

An Inside Look at



# Shopping Campaigns

*Analyzing the new era of Product Listing Ads through  
insights and usage trends among global marketers*





# Contents

<b>Foreword</b>	<b>3</b>
<b>Product Listing Ads Marketer Survey</b>	<b>4</b>
Survey Overview	4
PLA Budget	4
PLA Performance	5
PLA Structure Granularity	6
Third-Party Platform Management	6
Cross-Channel Integrations	7
Advanced PLA Functionality	7
<b>What's Ahead in the new era of Google Shopping?</b>	<b>8</b>
Janel Laravie, Founder, Chacka Marketing	9
Joe Askew, CSE Specialist, iProspect	9
Mike Wojciechowski, Account Manager and PLA Guru, Elite SEM	9
<b>What are your best tips for maximizing PLA performance?</b>	<b>10</b>
Zach Morrison, Vice President, Elite SEM	10
Justin Gould, Head of Search, Strange Corporation	11
Matt Lee, Google Shopping and CSE Specialist, Rakuten Search	11
<b>What has been the most surprising thing you have learned about PLAs?</b>	<b>12</b>
Leo Dalakos, Vice President, Strategy & Analytics, Performics	12
Aimee Cerny, SEM Specialist, Rakuten Search	12
Aubree Rose, Search Marketing Specialist, Chacka Marketing	13
<b>What was the most challenging issue you faced with PLAs so far, and how did you overcome it?</b>	<b>14</b>
Richard Park, Feed & CSE Manager, Elite SEM	14
David Grow, Account Manager, Chacka Marketing	15
Brian Wulfe, Online Marketing Manager, Effective Spend	15
<b>Summary</b>	<b>16</b>
<b>Survey Methodology</b>	<b>17</b>
<b>About Kenshoo</b>	<b>17</b>

# Foreword

Google's shopping engine has evolved tremendously over the past twelve years: launching in 2002 as Froogle, rebranding in 2007 as Google Product Search, and changing to what it is known as today, Google Shopping, in 2012. As outlined in [The Kenshoo Guide to Google Product Listing Ads](#), search marketers have adjusted their strategies and taken advantage of this new ad format, Product Listing Ads (PLAs), to create visual product ads that appear on Google Search results pages alongside organic and paid listings.

Google made the switch to Google Shopping and officially converted from a free service to paid listings in mid-2012, and since then, many advertisers have worked to enable smarter management, optimization, and measurement across these campaigns. Just as marketers started to become comfortable with managing PLAs, Google announced a new retail-centric way to manage this format with the beta introduction of [Google Shopping Campaigns](#) in October 2013. Then in February, Google announced the [widespread availability of Shopping campaigns](#), which will [officially replace](#) legacy PLA campaigns come August.

Coming on the heels of a holiday season where [global retail PLA spend increased 138% YoY](#), it is clear that PLAs are becoming a bigger part of the digital retail strategy. This growth makes it all the more important to understand what changes will come with the rollout of Google Shopping campaigns.

As the #1 PLA advertiser in terms of total ads deployed [per Jefferies Equity Research](#), Kenshoo has a unique view of the PLA landscape. Over the past year, we've made the investment to create the best PLA offering for our clients, and we've analyzed [the data](#) to assess the growth and performance of PLAs. Now, with the introduction of Shopping campaigns, we foresee many retail successes being born out of pairing the new Google Shopping campaigns features with Kenshoo's value-adding support in the areas of campaign management, optimization, reporting and attribution.

To augment our data and better understand how PLAs are being utilized and the perceived impact of Shopping campaigns in the marketplace, the Kenshoo Marketing Research Team completed two types of research highlighted in this report. First, to get a holistic view of trends among a larger sample of search marketers, we launched a survey containing questions about PLA functionality and the future of the format. Results of this 14-question survey from 89 respondents are featured in graphs and charts with accompanying insights and tips for marketers to manage this new era of Google Shopping.

We also reached out to our current clients managing PLAs and asked them to address questions pertaining to performance, tips and tricks, challenges faced, and additional opportunities with Shopping campaigns. In the following pages, you will find each marketer's response – sharing real-life perspectives and insights that can be applied to your PLA program.

Overall, we found that marketers trust PLAs to drive qualified traffic and conversions. Merchants are continually managing their feeds to keep them up-to-date and optimizing their campaigns to focus on top-performing product groups. As PLA budgets continue to grow, marketers are searching for enhanced functionality and features to take their PLA programs to the next level.

