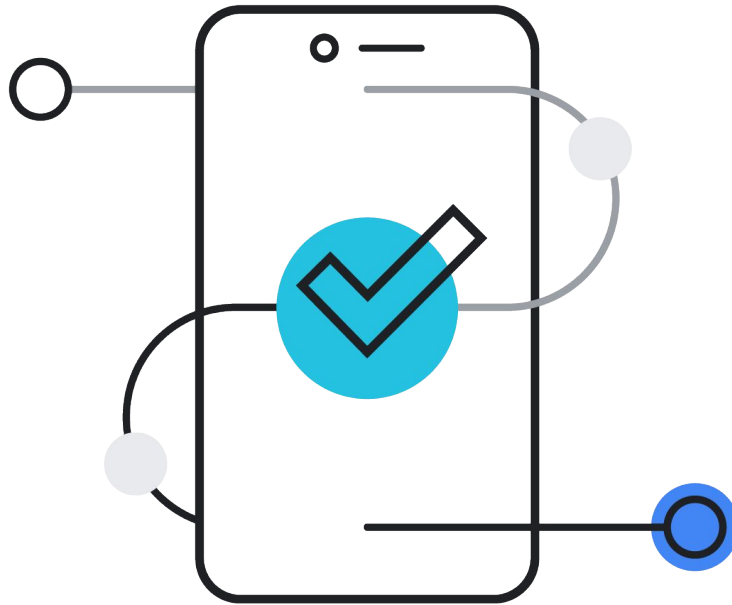


Rethinking Readiness

October 2020

Rethinking Readiness through digital transformation

In 2020, the pace of digital adoption quickened. 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 — is on the rise. While today's market may be unusually volatile and dynamic, we expect this trend to continue. Businesses need to invest in digital transformation: 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. This should ensure short-term growth and long-term resilience.



For advertisers, digital transformation means

- Keeping pace with massive shifts
- 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.
- Making privacy a critical area of investment. Federated learning, APIs, and advanced contextual targeting provide more respectful advertising experiences.

Examples of the changes that have taken place

1. Consumers are driving businesses to innovate.

People are now researching safer ways to shop. In the Netherlands, search interest for "[contactless payment](#)" went up by 225% from last year.

2. Consumer interest in real-time information has spiked as consumers try to keep up with rapid changes.

In Germany, we've seen search interest for the operating hours of "[local businesses](#)" increase by over 175% compared to last year.

3. Consumers are re-shaping demand as they adapt to staying at home & social distancing.

In the United Kingdom, search interest in "[plants online](#)" has increased 10x since last year.

Examples of rethinking ready

1. Let data inform your new product strategy.

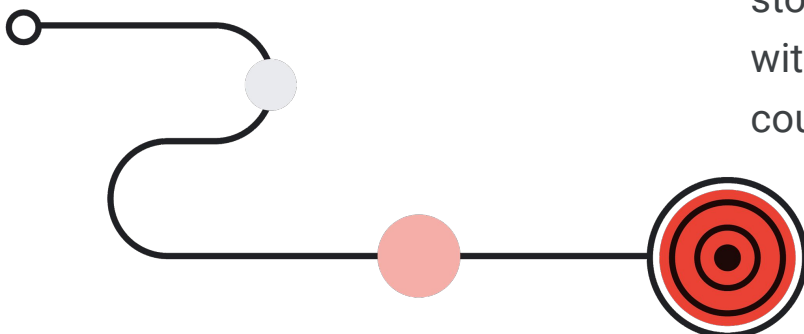
French pool retailer Piscines Desjoyaux developed a new product line of DIY at-home pools to meet new demand for home improvement projects. By using automated bidding and account optimisation, sales increased 20% YOY.

2. Alleviate uncertainty in your channel strategy.

British building supplies retailer Toolstation adjusted their channel strategy by promoting online delivery and click-and-collect. They adapted their Google Search and Shopping investments to prioritise these channels.

3. Satisfying dynamic demand

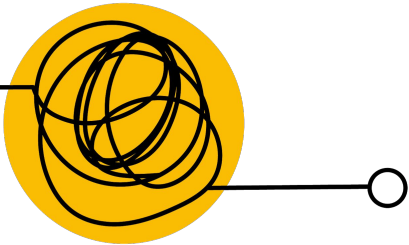
Italian electronics retailer MediaWorld used insights from [fastest growing categories](#) to help prioritise their product stock. This ensured they could keep up with the changing demand during the course of the pandemic.





The 'Messy Middle' of the purchase journey

Consumer journeys were already growing more complex pre pandemic, with touchpoints multiplying across days or weeks and an increasingly fluid relationship between online discovery and offline action. COVID-19 catalysed consumers' digital adoption, upending traditional ways of discovering and purchasing goods and services. Supply chains and delivery channels have been disrupted. Most importantly, marketers core strength has been undermined: their intuitive connection to consumers.



The 'Messy Middle' is becoming even messier

In a research study called '[Decoding Decisions](#)' we observed hundreds of hours of shopping behaviour, and conducted shopping simulations with thousands of consumers in eight global markets. We found that between trigger and purchase, people go through multiple stages of looking for information about a category's brands and products, and weighing all of their options.

The 'Messy Middle' is a space of abundant information and unlimited choice that shoppers manage using a range of cognitive shortcuts. Successfully learning how to navigate the messy middle will be as crucial to future marketing success as any investment in technology or platforms. The decision making process has become even more complex due to COVID-19, which has forced routines to break, people to spend more time online, and new purchasing behaviours to spring up. The messy middle has got even messier.

Be ready for what's next :

To be prepared for a tomorrow where change is the new normal, companies must future proof themselves using these principles:

Be insights-led

Given how 'messy' the customer journey has become, you can't only rely on the last web or app activity to determine what someone really needs or wants.

Be agile

Signals and insights are only useful if they are actionable in real time, at scale. Users expect the interaction between real world and online experience to be frustration-free.

Be data-driven

Adopt smart automation tools that can identify actionable insights, in real time. But you must also keep pace with massive shifts in behaviour, for instance as linear viewership gives way to digital streaming

Be privacy-first

Invest in data security, user controls, and transparency tools ahead of a more robust privacy environment in years to come.

The moment to **rethink ready** is right 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.