

Google

# Making your media work harder than ever

*...and other lessons from the past 2 years* ✕

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Google Canada

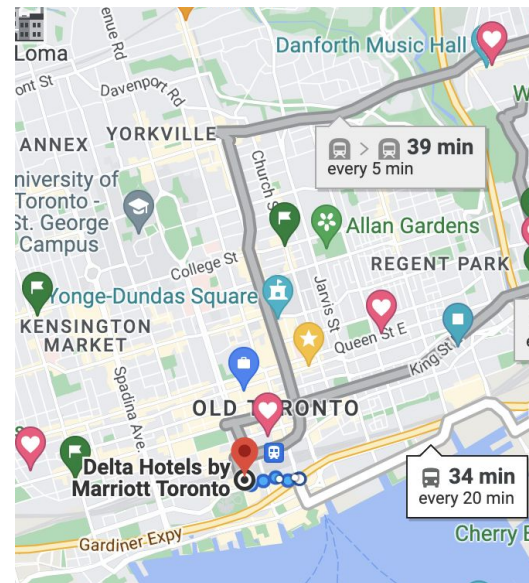
903



SEP 8 2020



SEP 8 2021



SEP 8 2022

## Canadians **rethinking** their finances

🔍 printable budget planner **+1000%**

🔍 how to be frugal in 2022 **+1000%**

🔍 average grocery bill **+1000%**

## Canadians **reclaiming** missed moments

🔍 what to wear to a wedding **+150%**

🔍 concerts & festivals **+375%**

🔍 breakfast table **+124%**

# Canadians are readjusting

Nearly 80% of Canadians will be digital buyers this year



**\$100B**

**2022 Canadian  
retail eCommerce sales**

# What “new normal”?

## Canadian job vacancies climb to new record, signalling more inflation pressure

*Employers were actively recruiting for more than one million vacant positions for the third consecutive month.*

BUSINESS

## Hit hard by inflation, Canadians turning to debt to cover expenses

According to a survey conducted by Finder.com, which compares mortgages, credit cards and loans, roughly 7.3 million Canadians over age 18 have used some form of debt to cover their rising costs of living.

STAR EXCLUSIVE

## How bad is inflation? Most Canadians say their wages aren't keeping up, poll finds

Two-thirds of Canadians fear rising inflation will continue for at least another year with only one in six saying their wages are keeping pace, a new poll suggests.

HEALTH

## COVID-19 pandemic is still 'raging,' experts say. How to stay safe heading into fall



“You cannot overtake 15 cars in sunny weather...but you can when it's raining.”