The leading search engines see this opportunity as well and are continuously innovating their offerings to provide search marketers with new features. While Google's Shopping campaigns are fairly new, search marketers are on board and ready to implement new campaign techniques to generate even better performance. Building on the momentum of product-specific advertising, the Yahoo! Bing Network has just announced availability of a similar ad format, [Product Ads](#), in the U.S.

Continue reading to learn more about Shopping campaigns and to review the results of our survey and Kenshoo client perspectives in this inside look at PLAs and Shopping campaigns.

# Product Listing Ads Marketer Survey

## Survey Overview

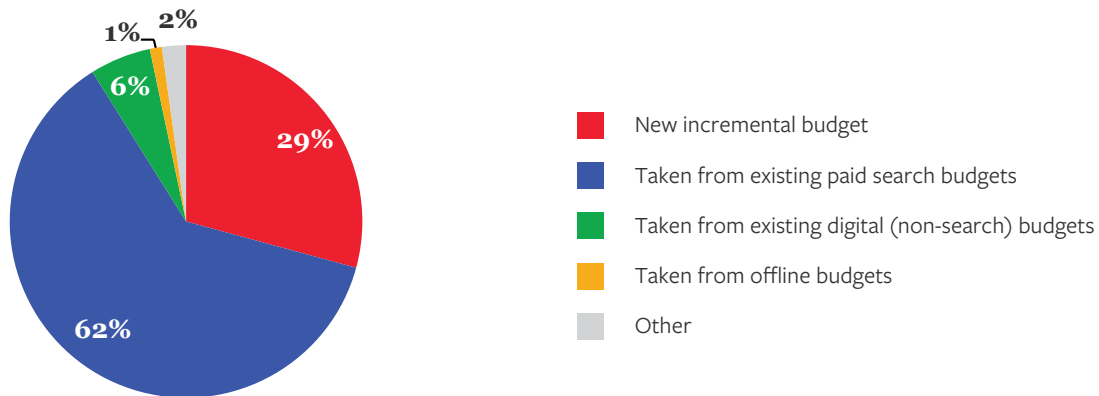
The Kenshoo Marketing Research Team launched a 14-question survey on PLA management that was distributed to the global search marketing community, driving 89 total responses from in-house marketers and agency representatives.

In compiling and analyzing these responses, a holistic picture emerged of how search marketers are incorporating PLAs into their marketing efforts as well as spotlight key trends and specific features and functionality providing the most utility.

Overall, marketers are embracing PLAs and seeing positive results. Furthermore, marketers are eager to optimize performance by utilizing all current facets and future enhancements to this ad format.

## PLA Budget

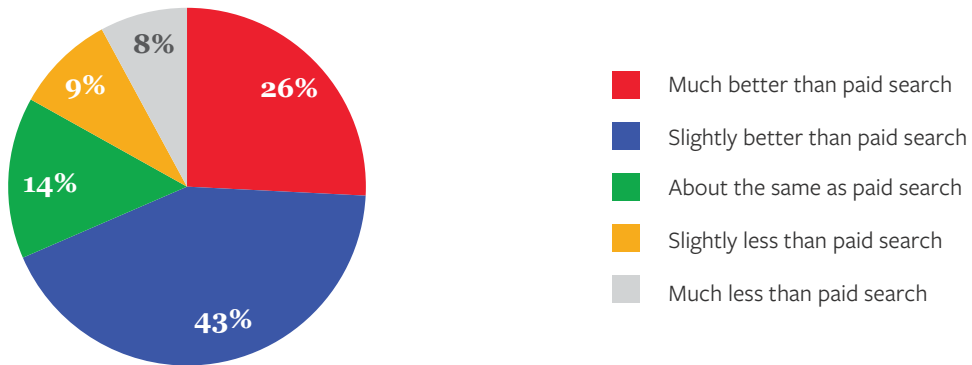
Where is the Budget for PLAs Coming From?



Source: Kenshoo Product Listing Ads Marketer Survey  
© 2014 Kenshoo LTD, All Rights Reserved

62% of marketers bundle PLA budgets in with their traditional search budgets, allocating a portion of their total budget towards this format. Many marketers view the format as a complement to traditional paid search, earning a share of total budget and helping boost overall performance. It should be noted that nearly one-third of marketers are allocating new, incremental budgets to support PLAs as well.

How do You Rate the Performance of PLAs in Relation to Paid Search?



