An effective performance marketing strategy must navigate various tools and a sea of information before formulating by shifts in customer behaviour and technological advances. Retailers performance-based online marketing has been significantly impacted and allowing you to fulfil demand before your competitors. However, intent, delivering powerful insights into what your customer wants Pay-per-click advertising is unique in its demonstration of search increasing site traffic, generating leads and boosting conversions. Search offers a highly measurable model for from the earliest phases of e-commerce. Paid form of performance-based online marketing

This report explores the current landscape of performance-based online marketing landscape and offers new insights into using this powerful technique to engage your customer. It combines expert opinion and best practice examples to inspire you to embrace performance-based online marketing.

We’d like to thank our industry sponsors and contributors who have provided best practice advice and offered unique insights into this challenging dimension of retail.

Neha Kale
Business Writer
Power Retail

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Welcome to Power Retail’s Special Report on Performance-based Online Marketing.

Retailers and marketers have employed some form of performance-based online marketing from the earliest phases of e-commerce. Paid search offers a highly measurable model for increasing site traffic, generating leads and boosting conversions. Pay-per-click advertising is unique in its demonstration of search intent, delivering powerful insights into what your customer wants and allowing you to fulfil demand before your competitors. However, performance-based online marketing has been significantly impacted by shifts in customer behaviour and technological advances. Retailers must navigate various tools and a sea of information before formulating an effective performance marketing strategy.

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Power Retail is Australia’s news and information resource for the online and multichannel retail community. The medium exists to help bridge the knowledge gap between what is being done and what can be done in e-commerce retailing.

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www.onlineretailer.net
Navigating the PPC Landscape

WORDS: Neha Kale

Marketers have capitalised on the unique potential of paid search since the dawn of e-commerce. The method was first presented as a proof-of-concept by search veteran Bill Gross in 1998, and was widely embraced for its ability to drive site traffic and online sales. For many retailers, the highly tactical and measurable nature of paid search distinguished it from its organic counterpart, and offered a more results-driven approach to capturing customers. However, the days of desktop search have given way to a cross-channel customer landscape, where shoppers are constantly connected and wiser than ever to the efforts of marketers.

A Forrester Research report has revealed that Australian online retail sales will double from $16.9 billion in 2009 to $33.3 billion in 2015, with a majority of shoppers conducting research online before they visit a bricks-and-mortar store. As the lines between online and offline become increasingly blurred, the execution of paid search strategies pose a greater challenge to retailers.

Despite this, the 2011 Search Marketing Benchmark Report by Marketing Sherpa has found that businesses have been slow to tackle this challenge by taking a surprisingly informal approach to pay-per-click (PPC) marketing, the most commonly used paid search tactic. PPC Marketing, a long-time and highly effective online marketing model where businesses pay advertising networks for clicks on sponsored ads, has been significantly impacted by technological innovation and shifts in customer behaviour. Marketing Sherpa found that 59 percent of the businesses surveyed did not have a formal process in place for PPC with 21 percent lacking a firm strategy for their paid search campaign. This verdict is disappointing, given the level of sophistication PPC demands, the various PPC tools available to businesses and the method’s proven success when it comes to increasing sales leads, traffic, conversions and online revenue.

Damien Donnelly, Customer Insights and Search Analyst at Salmat Digital, thinks that PPC marketing is a powerful way for online retailers to make a difference to their bottom line. “PPC marketing is versatile and lets you be as dynamic as you want in terms of increasing your spend levels. It’s highly measurable and can be tied to conversion dollars and revenue goals,” he says.

“You can build yourself a profit-making machine where you know what it will cost you to bring people in and what their percentage rate is to convert.”

Along with the potential of PPC to drive profits for online retailers, the method has a proven ability to raise brand metrics such as aided awareness, purchase consideration and purchase intent for various products according to a 2008 survey by Google’s US Consumer Packaged Goods Team. In Australia, PPC campaigns have contributed to the success of retailers such as LG Electronics, who were able to increase traffic by 65 percent after a month-long PPC campaign that involved the development of extensive keyword lists and ad groups.

