



GUIDESERIES

for Retail Search Marketers:

Optimizing Your Path to Seasonal SEM Success

WHAT YOU WILL FIND IN THIS GUIDE

This Kenshoo Guide is for retailers who are looking to maximize their paid search marketing during the festive shopping season.

By improving every step of the SEM path with your customers — keywords, ads, bid management, website, follow-up tactics and optimization — you will be able to take advantage of this important time of year.

Like a string of tree lights, if one bulb doesn't work, the entire chain will fail.



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Overview

The end of the year shopping season represents a crucial period to sell, sell, sell. In fact, the [National Retail Federation estimates that 2014 holiday sales](#) “are expected to represent approximately 19.2% of the retail industry’s annual sales of \$3.2 trillion.” For many retailers, how they perform during this time could mean the difference between a successful or unsuccessful year.

Not only is this the most important season of the year for your business, but it’s also the most important season for your competitors -- and the competition is heating up. Advertiser spending generally spikes during this season and budgets are rising every year. In our review of last year’s trends in the [Kenshoo 2013 Global Online Retail Seasonal Shopping Report: Final Edition](#), global retailers spent 8% more than the year before on paid search and generated \$5.93 for every dollar invested. With so much on the line, paid search marketers must optimize every step of the conversion path in order to maximize your efficiency.

Summary of Key Paid Search Metrics During 2013 Festive Shopping Season

Increases in 2013 U.S. Retail Shopping Season Paid Search Key Metrics Year-over-Year							
IMPRESSIONS	CLICKS	AD SPEND	CONVERSIONS	REVENUE	CTR	CPC	CONV. RATE
4.96% ↑	12.63% ↑	8.44% ↑	21.15% ↑	3.60% ↑	7.31% ↑	-3.73%	7.56% ↑

Key Global Online Retail Paid Search Metrics for 2013 Shopping Season		
CLICK-THROUGH RATE	CONVERSION RATE	RETURN ON AD SPEND
2.33%	4.07%	\$5.93

Source: Kenshoo 2013 Global Online Retail Seasonal Shopping Report: Final Edition © 2014 Kenshoo LTD, All Rights Reserved

STEP ONE

Cast a wide net with the right *keywords.*

Paid search is a pull medium which requires your customers to act in order to trigger your ad to show. This means consumers can't even get on the path to converting into customers unless you have the right keywords loaded into your account. The keywords your customers are searching on during this time may differ greatly from how they search throughout the year so sometimes the best direction isn't from a few months ago, but from last year at this time. Make sure to always look at both the organic and paid keywords that consumers used to reach your site during last year's festive season for your research.

You should also concatenate multiple iterations of your most relevant keywords with holiday and shopping terms in order to cut through the clutter and take advantage of tail terms with less competition. For example, if you sell leather boots, build out your list with terms such as *leather boots gift, holiday leather boots, lowest price leather boots, deals on leather boots*, etc. This is a strategy that can be effective at any time, but especially during the end of the year when consumers are doing their gift shopping research.

To capture all potential customers, ensure that you have coverage of your entire product catalogue. Achieving this type of scale can be a challenge so consider an automated solution to build out keywords for all your SKUs.

Furthermore, in periods of high retail activities, such as Black Friday and Cyber Monday, inventory can turn over very quickly so it's also critical to have a system in place

that is synced with your stock and recognizes when a SKU is low or runs out and automatically adjusts your assets based on this information. By linking your program to your product feeds, you can deliver accurate details and your customers have the most optimal experience.

And speaking of feeds, don't forget Google Shopping campaigns and Bing Product Ads. Product groups are the equivalent of keywords in Shopping campaigns and the same strategies above to target holiday season shoppers can be applied here. Take advantage of the multiple layers of subdivisions that build on one another to create more granular targeting groups. If you don't already have a very deep PLA practice, now would be the right time to invest some time and effort to take advantage of the months with the highest online retail conversion rates.

“

Any notion that Cyber Monday is declining in importance appears to be completely unfounded as its strong year-over-year growth rate of 18 percent resulted in yet another record for online spending in a single day.

”

– comScore chairman Gian Fulgoni

Source: [comScore Press Release](#) “Cyber Monday Jumps 18 Percent to \$1.735 Billion in Desktop Sales to Rank as Heaviest U.S. Online Spending Day in History”

Once you've built up a large, exhaustive keyword list, it's time to pare down. Okay, you may be thinking, "But you just told me to build out every keyword I could think of!"

Yes, but you want to make sure you bring in the right customers and not every customer.

Go back through your list and prioritize. Do you really want to bring in shoppers just looking for the lowest priced holiday deals? Maybe your leather boots selection comprises luxury brands, and you're actually looking for shoppers who won't get sticker shock for premium prices.

Remember to stay customer-centric and think about the person on the other end of the search engine. Based on the keyword, is he or she the right customer or just a visitor? Use match types and negative terms strategically to help narrow your list to the most effective spectrum.

