



BRAND ENGAGEMENT

Google™ IN THE
PARTICIPATION
AGE

Strategies to Engage More, Drive Passionate Fans and Earn Customers

Today, marketers face the opportunity to embrace a shift in consumer behavior. Consumers have moved from leaning back, receiving brand messages, to leaning forward, actively engaging with them. More than 2 billion consumers go online regularly, thanks to exponential growth in connectivity and third-screen devices like smartphones and tablets. In this “Participation Age,” consumers control if, when, where and how they engage with brands.

To be competitive, marketers need to actively manage an online engagement strategy. “In this age of the customer, the only sustainable competitive advantage is knowledge of and engagement with customers,” writes David M. Cooperstein, VP-research director serving CMO professionals at Forrester Research, in an October 2013 report, “Competitive Strategy in the Age of the Customer.”

The industry defines engagement as “a spectrum of consumer advertising activities and experiences—cognitive, emotional and physical—that will have a positive impact on a brand.” This definition came about through the Making Measurement Make Sense (3MS) industry collaboration spearheaded by the ANA, 4A's and the IAB, which first published the definition in the February 2014 report titled, “Defining and Measuring Digital Ad Engagement in a Cross-platform World.”

‘In this age of the customer, the only sustainable competitive advantage is knowledge of and engagement with customers.’

—David M. Cooperstein, Forrester Research, writing in ‘Competitive Strategy in the Age of the Customer’

To inform marketers’ engagement strategy, Advertising Age and Google conducted two surveys in parallel—a consumer survey that studied how consumers engage with brands and an industry survey that explored how marketers, agencies and media companies engage with consumers. Six core insights from these surveys will help evaluate, modify and actively manage an online engagement strategy.

1. Engagers buy more	3
2. Inspire engagement, win fans	4
3. Many companies have an engagement gap	5
4. Measurement matters	5
5. Online ads actively engage	7
6. To drive engagement, buy engagement	9

6 Core Engagement Insights

1 ENGAGERS BUY MORE

Of the majority of consumers who regularly engage with brands online, those who engage more correlate with those who buy more.

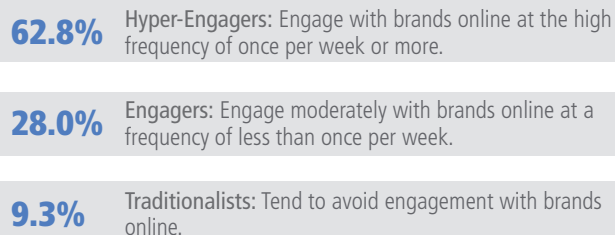
When defining an engagement strategy, it helps to have an understanding of online consumers' propensities to engage and buy. Dubbed "Generation C," the always-online, device-carrying consumers of the Participation Age are the opposite of passive consumers—they're active participants who integrate digital into their daily lives. Think of them as a psychographic group with shared values around community and connectedness and with shared interests in creating and curating.

Many people in Generation C have high propensities to engage. The consumer survey revealed that 90.8% of respondents regularly engage with brands online. This group of willing engagers falls into two categories, Hyper-Engagers and Engagers. Hyper-Engagers, at 62.8% of respondents, engage with brands online at the high

90.8% OF CONSUMER RESPONDENTS REPORT REGULARLY ENGAGING WITH BRANDS ONLINE

Figure 1

How often do you engage with brands online?



Based on consumer respondents, n=400

frequency of once per week or more. Engagers, at 28.0% of respondents, engage moderately with brands online at a frequency of less than once per week. A third category, Traditionalists, at 9.3% of respondents, tend to avoid engagement with brands online. Companies have the opportunity to capture the attention of Hyper-Engagers and Engagers for their brands by actively managing an online engagement strategy.

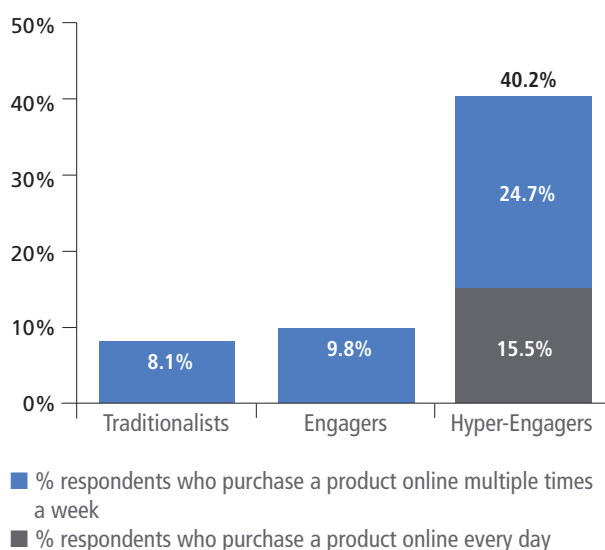
Many people in Generation C also have high propensities to buy. A comparison of the engagement and purchasing tendencies of Hyper-Engagers to that of Engagers reveals that those who engage more correlate with those who purchase more. Figure 11 in the Appendix (Page 11) shows that Hyper-Engagers engage more across every channel and purchase more. In fact, Hyper-Engagers are more than four times more likely to purchase a product online every day or multiple times per week (at 40.2% of respondents likely to purchase) than Engagers (at less than 10% of respondents likely to).

Marketers have a big opportunity to win fans among Generation C's Hyper-Engagers and Engagers. A recent YouTube Insights research study says, "Consumers engage with brands that share their passions and interests, and when the engagement is really strong they become fans. We consider fans to be a brand's most powerful customers; they're advocates who are also likely to purchase with regularity."