However, Donnelly is cautious about the financial implications of PPC for businesses and suggests that data should be central to a solid paid search strategy. “There’s a fairly large overhead in managing PPC well. Learning to let the data guide your decisions is often quite hard to do,” he continues.

Ross McDonald, Head of Retail and Consumer Goods at Google agrees with Donnelly’s emphasis on prioritising data when establishing PPC performance indicators and campaign objectives.

“The most important thing is to have some tools for tracking and measuring ROI. The difference between having a system and not having a system is night and day. You’ll be surprised how many websites out there don’t have tracking codes and how many people don’t link through to marketing activities,” he comments.

McDonald cites Google’s free Google Analytics tool as essential for retailers looking to optimise their performance-based marketing. Google Analytics links seamlessly to Google AdWords and both should be staples in PPC toolkits.

But the problem with measuring and tracking PPC campaigns has little to do with the plethora of tools and programs available to retailers but with issues that stem from mis-attribution.

Marketers often determine keyword ROI using a ‘dollars-out-dollars-in’ method, which tracks the sum of money spent on an ad campaign against the revenue generated over the same time period. The downfall of this slice-of-time measurement is that it is like comparing apples to oranges – analysis of this week’s channels, keywords and ads against revenue earned the same week does not account for revenue that may have been generated by an ad from months earlier.

As ROI becomes the focal point of the increasingly competitive online marketing arena, search engine marketers need to embrace a more nuanced approach to attributing revenue and quantifying the value of PPC campaigns.
According to Chris Garner, Media Director at DGM Affiliate and Search Marketing, the difficulty often lies in tracking systems, an area often overlooked by retailers. Where conventional methods of PPC measurement rely on a cookie hierarchy, which often lacks context about the factor that triggered those clicks, best practice calls for an accurate and holistic view of the customer buying cycle.

“We have a system that’s able to track through to an order ID that directly refers back to a customer, so we can reward the affiliate or the channel for the sale. There’s a different amount of profitability for each customer and it’s really fundamental that you break it down to that level,” Garner highlights.

For Donnelly, the failure to implement best practice measures when it comes to optimising paid search comes down to one thing: “People do things because they’re easy, not because they’re correct.”

Donnelly identifies broad-matching as a common strategy that might provide short-term clarity but prevent retailers from seeing the bigger picture. “When you broad-match, you don’t see the granularity of the data that you need to make informed decisions later and you open yourself up to letting Google and other search engines match you against keywords that you’re clearly not relevant for. The resultant data has a high bounce rate and lower conversions and that can be an expensive lesson for retailers to learn,” he explains.

Donnelly suggests that employing long-tail search to reach the widest range of prospective customers might be a safer option than bidding on highly sought-after keywords. “You’re probably better off digging in non-competitive spaces on long-tail terms that have lower prices than those that are highly targeted,” he continues.

Smigler highlights the importance of a highly scalable, hierarchical campaign in equipping retailers to quickly spot and implement new trends.

Incorporating long-tail terms, along with your most commonly searched keywords, is a hallmark of a good PPC campaign. Writing in Practical E-Commerce, Scott Smigler outlines what constitutes a good structure for PPC campaigns. He suggests that an optimal campaign structure allows online retailers to quickly respond to search engine changes while offering a hierarchical perspective of a retailer’s inventory grounded in search volume, categories, brands, audiences and margins. A healthy PPC campaign structure makes it easy for merchants to:

- Identify profitable opportunities before their competitors
- Identify the shortcomings of their own campaigns quickly and reallocate funds and change targeting efficiently
- Respond to store activity such as new inventory and promotions in an effective manner

Smigler highlights the importance of a highly scalable, hierarchical campaign in equipping retailers to quickly spot and implement new trends.

Frank Grasso, CEO of e-channel Search is an advocate of using inventory to guide your PPC campaign. “If someone is searching for new shoes and you don’t have new shoes then you have no business buying that keyword,” he says. “Relevance is the first issue. You need to make sure that you fulfill the keywords that you’ve selected.”