“PLAs can be an excellent way to reach consumers if used properly. Combining a high quality product image and offering competitive pricing for your products is a great start, but to truly maximize effectiveness, marketers need to consider product inventory, relevant search terms and an effective bidding strategy.”

– Janel Laravie, Founder,
Chacka Marketing

Source: [Kenshoo Press Release](#) "Business Supply Increases Revenue from Google Product Listing Ads 37 Percent with Kenshoo's Custom PLA Bid Policy"

STEP TWO

Catch the eyes of shoppers with *ads* that compel them to click.

Once the festive shopping season is in full swing, there can be a lot of clutter out there. Consumers are being bombarded with more ads per day during these months than at any other time of the year. Expensive celebrity TV commercials, thick newspaper circulars, and catchy radio jingles are everywhere, so you must find a way to break through the noise.

In paid search, it's all about getting your key consumers to click to your site. Once there, you have a chance to hook them either on the initial visit or later in the season.

All that matters is getting the right customers to your site right now.

How do you do this? First, you need to research the other ads on the Search Engine Results Pages (SERPs) for your key terms to understand how your competitors are trying to garner clicks during this time of the year. Are they using price points? Maybe you have to undercut them? Are they offering free shipping? That's always a big attraction for holiday shoppers who look to avoid the packed malls and long checkout lines. Make sure your ads even have a chance of competing on this important real estate before you start. You may even be inspired by some great ideas that you can build out in your own way.

The most important component of high impact creative is testing. You must test your ads in order to find out what's really resonating with consumers. At this time of year, you could literally be testing creative every day as you move from U.S. Thanksgiving to Black Friday to Cyber Monday and in the final days leading up to Christmas. Remember, your competitors are going to be working extra hard to pull your customers away. They may be swapping out new creative often that could undercut a strategy that was working well for you just a few days before.

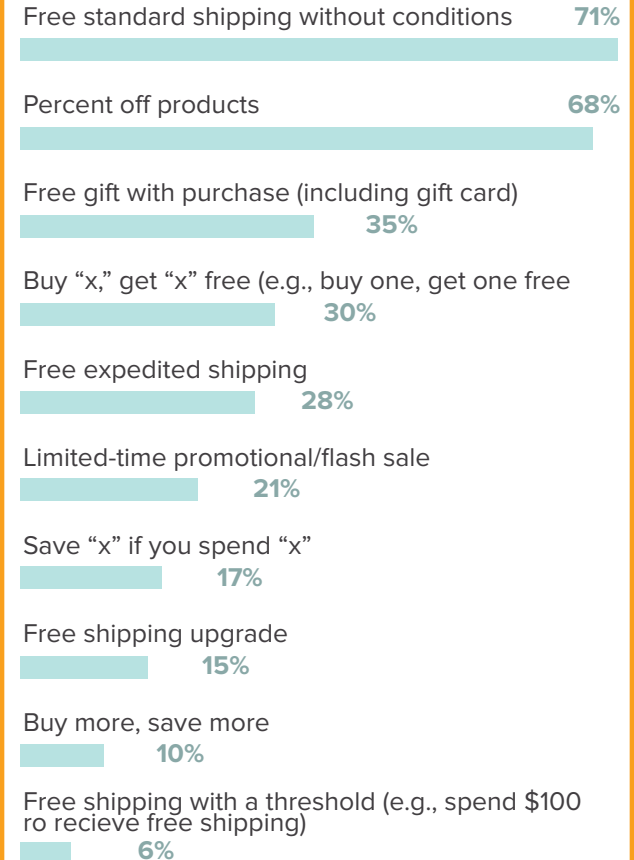
At the beginning of the season, start by launching ads that are specific to various creative directions. For example, write two ads with price points, two ads with strong calls-to-action, two ads that begin with a question (*i.e. The perfect gift?*), etc. Then, when you start running them live, you can see which creative directions are the most compelling and then you can start testing more iterations of that type of ad copy.

The most desirable holiday promotion during the 2014 holiday shopping season according to US digital Shoppers?

Free standard shipping without conditions.

Most Desirable Holiday Promotions According to US Digital Shoppers, Sep 2014

% of respondents



Note: n=48; respondents chose top 3 promotions. Source: the e-tailing group, "Holiday 2014 Omni Channel Gift Behavior" sponsored by MarketLive, Oct 9, 2014

An advanced tip would be to create a data table of each ad idea and its creative direction so you can quickly pull ad reports, cross reference them, and then easily look across ad groups and campaign to which creative directions are working the best.

