



Summit



# GOOGLE

# DEMAND GEN

## THE OPPORTUNITY FOR RETAILERS

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This whitepaper is based on our exclusive roundtable with Google's Head of Video Sales & Go-to-Market, Retail, and our Summit experts.

If you would like to be invited to our future events and stay ahead in the retail market, reach out to us at [hello@summitmedia.com](mailto:hello@summitmedia.com)

# Introduction from Summit

Retail is facing a challenging period, with recent data showing a decline in year-on-year traffic. Economic uncertainties make growth difficult, but marketers now need to invest in mid and upper funnel activities to sustain awareness and generate demand.



It is more important than ever for retailers to stay in contact with potential customers throughout their complex purchase journeys. Google's new Demand Gen campaigns present a significant opportunity for retailers to enhance their Google Ads strategy right before the golden quarter.

As a Google Premier Partner, Summit hosted a roundtable with Google speakers to address concerns regarding Demand Gen and, more importantly, to help retailers develop a plan for testing and measuring this product. Our goal is to empower retailers to revisit Google Ads with a fresh perspective, by using these new tools and insights.

This whitepaper summarises our roundtable discussions, aiming to support retailers in overcoming barriers to entry into Demand Gen. We've provide actionable insights and strategies so you can confidently test and implement Demand Gen campaigns before peak.

If you have any questions or comments, please feel free to get in touch at [hello@summitmedia.com](mailto:hello@summitmedia.com).

Martin Corcoran,  
Owner and CEO at Summit and  
Productcaster

# Understanding the Mid-Funnel Focus

## The Importance of the Mid-Funnel

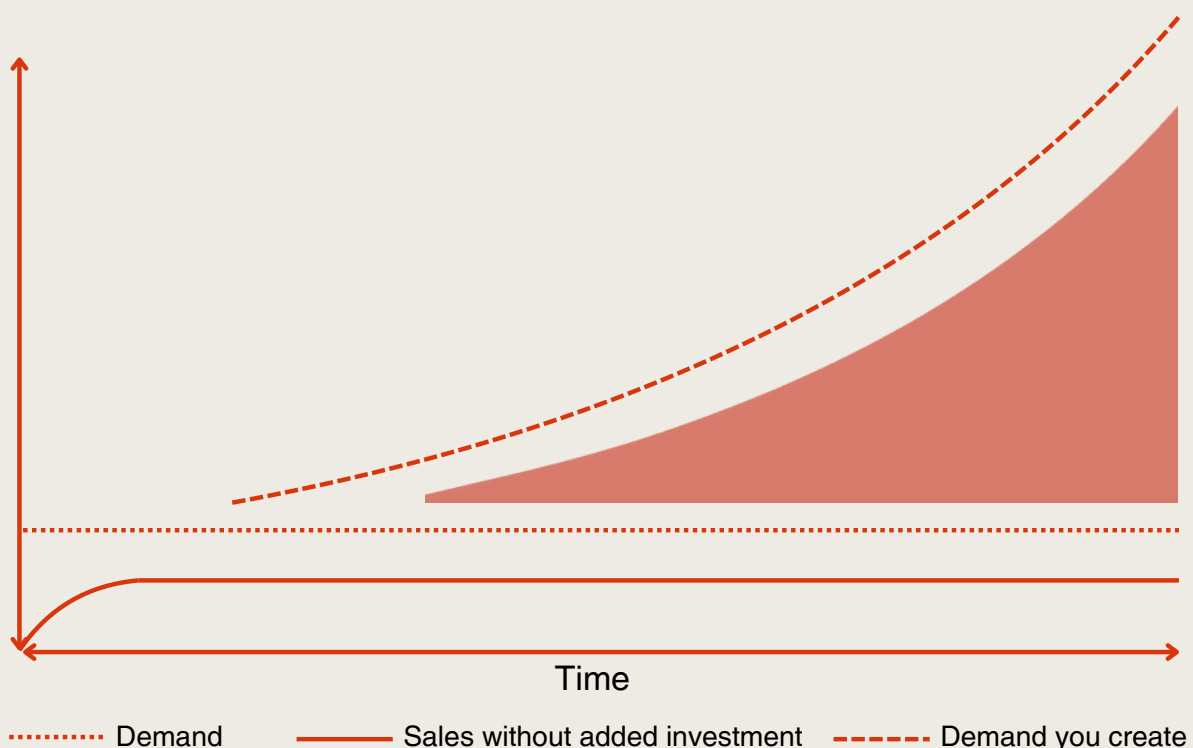
Traditionally, lower-funnel marketing efforts have been similar to fishing in a small pond; while initially effective, they can become less fruitful over time as the pool of potential customers dwindles. To sustain and grow a business, it's crucial to expand the scope and reach of marketing efforts, essentially enlarging the pond from which potential customers are drawn. This expansion is where mid-funnel strategies become vital.

