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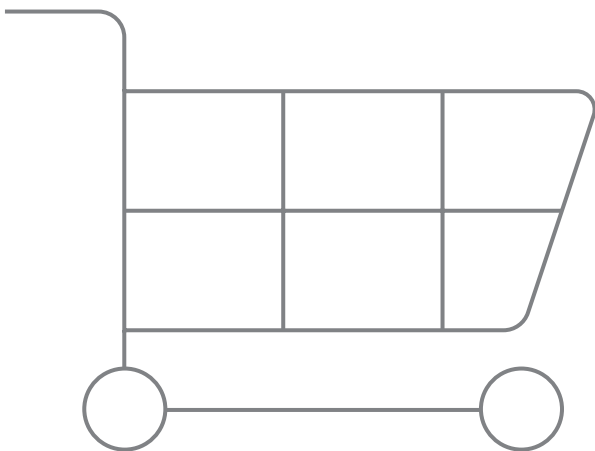
A Click Consult whitepaper

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# eCommerce and Search Marketing

## *Emerging Trends and Opportunities*

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## Introduction

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eCommerce customers are multi-channel and multi-device users, flitting between website, emails and social media pages using an array of sophisticated devices, from smartphones to tablets and everything in between.

While bricks-and-mortar stores are by no means redundant, the entire retail experience now exists online, too, and the success of your brand hinges on how well you optimise your digital presence and your customers' experiences (CX).

We examined our own eCommerce clients' data to identify search trends over Q4 2016 (October to December 2016), to gain an understanding of consumer behaviour, comparing it with previous years and across devices.

### We looked at:

- How research and conversion behaviour has differed over the past three years for the customers of our paid search (PPC) clients in the run up to Christmas
- The proportion of paid search budget clients spend on Google's Product Listing Ads, compared with standard search ads, over the past three years
- The behaviour of organic search visitors to retail clients sites across different devices over Q4 2016

## What are the industry figures?

Business Insider's [eCommerce Industry Insider](#) reported that 2016 was a big year for search as a referral source for retailers. Meanwhile, it found that retailers are trying new approaches to reach customers as their tastes change and shoppers move increasingly toward mobile devices.

A strong omni-channel eCommerce marketing strategy – which recognises that customers may start their journey on one channel or device, then move to another on the path to conversion – is now a key consideration.

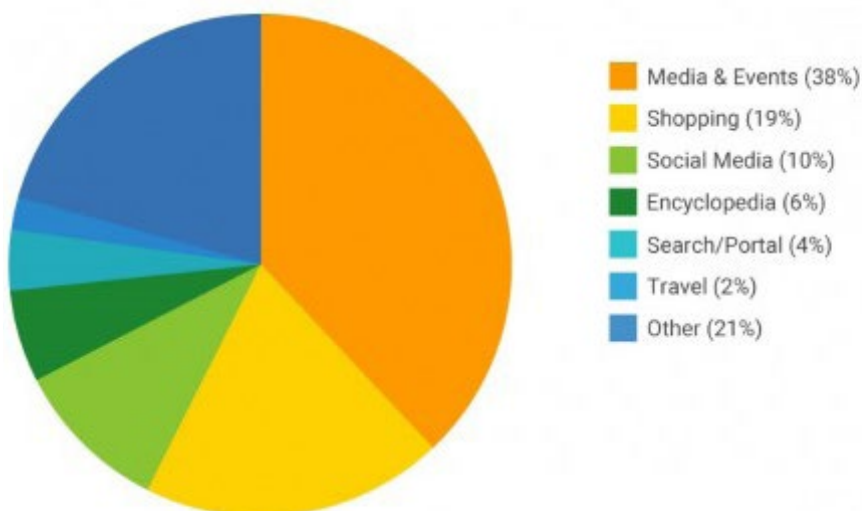
Further industry research shows that digital continued to play a pivotal role in driving sales for UK retailers in the final quarter of 2016.

Helen Dickinson, chief executive of the [British Retail Consortium](#) (BRC) said: "In December, the online penetration rate for non-food remained above 20% for the 25th consecutive month and the channel won its greatest share of Black Friday and Christmas sales to date. It is no surprise therefore that today's figures, which show high double digit growth of mobile search volumes across most UK brand categories, are consistent with this trend."

Searchmetrics' annual [Winners and Losers Report](#) showed that shopping websites performed particularly well over 2016, with nearly a fifth (19%) of sites that 'won' falling into this category. Searchmetrics attributed this trend to "relatively steady economies" and "strong economic recovery". The annual report tracks changes in websites' SEO visibility over 2016, giving an overview of how often a website shows up in search results, based on search volume and the position of ranking keywords.

In 2016 online retailers overtook high street shops for the very first time, according to [Close Brothers Retail Finance](#). Managing Director Alex Marsh said: "Consumers' desire to research and purchase items online and on mobile is clearly now a staple of our retail landscape and will only increase as further technological advances are made."

