

# Rethinking Readiness

September 2020



# What's inside



Executive Summary



The Context



Rethinking Readiness  
for What Comes Next



Vertical Deep Dive



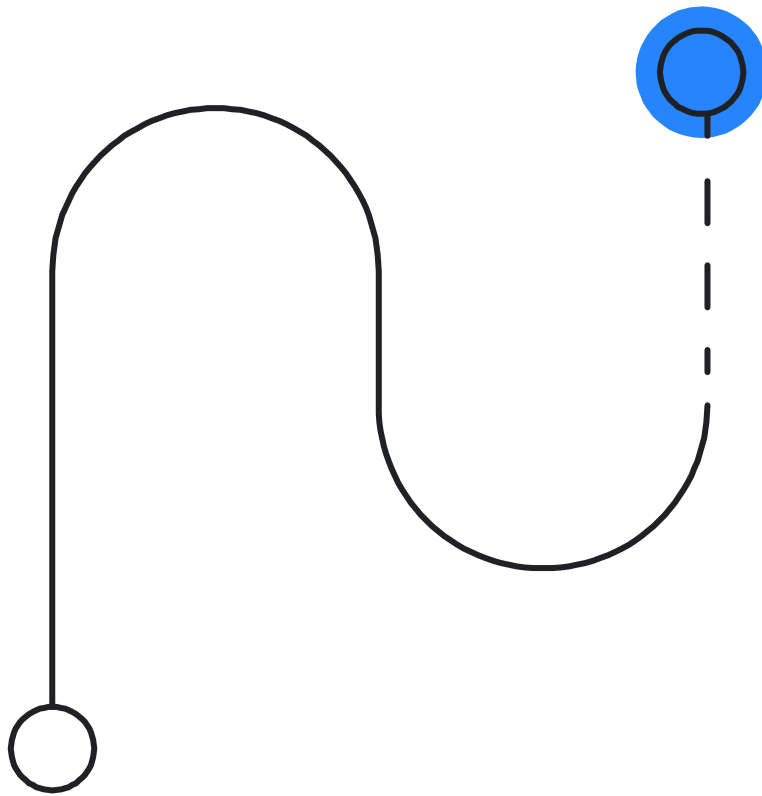
Implications + Conclusion





# Executive Summary

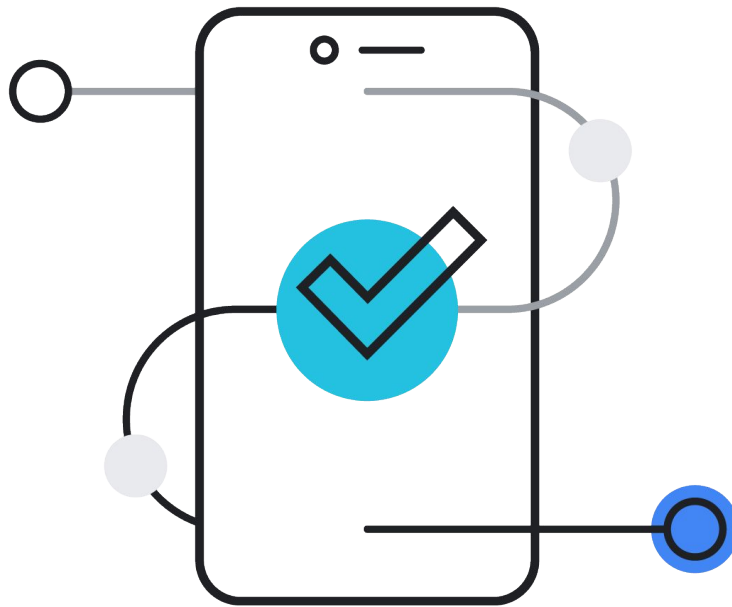




## Rethinking Readiness for the Pace of Change:

In 2020, we've seen the acceleration of trends that were already underway before the onset of this year's health and economic crises. Specifically, the pace of digital adoption quickened, straining the ways that companies have traditionally developed product, channel, and demand strategies to meet evolving consumer needs. While today's market may be unusually volatile and dynamic, we nevertheless expect that these trends will continue to build long after the current crises subside.





## Rethinking Readiness Through Digital Transformation:

To keep pace when unrelenting change is the new normal—and to be ready for what comes next—businesses need to invest in digital transformation. That means adopting a holistic, data-driven approach to product, channel, and demand strategy, and leveraging automation to act on consumer signals in real time and at scale. The combination of speed, insights, and scale that automation provides can help companies identify and satisfy consumer needs in a dynamic market, while also contributing to short-term growth and long-term resiliency.



# Rethinking Readiness to Deliver What Matters.

For advertisers, digital transformation means effectively delivering on what really matters to your customers:

- Keeping pace with massive shifts, like linear viewership giving way to digital streaming.
- Breaking down silos between brand and performance, video, and digital.
- Meaningfully engaging people across their increasingly complex online journeys.
- Leveraging a richer level of pattern detection to create more meaningful advertising experiences and drive business growth.





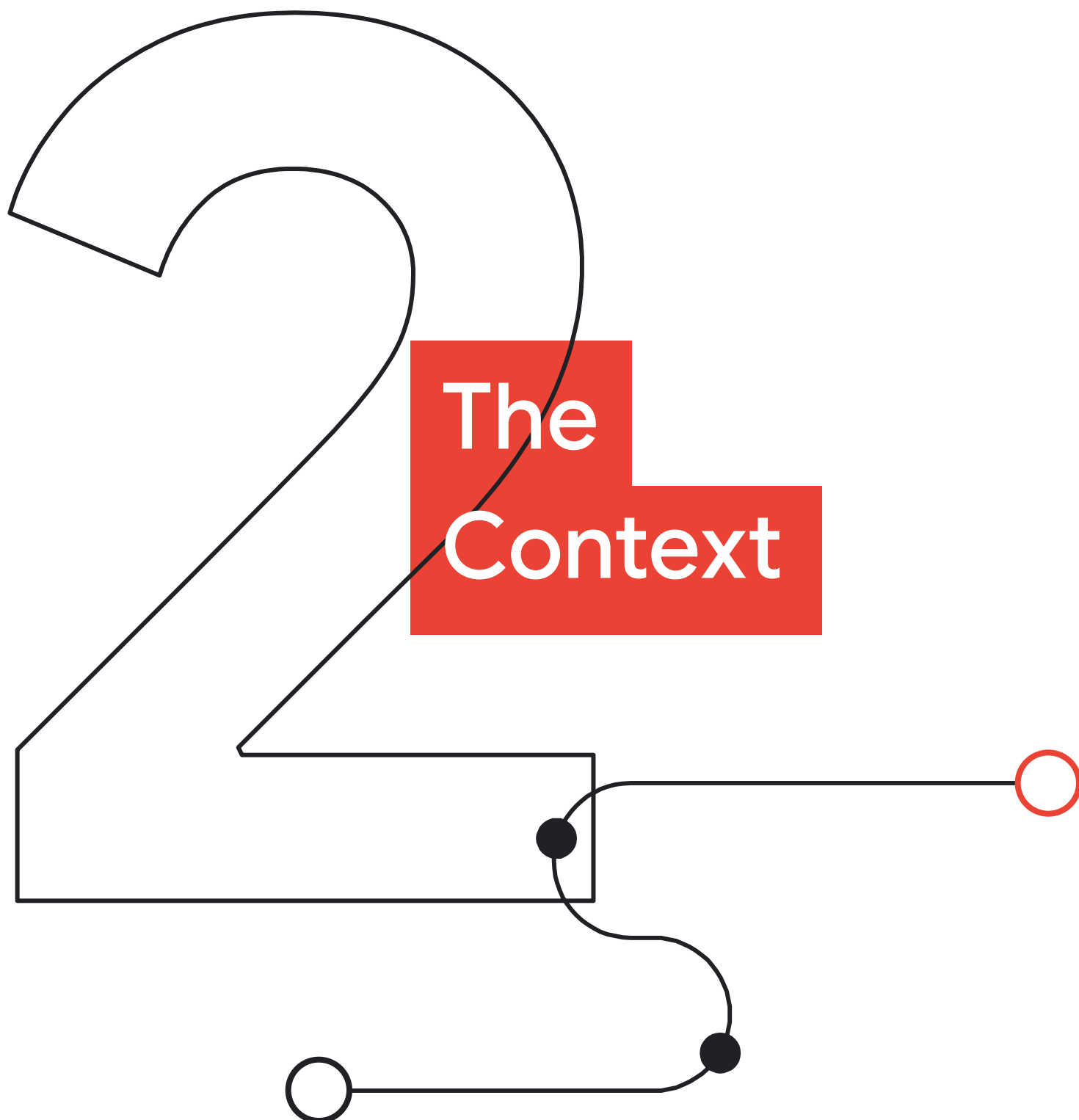


## **Rethinking Readiness by Respecting Consumer Privacy.**

To be ready for what comes next, companies must make privacy a critical area of investment.

It's imperative to build for a world where consumers are more aware of and focused on how companies use their online data. And innovations—like federated learning, privacy-preserving APIs, and advanced contextual targeting—are all designed to provide advertising experiences that are both richer and more respectful of user privacy.





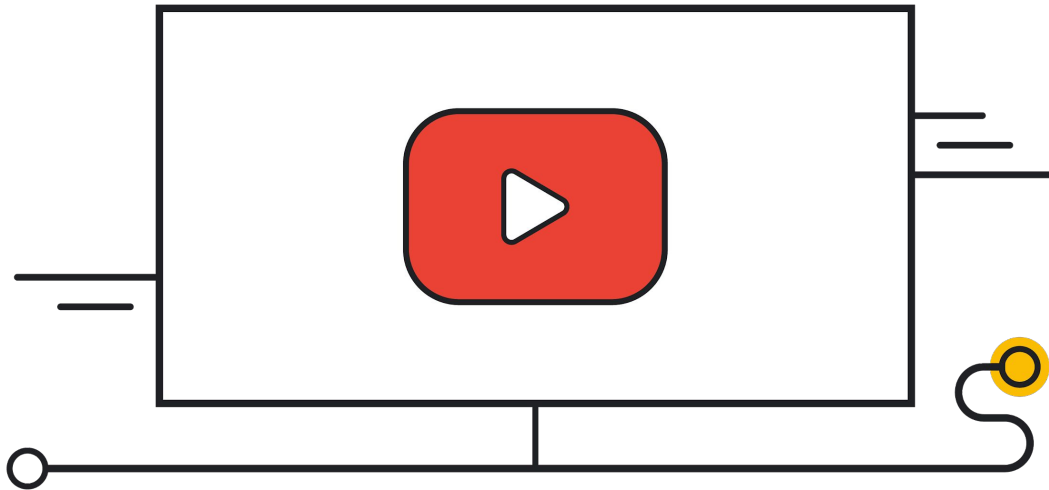




## **10 years** **in fewer than 10 months.**

COVID-19 upended the global economy, but many of the changes it surfaced are not new. Instead, trends that were already in evidence before 2020 accelerated. Digital adoption by consumers—the shift from linear TV to streaming, the embrace of collaboration tools for work and education, the growing importance of e-commerce, and time spent generally on screens, among other tendencies—is on the rise. The current health and economic crises only hastened the pace of change.





## Example 1. Streaming.

Since the onset of the pandemic earlier this year, digital video has become more helpful and relevant to users than ever. Searches for “shows to watch” have grown globally by over 100% year over year.<sup>1</sup> And on YouTube, 85% of users say they use the platform more during the pandemic,<sup>2</sup> while watch time for YouTube and YouTube TV viewed on TV screens grew 80% year over year in the U.S.<sup>3</sup>

**The takeaway:** Rethink your plan to reach customers where they are.

<sup>1</sup> Google Data, Global English, April 15, 2020–June 13, 2020 vs. April 15, 2019–June 13, 2019.

<sup>2</sup> [ARI Bespoke Research: whyVideo](#)

<sup>3</sup> YouTube Internal Data, U.S., March 2020 vs. March 2019.





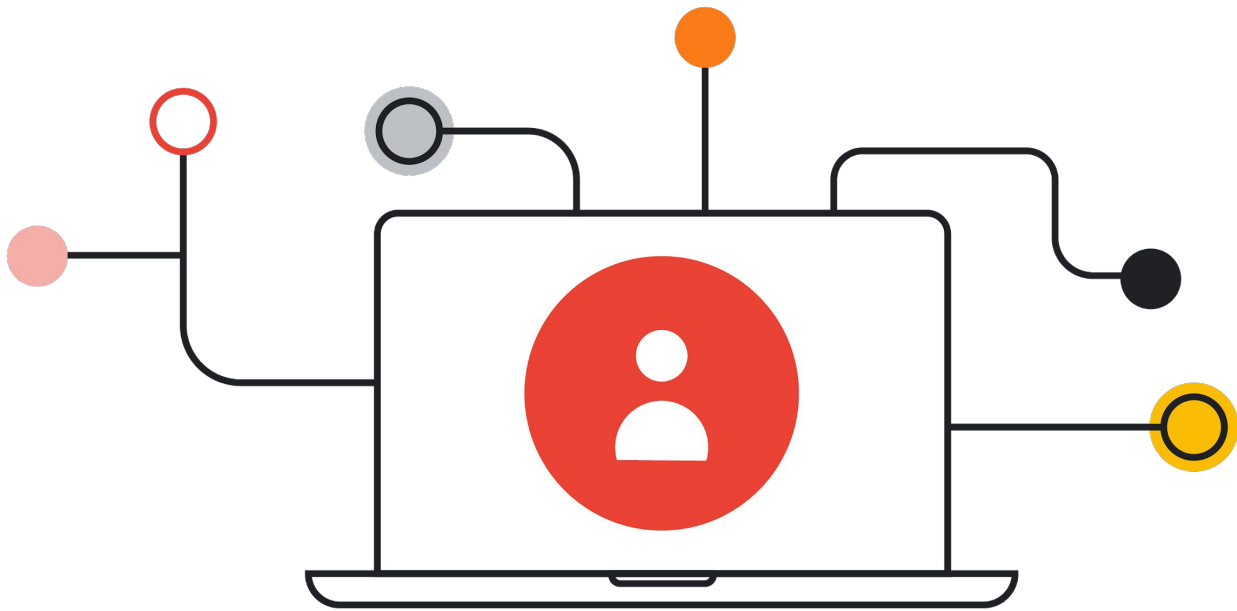
## Example 2. E-commerce.

E-commerce as a portion of all U.S. retail has been on the rise for over 15 years. In the U.S., e-commerce penetration grew more in the first few months of the pandemic than it has over the past 10 years, soaring from 16% to almost 30%.<sup>4</sup>

**The takeaway:** Don't expect e-commerce growth to revert to pre-2020 norms.

<sup>4</sup> Bank of America, U.S. Department of Commerce, ShawSpring Research, 2020.





## Example 3. Collaboration.

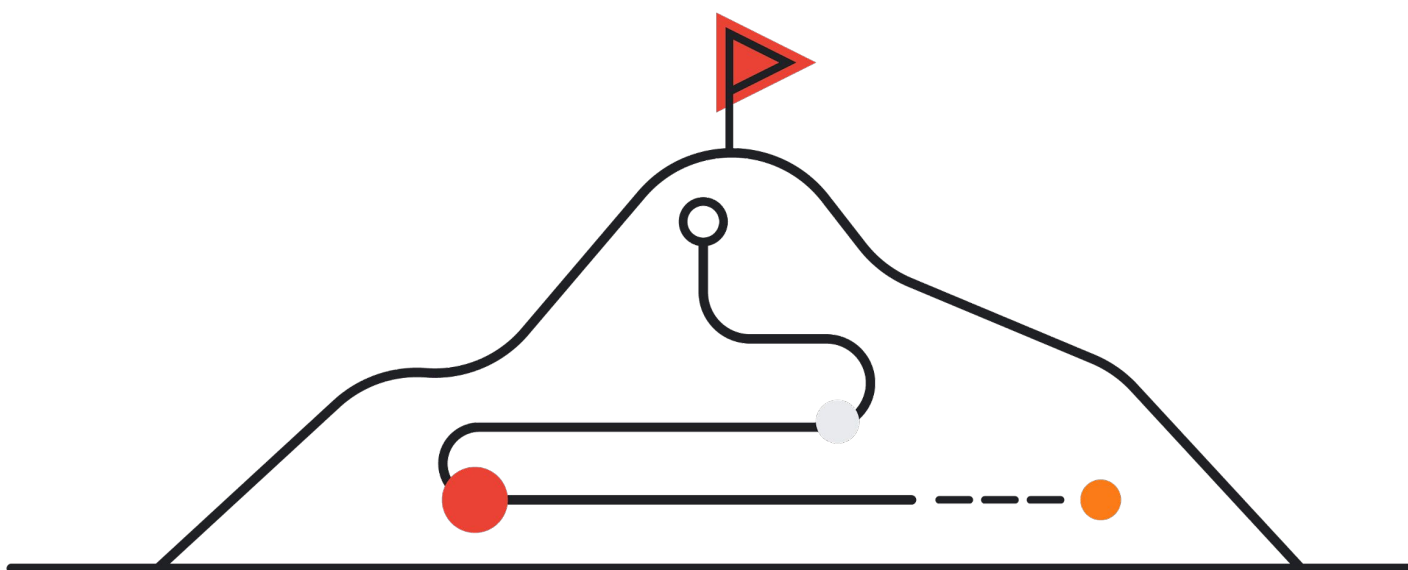
The sudden surge in remote work caused businesses large and small to change their approach to bringing teams and people together to work.

