



THE
**RETAIL PERFORMANCE MARKETING
INDEX: Q4 2014**

An Analysis Of Purchase-Stage Google Advertising Campaigns



We Turn Browsers Into Buyers



Introduction

With the scale and profitability of Google Shopping, it's easy to forget the search engine pivoted to a paid search model a little less than 3 years ago.

Google Shopping has quickly grown to a prime destination for retail searches and a leading online revenue source for retailers, handling over \$16.1 billion in ad sales in Q4 2014 alone.

As an agency that has been working with Google since 2007, CPC Strategy has accumulated a significant repository of performance data from leading retail advertisers across a spectrum of verticals.

The following report compiles AdWords (Shopping, Dynamic Remarketing, and Branded/Trademark campaigns) performance data for Q4 2014 from over 200 retailers.

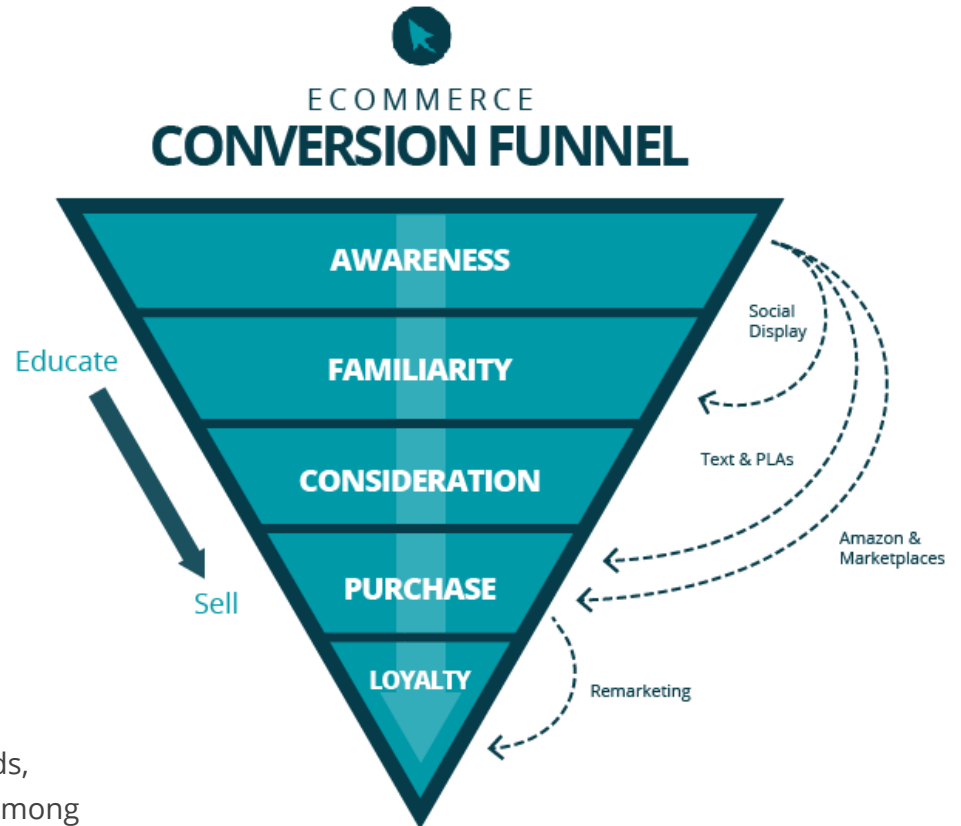
The study breaks down the performance of our ecommerce retailers into three categories:

- **Branded/Trademark campaigns**
- **Dynamic Remarketing**
- **Google Shopping**

These segments were selected in our study for analysis because they reveal the highest amount of purchase intent for consumers in the buying cycle. Maximizing efforts with these retail search intent strategies on Google is a key driver of success for retailers that run search and display campaigns online.

Among the type of ad campaigns left off include non-branded text ads, dynamic search ads, local ads. We find there is too much variability among them to make a fair comparison across our clients as far as verticals, goals, and where along the funnel a potential buyer may be positioned.

The three categories we will discuss are generally going to be more focused and specific to a buyer that is doing more specific searches and are closer toward the bottom of the funnel.