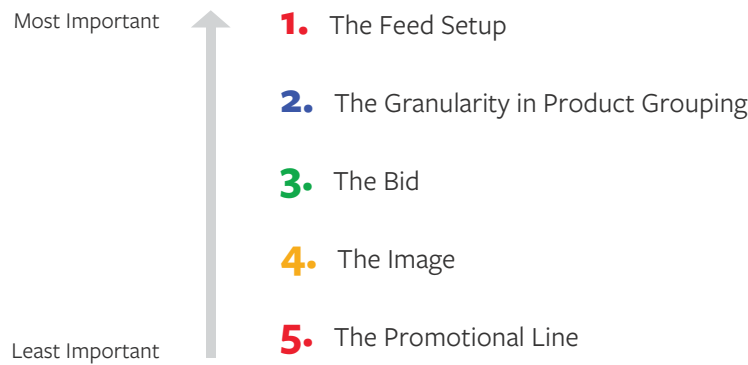
Source: Kenshoo Product Listing Ads Marketer Survey  
© 2014 Kenshoo LTD, All Rights Reserved

---

83% of marketers find PLA performance to be on par or better than traditional text ads. With the opportunity to display product images and prices, these ads draw in searchers in a visual manner. Marketers who continually optimize their feed should expect PLAs to be very effective.

---

Please Rank How You Feel the Following Elements Affect PLA Performance.



Source: Kenshoo Product Listing Ads Marketer Survey  
© 2014 Kenshoo LTD, All Rights Reserved

---

Search marketers are in agreement that the organizational setup of PLAs has the greatest effect on performance, seeing the structure as the foundation of success. While the bid, image, and promotional line are key components to PLAs, setting up your feed and discovering the ideal granularity for product grouping were hands down the top two components enhancing PLA performance according to respondents.

## PLA Structure Granularity

### How Granular is Your PLA Structure?

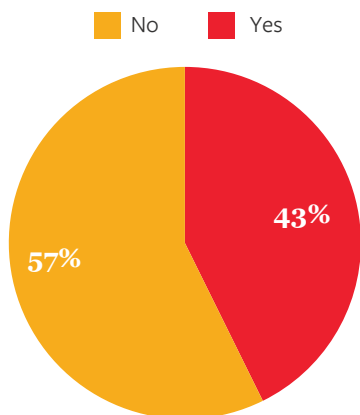


Source: Kenshoo Product Listing Ads Marketer Survey  
© 2014 Kenshoo LTD, All Rights Reserved

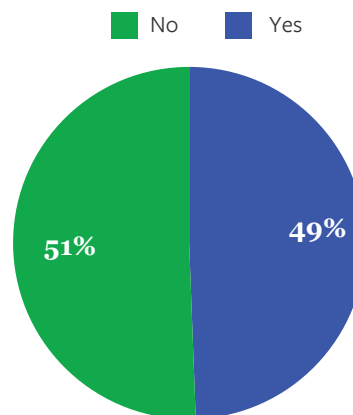
According to the [Kenshoo Guide to Google Product Listing Ads](#), by setting up your PLAs with an initial focus on granularity, you will have more control throughout the life of your account, paying big dividends moving forward. Search marketers seem to agree – with 34% arranging by individual product groups and 42% using multiple category levels to create product groups.

## Third-Party Platform Management

### Do You Use a Third-Party Platform to Manage Your Product Feeds?



### Do You Use a Third-Party Platform to Manage Your PLA Bidding and Optimization?



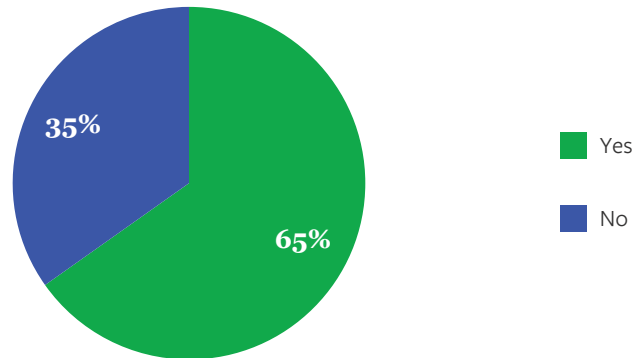
Source: Kenshoo Product Listing Ads Marketer Survey  
© 2014 Kenshoo LTD, All Rights Reserved

While 49% of search marketers use a third-party platform to manage PLA bidding and optimization, a slightly lower number (43%) utilize one to manage product feeds. The marketplace is fairly split at this point with regards to the use of third-party platforms, but as functionality and features become more advanced within PLAs and feed management, third-party platforms will see higher adoption.