We've seen this behavior reflected in search behavior, where:

- Searches for “online learning” have grown globally by over 400% YoY.
- Searches for “website builder” have grown globally by over 30% YoY.

**The takeaway:** Digital will be the key for workplace sharing of everything, from notes to work sessions to whiteboarding.

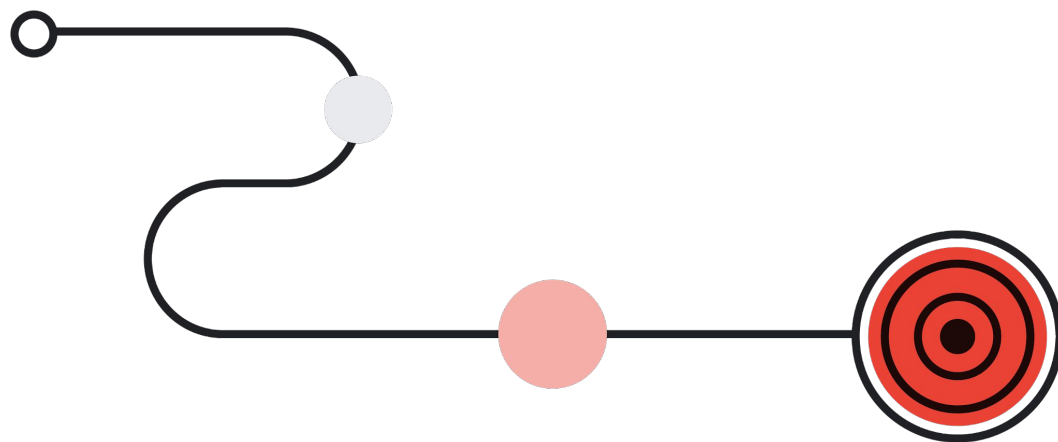




## The Challenge.

For businesses of all sizes, these changes demand a reconsideration of product, channel, and demand strategies. How do you make sure shoppers can discover your business or brand? What do you do when you have no physical stores? How do you respond when most theaters and restaurants are closed? Or if your supply chains are disrupted? When consumer needs change daily—even hourly—in response to new conditions, how do you reinvent your business?





## The Opportunity.

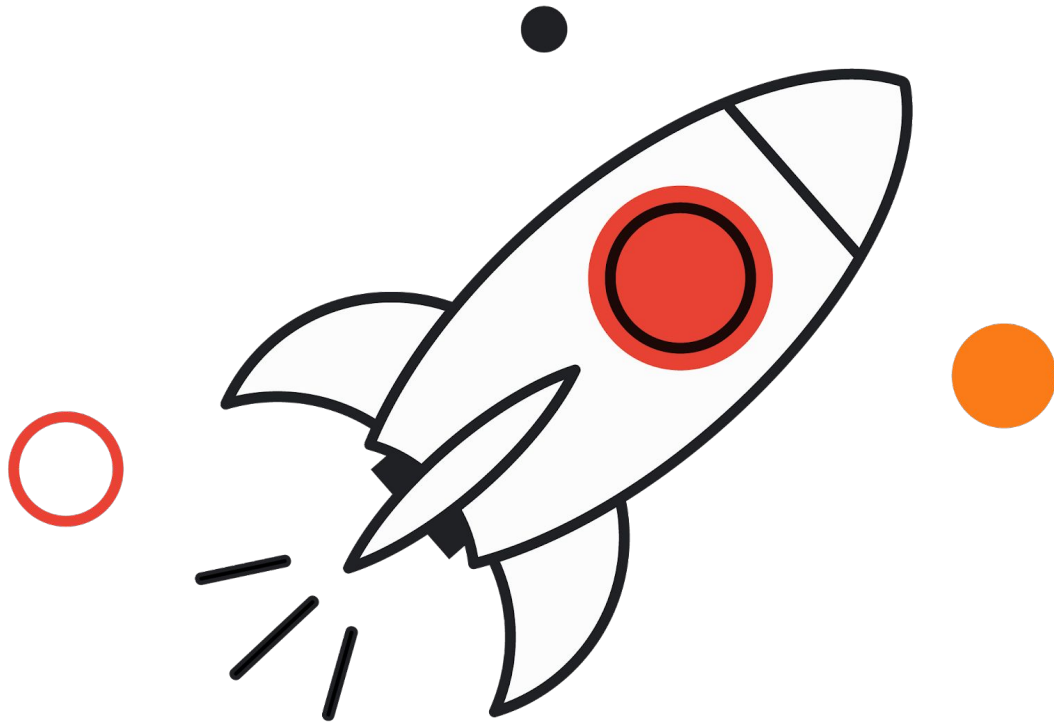
Companies that embraced digital transformation were well-poised to meet this moment with an agile response to dynamic consumer needs.

Our data shows that 32% of people in the U.S. (and between 21% and 60% globally) have shopped with a new retailer since the onset of COVID-19.<sup>5</sup>

And many other businesses have also adapted their product, channel, and demand strategies quickly—from automakers enabling virtual research, test drives, and digital purchases to the use of augmented reality, digital payments, and contactless delivery to support e-commerce. Companies have found new opportunities for short-term growth and long-term resilience.

<sup>5</sup> Google-commissioned Ipsos COVID-19 tracker, AU, BR, CA, CN, FR, DE, IN, IT, JP, KR, MX, RU, ZA, ES, U.K., U.S., n=1000 online consumers 18+ per market. Aug. 13, 2020–Aug. 16, 2020.



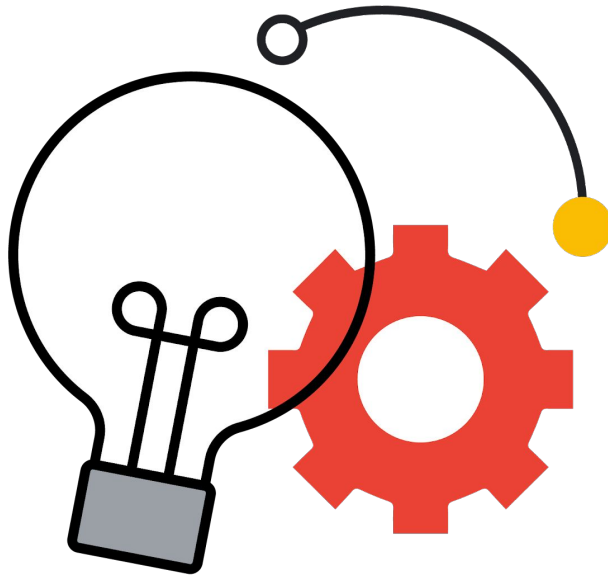


## **Example 1.**

# **Reprioritizing product strategy.**

More than any other industry, the travel vertical has been compelled to reinvent its growth model. A major U.S. airline used aggregate Google flight-demand data to identify routes with low clickshare and high search demand, and used these signals, in combination with first party data, to prioritize the reopening of some routes over others.



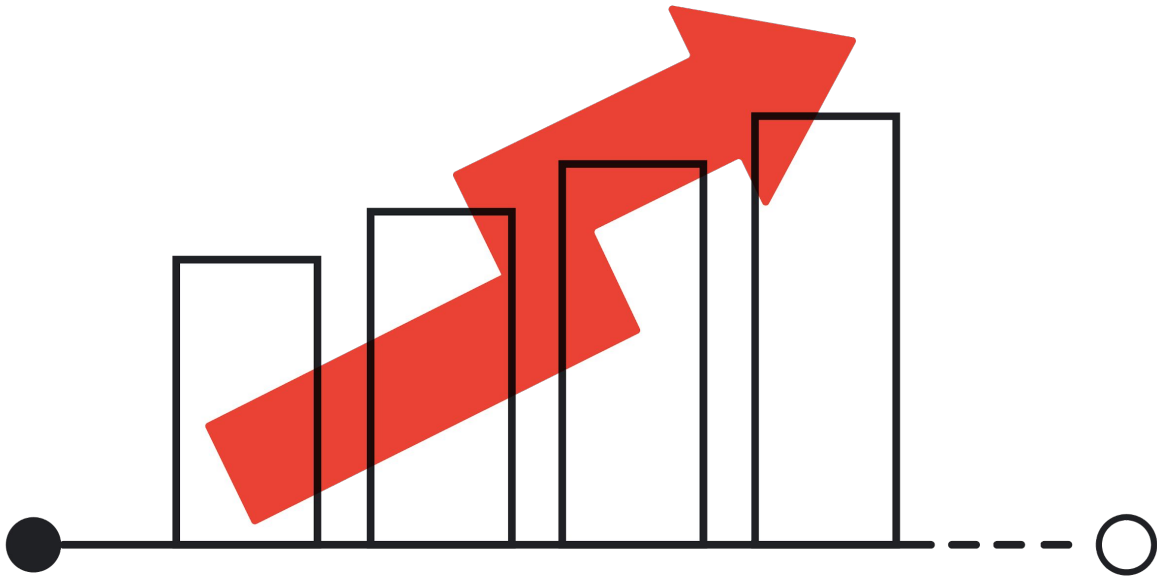


## Example 2.

# Reinventing channel strategy.

With the entertainment industry in flux during this pandemic, traditional distribution strategies no longer apply. Should studios release a film directly to streaming or release it in theaters where demand exists? Or both? Google helped a major film studio analyze search interest for a new film at the zip-code level to determine whether and where demand existed for a theatrical release. A similar approach can, and is, being used to optimize retail and QSR distribution and marketing strategies.



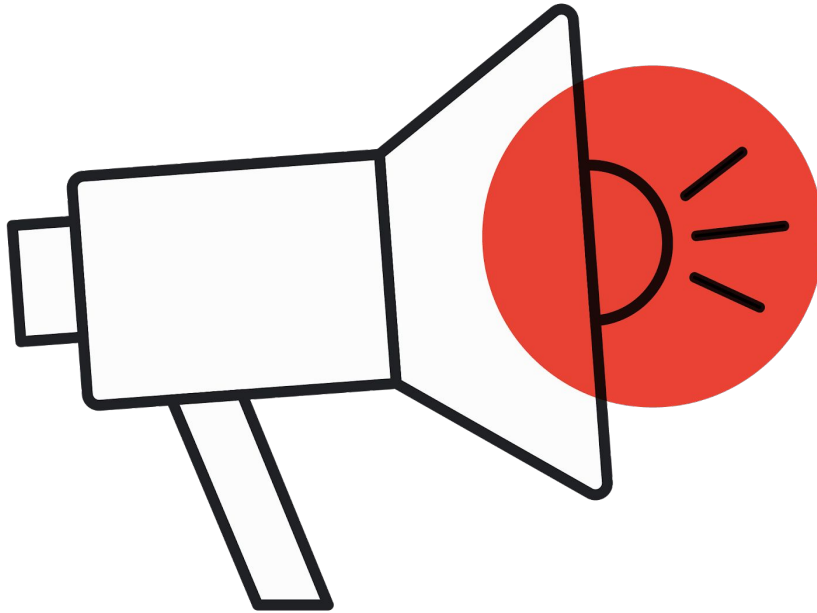


## Example 3.

### Satisfying dynamic demand.

With consumers accelerating the shift from offline to online transactions, CPG brands faced an urgent need to expand their retail and digital partnerships to develop a compelling online presence and offering. In a program piloted in Italy, Google used signals and data to help brand advertisers drive and measure lower funnel performances and shift some offline trade activities and budgets to digital.

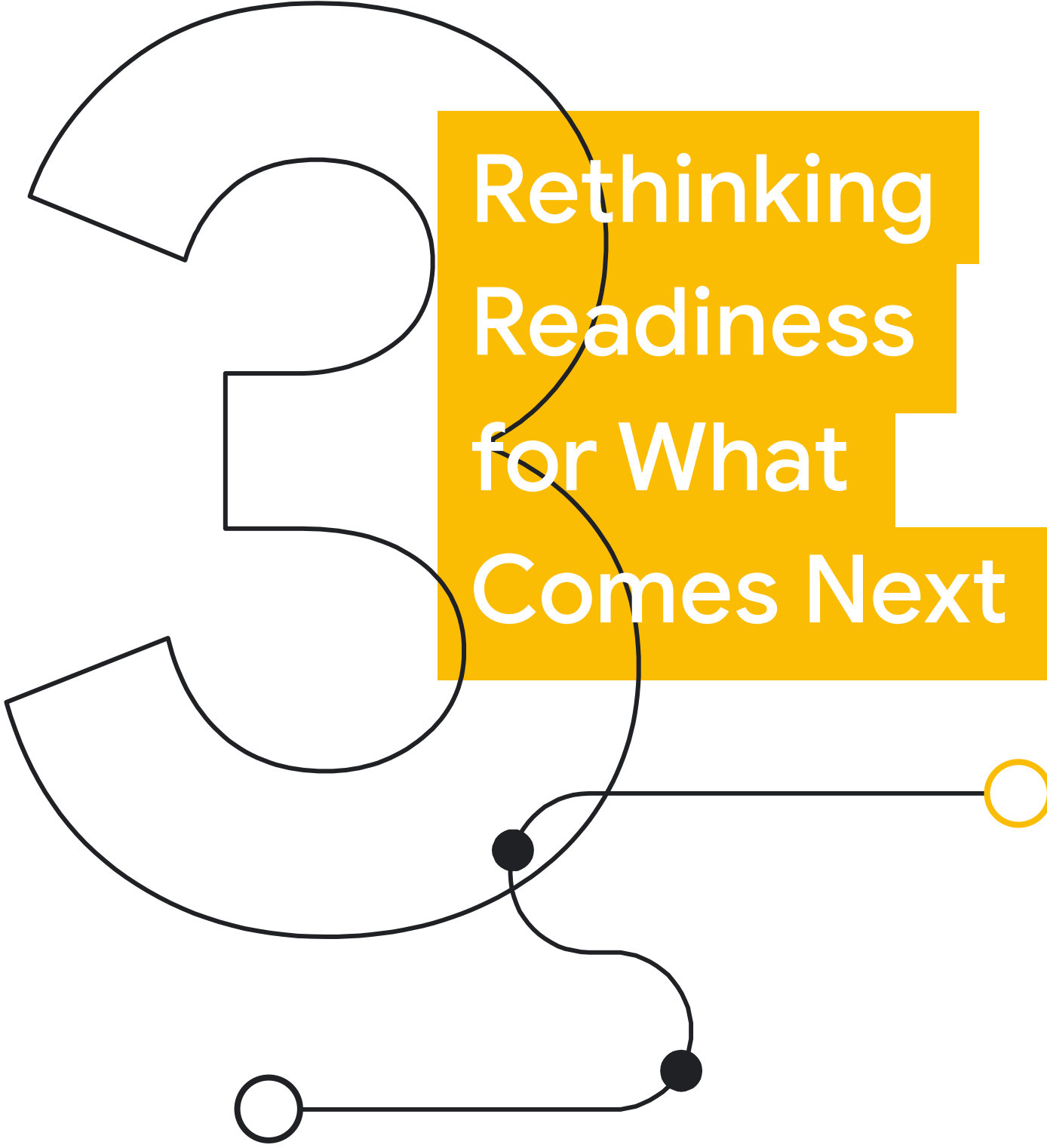




## The Moment **Is Now.**

As challenging as this moment is, it also offers companies an opportunity to rethink their product, channel, and demand strategies in ways that might have encountered institutional resistance in calmer times. Even more, it presents an opportunity to strengthen capabilities that build permanent muscles for your brand's resilience. There will always be another recession, a surprising market change, or a disruptive new innovation. Brands that learn to thrive amid volatility can adjust their marketing strategy for the short term *and* build more effective long-term business decisions by observing demand patterns over time.



A large, thin black outline of the number '3' is positioned on the left side of the slide. Overlapping the right side of the '3' is a solid yellow square. Inside this square, the text 'Rethinking Readiness for What Comes Next' is written in white, sans-serif font, arranged in four lines. Below the yellow square, a thin black line extends horizontally to the right, ending in a small yellow circle. From the bottom of the '3', a line curves down and to the left, ending in a small black circle. Another line extends horizontally to the left from this black circle, ending in a small white circle with a black outline.

