From:	Benedict Gomes Redacted@google.com]
Sent:	2/6/2019 6:11:10 AM
To:	Nick Fox Redacted@google.com]
CC:	Shashi Thakur Redacted@google.com]
Subject:	Re: Getting ridiculous..

I think we kept a good distance from it. I've been thinking a bit about what Shashi says and I tend to agree that we are getting too close to the money. Let us discuss when we next meet.

I think it is good for us to aspire to query growth and to aspire to more users.
But I think we are getting too involved with ads for the good of the product and company.

We need to think of other issues like DuckDuckGo and the privacy challenge and our innovation narrative. We need to retain users for the long run. I think it is fine for us to help investigate query loss, but not to help with revenue loss. We should also consider not taking on some of these things. Desktop branding seems good, but desktop revenue and even query growth is questionable, for instance.

I could be persuaded either way, but I am getting concerned that growth is all we are thinking about.

ben

On Tue, Feb 5, 2019 at 9:56 PM Nick Fox Redacted@google.com> wrote:
The 1-2% wasn't based on last year's incremental revenue analysis, though. I think it was more based on Ankita and HJ's optimism -- as Shashi said :)

Anyway, I'm not trying to be argumentative here :). I realize that you're pointing out what's doable. I'm pointing out that I think there's a pretty big disconnect between what we're signing up for and what Philipp/Prabhakar/Jerry are looking for.

My guess is that all these requests aren't going to subside. Given that (a) we're responsible for Search, (b) Search is the revenue engine of the company, and (c) revenue is weak, it seems like this is our new reality of our jobs? How did Search handle this in the past?

-Nick

On Tue, Feb 5, 2019 at 3:15 PM Benedict Gomes Redacted@google.com> wrote:
Yeah - that worries me. We did make incremental revenue last year, but the whole process was pretty iffy and really sensitive to forecasts.

ben

On Tue, Feb 5, 2019 at 10:29 AM Shashi Thakur Redacted@google.com> wrote:
-Abhi

Sounds good. We should talk about the various growth focused pushes we are getting -

- broad growth
- commercial growth
- request for DAU in Germany and US

Ex. No.
UPX2044
1:20-cv-03010-APM
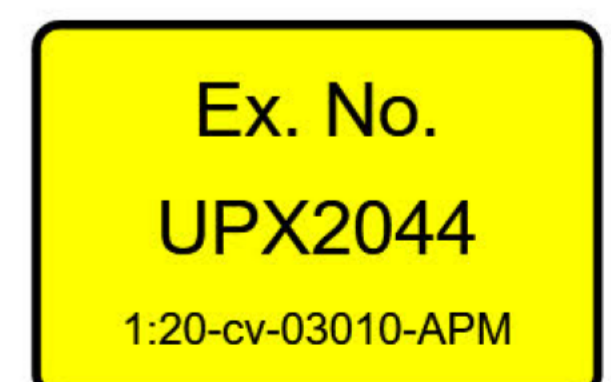
I don't feel equipped to respond to all of these at the same time. I am game for signing up for the longer term version only because I feel this needs a broader retooling all around, which is going to take us time. In the meantime I am just trying to get you all a best faith sense of what is do-able.

The 1% or 2% numbers were based on opportunity. There is no real back propagation of how specific efforts will add up to that growth. I don't think either HJ or Ankita have real experience with growth. They are earnest, but I think there is a difference between that and a x-PA OKR where people will hold us accountable. It is sort of like our pipe dreams of how we would add up different efforts to get growth last year, much of which was disconnected from reality.

I totally hear you about the 2021 part. Let us figure out what we can do there.

On Tue, Feb 5, 2019 at 9:44 AM Nick Fox Redacted@google.com> wrote:
  Yeah, let's try to chat today if we can.

  The way ads does this (I think?) is that they don't commit to overall rpm growing. They commit to changes that collectively drive rpm improvement when you add them up. The point of this is to be able to measure the actual impact of the effort, as opposed to the background noise of what's happening to rpm naturally.

  My point is that this okr could be worded as adding up the impact of our commerical query growth efforts, even if there are other forces driving commerical queries down.

  On the okr itself, signing up for x% in 2021 just won't come across as credible or aggressive, I don't think. It's in 3 years and not a concrete goal. I think it just appears that we're not taking this seriously.