## Cross-Channel Integrations

---

### Do You Use Data Collected from PLAs to Inform Other Search or Cross-channel Strategies?



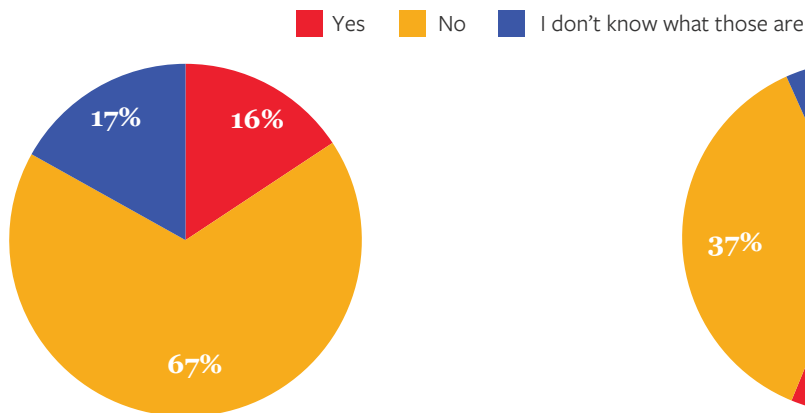
Source: Kenshoo Product Listing Ads Marketer Survey  
© 2014 Kenshoo LTD, All Rights Reserved

About 2/3 of respondents use PLA data to inform other search or cross-channel strategies. Tracking how consumers search and in which ways they interact with your brand can allow marketers to retarget and drive more qualified traffic to their product pages, thus generating more revenue.

## Advanced PLA Functionality

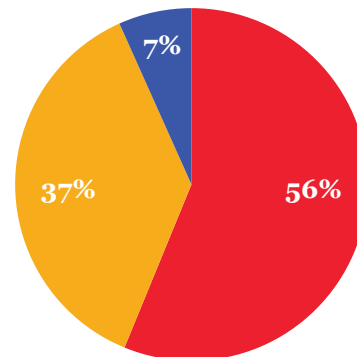
---

### Do You Utilize Local Availability or Local Store Fronts for PLAs?



Source: Kenshoo Product Listing Ads Marketer Survey  
© 2014 Kenshoo LTD, All Rights Reserved

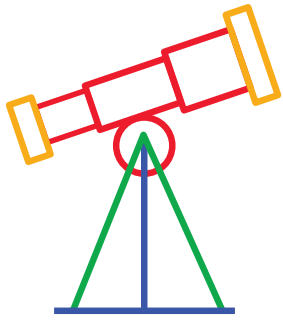
### Are You Utilizing Mobile PLAs?



Google's Product Listing Ads have evolved greatly in the past year, with marketer performance and usage informing each update and change. Recently, Google announced a few new features: local availability, local storefronts, and mobile PLAs. Local availability and local storefronts tell customers when a product is available for purchase in a local physical store and mobile PLAs appear when a consumer is searching on a mobile device.

Google has not offered local availability to all marketers just yet, while they are still testing with a limited number of retailers. This is reflected in our survey data, with only 16% of marketers utilizing this functionality and 17% not even aware of it.

Similar to Google's Enhanced Campaigns, all marketers utilizing PLAs are able to set mobile bid adjustments to increase or decrease PLA bids by device. According to our survey, over half of PLA marketers are active in mobile, viewing it as another opportunity to drive traffic and generate sales.



# What's Ahead

in the new era of Google Shopping?

Shopping campaigns will allow for more retail-centric campaign management and offer advanced reporting capabilities and competitive landscape data. Here are important updates to note with Google Shopping campaigns.

## Product Inventory Visible in AdWords

To simplify setup, Google has made product feed data available within AdWords instead of only in the Google Merchant Center. Consolidating the ability to view and organize product inventory in AdWords simplifies the process of creating PLAs and makes them easier to maintain over time, driving greater efficiency.

## Product Groups Instead of Product Targets

Within Google Shopping campaigns, product targets will be replaced by product groups. Product groups provide an intuitive way for marketers to subdivide their product inventory based on attributes from their product feed. Marketers can add multiple layers of subdivisions that build on one another to create more granular targeting groups. For example, the top layer division could be by lines of product — Apparel & Accessories, Shoes and Purses — and another attribute from the feed could then be used to further subdivide these products by brand.

## Tools for Greater Insights

Retailers managing PLAs through Kenshoo have had the ability to access product-level reporting to fine tune their PLA campaigns for over a year and half. Google Shopping campaigns will give marketers access to product-level performance reporting where before product-level performance was only possible if you created a product target for each individual product.

Google Shopping campaigns also provide benchmarking data for the average click-through rate (CTR) and max cost per click (CPC) for each product group. This information helps marketers understand the PLA competitive landscape and what bids could make

them more competitive. A bid simulator tool will help estimate the change in impression volume based on adjusting the bids.

## Marketer Commentary

While most of our respondents seemed to have a positive view on this new campaign type, we wanted to dig a little deeper and get their perspective on how these campaigns will affect overall PLA performance.