# Rethinking Readiness for What Comes Next



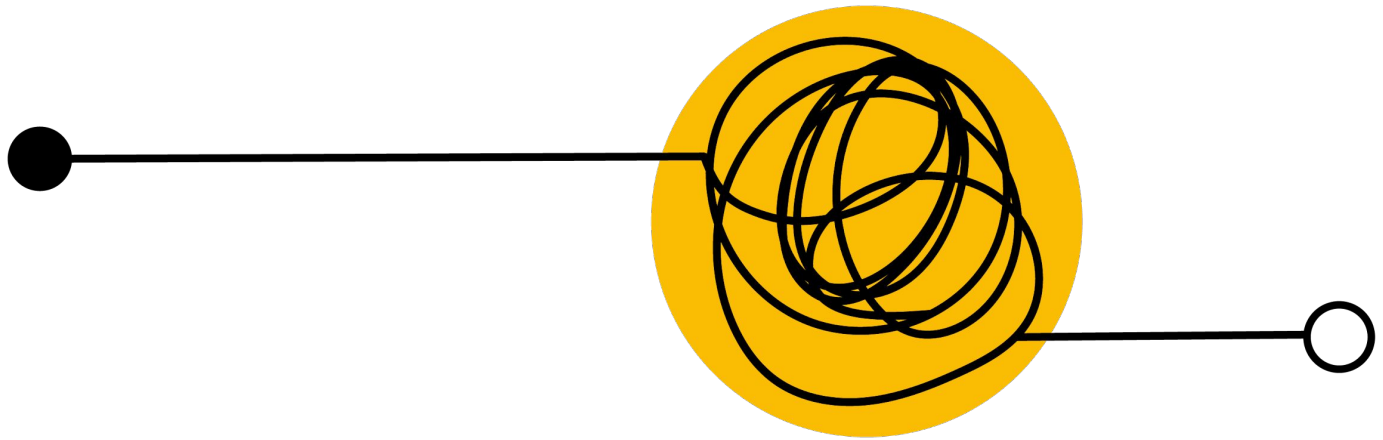


## The Complicated Consumer Journey.

Core to these challenges and opportunities is the changing nature of how people find and get what they need.

Well before COVID-19, consumer journeys were already growing more complex, with touchpoints multiplying across days or weeks and an increasingly fluid relationship between online discovery and offline action. COVID-19 catalyzed consumers' digital adoption, upending traditional ways of discovering and purchasing goods and services, and disrupting supply chains and delivery channels. These shifts have undermined a core strength that marketers have strained to preserve in recent years: their intuitive connection to consumers.





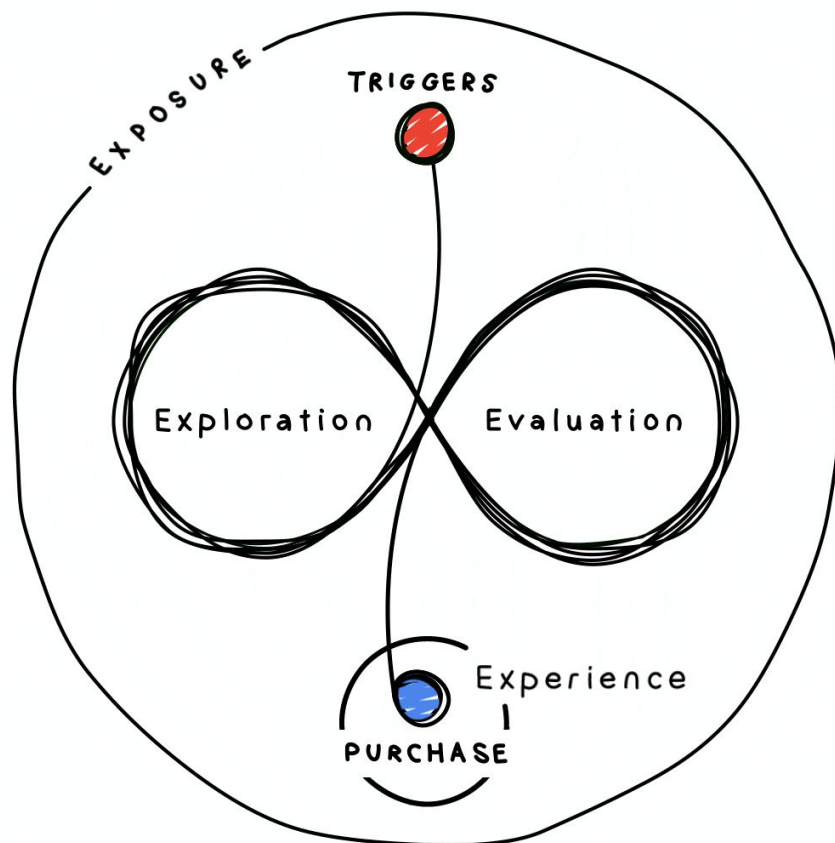
## The Path From Discovery to Action.

In a research study called “Decoding Decisions,” we observed hundreds of hours of shopping behavior, and conducted shopping simulations with thousands of consumers in eight markets (AU, BR, DE, FR, IN, JP, U.K., U.S.), covering more than 30 categories in total. We found that between trigger and purchase/action, people go through multiple stages of looking for information about a category’s brands and products, and weighing all of their options. This equates to two different mental modes: exploration (an expansive activity) and evaluation (a reductive activity). People loop through these twin modes of exploration and evaluation, repeating the cycle as many times as they need to make a purchase decision.



We call this the “messy middle,” a space of abundant information and unlimited choice that shoppers manage using a range of cognitive shortcuts. Successfully learning how to navigate the switchbacks, hairpin bends, and dead ends of the messy middle will be as crucial to future marketing success as any investment in technology or platforms.

So how can brands navigate complex journeys, cut through the noise, and be genuinely helpful to consumers?





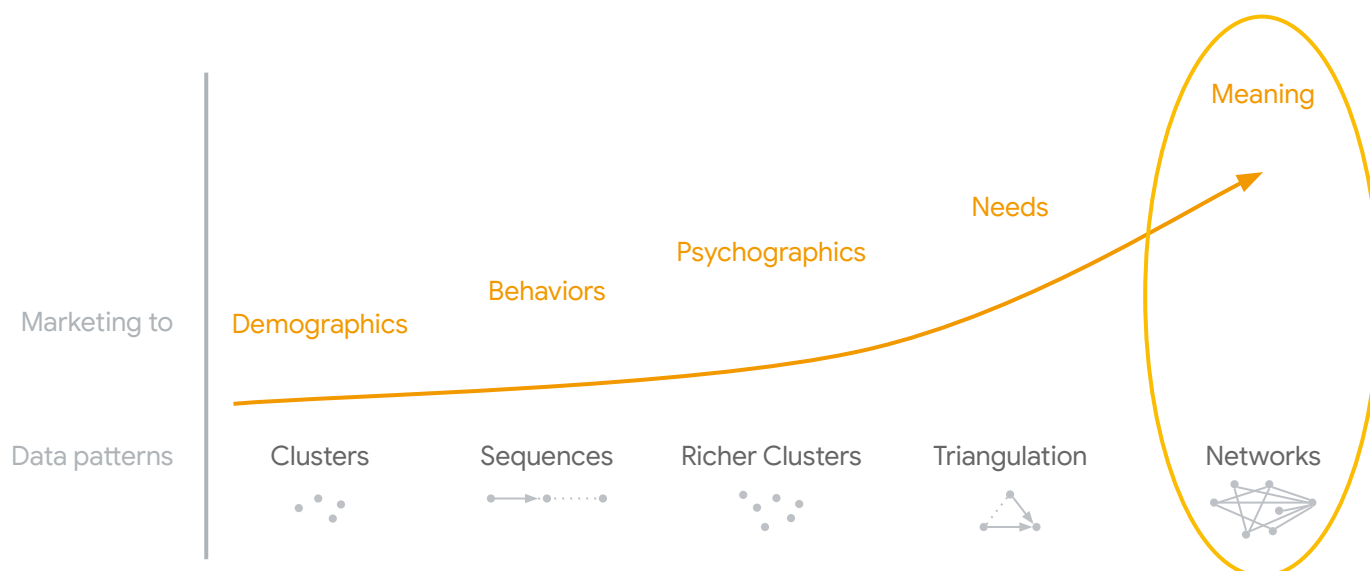
# The Limitations of Ads Personalization.

Marketers can make inferences about a consumer's purchase intent from an isolated touchpoint occurring in a single moment. But to build a meaningful and helpful relationship requires something greater.

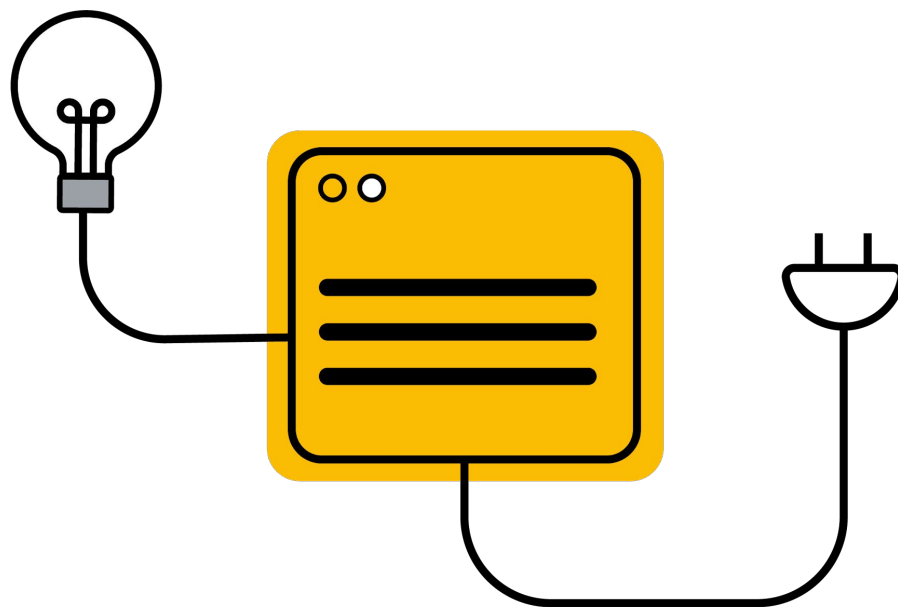
Consumers are people after all, with deeply textured motivations, aspirations, and needs. They're also savvy and can read gimmicky, insincere personalization. If marketers reach people based solely on isolated touchpoints or obvious connections, we can miss out what data-driven marketing can actually do to make consumers' lives better.

That's what's possible today. It's possible to go beyond isolated touchpoints, even beyond explicit needs, to deliver something meaningful in someone's life.

## The future of marketing







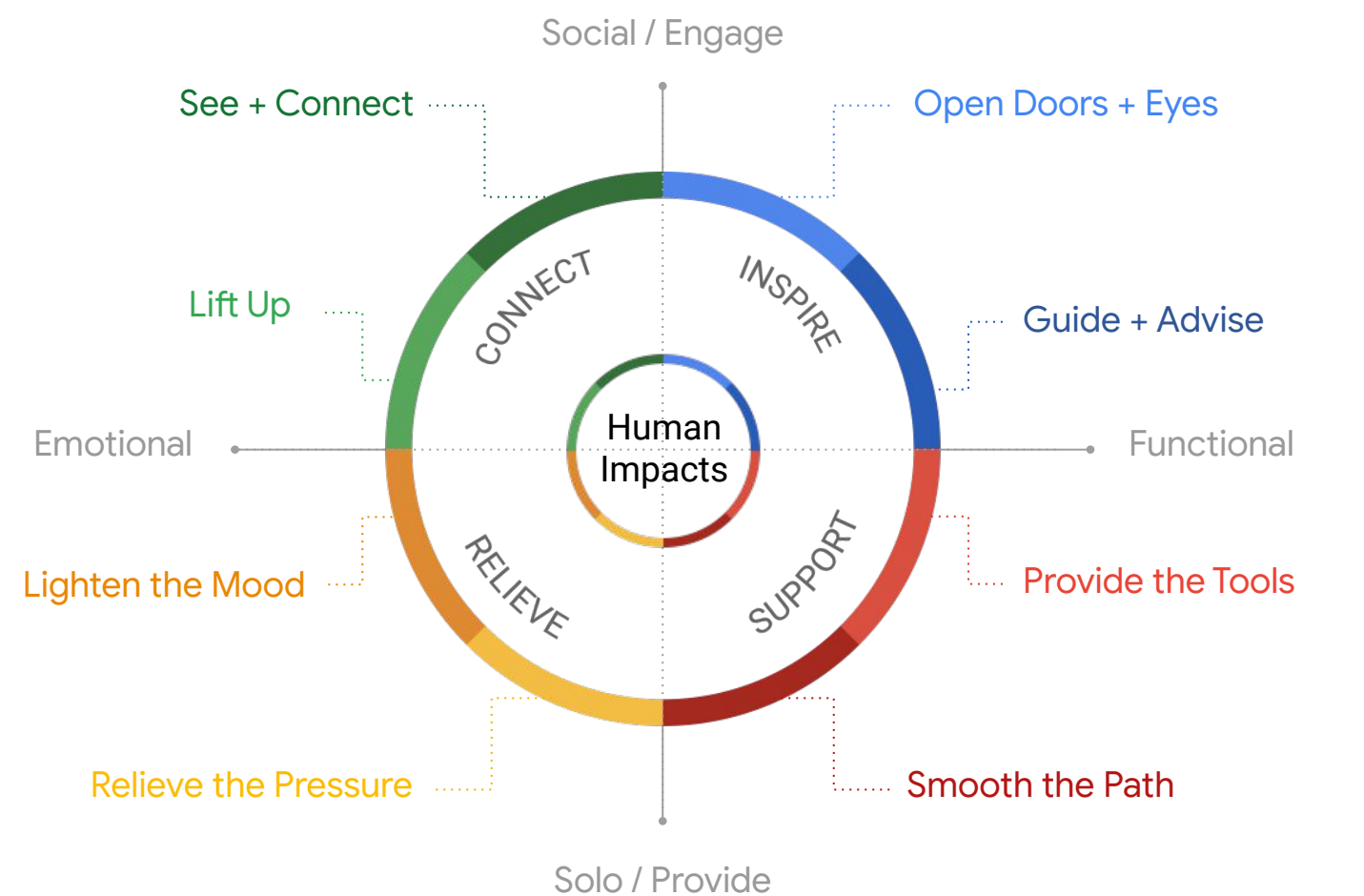
## Meaning, Not Transaction.

The future of data-driven marketing is to go beyond transactions for goods and services to also deliver **meaning**. To test this hypothesis, we conducted a series of surveys and interviews with opt-in panelists in a new research program, *Rethinking Readiness*: **1)** to define deep consumer needs and understand what people expect of brands today, **2)** to identify when and where there are opportunities in the consumer journey to deliver meaning, **3)** to compare what consumers say drives their behavior versus their deeper motivations, and **4)** to test how consumers react when brands deliver more meaningful messages through ads.



We found eight universal needs people believe brands can deliver and can deliver through ads alone. We validated this through a touchpoint analysis of previous purchases, and some brands are already delivering on these needs now.

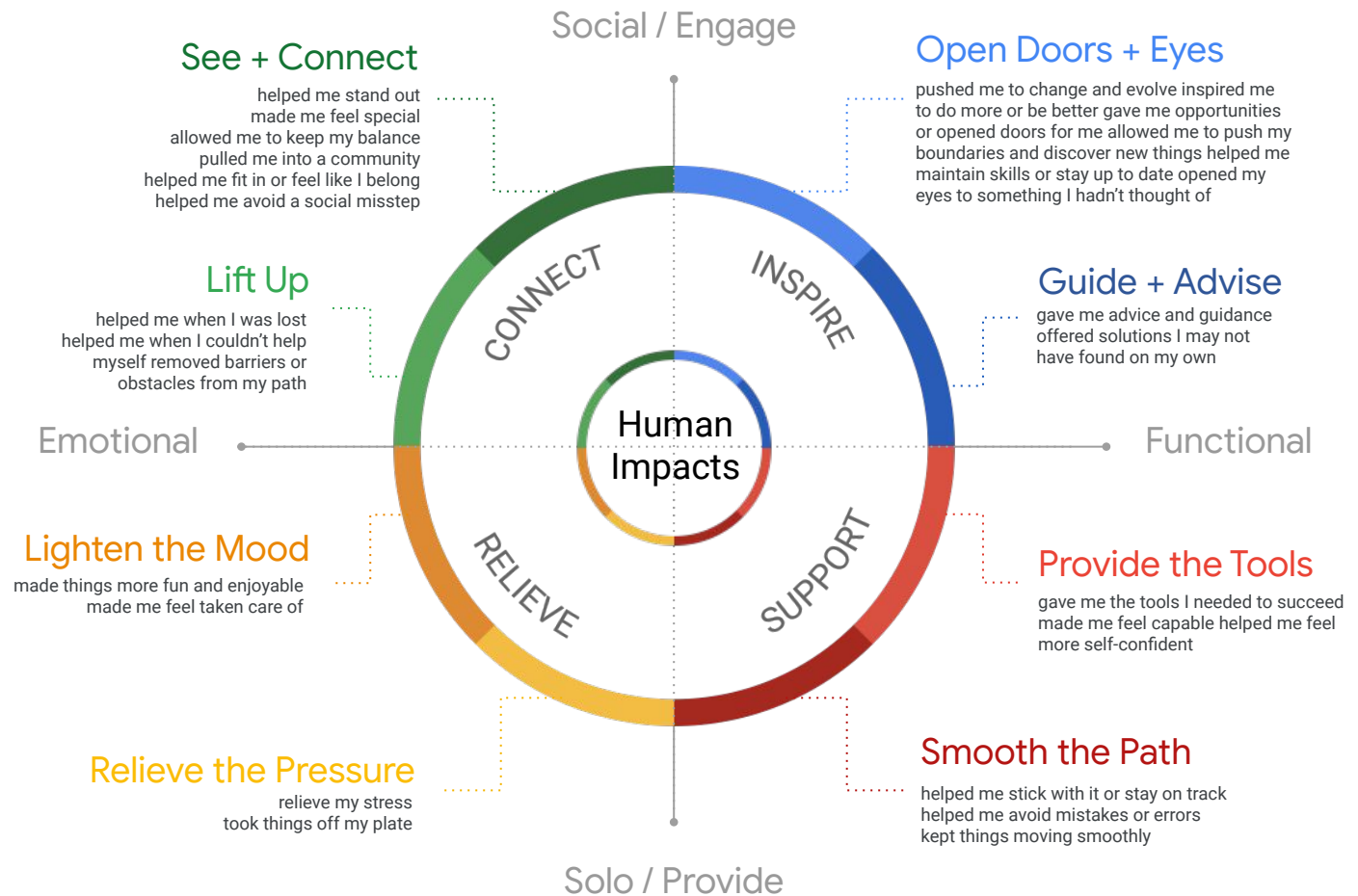
**The eight ways marketers can make a positive impact**



Source: Google/The Sound, Rethinking Readiness Study, U.S., JP, DE, BR January 2020 (Gen Pop 18+ N=4,200).



