

2013

15 Must Do Tips for Online Retailers Using Pay Per Click

eHOLIDAY in NUMBERS
A LOOK AT THE eCOMMERCE TRENDS FOR THE 2011 HOLIDAY SHOPPING SEASON

3.4-6.5%
RISE OF MOBILE'S CONTRIBUTION TO RETAIL SALES IN 6 MONTHS
* includes iPads / tablets.

Oct 2010 April 2011

52%
SHOPPING ASSIST TOOL
HALF OF SMARTPHONE USERS WILL USE THEIR DEVICE TO RESEARCH PRODUCTS, REDEEM COUPONS, AND USE APPS TO ASSIST IN THEIR HOLIDAY GIFT PURCHASE.

BLACK THURSDAY!
11.24.11
BLACK FRIDAY DEALS AVAILABLE ONLINE ON THURSDAY OR EARLIER

SHOPPERS USING PHONES IN THE PAST 6 MONTHS:
Browsed for products: 57%
Compared prices: 52%

US Retail Ecommerce Holiday Season Sales, 2006-2011
billions and % change

Year	Sales (billions)	% change
2006	526.4	
2007	531.4	19.4%
2008	529.1	-7.8%
2009	538.0	16.9%
2010	539.9	17.4%
2011	546.7	14.8%

■ Retail ecommerce sales ■ % change
Note: sales are for Nov and Dec of each year; excludes online travel, event ticket and digital download sales
Source: eMarketer, Nov 2011
103707 www.emarketer.com

Google AdWords bing

NOV FRIDAY 25

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15 Tips for Getting Great PPC Results in Q4

For most retailers, it is getting to be crunch time. October marks the start of the fourth quarter, where many retailers make or break their year. The environment tends to get particularly fierce for online operations, and whether you own a local boutique or work for a national big box store, you have a pay-per-click (PPC) program. The question remains if that program is working to its full potential.

For retailers that have both online and offline sales channels, the management of PPC programs in a holistic way is critical for success. The following are 15 tips that will help you get the most out of your online marketing campaign:



1. Integrate shopping cart values with conversion codes and analytics.

If you sell online, you must integrate your shopping cart with your PPC conversion tracking and web analytics. Just tracking counts of conversions, or worse yet, not tracking anything, is really unacceptable. It's not difficult to do, and as long as your shopping cart allows access to its item value variables, there's no reason not to do it.

If your shopping cart does not allow access, change it out. It's the difference between having rough idea of how your campaigns are doing and knowing your specific return on ad spend (ROAS) or return on investment (ROI). Knowing these enable you to bid on the keywords that drive not just sales, but also margin dollars. If you're restricted by shopping cart data access limitations or technical abilities, you can at least determine your average order size and apply the value to your conversion counts.

Useful link: [Setting up shopping cart conversions](#)

2. Stop revenue leaks by shoring up your conversion path.

To optimize your results, you should be reviewing your conversion path and funnel on a regular basis, as there are not many activities that are more important to your PPC program. After all, you have already paid for the visit—through PPC charges, SEO efforts and more—and the visitor has found a product and started the purchase process.

Use everything in your testing arsenal to create an efficient checkout experience, as even modest improvements can yield significant improvements in sales. Your site analytics can be set up to report on how visitors migrate through the funnel and what percentage complete each stage. Identifying steps where a disproportionate percentage fall out of the funnel indicates a problem area. Look into it, test potential solutions and then move on to the stage with the next highest abandonment rate.

Useful link: [Setting up Google Analytics goals & funnels](#)

3. Examine your keyword optimization for brands, manufacturers and product types.

The separation of keywords into similar ad groups is a no brainer. You've probably done this already, but how it is executed for your specific product type is going to vary. We recommend the separation of your brand from all other keyword types at a minimum. If you have physical stores, consider additional ad groups that include keywords with geographic qualifiers.