To get more detailed responses from our participants, we asked them to answer the following open-ended question: “What do you anticipate will be the effect of Google Shopping campaigns on the management and optimization of PLAs?” While answers varied, a few key themes appeared within the responses: streamlined setup, easier management and optimization, more insights and control, and better ROI.

Shopping campaigns allow marketers to organize their inventory as they would in a store or catalog, grouping products of different types into a product group. Respondents reacted positively to this updated structure, expressing that this will make it easier and faster to set up new campaigns and product groups, taking time away from setup and giving them the ability to focus on optimizations.

Shopping campaigns also provide more robust and advanced reporting, allowing marketers to filter and segment performance data by product attributes or individual products. Our respondents highlighted this feature as well, noting that this advanced reporting would give them more insight into top performing products, allowing them to better control their focus on products driving the highest ROI.



The cleaner, more intuitive setup will streamline workflow & the competitive insight will allow advertisers to make more informed optimization decisions.”



“Shopping campaigns will make it a lot easier to set up more granular product targets/product groups without having to consult the actual product feed.



In addition to our broader industry survey, select Kenshoo clients provided in-depth insights and analysis around their experience with PLAs and suggested advanced features that would enhance their current PLA efforts. Some highlights include:



I would like to see PLAs utilize some of the features that have made other Google products successful and then expand on those features. Keyword level optimization is a staple of paid search optimization and Product Listing Ads are simply another ad format. Layering keywords within product-specific ad groups and applying specific bids within them is the key to taking PLAs to the next level.”

— **Janel Laravie**, Founder, Chacka Marketing



Advertisers would see much value if PLAs provided the ability to promote specific products. Even with Google’s new Shopping Campaign structure, advertisers are still limited in the ability to show a particular product for a certain query. Overall, PLAs present a robust opportunity for advertisers, especially when run in collaboration with and used to inform other programs and channels such as paid search, dynamic retargeting, and affiliate programs.”

— **Joe Askew**, CSE Specialist, iProspect



In initial studies, Elite SEM uncovered that both Conversion Rates & Click-through Rates were higher when showing both PLAs and text ads for high value queries. This demonstrates the incremental lift of PLAs. Not only did PLAs not cannibalize non-branded search traffic, queries that matched to a PLA and a text ad delivered a higher ROI than queries that only matched to text ads or PLAs on their own.”

— **Mike Wojciechowski**, Account Manager and PLA Guru, Elite SEM

Continue reading below for additional marketer commentary, best practices, tips, and lessons these marketers have learned while working with PLAs.

# What are your best tips for maximizing PLA performance?



**Zach Morrison**, Vice President, Elite SEM

---

PLA are unlike anything search marketers have worked with in the past and have many facets.

The most important aspect is the foundation of PLA, which is the feed. In order to get the most out of your shopping campaigns, it is vital that you have a full and robust feed. Once the main feed is meeting all best practices, it is time to create a new PLA- specific feed using advanced content rules and filters that take advantage of all available feed customization tactics that Google allows.

Competitive and opportunity analyses are important aspects to ensuring your shopping campaigns will succeed, so it is important that your feed management team is reviewing the Google/Bing/Yahoo SERP to understand the pricing and availability of competitors.

## PLA set up is not a set it and forget type of process

On top of this analysis, it is important to take advantage of all PLA opportunities, such as merchant promotions to ensure your PLAs stand out. PLA set up is not a set it and forget type of process, and in order to get the maximum PLA performance, advertisers must have a structure in place that ensures the feed is being constantly updated and optimized.

Once the feed is following all best practices and advanced tactics, and a plan is in place for continuous updating of the feed, campaign set up becomes the next pivotal step in ensuring your PLA campaigns reach their max potential.

The complexity of PLA campaign set up can lead to routing of traffic to an All Products group; however, this approach yields poor results. Therefore, it is crucial to break out your campaigns and ad groups to the absolute most granular level so each product group can be optimized. This will allow you to measure performance accurately by product, identify best and worst sellers, create better promotions by product, optimize bids, and improve your negative keyword strategy.

In the end, ensuring your feed is constantly optimized will allow you to focus on products and SKU level data vs. keywords to yield the best results long-term.



**Justin Gould**, Head of Search, Strange Corporation

---

### 1) Know your products.

When setting up your campaigns, it pays to know how well you expect your products to perform. If you have high performing products, you'll want to keep them separate so you can prioritize spend to them. If you have others that might go out of stock, you'll want those separate too so you can turn them on and off more easily. At an adgroup level, consider the best use of ID targeting for individual control vs. targeting groups of products that you can set up with a common value in using custom labels.