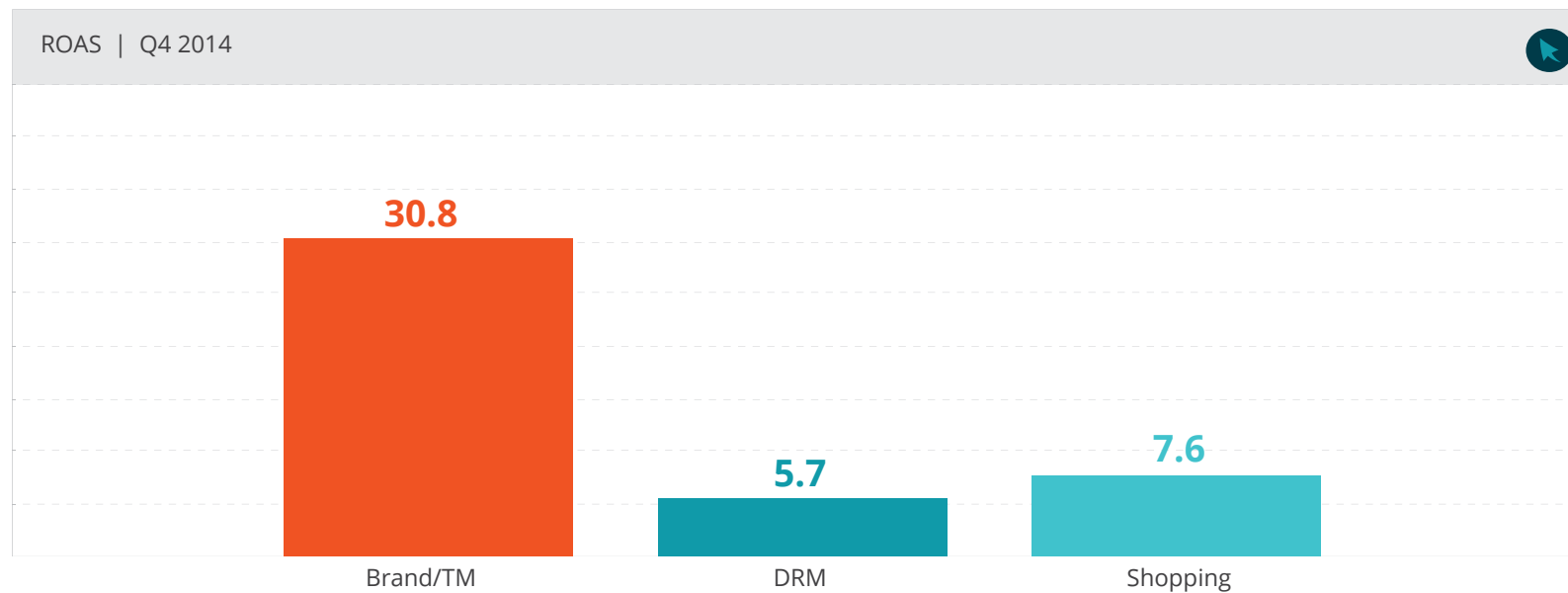


Google Q4 Ad Performance By Type

Q4 Return On Ad Spend (ROAS) By Campaign Type

Google's Return On Ad Spend (ROAS) metric across Google Shopping (Product Listing Ads), AdWords branded/trademark campaigns, and Google Remarketing campaigns is a major indicator of channel value and profitability. Below are the average ROAS metrics for purchase-stage campaign types for retailers during Q4 2014.

Return On Ad Spend: This is the ratio of advertising costs to revenue.