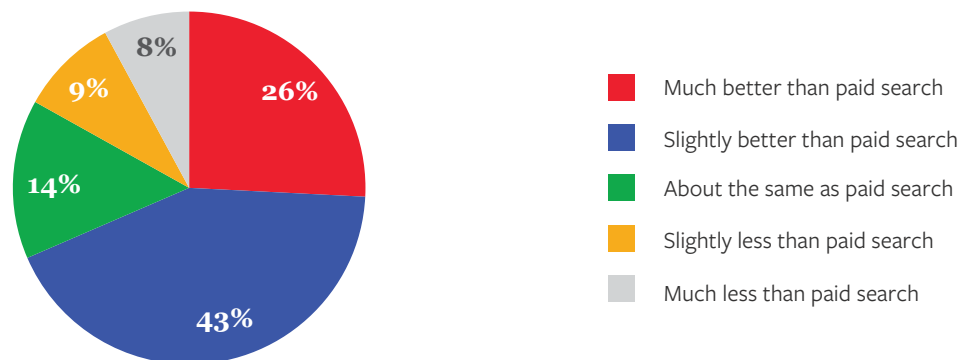
When thinking of Product Listing Ads, you have more than just copy to work with – there are also high impact visuals in this format. Verify that your product feeds are clean and set up properly to ensure accurate delivery of the most relevant visual and message so shoppers are compelled to click.

Finally, as noted with keywords about bringing in the right customer but not every customer, the same rule applies here. Think about the ideal customers you want to bring in and make sure the ad copy is tailored to that type of consumer.

Taking a different angle on the previous example, what if your leather boots are the value brands? They're just as good as the big names but half the cost. Make sure that your ad copy sells that message as you don't want to waste valuable cost-per-clicks on premium shoppers who are not interested in off-brands and will leave your site without purchasing.

83% of marketers find PLA performance to be on par or better than traditional text ads

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



Source: Kenshoo Product Listing Ads Marketer Survey
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Source: [Kenshoo.com/inside-google-shopping](https://www.kenshoo.com/inside-google-shopping)

Elite SEM expects PLAs to become more robust, allowing for the more sophisticated marketers using Kenshoo to deliver even better performance for PLA campaigns. As always, keeping up with product development and the ever-changing technology environment is paramount.

– Zach Morrison, Vice President, Elite SEM

Source: [The Kenshoo Guide to Product Listing Ads](#)

STEP THREE

Be diligent and extra smart with your *bid management* strategy.

Okay, so you have a good, solid keyword list and creative testing strategy all set for the peak season, but now comes the hard part – bidding correctly. Here's where all of the great work from the first two steps can either be promoted correctly and garner solid customer clicks or end up falling flat and fail to bring in the right kind of traffic.

With bid management there are many variables. The right mindset in paid search for bid management is that, for every dollar you spend on the wrong type of visitors, you've missed the opportunity to spend that dollar on the right type of visitors. With the holiday shopping season so compressed into a short timeline, you have to get this step right from the beginning.

The biggest mistake many paid search marketers make is just trying to chase the lowest cost per click (CPC) and getting as many holiday shoppers as they can into their online stores. You cannot rely on CPC alone as a judge for anything. Instead, consider it as an input to a value metric such as Return on Investment (ROI = Return-Cost) or Return on Ad Spend (ROAS = Revenue/Budget).

It's not all about just Thanksgiving and Cyber Monday.

The two biggest dates on the online shopping calendar (after Thanksgiving and Cyber Monday) are Green Monday (defined as the Monday with at least 10 days prior to Christmas) and Free Shipping Day*, which is the last day consumers can order goods in time to be delivered via the Free Shipping Option. Be prepared for these big days by scheduling bid increases in advance or making sure your keyword portfolios are calibrated with the right goals and budgets to accommodate the increased traffic. Having budgets set to "low" will limit your exposure on key dates as the search engines will deliver only enough traffic to meet your budgets even if your CTR is going strong and overall ROAS is running high.

Source: [Kenshoo US Online Retail Holiday Shopping Report Early Edition](#)

*December 18th 2014

It's much better to spend \$5 on one click from a valuable visitor who makes a purchase than \$1 on 5 clicks from visitors who don't. This goes for mobile phones and tablets too. Approach the season with a multi-device strategy to find success no matter where and how your potential customers are searching.

You should also remember to keep a watchful eye on the SERPs throughout the season. At this time of year, other retailers are going to gear up their spend and will react to slow sales by pushing bids; so, don't assume early October competitor bids will stay static by the end of the month.

In some cases, you may need to bid a bit more than you would want on a particular keyword because your competitors are beating you to the punch. In other cases, your corresponding organic listing might already rank fairly high so you may still want to be on the first page, but be willing to pay half as much to be in position 3 or 4.

One of the valuable things about having a huge keyword list is that you're putting out the most hooks in the water. The problem is managing that much scale. Some keyword lists total in the millions or even tens of millions. How does one manage that many bids effectively in a moving landscape?

It takes an advanced bid optimization platform and tailored algorithms to assist with such a massive (and important) task.

Consumers are using mobile devices (tablets and smartphones) more and more for shopping – strategize accordingly!

2013 Global Retail Shopping Season Paid Search Key Metrics - Breakdown by Device

DEVICE	CLICKS	CONVERISONS	REVENUE	AD SPEND	CONV. RATE
Computer	63.10%	81.39%	77.57%	67.23%	5.70%
Phone	20.76%	4.85%	4.24%	15.43%	1.03%
Tablet	16.14%	13.76%	18.20%	17.34%	3.76%

Source: [Kenshoo 2013 Global Online Retail Seasonal Shopping Report: Final Edition](#)

“With the new structure of enhanced campaigns, the role of each device has become more integral to the overall success of paid search. The focus has now shifted toward maintaining mobile coverage at all times, rather than simply excluding it from the overall strategy. Since campaign-level reporting now forces all devices to be included, it magnifies the role of mobile performance.”