### 2) Optimize your feed.

It might be an obvious tip, but we spot a lot of feeds that are raw data straight from the CMS. It pays to optimize the data so that your listings read well and to use the best images and most complete data you can. Beyond that, you should consider how Google will read your title, description and other fields and ensure that it will find what's needed to serve your products against the most common searches.

## Use the best images and most complete data you can

### 3) Analyze performance at a product level.

Once your feed is firing and you are selling products, make sure to track and analyze the data about what is selling, at what price, and in what volume. This information can provide excellent insight and inform your stock ordering and pricing strategies. Just be sure to keep an eye on the context before making big decisions. Not all searches include PLA results in a high position, so your data may be skewed towards products that do.



**Matt Lee**, Google Shopping and CSE Specialist, Rakuten Search

---

Ensure information in the feed matches your website exactly, is updated regularly, and all attributes contain an appropriate value. This will prevent suspension of your account, improve your relevancy in SERPs, and serve the searcher with the best product match.

Once your feed is optimized, Rakuten Search's best practice is to be as granular as possible in your grouping methods. This could mean that each product has its own group; we have found that grouping them into too large of a product group can lead to wasted spend or missed opportunities.

## Be as granular as possible in your grouping methods

We also use a tiered bidding strategy. We section out and bid aggressively for our top performing products, slightly less at the product level, still less for our category-level ad groups and lowest for the "All Products" grouping. We use the "All Products" targeting as a catch-all for items not triggered by the other groups. Once the campaign has established some history, we utilize Kenshoo's PLA bid policies. It allows us to further refine our campaigns and maximize our ROI.

Lastly, we stay on top of the Search Query Report (SQR). This helps identify the search terms that are garnering impressions for PLAs. Much like regular PPC, you can use these terms to continuously refine your targeting, and uncover irrelevant queries that should be added as negative keywords. SQR can also be used to uncover well-performing products that can be added to the top sellers campaign.

# What has been the most surprising thing you have learned about PLAs?



**Leo Dalakos**, Vice President, Strategy & Analytics, Performics

---

The most surprising thing we've learned about PLAs over the past year has been the high prominence Google is willing to give PLAs in the new Google Shopping format. We know Google is squarely focused on building a shopping catalog that can compete with Amazon; Google is making strategic investments to do this, like the Channel Intelligence acquisition. But, furthermore, Google is focused on changing shopping behavior, specifically the behavior that most shoppers start their shopping journeys on Amazon, rather than Google. Making PLAs highly visible to searchers is a way to do this.

## Google is focused on changing shopping behavior

By prominently featuring PLAs, Google has driven significant year-over-year increases in clicks, as well as advertiser spend. For advertisers—there's a delicate balance between PLAs and regular paid search. Due to the prominence of PLAs, advertisers must be visible in the format. However, they should also manage PLAs and regular paid search in sync to achieve the ideal balance to maximize joint performance while minimizing costs.

In addition, as Google Shopping Express expands to more cities, PLAs will truly allow for measurable online and offline growth.



**Aimee Cerny**, SEM Specialist, Rakuten Search

---

Since Google Shopping is now a paid model and PLAs are constantly evolving, we learn new things every day. We are constantly testing, evaluating, optimizing, and then testing some more. Along the way, we have learned several surprising things.

First, PLAs live in a middle-ground between traditional branded and non-branded PPC search campaigns. We have discovered that advertisers tend to lump PLAs in with branded spend thereby giving it branded goals. This isn't ideal given the nature of PLAs. Rakuten Search's best practice is to treat them as their own entity, with its own budget and set of goals.

Second, products that work in your standard search ads will not necessarily work in PLAs, and vice versa. While promotional messages work in text ads, PLAs serve up the product image alongside the price information, increasing the visibility for the product beyond the 70 characters of a text ad. Using both PLAs and text ads to their full potential without ignoring the first lesson about lumping them together is the key to dominating SERPs.

## Data quality is king

Third, data quality is king. This leads back to point number one; we expected to appear for every branded query available but this was not the case. We quickly learned that it was essential to have our brand terms within the title and description of each product. Ensuring your feed exceeds Google's standards — by having a SKU or line item for each variation of size, color or style — and committing to keeping the data accurate will yield the best conversion rates and user experience. In addition, having brand terms within the title and description of each product is crucial.



### Aubree Rose, Search Marketing Specialist, Chacka Marketing

---


The most surprising thing I have learned about PLAs is how the consumer responds to them — people are much more inclined to click on an ad when they can see an image of the exact product they are looking for. Having this picture as well as a price point can help a consumer make a very quick decision. A lot of the buying decision has already happened before clicking a PLA, whereas it is very much the opposite through traditional SEM ads.