ENGAGED CONSUMERS BUY MORE

Figure 2

How often do you purchase a product online?



Based on Hyper-Engagers, n=251; Engagers, n=112; and Traditionalists, n=37

2 INSPIRE ENGAGEMENT, WIN FANS

Consumer openness to the inspiration to engage has created bountiful opportunities to win fans.

Marketers can inspire consumers to engage and become dedicated fans by aligning brand advertising with consumer passions across a wide array of channels. For example, many Hyper-Engagers are open to inspiration from video, online and social channels.

Brands will find it easy to attract fans and inspire Hyper-Engagers with sight, sound and motion: 58.6% of Hyper-Engagers get inspired to engage via TV commercials and 42.6% via online video. This shows how the lines between online video and television are blurring for Hyper-Engagers. For example, a video ad playing on a handheld device has just as much potential to tell a story and evoke engagement as a TV commercial playing on a living-room screen.

Many Hyper-Engagers are open to inspiration from any digital channel. For example, 41.8% are inspired to engage with brands due to the quality of a brand's website, 29.5% by a company's presence in social media and 26.7% are inspired by online banner ads. This suggests that brands can benefit even more when different channels work together.

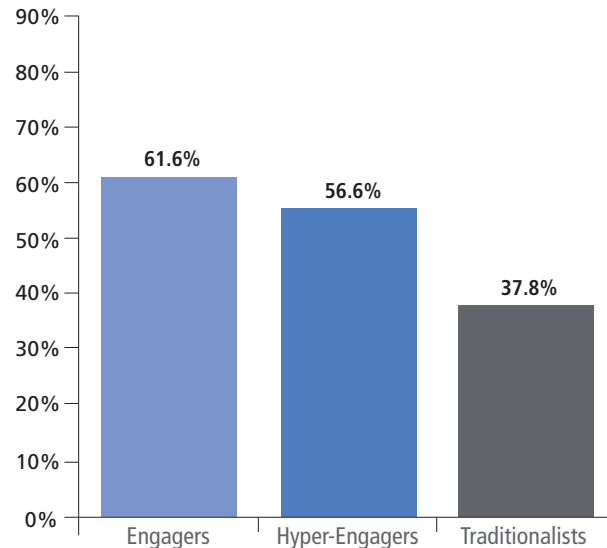
An influencer approach that sparks word-of-mouth and social media recommendations may work particularly well among all consumer types, with 61.6% of Engagers, 56.6% of Hyper-Engagers and 37.8% of Traditionalists reporting "recommendations from people I know" as a source of inspiration to engage with a brand. It's the only approach that draws support from a larger number of Engagers than Hyper-Engagers, and Traditionalists prefer this approach to any other.

Many Hyper-Engagers are open to inspiration from any digital channel: 41.8% are inspired to engage with brands due to the quality of a brand's website, 29.5% by a company's presence in social media and 26.7% are inspired by online banner ads. This suggests that brands can benefit even more when different channels work together.

SOCIAL RECOMMENDATIONS INSPIRE ALL TYPES OF CONSUMERS TO ENGAGE

Figure 3

Do recommendations from people you know inspire you to become more involved/engaged with a brand?



Based on Hyper-Engagers, n=251; Engagers, n=112; and Traditionalists, n=37

SPOTLIGHT

vitaminwater^{GLACÉAU}

vitaminwater Wins Fans by Engaging Consumers' Passion for Music

vitaminwater had identified music as a common passion point between its brand and its audience, multicultural Millennials. To engage this passion, the brand hosted "uncapped," a series of live music events held across nine U.S. cities, and bridged the live event into digital with YouTube as the centerpiece. Google ads, including YouTube's TrueView ads and multiple home-page mastheads, supported the program. vitaminwater found that consumers who chose to watch uncapped content on TrueView often consumed more videos and became dedicated fans of the vitaminwater YouTube brand channel. Plus the program improved brand health metrics and purchase intent. Read the full case study [here](#).

3 MANY COMPANIES HAVE AN ENGAGEMENT GAP

There's a gap between the stated priority of online engagement and the way companies manage it.

Consumer insight supports the case to actively manage an online engagement strategy. Consumers regularly engage with brands online; those who engage more correlate with those who purchase more, and consumers can be inspired to engage with a brand. However, looking at the flip side—at how marketers, agencies and media companies engage with consumers—there's a gap between the stated importance of engagement and the way companies manage it. Although a large majority (86.2%) of industry respondents agree that engagement is a priority for their company, only 45.8% say their company actively manages engagement.

The industry survey revealed three types of companies with respect to brand engagement: Active companies believe online engagement is a priority and actively manage it; Eager companies believe online engagement is a priority but do not actively manage it; and Reluctant companies do not see engagement as a priority at all.

Reluctant or Eager companies risk losing customers to competitors that do actively manage an engagement strategy.

4 MEASUREMENT MATTERS

To increase focus on engagement, companies need to measure the right things—such as their ability to move viewers to take action.

A majority of industry respondents from all categories agree that better metrics and measurement would increase their focus on engagement. Solving this is difficult but not impossible. David Shiffman, exec VP-research director at MediaVest, says, "I think we can build some standardization, filtering out things that are not really meaningful while looking for valuable metrics that lead to brand benefits."

Companies have a lot of work to do to pursue better measurement. For example, only 41.9% of industry respondents say their company quantifies engagement value. Before a brand can manage engagement optimally, it needs to measure engagement. Putting some metrics in place may be the initial step for many companies.

