

Mike Shields (3s):

Hey guys, this is Mike Shields. And this week on Next in Marketing, I got to talk to Nicky Rettke Director of Product Management for YouTube Ads. We discussed how the video platform is leaning into shopping content and shoppable ads as more of people turned to creator's for product recommendations. Nicky also spoke about the challenges of measuring attribution in an influencer world. Why is she sees great promise in shoppable TV ads. Let's get started.

Intro to Next in Marketing (23s):

Everything we know about the media, marketing, and advertising business is being completely upended. Thanks to technology and data. We are talking with some of the top industry leaders as they steer their companies through constant change. Welcome to Next in Marketing. Presented by AppsFlyer.

Mike Shields (41s):

Hi everybody, welcome to Next in Marketing. My guest this week is Nicky Rettke. She's the Director of Product Management for YouTube Ads. Hey Nikki, how are you? Thanks for being here.

Nicky Rettke (50s):

Hey Mike, yeah, it's great to be here.

Mike Shields (53s):

So when we decided to have you as a guest, I realize you've been at YouTube for almost a decade, which is in YouTube time, I imagine that there not a lot of you people like that. You don't <inaudible>.

Nicky Rettke (1m 5s):

No, certainly not. It's been a while. So this summer it will be my 10 year anniversary working on YouTube Ads.

Mike Shields (1m 15s):

So I want to get into what we were in. It were going to talk about shopping and performance and all the things that are current. But I would love to ask you, so going down, let's go down memory lane if you don't mind. Because at that time, I'm trying to think back in a decade, I'm assuming you had pre-roll ads and overlays, like what was the state of YouTube Advertising when you started there in terms of products?

Nicky Rettke (1m 35s):

It was very different. So yeah, when I joined my responsibility was I was the product manager for our ad formats. So I was thinking about the layout and the features of, you know, various formats across the platform. And we were very much still just trying to figure it out. So we are testing lots of different things, everything from, you know, text overlays on top of the video to big banner ads, to some prerolls I think true view, which is now our core format was just an early data and people were kind of questioning why we would make the ads skippable, right. So yeah, a lot has changed since then. Yeah. There's just been a complete

transformation of the YouTube advertising business.

Nicky Rettke (2m 17s):

So, you know, I can talk a little bit about how things have evolved since then.

Mike Shields (2m 22s):

Yeah, I will, that's actually funny though. I remember the conversations about what, true view starting. And, someone said to me at the time, like that's like giving people the DVR when television first started, that's going to ruin the business. What's going on? Like you can't expect people to or the advertisers to you know, meet that bar. It's just going to be crazy. And it's now, you know, user control it's like, it's pretty much, becomes so much a part of digital advertising. That's really interesting to think about that evolution.

Nicky Rettke (2m 48s):

Oh yeah. I mean it was, people were shocked, you know, why are we doing this? So it took a long time for this to become sort of the industry norm.

Mike Shields (2m 59s):

Right. And I think the idea that you didn't pay unless somebody made it to a certain time was like freaking people out of the time.

Nicky Rettke (3m 7s):

Yeah, yeah. But you know, it led to like much better creatives and we saw a lot of people really leaning in and creating videos that were designed for YouTube. So really trying to catch user's attention in the first few seconds and get them to want to watch and that's good.

Mike Shields (3m 21s):

Yeah. Well <inaudible> 10 years ago <inaudible> time, but I imagine you were fighting that fight a lot of, well, I've got TV ads, it's a video I'm going to use it. Like we spend a lot of money on that thing and TV ads you know, they are 30 seconds that seems like a pretty short amount of time, but you need to grab people on a different way in this medium. I'm sure that was back and forth with a lot of brands back then.

Nicky Rettke (3m 45s):

Oh yeah, yeah, absolutely. I mean just sort of learning what worked on YouTube and how to capture users attention. People were just taking their TV creatives and sometimes that works, but then we found, you know, some brands that were really leaning in and trying things differently and finding more success on YouTube as a result.

Mike Shields (4m 3s):

Right. Okay. So maybe we could talk about, but I want to get in to what's going on lately with your focus

these days on performance advertising and shopping, but let's talk I know it's hard to sum up the use cases on YouTube, but I don't know when you started, how much was shopping, like YouTube is many things. It's hard to sum you know it's known for being a video search engine, its known for the particular kind of careers that we come to associate with flogging and lots of gaming stuff, but there's also, there's all kinds of product information, but were people using it to look for stuff, to buy back then? Was that a behavior that you had to kind of instill over time? Like how did that look?