It is interesting or “surprising” that this can have an adverse effect as well. If a product group for PLAs is pulling in the wrong information (such as a wrong picture or a false or higher price) then it can deter the consumer from coming to your site to purchase the product.

The process in which Google pulls PLAs is very interesting as well. There is a lot more control in SEM because you can break out very specific keywords to trigger your ad. At this moment, it is very difficult to find out exactly which field in the product feed triggered your PLA. Even if you are not targeting a specific attribute, Google finds it based on the line item of the feed and an attribute that you are targeting. In an ideal world, this is great for advertisers, but this can be a headache as well if you have an outlier attribute in your feed that you are unaware of.

## PLAs tend to have a higher ROAS than traditional SEM ads

Lastly, in my experience, PLAs tend to have a higher ROAS than traditional SEM ads. When a consumer sees a PLA, they have more of a window shopping experience. If you were to go shopping in the real world, would you rather read a sentence about how comfortable a sweater is in a store window or be able to see what it looks like on someone? Many people are visual when it comes to shopping and want to see a product before they buy it. PLAs have taken over a space that traditional SEM just couldn't.



# What was the most challenging issue you faced with PLAs so far, *and how did you overcome it?*



**Richard Park**, Feed & CSE Manager, Elite SEM

---

The biggest challenge Elite SEM has faced with PLAs was not being able to track at the product-level detail for all clients; therefore, we weren't able to analyze detailed reports on products sold from our PLA campaigns. The Kenshoo PLA solution using the "KPID" parameter solved this challenge and now provides us with detailed reporting broken out by product, also noting which campaign they exist in.

## Detailed reporting broken out by product

However, prior to adding the KPID parameter for PLAs, it was difficult when optimizing and breaking out products. We would either let the all products campaign run or break out PLAs by categories using custom labels or grouping attribute. This would not provide the detailed product level reports we were looking for, leaving us with the sum of conversions from each ad group and campaign without any insight into the specific product that was sold.

As a result, we would have to keep a close eye on which categories were performing and lower or pause the bids of the non-performing ad groups or campaigns. Our other alternative to breaking out PLAs was to separate every product using the ID attribute. The main issue with this method is the extensive upkeep of every ad group bid using the ID attribute, especially when some of our product feeds exceed over 100K products.

Ever since we implemented the KPID parameter we have been able to break out our clients' top converting products with a positive return. The Kenshoo PLA fusion report lists out the products sold by line item detail, thus allowing us to filter and sort through products that yield a positive or negative return and allowing us to further optimize our product groups. Elite SEM has seen tremendous success and growth for its clients now that we have the full ability to break out our PLA conversions by product and optimize to the most granular level.



## David Grow, Account Manager, Chacka Marketing

---

The most challenging issue with Product Listing Ads has been getting the right language written into the title and description. With traditional PPC, Google matches up your broad match terms to queries it deems relevant. With PLA, Google uses the contents of your feed to determine relevancy (primarily the title and description). The tricky part is getting the right information into your feed so that your ads will show on a greater amount of relevant traffic.

My next point on this brings us into “wish list” territory. If Google was able to provide an Ad Preview Tool it would make it much easier to optimize the feed as described above.

## Being able to see the reason why your PLA is or is not showing

Being able to see the reason why your PLA is or is not showing, would encourage and enable you to update your feed accordingly. Maybe you're not showing up because of a negative keyword you added months ago, or maybe you simply don't have relevant content in your feeds to indicate to Google that they should serve your ads. The first step to fixing a problem is identifying it, and the Ad Preview tool could do wonders in this area.



## Brian Wulfe, Online Marketing Manager, Effective Spend

---

As an agency, we found that PLAs work very well with some clients and not so well for others. One of our biggest challenges with the channel is that it places so much focus on price and does not allow some of our retail clients a chance to better communicate their full value proposition.

Generally speaking, the ad with the lowest price sees significantly higher CTR, which drives CPC rates for websites that have slightly higher prices. Because most retailers have similar margins, the ones with the lowest price often cut out most of the other value ads you might come to expect from a retailer such as free returns, expert customer service, expedited shipping, etc. Meanwhile, the customer purchases the lowest priced item, but does not always get the best experience. The increased CPC rates that some online retailers have to pay can sometimes drive them out of this segment altogether.

## By varying the product image we were able to drive CTR higher

We have worked closely with our retail clients to address this issue through additional testing within the PLA channel. Our analysis showed that by varying the product image we could drive CTR higher even though our retailers did not always have the lowest price, which has allowed lower CPC rates and increased ROI.