  That said, we shouldn't sign up for something we don't believe in and won't achieve. I had thought the team said they had line of sight into 1% and thought 2% was a good stretch... But I'm not sure how much they had really thought about it.

  Nick

  On Tue, Feb 5, 2019, 7:19 AM Shashi Thakur Redacted@google.com wrote:
    We will still want an internal goal that includes query growth. My original proposal was this -

    Launch > 3 deep vertical experiences in Search and at least 1 each in YouTube and Chrome; increase diversity of user journeys (metric and goal by end of Q1) with the goal of **increasing commercial search queries X% CAGR above organic growth by 2021**.

    Until Ellen asked to strike out the last clause.

    But we should still make the full statement the goal with ads.

    Jerry will still be unhappy about 2019 vs longer term.

    Indeed we will be doing re-engagement. You already saw that in the plans, right, so why would we have dropped this? So that is not a new idea and clearly part of what we will do.

    The two things - making journeys more efficient and re-engagement - counter each other. What do you mean by not counting the former against the OKR? It is the same product and the same user, right?

And then there is the cannibalization from Discover and Lockhart. We have not agreed on budgets on search cannibalization there so these are unbounded. One way to thread this is to write the OKR around queries and journeys per DAU, so it is normalized.

I feel like we ourselves are not in sync on what is being done, what the internal goal is, what the company goal is, and what the confounding factors are. Happy to talk if you are back today or hop on VC.

On Tue, Feb 5, 2019 at 12:18 AM Nick Fox^{Redacted}@google.com> wrote:
Jerry seems pretty unhappy with this change... (I think we can ignore the Ellen / company OKR...we need to still be aligned on what we're doing.)

Why did we move away from the 2% growth goal?

It's true that some things may reduce queries, but I don't see why we wouldn't also do things that try to increase queries, assuming those things are reasonable (and look good on other metrics). I.e. we may make something that helps you re-engage in a previous commercial task. This will likely increase commercial queries. Other things might make journeys more efficient and reduce queries, but we don't need to count such things against this OKR...

-Nick

On Mon, Feb 4, 2019 at 7:07 PM Shashi Thakur^{Redacted}@google.com> wrote:
Looks like Ellen West solved this for us :) She was afraid of leaks that create investor expectation and asked that query growth numbers be taken off the OKR!

Latest rev that *will* go out as part of the company OKRs -

Objective: Ensure Google is an essential part of the fulfillment of commercial intent
Significantly improve the search experience for users who express commercial intent, launch > 3 deep vertical experiences in Search and at least 1 each in YouTube and Chrome; Increase diversity of user journeys (metric and goal by end of Q1) [Owner: Gomes, Prabhakar, Susan]

On Mon, Feb 4, 2019 at 5:22 PM Shashi Thakur^{Redacted}@google.com> wrote:
I am proposing writing the OKR as -

Launch > 3 deep vertical experiences in Search and at least 1 each in YouTube and Chrome; increase diversity of user journeys (metric and goal by end of Q1) with the goal of increasing commercial search queries X% CAGR above organic growth by 2021.

The important part is that there is a promise of compounded query growth, but in a longer time frame. The shorter term time frame will increase user journeys.

Anyone have objections to using the statement as the basis for discussion?

On Mon, Feb 4, 2019 at 4:49 PM Abhi Taneja^{Redacted}@google.com> wrote:
Shashi - Yes please start thread.

I had not followed up on my end yet.

On Mon, Feb 4, 2019, 4:27 PM Shashi Thakur^{Redacted}@google.com> wrote:
OK do you want me to start this?

+Abhi Taneja since I was picking his brain on this as well. He was saying the x-PA commercial growth OKR may not get published. If that is the case, it gives us more room to discuss with Philip and Prabhakar (and Jerry and others too).

On Mon, Feb 4, 2019 at 3:18 PM Benedict Gomes <Redacted@google.com> wrote:
Let us start a thread with Phillip and Prabhakar?

ben

On Mon, Feb 4, 2019 at 12:47 PM Shashi Thakur <Redacted@google.com> wrote:
So here is the practical issue which we should get on the same page on.

The company OKRs, including x-PA ones, will be public tomorrow. One of them is to increase commercial queries by 2% in 2019. Shopping is part of this goal.

Internally we will want to move to the #Journeys/DAU metric, but that is all new and still in development. So the internal goal was to nail this down in Q1 (across shopping, commercial, explore, etc.).