## The eight impact territories in detail



Source: Google/The Sound, Rethinking Readiness Study, U.S., JP, DE, BR January 2020 (Gen Pop 18+ N=4,200).



# Shifting Our Aperture.

Delivering value to people at this level requires a broader marketing aperture. It's safe to look at lower-funnel, commercial, branded searches and to build media strategy around the obvious high-return keywords and desired demographics.

But there's more potential reward for brands to consider a broader set of people to solve for and earlier in the journey.

What consumers do—their last search or web and app activity—is transactional. Standing alone, it lacks meaning.

To understand a consumer's needs and aspirations, it's critical to zoom out to see the connections between different touchpoints. The question to ask isn't, "What can I sell this person?" It's, "How can I help this person?" Do they want to be a better parent? Feel a sense of accomplishment? Are they seeking wonder or security? Because many products and services can help fulfill even these deep-seated needs.

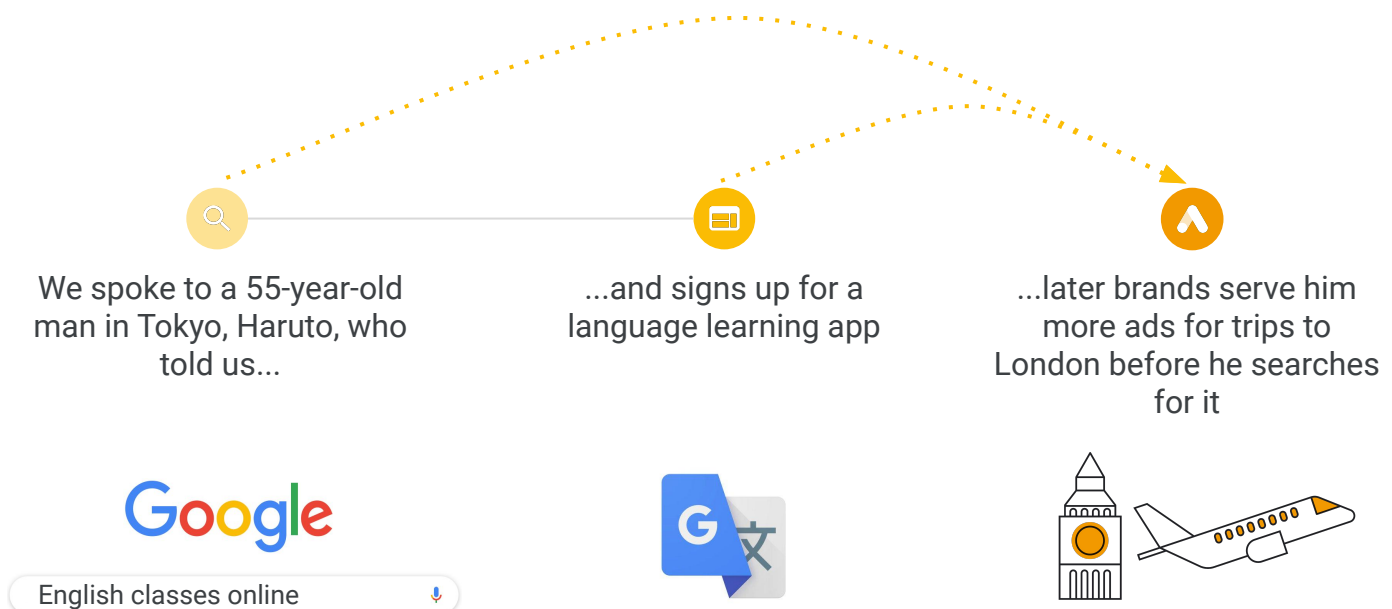
More than just divining deeper purchase intent, this is about rethinking the relationship that brands play in people's lives and reimagining advertising and marketing strategies to help satisfy consumers' deeper expectations and needs.



# Meaning Personified.

Last year we sat down with people in their homes all over the world to understand how they approached solving their needs.<sup>6</sup> We spoke to a 55-year-old man in Tokyo who told us he'd recently searched online for English classes, dorm room supplies, vacation rental hosting sites, and house cleaners. He watched workout videos on YouTube. In isolation, his search for English classes and click-through on a rental site suggested he might be receptive to seeing ads for vacations to English-speaking cities, like London, to practice his new English skills. But these discrete actions fit into a larger pattern.

## Delivering meaning **is more than relevant linear sequencing**



<sup>6</sup> Google/Smart Design Bluesky Study, U.S., JP, DK, IN, January 2020 (Gen Pop N=20).

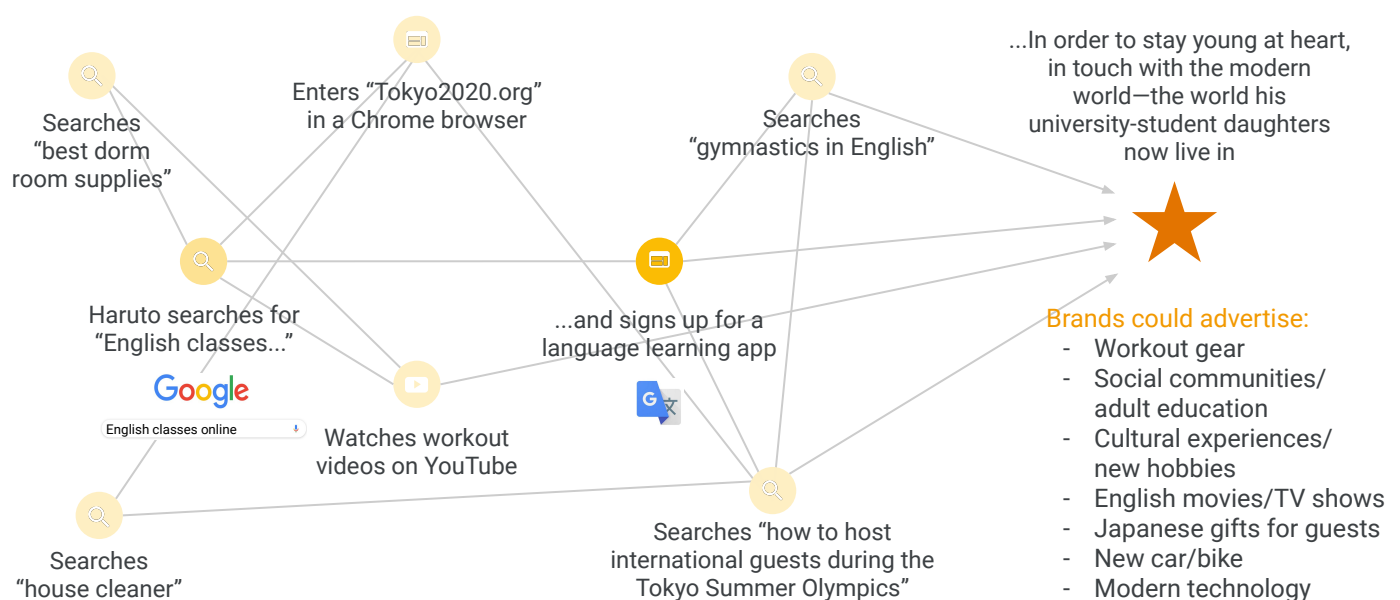


In fact, this father of two searching for dorm supplies had just sent his second daughter off to college. He believed raising his children had helped keep him young, and he was worried about getting out of shape and out of touch.

So his seemingly unrelated searches all connected to his actual plan: to rent the now-vacant bedroom in his home to international visitors for the Tokyo Olympics. He wanted to find a house cleaner to keep up 5-star reviews and hoped to learn English as a common language for whomever stayed with him.

He had no plans to travel; the world would come to him. A brand peppering him with ads for trips to London would have missed the opportunity to surface product solutions for his deeper need to stay young at heart: new hobbies, adult education, cultural experiences, English movies, Japanese gifts for guests, a new bicycle, and more.

**Delivering meaning is earlier, richer, and varied signals aggregated to meet the deepest meaning behind a person's need.**



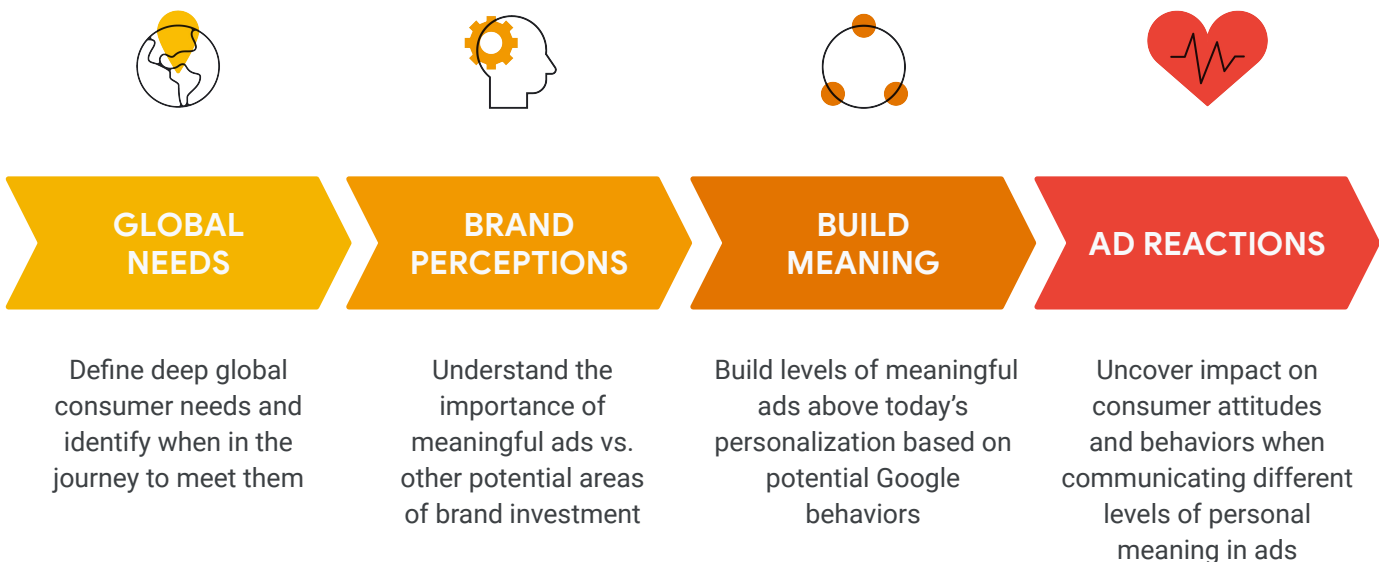


# Meaning in Practice.

Now is a galvanizing moment to showcase marketing as a growth driver: to activate new prospects, drive incremental engagement from existing consumers, and win back consumers who have churned. Brands that can thrive in the volatility will be ready for any future disruption.

In the “*Rethinking Readiness*” research, we tested ads that translate the everyday digital cues people share into messages that speak to deep human needs to see if they **1)** drove short-term KPIs for immediate ROI and long-term KPIs for worthwhile investment and **2)** were valuable to consumers, compared with other areas of brand investment.

## Identifying and testing meaning





# What People Say Matters vs. What Actually Matters.

We first asked people what's most important to them in making purchase decisions, and what makes them feel brand love and trust.

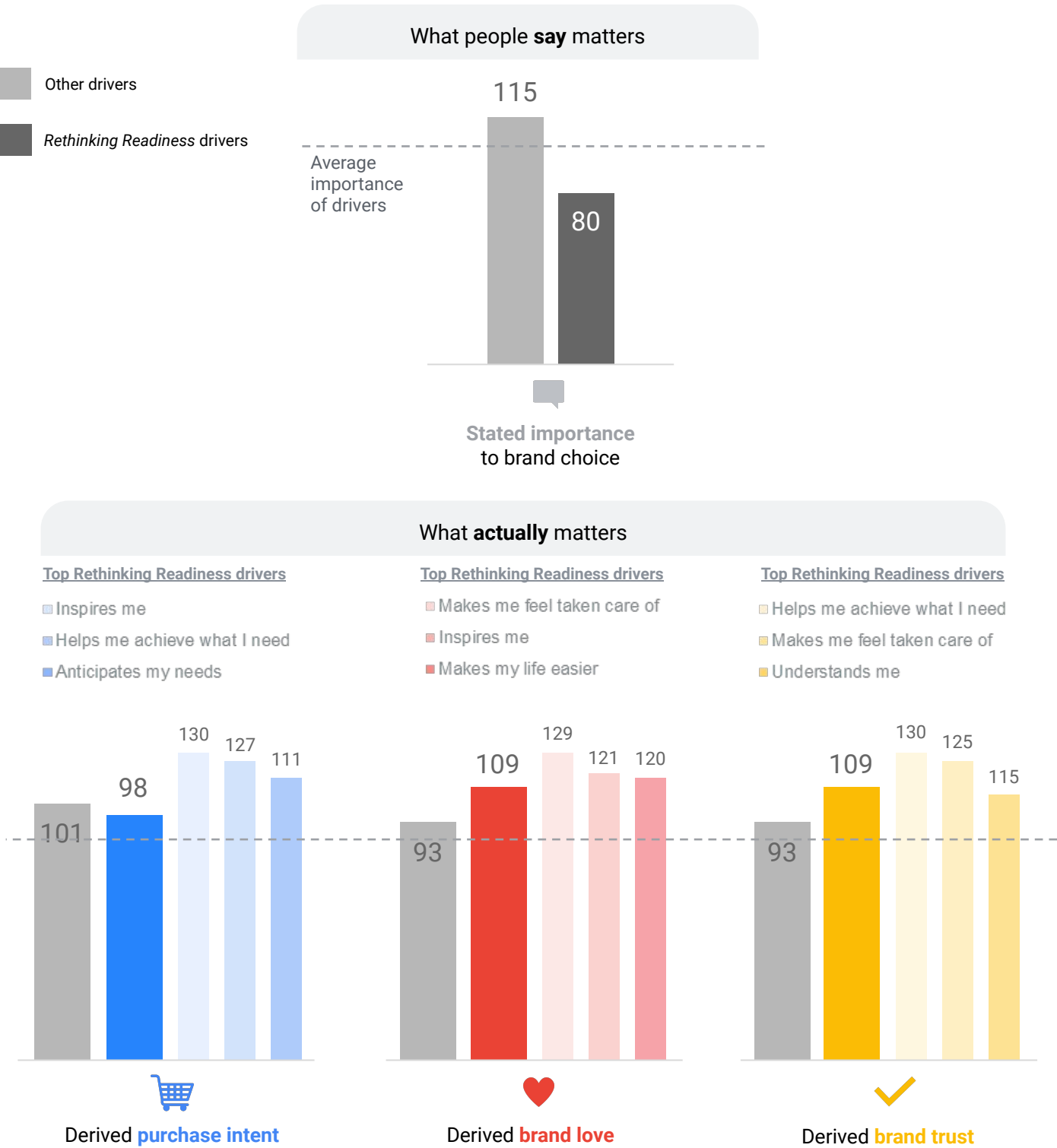
And we found a clear difference between what people say matters versus what actually matters. Because when asked, people cited traditional factors like product quality and “value for the money” as most important to their purchase decisions or how they feel about a brand. But when we derived importance through a drivers analysis, “*Rethinking Readiness*” results showed that drivers like “inspires me,” “helps me achieve what I need,” and “anticipates my needs” were nearly as or even more important in driving purchase intent, brand love, and brand trust.

Overall, we found that brands’ understanding of human needs and meaning is 18% more important to purchase intent and 29% more important to both brand love and brand trust than people say it is. (See “Verticals Deep Dive” for how this breaks down at the vertical level.)

A key implication is that consumer outreach alone won't give brands the full picture of what really matters to people, but the authenticity of myriad digital touchpoints related to their needs and interests, layered with a brand's first party data and knowledge, will.