Nicky Rettke (4m 41s):

I think it did look different back then and you know, we've seen sort of the user behavior on YouTube shift quite a bit in the last 10 years. It was interesting. So, you know, when I joined YouTube was pretty much just like a watch page. I mean people would either follow links into videos to watch them or you know, they come looking for specific video. And one thing that's really changed over the last few years is it's becomes so much more. So we see all these different mindsets and user behavior showing up on YouTube. You know, we've got, just to name a few examples, we've got people who are now coming to YouTube just to browse like the YouTube home feed, you know, that didn't really exist a few years ago.

Nicky Rettke (5m 23s):

Now when you launch the YouTube app, you see this personalized list of video recommendations and a lot of people are just looking for inspiration or for some entertainment. They're kind of snacking through that feed, watching videos, but also looking at images and looking at posts from the creators and brands that they follow. So that's sort of an emerging behavior, just this browsing. And in addition to that, we also have people who are coming to YouTube to search. YouTube has one of the largest search engines in the world and we see it, you know, really growing and particularly in some emerging markets where users want, you know, visual video results. And so there are actually in some cases, you know, starting their search journey on YouTube and then we've got this very immersive watching experience, right.

Nicky Rettke (6m 10s):

We see YouTube going in the living room and people watching YouTube on their connected TVs. Yeah. And that's just growing tremendously. I think we had a 120 million people who are streaming YouTube and YouTube TV on their TV devices each month. So yeah. So all these different user behaviors are coming out and, you know, people are in different mindsets when they're doing these different things that we really had to adapt our ad experiences to match their mindset and the, you know, challenge is how do you do this without adding enormous complexity for advertisers.

Mike Shields (6m 41s):

Right. And how much of that could you actually, could you have steered? I imagine like, you know, setting up the YouTube homepage in a different way where you can go there and hang out versus just coming in from the side door, that I'm sure that's like something that you put some put a lot of thought in testing into, but in terms of, did you do anything to get people to start saying here's a great place to look for product

information. Here's a great place to get reviews and do comparisons first for shopping specifically, like how much of that could you have steer?

Nicky Rettke (7m 8s):

I think we, we steer it when we see some insights that are worth kind of digging into a little bit more, you start to see some user behavior trends and then you look for ways to enable it and make it more seamless or a more frictionless. So, you know, for shopping, YouTube has always been a place where people go for recommendations because you know, they really trust the creators that they're following. And so they're going to have to hear it from creators because they want sort of an authentic review of a brand or product. And sometimes they just want to see people who are like them, you know, using a product.

Nicky Rettke (7m 49s):

So they don't want to just see models and actors and everything, they'd want to have to find someone who is similar to them and then see how they, you know, review a product. And so there are a bunch of trends that have come up. Some of the things we see are, we see like this shop with me trend, where people are actually kind of shopping with creators, you know, the creators are going to stores and they're picking out things, but it's almost like shopping with a friend, but you know, it's just a creator you follow. We see haul videos or if people are talking about the products that they bought after they come back from the store and just kind of unpacking them and, you know.

Mike Shields (8m 23s):

Right, the unboxing thing, it's been a big thing for years, right, in certain categories. But that, it's evolving.

Nicky Rettke (8m 29s):

Yeah. And then there's all sorts of other things. There's like first impressions. You know, after the pandemic kind of settled in. We started to see a lot of, "with me" videos right where people are kind of building a community and doing things with others. And there's a, you know, the whole sort of with me trends where people were like getting ready with me and like, you know, doing their makeup for quarantine, you know? So yeah. I think we start to see trends like this and then we want to lean in and make it easier for creators. And also for viewers to discover this kind of content.

Mike Shields (9m 2s):

Okay. So what is a "with me" video versus a regular show man showing off a favorite product or make up doing tutorials or informational stuff.

Nicky Rettke (9m 12s):

With me is like you're doing something and you're bringing somebody else along with you. So you know, getting ready with me is just you doing your morning makeup routine and you started filming it and kinda talking through what you are doing? And so that people feel like they are experiencing it with you.

