Why Duplicate Google Demand Gen Campaigns Perform Independently

A deep dive into the auction mechanics, machine learning behavior, and optimal campaign structure behind Google's Demand Gen platform — and what it means for how you build and manage campaigns in 2025 and beyond.

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GOOGLE DEMAND GEN | SMART BIDDING | CAMPAIGN STRUCTURE

The Core Question: Do Duplicate Campaigns Compete?

The common assumption is that two identical campaigns targeting the same audiences will cannibalize each other — bidding up CPCs and splitting credit for the same conversions. In practice, the reality is more nuanced, and understanding it starts with how Google handles internal competition.

❌ Common Misconception

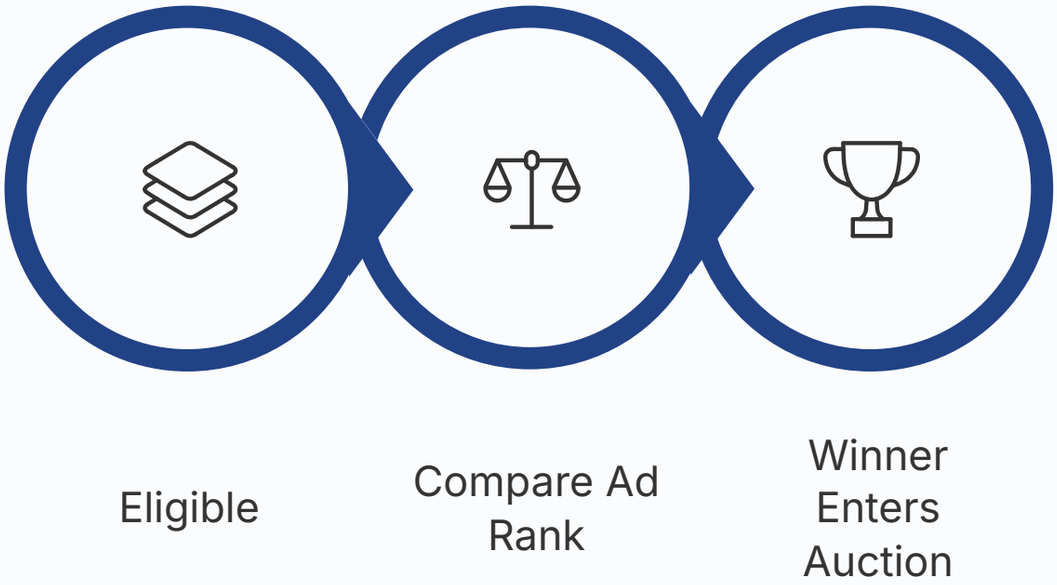
Duplicate campaigns bid against each other in the open auction, inflating your own CPCs and simply splitting the same conversions two ways.

✅ What Actually Happens

Google runs an internal "audition" — only one ad from your account enters the public auction. Each campaign then learns independently, often finding different converting audiences.