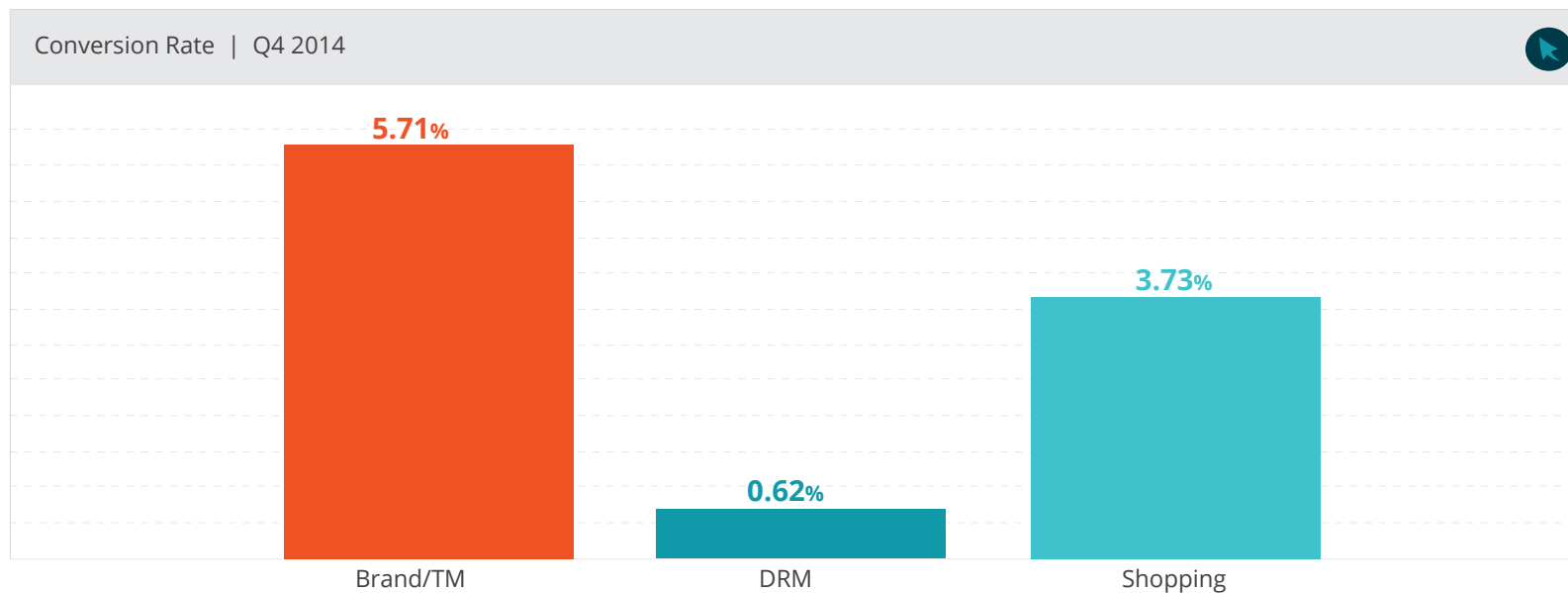


Q4 Average Conversion Rate By Campaign Type

Effective advertising channels are constantly evolving to meet consumer needs with relevant product information- which is reflected in advertiser conversions. Google refines ads presented to retail search intent queries across channels to provide the most relevant information possible to the consumer, which correlates positively with advertiser conversions.

Below are the average conversion rate metrics for purchase-stage campaign types for retailers during Q4 2014.

Conversion Rate (CR): The total number of conversions over the total number of paid clicks.