We have also addressed increasing CPC rates by funneling discount-related search queries to unique products that other retailers might not carry, thereby reducing competition and standing out from all the other like products. These strategies along with standard best practices have allowed us to continue to be successful with retailers who might not have the lowest price.

# Summary

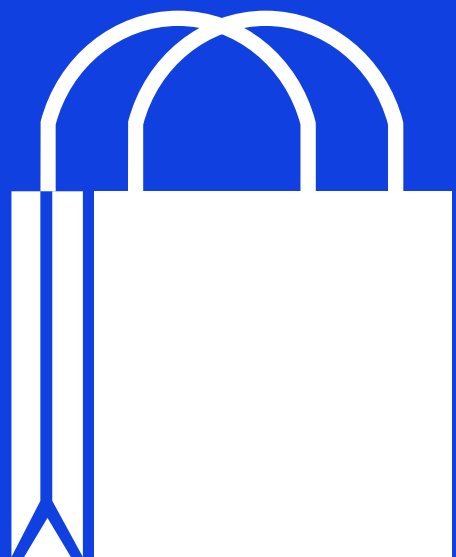
As marketers have worked to build up and optimize Google Product Listing Ads in the past year, many have embraced this format with open arms, learning the ins-and-outs and seeing extraordinary performance.

While marketers are actively utilizing PLAs and have been satisfied with the performance they have driven so far, they have expressed that the added features and functionality in Google Shopping campaigns will only heighten the performance and increase engagement, sharing overall positive sentiments towards the new campaign type.

When PLAs were initially launched, search marketers experienced a slight learning curve, facing some early challenges that were quickly overcome by testing and implementing best practices. As marketers adjust to Shopping campaigns, there is bound to be a learning period too. Retailers are required to upgrade to Shopping campaigns by late August 2014, and Kenshoo will have full Shopping campaigns support with automated management and optimization in time for the migration. As Google releases more information and tools on this topic, retailers will better understand the new campaigns and how they will affect their programs. Kenshoo recommends waiting until close to the automatic upgrade date to allow time for planning your migration, during which time the Kenshoo team will be available to provide guidance and best practices.

Through extensive testing and optimization, marketers have been able to understand how to effectively utilize the PLA format for their individual products and tailor PLA efforts accordingly. This same test-and-learn approach will make the transition to Shopping campaigns most optimal. Ultimately, the added functionality in Google Shopping campaigns will provide a more intuitive way to manage and optimize Product Listing Ads. As an industry leader, Kenshoo will continue to innovate so our clients can best take advantage of this opportunity in the market.

Based on Kenshoo's primary research and client perspectives, the future for retailers shines bright. As Google continues to enhance its PLA offering and the Yahoo Bing Network gets into the game, additional opportunities abound. Furthermore, as third-party technology platforms deliver additional innovation, the ability for marketers to quickly capture these new PLA opportunities will make them an even more critical and fast-growing component of the media mix.







# Survey Methodology

The survey data analyzed in this report reflects responses from 89 global search marketing professionals actively utilizing Google's Product Listing Ads (PLA) format and is representative of both in-house and agency marketers. The survey was delivered and responses were compiled and analyzed during Q1 of 2014. All survey responses were completed anonymously. The insights shared by marketing practitioners on pages 10-16 were part of a separate series of 1:1 interviews with Kenshoo clients.



## About Kenshoo

Kenshoo is a global software company that engineers cloud-based digital marketing solutions and predictive media optimization technology. Brands, agencies and developers use Kenshoo Search, Kenshoo Social, Kenshoo Local and Kenshoo SmartPath to direct more than \$200 billion in annualized online client sales revenue through the platform. Kenshoo is the only Facebook strategic Preferred Marketing Developer with native API solutions for ads across Facebook, FBX, Twitter, Google, Yahoo, Yahoo Japan, Bing, Baidu and CityGrid. Kenshoo powers campaigns in more than 190 countries for nearly half of the Fortune 50 and all 10 top global ad agency networks. Kenshoo clients include CareerBuilder, Expedia, Facebook, KAYAK, Havas Media, iREP, John Lewis, Resolution Media, Sears, Starcom MediaVest Group, Tesco, Travelocity, Walgreens, and Zappos. Kenshoo has 22 international locations and is backed by Sequoia Capital, Arts Alliance, and Tenaya Capital. Please visit [www.Kenshoo.com](http://www.Kenshoo.com) for more information.

*Kenshoo brand and product names are trademarks of Kenshoo Ltd. Other company and brand names may be trademarks of their respective owners.*