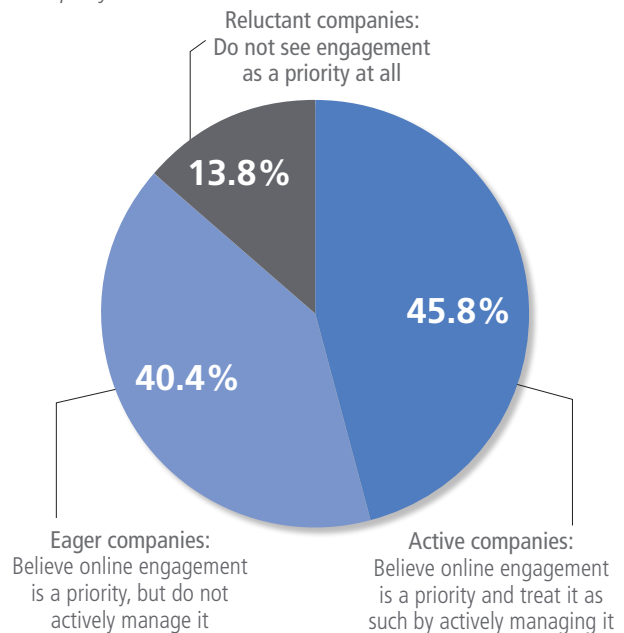
An executive segment of industry respondents in VP- and C-level roles within companies that actively manage

THREE WAYS COMPANIES APPROACH BRAND ENGAGEMENT

Figure 4

To what extent or degree does your company actively manage an online engagement strategy?

Is online engagement with your brand a priority for your company?

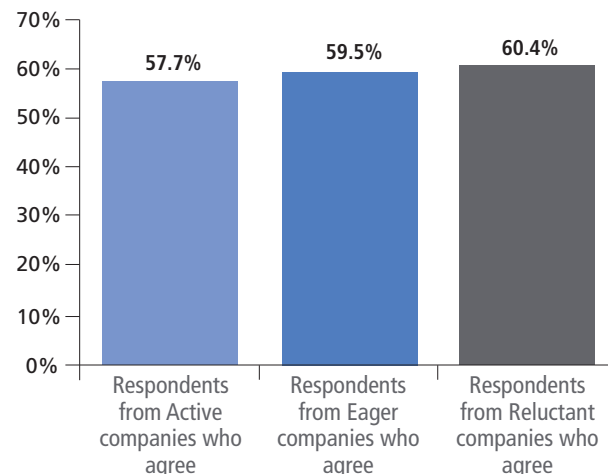


Based on industry respondents, n=384

BETTER MEASUREMENT AND METRICS WOULD INCREASE FOCUS ON ENGAGEMENT FOR ALL COMPANY TYPES

Figure 5

Would better measurement and metrics increase your focus on engagement?



Based on respondents in Active category, n=168; Eager, n=163; Reluctant, n=53

and quantify engagement accept 12 different meanings for engagement. The largest majority, 88.6%, of this executive segment agree that engagement means “moving viewers to take action” (see Appendix, Figure 12, Page 12).

Looking at engagement as “moving viewers to take action” results in the need to measure all the desired actions that consumers may take. This fits into the way MediaVest’s Mr. Shiffman looks at it: “Engagement is really a collection of metrics.”

Among survey respondents who do quantify engagement value, more than 20 metrics are used to help gauge engagement. Interaction rate is the metric with the greatest importance to the greatest number of respondents in the expert executives segment. Other metrics making up the Top 10 most important metrics to the expert executive segment include reaching influencers, driving traffic, sales/ROI, cost-per-engagement and conversions. For the complete results among all respondents that quantify engagement value, see Figure 13 in the Appendix (Page 13).

Notably, the metric for “building the broadest reach for the lowest price” garners the least amount of support from respondents. Marketers today expect metrics to go much

deeper than low-cost reach. “Back in the day, the ad industry had to settle for offline metrics,” says Emily Wright, senior manager, brand experience, Hyatt Hotels Corp. “You could look at how many people your ad reached, but there

‘People do a million different things that can be classified as “engagement,” but only five might really matter in terms of the drive to purchase. You need to look for that high-value engagement.’

—Leon Barsoumian, Havas Media

wasn’t too much else you could do. But those basic numbers do not speak to the quality of the customer engagement. Ultimately, we want to reach the people who want to explore more of our brand.”

Says Leon Barsoumian, VP-group account director, analytics and insights, Havas Media: “People do a million different things that can be classified as ‘engagement,’ but only five might really matter in terms of the drive to purchase. You need to look for that high-value engagement.”

EXECUTIVES’ TOP 10 MOST IMPORTANT METRICS USED TO MEASURE ENGAGEMENT

Figure 6

How important is each of the following metrics that you are currently using to measure engagement?

Metric	% of respondents who place a high importance on the metric
Interaction rate	85.7%
Reach influencers	82.9%
Drive traffic to retail locations/website	80.0%
Sales/ROI	80.0%
Engagement/Cost-per-engagement	77.1%
Conversions	77.1%
View-through conversions	71.4%
Social buzz	68.6%
Shares	65.7%
Change brand perceptions/positioning	62.9%

Top 3 box among executive respondents from Active companies that quantify engagement, n=35

SPOTLIGHT



Using Many Ways to Move Viewers to Take Action

When ING DIRECT Canada launched a “Superstar Saver Search” video contest in collaboration with

indie rock band Walk Off the Earth, the team behind the campaign had many actions to measure. A YouTube Masthead and Google Engagement Ad invited viewers to create and submit a video about how they save money. The team measured how many people created videos for the contest, how many watched videos, how many shared them, how many voted and how many were discussing them. Mark Nicholson, head of digital, creative and communications at ING DIRECT Canada, says the business impact included an increase in brand awareness, a bump in new-client acquisitions and a direct correlation to increased savings deposits. Read the full case study [here](#).