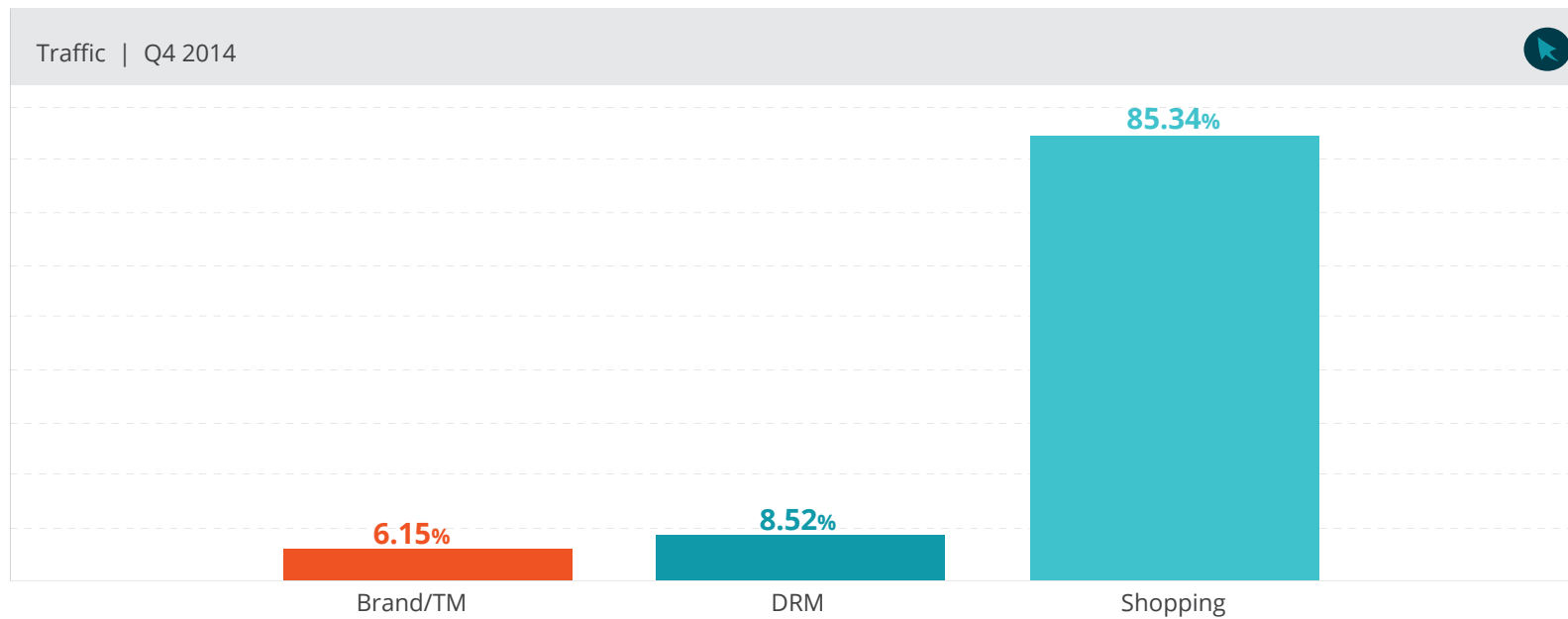




Q4 Traffic By Campaign Type

Below is the proportion of traffic generated by purchase-stage campaign types for retailers during Q4 2014.

Traffic: The number of visitors who have clicked on an ad.

