

2014 GLOBAL ONLINE RETAIL

Seasonal
Shopping
Report

COVERING GLOBAL DIGITAL MARKETING TRENDS
UPDATED THROUGH DECEMBER 30TH, 2014



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Introduction

The 2014 festive shopping season was another one for the record books with retailers actively engaging consumers who demonstrated strong intent via digital marketing to drive exponential year-over-year (YoY) growth of key performance indicators (KPIs) on key dates.

In our early shopping season blog posts, we noted that the uptick in activity seems to come earlier every year. Marketers have latched on to this “Christmas Creep” phenomenon and are starting promotions earlier and offering deals all throughout the shopping season. In addition, although these deals surround the U.S. holiday of Thanksgiving, U.K. marketers are taking advantage of the buzz during this time and have heavily increased spend on key dates such as Black Friday.

Over the entirety of the shopping season, paid search KPIs including clicks, revenue, click-through rate (CTR), and conversion rate all generated healthy YoY growth in 2014. Mobile devices made major contributions this season to paid search results as phones and tablets saw considerable bumps in YoY metrics. While spikes for paid search on key dates were clear, increases in spend and revenue leading up to the key dates were visible, thus supporting the idea of a lengthened and earlier shopping season.

As shared in our 2013 Global Online Retail Shopping Season Report: Final Edition and predicted for 2014, Product Listing Ads (PLAs) continued to play a large role for retailers this season, especially on key dates such as Black Friday and Cyber Monday. This year, PLAs generated significant YoY increases in clicks and revenue on both days. This format has proven to generate high return on investment and is a must for retailers to take advantage of during the peak season.

Social marketing also played a key role in retailer’s 2014 seasonal programs. The Facebook advertising landscape has evolved greatly in the past year, and this evolution is reflected in performance. Retailers saw a sharp drop in impression share due to the shift in prevalence of right hand side ads coupled with a boost in mobile traffic; even still, marketers’ growing sophistication meant they were able to drive efficiency, generating more clicks and revenue year-over-year.

Please enjoy this full shopping season analysis from the Kenshoo Marketing Research team along with our best wishes for a prosperous 2015.

NOTE: For purposes of this report, the shopping season is defined as the time period including 26 days prior to U.S. Thanksgiving plus 33 days after. In 2013, this reflects Nov 2 – Dec 31 and in 2014, Nov 1 – Dec 30.

Digital Marketing Seasonal Trends at a Glance

Retailers generate paid search efficiencies to fuel KPI growth

Paid search is a staple for retailers during the peak shopping season as it's a reliable channel to capture in-market consumers and drive sales. With 16% more clicks generated in the 2014 shopping season when compared to the same period in the previous year, retailers continue to drive efficiencies through this channel, even amidst a growing competitive landscape. More retailers jockeying for position to get in front of eager consumers have forced marketers to increase investments and have driven up costs.

But, these investments have paid off and retailers saw a 21% YoY growth in revenue. Better targeting and optimization techniques to reach high-value audiences have also propelled click-through rate and conversion rate up when compared to last year.

2014 GLOBAL RETAIL SHOPPING SEASON PAID SEARCH KEY METRICS YEAR-OVER-YEAR

IMPRESSIONS	CLICKS	AD SPEND	REVENUE	CTR	CPC	CONV. RATE
8% ↑	16% ↑	30% ↑	21% ↑	14% ↑	12% ↑	5% ↑

Source: Kenshoo 2014 Global Online Retail Seasonal Shopping Report
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As retail search programs become more strategic and tailored, click-through and conversion rates are positively impacted. These tailored campaigns drove actual click-through rate to 2.46% and conversion rate to 4.59% for the season. In addition, overall return on ad spend (ROAS) remained very strong, garnering more than an 8 to 1 return.

KEY GLOBAL ONLINE RETAIL PAID SEARCH METRICS FOR 2014 SHOPPING SEASON

CLICK-THROUGH RATE	CONVERSION RATE	RETURN ON AD SPEND
2.46%	4.59%	\$8.16

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Mobile investments grow as engagement across devices surges

Mobile devices are capturing more of retail paid search budgets as consumers bring these devices to the forefront of their shopping habits. During the festive season, mobile phone ad spend increased by 77% YoY driving a 120% YoY increase in revenue. While spend only increased slightly on tablets (+6%) YoY, impressions and clicks were up across all mobile devices, while down 23% YoY on desktop.

2014 GLOBAL RETAIL SHOPPING SEASON MOBILE PAID SEARCH KEY METRICS YEAR-OVER-YEAR

DEVICE	IMPRESSIONS	CLICKS	AD SPEND	REVENUE	CPC
Computer	23% ↓	16% ↓	17% ↓	8% ↓	20% ↑
Phone	79% ↑	45% ↑	77% ↑	120% ↑	56% ↑
Tablet	38% ↑	7% ↑	6% ↑	0%	16% ↑

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While impressions, clicks, spend, and revenue increased drastically for mobile devices YoY, desktop computers still drive the highest conversion rate (6.9%). As seen in previous research, the cost-per-click (CPC) gap is lessening, with mobile phone and tablet CPC catching up to that of desktop computer. During the shopping season, click-through rate was fairly consistent across desktop and tablet, but peaked on mobile phones at 3.3%, perhaps attributed to the smaller screen and increased intent of consumers on these devices.

KEY GLOBAL ONLINE RETAIL MOBILE PAID SEARCH METRICS FOR 2014 SHOPPING SEASON

DEVICE	CLICK-THROUGH RATE	CONVERSION RATE	CPC
Computer	2.4%	6.9%	\$0.59
Phone	3.3%	2.1%	\$0.39
Tablet	2.3%	4.6%	\$0.58

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Retailers invest heavily in PLAs to garner large volume gains

As Google Shopping campaigns continue to gain steam, retailers took advantage of PLAs to strengthen their programs in the 2014 festive season. By increasing investment 45% YoY, global retailers generated a 69% YoY increase in impressions and 61% YoY increase in clicks from PLAs. The engaging ad format drew in 31% more revenue this year than the same time period in the year prior.

INCREASES IN 2014 GLOBAL RETAIL SHOPPING SEASON PRODUCT LISTING AD KEY METRICS YEAR-OVER-YEAR

IMPRESSIONS	CLICKS	AD SPEND	REVENUE
69% ↑	61% ↑	45% ↑	31% ↑

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Compelling imagery and messaging included in PLAs helped drive the click-through rate of this ad format up to 2.89% throughout the peak shopping season. These attributes, paired with high-intent customers, drove return on ad spend up to \$4.14 and conversion rate up to nearly 3%.

KEY GLOBAL ONLINE RETAIL PRODUCT LISTING AD METRICS FOR 2014 SHOPPING SEASON

CLICK-THROUGH RATE	CONVERSION RATE	RETURN ON AD SPEND
2.89%	2.88%	\$4.14

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Social channels drive engagement and revenue

Changes in the Facebook landscape such as the migration of ads from the right hand side to the News Feed and more mobile adoption meant retailers were able to capitalize on higher value inventory in 2014 compared to 2013. Accordingly, retailers were able to eliminate wasteful impressions and generate healthy YoY growth in clicks and revenue, thus driving CTR to an all-time high. Although competition for adviews is high, retailers delivered highly targeted messages with an eye on maximizing bids and budgets to keep overall costs down and engagement and revenue up.

2014 GLOBAL RETAIL SHOPPING SEASON PAID SOCIAL KEY METRICS YEAR-OVER-YEAR

IMPRESSIONS	CLICKS	AD SPEND	REVENUE	CTR	CPC
83% ↓	35% ↑	28% ↑	42% ↑	701% ↑	6% ↓

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Social marketing remains an efficient channel, with CPC down YoY at \$0.35. Click-through rate continues to rise as retailers segment their audiences to reach the most profitable customers, contributing to a \$2.58 return on ad spend.

KEY GLOBAL ONLINE RETAIL PAID SOCIAL METRICS FOR 2014 SHOPPING SEASON

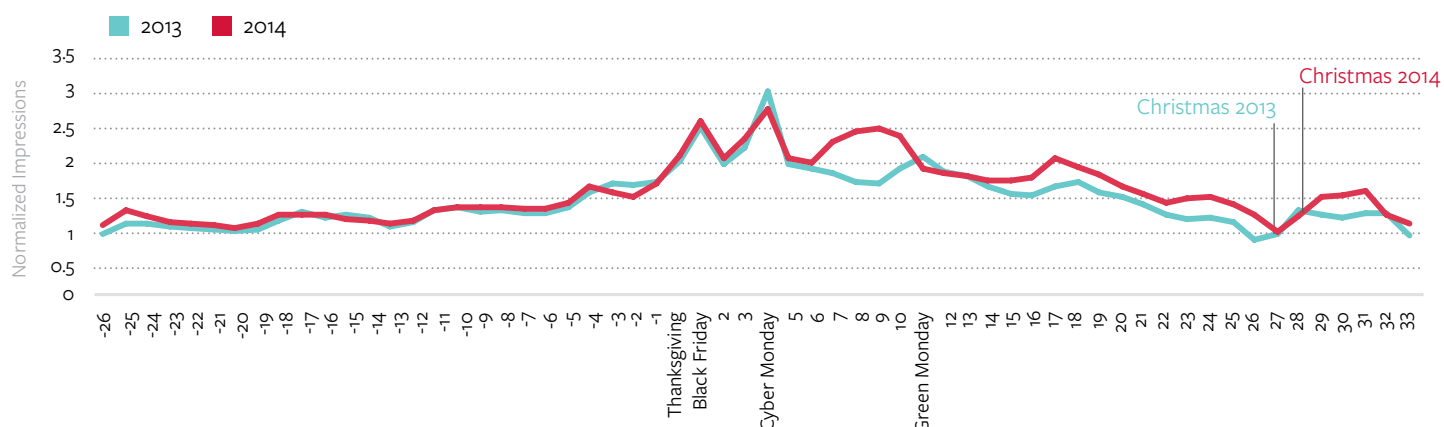
CLICK-THROUGH RATE	COST-PER-CLICK	RETURN ON AD SPEND
.72%	\$0.35	\$2.58