Ayrton Senna



# 3 Ways to make your Media Work Harder



## **Automate**

Drive responsible growth



## **Connect**

Defend your base



## **Build**

Rethink brand building





# Automate

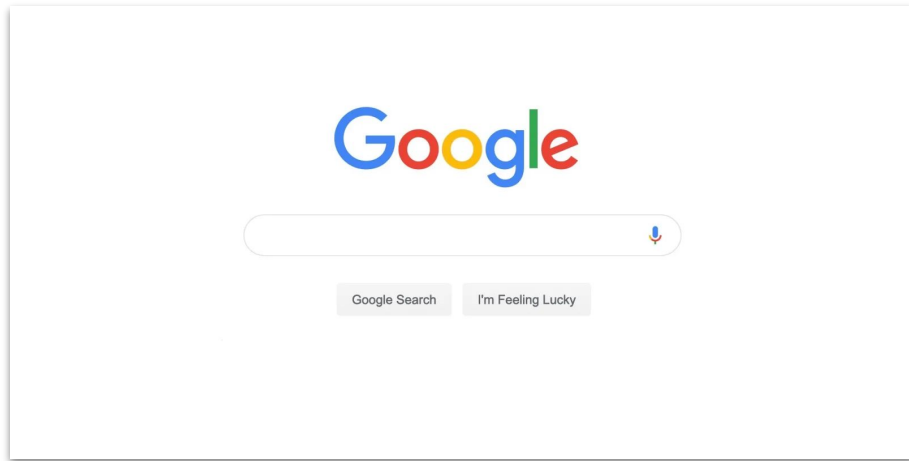
Drive responsible growth

**15%**  
**of searches are new  
every single day**

Q Back to school cookies

Q Back to school bash

Q Back to school events



Q First day of school signs

Q Welcome back to school

Q Back to school colouring pages



**80%**

**Google advertisers use  
automated bidding**





**80%**

**Google advertisers use  
automated bidding**



**Inputs**

*The new competitive advantage*

# Which marketing program would you choose?

RETAILER	ROAS	INVESTMENT
A 	9:1	\$0.8M
B 	7:1	\$1.0M

## Maximize sales at your *true* target

RETAILER	ROAS	INVESTMENT	PROFIT
A 	9:1	\$0.8M	\$1.0M
B 	7:1	\$1.0M	\$1.5M

# Cast a wide net to maximize profit

A



cloud couch  
sectional couch  
couches  