– Yuly Gonzalez, SEM Specialist, Rakuten Search

Source: [Enhanced Campaigns: One Year Later](#)

STEP FOUR

Make sure your *website* is optimized for a great shopping experience.

Standard usability best practices, such as an intuitive menu design, optimized shopping cart solution, and strong recommendations engine, may not be things that you, the search marketer, have a lot of control over. However, there are a few very potent tactics that you should work hard to push through with your web and e-commerce teams before you even get into the heavy shopping period.

The most tried-and-true way that you can turn visitors into customers is to put some major focus into landing pages. You cannot over-emphasize enough the importance to your teams of how landing pages can affect your bottom line. It's really where you can win or lose. These seasonal shoppers have already searched for your keywords, read your ad copy, and clicked your ads. These are very qualified and important prospects so you can't afford to lose them at this stage.

It's good to remember that landing pages are NOT entry pages. Entry pages are simply where a visitor enters your site. Landing pages are customized, thoughtful experiences that are built to maximize conversion activity.

The most important rule for landing pages is that they should meet the expectations of the visitor. What this means to paid search marketers is that the landing page should absolutely be in line with both the keyword and the ad that brought them to your site.

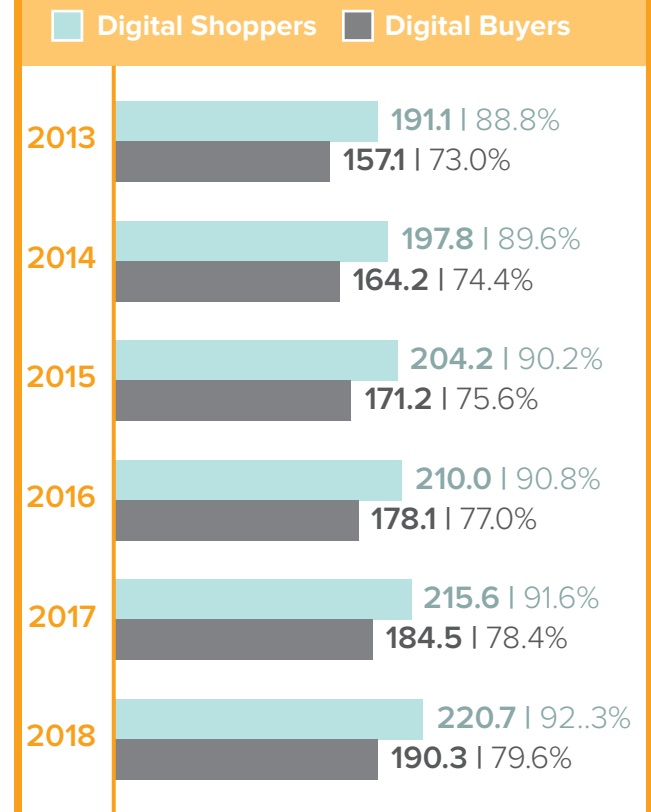
The best way to waste your paid search budget is to send all clickers to entry pages (like the home page or top level category pages) and not to landing pages. If the keyword was *Christmas deals on leather boots* and the ad proclaimed "Christmas Deals on Leather Boots," then there had better be Christmas deals and leather boots on that landing page – and, if the query had been made on a mobile phone, then your landing page should reflect that too!

Landing pages are meant to be tested. You must think of them as dynamic, not static, entities that need to be continuously tweaked for every extra .01% in conversion lift you can create. Of course, the question arises, "I have 1 million keywords, so should I have 1 million landing pages?" No, there's a line that's needed between management effort and landing page effect.

A good rule of thumb is to have a landing page for each ad group. As long as you're using a good hierarchical paid search account structure, everything will work out. Sometimes you can use one per campaign or even cluster ad groups when it makes sense.

eMarketer projects that, by 2017, the number of U.S. consumers shopping online will surpass 210 million with the number of buyers not far behind – ensure your site is equipped to handle these shoppers!

US Digital Shoppers and Buyers, 2013 - 2018 millions and % of internet users



Note: ages 14+; digital shoppers defined as internet users who have browsed, researched or compared products online via any device during the calendar year but have not necessarily bought online; digital buyers defined as internet users who have made at least one purchase online via any device during the calendar year
Source: eMarketer, Sep 2014

STEP FIVE

Track and *follow-up* with your consumers after the initial visit.

You can't always expect that consumers will click and buy. They may want to think it over, browse around for the best deals, and check with their spouses to make sure it's okay to buy another flat screen TV. You can truly maximize the power of your search program by tracking your visitors' activities and complementing these with a good follow-up plan. Your consumers are using computers, tablets, and smart phones to browse, research, and shop these days so your approach must include a three-screen strategy.