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Global Search Trends

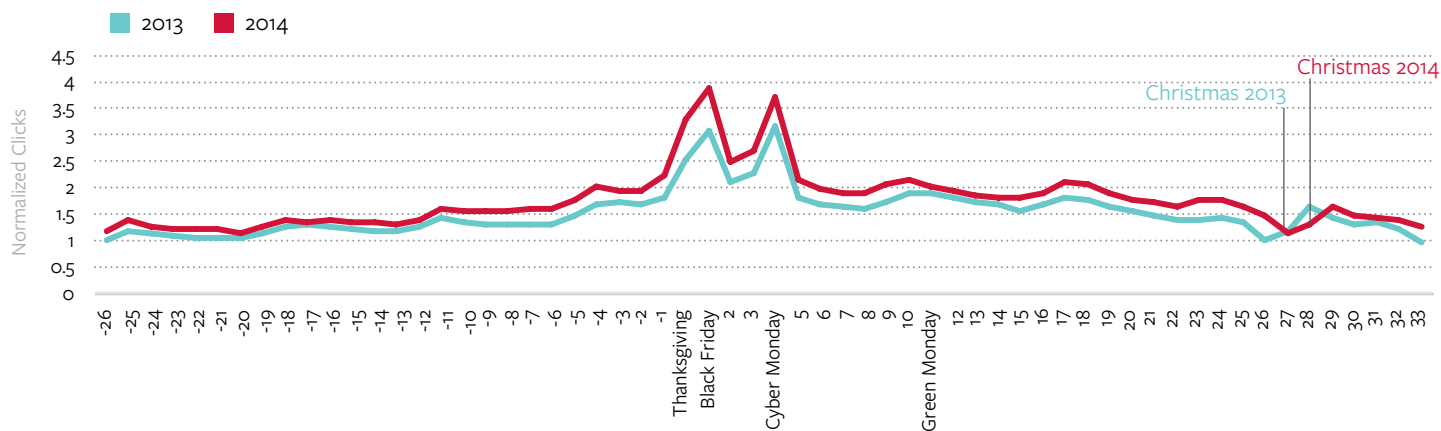
Retailers generate increased paid search efficiencies in 2014 shopping season

2014 GLOBAL RETAIL PAID SEARCH IMPRESSIONS



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2014 GLOBAL RETAIL PAID SEARCH CLICKS



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Global retail paid search impressions remained relatively flat YoY while clicks generated slight increases throughout the entire shopping season. Marketers are continuing to optimize their campaigns and be strategic in their seasonal paid search efforts, thus increasing efficiency and overall return on investment.

The exception to the flat YoY paid search impression trend can be noted after the key shopping dates in 2014. Retailers were continuing to push their promotions after these dates to lengthen the shopping season, driving tremendous YoY increases in impressions, specifically during the week after Cyber Monday.

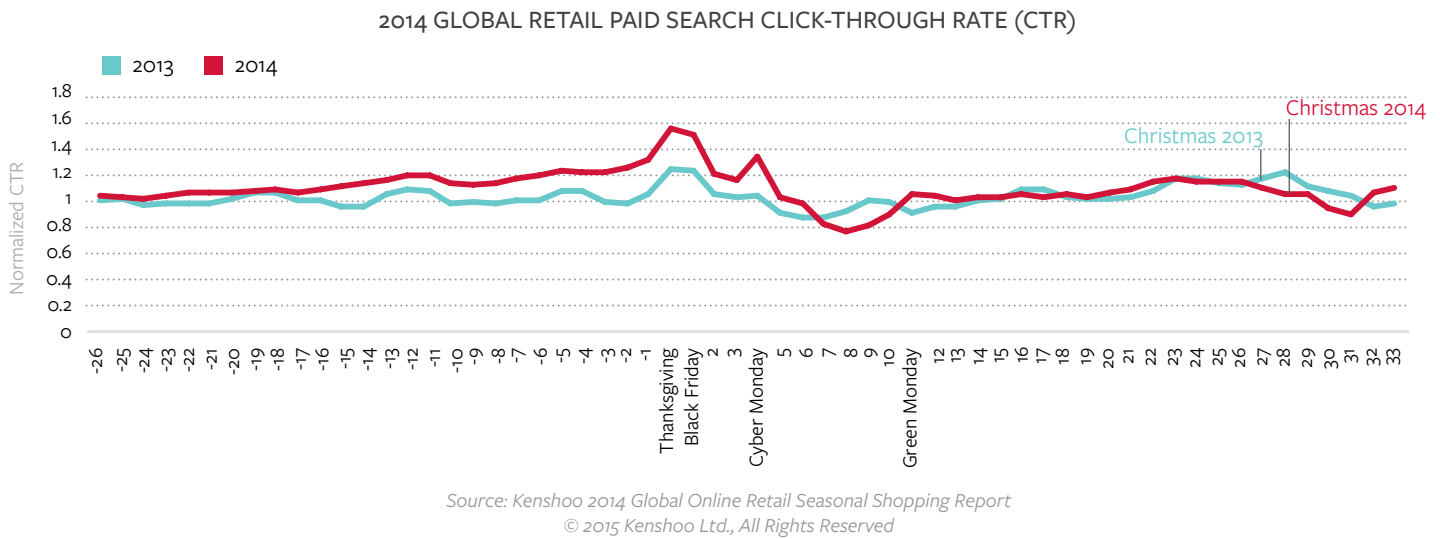
Thanksgiving becomes key date for driving revenue via paid search for retailers



Global retailers followed a similar paid search spend trend in 2014 when compared to 2013, with spikes on Black Friday and Cyber Monday. However, retailers generated the most revenue on three major dates within the shopping season: Black Friday, Cyber Monday, and Thanksgiving.

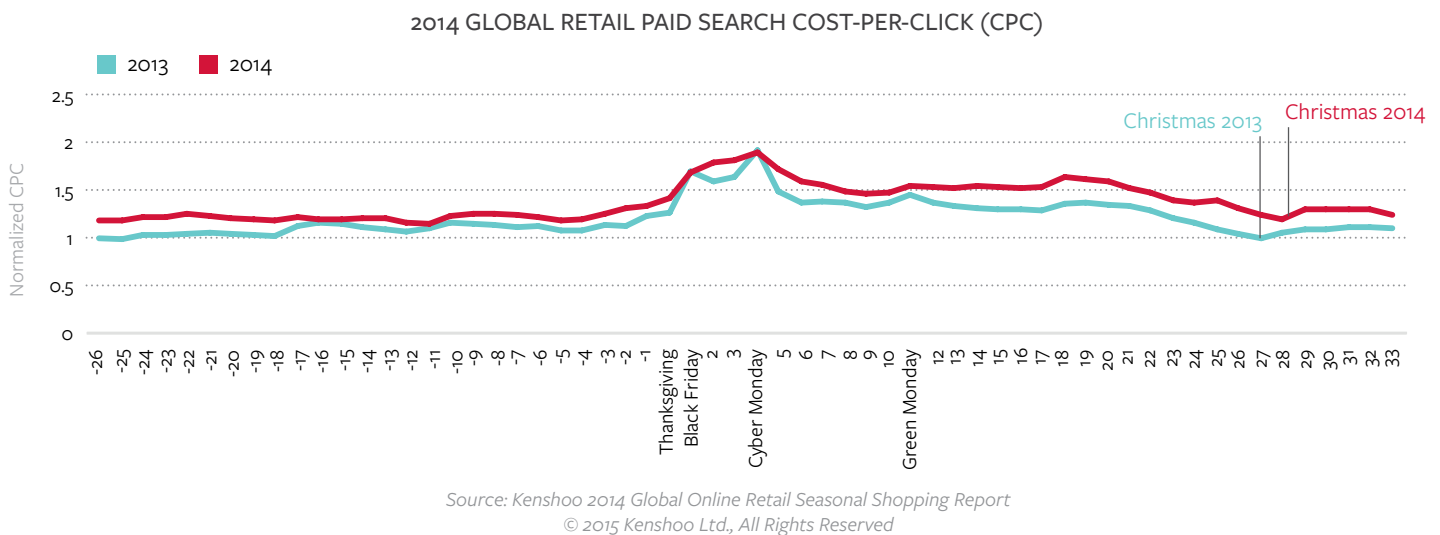
Although retailers did not increase spend greatly on Thanksgiving, the revenue generated almost equaled that generated on Black Friday, making this day a great opportunity for retailers to target customers.

Paid search CTR at its highest peak on Thanksgiving during seasonal shopping season



Historically, Black Friday and Cyber Monday have generated the highest engagement of the shopping season for retailers. This year, Thanksgiving Day generated the highest CTR, showing the eagerness of consumers to buy stimulated by earlier promotion of online sales. Consumers are also engaging with retailers much earlier than in the past, with CTR beginning to rise almost 10 days before Thanksgiving.