5 ONLINE ADS ACTIVELY ENGAGE

Marketers, agencies and media companies can use online ads to actively engage consumers in relevant and measurable ways.

Online ads actively engage consumers and move them to take action, such as to make purchase decisions. The influence online ads have on purchase decisions makes a compelling case to include online advertising as a channel in a brand's engagement strategy. For example, nearly all Hyper-Engagers use online advertising to make purchase decisions sometimes or often. Even among Engagers and Traditionalists, online advertising has influence: 55.4% of Engagers and 29.7% of Traditionalists say they use online advertising to make purchase decisions sometimes or often (see Figure 8, Page 8).

SPOTLIGHT



Inspiring Engagement With Localized, Relevant Content

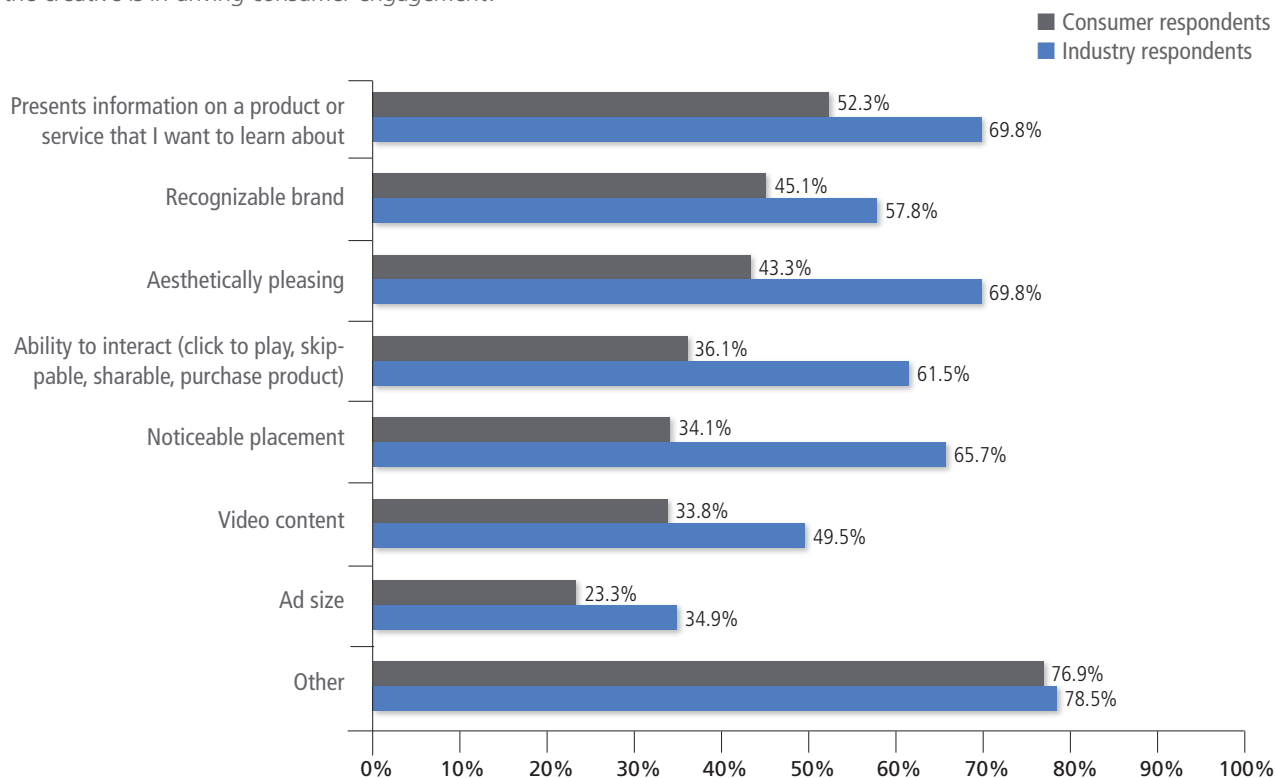
To promote the Fresh Take brand, Kraft and Geometry Global ran Google's Engagement Ads full of videos, recipes, packaging information, coupons and upcoming local events. The local events featured upcoming stops of the Fresh Take Food Truck, which were automatically localized within the creative for added relevance. "It was a great vehicle to leverage all our assets in one place," says Rachel Drescher, associate account director at Geometry Global. "Moving consumers from awareness to purchase happens quickly when everything is in one unit." Read the full case study [here](#).

IMPORTANT AD FEATURES FOR DRIVING AD ENGAGEMENT

Figure 7

Consumer survey: How important is each of the following in getting you to interact with online ads?

Industry survey: When running a digital campaign, how important do you believe each of the following features/activities of the creative is in driving consumer engagement?



Top 3 box among consumer respondents, n=400; Top 3 box among industry respondents, n=384

Since engagement correlates to purchases, it follows that ads should be as engaging as possible. One way to do this is by making ads as relevant as possible. For example, consumers rate the presentation of “information on a product or service that I want to learn about” the highest among six features within ads that may attract their willingness to engage.