Mike Shields (9m 27s):

Especially at a time when people were isolated, that was probably really appealing. Okay. So when it comes to performance advertising on YouTube, like you said, you've had overlays and things you know, it wasn't like you could not click on or they were not interactive Ads, in the early days, I think people wanted to bucket YouTube in video, which meant, which typically meant branding like you said, a lot of TV spots, you know and then you guys were starting to launch products like Google Prefer, which has changed his name more recently. But, you know, you were trying to, you could talk to TV brands into coming on. When did you start at, I'm imagining at the same time, when do you start talking to performance brands and what are they looking for early days versus now, how did that evolve over time?

Nicky Rettke (10m 15s):

Yeah, so, you know, in the early days we were very, very focused on brand advertisers and on video, you know, I mentioned like we were trying lots of different formats and we quickly learned that video was the most effective format for YouTube, and I felt, sorry, it was most natural. And, you know, it has this unique storytelling capability where you can use sight, sound, and motion to kind of explain what's different about your brand or your product, your service. So we were leaning heavily into brand, into video. And most of the buyers of video at the time were brand advertisers.

Mike Shields (10m 47s):

And the experience was mostly passive, or is that not exactly true at the time?

Nicky Rettke (10m 53s):

It was, I mean, they were skippable ads. So you basically have the choice watching the ad or not, but they weren't very interactive.

Mike Shields (10m 59s):

Right.

Nicky Rettke (10m 59s):

And that made sense for the YouTube experience at the time, which was a bit more passive. A bit more of a lean back, you know, watch experience. And what was interesting is that, you know, we invested a lot into brand measurement to try to, you know, capture the value of these videos. And we started to see that in addition to just driving brand lift, it was also, these ads were effective at driving search lift and actually driving conversions. And so, you know, videos influencing users to take action, even though they weren't clicking directly on the apps.

Mike Shields (11m 30s):

Right.

Nicky Rettke (11m 31s):

So this, you know, kicked off an initiative to.

Mike Shields (11m 34s):

So that's what I'm trying to talk to you. That tells you that people want to put it, you know, use YouTube and pull a trigger on something and not just like sit in their learning about stuff. It's not, maybe there is something here that's not just brand Advertising.

Nicky Rettke (11m 46s):

Exactly. Yeah. Like the video is actually influencing their behavior in a way that they were ready to take action. So we wanted to make it easier for them. So we started some experiments just to kind of make our video formats more interactive. So we would add, you know, a call to action is on them and make them clickable, make the more attractive. And that was the very early days and what we quickly learned is, you know, we actually saw a big increase in performance from doing that, but we learned that the format alone is not enough. So we really had to build end to end solutions for performance advertisers, thinking through the whole experience from how you buy this campaign, you know, the audience signals that you want to use, bidding optimization, measurement, etc.

Nicky Rettke (12m 30s):

And I think one of the key insights that we had, and this is probably like five years ago that, you know, users were influenced by these video ads and they were converting right away, even if they didn't click on the ad. And so that was sort of what lead us to.

Mike Shields (12m 46s):

They were just going somewhere else to convert, meaning?

Nicky Rettke (12m 49s):

Yeah, like they would, they'd watched on YouTube. Maybe they have converted half hour later. Maybe they do it on different device, right? Like maybe they would be watching YouTube on their phones and then convert on desktop or something. And so that lead us to invest in a new way to attribute conversions, which is looking at people who have had the choice to watch a video. They watched a certain amount, and then they clicked within a short amount of time. We actually, you know, measure those conversions when we started optimizing it for them. And that was really the turning point. So we've, you know, since kind of expanded into taking our video ad solutions and using them for all sorts of different marketing objectives, you know, whether it's driving app installs or driving store visits or leads, or, you know, obviously online purchases.

Mike Shields (13m 34s):

Right. So I promise I'm getting into what happened over the past year with e-commerce and Covid and everything but when do you, okay. Before all of that happens, you start to see, okay. People are looking for and to make, to take action after they see videos, they're inclined to maybe make a purchase or inquire about one. You start, maybe I'm trying to capture some of that activity on YouTube with advertising, where like, we go back to like late nineties, if you can, before, are you getting, are you starting to see a lot more of your own response brands because I'm sure you have like the long tail of advertisers when you're using YouTube, but are you starting to see the whole DTC category come to you guys' in a big way that probably are on Google a ton?