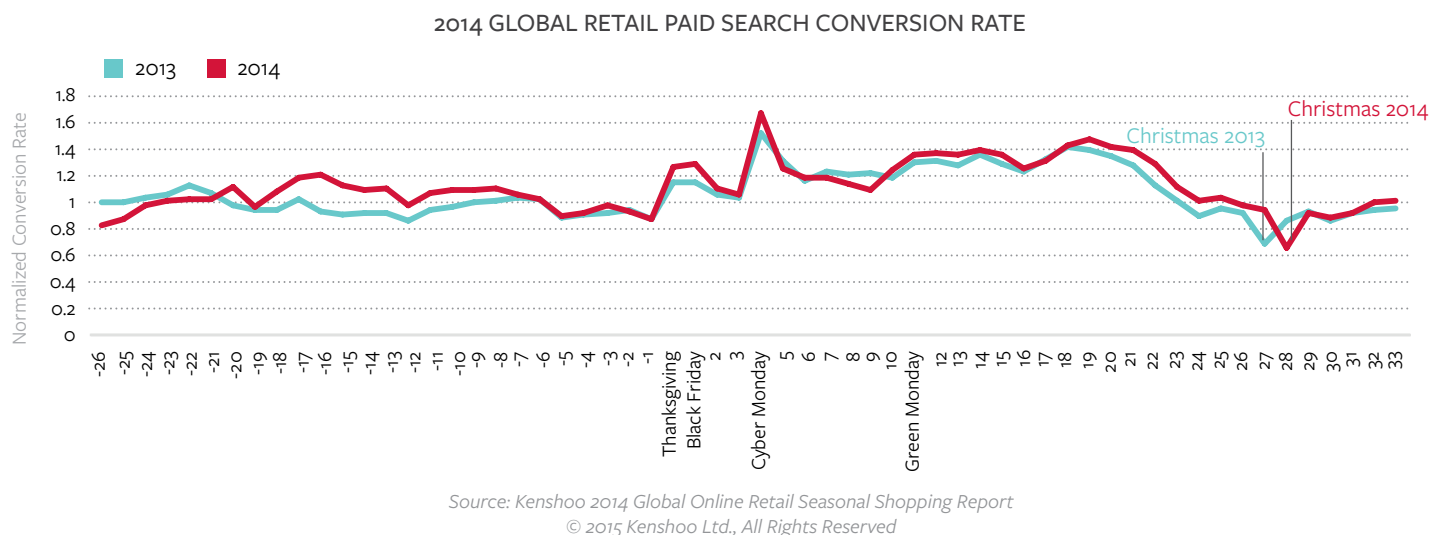
Competition causes CPC to remain high from Thanksgiving through Cyber Monday



CPC generally followed the same curve as 2013 in 2014 during the peak shopping season, with slight increases due to heightened competition. Nonetheless, during the weekend following Thanksgiving, CPC continued to rise in 2014 whereas in 2013, there was a noticeable drop.

More and more retailers are now running promotions for the entire post-Thanksgiving weekend to capture more sales and revenue, thus driving up costs.

Consumers show increased appetites to purchase in early seasonal shopping period



Global retail conversion rate remained fairly consistent YoY, with the exception of the early shopping period (pre-Thanksgiving). Conversion rate is notably higher in 2014 than 2013 in the two weeks prior to Thanksgiving, confirming that early shoppers are interacting with brands before the traditional key dates.

Thanksgiving and Black Friday generate highest increases in paid search click volume

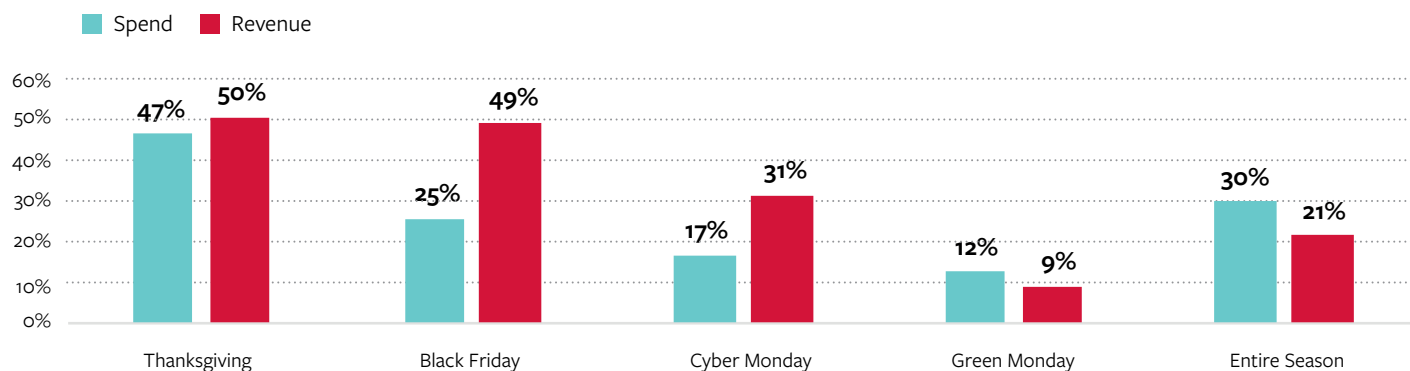


Throughout the entire shopping season, retailers generated YoY increases in click volume. These increases were driven by slight increases (and decreases in some instances) in impressions, thus yielding greater efficiency.

Thanksgiving shines as the top performer among the key dates, generating a 30.5% YoY increase in click volume. As consumers are now including Thanksgiving into the seasonal shopping fold, they are also giving marketers even more opportunity to reach them.

Thanksgiving Day drives 50% YoY increase in total paid search online revenue

2014 YEAR-OVER-YEAR CHANGES IN GLOBAL RETAIL PAID SEARCH SPEND AND REVENUE ON KEY DATES

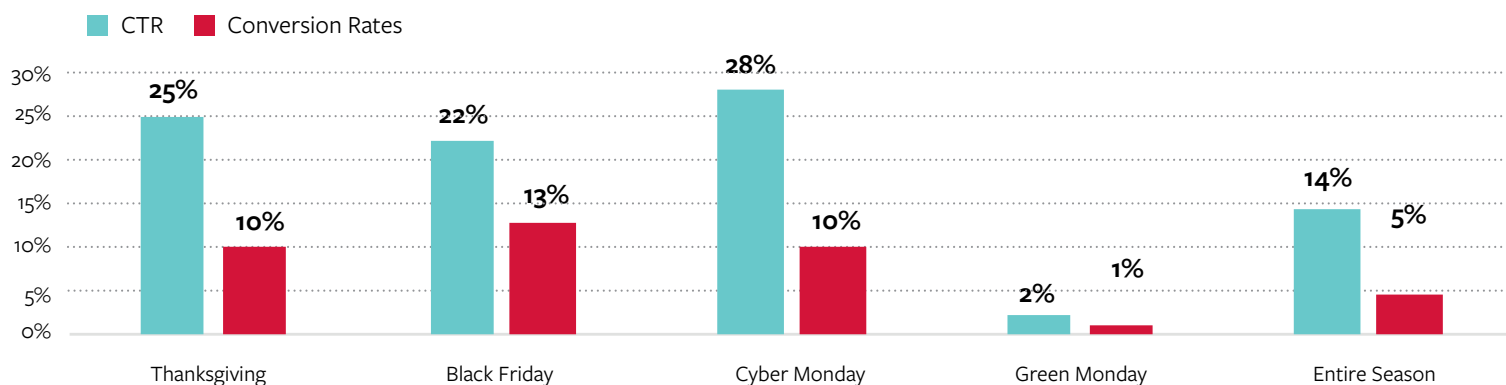


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Continuing with the trend we've seen, Thanksgiving again performed extremely well for retailers, generating a 50% YoY increase in online revenue. Black Friday followed closely behind generating a 49% YoY increase in revenue with only a 26% YoY increase in spend. These two dates seem to be trumping the traditional day for online shopping, Cyber Monday, as more consumers access the Web to shop from anywhere, anytime.

Paid search CTR and Conversion Rate up YoY on all key shopping dates

2014 YEAR-OVER-YEAR CHANGES IN GLOBAL RETAIL PAID SEARCH CLICK-THROUGH RATE (CTR) AND CONVERSION RATE ON KEY DATES



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Paid search continues to be a solid investment for retailers, consistently generating yearly increases in CTR and conversion rates. Shoppers with high intent are turning to search engines to reach eCommerce stores to make a greater percentage of their purchases, contributing to the upticks in conversion rates and click-through rates on key dates of the holiday season.

Global Mobile Search Trends

Mobile phones generate triple-digit YoY growth in paid search revenue and conversions

2014 GLOBAL RETAIL SHOPPING SEASON PAID SEARCH KEY METRICS - BREAKDOWN BY DEVICE

DEVICE	CLICKS	CONVERSIONS	REVENUE	AD SPEND
Computer	52%	72%	72%	58%
Phone	32%	13%	11%	23%
Tablet	16%	15%	18%	18%

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2014 GLOBAL RETAIL SHOPPING SEASON PAID SEARCH YEAR-OVER-YEAR DEVICE SHARE CHANGES

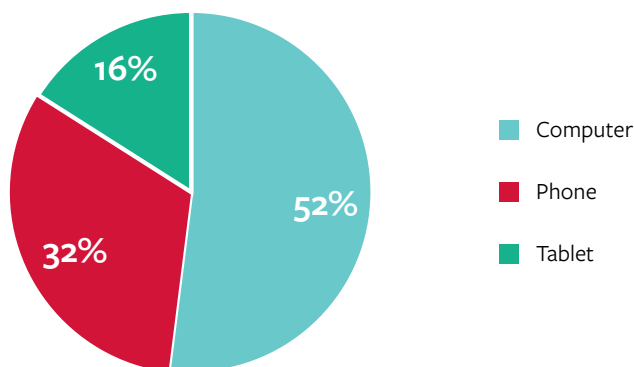
DEVICE	CLICKS	CONVERSIONS	REVENUE	AD SPEND
Computer	16% ↓	18% ↓	8% ↓	17% ↓
Phone	45% ↑	225% ↑	120% ↑	77% ↑
Tablet	7% ↑	88% ↑	0%	6% ↑

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Mobile devices (both phones and tablets) have become an integral part of the research and buying process for consumers. This shopping season, retailers took this into account and upped spending for mobile phones and tablets by 77% and 6% YoY respectively. While desktop computers still generated the lion's share of conversions and revenue at over 70%, triple-digit YoY growth in mobile phone conversions and revenue show consumers' reliance on these devices and changes in search habits that should be noted for future shopping seasons.