Similarly, three of the top four ad features for driving purchase intent focus on relevance. Consumers like ads from trusted brands because they’re more relevant to them than ads from untrusted or untested brands. They like ads shared by a friend or family because the act of sharing ensures rel-

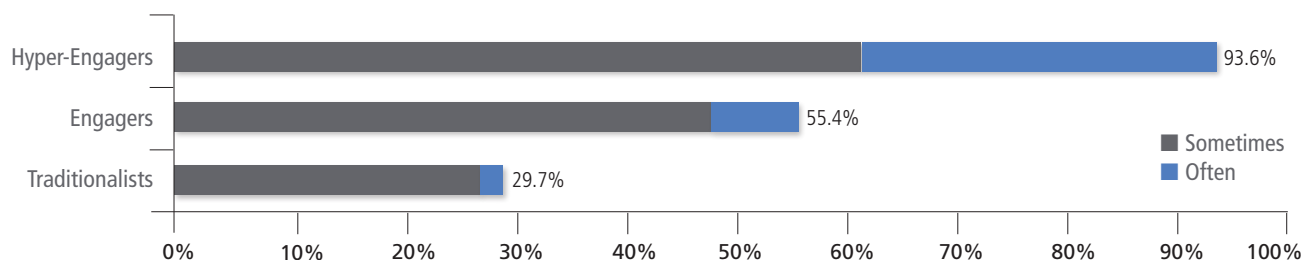
93.6% of Hyper-Engagers and 55.4% of Engagers say they use online advertising to make purchase decisions sometimes or often.

evance. They like ads “related to something I’ve been looking for” because when they’re in consideration mode, ads for things that can solve their problems have a high level of relevance. Ads with relevant forms of engagement promise to deliver superior engagement and purchase intent results.

CONSUMERS USE ONLINE ADVERTISING TO MAKE PURCHASE DECISIONS

Figure 8

Generally, how often do you use online advertising to help make purchase decisions?

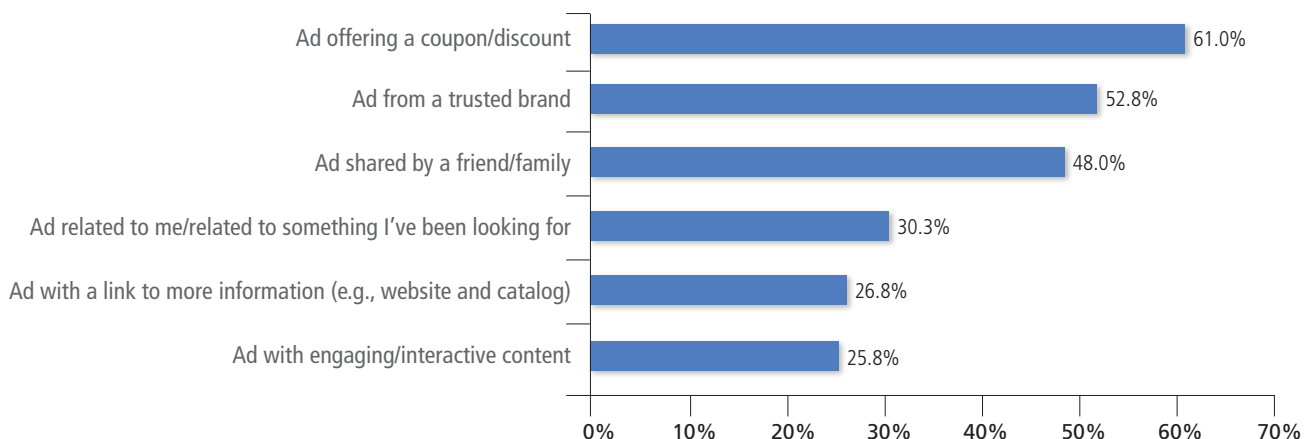


Based on Hyper-Engagers, n=251; Engagers, n=112; and Traditionalists, n=37

IMPORTANT AD FEATURES FOR DRIVING PURCHASE INTENT

Figure 9

Which of the following ad types or activities would increase the likelihood of you considering and/or purchasing a brand, product or service?



Consumer respondents, n=400

6 TO DRIVE ENGAGEMENT, BUY ENGAGEMENT

Companies can leverage the emerging best practice of buying engagement.

Many advertisers now pay directly for the engagement they want to drive. In fact, 84.1% of respondents from companies in the Active engagement category buy media based on online engagement. To leverage this emerging best practice, companies can run engaging formats and only pay when people take action. James Beser, group product manager for brand display advertising at Google, advises, "If you're trying to drive engagement, you should buy engagement. Shifting to accountable models where media is planned and paid for on a cost-per-engagement is crucial."

Although young in comparison to other media-buying

'If you're trying to drive engagement, you should buy engagement. Shifting to accountable models where media is planned and paid for on a cost-per-engagement is crucial.'

—James Beser, Google

SPOTLIGHT



More than 500,000 Opt In to Explore Chevy Traverse via Engagement Ads

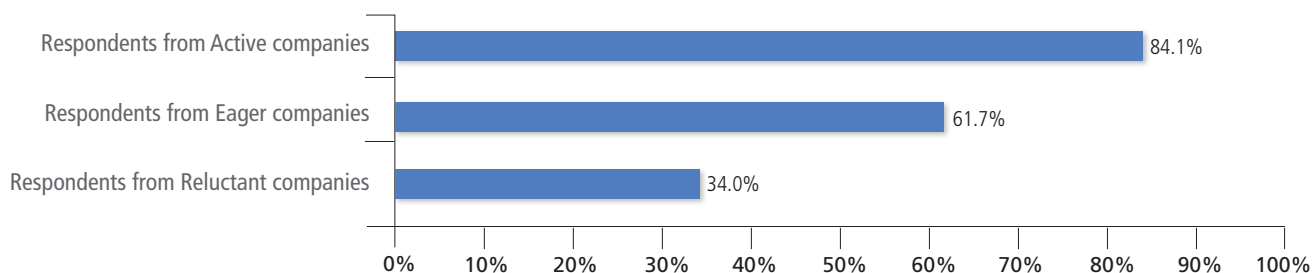
In a recent campaign for the Chevy Traverse, General Motors paid for 577,000 engagements with Google's Engagement Ads. The ads achieved an average engagement time of 19 seconds, and General Motors received 38.6 million free impressions. The company says Engagement Ads will remain an important part of its marketing strategy since the format continues to engage audiences time and again. Read the full study [here](#).