It is often a good idea to separate manufacturers' terms into manufacturer & product type and manufacturer & model. The reason for this is that shoppers' behaviors are different. When a manufacturer & product type keyword is searched, a decision has not yet been made. When a specific model is searched on, it's likely the shopper has decided on the product and is looking for the best price, terms or shipping options.

Useful link: [Keyword organization tips](#)

4. Don't restrict core terms in campaign budgeting.

Over the course of running a pay-per-click program, you'll learn your core keywords. These are the terms that consistently deliver the best results in terms of sales, low acquisition cost and ROI. Ensure that you support these terms with a sufficient allocation of budget funds such that you are maximizing their contribution to the overall program.

For instance, you may be a specialty retailer of athletic shoes, and so you'll know which brands and styles are most popular. Be sure to maximize terms that have historically worked best by keeping them from them fighting for campaign funds with under-performers.

Frequently, the core keywords will be brand terms or the names of manufacturers' best-known products. It's not unusual for such terms to not only bring in traffic and sales, but to be trigger products, or items that tend to drive the sales of accessories and supplies, increasing the average basket size value of orders.

Useful link: [Organizing campaigns and ad groups](#)

5. Leverage AdWords' geographic targeting.

At the campaign level, specific geographies can be targeted. This can be done at the country, state and metro levels, as well as all the way down to customized longitude & latitude coordinates. The value of geotargeting is obvious—if you can't service a region, don't advertise in it. Looking at it another way, if your stores in Southern California sell merchandise that's different than what moves in New York, you'll want to manage your program taking such factors into account.

Step one is understanding how geography impacts retail vs. online sales. How far are people willing to travel to visit the store? Do you offer specials (i.e. free shipping) to areas without retail store support? Geographic store density is also a factor. Do you have stores on every corner or a few that are regionally located? Set up your ad serving to cover the areas that your physical stores serve, as doing so enables the tailoring of ad copy to in-store promotions or specials that cannot be delivered online.

In a separate campaign, target the geographies that are not supported by physical stores. Also take note of regional nuances in language. For example, do they call soft drinks "soda" or "pop?" Speak to your audience using their language.

Going international is often exciting for advertisers. There's a sense of accomplishment in getting orders from beyond your typical service area. However, you should be careful, as more than half the world's population is in the middle of their day before the sun rises in Chicago. That means your budget can be exhausted before your key market wakes up.

While bids may be less as a result of fewer competitors, there are many concerns when going international. Some of the major issues include localization, cross-border shipping, taxes, customer & sales support, serviceability and click fraud.

Useful link: [AdWords Geo-targeting Options](#)

6. Use the right metrics: CPA vs. ROAS vs. ROI vs. AOS

Years ago, we had an interesting client who was truly intimidating. He was big guy, tough-looking with a weathered face who mentioned in a suggestive way that he grew up in New Jersey and worked the waterfront. As we discussed launching his campaign, he leaned over, looked me dead in the eye and said, "Always remember, if you can't measure it, you can't manage it." I've since realized that this was an old business axiom and not original, but the impression was made.



As a marketer, you need to determine which metric is most appropriate for your business. It's not uncommon to track several key performance indicators, but which is best? It depends, which is why we suggest tracking, at a minimum, the big four: Cost Per Acquisition, Return On Ad Spend, Average Order Size and Return On Investment. Here's a quick refresher on these metric:

Cost Per Acquisition (CPA): Media Cost / Customer Orders. Ideally, you can identify first-time customers and calculate the metric for new and returning customers.

Return On Ad Spend (ROAS): Sales Revenue / Media Cost. This can potentially mask the negative impact of low margin sales, but is handy in assessing the impact of your media spends across channels.

Average Order Size (AOS): Sales Revenues / Customer Orders. This is important to help manage promotions, cross/up-sell activities and merchandising. It's a balance

because you need both order volume and high average revenue per item, but more often than not these work against each other.

Return On Investment (ROI): Net Income / Media Cost. This is the bottom line for most e-retailers. In short, you know if you are using the right media to sell the right products.