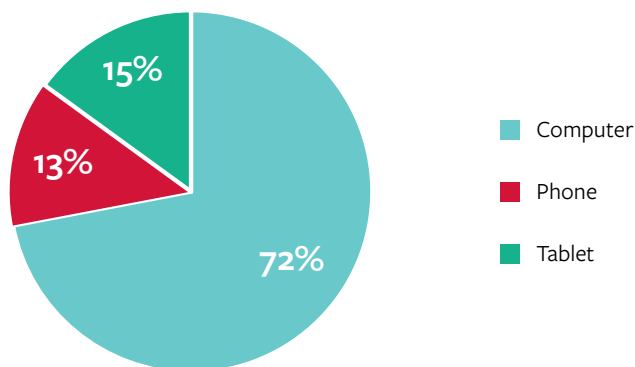
Mobile devices garner nearly half of global retail paid search clicks and see conversion growth

2014 GLOBAL RETAIL SHARE OF
PAID SEARCH CLICKS BY DEVICE



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2014 GLOBAL RETAIL SHARE OF
PAID SEARCH CONVERSIONS BY DEVICE



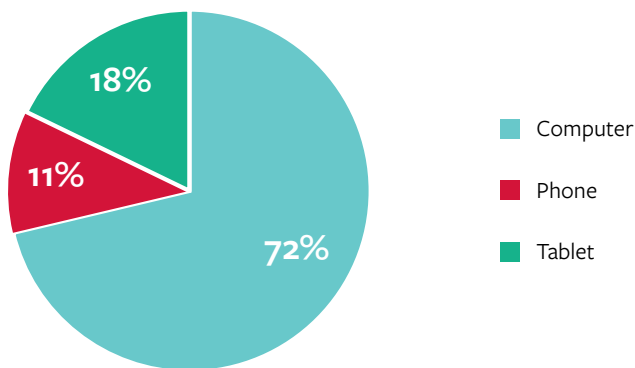
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While computers still dominate with regards to generating conversions via paid search, advertisers who focus on driving conversions shouldn't discount mobile paid search. Being active on all device types can create brand awareness, help play a role along the conversion path, and influence future purchase decisions.

During this year's shopping season, almost half of all paid search clicks were driven by mobile devices (phones + tablets) – one-third of those from mobile phones. Many consumers begin their searches on these devices and often return back to desktop to complete the purchase process, making mobile and tablet paid search an integral part of the buyer journey.

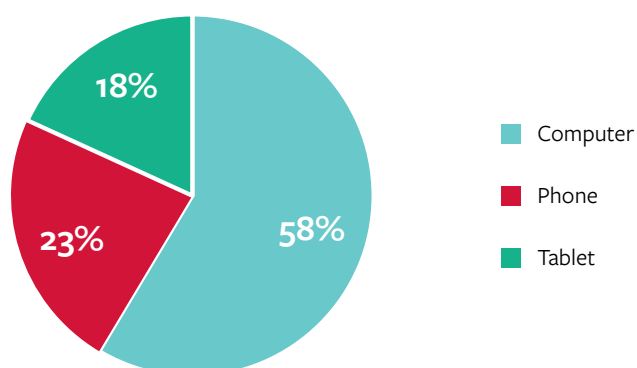
Desktop remains top revenue driver for paid search while mobile gains ad spend share

2014 GLOBAL RETAIL SHARE OF
PAID SEARCH REVENUE BY DEVICE



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2014 GLOBAL RETAIL SHARE OF
PAID SEARCH AD SPEND BY DEVICE

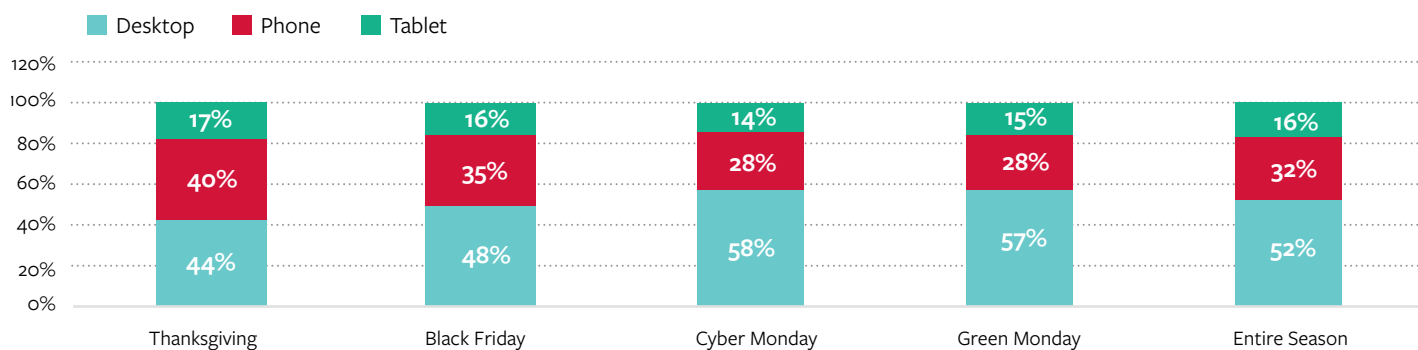


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Retailers were able to generate considerable efficiencies this shopping season and maximize the return on their investment via desktop paid search. While the return on investment for mobile phones was a bit lower, nearly 30% of total revenue was generated via mobile devices throughout the season, a 26% increase from the year prior.

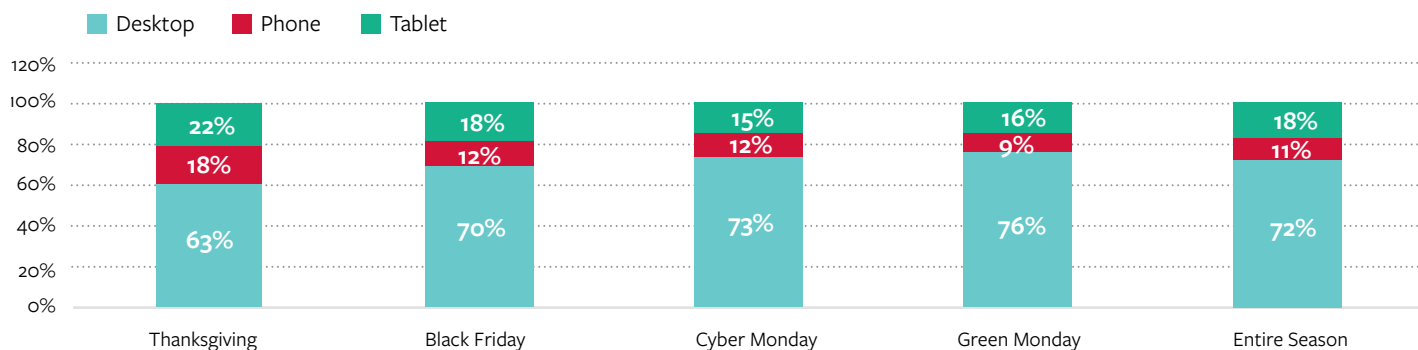
Thanksgiving Day drives highest percent of clicks, greatest share of revenue for mobile

2014 GLOBAL RETAIL PAID SEARCH SHARE OF CLICKS BY DEVICE ON KEY DATES



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2014 GLOBAL RETAIL PAID SEARCH SHARE OF REVENUE BY DEVICE ON KEY DATES

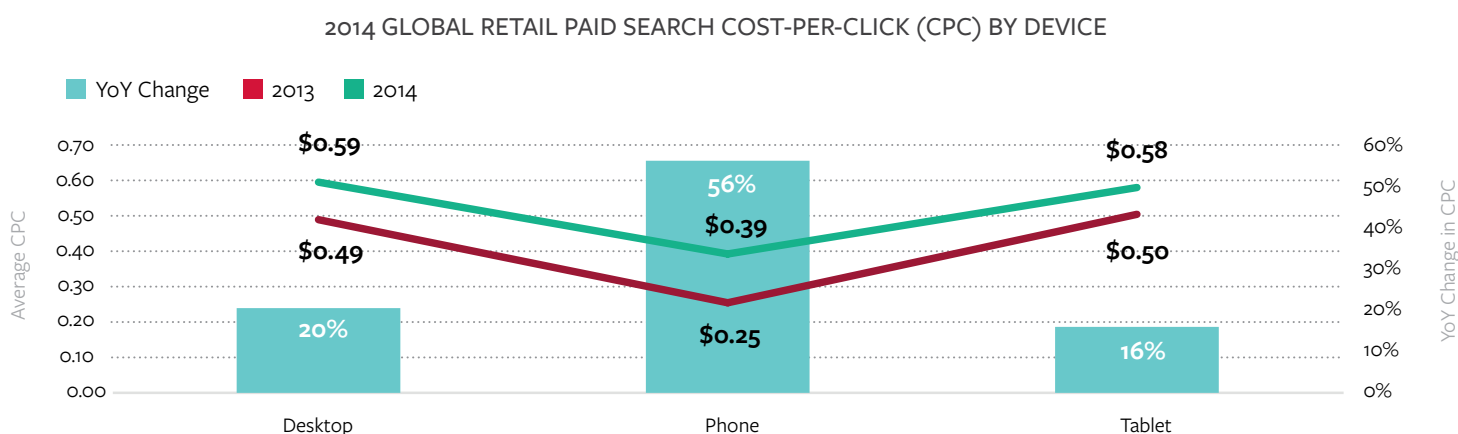


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When looking at key dates within the shopping season, Thanksgiving Day stands out as a time where consumers heavily relied on mobile phones to search and make purchases, driving 40% of total clicks and 18% of revenue. As this date continues to gain significance for retailers, it is imperative that this trend is considered and marketers adjust their strategies for next year to capture the attention of consumers browsing on their phones while eating turkey dinner.