Nicky Rettke (14m 15s):

Yeah. Yeah, absolutely. Because I think, you know, video just has this really unique storytelling ability, right. Where like the DTC brands want to say what's unique about their brand. They're looking for not just a one-time purchase in many cases they're looking to acquire, you know, customers for the long term.

Mike Shields (14m 33s):

Like be a member of some kind.

Nicky Rettke (14m 35s):

Yeah. Yeah. So, you know, with video, they can kind of explain what is different and highlight their services or their products in a way that it's hard to do with just static image or other types of ad formats. So for sure they were leaning in to video and they were using our, you know, direct response products to actually drive subscriptions and drive purchases and things like that.

Mike Shields (14m 59s):

Right. Okay. So then you know it's hard not to, we're a year into that pandemic it's hard not to examine things through that lens a little bit right now. I know that there are a lot of interesting, you guys saw a lot of interesting trends, at least, you know, early on people are looking for, you know, how do we do a home gym stuff, how to cut my hair, all that stuff. So that's changed over time, but what did you see, we've seen a big worldwide e-commerce boom, right now more people are spending time online, more people shopping online and getting stuff delivered, et cetera. What happens specifically in YouTube over the past year and how do you respond to it?

Nicky Rettke (15m 34s):

Yeah. Yeah. So, I mean, there are some general trends, which is that the overall consumption of YouTube just accelerated. So we had more people coming to YouTube for all sorts of different reasons, you know, looking for educational content or entertainment, cooking, fitness, you name it. And at the height of the pandemic in April, we saw a 25% increase in watch time on YouTube. And you know, advertisers were there to take advantage of that. So the direct response advertisers who were active at that time saw a 31% increase in conversions. And you know, another general trend that we saw was advertisers and businesses

in general are sort of understanding, you know, trying to figure it out what to do.

Nicky Rettke (16m 18s):

And some cases pivoting their business model a little bit. And we did see many of them shift towards more performance focus campaigns to drive in a more concrete, measurable results. And then we saw, especially in like the retail business, a lot of advertisers that were shifting towards more online sales. So they were adjusting their campaigns for them,

Mike Shields (16m 41s):

Right. Oh, well that was what I'm going to ask you. Was it mostly just, Hey, all the stores are closed so the retail guys moved all their money and activity to YouTube, or did you start to see more CPGs and auto brand saying, you know, right now, people, everyone's shopping habits are up in the air, we're going to move our money, maybe move more dollars to here, but also look at more of a performance lens through you guys.

Nicky Rettke (17m 5s):

Yeah. I think it was the latter, so there are just looking for, looking at it with a more performance lens of looking at, okay, how can we drive more website traffic, generate more leads or, you know, generate more online purchases. So we saw advertisers shifting from, you know, general sort of awareness goals towards more specific website traffic or purchases.

Mike Shields (17m 29s):

So are you, over the last year did you have to scramble? Are you thinking maybe we need a whole bunch of new products to accommodate this surge of spending and as you know, these new activities, like what kind of happens there?

Nicky Rettke (17m 41s):

Well, I mean, a lot of it was already in the works. So, you know, we had been leaning in a lot to the, you know, more performance videos solutions. And so, you know, we just kind of continue to invest in that, but certainly the surge of shopping and e-commerce, you know, we wanted to be there when people were turning to YouTube for recommendations about products. So we have invested a lot in more shopping products on the advertising side and also on some consumer experiences to make that easier.

Mike Shields (18m 13s):

So is there a key for the shopping money is coming online or early in a bigger way in the last year? Or is there a key product everyone's using? Is just, are they doing, you know, interactive response ads at the end of videos or is everybody doing shoppable video in some fashion or they just, you know, do a lot of pre-rolls? Like what's everyone doing?

Nicky Rettke (18m 33s):



Yeah so, I mean, there are a couple of trends I'd say that, but the biggest trend is that we want the ads to feel more personalized. I mean, that's sort of at the heart of social commerce, right? That you want things to feel personalized either from your friends or from, you know, the creators that you follow or the people that you look to for inspiration. So you want the ads to feel like they are really tailored for you, they are not just a general ad. And so we were doing a lot more personalization across many of our different ad solutions. And you know, one example is with our video action campaigns, which is our direct response video ad, we're actually setting it up so that as an advertiser can link to their product catalog and right next to the video ad, which would show up as like a skippable insert, you actually see a selection of products.