### Winner categories 2016 - Google.com



## Our findings

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### Retailers need to plan retargeting campaigns well in advance of seasonal events

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First of all, our PPC team analysed a number of retail clients in the two weeks up to their respective last delivery dates for 2014, 2015 and 2016.

We initially looked simply at how the number of people who made their purchase in just one interaction evolved over time.

The percentage of people who made their purchase with no prior online research were:

**2014:** 59.55%

**2015:** 60.95%

**2016:** 62.10%

This shows that either; people are moving towards making snap decisions with no prior online research, or that research is being done on a different device to that used to make the purchase.

It also suggests that ads and searches are becoming more effective.

Further investigation examined how the behaviour of those who actually did research has changed over time.

To do this, we set up a conversion segment to exclude people who purchased with a conversion path length of 1.

The table below shows the findings. As we can see, the number of people who did not purchase on the same day that they started their research has increased every year. The same is also true for every bucket of days researched up to 90 days.

Days researched before purchase	2014	2015	2016
1 to 90	68.38%	77.68%	79.06%
12 to 90	52.47%	65.59%	66.93%
31 to 90	37.41%	51.03%	53.09%
61 to 90	20.39%	31.56%	33.30%

Our stats give us the really interesting insight that people who do research are starting their research much earlier.

[BRC research](#) shows that seasonal occasions and events prompted the highest volumes of browsing activity in 2016.

When combined with our own findings, this provides the insight that advertisers should start building up their retargeting audience lists much earlier in order to bring the traffic back in the final weeks before a big event.

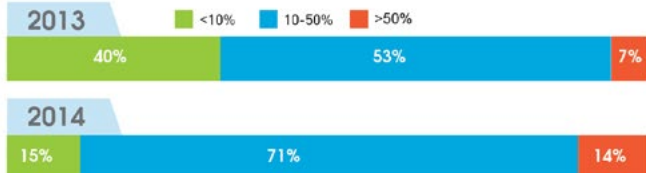
Similarly, retailers need to focus on research terms much earlier in order to garner potential customers weeks in advance of an event.

# VITAL STATS RETARGETING IS REALLY SHAPING UP

AdRoll

## Investment in retargeting goes up year over year

How much of your budget goes to retargeting?



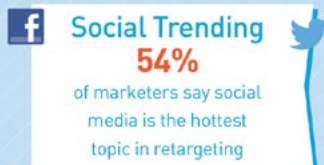
Of companies with over 1,000 employees, 24% spend at least half of their online ad budget on retargeting.

## Retargeting stands its ground against the titans of performance



## Marketers are using retargeting in new and interesting ways:

- Brand awareness
- Social engagement
- Customer retention
- Driving sales



## Measurable success goes cross-device

54% of marketers are currently retargeting on mobile

## How do you measure campaign success?

It's a tie! Success means sales *plus* understanding the customer.



AdRoll's research shows that retargeting performs as well as, or better than, other channels

This strategy takes on a whole new level of importance when you consider that over 90% of marketers responding to a [poll by AdRoll](#) stated that retargeting performs equally as well as, or better than, any other variety of marketing. AdRoll's President and CMO Adam Berk puts this high level of performance down to retargeting being driven by "data based on user intent"

(While these findings are significant and conclusive, the main limitations are the difficulties surrounding cross-device tracking for multi-touch conversions, and also how offline research feeds into this.)

## Google Shopping continues to deliver impressive ROI

We also focused in on clients that have consistently used both standard search ads and Product Listing Ads (PLA ads – the format used for [Google Shopping Campaigns](#)) in Q4 for the last three years in terms of the percentage of their Google Search spend. There is a definite trend towards PLA:

Year	Standard ad budget share	PLA budget share
Q4 2014	67.36%	32.64%
Q4 2015	59.73%	40.27%
Q4 2016	56.85%	43.15%

This increase in budget allocation corresponds with an increase in our clients' ROI for Google Shopping Campaigns.

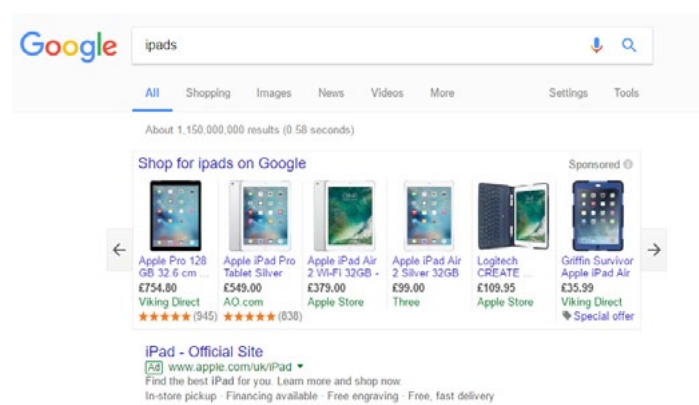
Our findings support industry research from Business Insider which shows that consumers are spreading out their retail purchasing across channels, forcing retailers to spread out their online marketing budgets and backing the model of omni-channel marketing.