Performance on Black Friday, Cyber Monday, and Green Monday was fairly consistent with computers generating around 50% of total clicks, followed by mobile and tablet, and computers again driving the most revenue of all devices.

CPC across all devices continues to rise; Mobile leads the pack with 56% YoY growth

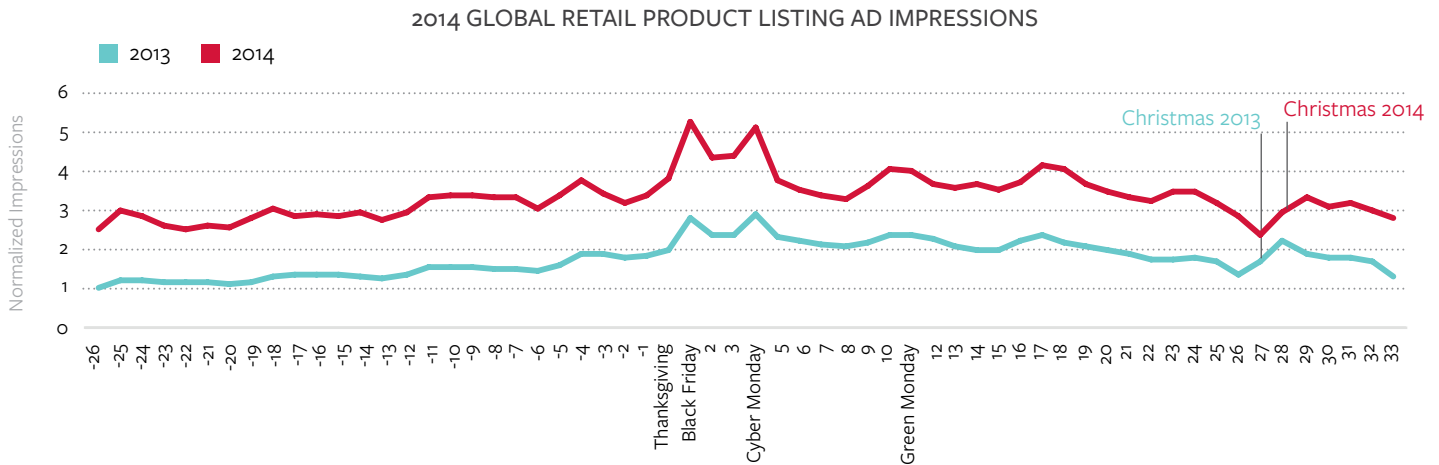


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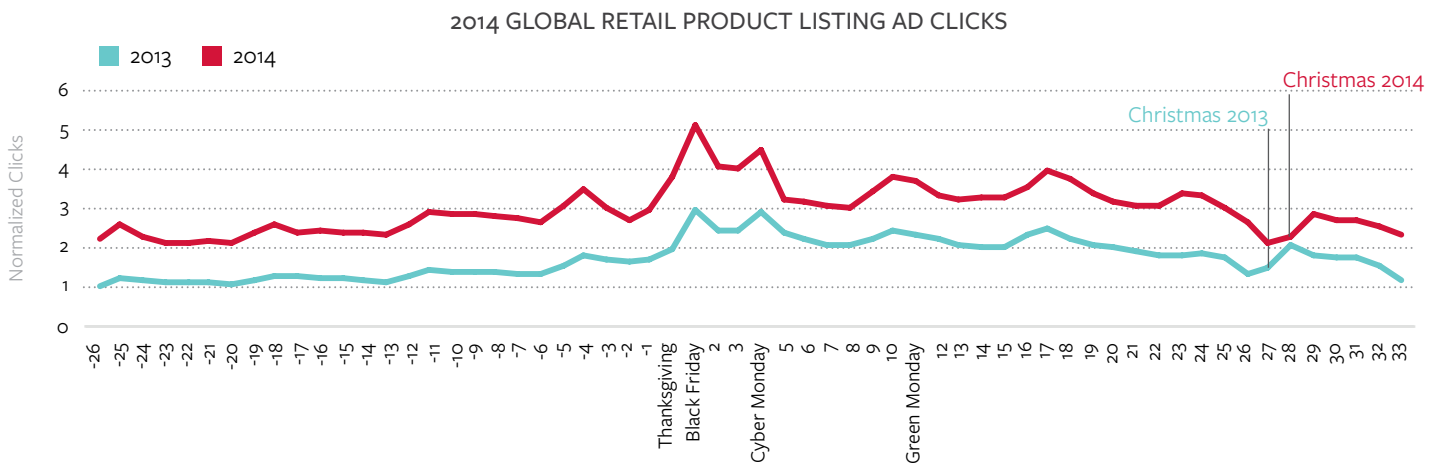
High-traffic seasonal periods typically drive CPC up due to increased competition with marketers vying for strong visibility and consumer engagement. Across all devices, cost-per-click rose 15%+ YoY throughout the 2014 shopping season. Desktop and tablet CPCs are almost equal, whereas mobile phone CPCs are approximately \$0.20 more affordable. However, mobile CPCs are rising rapidly with 56% YoY growth from last year's shopping season to this year.

Global PLA Trends

PLA impressions and clicks increase by nearly 2X on Black Friday



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Retailers have adopted Google Shopping into their paid search programs and have driven more impressions and clicks from PLAs during the 2014 shopping season than ever before.

While the peaks followed a similar pattern YoY, there was an obvious boost in 2014. The most apparent increase was generated on Black Friday; this day drove nearly a 2X YoY increases in impressions and clicks and was the most successful day (relative to impressions and clicks) throughout the entire shopping season.

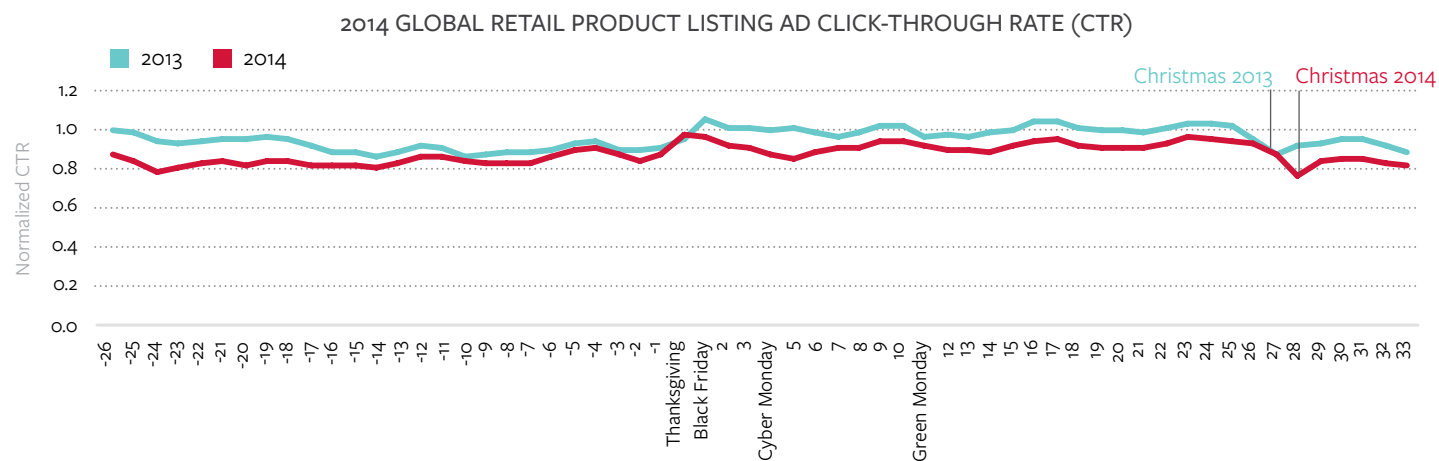
Retailers invest heavily in PLAs to stimulate drastic YoY revenue growth on Black Friday



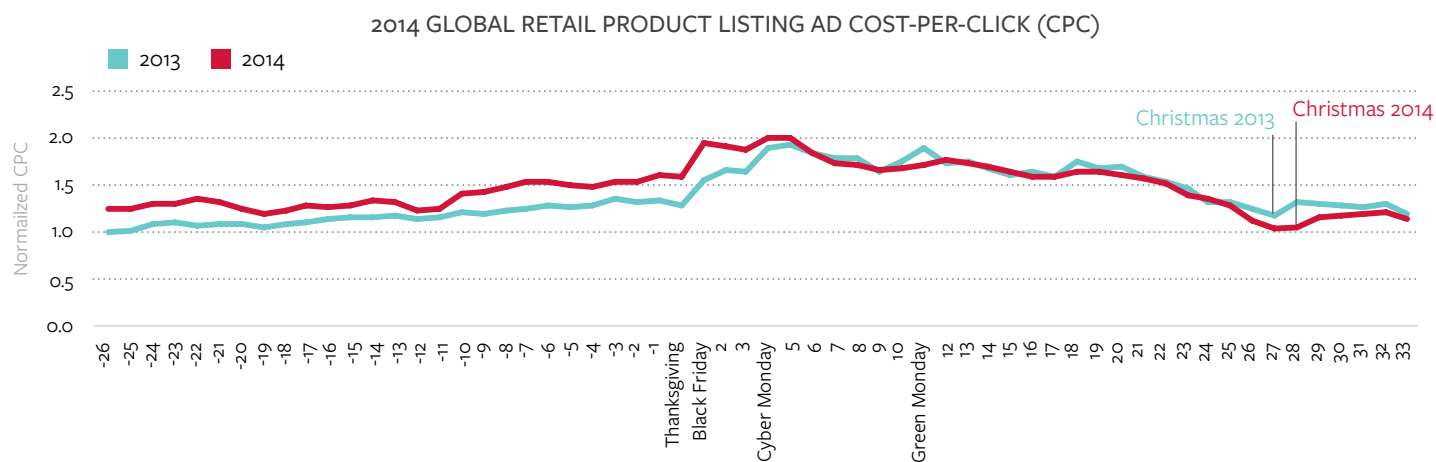
Last year, we saw an increase of more than 100% for PLA spend during the peak shopping season. Similar increases were seen in 2014, especially on key shopping dates. The added budgets paid off with retailers generating a 2X YoY increase in revenue on Black Friday along with a similar spike on Cyber Monday.