Nicky Rettke (19m 23s):

So it's personalized just for you. And this is great for advertisers because it can be really hard to create lots of different variations of a video. So here you can just create one general video, maybe it's talking about, you know, your Spring line or something like that and we make it personalized by selecting the products for that particular user to show up underneath the video or our next to the video. And you know, there is click directly to the site so not only is it driving more interactivity and more action, but it's making it feel a lot more personalized.

Mike Shields (19m 52s):

You brought something up that I hadn't thought about a little of, in over, let's say the last five years there was a lot of discussion like you mentioned that brands were saying, maybe I need to make, you know, use some kind of automated tools and make it a thousand different social ads like on every year for every different platform to highlight every single product and it was possible. But it sounds like I don't know. I think that can be limited. There are limits there creatively, or it can be challenging with a product catalogs and stuff. Do you think you're going to see more shifts away from that? That kind of strategy to towards what you're describing?

Nicky Rettke (20m 24s):

That's a good question. So I mean, we have seen some advertisers do some awesome things. Where they really tailor the video, like they'll create thousands of different variations of a video personalized to, you know, different context or different users. And Google has some tools to do that, were basically will work with the advertiser or the creative agency to create a template. And then we can swap in things of the template to make it feel more personalized. So there have been, you know, tons of good executions of this on the branding side, as well as on the performance side, but it's a more sophisticated approach. So I don't see that as something that every advertiser we'll be doing.

Nicky Rettke (21m 5s):

And so for the sort of the torso and tail advertisers I think it's more about how can we make it feel really personalized without a, you know, by kind of augmenting what's around the video or maybe at the end of the video or adjacent to it versus like what's actually in the video itself.

Mike Shields (21m 23s):

So what about cases, are the big brands going to want to turn some of these auto creation tools you're talking about? Does it help them go faster or move quicker?

Nicky Rettke (21m 32s):

Yeah, one thing that was really interesting that we started to see as the pandemic was settling in that it was very difficult to film new creatives. Like you couldn't get in to the studios or, you know, it was just hard to be.

Mike Shields (21m 44s):

Yeah, they hadn't figured out how to do contact tracing and testing all that stuff in the studios. You had to run open.

Nicky Rettke (21m 50s):

Yeah, so we did see more advertisers turning to our video creation tools either of the fully automated, you know, templates that we have or taking your templates and customizing them, or just kind of re-cutting old, you know, creatives that they had. So yeah, I think that it just sort of stay at home order made people leaning to that a little bit more. And what's interesting is that we've also really scaled up our video experiment tools so you can actually run like sort of side by side experiments of using different types of creatives. And we see that clients generally use, just to kind of test the overall direction of the creative, so they might say, okay, I'm going to test this particular message for this group.

Nicky Rettke (22m 33s):

And then, you know, test another message and just see what performs better. And so that gives them some quick feedback and they can go and invest more in a certain angle on the creatives.

Mike Shields (22m 41s):

That's cool. That's so very digital advertising, but you still don't think about it after the typical video campaign or certainly not in television, that's interesting. Are there a couple of brands you could talk about this past year that maybe these past few months that had done some really creative things, making the best use of these ads that really showcase products a very personalized feel.

Nicky Rettke (23m 3s):

Yeah. So we're actually, we're still in the early phases of this. So with the product is in beta right now. And so we just are doing some really testing. So, I don't know if I have too much to share in terms of, you know, if there is but stay tuned because I, you know, I think that there is going to be a lot more happening this year and this should scale in the next few months, so.

Mike Shields (23m 30s):

Right. Okay. So obviously if you're trying to do more, if personalized, proved to be the way to go, I'm assuming that performs a lot better, that implies that you are going to know something about your shopper's or your viewers or your working with advertisers to coordinate those pieces of information. Obviously there's a lot of news and activity about the way we were going to identify people with that on digital advertising overall on Google is announced, you guys are going to go, cookies are going away eventually. And your not going to really, you got to moving away from, you can move you towards a cohort model away from trying to personally target everyone all over the place.

Mike Shields (24m 10s):

So it's a long way of me saying, does this affect what you're trying to do with brands and personalized ads on YouTube? Or is this totally separate because its not third party cookies.

Nicky Rettke (24m 20s):

Yeah I mean, I would say it's totally isolated from it, but we will have solutions in place that won't really end third party cookies. So we have a lot of signals about what users are interested in based out of their activity on site. So you know what they're watching on YouTube either what they're watching in that particular moment, like the current context or, you know, stuff that they've consumed leading up to that or in the past. So yeah, there's a lot of, I think strong signals that we can use to make it feel really personalized without having to use third party cookies or you know, free market.