models, cost-per-engagement and cost-per-view models have quickly accumulated supporters. When asked to choose one method they preferred for buying online media, 34.5% of respondents from companies in the Active engagement category selected the CPE/CPV option. The popularity of these new ways to buy contributes to the growth in consumer-centric forms of advertising. To successfully manage an engagement strategy, companies must make everything they do consumer-centric and provide relevant engagement opportunities.

MANY COMPANIES BUY MEDIA BASED ON ONLINE ENGAGEMENT

Figure 10

Is your company currently buying any media based on online engagement (e.g., interactivity with websites, social, videos, etc.)?



Based on "yes" answers from industry respondents excluding media publishing: Eager, n=145; Active, n=141; Reluctant, n=50

CONCLUSION

Embrace the Opportunity to Engage

It's stunning to get one's head around the Participation Age and Generation C. The world today, with its explosion of connectivity and third-screen devices, differs dramatically from the world many marketers were born into. Some marketers are further ahead in taking advantage of it than others.

Among consumers, the Hyper-Engagers lead the way. Among industry players, the companies that actively manage an engagement strategy are in front. To be competitive, companies need to be among the best in their categories at actively managing an online engagement strategy.

There are plenty of reasons to focus on engagement. The consumer survey shows that consumers regularly engage with brands online, that those who engage more correlate with those who purchase more and that consumers can be inspired to engage with your brand.

The industry survey demonstrates that there's a gap between the stated priority of online engagement and the way companies manage it; that to increase focus on engagement, companies need to pursue better measurement, and that while many metrics can be used to measure engagement, there's wide support for viewing it as "moving viewers to take action."

From studying consumer and industry respondents together, the surveys show online advertising can be used to provide relevance and value to consumers while engaging in a measurable way. Plus, brands can leverage the emerging best practice of buying engagement.

Companies that embrace the opportunity to engage by actively managing an online engagement strategy will be rewarded with the prize of building a competitive advantage for their brands.

About the Surveys

Google and Advertising Age secured third-party research firm Advantage Business Research to conduct two exclusive, parallel online surveys to explore engagement from a consumer and industry perspective.

Between Oct. 31, 2013, and Nov. 5, 2013, consumers were asked to answer a survey about how they use digital media and engage with brands online. The 400 respondents included 48% men and 52% women with a median household income of \$45,000 and a median age of 32. They were equally divided across the Northeast, Midwest, South and West regions of the U.S. The margin of error, based on 400 respondents, is calculated to be no greater

than +/- 5.0 percentage points at the 95% confidence level.

Between Oct. 24, 2013, and Nov. 4, 2013, professionals in the advertising, marketing and media industry were asked to answer a survey about how they plan, execute and measure consumer engagement. The 384 respondents were made up of 49.3% agencies, 38.3% marketers and 12.5% media. Respondents held a variety of job titles, with 27.3% coming from a VP or C-level executive role and 25.3% from a marketing management role.

The margin of error, based on 384 respondents, is calculated to be no greater than +/- 5.1 percentage points at the 95% confidence level.

Appendix

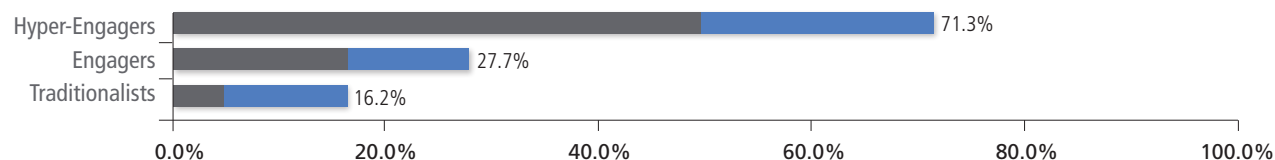
ACTIVITIES CONSUMERS ENGAGE IN EVERY DAY OR MULTIPLE TIMES PER WEEK

Figure 11

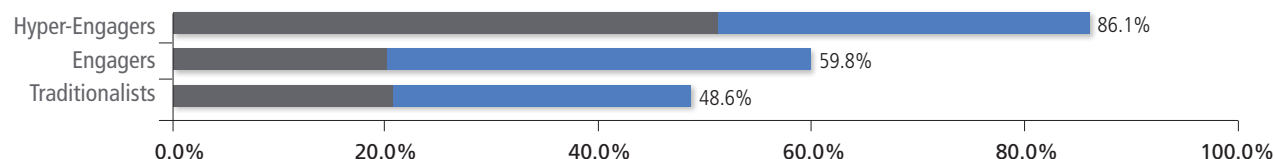
How often do you do each of the following?