The Internal Audition: How Google Prevents Self-Competition

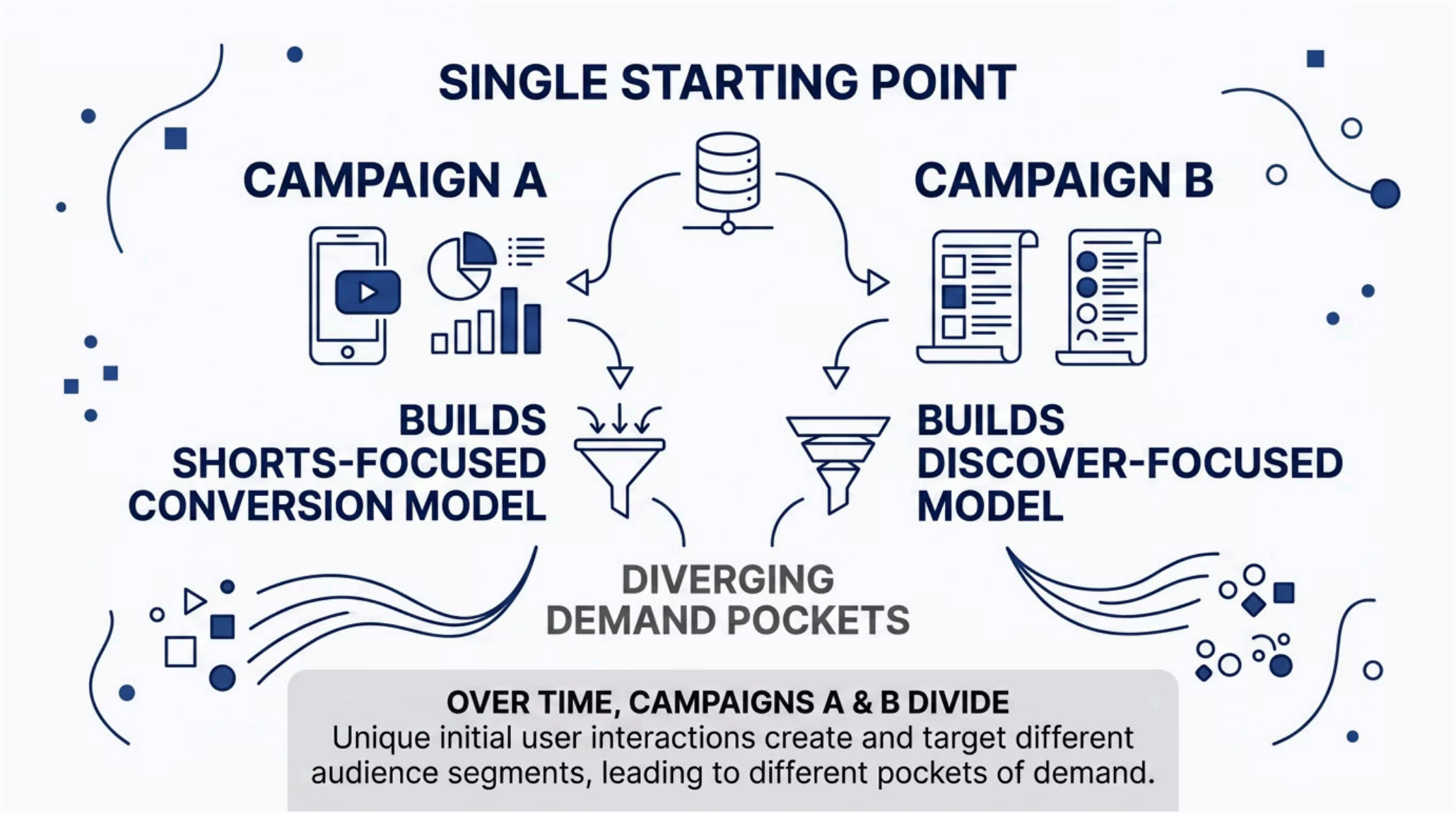
When two campaigns in your account are eligible for the same placement or query, Google does **not** let them compete against each other in the public auction. Instead, it runs a private internal selection process first.



The result: your CPC is never inflated by your own duplicate campaign. The public auction only ever sees one entry from your account — the strongest one by Ad Rank.

Independent Algorithmic Learning: The Real Driver

Even though Google prevents direct self-competition, duplicate campaigns can still generate conversions independently. The mechanism is Smart Bidding's machine learning — specifically, the fact that **each campaign builds its own conversion model from scratch.**



Because the learning phase involves random exploration, two campaigns launched simultaneously will encounter different initial users, different placements, and different creative responses — causing their Bayesian models to diverge even with identical settings.

Three Reasons Learning Paths Diverge

Different Initial Explorations

Campaign A might first find success with YouTube Shorts viewers while Campaign B discovers a high-converting Discover audience. These early signals steer each algorithm in a unique direction.

Divergent Bayesian Models

As each campaign accumulates unique interaction data, the statistical model it builds of a "converting user" becomes increasingly distinct — even from an identical twin campaign.

Finding Different Demand Pockets

The Google ecosystem is vast. Two campaigns can simultaneously surface converting users in non-overlapping segments of the addressable audience simply by following their divergent optimization paths.