This format is only going to continue to grow – the consistent return retailers are seeing with PLAs combined with the search engines continued expansion of product ad capabilities will lead to further engagement and innovation.

Increased competition drives global retail PLA CTR down and CPC up slightly



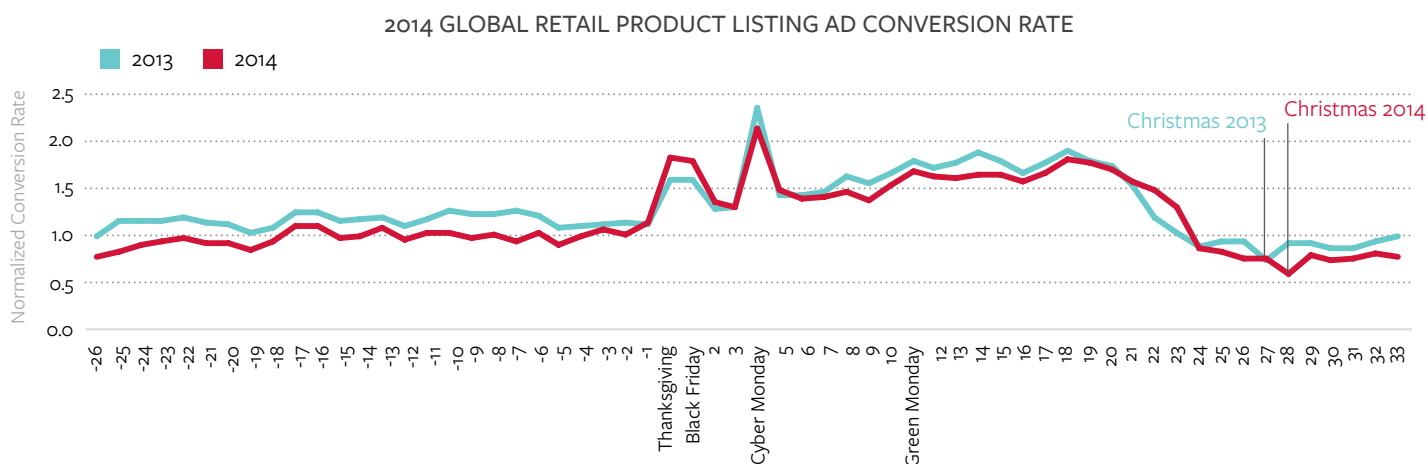
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As more and more retailers incorporate PLAs into their paid search programs, it brings about increased competition within the Google Shopping landscape. This is likely a factor that contributed to the slight YoY decreases in overall CTR (more ads means fewer clicks on each one) and increases in CPC (more ads means higher bid prices) during the 2014 shopping season.

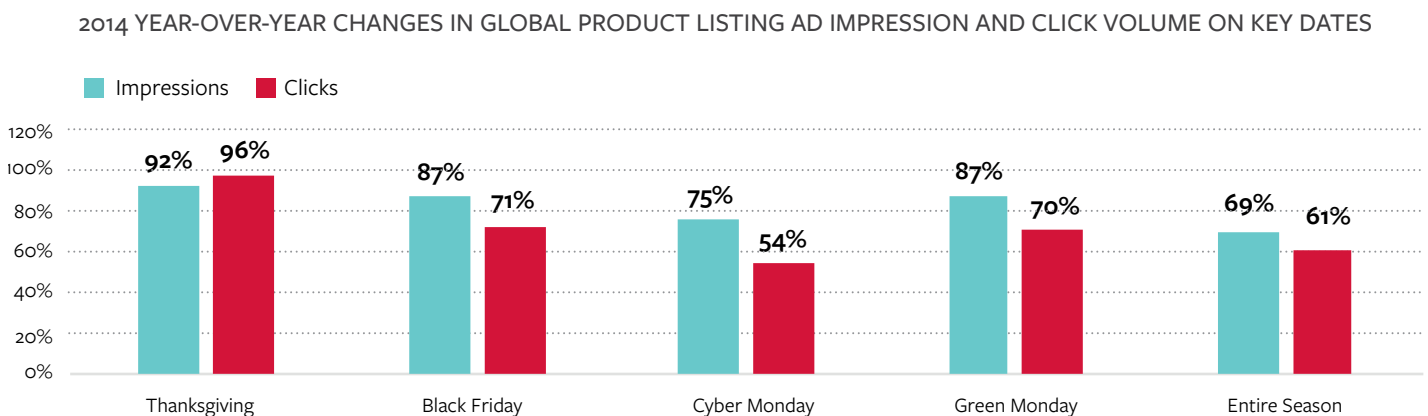
PLA conversion rate spikes on key dates, peaking on Cyber Monday



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Similar to 2013, PLA conversion rates spiked on Cyber Monday, generating the most post-click engagement of any other day. However, conversion rates on Thanksgiving and Cyber Monday rose YoY, creeping up towards that of Cyber Monday. The slight decline of overall conversion rates YoY can may be attributed to consumers shopping around at more retailers and spreading out their purchases.

PLAs generate 50%+ YoY growth in clicks and impressions on all key shopping dates

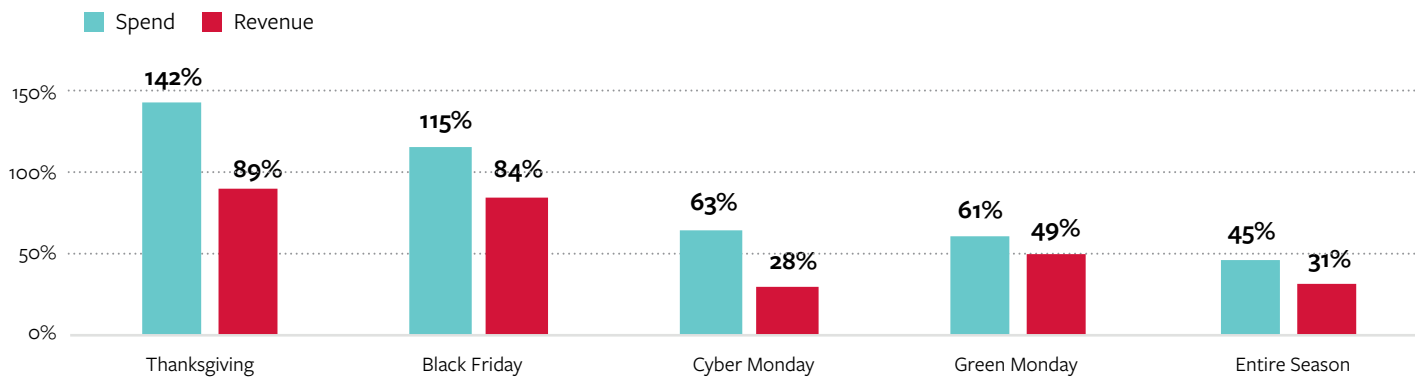


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Because the majority of retailers have adopted PLAs and the search engines are finding more ways to supply inventory, impressions and clicks have increased dramatically throughout the entire peak shopping season. In particular, Thanksgiving and Black Friday generated the highest YoY increases in total PLA clicks.

PLA spend shows triple-digit YoY growth on Thanksgiving and Black Friday

2014 YEAR-OVER-YEAR CHANGES IN GLOBAL PRODUCT LISTING AD SPEND AND REVENUE ON KEY DATES

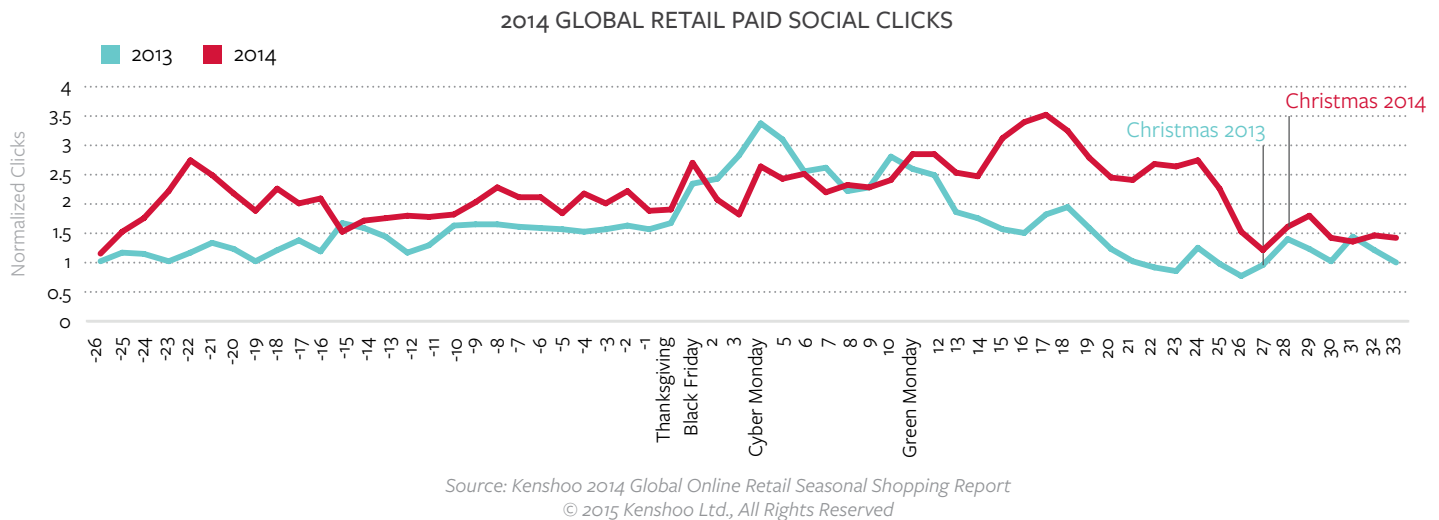


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As many marketers saw success using PLAs during the peak shopping season in 2013, they increased their investment in the ad format in 2014. Most notably, retailers drove a 142% and 115% YoY increase in spend on Thanksgiving and Black Friday respectively, driving over 80% YoY increases in revenue on both days.