couches for sale  
sectional couches  
red couch

futon couch  
leather couch  
ikea couch  
pull out couch  
l shaped couch  
couch bed

modular couch  
cloud couch dupe  
cheap couches  
couch cover  
outdoor couch  
ikea couches

B



couch

**+35%**

conversions @ same ROI



# Cast a wide net to maximize profit

A



cloud couch

sectional couch

couches

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couch bed

modular couch

cloud couch dupe

cheap couches

couch cover

outdoor couch

ikea couches

B



couch

~~return couch~~

~~couch covers~~

~~couch potato~~



Efficiency

**Expand**



# Connect

Defend your base

Consumer choice is  
**highly vulnerable**  
while we move this  
this period



# Shock to Loyalty 2.0

Q Cheap + Grocery

**+150%**

Q Vintage clothing store

**+330%**

Q Black Friday

**+135%**

*in August!*

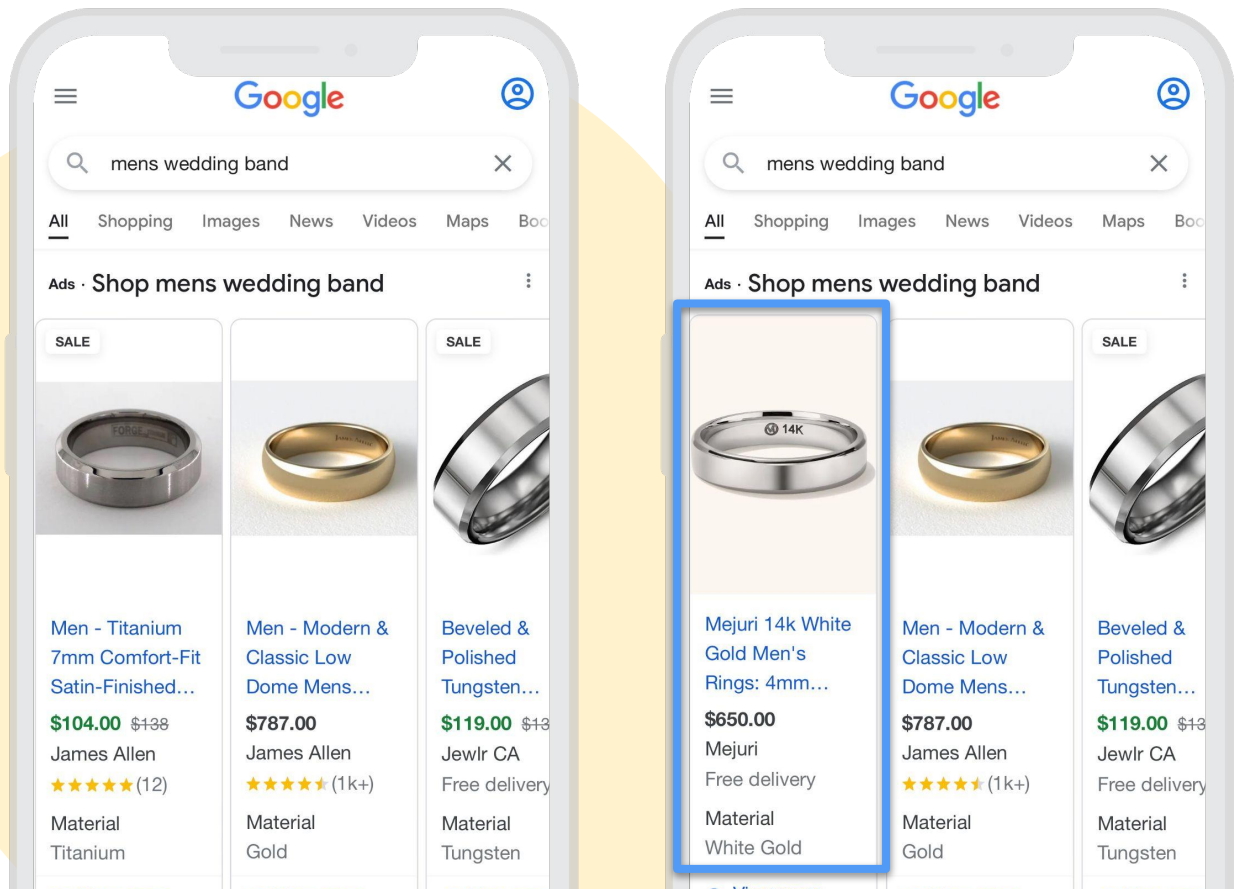
# The cost of not engaging your customers? Losing them.