One rule of thumb is to never let a website visitor leave without at least getting them into your opt-in communication. Not every visit will result in a sale, but you have to try everything you can to get the visitor to allow you to communicate with them. These days, that means getting them to sign up for an email (newsletter, alert, etc.), text message, and/or social connection. Around the holidays, why not trying a special daily or weekly sale promotion that the visitors can only take advantage of if they connect to you?

And remember, you shouldn't just be following up with non-buyers, but customers as well. Someone who bought a holiday gift last week may also be willing to buy another gift they may need from you today. Make sure you engage your customers at the right times with the right promotions and in the right channels. Perhaps your potential customer initially clicked through on a search ad but did not buy. Later, he or she is on Facebook – wouldn't this be a great opportunity to

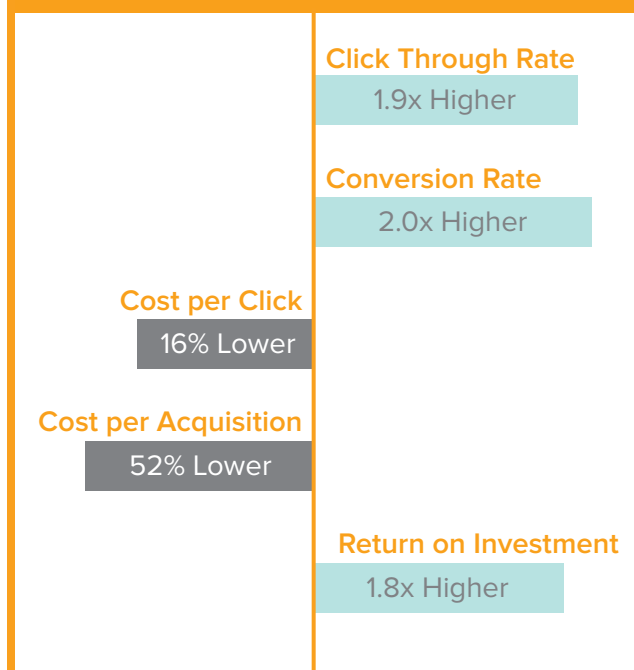
expose the shopper to another ad for the same product previously viewed?

This is the power of retargeting. With retargeting, you implement a special code on your site which cookies your visitors, and then, you can serve up ads to just those consumers. This way, 100% of your ads will reach consumers who visited your site at some point.

Paid search provides some very powerful insights that you can leverage in your consumer communication and retargeting: intent data in the form of the keyword that triggered your ad, the ad copy that they found compelling enough to click and visit your site, and the various pages they visited while they were there. Find ways to use these insights in your follow-up programs. The [Facebook Exchange \(FBX\)](#) offers a great opportunity to retarget to your search visitors on the world's largest social network.

While realtime dynamic ad creative performs better on Facebook Exchange, all FBX units deliver strong ROI on par with search and other DR channels.