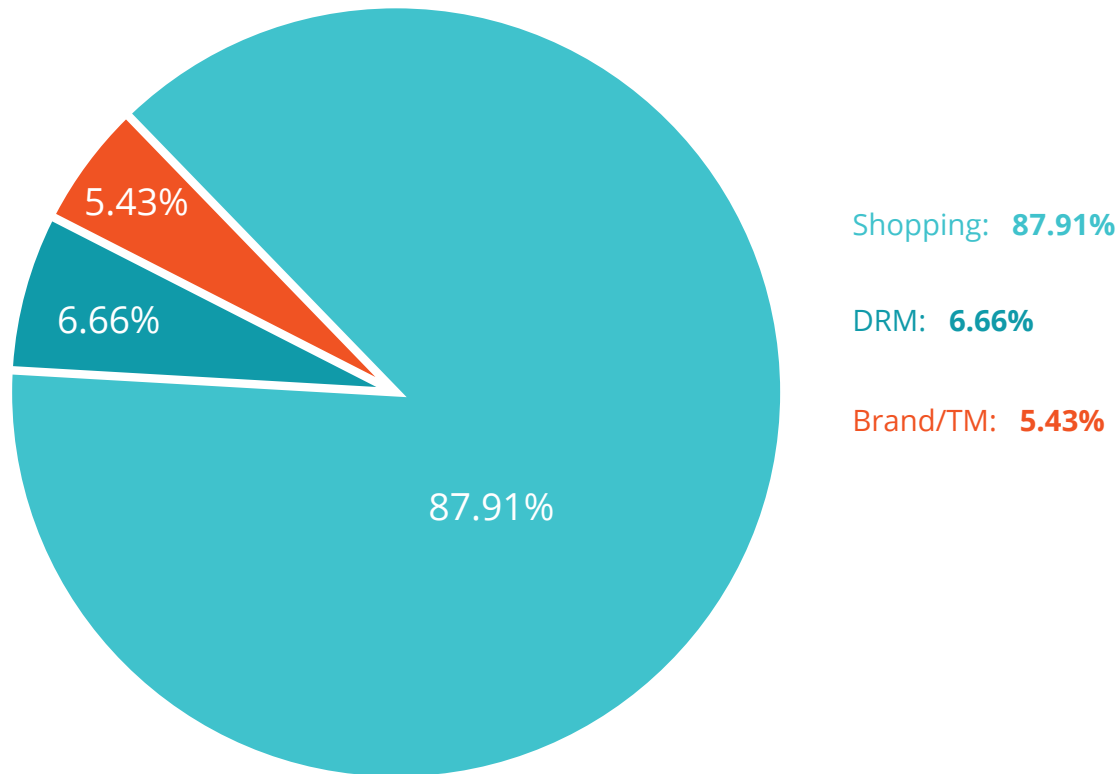




Q4 Budget Allocation By Campaign Type

Google's scope and order volume sets itself up as a prime place to allocate ad spend. Advertisers ad budget, or how much marketing dollars are allotted to Google, is often correlated directly with profit margins and store budget.

Budget Allocation: How much Google advertisers are spending on purchase-stage Google channels (ad spend).

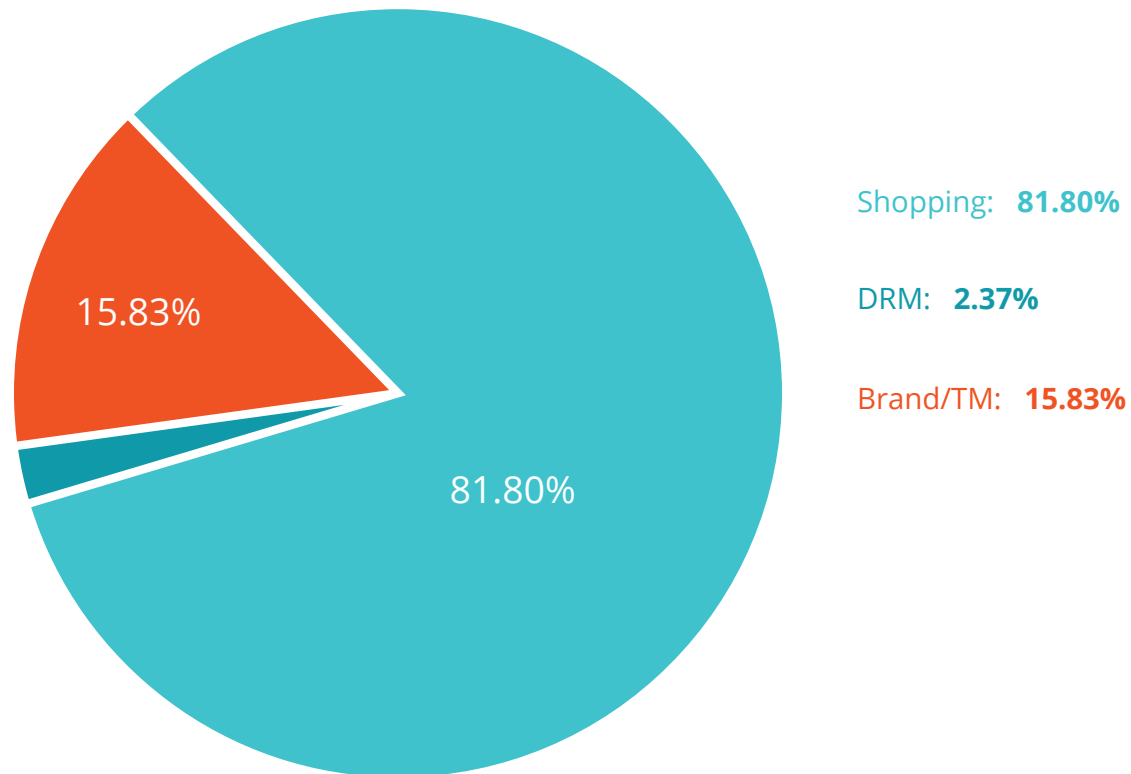




Q4 Order Volume By Campaign Type

Below is the proportion of orders generated by purchase-stage campaign types for retailers during Q4 2014.