**2 in 3**

**Canadians have already  
switched brands or stores  
in response to inflation**

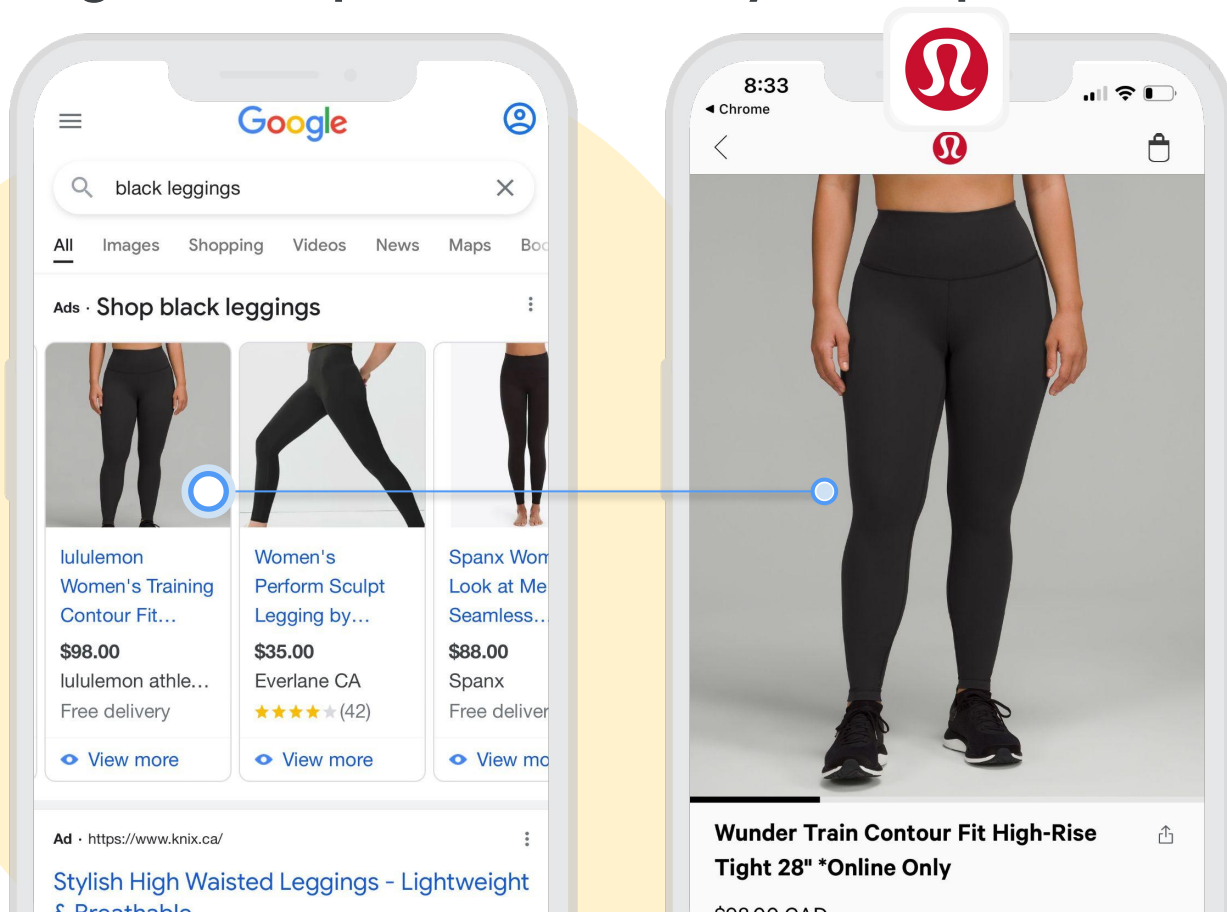
# Stay top of mind for customers who are about to churn