Mike Shields (24m 59s):

Right. So, but if I'm like, you know, if the Gap, I don't know, Crate and Barrel and I've got to, I know I have a pretty decent amount of first party data and I have a lot of big, deep product catalog. Can I come to you guys and find people that I know are interested or know where my customers or is that going to be really hard to do in this new world?

Nicky Rettke (25m 19s):

Yeah. I know we have said that we will, on our first party relationships for you to use, so advertisers will be able to bring their own first party data to reach customers who are already on their platform.

Mike Shields (25m 28s):

Right, okay. So one thing I am not clear on is how does IDFA or the changes that Apple is making with the way what you can and can't track in their universe? How does that affect advertising in YouTube? If at all, I know that like Facebook is obviously a very vocal about how it can be really, it's going to be harder for them to do attribution and tie things together. Is there, are you going to have the same issues?

Nicky Rettke (25m 51s):

Well, we've been modifying our approach. So we won't be using IDFA for a conversion tracking and.

Mike Shields (26m 3s):

You're not going to send anybody, no one is going to get that message from you, are okay with opting in? You're not going to see that on YouTube.

Nicky Rettke (26m 9s):

No, on YouTube you're not going to get that prompt. So we are not going to be using the IDFA and you know, we're using Apple's alternatives. So the SK ad network. So we'll be relying on aggregated anonymized data. And so it's, you know, it's a shift away from this specific event level data that have been used in the past, but it's, you know, we're still able to report back on the overall campaign performance and we're still able to continue to optimize and drive those installs.

Mike Shields (26m 45s):

So yeah, if you were like, again, if you're a retail partner who wants to get people into their store and maybe they want people to download their app, you'll be able to do that, but you won't be able to exactly, you won't be able to directly track the impact of their ad campaign on YouTube to app installs, or you will through Apple's SKA Network.

Nicky Rettke (27m 5s):

We will still be able to track the overall sort of a report on the overall campaign performance. And so basically we will see the total volume of installs that come from that campaign. And we get this through Apple's solution the SKA Network, but we won't be able to sort of share back that an individual user saw this ad and so more <inaudible> overall.

Mike Shields (27m 30s):

Directionally a brand will know whether that campaign drove installs, but not person by person.

Nicky Rettke (27m 36s):

Right. Yeah. So it's just sort of protecting the anonymity of the users who you interacted with these ads. So we're still able to report on the overall, it can be performance and we're just looking at it with an aggregated lens.

Mike Shields (27m 48s):

Right. I always think that that Apple's SKA Network is about Scott music for some reason <inaudible>. One of the more bizarrely named products. As is IDFA but that's me <inaudible>. Okay. I want to go back to what you're doing with performance advertisers and the trends and shopping that you're seeing, how does it, you know, you had lots of performance of the products and we are talking about how you do attribution. This is a broad question, but generally speaking, how does it work with influencers? I guess let's start with, are you seeing more brands try to do performance campaigns that are also tied to an influencer campaign and try to tie those two things together or they are like different buckets of money still in different plans.

Nicky Rettke (28m 34s):

I think there's a little bit of both. So we have some separate solutions for influencer marketing over, you know, direct advertising campaigns, but often they're used together. So, you know, one example is that Google has this brand and content platform called YouTube Brand Connect. And this is a way for brands to connect with YouTube creators, you know, that are already on the platform.

Mike Shields (28m 58s):

Sorry. That was like the FameBit acquisition years ago, right.

Nicky Rettke (29m 1s):

Yeah. Okay. Formerly known as FameBit and so we'll help the brands and connect them with creators, to produce the content that, you know, kind of puts their brand forward. And as part of this, what we can do is enable a shopping shelf on the creators content. So, you know, you can partner with a bunch of creators, they are talking about your brand or your products. And then underneath the users who were watching this content, we'll see a shopping shelf that can show, I think it's up to 10 products and they can buy it directly. And so we've seen a couple of really good instances of this. Calvin Klein was one example who ran a branded content campaign.

Nicky Rettke (29m 42s):

And I think they partnered with 10 different YouTube creators. And so they were showing the shopping shelf underneath and they sold out of like multiple products that they were selling through this, while also seeing a huge lift in their brand searches on google.com. I think they said 235% lift in brand searches.

