

AdWords Insider

Agencies: November 2005

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How do people shop for consumer packaged goods?

by Kate Riddell, Consumer Packaged Goods Specialist, Google Inc.

Everyone knows that consumers search for books and music online. But what about traditional consumer products in categories such as food and diet, or health and beauty? Searching for these products is mostly an offline activity, right? The answer is: Yes. And no. Read more.

New research demonstrates how online search impacts the purchase of packaged goods

When consumers go online to research consumer packaged goods, their online activities have a surprising impact on what they buy at the grocery store, according to new research...Read more.

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How do people shop for consumer packaged goods?

Everyone knows that consumers search for books and music online. But what about traditional consumer products in categories such as food and diet, or health and beauty? Searching for these products is mostly an offline activity, right?

The answer is: Yes. And no.

Yes, people purchase consumer products offline. But that's not all. They also go online - with more frequency and with greater influence on purchase - than you might imagine.

That is the subject of our first newsletter, which features new research on consumer buying behavior for <u>packaged goods</u>.

What we found is that today's world is neither online or offline. It is both - working together with an integration and a frequency we are only now beginning to comprehend.

For consumer packaged goods companies selling a wide variety of products in grocery, convenience, or drug stores, the opportunity to reach customers through search advertising has never been better.

We plan to send newsletters with topics of interest for your business several times throughout the year. We hope you enjoy this one.

Thanks for reading. Kate



About the Author

Kate Riddell is the industry specialist for the Consumer Packaged Goods vertical segment at Google. She is responsible for driving strategy and business development across the CPG category, and works closely with marketers to interpret and understand the Google platform. Prior to joining Google, Kate managed brand and corporate online marketing for ConAgra Foods. She graduated summa cum laude from Boston College with a degree in marketing management and also holds an MBA from the University of Nebraska.



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New research demonstrates how online search impacts the purchase of packaged goods

New Research Demonstrates How Online Search Impacts the Purchase of Packaged Goods

Online activities have a surprising impact on what consumers buy at the grocery store, according to new research conducted by independent research firm Media-Screen who surveyed over 500 respondents.

"This is one of the first surveys to really capture the scope and frequency of how consumers are using online for offline purchase of consumer packaged goods," says Kate Riddell, consumer packaged goods (CPG) specialist for Google. "Not only are consumers researching products online, they are discovering products online and being motivated to purchase."

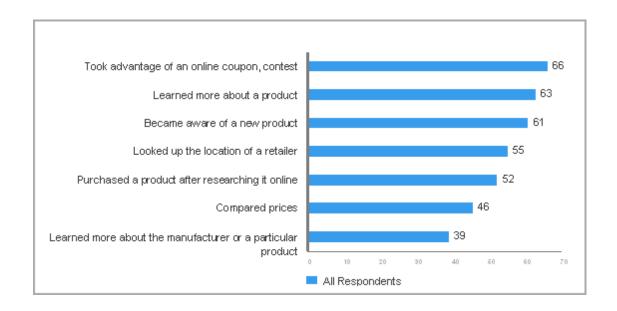
Nearly 90 percent of consumers use a search engine

Once online, 87 percent of respondents say they use a search engine to learn about or find information related to products they buy offline.

Search drives a wide range of activities

Consumers go online for a wide array of activities — from finding coupons to comparing prices to learning about products and manufacturers.

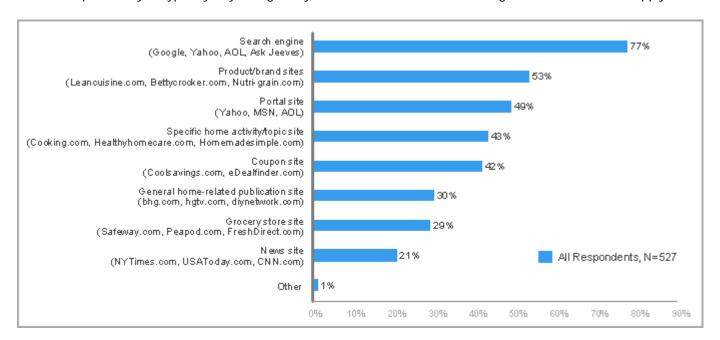
Q: From the list below, please select the information resources that most influence the products you typically buy at a grocery store, convenience store or drug store. Select all that apply.