Getting your fulfilment and inventory right and using this as the basis for your keyword taxonomy should be the first priority for retailers. “We call it PPC for a reason – it’s pay-per-click. PPC marketing should really be fulfilling the need for a search term,” he continues.

It is this presence of search intent that makes PPC marketing such an attractive advertising model for retailers, according to McDonald. “The clear benefit of PPC is that it targets people at the exact moment of relevance. You can target them when they are transacting. You know that you’re talking to someone who actually wants to listen to your message.”
TRENDS IN PAID SEARCH
Local, Social and Mobile – three buzzwords that are fast shaping the landscape of performance-based online marketing. Power Retail asked the experts to share their thoughts on these potentially game-changing trends.

LOCAL
I think location-based marketing will become much more prominent. Google is getting much better at organising their results page specific to the intent of the search, pulling different data from sources such as Maps, Places and other Google Products. Google seems to be building highly targeted spaces and I think each one of these verticals is going to find a way to claim a paid spot in universal search.” – Damien Donnelly, Manager – Customer Insights and Search Analyst, Salmat Digital.

SOCIAL
There is a misconception in the market that Social is Facebook, but if anything Facebook is an enabler of Social, not Social itself. If we think about how we now interact socially online, sharing reviews, writing comments against a news article, passing on the latest hot deal from a group-buying site such as Spreets, or having a conversation on Facebook or Twitter about a brand, product or experience it is clear that social truly is the way people interact, not the platform on which they do it. For this reason social can only positively impact search engine marketing, as it can enhance awareness of a brand, and the performance of a search engine marketing campaign. It is important that marketers have a clear social strategy online” – Claire Seldon, Head of Search Marketing, Yahoo?

MOBILE
“In terms of Mobile Search, nearly 50 percent of customers have smartphones. You still have all the benefits of pay-per-click, but what mobile does is allow all sorts of different targeting. It lets the social and local elements come together to create more relevant moments for people.” – Ross McDonald, Head of Retail and Consumer Goods, Google.

FOCUS ON AFFILIATE MARKETING
Affiliate marketing is form of performance-based advertising where an online retailer or advertiser attracts traffic by placing an ad on an affiliated website. The affiliate then receives a payment if the customer performs a predetermined action (such as a click, sale or newsletter sign-up) on the advertiser’s site.

Forrester Research’s Affiliate Marketing Forecast for 2009-2014 predicts that the affiliate marketing industry will jump from $1.9 billion in 2009 to $4 billion in 2014. Widely used in the US and the UK, affiliate marketing promises retailers benefits such as increased sales and a wider customer reach. Affiliate marketing is based on a Cost Per Action model and requires every click or sale to be tracked so that the correct revenue is attributed to each affiliate. Tracking is either run in-house by the merchant or by an affiliate network.

“One of the benefits of having an affiliate network is that they’re managing thousands of websites across the Long Tail,” says Fi Bendall, Director of the Bendall Group. “But here in Australia, you could almost do it yourself.”

Businesses often join existing networks as it lets them tap into an expansive community of affiliates hungry to earn new commissions. However, Bendall stresses that it’s important to qualify your affiliates as they essentially serve as a virtual sales force for your brand.

The most important concept to remember when choosing an affiliate network is sustainability. It is in your best interest to attract high-quality affiliates who can benefit your business and your brand.
I’ve been told before that only large companies can afford to accurately track the effect of their advertising spend. Although this is far from the truth, it seems to be a message blindly accepted by online retailers and small businesses. Seventy percent of the digital audits I complete for SMEs come back to the same problem – ineffective tracking of digital marketing spend. It is crucial to track every possible outcome while determining and measuring ROI. Here are my top tips for understanding and strengthening your digital efficiency:

1. TRACK HOW MANY PHONE CALLS THE WEBSITE GENERATES BY ADVERTISING CHANNEL.

Technology has advanced to the point where not only can we track phone calls, but also the source that drove the user to your website. For example, you should know exactly how many calls your pay-per-click (PPC) campaigns generated, as opposed to Facebook, Yahoo or email direct marketing (EDM) pieces.