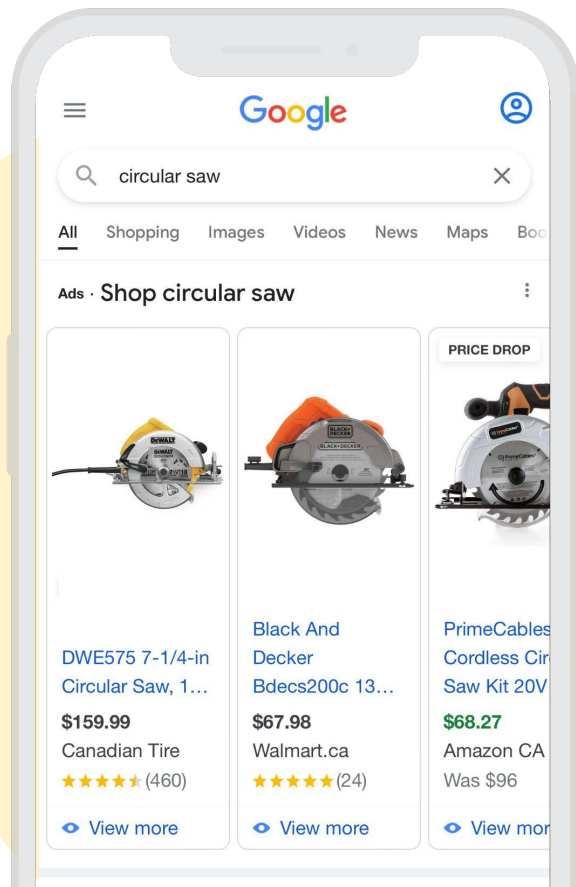
High value customers



# Deliver delightful experiences for your top customers

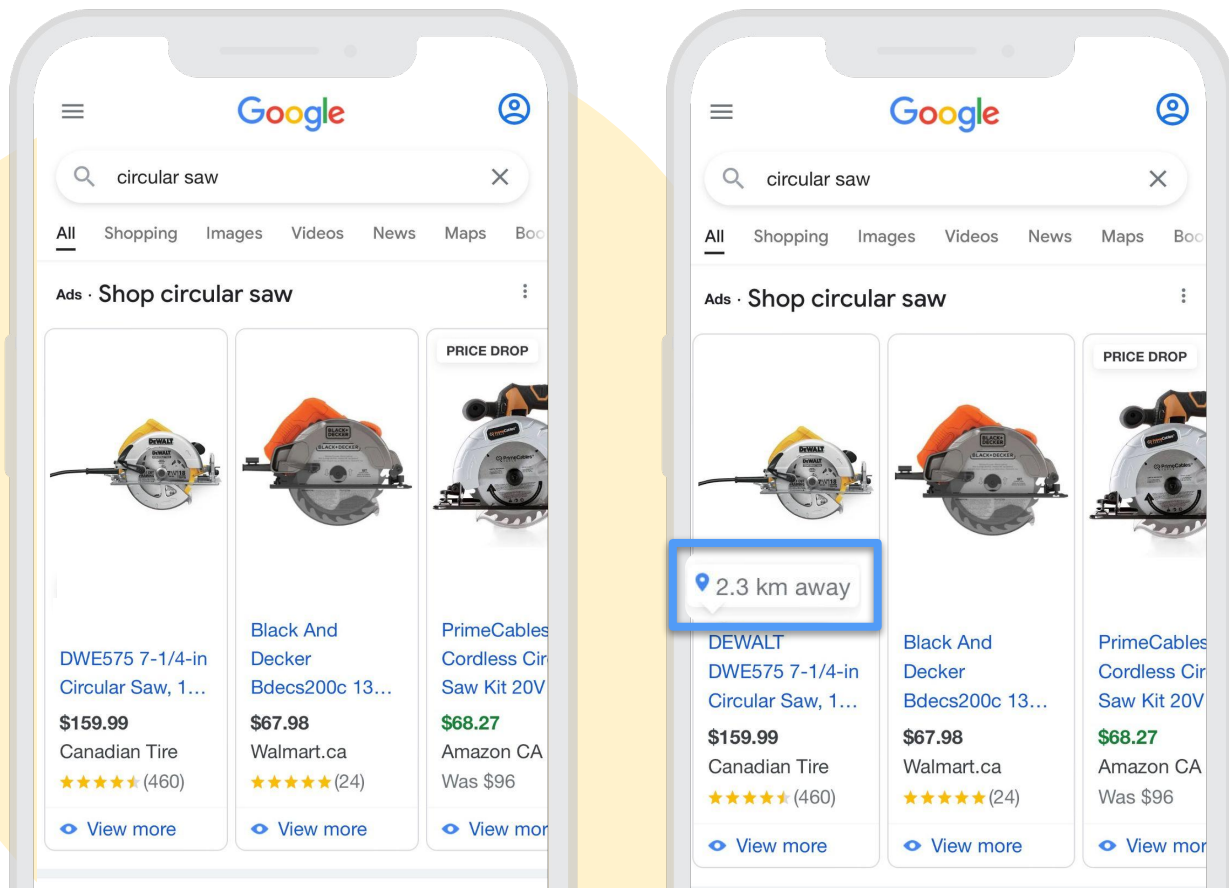


# Use your differentiated asset (store) to drive choice



9 in 10  
pay a premium  
for convenience

# Use your differentiated asset (store) to drive choice





**1.5X**

**Higher revenue for brands  
who deploy segmentation  
strategies.**

Compromise

Connect



# Build

Rethink brand building

*Coca-Cola*

**-11%**

2020 net revenue



pepsi

**+5%**

2020 net revenue





Brand Veteran?

# Rethink Reach & Return

MITSUBISHI: 100% YouTube

**+18% vs. Goal**



New to brand building?