Mid-funnel marketing is about generating demand, ensuring that your brand continues to attract new prospects rather than merely converting existing demand. This approach helps avoid the sales ceiling often encountered when focusing solely on lower-funnel tactics.

## Shifts in Consumer Behaviour

With the accelerated adoption of digital technologies, the consumer path to purchase has become increasingly non-linear. Google's research highlights a phenomenon known as the "messy middle," where consumers spend more time in the consideration phase, exploring multiple brands and frequently changing their preferences.

- **Decision-Making Dynamics:** Approximately one-third of consumers now spend more time making purchase decisions, considering a wider range of brands.
- **Brand Switching:** Around 48% of customers are willing to switch brands for a better deal, emphasising the importance of price and value in the consideration set.
- **Competition:** Failing to make it into the consumer's consideration set increases the likelihood of losing out to competitors when the final purchase decision is made.



# Demand Gen

## What is Demand Gen?

Demand Gen is a new product from Google designed to deliver highly visual and engaging content across various formats within a single campaign. It is specifically crafted to drive consideration and capture mid-funnel demand.

Key platforms and formats included in Demand Gen campaigns are:



**Google Discover Feed**



**Gmail**



**YouTube Feeds**



**YouTube Shorts**



**YouTube In-Stream**

## The Unique Position of Google and YouTube

Google and YouTube offer a unique advantage through Demand Gen. Consumers are **2 times** more likely to discover new products and brands on YouTube compared to traditional social platforms. The platform's content diversity—from product reviews to lifestyle content—provides critical touchpoints where brands can engage with potential customers. **86%** of online users spring into immediate action after discovering something new on YouTube or Google.

# Benefits of Demand Gen

## Driving Incremental Growth

The primary goal of Demand Gen is to drive incremental growth by extending your current social strategy. Rather than replacing existing platforms like Meta, Demand Gen should be seen as a complementary tool that enhances your overall marketing efforts.

## Leveraging High-Intent Audiences

Demand Gen allows you to target high-intent audiences through Google's extensive data and targeting capabilities. This precision ensures that your campaigns reach consumers who are more likely to engage with and consider your brand.

## Communicating Unique Selling Points

Demand Gen provides an excellent opportunity to communicate your brand's unique selling points, including offers and new product launches. By presenting these messages in engaging formats across multiple platforms, you can effectively capture and convert mid-funnel demand.

## Performance-Driven Approach

As with all Google products, Demand Gen is designed with performance in mind. It focuses on delivering measurable results and incremental growth, providing clear insights into the effectiveness of your campaigns.

## Discovery Probability on YouTube vs. Traditional Social Platforms

Why is discovery probability higher on YouTube compared to traditional social platforms?

Key reasons people use YouTube over other platforms:

- 1. Cultural Moments:** YouTube attracts massive audiences during events like the Olympics, Euros and Coachella.
- 2. Passion-Driven Content:** YouTube offers diverse content for specific interests, encouraging deeper engagement.
- 3. Creator Influence:** YouTube's creators connect personally with audiences, enhancing product and brand discovery.

YouTube also offers both short-form and long-form content, providing a more immersive viewing experience.

1 in 5

recent clothing buyers discovered the product on YouTube.

67%

people are more likely to buy a product after seeing a YouTube ad than other platforms.

# Addressing Barriers to Entry

## Budget Allocation

**Challenge:** Brands are hesitant to allocate budget to new initiatives like Demand Gen due to the lack of immediate, tangible returns compared to lower-funnel tactics such as Google Shopping.

**Solution:**

- Educate stakeholders on the incremental growth potential of demand gen.
- Highlight long-term benefits of diversifying marketing efforts with mid-funnel strategies.
- Use case studies and statistics to build confidence in the investment.

## Accountability and Measurability

**Challenge:** Difficulty in measuring direct ROI from mid-funnel activities as brands are used to clear, immediate results from lower-funnel tactics.

**Solution:**

- Shift focus to mid-funnel metrics similar to those in paid social campaigns.
- Emphasise the importance of different KPIs for mid-funnel efforts.
- Use Google's introduction of view-through conversions to enable accurate comparisons with social platforms and demonstrate the value of Demand Gen.