Global Social Trends

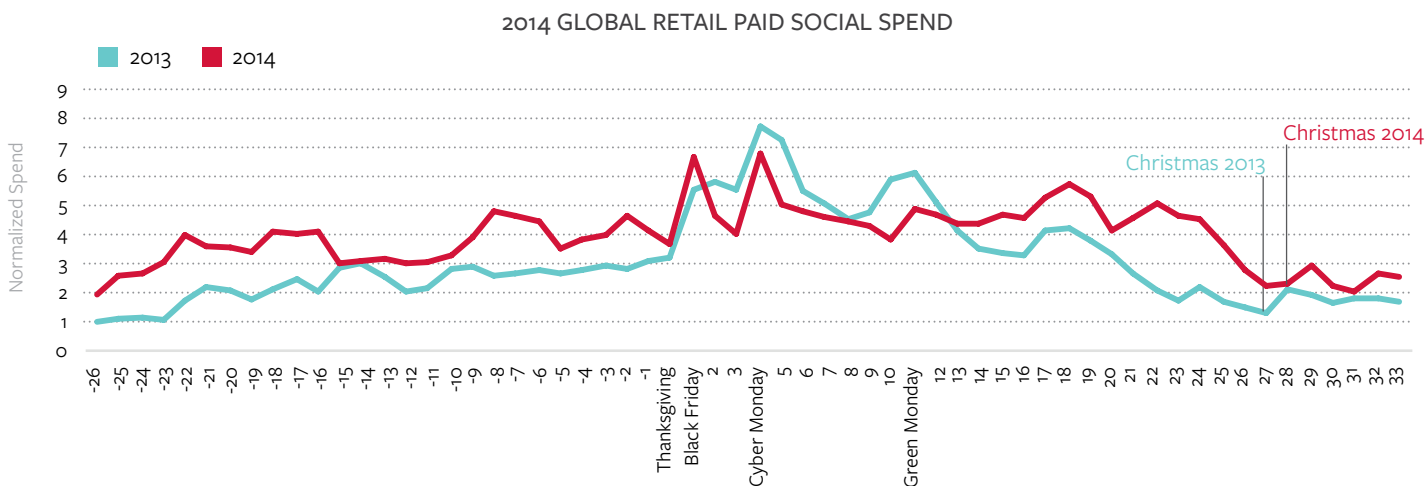
Evolving Facebook environment spurs YoY drop in impressions and fluctuation in clicks



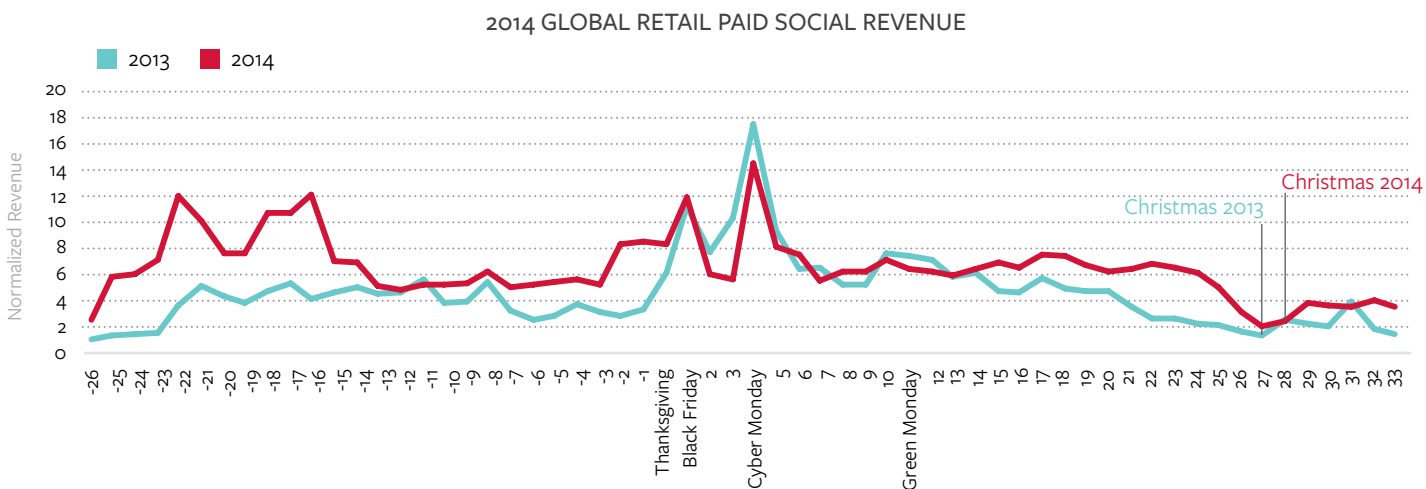
As with many other channels, the Facebook ecosystem is ever-evolving. This reality is clear when comparing the 2014 shopping season to that of 2013. Retailers noticed a clear drop in impressions in the 2014 season due to the shift in prevalence of right hand side ads to the page post ad format in the News Feed, along with increased mobile usage by consumers and competition by advertisers for mobile ad views. The shifts in inventory, along with better targeting by marketers, means that fewer impressions are required to reach high-value audiences.

When honing in on clicks throughout the 2014 shopping season, retailers generated peaks on traditional key dates including Black Friday and Cyber Monday along with non-traditional key dates closer to Christmas Day. Typically, high-intent consumers lean on more traditional direct response channels such as search to research and make purchases on key dates, as reflected in the lower social click volume.

Social spend sees bumps on key dates with strong return



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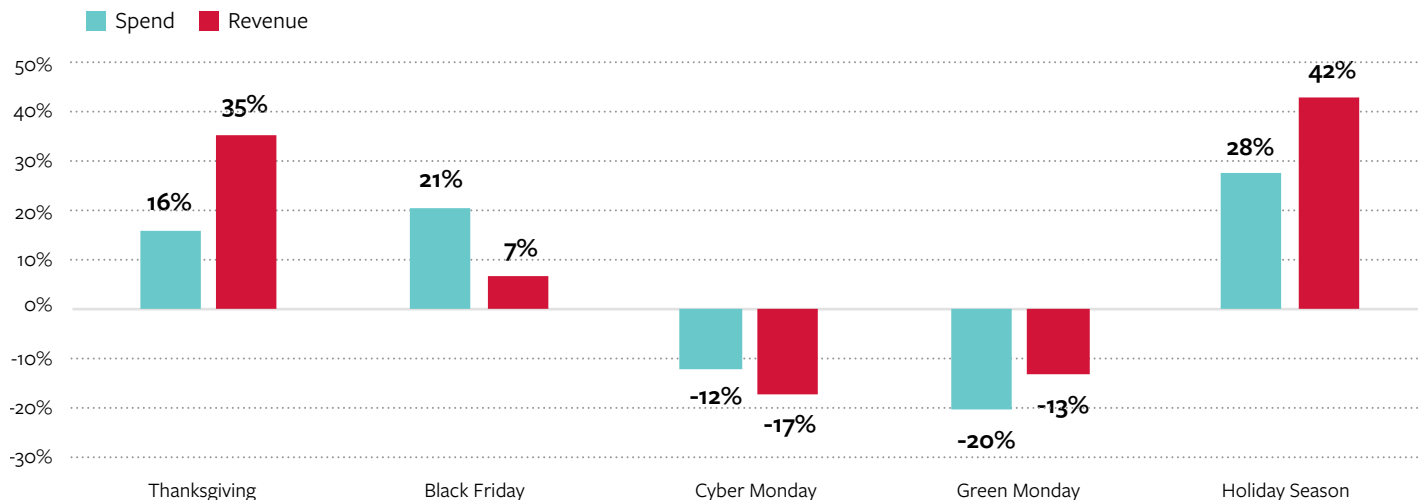


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Retailers increased paid social investments throughout the peak shopping season, allocating more towards the beginning of the season while also allotting budget bumps on key dates, particularly on Black Friday and Cyber Monday. These two days also witnessed peak returns for retailers this year as these marketers have become more attuned to well-informed bidding strategies to make the most of budgets.