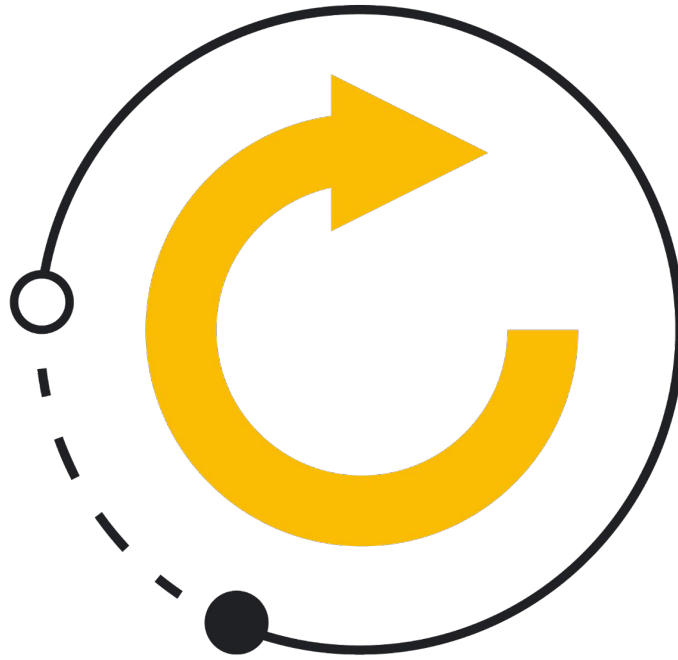


Delivering **meaningfulness** can drive purchase intent and brand perceptions as much or more than traditional marketing attributes.



Source: Google/SKIM Rethinking Readiness Study, U.S., March 20-April 3, 2020 (Gen Pop 18+ N=4,461)









## Rethinking Readiness at Work.

Next, we tested ad copy's ability to deliver against those underexpressed but critical meanings. We identified relevant preferences for a particular purchase, then tested ads across a continuum from less to more meaningful; from mass marketing (e.g., Super Bowl-style copy) to traditional personalization (e.g., knowing your first name or home airport), to Low, Medium, High, and Very High (e.g., knowing your home airport and possible destinations; that you need a nature adventure more than a relaxing beach house; and that your top decider is in-flight entertainment) levels of meaningful messaging.



At each level, we aimed to increase the meaningfulness of ads by incorporating more cues from across Google properties into copy more reflective of consumers’ individualized needs and goals. At the Low and Medium levels, we used direct consumer answers to questions to layer on explicit needs. At the High and Very High levels, we inferred implicit needs and layered them on top of explicit needs to test unexpected levels of consumer understanding. And, purely to test people’s reaction to overly intrusive ads, at the Very High level, we purposely overestimated how much data a consumer might consciously let ads use.

## Creating levels of meaning in ad messages

SIGNAL COMPLEXITY		Static	Direct survey questions			Triangulation	
		MASS	PERSONALIZATION	LOW	MEDIUM	HIGH	VERY HIGH
Demographic			✓	✓	✓	✓	✓
Vertical basic				✓	✓	✓	✓
Features					✓	✓	✓
FxnI need						✓	✓
Desired state							✓
Possibly wrong?						✓	✓
	Auto	Test Drive	New vs. Used	Car Type	Car Features	Use Case	Desired Benefit
	Retail	Shop	Household Composition	Shopping Platform	Occasion	Retailer Perks	Desired Benefit
	Finance	Get Approved	First vs. Next Card	Card Type	Card Features	Goals / Purchases	Desired Benefit
	Travel	Book Your Trip	Origin Location	Season	Flight Features	Type Of Vacation	Desired Experience
Brands layering more meaning in ads							

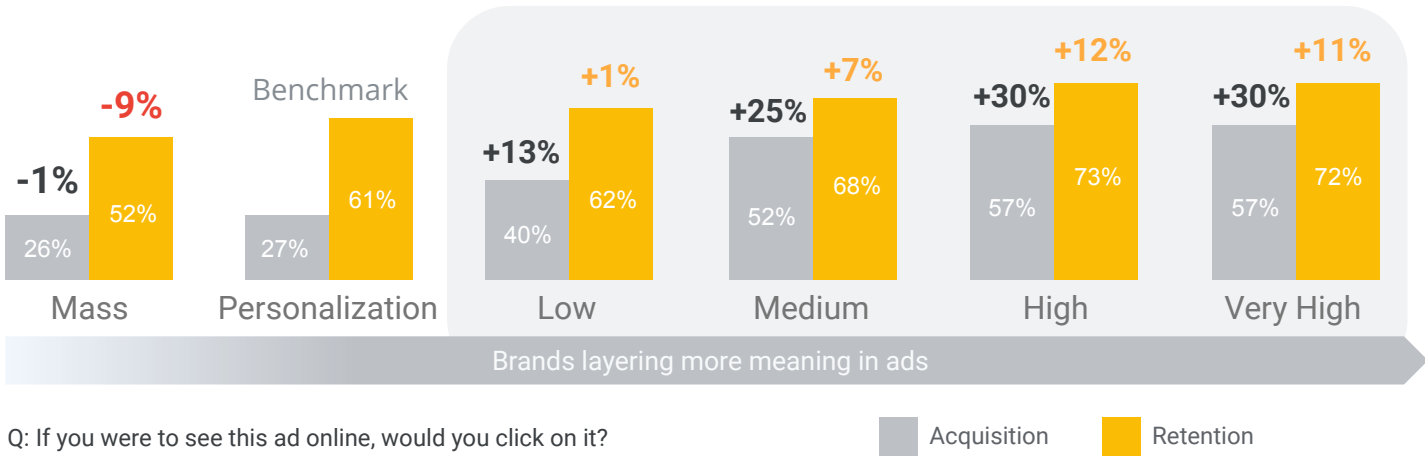
Source: Google/SKIM Rethinking Readiness Study, U.S., March 20-April 3, 2020 (Gen Pop 18+ N=4,461)



In tests, combining basic consumer data with as few as four digital touchpoint signals to create more meaningful copy resulted in 30% increased click-through for brands that weren't already the top choice. For preferred brands, it increased click-through by 12%—and that's above and beyond ads that already had basic personalization. Using basic personalization as a benchmark is key to showing how far more meaningful ads can take us, beyond what's been possible up until now.

These ad messages worked because they were *personal*, not personalized.

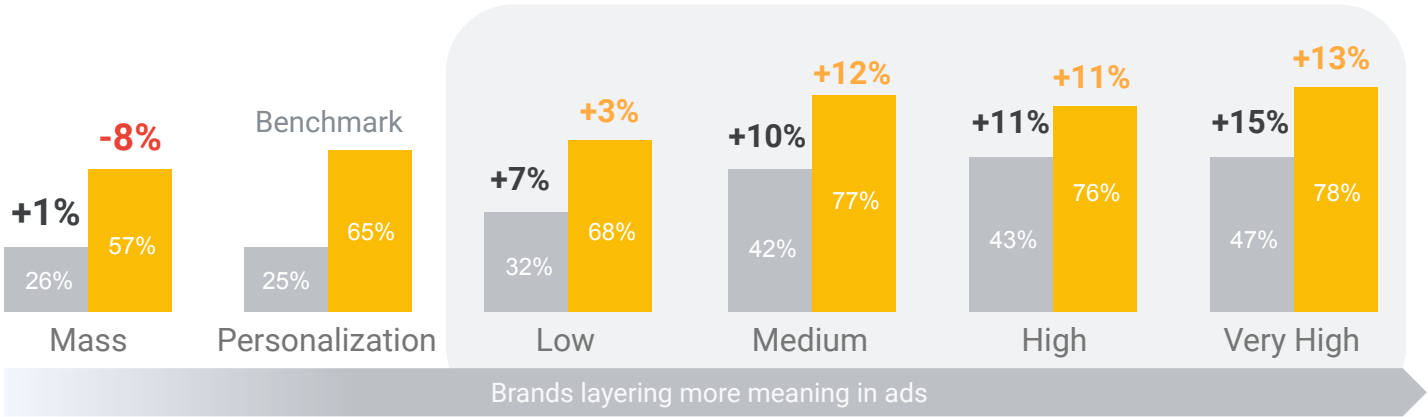
### Meaningful ads click-through



Source: Google/SKIM Rethinking Readiness Study, U.S., March 20-April 3, 2020 (Gen Pop 18+ N=4,461)



# Purchase intent grows with more meaningful ads



Q: How much do you agree with the following statements based on the message below? 1 star = strongly disagree and 5 stars = strongly agree

Acquisition Retention



Source: Google/SKIM Rethinking Readiness Study, U.S., March 20-April 3, 2020 (Gen Pop 18+ N=4,461)



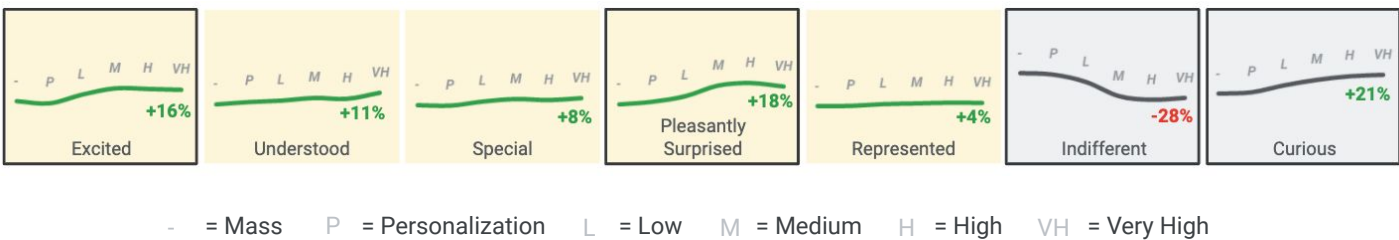
And because what’s personal is often emotional, we asked about people’s emotional reactions to these ad messages. What we saw was an average jump of over 15% in pleasant surprise, more than 13% in curiosity, and over 12% in excitement, while reducing indifference by an average of 21%—again, all above and beyond common forms of personalized messages today.

Among **current customers**, meaningful ads successfully reduce indifference and shift emotions to pleasant surprise.



Adb: Which word(s) describe best how this ad makes you feel? Select all that apply

Among new or **non-preferred customers**, meaningful ads reduce indifference and shift emotions to pleasant surprise and excitement, and curiosity to an even greater extent.



Adb: Which word(s) describe best how this ad makes you feel? Select all that apply

Source: Google/SKIM Rethinking Readiness Study, U.S., March 20-April 3, 2020 (Gen Pop 18+ N=4,461)



“It identifies making healthy choices, something I strive for, then presents a solution with an invitation.”

- Participant seeing a Very High level meaningful ad



“It makes it feel like a family company, which is important because I have children. So I feel like [this brand] understands me.”

- Participant seeing a Very High level meaningful ad



# Few Negative Consumer Reactions.

[Studies](#) have shown that, unsurprisingly, consumers sometimes feel that ads personalization and remarketing don't respect their privacy. They may not see the value in seeing the same pair of shoes everywhere they go (shoes they may not want to buy, but which a brand clearly wants to sell).

And while every ad campaign will have some detractors, the Very High personal ads in our “*Rethinking Readiness*” tests triggered very little negative reaction. Even when we tried to simulate overly intrusive ads, fewer than 3% of study participants on average were annoyed.

Based on participant responses, this is likely because the ads spoke to at least one aspect of genuine helpfulness, but one or more aspects may have missed the mark in intuiting higher order needs. Automation tools will have more cues and hone far higher incidences for accuracy, suggesting they can better deliver more with ads so long as you are confident in your privacy assurances, know the permission you have to act on the information, and can deliver at least one aspect of meaningfulness.



Among **current customers**, meaningful ads hardly trigger negative reactions, even though we tried to take it too far.



- = Mass    P = Personalization    L = Low    M = Medium    H = High    VH = Very High

Adb: Which word(s) describe best how this ad makes you feel? Select all that apply

Among **new or non-preferred customers**, meaningful ads have only slightly more negative reactions, likely because consumers feel they haven't given the brand permission to know their needs yet.



- = Mass    P = Personalization    L = Low    M = Medium    H = High    VH = Very High

Adb: Which word(s) describe best how this ad makes you feel? Select all that apply

Source: Google/SKIM Rethinking Readiness Study, U.S., March 20-April 3, 2020 (Gen Pop 18+ N=4,461)





## Permissions.

Having information about a consumer doesn't always mean you should act. Consider the four types of permissions people think brands have, in decreasing amounts:

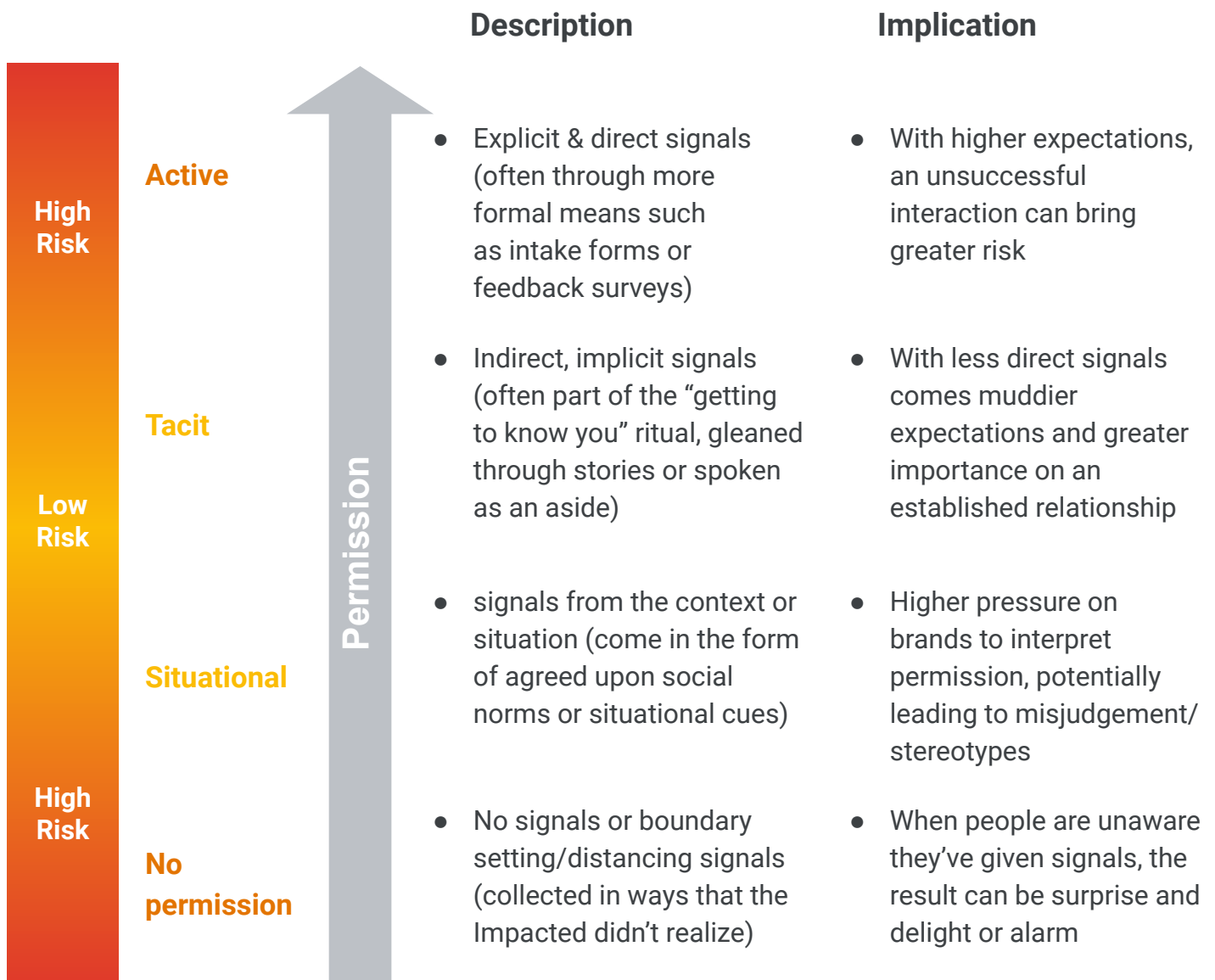
1. Active
2. Tacit
3. Situational
4. No permission

Building a relationship with consumers enables brands to assess where they are in the relationship to guide when and how to use information respectfully and helpfully.

Source: Google/The Sound Rethinking Readiness Study, U.S., JP, DE, BR, January 2020 (Gen Pop 18+ N=1000)



There are at least **four types of permission** to be accounted for by marketers.