The Hidden Cost: Data Fragmentation

While duplicate campaigns *can* generate independent conversions, running them long-term is generally **not recommended**. The primary culprit is data fragmentation — the silent performance killer in any Smart Bidding setup.

Why Data Volume Matters

Smart Bidding algorithms need roughly **50 conversions per campaign** to exit the learning phase and bid efficiently. Splitting budget across duplicates means neither campaign reaches this threshold quickly.

The Fragmentation Penalty

- Slower exit from the learning phase
- Less data per algorithm = noisier bidding decisions
- Indirect CPA inflation despite no direct self-competition
- Higher operational complexity with no structural benefit

The 2025–2026 Best Practice: Consolidation

The prevailing expert consensus is clear: **consolidation at the campaign level is the highest-leverage structural decision you can make** for Demand Gen. One campaign, well-funded, outperforms fragmented setups in almost every scenario.

50

Conversions to Exit Learning

Minimum conversions a campaign needs before Smart Bidding bids with full confidence.

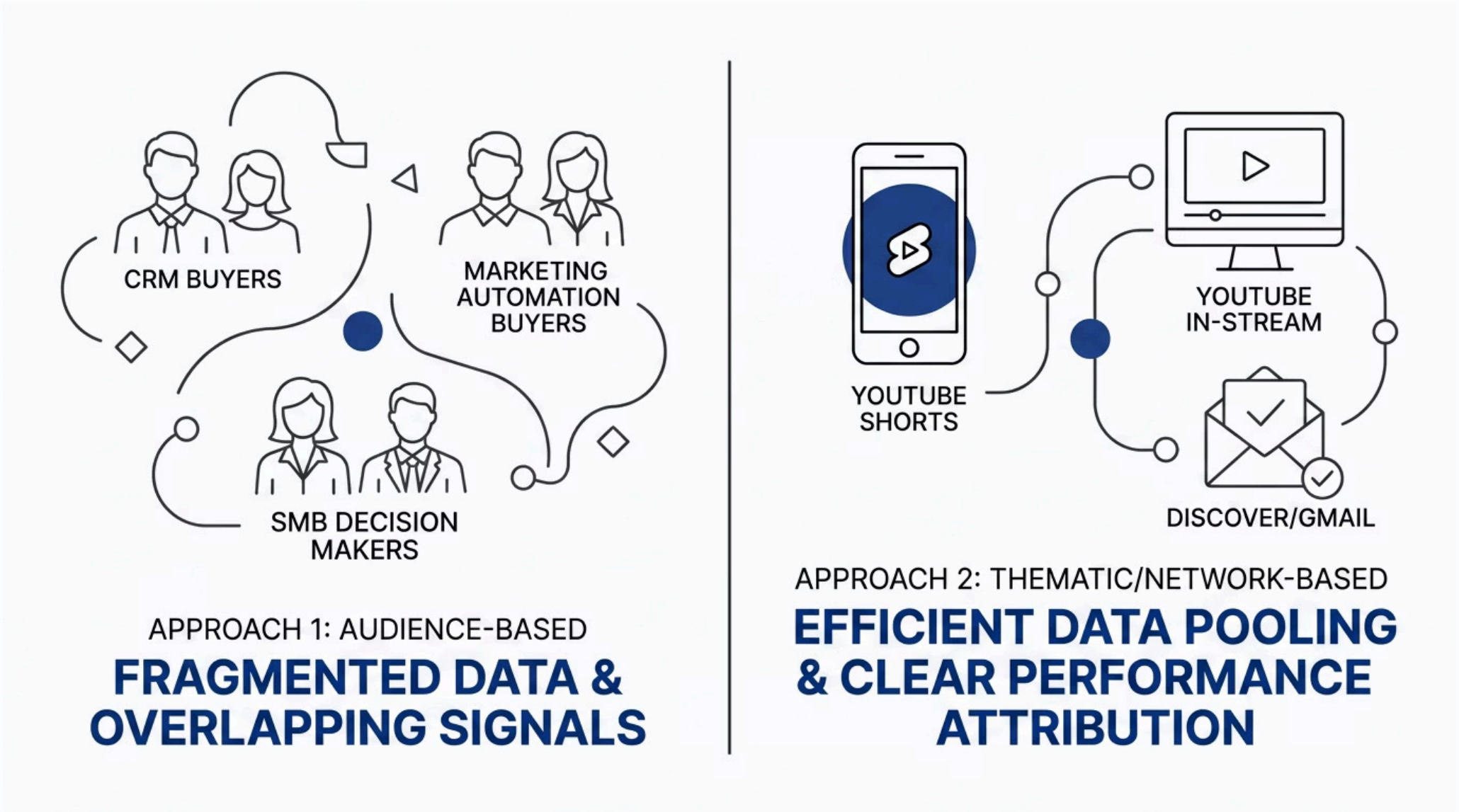
40%+

Conversion Uplift

Reported improvement in conversions from consolidated structures vs. fragmented setups (ALM Corp, 2026).

Ad Group Structure: Audience vs. Creative Theme

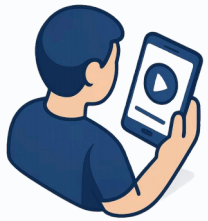
Once you've consolidated at the campaign level, the next decision is how to structure your ad groups. The debate typically comes down to organizing by audience segment or by creative theme — and increasingly, the evidence favors the latter.



Industry experts increasingly recommend **thematic or network-based segmentation** at the ad group level, reserving audience distinctions only when the audiences are meaningfully different in intent or value.

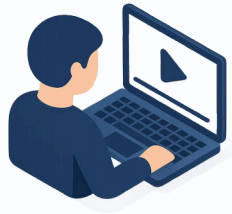
Network Segmentation: The Most Actionable Approach

Breaking ad groups out by placement network is one of the highest-impact structural choices available in Demand Gen. Each network has distinct user behavior, creative requirements, and performance patterns.



YouTube Shorts

Requires vertical video assets. Users are in a fast-scroll, entertainment mindset. Prioritize hook-first creative with captions and high motion in the first 3 seconds.



