

# Google's robust Q2 earnings buoyed by significant growth in advertising revenues across search and YouTube

Article

**By the numbers:** Google parent **Alphabet** achieved strong results, according to its Q2 earnings.

- Total revenues: \$84.7 billion (14% YoY increase)
- Advertising revenues: \$64.6 billion (11.2% YoY increase)
- Google search revenues: \$48.5 billion (13.8% YoY increase)
- YouTube ad revenues: \$8.7 billion (13% YoY increase)
- Net income: \$23.6 billion (28.3% YoY increase)
- Operating income: \$27.4 billion (25.7% YoY increase)
- Diluted EPS: \$1.89 (31.3% YoY increase)

**Why it matters:** Google is No. 1 in its market, and it shows no signs of slowing down.

- Strong advertising revenue growth, fueled by **Google Search** and **YouTube**, underscores the relevance of its core advertising units as businesses shift their marketing budgets toward online platforms.
- The 14% YoY revenue increase demonstrates the efficacy of Alphabet's innovations and strategic focus on **high-growth areas like AI and video content**.

**In context:** The double-digit-percentage spike in advertising revenues aligns with broader industry trends as digital ad spending outpaces traditional media.

- YouTube's ad revenue growth reflects the platform's value to advertisers trying to engage audiences through video content. This performance jibes with the overall rise in digital video consumption and streaming services.
- CEO **Sundar Pichai** said that search AI Overviews, despite significant early hiccups, are improving user engagement and satisfaction. Ads appearing either above or below those overviews, meanwhile, provide valuable options for users to take action and connect with businesses.

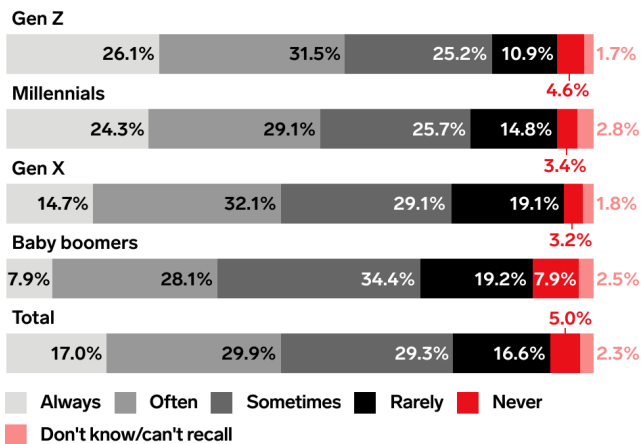
**Our take:** Alphabet's impressive Q2 2024 results show its resilience and agility in a shifting market landscape. But it's clear the company needs to justify its immense investments in AI.

- On its earnings call, chief business officer Philipp Schindler touted how using AI across the marketing funnel has improved ads through streamlined workflows, creative asset production, and more engaging consumer experiences. New AI-powered features such as virtual try-ons and profit optimization tools, Schindler noted, have shown significant performance improvements.
- The company's relentless focus on innovation and operational efficiency promises ongoing growth and a strong competitive standing.

Not mentioned during the earnings call, however, was Google's pivot from phasing out third-party cookies to offering an opt-in model, in a dramatic reshaping of its Privacy Sandbox strategy. That could reduce risk to Google while also satisfying consumers—many of whom always or often accept cookies when given the choice, according to a recent EMARKETER study.

**US Consumers Who Accept Cookies When Given the Choice, by Generation, May 2024**

% of respondents



Note: n=1,378 ages 15-77; Gen Z are ages 15-26, millennials are ages 27-42, Gen X are ages 43-58, and baby boomers are ages 59-77; numbers may not add up to 100% due to rounding  
 Source: EMARKETER Survey, "US Consumer Attitudes on Advertising and Privacy," July 2024

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