Source: Google/The Sound Rethinking Readiness Study, U.S., JP, DE, BR, January 2020 (Gen Pop 18+ N=1000)





## Unlocking the Future.

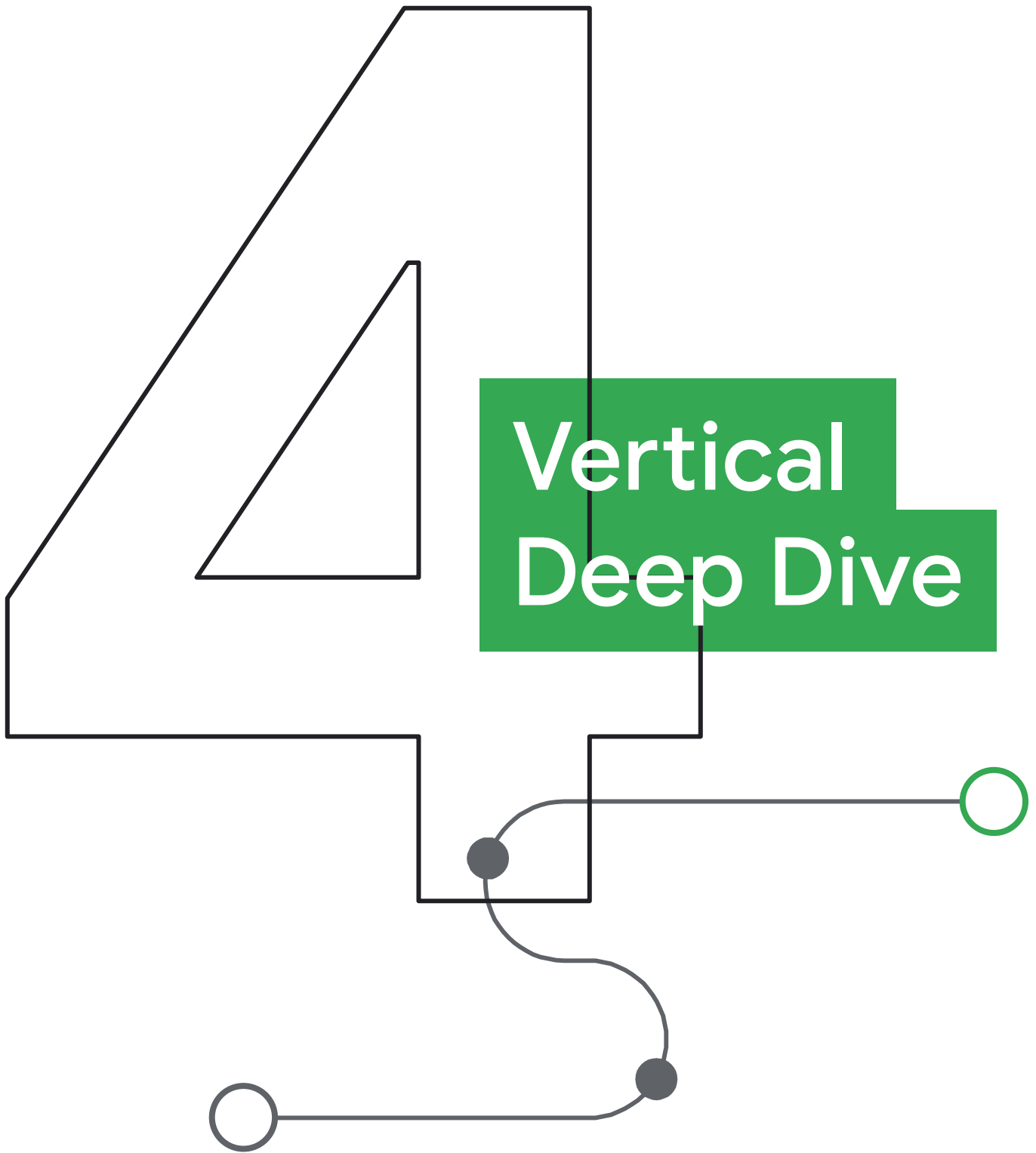
That's what's possible today with digital ads. More than ever before, it's possible to go beyond explicit needs to deliver something meaningful in someone's life.

This isn't just for the biggest brands. Applying these strategies is simple and effective. Brands don't need to correlate an excess of cues into the perfect ad; Low and Medium levels of applying the elements already yield positive impact in all measured KPIs when consumers see their preferred brand—and even more when they see a non preferred brand. Marketers who show basic but unexpected understanding and address consumers' individual needs in advertising can increase acquisition and boost retention.

Simply put, consumers are pleasantly surprised by ads that “get them,” driving purchase intent and click-through, and reducing indifference. And automation tools can already streamline the process.

What's more, these results are based solely on the ad copy, and applying these concepts to the visual creative of an ad could reinforce the effect.



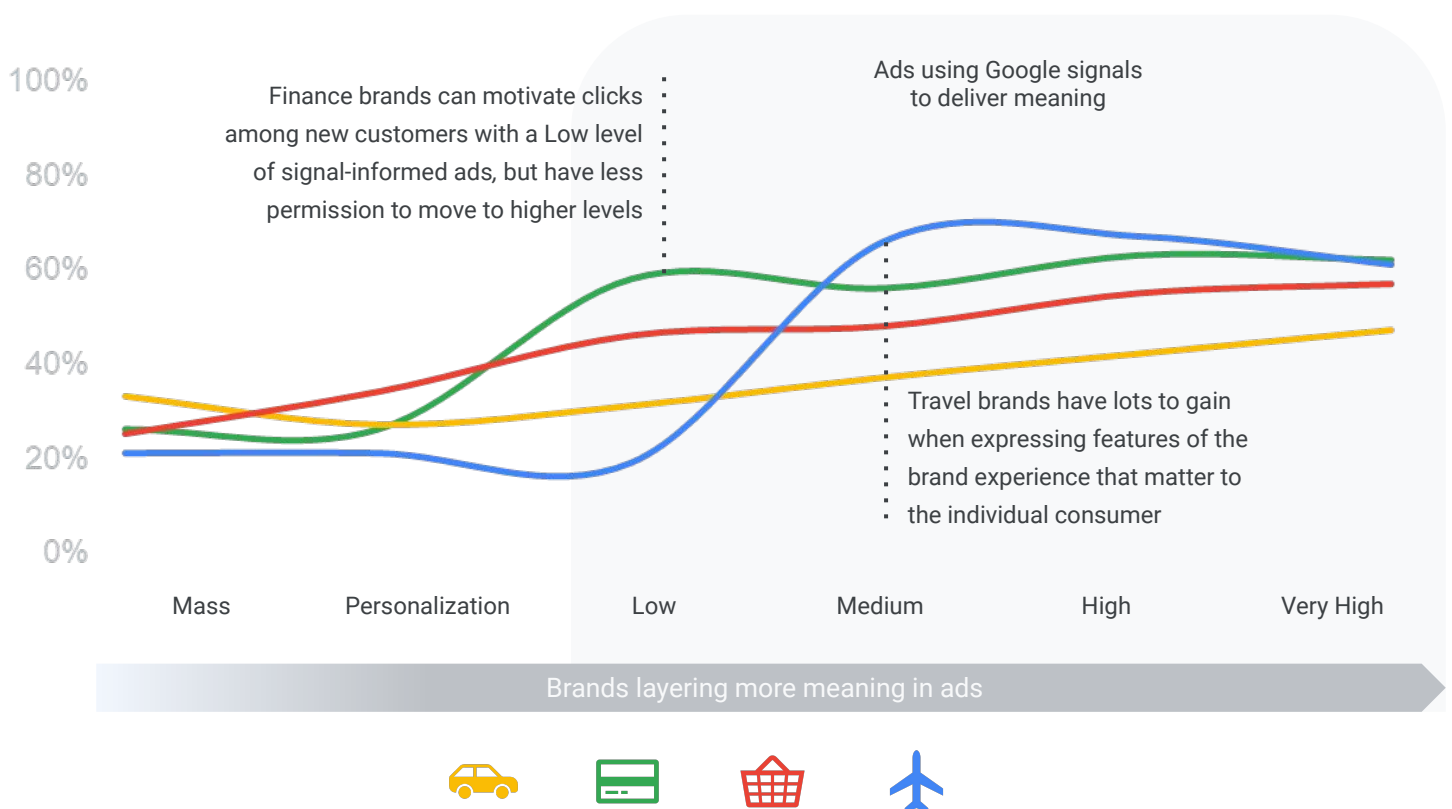




Going beyond personalization to deliver meaning triggers positive emotions and drives consumer action in all four verticals. Brands can respond to human needs with the nuance appropriate to their category's context. Vertical breakdowns show ideal impact levels, especially for non preferred brands looking to capture market share, where this kind of messaging has the most upside.

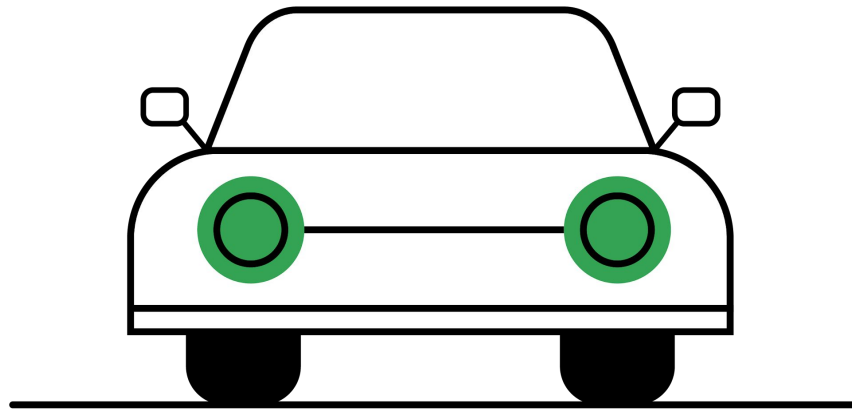
Let's take a look at specific implications for each vertical.

## Increasingly meaningful ads are especially effective at motivating new customers, driving steady **click-through increases**



Source: Google/SKIM Rethinking Readiness Study, U.S., March 20-April 3, 2020 (Gen Pop 18+ N=4,461)





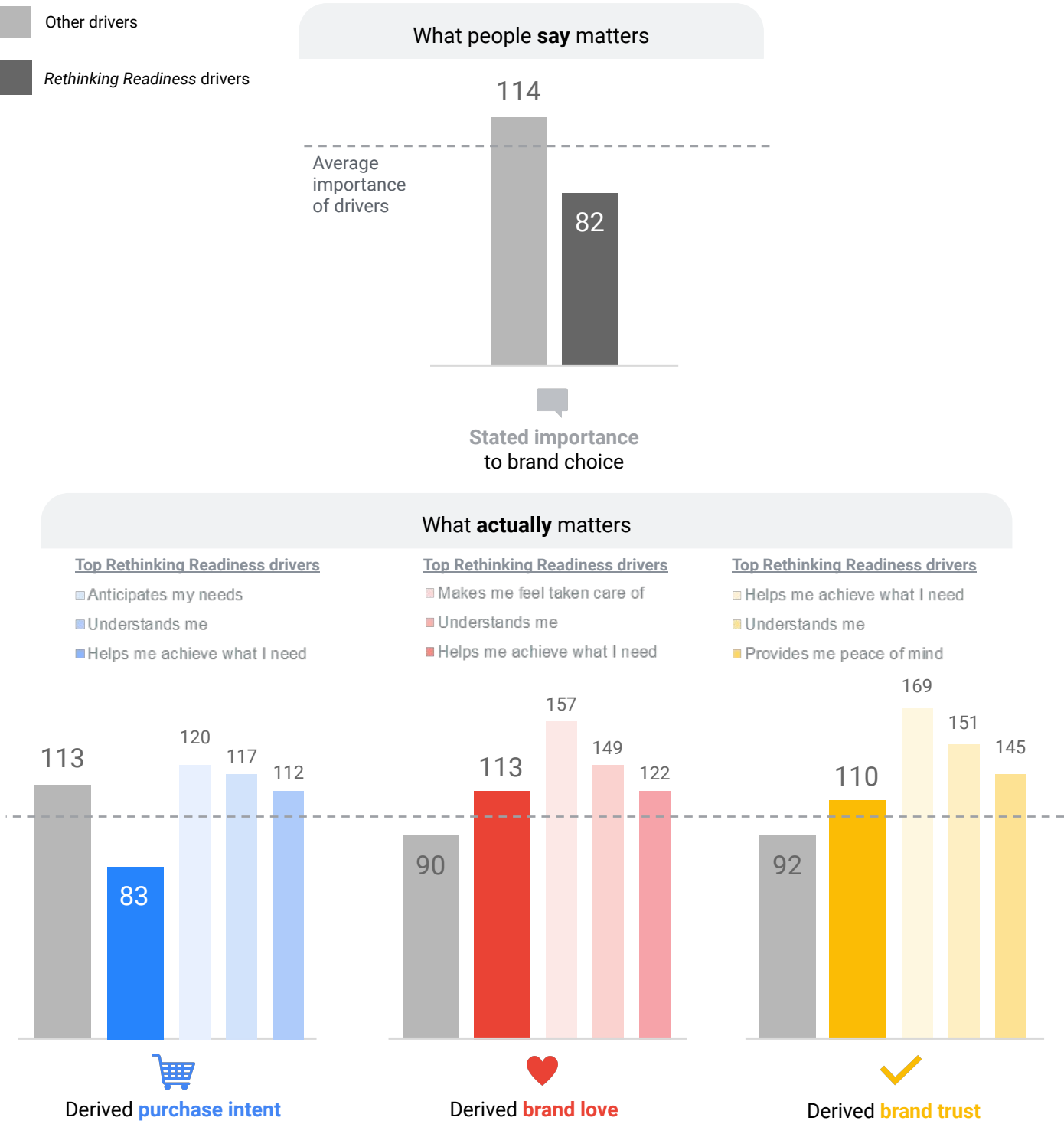
## Auto.

The implicit drivers this study highlighted influence purchase intent as much as traditional marketing drivers for auto intenders. If an auto make or features are critical, buyers know what they want. What they *don't* realize is that the implicit drivers in these ads are far more critical to brand love (over 31% more) and brand trust (28% more) than they believe.

Source: Google/SKIM Rethinking Readiness Study, U.S., March 20-April 3, 2020 (Gen Pop Auto Shoppers N=1,088)



For auto, understanding implicit human needs is especially important for long-term brand equity: 31% more important to brand love and 28% more important to brand trust than people say it is

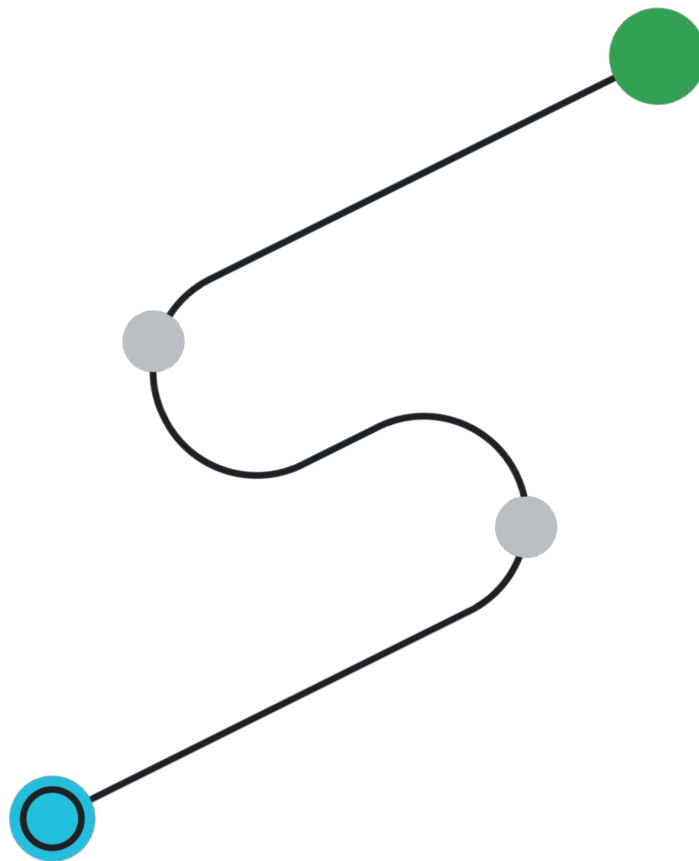


Source: Google/SKIM Rethinking Readiness Study, U.S., March 20-April 3, 2020 (Gen Pop 18+ N=4,461)