Performance of Dynamic Ads vs. Static Ads

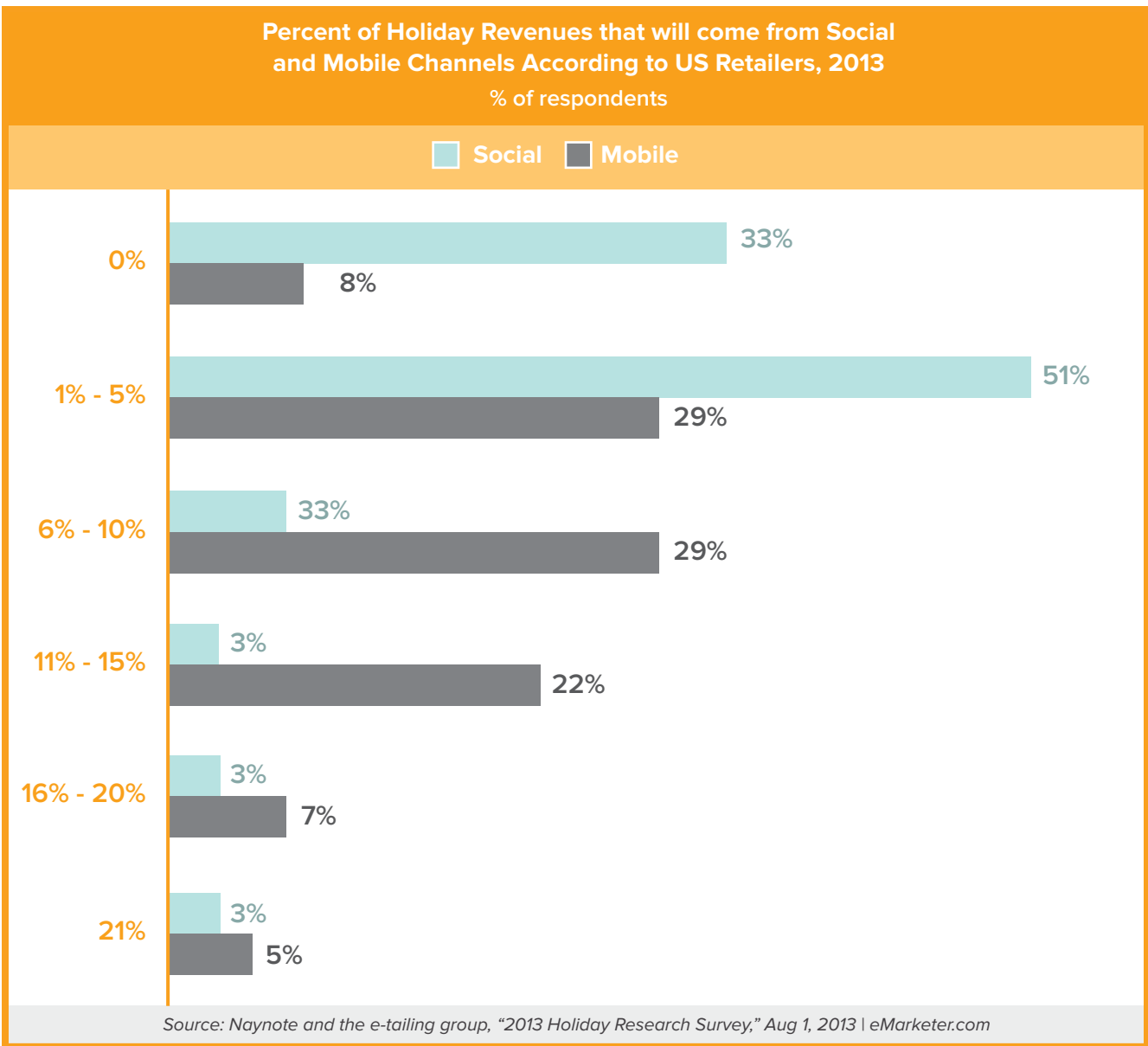


Source: [Kenshoo.com/FBX-Analysis](https://www.kenshoo.com/fbx-analysis)

And what about a consumer who performs a local search to visit a nearby store to shop after searching online and doing some browsing on your site? In an ideal world, all these touchpoints would be linked to understand the path-to-conversion.

The key to success with tracking and follow-up is to designate one platform as your true north for measurement. Viewing data from various channels through a single lens creates a comprehensive way to analyze performance, gain insights about your conversion funnel, and execute smarter attribution and optimization decisions.

There's revenue to be had in social and mobile – consider the full picture and attribute touchpoints accordingly to correctly value each channel's contributions.



STEP SIX

Take what you've learned and continually *optimize* for improvement throughout the holiday shopping season.

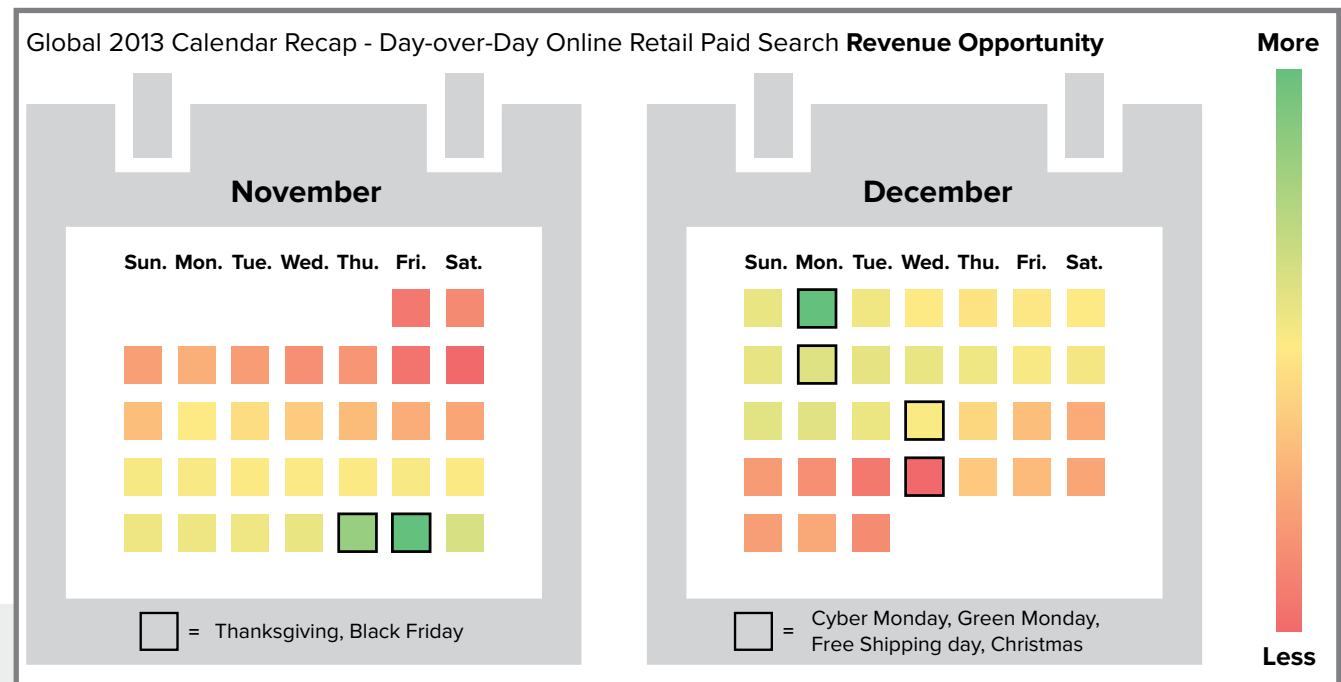
Optimization is the special spice in the conversion eggnog. At Kenshoo, we think the potential for optimization is **infinite!**