As noted above, efficient journeys can result in query loss in the short term, eventually leading to more user engagement and consequent query growth in the long term.

So what is your suggestion on how to sign up for this commercial query growth OKR?

On Sat, Feb 2, 2019 at 9:50 PM Shashi Thakur <Redacted@google.com> wrote:
Here is another interesting analogy which will disappoint finance and ads folks.

Imagine search were a mall and every store a user journey and every perused product in the store a query and every purchased product is an ad click. We are optimizing for the user coming back to the mall often (DAU). We know that shopping in different stores over a period of time (feature awareness) increases affinity with the mall, giving users a diverse set of reasons to return.

But we are also optimizing for efficient store visits (effective journeys), which might mean lower number of products perused/bought in the visit (queries/ad clicks).

We do know that all this results in all kinds of good things - more stores visited (more diverse journeys), more products viewed (queries) (not necessarily per visit), and more products bought (ad clicks) (not necessarily per visit).

All this pays off in the long term.

Going back to search now - more efficient journeys might mean less queries, which is more stark than us not focusing on this.

So there are multiple points of disconnect here -

- we cannot finely optimize for DAU unless we hack engagement
- we cannot finely optimize for queries unless we abandon work on efficient journeys
- we might actually decrease queries/journey and queries/DAU

So I do believe this discussion comes down to short term vs long term objectives. Ads can optimize much better for short term and the effects can be seen through where we are in shopping or, as Nick points out, 2.5 pages of ads.

Shashi

On Sat, Feb 2, 2019 at 5:58 PM Nick Fox Redacted@google.com> wrote:
> Yeah, agree that revenue tweaks are more like engagement hacking. For us it wouldn't be about getting brand new users, I don't think, but rather our existing users to search more. Which could lead to DAU, I guess, but it'd probably be more about additional queries for existing DAU. Or additional DAU per MAU.
>
> I guess my point was more: the ads team clearly optimizes for revenue, generally (as you say) at user experience neutral. But they only control part of revenue. If we were a factory that made widgets (where revenue = price * quantity), the ads team basically is responsible for the price of those widgets, but we're responsible for the quantity of the widgets. And what they're really complaining about (I think) is that they're doing as much as they can on the price of widgets (and they do this very systematically and sign up for concrete goals, etc), but don't feel like we're doing enough to optimize the quantity of widgets to maximize revenue. And this is true -- it's not our focus. We are of course doing things that are related to this (growth efforts on DAU, commercial queries, etc). But they're much more laser focused on it (again, because their job is to grow revenue).
>
> Shashi, to your question whether I have any specific ideas in mind -- no, not top of mind. But one thing I recall from ads was that we generally didn't have the ideas a priori. It was more that we had a systematic process against a pretty clear objective function. I think it's much harder for us because our objective function isn't revenue (or even queries), so there's a pretty big disconnect (I think) between what finance and ads want and what we're doing.
>
> My gut is that our approach has served us well and continues to be the right approach. The ads approach yields things like 2.5 screens of ads on mobile queries. But also strong revenue growth...
>
> Sorry this is mostly idle musing. I'm just trying to provide clarity into where I think the disconnect is.
>
> -Nick
>
> On Sat, Feb 2, 2019 at 5:17 PM Benedict Gomes Redacted@google.com> wrote:
>> I think revenue tweaks are more like engagement hacking, not dau hacking. We could do engagement hacking (we could and maybe should spend even more time on some page details like the tab structure in structured pages or the expando. We have spent some time on it, but if we were the ads team there would be an effort on just the tab fonts, perhaps). but a lot of their tweaks are actually trying to be revenue positive and user neutral, which is a bit strange in organic. This hacking is maybe useful - has not appealed to me in the past - but maybe increased engagement will be increased dau...
>>
>> ben
>>
>> On Sat, Feb 2, 2019 at 4:09 PM Shashi Thakur Redacted@google.com> wrote:

Do you have a specific idea for such tweaks that could drive growth at a micro level, where if we did many of those we could promise a specific dau in a locale? And are those things people are already not working towards? Or you think this is possible in the abstract?

My point was not about working on growth, which you obviously know many people are. It was about people thinking such a commitment can be made.