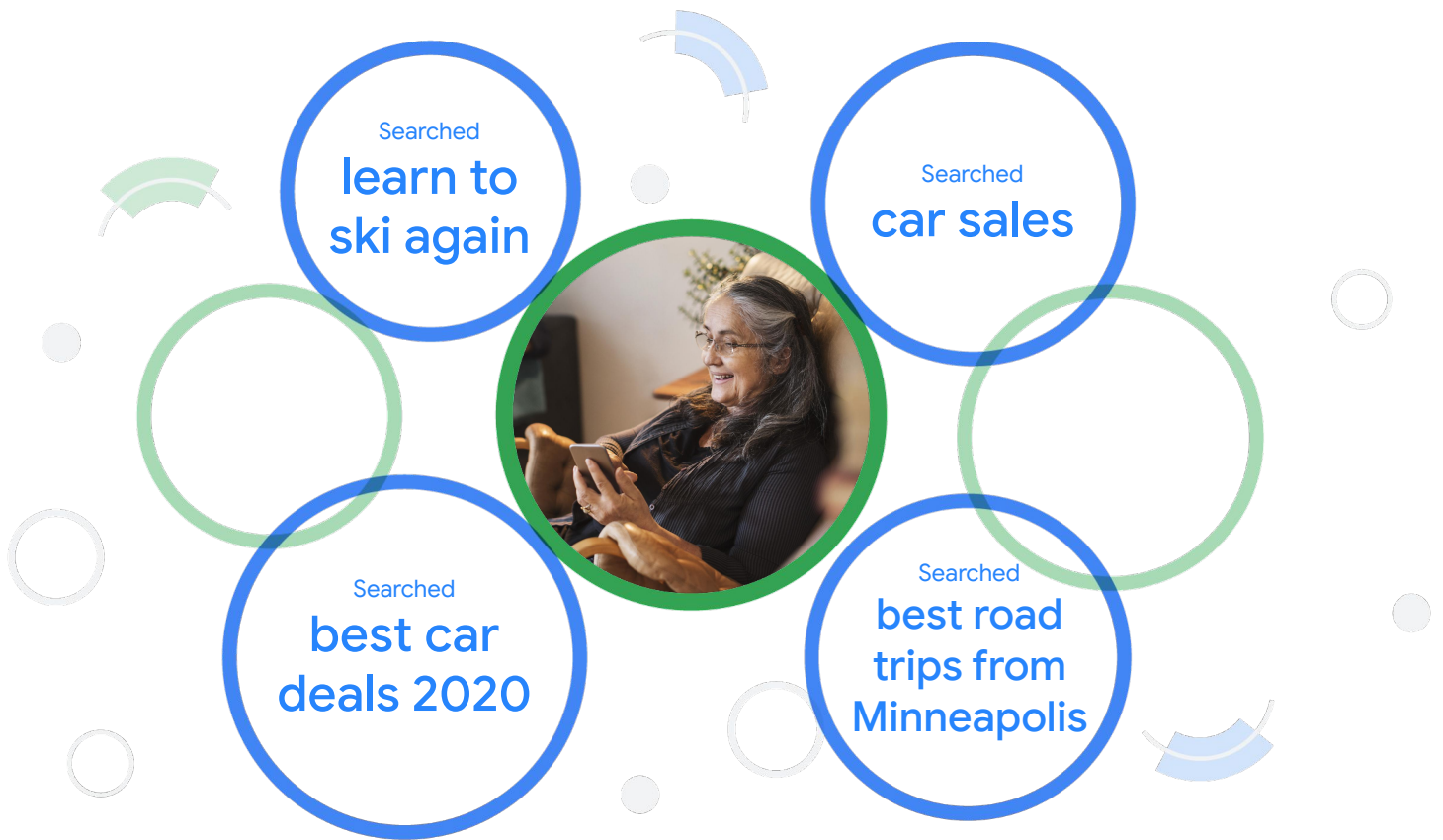


To drive immediate purchase intent, auto brands can go beyond practical needs, like value, and aim to understand their consumers more fully:

1. Auto purchase decisions are most strongly influenced by reassurance of value and a desire to feel confident in their decision.
2. Easing consumer burdens and offering high-quality and innovative products in ads is less important to influencing auto choices than people think, likely because consumers already have baseline expectations.
3. To further influence purchases within the automotive sector, brands should make consumers feel understood and focus on consumers' individual needs.







## So what does this look like in practice?

Meet Saanvi. She's an empty nester and excited to get rid of her "parent mobile." She searches for "car sales" and "best car deals 2020," and is inundated with websites offering lists of car rankings.

While that's helpful, it's not as helpful as it can be—because Saanvi was also searching for things like "best road trips from Minneapolis" and watching "learning to ski again" videos on YouTube. What if she saw ads that took those signals into account?



What if the ads included copy about **great gas mileage for road-tripping?**

What if they did more than just state “all-wheel drive” and showed images of a **car in the mountains** she wants to ski again?

What if they mentioned the **kind of youthfulness and fun** she’s worried deep down she’s lost while being a parent?

What if they did **all three?**

That would be how a brand can make Saanvi feel understood. And these are exactly the kinds of experiences we tested.

When people like Saanvi feel understood, yes, they’re more likely to click through and purchase. But these ads also showed something we really wanted to test. On average, fewer than 7% in our auto test expressed any negative sentiments about the level of personalization used. In fact, when they were engaged this way, it sparked a 35% increase in feeling understood, an over 19% rise in feelings of being better represented, and 28% less indifference.





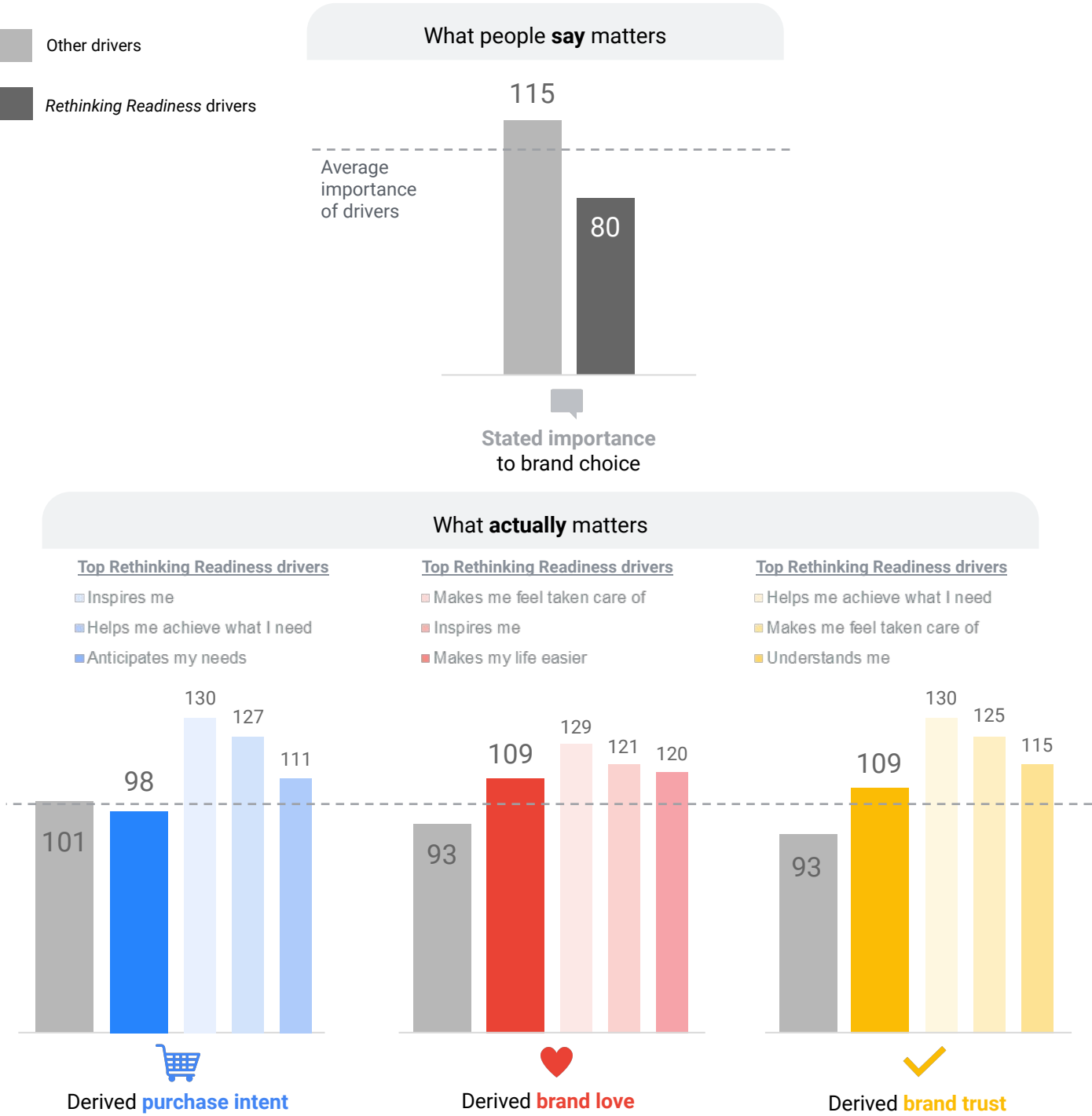
## Retail.

For Retail, meaningful ads and traditional drivers, like promos, are equally important for purchase intent. But meaningfulness is far more important for brand love (over 42% more) and brand trust (40% more) compared to traditional marketing drivers.

Source: Google/SKIM Rethinking Readiness Study, U.S., March 20-April 3, 2020 (Gen Pop Retail Shoppers N=1,111)



For retail, inspiration drives purchase intent; making me feel taken care of drives brand love; and helping me achieve what I need drives brand trust. All are more important to these KPIs than traditional drivers, like promos.

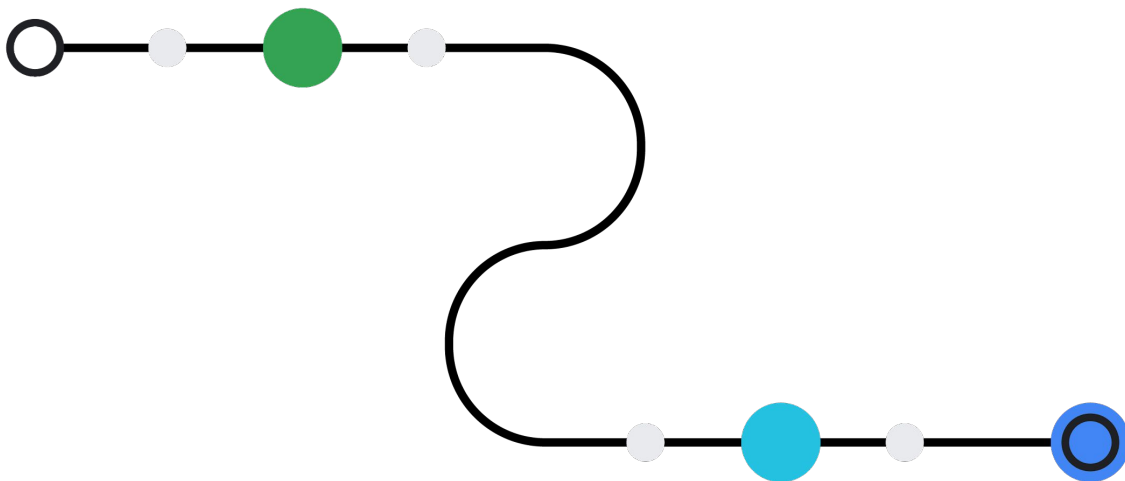


Source: Google/SKIM Rethinking Readiness Study, U.S., March 20-April 3, 2020 (Gen Pop 18+ N=4,461)

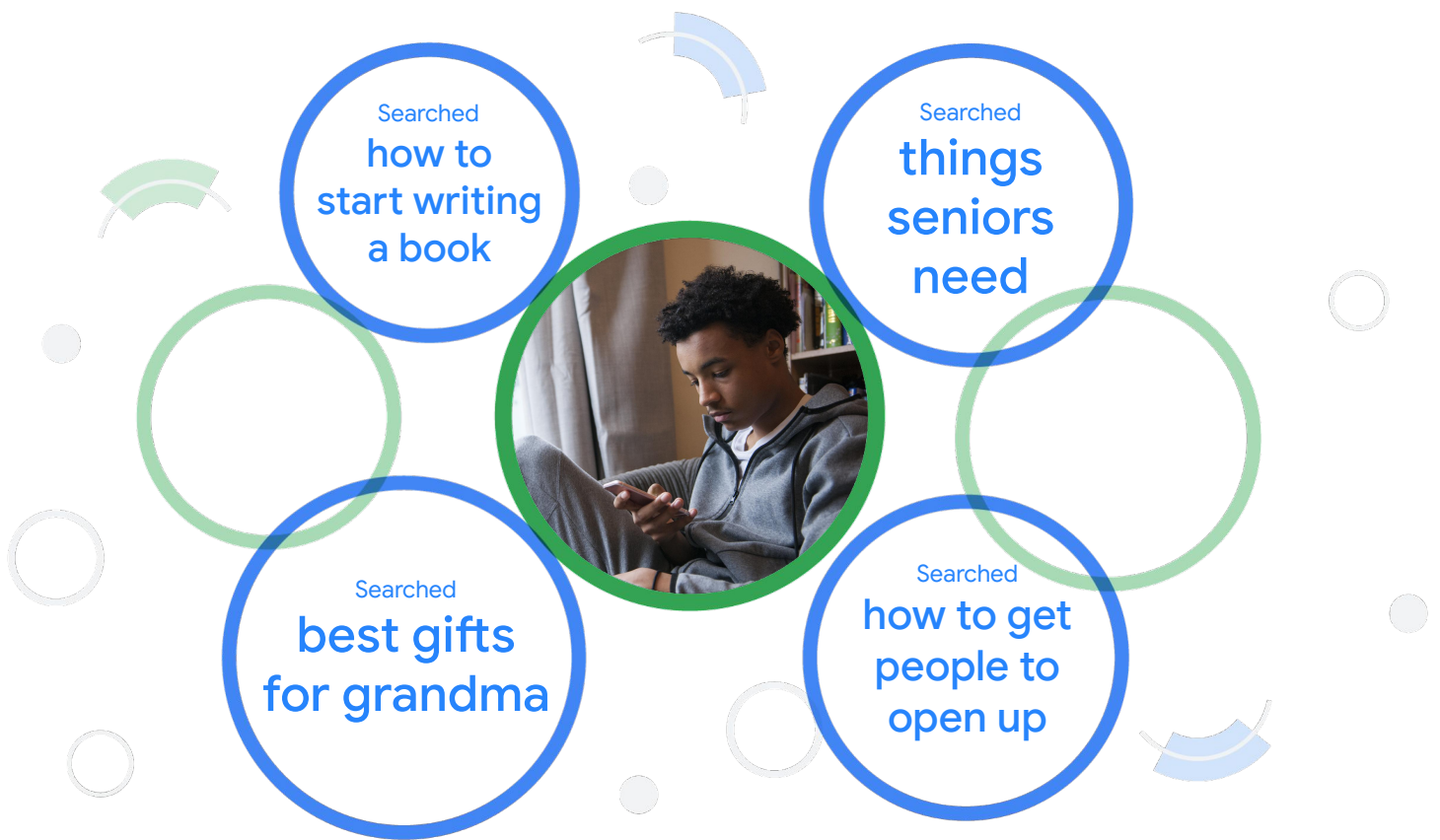


To drive immediate purchase intent, retail brands can go beyond practical needs, like value, and aim to understand their consumers more fully:

1. Inspire the mind and provide the pathway. Retail purchase intent is highly influenced by sparking inspiration while also showing consumers how they can achieve their needs or goals.
2. Innovation and peer popularity matter. Consumers appreciate new products and services from retail brands. They also find it especially important that their broader communities share their brand preferences.
3. Compared to inspiration, goal-orientation, and innovation, cost-based, and other more functional drivers are less important to driving PI for retail brands.







## So what does this look like in practice?

Meet Matías. He's spending his sophomore year of college at home due to the shutdown. Mom is still the world's strictest RA, and they find time together every week to visit Matías's grandmother over video chat. The holidays are coming up, so he searches for "best gifts for grandma" and "things seniors need." He sees ads for fruit baskets and birthstone necklaces.

While that's helpful, it's not as helpful as it can be—because Matías was also searching for things like "how to start writing a book" and watching YouTube videos about "how to get people to open up." What if the ads he saw took those signals into account?



What if they showcased **the delight on the faces of people** unboxing gifts?

What if they included copy about **creating an enduring tribute** to his grandmother's life?

What if they mentioned **binding a book at home** as a way to create the ultimate Christmas gift?

What if they did **all three?**

That would be how a brand can make Matías feel understood. And these are exactly the kinds of experiences we tested.

When people like Matías feel understood, yes, they're more likely to click through and purchase. But these ads also provided insight into something we really wanted to test. On average, fewer than 3% in our retail test expressed any negative sentiments about the level of personalization used. In fact, when they were engaged this way, it sparked a more than 43% increase in curiosity, an over 36% increase in pleasant surprise, a more than 30% rise in feelings of excitement, and 40% less indifference.





