

NetBooster

Paid Search: What Marketers Should Focus on in 2014

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The 4 main areas to focus on for your Paid Search strategy in 2014:

1. *“It’s not about the device, nor the channel. It’s about the user”*

Your consumers don't think about devices when they are looking for information. They don't even think about online or offline when they look after your products. The good news for all marketers is that Enhanced Campaigns and other mobile features for Search Engine Marketing were not only a big change in 2013, but a much needed one.

The availability and use of multiple touch points has made online purchasing patterns far more complex to track:

Yesterday	Today
From ‘Silo Marketing’: each channel was managed on its own independently from the others with a big distinction between corporate branding and acquisition channels	To Integrated Marketing: all channels work in an integrated fashion in order to jointly increase the advertiser’s performance
From Desktop Only: consumers were only able to research and/or purchase on computers	To Multiple-Device: consumers are now able to research and/or purchase on computers, mobiles and tablets
From Text Ads Only: until 2010 in the US and recently in many other countries worldwide, only text ads were visible on the SERPs, with very limited extensions and a total absence of product images	To Text Ads + PLAs: Google has now launched Product Listing Ads to complement traditional text ads in a number of countries. This enhances the user experience by providing richer product information and aiding brand identity in the SERPs
From Intent Targeting: identifying groups of keywords relevant to the advertiser’s products and services and adjusting bids accordingly to meet the KPIs	To Intent + Context + Audience targeting: identifying the right target audience who are searching for keywords relevant to the advertiser’s products and services in a specific context and adjusting bids according to each layer of intent in order to meet the KPIs

Despite the shift still being a work in progress for a number of organisations, it is incredible to see the speed at which the industry has moved in such a short period of time. We are now able to scale the ‘Mount Everest’ of search marketing challenges: reach the right audience at the right time in the right place.

The launch of Enhanced Campaigns and Remarketing Lists for Search Ads (RLSAs) in 2013 played a significant role in this shift, as Google pushed both mobile and audience targeting first, therefore improving the way advertisers approach consumers and provide solutions to their needs.

With Enhanced Campaigns, it is now easier to reach people in the moment that matters across all devices with ads that are more relevant to the user's intent and context. The latter includes signals like location, time of day and device targeting. On the other hand, Google's RLSAs are now a key piece in the digital jigsaw puzzle because they enable advertisers to modify bids, ads and keywords based on a visitor's past activities on the site as well as their demographic data.

Q: Is your strategy based only on channels and device or also around users?

2. "Audience targeting and data driven marketing are not buzzwords anymore but a reality"

Audience targeting is not new to Social and Display, but the integration of such a powerful feature in a channel that is powered by intentional behaviour along with the focus on who is behind the keywords, is something that is revolutionising the way search marketing works and performs.

With what has just been discussed, it should come as no surprise that the key topic and focus for advertisers in 2014 is audience targeting - a deep understanding of the audience and the way consumers purchase products and services are the foundation of any successful marketing campaign.

Over the past decade, customers have been increasingly bombarded with marketing messages across all devices and channels and unless the material is directly and highly relevant to them, they are now ignoring it. 2014 will be the year in which **'cookies become the new keywords'**. Marketers will need to pay high attention to the data collected to create strategies aimed at providing messages that are relevant to the key audience and what they are looking for, in order to attract their interest and overcome the competition.

This approach has greatly helped one of our retail clients, who experienced a considerable increase in brand keyword CPCs YoY:

Case Study – Taking an Audience Lead Approach to Beating Rising Brand CPCs

★ The Challenge

- Increasingly aggressive bidding on a large retailer's brand terms from competitors has seen a considerable rise in brand CPCs
- While still needing to maintain a strong presence on brand terms, the client needed to reduce overall brand costs without sacrificing sales in order maintain spend levels on generic terms
- **How can we maintain brand sales and presence while at the same time reducing costs?**

💡 The Solution

- NetBooster implemented Remarketing Lists for Search Ads (RLSAs) on brand campaigns. This enabled us to take an **audience led approach to bidding** on brand terms
- Users were **segmented based on their interaction and behaviour** on the retailer's website – previous customers, basket abandoners and product viewers were all given increased bid modifiers compared to other users
- This enabled us to **maintain position 1 for the most valued pre-qualified searchers**, while taking a more reserved bidding approach to all other traffic
- Ad copy was also changed **to create resonance with the user segmented lists** – i.e. '10% off' offers for basket abandoners, 'free delivery' and '30 day return policy' for product viewers

📊 The Results

- Brand **CPC saw a decrease of 73.3%**
- The reduced CPC allowed us to deliver **an increase of 104% on clicks** while at the same time **reducing costs by 44%**
- This led to a **reduction in Cost per Sale of over 61%**
- The culmination of which was a **42.5% growth in sales** and a **growth of 53% in revenue** from paid search

On top of that, big steps forward will be made when it comes to cross-device reporting and conversion attribution.

So the answer is no, data is available and will be even more so in 2014; but the question is how well will marketers put this into practice? We have seen how the search landscape has changed over the past 12 months, and it is important to understand that whatever advertisers say to their customers is as a direct result of the data they have access to.