You can achieve this by working with a call tracking and marketing analytics firm to insert dynamic code around the phone number/s on your website. This allows you to display a unique 1300 number to users, generated by the advertising channel that directed them to your website. You can then work backwards to integrate these results with your online metrics to uncover the exact cost per acquisition for each advertising channel and optimise your spend accordingly.

The data is so sophisticated you can even see what a user typed into Google prior to making the phone call. Deepening your understanding of your highest-performing marketing channels is key to formulating a PPC strategy that is right for your business.

2. TRACKING ONLINE ENQUIRY FORMS AND E-MAILS.

You should most definitely be tracking online enquiry forms and email buttons along with your phone calls. Simple analytics tracking codes will allow you to do this through advertising channels, and this should feed back into your cost per acquisition across both leads and sales.

3. TRACKING AND GROWING NEWSLETTER SUBSCRIPTIONS.

It sounds so unimportant - who cares how many people sign up to our newsletter, we only care if they are purchasing now! If you think this, you need take a deep breath and think about the larger picture. Your newsletter is a free channel to promote sales, product releases or even just low-demand periods. Track the number of people that sign up to your newsletter and develop strategies to maximise effectiveness; it will pay dividends!

4. REVIEW USER ENGAGEMENT STATISTICS.

For some reason, reviewing the role of your website is massively overlooked aspect of digital marketing. I highly recommend reviewing what users are doing on your website, which pages have the highest bounce
Online retailers should know exactly how many advertising dollars it takes to generate a lead or a sale."

Josh Strawczynski, Head of Digital Strategy, Clearlight Digital

UTM TAGS: TRACKING MADE EASY

It is not uncommon for different PPC campaigns to operate concurrently, with people directed to your site from channels such as Bing, Facebook, Google and LinkedIn. As great as this may be for your traffic levels, it poses serious challenges to tracking and attribution.

This is where Urchin Tracking Modules (UTM) tags come in. UTM tags are basically a string of qualifiers that can be added to the end of the URL to help track the source of your web traffic. The tag essentially creates a unique version of the page, setting it apart from versions drawing traffic from other campaigns.

UTM tags allow you to monitor the information you add to the end of your URL through your analytics tool, letting you tie your landing page traffic to the specific campaign that drove it. You can build UTM tags according to the following formula:

http://www.example.com/landingpage?utm_source="sourcename"

WHAT DOES NIRVANA LOOK LIKE?

Online retailers should know exactly how many advertising dollars it takes to generate a lead or a sale. If you are an e-commerce site you should be using tools such as Google Analytics to determine your exact cost to revenue figure by channel. Each of your advertising providers should strive to improve their results month-on-month.

When it comes to onsite metrics, you should be tracking your user engagement by channel. Did the landing page give the customer what they were expecting? If not, how can it be improved? Could it be enhanced using video or more relevant content? It is important to use analytics to assess how customers use your site, and to make your alterations accordingly. Doing this will dramatically improve your long-term results.

Josh Strawczynski works actively in the digital marketing space, is the author of current issues in marketing strategy www.ciims.net. His expertise ranges across PPC advertising, analytical analysis and digital business strategy.
Optimising PPC for Online Retail

WORDS: Bjorn Espenes and Wendy Westerfeld

In today’s competitive online marketplace, getting ahead of the game calls for a strategic approach to marketing your products. As part of this approach, you should ensure that your pay-per-click (PPC) advertising model meets your objectives and sets you on the path to boosting revenue.

PPC campaigns depend heavily on effective keyword selection and careful allocation of cost per keyword. This is why close examination of your keywords and careful planning of your marketing costs are the first steps to PPC success.

It is vital that you choose the right amount of advertising spend for each keyword by carefully thinking about the value of the product associated with that keyword.