■ % respondents who engage in this activity every day
■ % respondents who engage in this activity multiple times a week

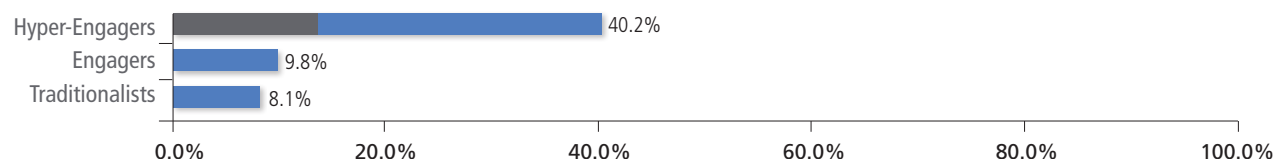
Interact with Online Advertising



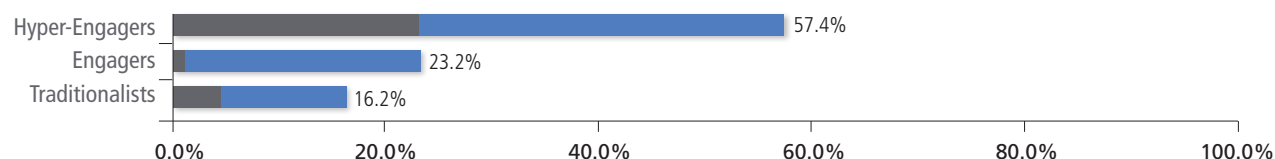
Play Videos



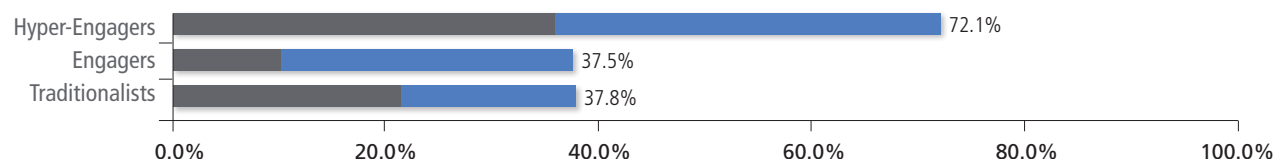
Purchase a Product



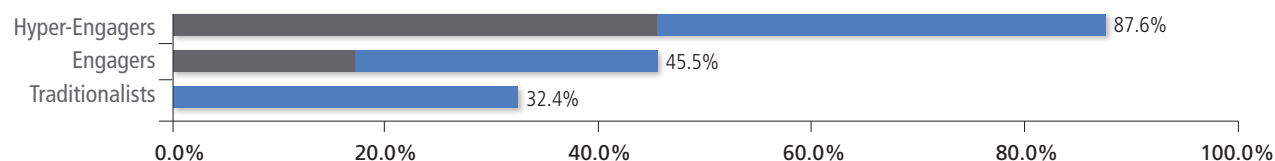
Vote or Rate



Comment



Visit Product/Service Website

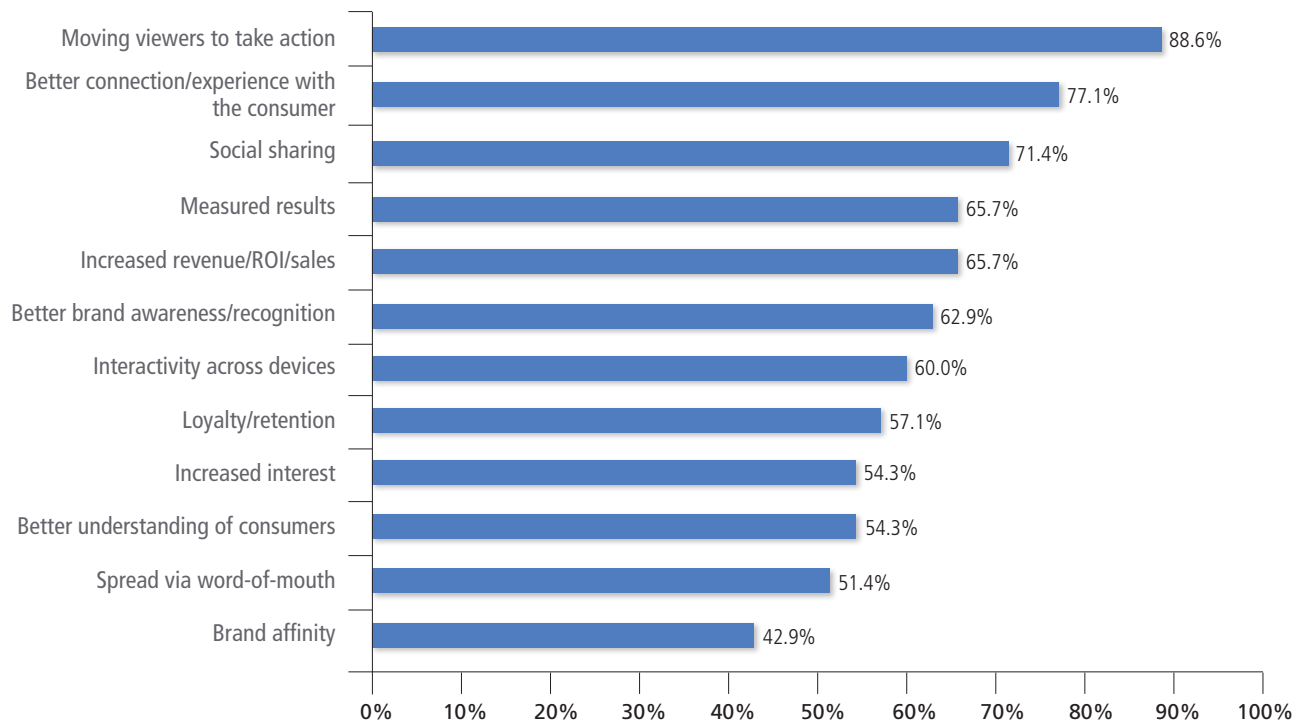


Based on Hyper-Engagers, n=251; Engagers, n=112; and Traditionalists, n=37

WHAT ENGAGEMENT MEANS TO EXECUTIVES

Figure 12

What does engagement mean to you?