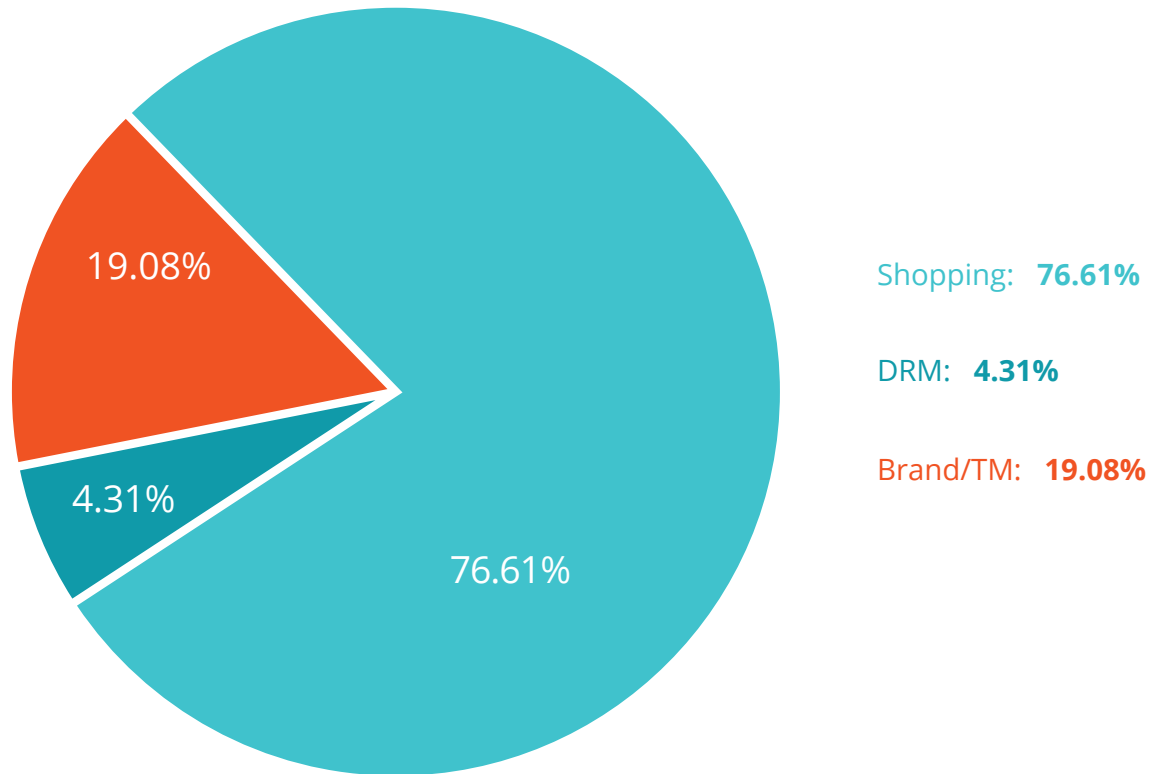
Order Volume: Number of conversions for a seller over the survey period.





