

Message

From: Judy Hsu [Redacted@google.com]
Sent: 7/12/2019 5:16:15 PM
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CC: Jennifer Sulon [Redacted@google.com]
Subject: Go Big in Europe: Ruth meeting 9:30 AM PT 7/19

Attorney client privileged

Update: **We have Friday 7/19 @ 9:30 AM PT slot to take GBE proposal to Ruth (time being confirmed by admins).** The narrative needs some cleaning up to have more rigor around the year-by-year finances and pulling out ROI positive marketing asks (see below), but we're very close. I'll find for us to do one final prep for the Ruth meeting mid next week. Big thanks to everyone here who's helped us get us here this far!

AIs:

- [bornheim, friedenson] Break down year by year of expected revenue loss (EU choice screen, android devices activation timeline) and potential revenue gain from product investments + marketing. Model wider range in revenue loss based on current market share --> survey choice.
- [mhoffer, sko, darmstrong] Remove 2020 DAU growth marketing ask from GBE narrative, keep 2019 and potentially brand awareness campaigns in
- [kirjner] Propose timing to take this to Ruth given upcoming earnings call (done)
- [judyhsu] Finalize GBE narrative, schedule one more check-in before Ruth mtg

Judy

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Meeting notes with Search & Finance leads (thanks to bornheim)

Deck - access limited to need to know only due to revenue forecasts / legal content

Q: Is this modelled as 2020? Or is there a proposal for staging?

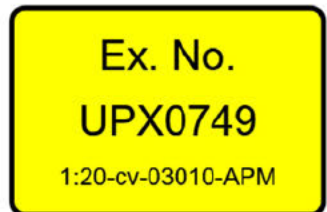
We are currently presenting the case as an "end state" impact when all users have been going through the choice screen. The choice screen is only presented on new phons starting January 2020, so we expect a gradual effect.

Q: Is this an accurate reflection of our current situation? The change in the survey may understate the drop.

The survey presents a "per user" view. Power users may be more likely to pick Google, which is why we see query share numbers in the high 90-percent range.

Q: Should we run a survey / to motivate growth investments further... conjoint analysis ("What if Google/DDG offered feature X and benefit Y, would you decide to switch the service")? If they chose something else than Google, what would they miss?

Difficult for users to imagine these features we're describing, may not be a good indication



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- FR will be in a tricky state next year, with several headwinds (Axel Springer funding Qwant, more aggressive marketing campaigns by alternative Search engines).
- In the past, we saw query stream analysis, which called out all the various use cases and applications of Search as a life-hacking tool. We saw that some highly important "features" of this tool are being used only a few times in a year, traces in the query stream - yet these are critical. It would be good to identify these journeys, and understand whether they are still done and will be done with Search.
- Do we understand users moving their use cases? Are users moving to Qwant / Ecosia all time, or only for specific use cases?
- Sundar asked: Search = distribution deals. Is there a subset of "pull" use cases, content deals?
- Recommendation to make marketing a separate ask.

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Go big in Europe

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July 2019

POCs: Redacted, Redacted

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Executive summary

Choice screen revenue at risk (*details privileged, sanitized from this deck*).

To address, we plan:

- Table stakes: Brand affinity marketing campaigns
- Efforts to drive DAU uplift (good & valuable regardless)
 - Improve Search experience in two local markets (France and Germany): new best-in-class or exclusive experiences, e.g., in-game and immediate post-game soccer video highlights
 - Focus on showcasing local content -- shift in content acquisition strategy
 - Access to free news articles (EUCD)
 - **All to be tested & validate impact** before expanding to remaining top 5 EU markets (GB, ES, IT, PL, NL -- 83% of EU search queries)

2019 P&L impact: incremental ask of **30 FTE** (~\$3M in-year payroll & related). Remainder of ask to be incorporated into 2020 planning: 52 FTE and \$179-\$296M opex.

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CHOICE SCREEN REVENUE IMPACT TO BE DISCUSSED LIVE

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