Search is more popular than other online activities

Search engines come out ahead — even compared with other online activities and destinations, such as product sites and portals.

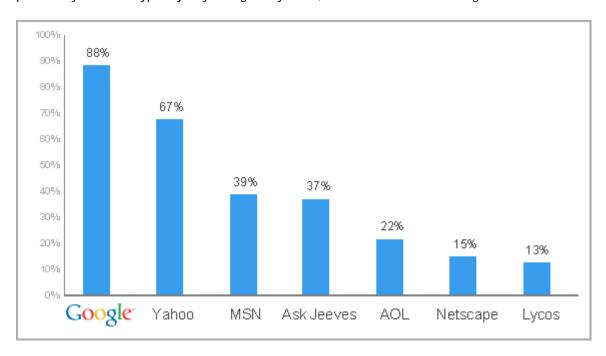
Q: Which of the following types of web sites do you use regularly to help you learn about, or find information related to, products you typically buy at a grocery store, convenience store or drug store? Select all that apply.



Google leads search

More survey respondents go to Google than any other search engine.

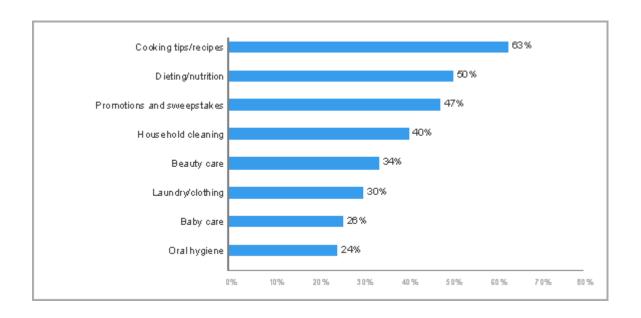
Q: Which of the following search engines do you use to help you learn about, or find information related to, products you would typically buy at a grocery store, convenience store or drug store? Select all that apply.



Consumers are searching for recipes, nutrition, and more

While traditionally popular online content — such as cooking tips, recipes, dieting/nutrition information — scored well among respondents. But information for low-consideration items — such as household cleaning products and oral hygiene — also attracted quite a bit of interest.

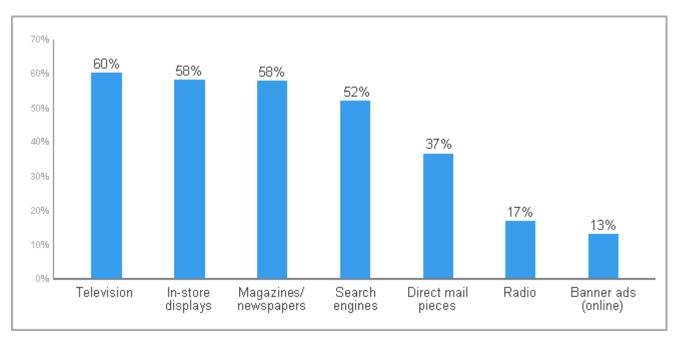
Q: Do you ever use web sites - such as <u>About.com</u>, <u>CNN.com</u>, <u>iVillage</u>, <u>New York Times</u> - to help you do any of the following? Select all that apply.



Search is comparable to TV or direct mail

Where do people go to find CPG-related information? It turns out that search is more influential than some forms of traditional media (such as direct mail), and only slightly less influential than others (such as television and magazines).

Q: From the list below, please select the information resources that most influence the products you typically buy at a grocery store, convenience store or drug store. Select all that apply.



"Many people in the industry have assumed that consumers go online mostly to purchase online, when in fact, online is hugely influential to offline," says Riddell. "This study provides a good step toward better understanding how well online and offline can work together."