# Rethink 'Brand'



Reductions

Relationships

# 3 Ways to make your Media Work Harder



## **Automate**

Drive responsible growth

*Efficiency → Expand*



## **Connect**

Defend your base

*Compromise → Connection*

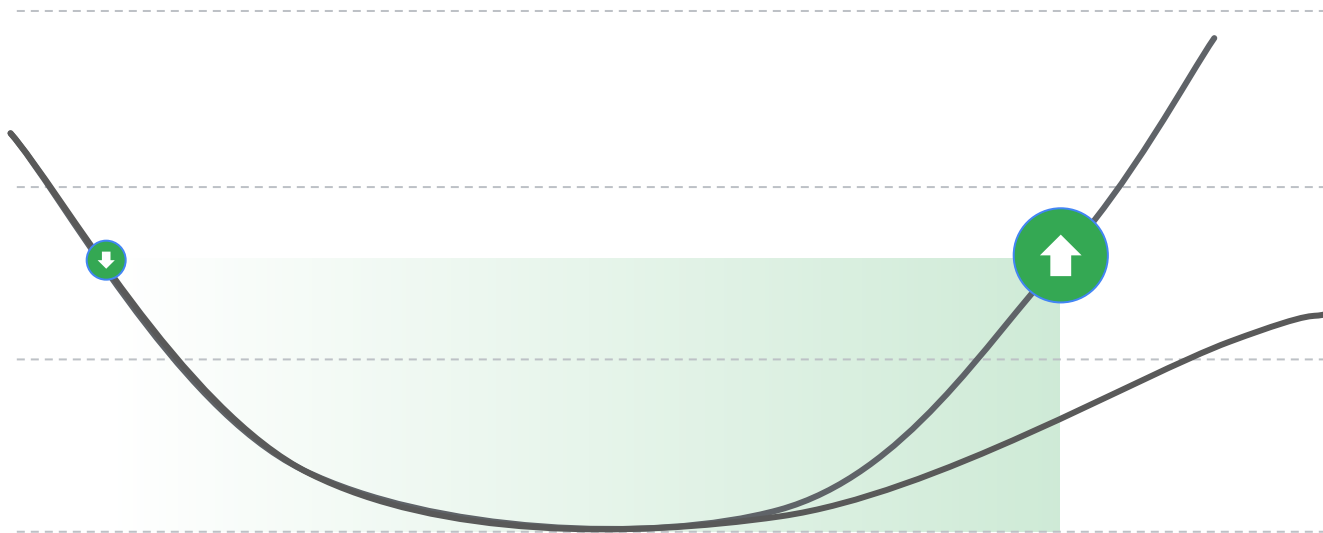


## **Build**

Rethink brand building

*Reductions → Relationships*

# ...can make a big impact here



Decisions made here...

ROLEX

ROLEX

ROLEX

ROLEX

Where will you be  
when the next race starts?



Google

Thank you.





# APPENDIX

# Shock to Loyalty 2020

2.1 KM



0.5 KM



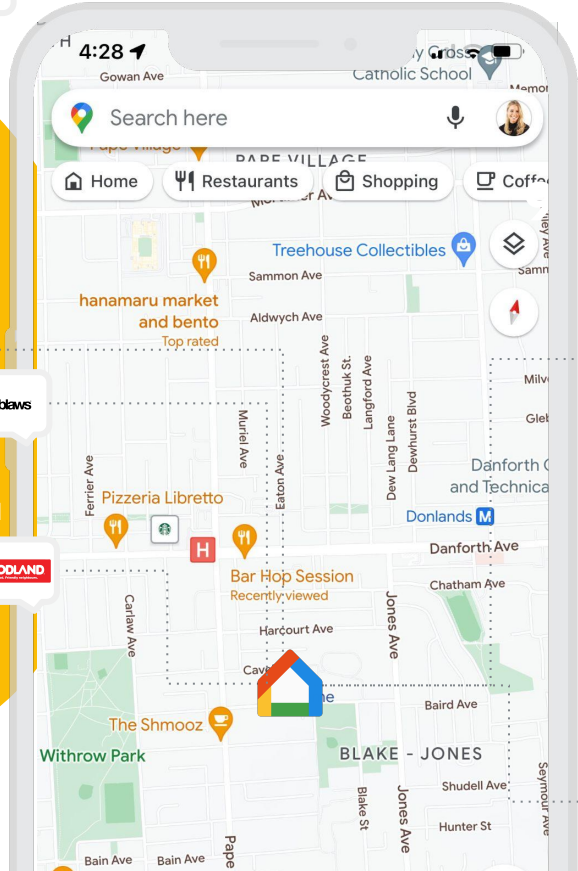
1.5 KM



3.5 KM



1.0 KM



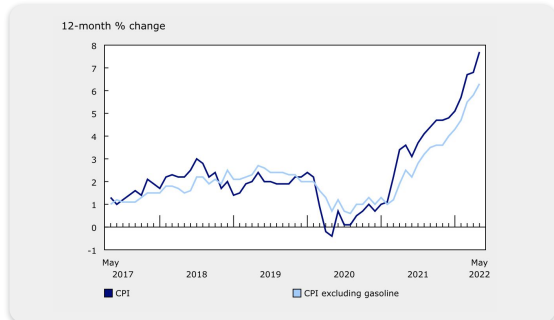
# Profitability & market share are enhanced by marketing spend

	Firms <b>cutting</b> marketing	Firms <b>maintaining</b> marketing	Firms <b>increasing</b> marketing
Profitability during economic downturn	10%	9%	8%
Change in profits during recovery	-0.8%	+0.6%	<b>+4.3%</b>
Market share 2 years after recovery	+0.6pp	+0.9pp	<b>+1.7pp</b>