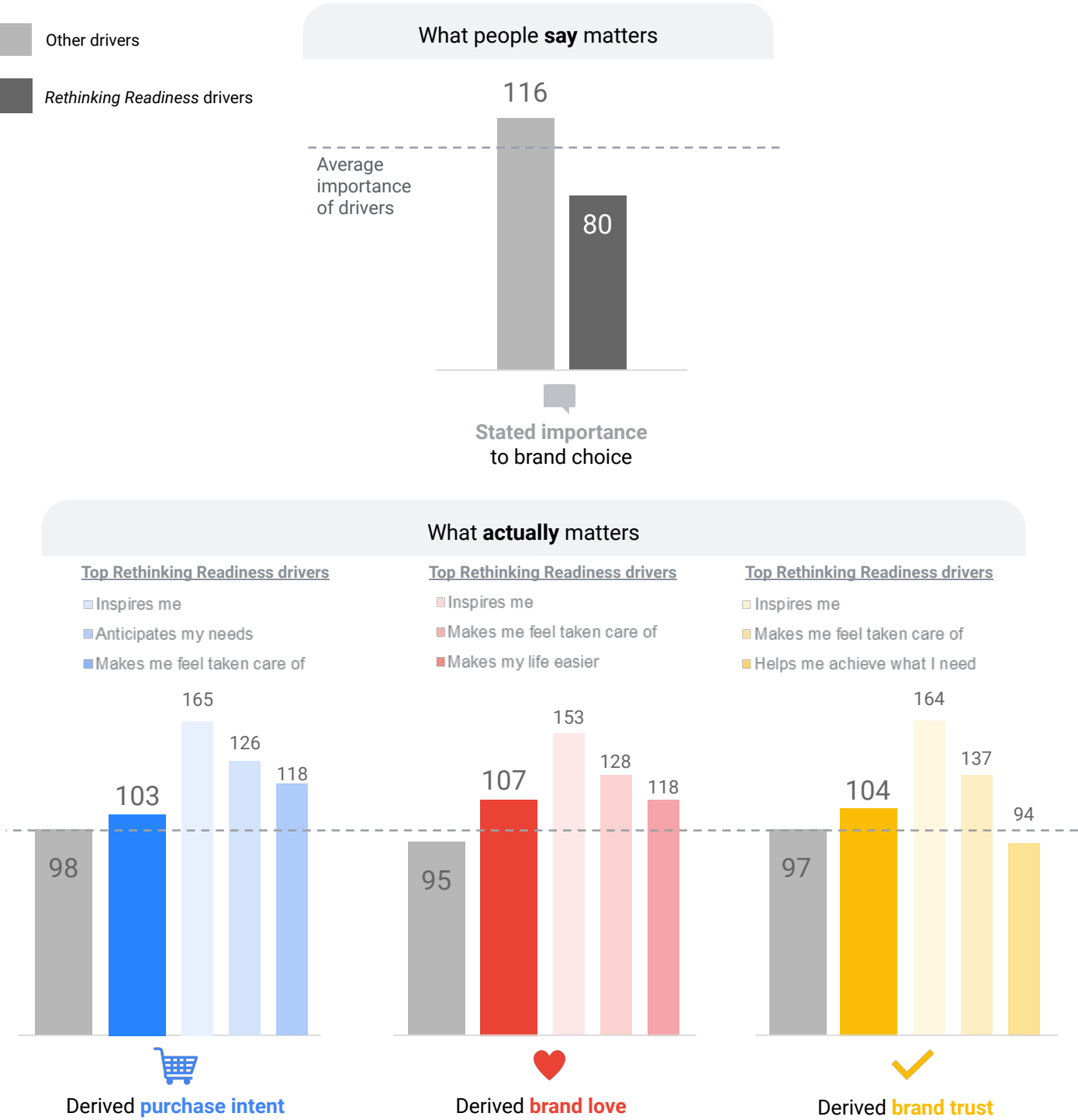
## Finance.

For finance shoppers, the implicit drivers this study highlighted are far more critical to purchase intent (23% more), brand love (27% more) and brand trust (24% more) than people consciously realize.

Source: Google/SKIM Rethinking Readiness Study, U.S., March 20-April 3, 2020 (Gen Pop Finance Shoppers N=1,143)



For finance, delivering inspiration was the top driver for all KPIs, over and above traditional financial marketing benefits. Meaningful drivers are more important to all three KPIs than traditional drivers.

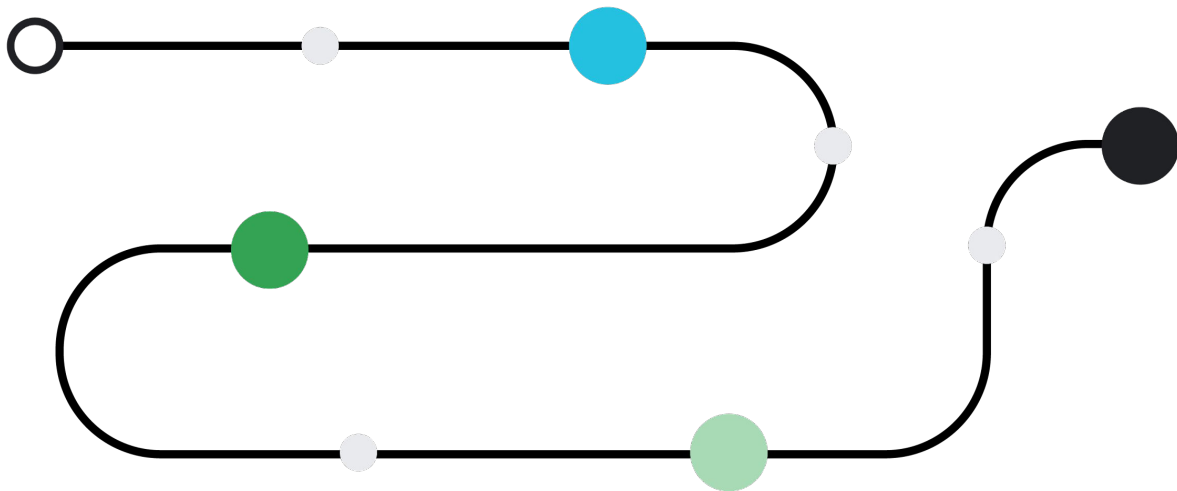


Source: Google/SKIM Rethinking Readiness Study, U.S., March 20-April 3, 2020 (Gen Pop 18+ N=4,461)



To drive immediate purchase intent, finance brands can go beyond practical needs, like value, and aim to understand their consumers more fully with ads that:

1. Inspire people and solve for their needs, including those related to rewards or financial goals.
2. Keep confidence in personal data protection top of mind. Unlike with other strong drivers, customers are highly aware of the importance of data protection to their choices.
3. Offer tangible motivation through perks and innovation. Finance brands can further support conversion by offering customers direct, clear benefits through activities like promotions and new products.







## So what does this look like in practice?

Meet Jasmin. She's 27 with a successful career. She's assessed her income and the current market, and is curious about investing. So she searches for "real estate vs stock market" and "home mortgage rates" and receives a spectrum of mortgage lender ads.

While that's helpful, it's not as helpful as it can be—because Jasmin was also searching for things like "best books to read in your 20s" and watching virtual travel tours on YouTube. She's on a much more holistic path to balancing short-term enjoyment versus long-term goals. What if she saw ads that took those signals into account?



What if they included copy about a **new bank account with budgeting tools** to help her plan to invest cash now without giving up all her fun?

What if they did more than just state “get approved today” and **showed a bank advisor guiding a first-time homebuyer** through the process?

What if they mentioned **credit cards that help you improve your credit score**, which she just read she needs to do?

What if they did **all three?**

That would be how a brand can make Jasmin feel understood. And these are exactly the kinds of experiences we tested.

When people like Jasmin feel understood, yes, they’re more likely to click through and purchase. But these ads also showed something we really wanted to test. On average, fewer than 7% in any test expressed any negative sentiments about the level of personalization used. In fact, when they were engaged this way, it sparked a 35% increase in pleasant surprise, an over 29% increase in excitement and curiosity, and reduced indifference by 41%.





## Travel.

In travel, the implicit drivers this study highlighted are more important than people realize: they are 24% more important to driving purchase intent, 13% more important to driving brand love, and 22% more important to driving brand trust than people say they are.

Source: Google/SKIM Rethinking Readiness Study, U.S., March 20-April 3, 2020 (Gen Pop Travel Shoppers N=1,1119)



For travel, making my life easier, making me feel taken care of, and helping me achieve what I need are all more important than traditional factors, like value or promos. They are especially important to purchase intent and brand trust.



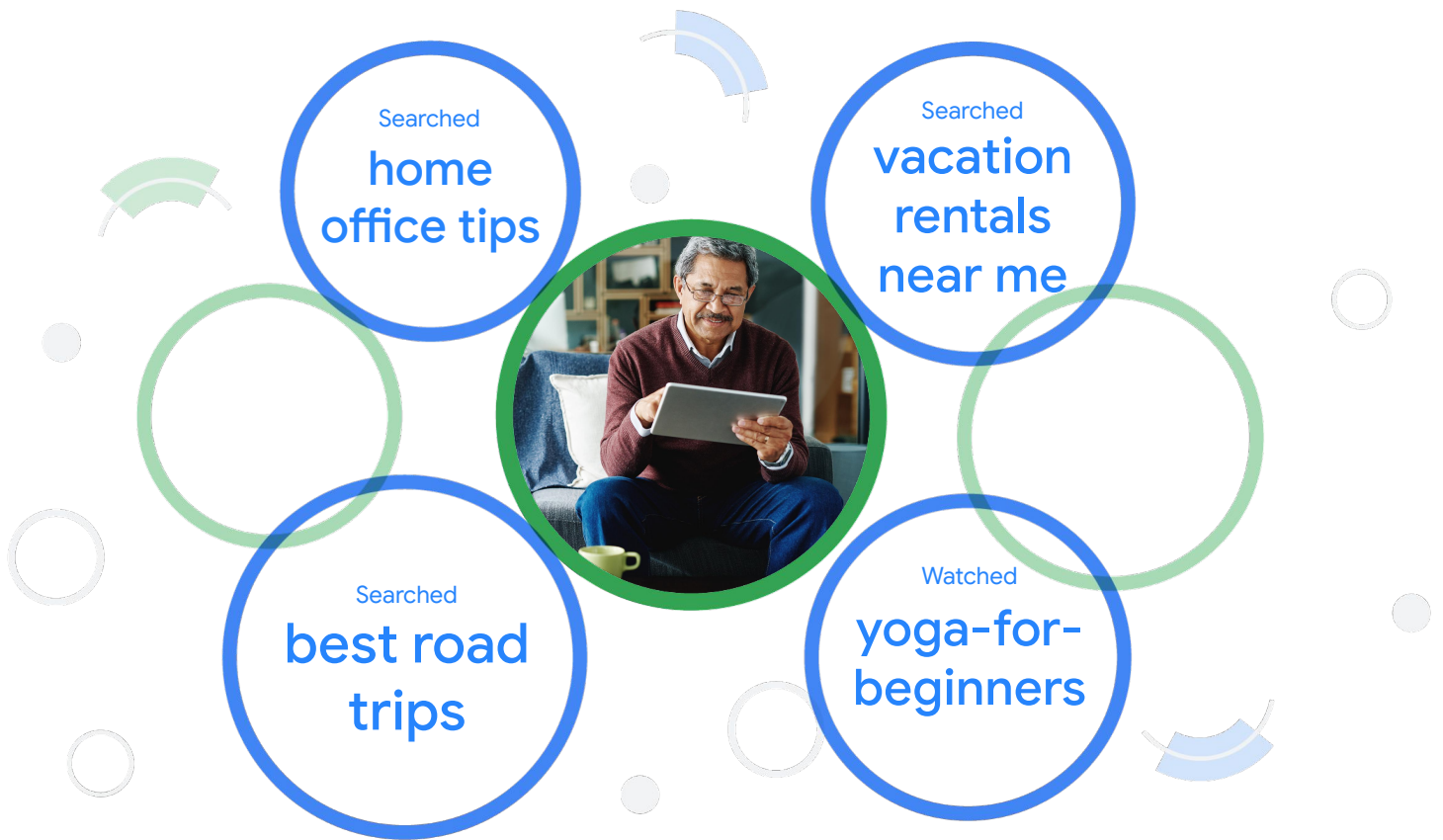
Source: Google/SKIM Rethinking Readiness Study, U.S., March 20-April 3, 2020 (Gen Pop 18+ N=4,461)



To drive immediate purchase intent, travel brands can go beyond practical needs like “value for the price” and aim to understand their consumers more fully:

1. People say what’s most important is a brand they admire, one that is popular with people around them, and one that provides high-quality services. But what’s actually most important is making their life easier, making them feel taken care of, and helping them achieve what they need.
2. Focus on services and experiences that smooth the path for your customers. These factors can be paired together well with elements of care.
3. Meaningfulness matters most for customers in travel and outshines more traditional drivers. Although purchase intent is often driven by value, promotions, and innovation in other verticals, travel brands have even greater opportunity to shift focus to more emotionally and functionally relevant brand touchpoints rooted in needs anticipation, assistance, and inspiration.





## So what does this look like in practice?

Meet Craig. He's a father of two elementary school kids. They all need a vacation. Desperately. So he searches for "best road trips" and "vacation rentals near me," and receives ads for vacation rental properties in proximity to his home.

While that's helpful, it's not as helpful as it can be—because Craig was also searching for things like "home office tips" and watching yoga-for-beginners YouTube videos. What if the ads he saw took those signals into account?



What if the ads included copy about **strong Wi-Fi** so Craig could stay connected to work?

What if they went beyond “kid friendly” copy to **show images of kids out of the house, away from their parents, running around in nature?**

What if they included words like **“peace”** and **“tranquility”** like the kind he seeks from practicing yoga?

What if they did **all three?**

That’s how a brand can make Craig feel understood. And these are exactly the kinds of experiences we tested.

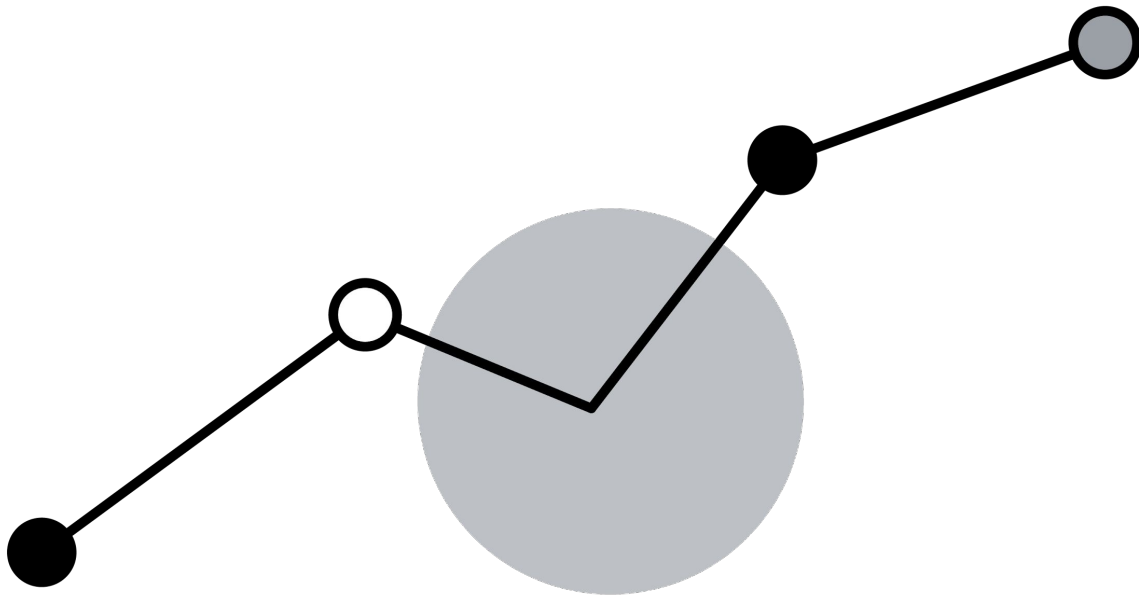
When people like Craig feel understood, yes, they’re more likely to click through and purchase. But these ads also provided insight into something we really wanted to test. Fewer than 6% in any test said they were unhappy with the level of personalization used. In fact, when they were understood in this way, they felt things like excitement and pleasant surprise instead.





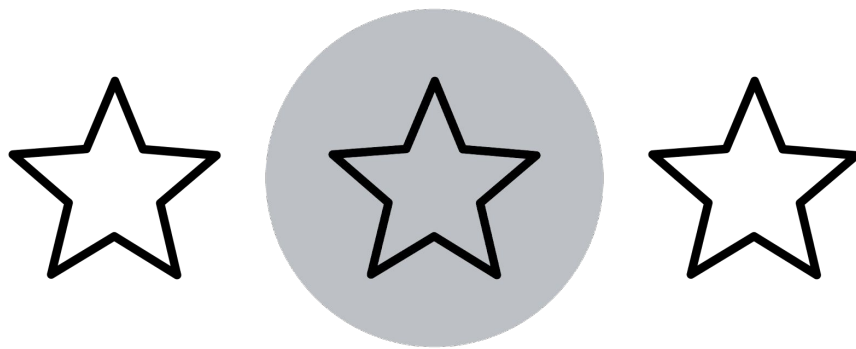
# Implications + Conclusion





The jolt to our standard practices, ways of working, and systems posed by the current environment is also an opportunity for companies to make fundamental changes. Today's market is unusually volatile and dynamic, but many of the changes catalyzed by COVID-19 were already underway and will continue to build long after the pandemic subsides.





There are important lessons to draw from how some companies have successfully met the challenges of this moment with an agile response to dynamic consumer needs, creating new opportunities for short-term growth, and contributing to long-term business agility and resilience.



To be ready for what's next and prepare for a tomorrow where change is the new normal, companies should embrace a digital transformation that:

- Leverages automation to act on consumer demand in real time and at scale.
- Meets today's imperative to provide advertising experiences that are richer and more respectful of user privacy.
- Sets a new standard for relevance by delivering more meaningful ads that speak to both expressed intent and consumers' deeper needs, motivations and interests.