Useful link: [Web Analytics Guru Discusses Metrics](#)



7. Sell your strengths with ad copy.

You do not have a lot of space to work with—usually just 105 characters and a URL. This precious space needs to be given proper respect to work well. Don't try to cram every potential benefit into this space. If you're a discounter and can compete on price, include prices. If you're a luxury item marketer, use language that speaks to the unique and exclusive nature of the products. If promotions are a key part of your strategy, regularly test promotional calls to action.

The holiday season is cutthroat, and it is very easy for a web shopper to browse multiple competitors. They're going to be hit by dozens of great offers. Know where you play in the field and what you do best, and then test away to find which messaging truly resonates with your visitors.

At a minimum, have two variations of ad copy running within each ad group. If volume supports it, add a third. Look at your competitors to see what they're doing, and think of ways to stand out and catch the attention of your audience. Most importantly, your ad should work to get the click, and not sell your product. You need to attract the right audience with ads and then optimize your website to convert the browser into a buyer.

Useful link: [Writing better Adwords Ads](#)

8. Get hard data from soft conversions.

Not all conversions are created equal. An online sale is what e-retailers seek, but requesting a catalog, doing a store location lookup, visiting a shipping options page and signing up for a newsletter are high-value actions that signal visitor interest. We call

these "soft," "micro" or "secondary" conversions, compared to the primary conversion, which is a sales transaction.

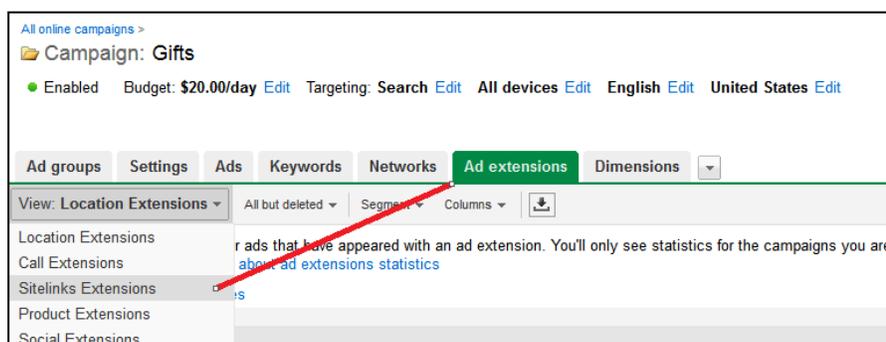
Track these secondary conversions to the keyword level. Google AdWords allows you to set up several conversion actions. Alternately, you can use a web analytics platform to track these actions. Regardless of the method, you may find that broad terms don't drive sales conversions, but they do drive the types of digital "tire-kicking" that precedes a sale. Over time you should be able to build a model and assign values to these secondary conversions.

Useful link: [Using Google Analytics for Secondary Conversions](#)

9. Test Google ad extensions.

The ad product extensions in Google have been rolling out with greater consistency as of late. These features enable ads to communicate more data about the product or service being promoted. Some ad extensions can only be activated by connecting other Google services. For example, [Product Extensions](#) requires an existing [Google Merchant Center](#) account. By setting up this account, ads can include product attributes in your AdWords ads via a "plusbox" for users to click. Product extensions can show images, titles and prices of products that match searchers' queries.

Product extensions will not appear on other Search Network sites or on Display Network sites. This will be the first holiday season where product extensions are widely available, although they are technically still



in limited beta release. Our experience has shown an increase in CTR on such ads last holiday season. Was there a direct correlation to increased sales? No, and for that reason we suggest that you test before full adoption. However, Google touts its greatness and we suspect that in time these programs will become a regular addition to ecommerce PPC.

A number of other ad extensions are in limited release. One of note is the Seller Rating Extension. You've probably seen these already. If a merchant is rated with at least four stars (out of five) and has a minimum of 30 reviews, the rating will be posted in the ad. Visitors have the option of clicking through to read reviews at no cost to the merchant.