From an e-commerce perspective, the correct use of data will support great segmentation and personalisation, leading to a far better client response. Advertisers will need to make huge efforts to adopt a more one-to-one approach with bid adjustments based on learnings from previous interactions with the target audience as well as key demographic and psychographic factors identified.

Data driven marketing is no more a buzz word but a reality for 2014, and while it is great to see that Google has initiated and strengthened the equation 'Performance = Intent + Context + Audience' with RLSAs and Enhanced Campaigns, it will be entirely down to how well marketers use the available technology to produce more relevant ads, processing and analysing the data to identify the audience behind the keywords.

Q: Are you collecting data and most of all, how do you process it to make decisions?

3. "Don't push only ads: push products with Shopping Campaigns"

On another note but still relating to relevancy, the launch of Shopping Campaigns will also play a key role in 2014 for retailers. They will be able to propose more relevant product ads, increasing the chance of new customer acquisition and existing client retention. From our experience, Product Listing Ads themselves have shown incredible results, with CTR as high as 25% more and CPA between 50%-60% less than traditional search ads. We strongly believe that with a more sophisticated interface to manage and optimise this type of ad, results will be even more overwhelming and we are looking forward to testing this new feature on all of our retail clients.

Q: Is your product feed and Google Merchant Centre correctly set up to accommodate this new and powerful feature?

4. "You can do branding with Search while generating revenue with new comers"

Search advertising has for years been referred to as a pure acquisition channel and has become synonymous with performance marketing. If the channel does not perform as desired and the main KPIs are not met, exposure on search engines is reduced to make it more cost effective. When decreasing exposure, it is often forgotten that this also reduces visibility. This could result in missing a great opportunity to be found by customers who were intentionally searching for that product or service and could have eventually made a purchase or referred the brand to someone else after learning about it for the first time (especially via generic keywords).

The high degree of accountability that characterises PPC has led advertisers to ignore the fact that, considering the strong level of intention linked to it, it could function as a very powerful branding tool. If we think about consumer buying behaviour, search plays a key role within it, as users will be searching for products and services after they have identified the presence of a problem and recognised the need to search for a solution to overcome it. The user will then go online and search for either a brand name which they already know can provide what they are looking for, or generic keywords if they are searching for new ideas/alternatives. According to Google, over one billion searches are made each day, and more than 70% of online purchases start with search.

What does this mean for advertisers? Considering the scale of this channel, the intentional behaviour that drives it and the relatively low cost compared to traditional mass marketing media (i.e. TV and radio), advertisers that possess the right skills and tools could gather invaluable insights into potential customers through search and use these learnings to strengthen marketing efforts across all channels.

For a major travel client we saw that 19% of the revenue generated from PPC had included a generic search in the path to conversion. In addition to this, 21% of all conversions had involved a generic search at some point in the conversion path. By increasing generic spend by 45% YoY in Q1, we then saw a 337% growth in brand searches for Q2 YoY (i.e. visitors returning after initial brand discovery through generic terms). This was on a brand campaign which saw 100% impression share for both years, and a flat YoY generic search volume trend (i.e. ruling out major external factors).

Q: Did you include Search on your branding budget?

Conclusion

As a performance specialist I could never overlook ROI and performance and I encourage advertisers to keep focusing on this and make the most of the accountability of PPC. Nevertheless, with the same emphasis I would encourage advertisers in 2014 to broaden their horizons and understand the greater role that search could play within the marketing mix and the support it could give to all channels. If like me you are lucky enough to sit next to Social Media, Display, CRM, Analytics and RTB specialists, you might have already seen the impact of their actions in your results, and vice versa.

By leveraging the power of search, advertisers will also be able to fine tune their strategies/messages and fulfil the ultimate goal of reaching the right audience at the right time in the right place.



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If you'd like to discuss your digital strategy for 2014, get in touch:
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About NetBooster

NetBooster is an international marketing agency, native to digital, with a holistic approach to creativity, technology and media to bring the right message to the right people at the right time.

We have specialist units across the group who are experts in each field of marketing including; **Search Engine Marketing (SEO & PPC), (Real Time) Media Trading, AdExchange, Display Advertising, Affiliate Marketing, Analytics, Data Intelligence, Social Media, CRM Intelligence, Mobile, Online Video, Strategic Consultancy, Website Development, Creatives** and **Consultancy & Training**. NetBooster delivers these services to a range of prestigious international clients.

The NetBooster Group has been built via tactical acquisition of the best performers in our local markets.

Our global network of **450 experts** are located in **19 office locations** including: **UK, France, Germany, Spain, Denmark, Sweden, Finland, Italy** and **Switzerland**.

We combine enterprise level tools and dedicated specialist teams, who work seamlessly together across global and local markets as one team.

At NetBooster we operate in real time; rethinking, adapting and utilising live data to decode, predict and react to consumer behaviour and engagement in intricate detail - as it happens.

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Your Digital Performance Architects