Thanksgiving 2014 drives 35% increase in total paid social revenue

2014 YEAR-OVER-YEAR CHANGES IN GLOBAL RETAIL PAID SOCIAL SPEND AND REVENUE ON KEY DATES

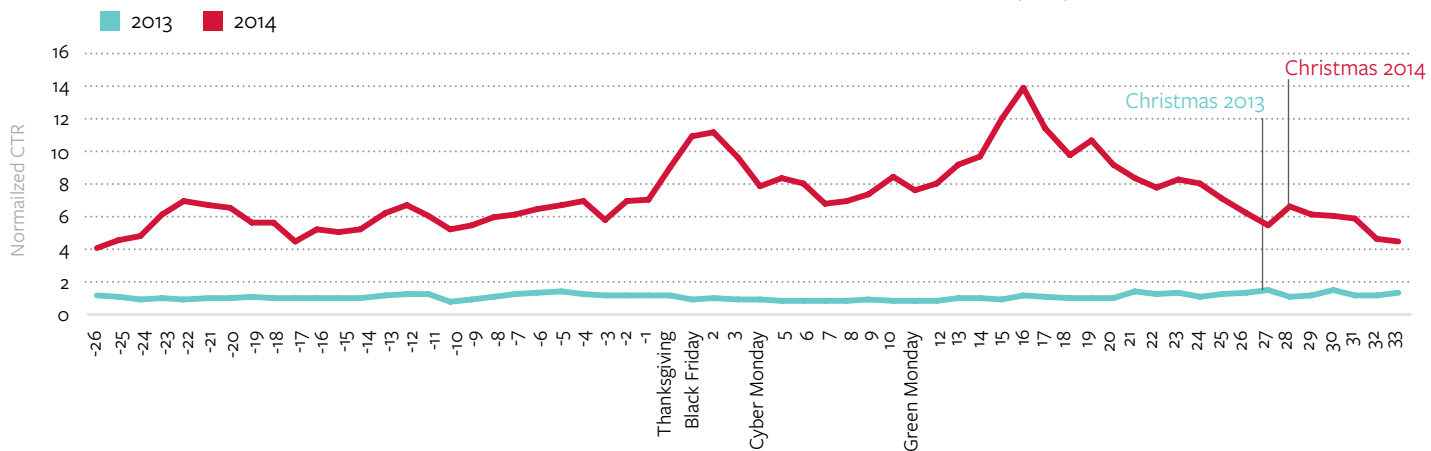


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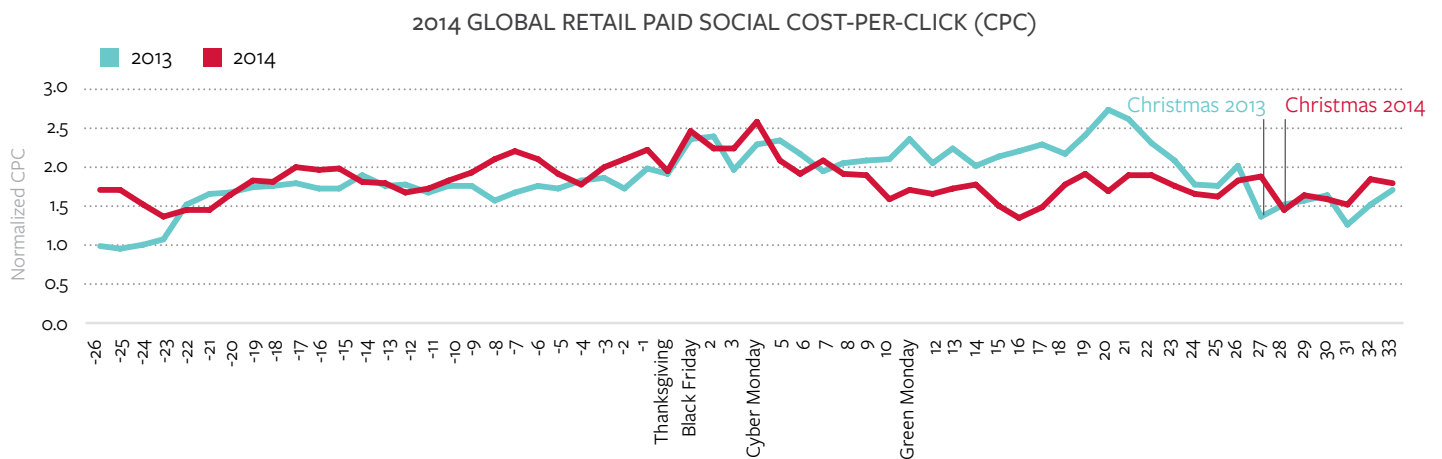
2014 showed the rise of Thanksgiving (and the days leading up to it) for social marketers, producing notable revenue boosts over 2013. This could point toward social beginning to follow the trend of the growing impact of the early shopping season leading up to Thanksgiving as witnessed across search.

Social CTR soars in 2014 season compared to last year

2014 GLOBAL RETAIL PAID SOCIAL CLICK-THROUGH RATE (CTR)



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Source: Kenshoo 2014 Global Online Retail Seasonal Shopping Report
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Social marketers have become significantly more efficient, as witnessed by a dramatically higher click-through rate this festive season at a lower average CPC than last year.

As the Facebook ecosystem has witnessed noted structural changes, retailers seem to be adapting, reaping the benefits of more engaging ad types and adjusting strategies to pinpoint audiences and promote high-performing products.

Key Marketer Imperatives



www.kenshoo.com/seasonal-sem-guide

To maximize performance for seasons to come, marketers must iterate their strategies and always put the consumer first. By enhancing [every step of the path with your customers](#) — from keywords, ads, and bids, to website landing pages, follow-up tactics, and optimization — you will be able to capitalize on all opportunities during this important time of year.

For more tips on how to maximize paid search marketing during the peak shopping season, download [The Kenshoo Guide for Retail Search Marketers](#).

Be Device Conscious

Consumers are relying on multiple devices to search for products, interact with brands, and purchase goods and services throughout the peak shopping season. Marketers should not see this trend as a threat, but an opportunity to engage with consumers more often and influence purchase decisions.

To meet KPI goals, marketers need to be sure to provide consistent, relevant messaging across all channels and create a [seamless, mobile-optimized experience](#) for consumers, even through the post-click. Take into account the consumers' intent when searching on each device and tailor his/her experience accordingly. Be sure to take into account mobile apps as well; track activity holistically to measure and understand true customer [lifetime value](#). Kenshoo offers a mobile SDK to measure in-app activity and provide insights that can direct optimization strategies.

Maximize Google Shopping Campaigns

Consumer product interest and intent is very high throughout the peak shopping season, giving marketers the perfect opportunity to leverage Product Listing Ads (PLAs) via [Shopping Campaigns](#). But utilizing this ad format is the first step – the real challenge is enhancing your product feed and optimizing these ads to promote your best performing products to drive sales, revenue, and conversions.

Apply Custom Labels to classify product and aid in monitoring, reporting, and bidding. Make use of available benchmarking data to understand the PLA competitive landscape and where more or less aggressive bid strategies can be applied. Finally, leverage bespoke PLA bid policies offered by Kenshoo to account for the nuances of the Google Shopping marketplace.

Use Social Channels to Reinforce Messaging and Drive Engagement

There are a shrinking number of slots to get in front of audiences organically on social media. The good news: social ad formats are becoming more engaging and audiences are responding.

It is critical for marketers to understand these dynamics and leverage cross-channel insights to inform social programs. Kenshoo Intent-Driven Audiences allow marketers to automatically target users with search intent on social networks. In addition, retailers can take advantage of Kenshoo Demand Driven Campaigns (DDC) which allow you to automatically turn top performing products on PLAs into Facebook ads. These solutions ensure consistent messaging and optimal targeting for [cross-channel success](#).

Leverage Insights on Past & Future Performance to Inform Your Strategy

Past performance can be a good barometer to help you develop your overall digital marketing strategy during times of reoccurring seasonality, such as the festive season.

However, each year brings new opportunities, obstacles, and calendars – lean on [predictive media](#) tools to steer your efforts. [Kenshoo Halogen](#), for example, uses a wide variety of first-party data and market intelligence to provide forecasts and scenario plans that can be automatically applied to active campaigns.

Glossary

Formulas

Click Through Rate (CTR) = Clicks/Impressions

Cost Per Click (CPC) = Cost/Clicks

Return on Ad Spend (ROAS) = Revenue/Cost

Terms

Black Friday: The Friday after U.S. Thanksgiving Day. In 2013: November 29th. In 2014: November 28th.

Click: When a potential customer clicks on an ad and is taken to the retailer's website or mobile application.

Conversion: An action taken by a customer to make a purchase or complete a retailer-defined goal after having been brought to the website or application by an ad.

Cyber Monday: The Monday following U.S. Thanksgiving. In 2013: December 2nd. In 2014: December 1st.

Green Monday: The second Monday of December. In 2013: December 9th. In 2014: December 8th.

Impressions: The number of times an ad is displayed on a website.

Product Listing Ads (PLAs): The ad format for Google Shopping that is linked to a product feed and contains an image.

Revenue: Money earned by a retailer for their online sales driven by ads. Note: Revenue takes into account each individual retailer's attribution model.

Shopping Season: Time period including 26 days prior to U.S. Thanksgiving plus 33 days after. In 2013, this reflects Nov 2 – Dec 31 and in 2014, Nov 1 – Dec 30. Also referred to as Festive Season.

Spend: The amount of money an advertiser spends on their ads.

Methodology

The data analyzed in this report reflects a representative cross-section of Kenshoo clients (advertisers and agencies) managing paid search programs for the retail vertical with active campaigns tracking impressions, clicks, conversions and revenue from November 1, 2013 through December 31, 2014. All year-over-year (YoY) comparisons are from retailers engaged in paid search marketing in both the 2013 and 2014 seasons so key metrics can be considered “same store sales.”

This index includes all major retail categories such as, but not limited to, electronics, books, apparel, appliances, shoes, sporting goods and more. All data is accurate as of January 2, 2015 but subject to change as delayed conversions continue to accrue.

The data set covers over 60+ billion paid impressions and clicks on search engines like Google, Yahoo!, and Bing and social channels like Facebook and Twitter that delivered more than \$4 billion dollars in online sales revenues during the November and December periods in 2013 and 2014.

For all charts with day-over-day breakdowns, volume metrics have been normalized to a factor of 1 based on the initial volume for the first day of data. Data points from subsequent days are based on a multiplier from the first day. For example, 3.1 means that volume is 210% greater than volume on initial day measured.

About Kenshoo

Kenshoo is the global leader in predictive marketing software. Brands, agencies and developers use Kenshoo Search, Kenshoo Social, Adquant by Kenshoo, Kenshoo Local, Kenshoo SmartPath, Kenshoo Halogen, and Kenshoo Anywhere to direct more than \$200 billion in annualized 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 digital marketing 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, John Lewis, Resolution Media, Sears, Starcom MediaVest Group, Tesco, Travelocity, Walgreens, and Zappos. Kenshoo has 27 international locations and is backed by Sequoia Capital, Arts Alliance, Tenaya Capital, and Bain Capital Ventures. Please visit www.Kenshoo.com for more information.

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