Mike Shields (30m 0s):

But that's the case I'm always wondering like, if your brand is hardcore into attribution, an influencer campaign often, you think of it into an influencer mentioning your product, they're showing it in their video. It doesn't mean you can, you know, in most cases that are not clicking on that product and buying it right then and there, but in this case you're really trying to set it up so there is an immediate action built in to the experience and that's how you're kind of tie things back together.

Nicky Rettke (30m 24s):

Yeah. And then we will compliment that with some measurement solutions like a brand lift, yeah. To see how the overall brand consideration has changed for people who are watching that content versus a control group.

Mike Shields (30m 38s):

Right and these, I'm sure it's going to be different for every brand, but is it over time, how do you make sure that you're the influencers you're working with are not overly over commercialized that they still can, you

know, they still have that authentic connection with their audience. If they're tastemakers, they still had to maintain that versus trying to do these shopping events or things that you're describing.

Nicky Rettke (30m 58s):

Yeah. I think that's the tricky balance. Right. So I think the, you know, through the Brand Connect Platform, we have relationships with tons of different creators who, you know, really do want to show up as authentic and really want, you know, their voice to stay true otherwise they'll lose subscribers, I mean all these engagements. So, you know, I think that they're trying to find the right balance and typically they're able to do that.

Mike Shields (31m 26s):

Couple more thing for me, Nicky, you hinted at both of these, I'm wondering with, you know you'd like to be talking about the torso with a long tail when it comes to performance advertising, I think, you know, one of the great strengths of Facebook and Google overall is it, every big brand advertisers there and almost every small business under the sun has a reason or a way to do that. You know, that's why I like these companies have 6 or 7 million advertisers can YouTube, is YouTube in a place where all, every small business has a, can activate on YouTube pretty easily if they're not in a, they don't have, obviously not every small business is going to have the TV commercials or a video team to shoot.

Mike Shields (32m 7s):

But is that where you're going? Where like eventually your tail, it can be as long as a search is or social advertising overall.

Nicky Rettke (32m 14s):

Yeah. That's where we would like to go with it. I mean, we've expanded beyond just video formats for one. So I mentioned earlier that, you know, we started to see that consumer behavior shifts are a lot of people are just browsing through our feeds.

Mike Shields (32m 30s):

Right.

Nicky Rettke (32m 32s):

So, yeah. Yeah. And just to kind of looking for inspiration or entertainment. And so we actually, we do serve like really, you know, rich visual image ads. And in those feeds, we do that through a new campaign type called discovery Ads. And these are as a pure across all of Google's feeds. So I'm not just on YouTube feeds, but also the Google discover fees and in Gmail. So that's a way that we were able to sort of expand beyond advertisers that are very video focused.

Mike Shields (33m 0s):

Right.

Nicky Rettke (33m 1s):

And, you know, are there other similar formats that are non video, but we are also trying to address the challenge of, you know, making it easier to create videos. So one thing that we did with our app install campaigns is we actually have a tool that auto generates videos and we pull the assets directly from the app store on either Android or iOS. And we put those into templates along with music and, you know, actually create great videos out of that is, and so were looking to kind of extend that to some, some new use cases and they have also.

Mike Shields (33m 35s):

Yeah, like who would that be for? Is that going to be for, you know, GM and Coke or Pepsi, or is that like a small business doesn't know how to started with video?

Nicky Rettke (33m 45s):

So we thought initially you would just be for the smaller businesses, but it's a great thing. You know, we actually see some really big brands leaning into it as well. And there are a couple of use cases for it. It might be that you won a lunch in a bunch of countries and languages were, you don't have video creators already. So, you know, we can take care of some of that language problem for you. It could be actually just augmenting a creative that you already have. So maybe you got a TV creative and you want to put it down to a 6-second bumper ad, or you want it to work in a vertical video experience. So we have some tools that can augment existing videos, as well as, you know, generate completely new ones from templates.

Mike Shields (34m 25s):

The other thing I want to make sure I ask you about is you hinted that this is how many people are now watching YouTube via connected TVs. That's been a big trend over the last couple years in the, and I think it's picked up since COVID. And then also you guys have your own YouTube TV Product where you control a decent amount of advertising every hour. What's going on with shopping advertising on either platform. I think we're always, how long we've been talking in this industry about, Oh, you got to be able to watch TV and buy that shirt that guy's wearing on the show. I don't know if were there, but how are you starting to see any more interactivity or performance advertising pop-up on either of those platforms?