Their [eCommerce Industry Insider report](#) attributes a growth in paid search spend - search ad spending grew 18% YoY in Q4 2015, compared with 5% growth during Q4 2014 - to Google's introduction of carousel ads for Shopping Campaigns.

## Product Listing Ads (Google Shopping) drive conversions

Business Insider's report also found that retail revenue coming from Google Shopping grew 52% year-over-year in Q1 2016, which means shoppers are increasingly clicking on Google ads rather than going directly to a retailer's site or third party marketplaces like Amazon and eBay. This means the opportunity for retailers is immense.

It seems that shoppers who are high in intent but still undecided turn to images and clearly marked prices to narrow down their choices and turn them from browsers into buyers.



Ultimately, Google's success in monetising retail-related search suggests that Shopping Campaigns will continue to be an important part of brands' and retailers' marketing mix going forwards.

Allowing advertisers to showcase their products visually and display prices, customer reviews (star ratings) and special offer tags, Google Shopping is a powerful medium to make ads stand out.

## Optimising for mobile is paying off for retail brands

Next, we looked at the organic search (SEO) traffic across both our eCommerce and non-eCommerce clients in Q4 2016, broken out by device and comparing:

- Time on site
- Bounce rate
- Conversion rate

eCommerce Comparison	Average time on site	Average bounce rate	Average conversion rate
Mobile vs Desktop	-50.0%	33.1%	-5.0%
Desktop vs Mobile	100.0%	-13.2%	5.3%
Mobile vs Tablet	-35.2%	15.2%	-46.3%
Tablet vs Mobile	54.3%	-13.2%	86.1%
Desktop vs Tablet	29.6%	-13.5%	-43.4%
Tablet vs Desktop	-22.8%	15.5%	76.7%
Non- eCommerce Comparison	Average time on site	Average bounce rate	Average conversion rate
Mobile vs Desktop	-34.0%	27.2%	-14.1%
Desktop vs Mobile	51.5%	-21.4%	16.4%
Mobile vs Tablet	-21.4%	6.0%	-7.3%
Tablet vs Mobile	27.2%	-5.6%	7.9%
Desktop vs Tablet	19.1%	-16.7%	7.9%
Tablet vs Desktop	-16.0%	20.0%	-7.3%

*Organic traffic for retail clients for Q4 2016*

As we expected to see, bounce rate is lower on desktop than mobile and tablet, regardless of whether or not the site is eCommerce.

Tablets see by far the highest conversion rates for eCommerce: 86% higher than for mobile and 76% more than desktop. (Desktop comes out as the top converter for non-eCommerce.)

However, of particular interest is that while all users spend less time on mobile than other devices, eCommerce consumers spend significantly less time on mobile versus non-eCommerce consumers. At the same time, mobile

is less of a barrier to conversion for eCommerce than for other types of online business, producing only 5% less conversions than desktop, compared with -14.1% for non-eCommerce sites.

### Why could this be the case?

Our SEO experts believe retail businesses have been [optimising for mobile](#) longer than those in other industries, and therefore offer users a better experience, allowing them to more quickly find and purchase what they're looking for.

## Mobile just keeps on growing

Google's move to start testing with a [mobile-first index](#) at the end of 2016 was in recognition that more searches are carried out on mobile devices than desktops and tablets. In other words, desktops are now a secondary technology, and mobile devices are primary.

It seems that online retailers experiencing underperformance on mobile may only have themselves to blame, as many still aren't using best practices for mobile websites and apps. Business Insider's [eCommerce Industry Insider](#) reports that mobile is continuing to drive the most sales growth for retailers, but sales still aren't keeping up with retail traffic.

Martijn Bertisen, retail director at Google says: "In this mobile-first world, having a great user experience is crucial for our retailers. A recent Google study found that only five of the top 20 UK retailers' mobile sites load in less than two seconds."

According to this [analysis by Ian Mills of Magicdust Web Design](#), mobile buyers are different - they want to get information quickly and simply, compared with desktop users, who are more patient and cautious. Many mobile online purchases are impulse buys, and they spend more money on a single purchase than their desktop counterparts do.

So mobile continues to drive the most sales growth for retailers, but sales still aren't keeping up with retail traffic. By making their websites mobile-friendly with a simple purchase path, retailers can eliminate barriers to conversion.

## Conclusion

- Retailers need to plan retargeting campaigns well in advance of seasonal events
- Google Shopping continues to deliver impressive ROI
- Showcasing products visually drives paid search conversions
- Optimising for mobile is paying off for retail brands
- Mobile just keeps on growing

2016 proved to be the tipping point for the recent rapid change in consumer shopping habits.

Convenience is key and giving customers what they want in the way they want is essential. For 2017 and beyond, it is critical that retailers continue to adapt to current trends and personalise the shopping experience, both online and instore, in order to compel consumers to spend with them.

## Let's talk about increasing your sales today

Call us today on **0845 205 0292** or [contact us](#) online to find out how we can help maximise the profitability of your eCommerce business.

## Our accreditations



Accredited Professional