The mantra for paid search marketers must be test, optimize, test, optimize, repeat. During the end-of-the-year shopping season, it's time to take your optimization to the next level. Pick a start and end date on the calendar and call it the Optimization Season. Certainly by the end of September your team should have a very detailed plan.

What are the key dates to target?

Check out our opportunity and competition "heat map" from 2013.

Methodology: Opportunity is measured by looking at revenue (i.e., online retail sales from paid search).



STEP SIX CONT'D: TAKE WHAT YOU'VE LEARNED AND CONTINUALLY OPTIMIZE FOR IMPROVEMENT THROUGHOUT THE HOLIDAY SHOPPING SEASON

If you were pulling reports monthly, you should be pulling them weekly. If you were testing ad creative every week, you should build a phased approach to check it twice a week. Only using bid optimization on a sub-section of your keywords? Why not apply portfolio policies to your entire list?

A solid optimization practice will take your campaigns from fair to good and good to great and can help make every step in the paid search conversion path more efficient during the holidays.

For **keywords**, optimize by removing ones with very low Quality Scores and Click Through Rates so that you're spending your budget on the very best terms.

For **ads**, optimize by knowing where you are in the season and adjust them accordingly. For example, as you get closer to Christmas, shipping dates become a concern. Only 5 more days before the shipping deadline, Only 3 more days before the shipping deadline, and Last day to ship! And if you're not planning special Thanksgiving Day, Black Friday, or Cyber Monday ads, then you're really missing the boat.

For **your website**, optimize your landing pages to not just show the products that the visitor was expecting to see, but also promote your hottest items. Sometimes retailers wait too long to analyze their data and find out after the shopping season what was really selling.

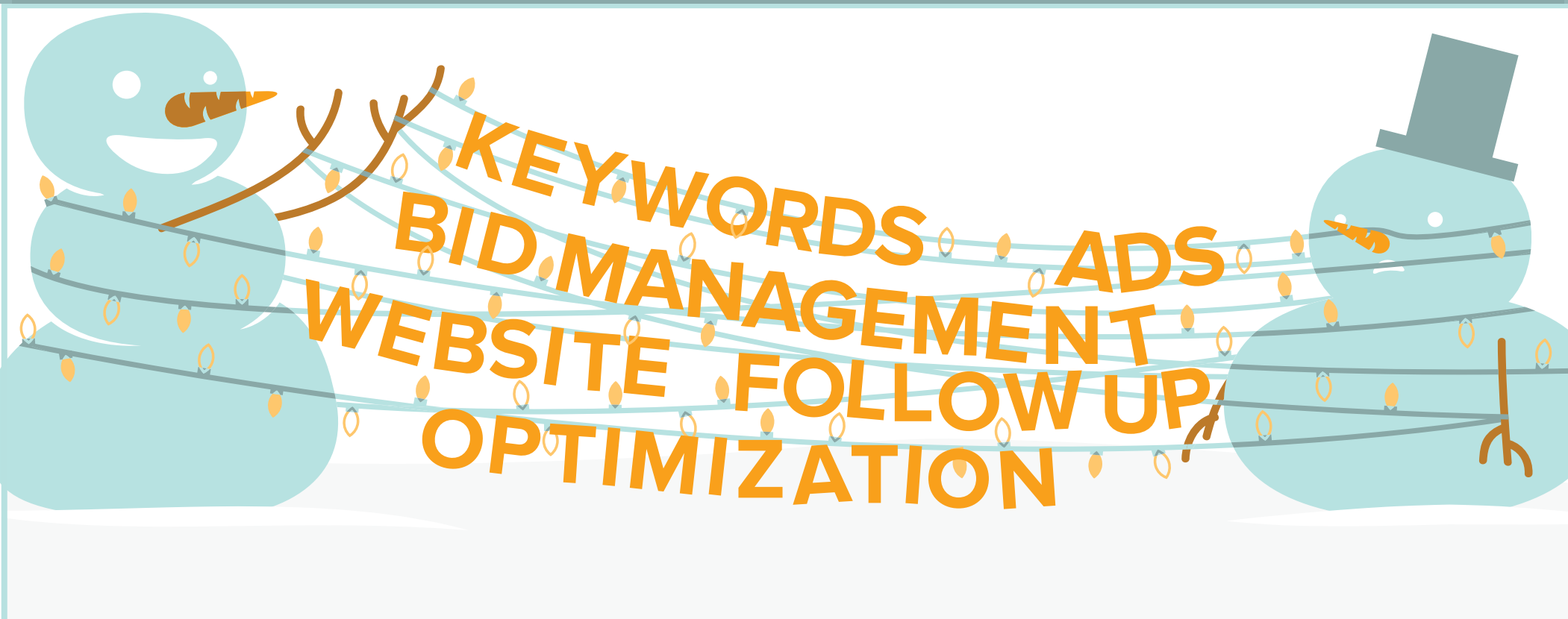
For **your follow-up strategy**, pull out all of the stops. Remember, search visitors had to go to a search engine, type in one of your relevant keywords, and pick your ad from both the organic listings and your competitor's paid ads to reach your site. These people are your best chances to sell. Find a way to connect your data from other channels to understand the full picture and optimize each unique path-to-conversion, bidding to the true value of the interactions that are taking place.