Q4 Revenue By Campaign Type

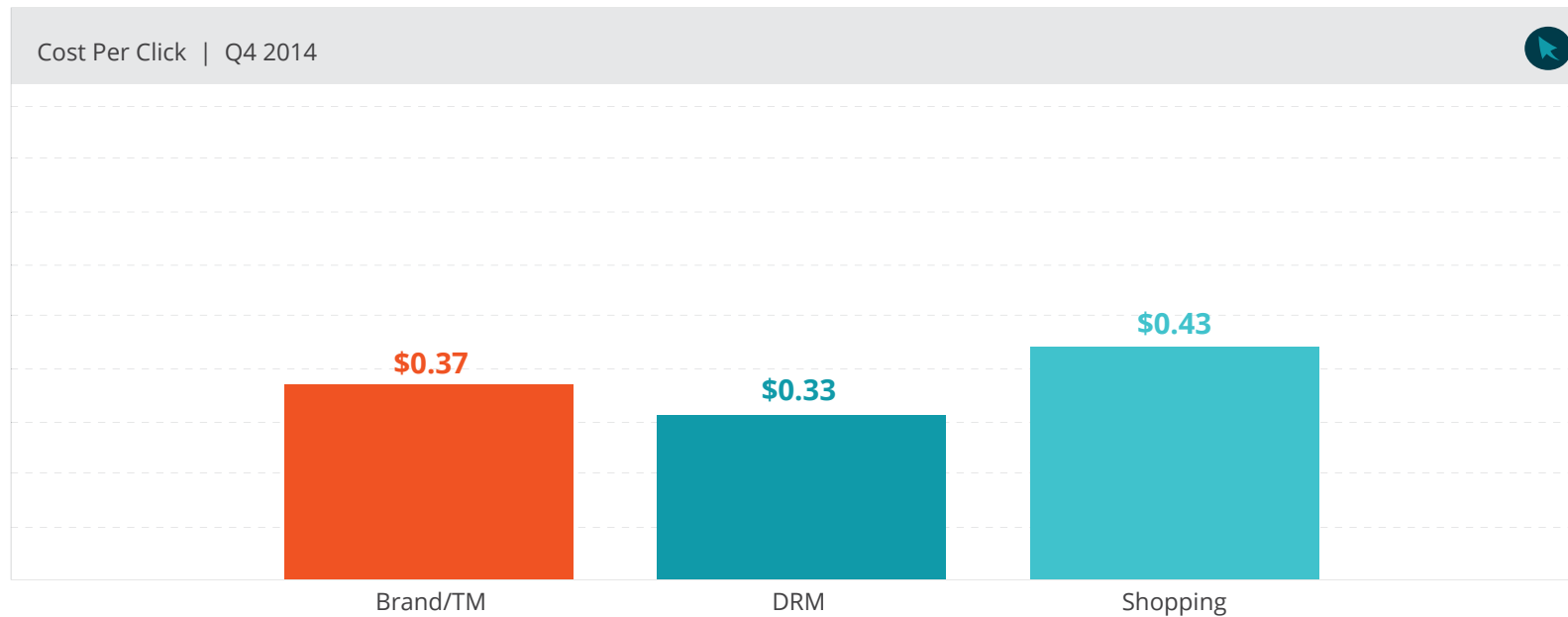
Below is the proportion of revenue generated from purchase-stage campaign types for retailers during Q4 2014.