Shashi

On Sat, Feb 2, 2019, 3:32 PM Nick Fox Redacted@google.com> wrote:
The ads team *can* tune, but they also do a lot of "tweaks" to drive revenue. It's not entirely clear to me that tweaks couldn't work for us too and that it could actually drive growth in DAU at a more micro level. But I think tweaks is generally seen as more like growth hacking and thus more frowned upon.

Don't get me wrong, I find these finance exercises as frustrating as you do :), but it's not clear to me that the ads team approach to driving RPM couldn't be applied to something like DAU as well.

-Nick

On Fri, Feb 1, 2019 at 8:07 PM Shashi Thakur Redacted@google.com> wrote:
This was the "ask" for getting more desktop dau in Germany and US in the finance meeting today.

I think finance folks are running like chicken with heads cut off. I guess the free ride is ending and this is the first time they have to figure out how our business actually works.

Missing part of the thread -

"Hi Ken - Thanks for the thoughts and joining the discussion today - I think our emails crossed as I was sending some thoughts on a separate thread.

I would like to brainstorm a way to thread the needle here, as I would still propose that we increase the goal by those slight amounts as I think it's valuable that our aspirational success metric aligns with the quota assumptions that our cross-functional partners are accountable for (and I understand secondhand that Philipp had asked about whether the search targets do support that).

Since these 3-4M moves would not impact the 1.85B headline OKR metric, I think we have flexibility to find an approach that could work for all parties. For example, we could keep the specific by country / surface goal (including the +3-4M) agreed and monitored within this exec group, but still base Staples comparisons against the pure, unadjusted Q1 benchmark forecast as our best outlook entering the year.

With all the angst within Ads / Sales about the early 2019 trends we discussed today, I am conscious of the optics if our success target is below what's needed to hit revenue plan, but very open to finding a path forward that minimizes anything unnatural for the search org.

What do you think?

On Fri, Feb 1, 2019 at 5:32 PM Ken Tokusei Redacted@google.com> wrote:
Hi Mike, Ben,

Thanks for your time today. Shashi and I chatted later this evening and want to make sure that we are clear on the major takeaway (for the first part of the prezo).

I'd say the gap from revenue to DAU partly came from which data we used, but ultimately, the message is that we should focus on desktop FBU (which we are), and Nick/Ben agreed to put a senior PM lead on it. We didn't land on tweaking for +2M/1M DAU in US/DE, respectively, but given our #FUDJE focus, those are big part of our

efforts anyway (and we have FBU OKR to track against), so we didn't interpret the guidance as a course correction. Please let us know if that doesn't make sense.

Thanks,

-Ken
"

Shashi

On Fri, Feb 1, 2019, 8:02 PM Benedict Gomes ^{Redacted}@google.com> wrote:
 Not that I know of... I think we lost the thread though in your forward....

ben

On Fri, Feb 1, 2019 at 7:23 PM Shashi Thakur ^{Redacted}@google.com> wrote:
 Is there no way we can talk to Sundar about this?

There is no way I am signing up for a high fidelity DAU okr. There is no lever I have that lets me fine tune dau. It is not like rpm that you can tweak a model to deliver numbers.

There was a good reason our founders separated search from ads.

Are you guys signing up for this?

Shashi

---------- Forwarded message ---------
From: **Kristen Gil** Redacted@google.com>
Date: Fri, Feb 1, 2019, 7:14 PM
Subject: Re:
To: Shashi Thakur^{Redacted}@google.com>
Cc: Mike Roszak Redacted@google.com>, Ken Tokusei Redacted@google.com>, Ben Friedenson Redacted@google.com>, Jon Dreyfus Redacted@google.com>, Tao Jiang ^{Redacted}@google.com>

Keep in mind that the Ads team is considering calling a code yellow to close the search gap we are seeing given how critical this is to achieving company plan.

On Fri, Feb 1, 2019 at 6:30 PM Shashi Thakur ^{Redacted}@google.com> wrote:
 I think there main point is that there is nothing we can do in the product that allows us to operate at this fidelity. As Ken pointed out, we have lots of energy in the search team to drive growth in fbu and beyond. But there is no knob to tune that will give us a precise number of dau. In fact, DAU is a tracking metric. Growth projects strive to improve user experience and optimize for metrics that correlate to DAU. But there is nothing actionable out of adding another few million to the target, so there is not that much to be gained from moving the okr here.

Shashi

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Kristen Gil | Redacted@google.com | Redacted

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