In addition, don't forget the other extensions such as [Sitelinks](#), [Video](#) (in beta) and [location](#) extensions. Test them out and see if they improve the quality of visitors to your site.

Useful link: [Google Ad Extensions](#)

offered one. I'm not suggesting that e-tailers shouldn't use discounts, but they should avoid becoming addicted to them and instead use them strategically. On the flipside, I know of one large e-tailer who did not have a discount lined up during a pivotal week in the holiday season. With shoppers' minds full of purchase intent, a major opportunity was lost, not to mention a significant amount of revenue. Know your customers and what they react to.

Use promotions to increase average order size, attract first-time customers and/or take business from competitors. Think about how you want to use PPC ads to bring attention to your promotions.

Useful link: [3 Brands Using Promotions Effectively](#)

13. Know all of your key dates.

[Black Friday](#) (11/25) and [Cyber Monday](#) (11/28) are terms any online retail marketer is aware of, but how about [Green Monday](#) (12/12)? There are several key dates for online retailers during Q4, and your PPC campaigns should be dialed in before these dates arrive. This means you need to have holiday-themed creative queued up and ready to go. What you might not realize is that sales will happen on these dates, but you can help prime the revenue pump by ramping up your media spend 3-5 days in advance. Doing so helps build top-of-mind awareness so that when browsers turn to buyers, your brand is in their consideration set.

Another day you need to consider is the last date your audience can receive an order and review items by Christmas Eve through standard and expedited shipping. There is also December 26, and day after Christmas and Boxing Day, the biggest shopping day in Canada. While the economy is down globally, Canada has weathered the storm better than most and represents an \$18.5 billion ecommerce market seeing double-digit growth, according to an [eMarketer study](#). The bottom line is that your PPC program can do wonders, but needs sufficient planning and resources to maximize its opportunities.

Useful link: [Shop.org Resources for Ecommerce Marketers](#)

14. Don't forget post-holiday bargain shoppers.

In addition to Boxing Day creative, also have your post-holiday promotions ready to go supported by PPC ad copy. The post-holiday period can be an opportune time to target new customers, and effectively executing a post-holiday sales push can get your new fiscal year off to a strong start.

Many people will have received cash or gift cards as gifts, and the extra buying power may be just what they need to get that impulse item. Do you have an excess stock of items that encourage the purchase of accessories? Review your website analytics and reallocate your PPC budget, taking into consideration data for post-holiday product popularity.

Useful link: [Holiday Season 2010 Post-mortem by ComScore](#)

15. Develop an attribution model.

The Holy Grail of online retailing is the development of an accurate and reliable attribution model. It's not difficult to determine the touch points, but it can be quite challenging to accurately assess the contribution value of each. Keep in mind that attribution models get complex very quickly, so if you're a multi-channel retailer with online, store, catalog and call center presence, there are cross-channel influences to be aware of.



There are also the various media that may be used, such as paid search, display, email, organic traffic efforts and traditional initiatives, which all have an influence. Google has attempted to offer support with its search funnels for PPC campaign attribution. Unless you have a large-scale program, the usefulness of these insights is limited. If you've not developed an attribution model before, use this year to set a baseline. Start simple and add complexity over time.

Useful links: [Adopting Attribution Models in Large Enterprises](#) and [Digital Media Campaign Attribution](#)

About the Author:

With over 16 years of evolving experience in online media and marketing, few others have as deep exposure in the interactive space. Eric started in pay per click advertising back in 1998 when he was one of Goto.com's largest clients. It wasn't unusual to have sub-\$0.10 CPC's back then. Goto.com became Overture which then became Yahoo Search! and is now effectively Bing. His first Google program was launched in 2003 long before conversion tracking. At Confluence Digital Eric drives client digital marketing strategy and oversees company operations.

Past client work includes oversight of search marketing programs for Microsoft, GuitarCenter, RealNetworks, Hewlett-Packard, CISCO Systems, and over 150 others in both B2B and B2C markets.

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