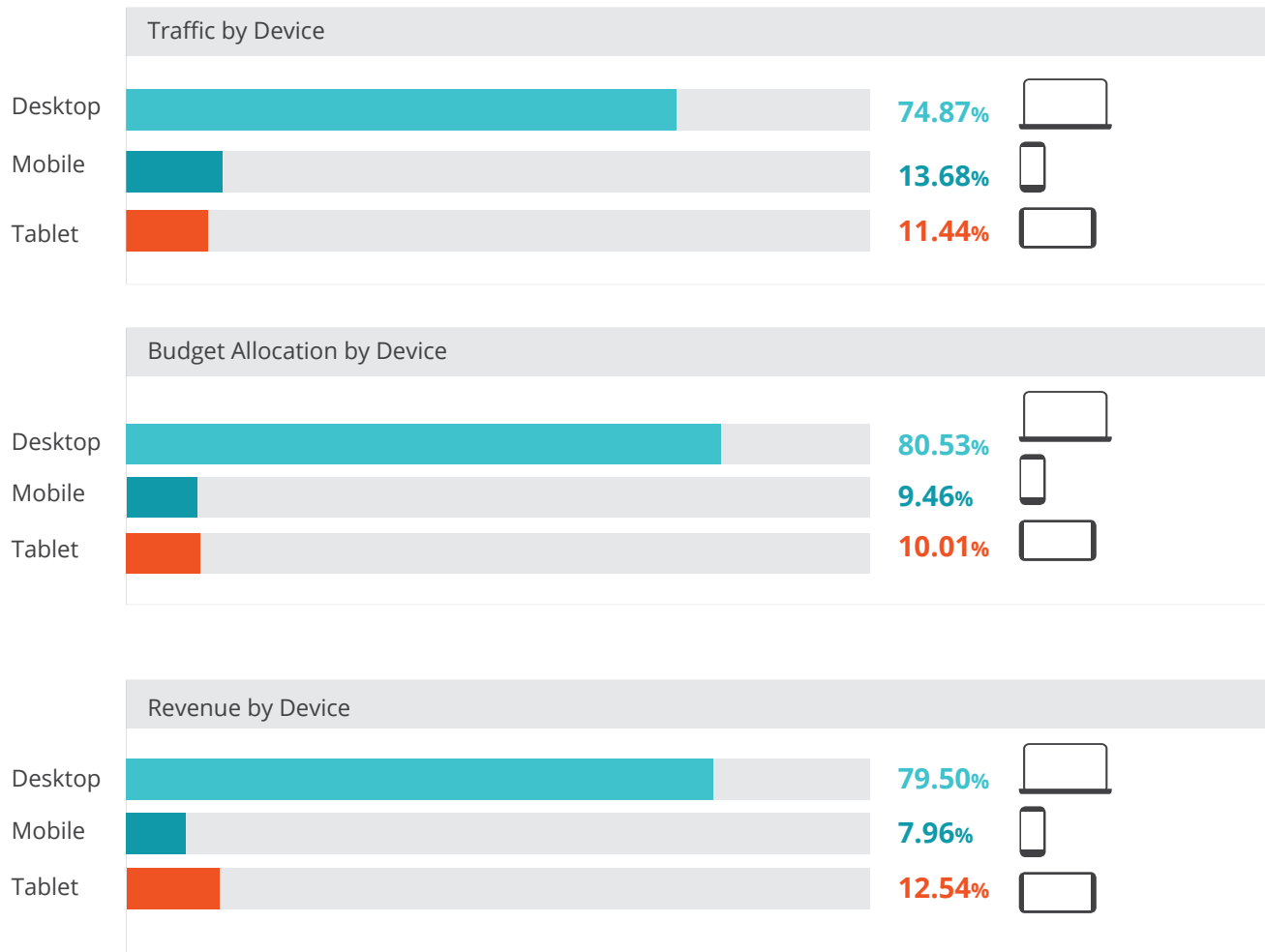
Q4 Average Cost Per Click (CPC) By Campaign Type

Below are the average CPC's for purchase-stage campaign types for retailers in Q4 2014.



Q4 Traffic, Budget Allocation, And Revenue Performance By Device

Below is the proportion of traffic generated, budget allocated, and revenue generated by device from purchase-stage campaign types for retailers during Q4 2014 on desktop, mobile, and tablet devices.





Final Thoughts

The purpose of study is to give some idea of what a retailer can expect through the different campaign types and what to ultimately focus on--though obviously results will vary greatly depending on the type of merchant that's running it, and their goals.

Each of the three campaign types ultimately have similar goals--namely to capture targeted audience members and increase the number of conversions to one's site, though all with slightly different methods of doing so.

Google Shopping and branded campaigns are intended to find qualified buyers using specific search queries, with the latter being even more specific and which is reflected in the performance numbers.

Remarketing campaigns on the other hand are intended to complement the other two and re-engage the potential buyer who has already been exposed to the merchant.

Given their different methodologies, there comes different strategies associated with it as well as far as bids and budgets go.

While the above results show Google Shopping being the most dominant as far as volume goes, it should be stressed that a well managed ecommerce campaign should incorporate all aspects of digital marketing, specifically all of what Google has to offer.

Review Your AdWords Strategy With A Retail Search Expert

CPC Strategy's Retail Search Audit is a complimentary 60-minute analysis and assessment of a retail advertiser's existing AdWords account, product pages, product feed attributes, and business KPIs. The Audit is conducted by a professional Retail Search Strategist over a screenshare and conference call.

[Schedule My Meeting](#)