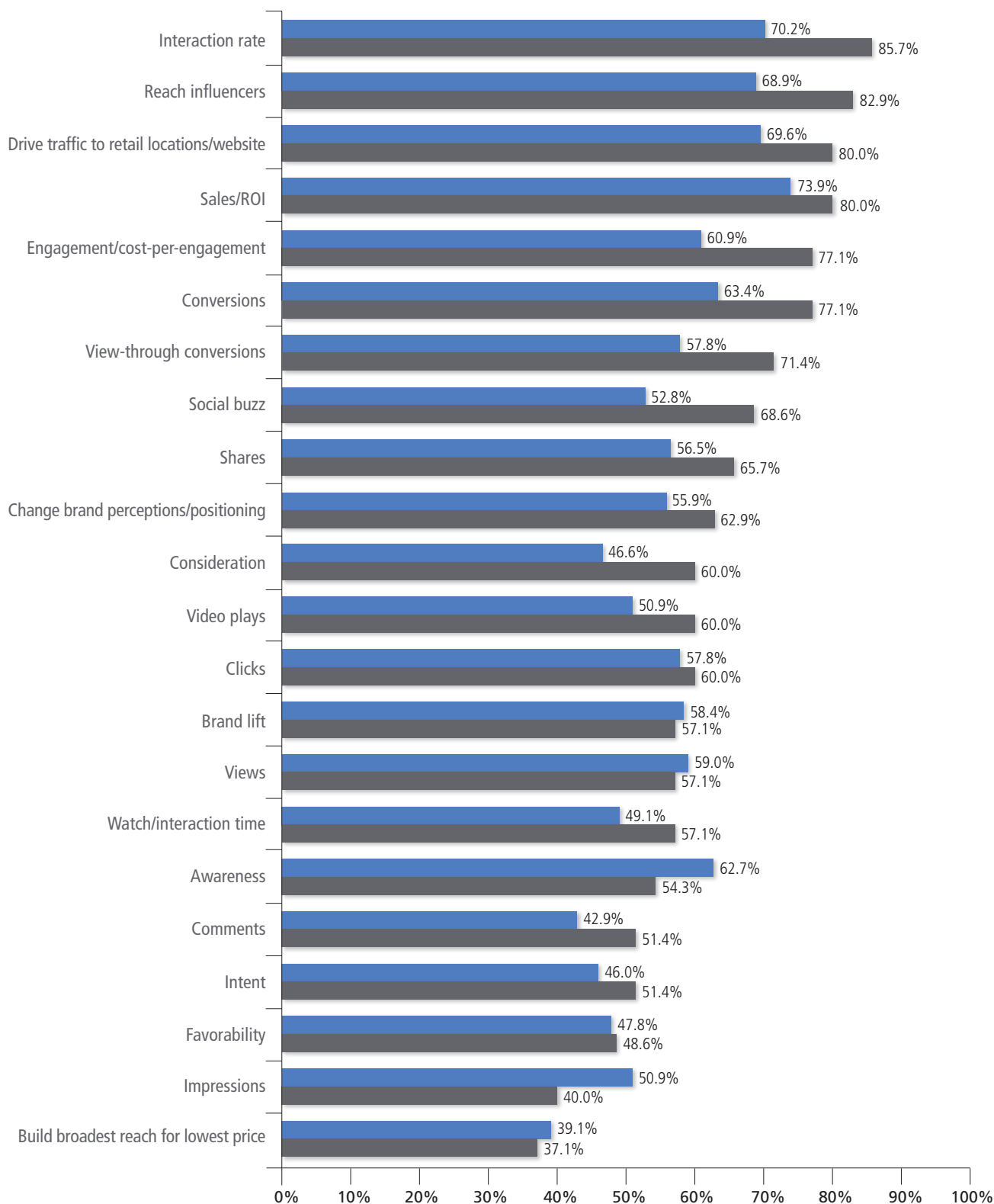


Based on executive respondents from Active companies that quantify engagement, n=35

THE IMPORTANCE OF METRICS USED TO MEASURE ENGAGEMENT

Figure 13

How important is each of the following metrics that you are currently using to measure engagement?



■ Top-3-Box among all respondents who report that their company quantifies engagement value

■ Top-3-Box among executive (VP or C-Level) roles who report that their company quantifies engagement value and is in Active category

Top 3 box among all respondents, n=161; Top 3 box among exec (VP or C-Level) roles in the Active category, n=35

The Ad Age Content Strategy Studio, an extension of Advertising Age and adage.com, works with companies to help them tell their brand stories their way. Built on Ad Age's heritage of editorial expertise and excellence, the Content Strategy Studio works to develop the ideas that create an emotional connection with customers. Through articles, blogs, video, microsites, research, events, white papers and other opportunities, it provides end-to-end solutions for brands that will create the story that's fueling today's conversations.

Storytelling for your brand by the brand that knows how to tell stories

STAFF

Jackie Ghedine
Associate Publisher
jghedine@adage.com

Alex McGrath
Senior Account Executive
amcgrath@adage.com

Karen Egolf
Editorial Director
Content Strategy Studio
kegolf@adage.com

Eniko Skintej
Marketing Research Manager

Richard K. Skews
Associate Editor

Julie Liesse
Writer

Nancy Dietz
Barbara Knoll
Copy Editors

Gregory Cohane
Art Director

Suzanne Fleischman
Production Manager

WHITE PAPER

Mary Shirley
Product Marketing Manager
Google

Sally Cole
Research Analyst/Writer