Does the platform receive enough reliable examples of that event?
- 03 Quality**
Can we distinguish a technically completed conversion from a commercially valuable one?
- 04 Positioning**
Does the market understand the product well enough to generate a repeatable response?
- 05 Exploration**
Is the current search space too narrow — or too broad for the information available?
- 06 Eligibility**
Can the advertiser actually access the inventory and market it is trying to scale into?
- 07 Feedback**
Does downstream business information return to acquisition systems?

If a layer is fundamentally broken, increasing automation is unlikely to repair it. Fix the input first.

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The Core Principle

AI is making execution cheaper. Campaign creation is easier. Creative production is faster. Optimization is increasingly automated. Analysis is more accessible.

This does not eliminate competitive advantage. It relocates it toward teams that can define the right problem, identify the right signals, build reliable measurement, understand the market, design useful constraints, recognize when those constraints should disappear, and connect acquisition decisions to actual business outcomes.

AI can optimize within the environment it is given. It cannot guarantee that the environment makes sense. That remains a human responsibility.

Automation does not remove control. It moves control upstream.

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Evidence Model & Limitations

DOCUMENTED — mechanisms explicitly described by platform documentation or official product/policy materials.

OBSERVED — anonymized patterns or cases seen in AdsWizards work. These are operational observations and should not be interpreted as controlled experiments or universal causal claims.

INFERENCE — conclusions that reasonably follow from documented mechanisms plus observed behavior.

FRAMEWORK — AdsWizards' own operating model for making decisions under automation.

This distinction matters especially for Trust Architecture, cold-start constraints and the timing of algorithmic autonomy. The sources support the underlying mechanisms and controls; the resulting framework is AdsWizards' interpretation.

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**Build the
environment.
Teach the system.
Then scale.**

**Automation does not remove control. It moves control
upstream.**

Growth architecture for complex and policy-sensitive markets.

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