Nicky Rettke (35m 3s):

Yeah, I mean, I think it's a really exciting space I think we're still in the early days, but what is very exciting to me is that a lot of the YouTube users who are watching in their living room, they may also have their phones in their hand, or they may be multitasking using another device that they're also logged into YouTube on. So I think that there's like tons of opportunity for us to drive more interactivity and we're just in the early stages of testing what can be done here.

Mike Shields (35m 32s):

Right, because I think that's the tough thing for TV advertising to crack is I think most people don't, still are not inclined to interact with a television, with a remote control. But if you're using your phone and you're already logged into that platform. There is a lot more possibilities there.

Nicky Rettke (35m 49s):

Yeah. Yeah. And it's also, as I mentioned earlier, like we had this insight before that video does inspire people to take action, even if they're not clicking directly on the ad. So it's, you know, I think there's also a different way to look at the ads in the TV screens, which are, you know, maybe actually are driving direct conversions. It's just that they're not interacting with the added element. So if you have a way to sort of measure that behavior, then you can still run performance campaigns there.

Mike Shields (36m 17s):

Okay. What about so many creators talk about products in their videos, whether that's a part of the sponsorship deal or not. I imagine brands would love to find a way to know more about that or have more influence over those products. Are any of you guys working on it on that front?

Nicky Rettke (36m 30s):

Yeah. So we see it for a long time that creators we're talking about specific products, whether it's a product review or like a "how to" video or a haul video, and what happens, you know, today, or what has been happening in the past is that users don't have a lot of information about this product. So they'll have to go click outside of YouTube to find out more. So we're experimenting with ways to try to make that more frictionless, basically pull in more information in line so that users can explore more about the product, which could include just finding other videos that are talking about the same product. So making it easier to continue that research and learn more about it. And this would include, you know, seeing some offers of where you could actually buy that product.

Mike Shields (37m 13s):

So how do brands know about that? Do they, is it used to some kind of AI to figure it, to find those things or do creators mention when they're going to talk about specific products?

Nicky Rettke (37m 24s):

So it's a very creator led experience right now. And we are still in the early days of experimenting with it. But what we're trying to find out is what's a good viewer experience that would make it easier for viewers to find out more about these products, to, you know, help with the, drag more consumption about shopping or shopping content in general. So right now it's the creators will tell us the products that are in the video and then when they do that will just surface the information more prominently versus just having a link that goes off site.



Mike Shields (37m 56s):

Alright, Nicky I want to you go back anything I'll leave it on this, anything weird people are shopping for now or searching for that will be interesting or anything you tell us about what are the trends coming out of this pandemic, hopefully that we should watch for based on what you're seeing?

Nicky Rettke (38m 11s):

Oh, it's a tough one because theirs, I mean, there are so many interesting trends that have come out with people at home. Right. And I mean, there is.

Mike Shields (38m 21s):

I'm wondering if people are trying to figure out how to put pants back on again or belts and it's got, there's got to be a lot of weight help.

Nicky Rettke (38m 31s):

Yeah. I mean, I guess some of the times that we've seen are because of the people aren't going into stores as much as they were before. So how do they get more information about the products and brands and without having to go, you know, see the person. So people will want to find other people who are similar to them and trying on products, giving reviews of products. And then also there are cases where we might be able to help them try it on themselves. So, you know, we've got some, you know, some beauty campaigns where people can actually use AR to, you know, try on different shades of lipstick and things like that, just to see what it look like, without actually having to go into the store.

Mike Shields (39m 11s):

And it seems like this is going to give, this past year is getting a boost to AR across the board for a lot of reasons.

Nicky Rettke (39m 18s):

Yeah, it's exciting.

Mike Shields (39m 19s):

All right. Well, Nikki, thank you for a terrific conversation. Great stuff. And hopefully we'll talk again down the road as this trend evolves, thanks so much.

Nicky Rettke (39m 29s):

Okay. Yeah, thanks so much for having me.

Mike Shields (39m 30s):

A big thanks to my guest this week, Nicky Rettke, Director of Product Management for YouTube Ads. And of course my partners at AppsFlyer. If you like this episode, please take a moment to rate and leave a review.

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