YouTube In-Stream

Supports longer storytelling formats. Users have higher intent signals. Effective for consideration-stage messaging and product demonstrations.

Discover & Gmail

Image-forward placements. High-quality static landscape and square images perform best. Users are in a browse and discovery mindset, receptive to relevant offers.

How to Handle Similar Audiences

One of the most common structural mistakes in Demand Gen is over-segmenting audiences that are similar in intent. Because audiences in Demand Gen function as **signals, not strict gates**, hyper-segmentation starves each ad group of the data it needs.

The Signals vs. Strict Targeting Distinction

Unlike Search keywords, Demand Gen audiences tell the algorithm *where to start looking* — not who it can or cannot reach. Optimized Targeting will expand beyond your defined audience if it finds better-converting users. This means the algorithm benefits far more from data volume within a combined ad group than from perfect audience isolation in separate ad groups.

> ⓘ Combine "People interested in CRM software" and "People interested in Marketing Automation" into one ad group. The algorithm will find the highest-value users across both signals simultaneously.

The Consolidation Payoff

- More conversion data per ad group
- Faster exit from learning phase
- Better-informed bidding decisions
- Optimized Targeting works more effectively
- Fewer campaigns to manage and monitor

The Ideal Demand Gen Campaign Architecture

01

One Consolidated Campaign

Pools budget and conversion data for maximum algorithmic efficiency. Meets the $100/day minimum and 50-conversion learning threshold faster.

02

Ad Groups by Network or Creative Theme

Enables tailored creative assets per format and clear performance attribution by placement type.

03

Combined Audience Signals

Merge similar audiences within ad groups. Let Optimized Targeting expand reach from that combined signal base.

04

Maximize Asset Diversity

Supply landscape, square, portrait images, and video in every ad group. More permutations = more testing surface for the AI.

References

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5. **Define Digital Academy.** "How to Set Up a High-Performing Google Demand Gen Campaign in 2025"
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