Summary

The holiday shopping season isn't just another couple of months for retailers. It's the most important time of the year. Don't just do the same old things you did in previous quarters. Reach for the sky. Push the limits. You've got bigger budgets and more on the line.

Paid search can be one of the biggest drivers of success right now. To make the most of it, focus on each step of the SEM path— keywords, ads, bid management, website, follow-up tactics, and optimization.

Take this list and check it twice!



Marketer *Perspective*



Ted Schuster

Director of Advertising, Resolution Media

“Some parents (like mine) hit the malls as early as August buying presents for the holidays. A bit overboard? The argument could be made. But it’s that same spirit of preparation that will make what is often a dauntingly complex season for marketers significantly more manageable. Here are some ideas that can help:

- Have a “master plan” for your team that consolidates everything you’ll need to maintain structure, including media run dates, promotions, launches, testing, on-call list, employee/client vacations & phone numbers, etc. It’s crucial to have this all in one document or location so that it’s easy to find. Make sure that everyone knows about it and has access to it. Plus, rotating who is on-call can make everyone’s life easier.
- But...prepare for the unexpected. Often the year’s business goals are on the line and decisions made and pulled off quickly can make a huge difference. It’s crucial to have your team at-the-ready and willing to work through some last-minute shifts. It’s bound to happen.
- Be more conscious of your time. Meetings, calls, and events can pile up (especially at this time of year), but there’s never a more important time to reassess what’s mission-critical and what can be moved or altered. It’s important to give yourself space so that your work (and mental health) doesn’t suffer. This may also be a good time to wake up a bit early and enjoy a quiet, peaceful office.

Make sure your team and co-workers know that the extra effort is appreciated — a little gratitude goes a long way. ”

Closing *Thoughts*

Thank you for taking the time to read *The Kenshoo Guide for Retail Search Marketers: Optimizing Your Path to Seasonal SEM Success*. Digital marketing for retailers is complex and the high stakes of the holiday shopping season adds another layer of challenges. To build a scalable presence in the marketplace, you need scalable technology at your disposal.

Kenshoo gives you the foundation upon which to successfully build and manage your campaigns:

- Advanced Search and Scheduled Actions: Point-and-click your way from editing any campaign element to optimizing and reporting with these powerful mass-management tools. [Learn more about improved workflow with Kenshoo.](#)
- Kenshoo Editor: Give your staff the freedom to work offline so that you can be everywhere. [Read more about Kenshoo Editor.](#)
- Advanced Google Shopping Support: Build Google Shopping campaigns quickly and effectively. [Find out about Kenshoo PLA Support.](#)
- RealTime Campaigns: Ensure that the promotions you're running are synced with the merchandise in your inventory to deliver relevant ads. [See what RealTime campaigns can do for you.](#)
- Kenshoo Portfolio Optimizer™ (KPO): Leverage sophisticated algorithms to set your goals and use patent-pending model-based bid policies to manage your SEM portfolio. [Discover the KPO Difference.](#)
- Kenshoo SmartPath™: Drive optimized digital media bidding with this first form of dynamic attribution that combines machine-learning and algorithmic decisioning. [Join the conversion attribution revolution.](#)

- Kenshoo Intent Driven Audiences™ (IDA): Automatically create and update Facebook Custom Audiences based on intent demonstrated through search engine activity. [Target your highest value audiences now.](#)
- Kenshoo Demand-Driven Campaigns™ (DDC): Automatically turn top performing products from your feed into Facebook ads. [Learn more about enabling cross-channel synergy.](#)

As “the sole leader” in bid management per the [Forrester Wave, Bid Management Software Providers, Q4 2012](#), and in social ad platforms per the [Forrester Wave, Social Ad Platforms, Q4 2013](#), we are confident that our best-in-class platform can deliver unparalleled results for you. To learn more about how Kenshoo is empowering marketers with the tools to succeed, contact me to receive a copy of *Seasonal Best Practices for Retailers using Kenshoo*. Discover how the Kenshoo platform can power your business this season and into the future!



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