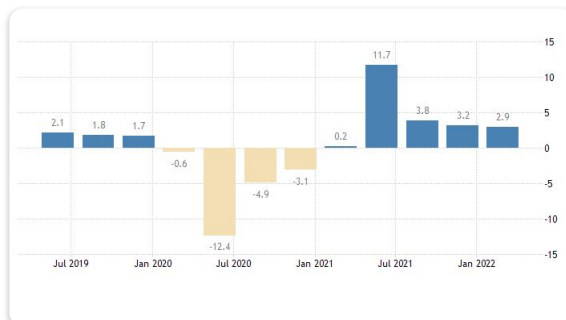
Source: Successful competitive strategies for recession and recovery, Tony Hillier, Market Leader, Issue 4, Spring 1999, see more details [here](#). Reports analysis from the PIMS database of 1,000 companies coping with recession. PIMS evidence is drawn from a sample of nearly 1,000 businesses in the PIMS database of business performance, which have all experienced recession and recovery. A summary of this study can also be found in Marketing during and after a recession, International Journal of Business and Social Science, September 2015, see [here](#).



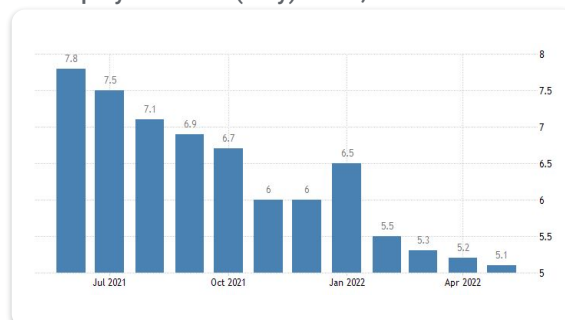
### Inflation | CPI (June): +7.7% MoM



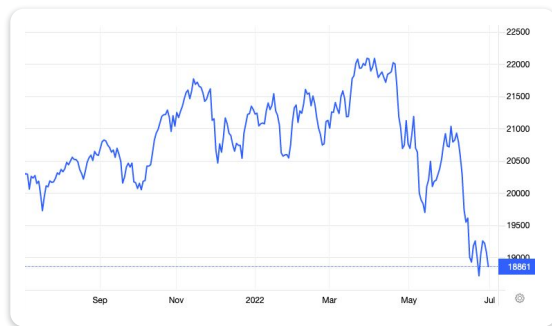
### GDP Growth QoQ



### Unemployment rate (May): 5.1%, -0.1 MoM



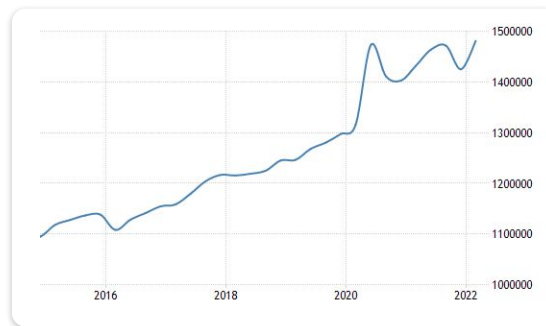
### Canada Stock Market (TSX)



### Consumer confidence (June): 50.42, -2% MoM



### Disposable Personal Income all time highs



# Our standard P&L

Full Price

Revenue	\$1,000
COGS	\$200
Marketing	\$100
<b>Profit</b>	<b>\$700</b>

Units Sold	100
Price	\$10
ROAS	10:1

# Retailer discounts @ 50%

	Full Price	Discount @ 50%
Revenue	\$1,000	\$750
COGS	\$200	\$200
Marketing	\$100	\$75
<b>Profit</b>	<b>\$700</b>	<b>\$475</b>
Units Sold	100	150
Price	\$10	\$5
ROAS	10:1	10:1

## A proposed alternative: relationships > reductions

	Full Price	Discount @ 50%	Discount @ 25% + Marketing
Revenue	\$1,000	\$750	\$900
COGS	\$200	\$200	\$200
Marketing	\$100	\$75	\$150
<b>Profit</b>	<b>\$700</b>	<b>\$475</b>	<b>\$550</b>
Units Sold	100	150	120
Price	\$10	\$5	\$7.5
ROAS	10:1	10:1	6:1