## Creative Investment

**Challenge:** High-quality creative assets are necessary for effective Demand Gen campaigns, requiring significant investment.

**Solution:**

- Stress the impact of creative quality on campaign success.
- Provide examples of successful campaigns and offer resources or partnerships for content development.
- Encourage brands to see creative investment as essential for maximising Demand Gen's potential.

## Overcoming Cultural Barriers

**Challenge:** Performance-based ROI mindset is deeply ingrained within organisations, making it hard to adopt a holistic marketing approach.

**Solution:**

- Conduct workshops and training sessions to explain the full marketing mix and the role of mid-funnel activities in long-term growth.
- Use data and case studies to show how mid-funnel investments contribute to overall sales and customer engagement.

# Crafting Successful Campaigns

The success of Demand Gen campaigns relies on various factors, including the quality of creative assets, strategic budget allocation, and effective use of technology.

## Importance of Creative Assets

Creative assets are essential for the effectiveness of Demand Gen campaigns, significantly influencing their success through visual appeal and engagement.

### Key Elements of Successful Campaigns:

- **Diverse Formats:** Utilise various formats such as videos and multiple images instead of relying solely on image and text.
- **Repurpose Existing Content:** Adapt and reuse content from other social platforms to save time and resources.
- **Leverage AI Tools:** Use AI tools from platforms like Google to create and optimise creative assets, providing a cost-effective solution for high-quality content.
- **Prioritise Custom Content:** Tailor content specifically for each platform when possible, but begin with repurposed content if resources are limited.

## Secure Budget

- **Organisational Buy-In:** Educate stakeholders, particularly in finance and creative teams, about the value and potential ROI of Demand gen.
- **Data-Driven Justification:** Use data and case studies to build a compelling case for investment, highlighting potential revenue impact.
- **Test and Prove ROI:** Begin with small-scale tests to demonstrate Demand Gen's effectiveness, using initial results to justify further investment.

## Leveraging AI and Addressing Privacy Considerations

- **AI in Creative Development:** Google's AI tools enhance the creation of effective creatives, helping brands develop high-quality assets more efficiently.
- **Privacy and Measurement:** With the phasing out of third-party cookies and stricter privacy regulations, tools like Google's consent mode and enhanced conversions improve measurement accuracy and campaign performance. Enhanced conversions can improve conversion reporting by up to 16% when CRM data is uploaded.



# Case Study: Summit's Successful Use of Demand Gen

## Challenge

Summit's client was seeing a drop in overall brand demand. They sought Summit's support to use Demand Gen best practices to understand how this product would help grow demand and assess its impact across channels prior to one of their key seasonal events.

## The Approach

- Summit implemented a comprehensive strategy to address the client's needs:
  - **Identify Key Audiences:** Utilised first-party data to identify key audiences and categories to focus on based on seasonality.
  - **Determine Investment Needs:** Assessed the amount of investment required to drive a measurable uplift in brand demand.
  - **Optimise Creatives:** Identified which creatives were likely to resonate with the target audiences.
  - **Define Measurement Framework:** Established a measurement framework in partnership with Google to evaluate the impact of Demand Gen.

## Results

Demand Gen initiated 74% of consumer journeys that involved multiple touchpoints, showcasing the interconnected nature of modern consumer behavior.

+4%

Brand Demand

1.1k

Conversion

6:1

Assist Ratio

## Insights

Summit's experience highlights that the impact of Demand Gen can vary based on a retailer's existing brand equity. For brands with significant equity, a 1% increase in demand can translate into substantial volume, whereas smaller brands might see higher percentage uplifts. Ultimately, Demand Gen proved to be a valuable tool in reversing demand declines and driving incremental growth.

# A final word...

Demand Gen represents a strategic shift towards capturing and converting mid-funnel demand in a fragmented digital marketplace. By using the unique new fetures of Google and YouTube, it provides marketers with a powerful tool to drive consideration and sustain growth.

If you want to explore how Demand Gen can transform your marketing efforts, we are an agency with tried and tested succesful results with the new product.

Let's discuss how to start planning early for peak!



We know that H2 can be a golden period for retail, if you get the formula right.

If you'd like to talk about the roundtable in more detail, please contact

Summit to enquire about marketing services support in paid search & social, SEO, and affiliate marketing

[hello@summitmedia.com](mailto:hello@summitmedia.com)

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We're always looking for suggestions for future content. If you would like us to cover a specific retail topic, please drop us an email.

Thanks for reading!

The Summit Team