GETTING AHEAD WITH GOOGLE ADWORDS

Google AdWords is an essential tool to help your website generate both leads and e-commerce sales. AdWords allows you to steer customers to your business and your website by letting you create ads that display in Google search results, when your keyword is entered to the search engine. AdWords consists of a search engine and a display network where you can pay Google to help you get more visitors to your site. It is an essential tool to help your website generate leads or e-commerce sales.

However, there are several factors that are central to making the most of Google AdWords. You need to make sure that you maximise the visibility of your ad by ensuring it displays in the highest possible position in Google search. This highlights the relevancy of the ad to the search request and will see more people click through to your website.

Google looks at your quality score and your maximum cost-per-click (CPC) to determine where to place your ad on a page. Each time someone clicks on your ad and enters your site, you pay Google for that click. This is where it becomes crucial to know how much you are willing to pay Google for each click or in other words, what you are willing to pay each time someone visits your website. The method is widely used by digital marketers as it clarifies financial targets upfront and makes them easier to hit. However, CPA is a one-size-fits-all method that fails to address important factors such as the lifetime value of the customer.

COST-PER-VALUE (CPV) - A CUSTOM FIT

Although the CPA method is a common practice for online retailers, it can sometimes fail to accurately reflect the value of the conversion. Wouldn’t it be more effective to use a custom fit model per keyword and match type? And if that custom fit could be based on the value of the conversion that the keyword drove? It is best to think of CPV as setting the cost-per-click so that it relates to the value of each conversion.

Since each conversion has a different value, you want to make sure you are paying attention to the total value you are bringing in - not just the amount of conversions or how much it costs you per conversion.

Some keywords might be driving conversions that hold 10 times more value than other keywords, so it would be smart to bid higher for these. Because every conversion is different, you should be conducting custom bidding for the keyword and the match type.

CASE IN POINT – DOING YOUR HOMEWORK

Assume you have an electronics e-commerce storefront, and you sell computer printer products in various price ranges. You have determined that your average order size is $250, and that you can spend 10 percent of the product sale on marketing. You would then use a cost-per-acquisition model to establish that you can spend up to $25 per conversion on your printers.

Imagine that you sell inkjet printers ($50) and laser printers ($2000) and that you have corresponding keywords for these two product categories, with each having the same conversion rate. If using a CPA model, you would determine that you should set the maximum CPCs for each keyword in your printer’s campaign to $0.50.

If the keyword for the laser printer is more competitive than the word for the inkjet printer, the former will attract less clicks and conversions and reach a worse average position:

<table>
<thead>
<tr>
<th>Keyword</th>
<th>Inkjet printers</th>
<th>Laser printers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Max CPC</td>
<td>$0.50</td>
<td>$0.50</td>
</tr>
<tr>
<td>Average Position</td>
<td>1.2</td>
<td>6.2</td>
</tr>
<tr>
<td>Clicks Per Day</td>
<td>400</td>
<td>46</td>
</tr>
<tr>
<td>Advertising Spend Per Day</td>
<td>$200</td>
<td>$23</td>
</tr>
<tr>
<td>Conversion Rate</td>
<td>2%</td>
<td>2%</td>
</tr>
<tr>
<td>Conversions Per Day</td>
<td>8</td>
<td>0.92</td>
</tr>
<tr>
<td>Average Product Price</td>
<td>$50</td>
<td>$2,000</td>
</tr>
<tr>
<td>Revenue Per Day</td>
<td>$400</td>
<td>$1,840</td>
</tr>
</tbody>
</table>
As a result, you end up achieving your goal of 10 percent of the cost of overall revenue. Although this may lead you to believe the campaign is performing well, in reality the traffic is too expensive for your inkjet printer business and you’re not spending enough on the laser printer traffic. While you may be achieving your target, you are likely to be missing out on lots of potential revenue each day.

Using a cost-per-value model, however, you would custom fit a target for each keyword.

<table>
<thead>
<tr>
<th>Keyword</th>
<th>Inkjet printers</th>
<th>Laser printers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Max CPC</td>
<td>$0.50</td>
<td>$0.50</td>
</tr>
<tr>
<td>Conversion Rate</td>
<td>2%</td>
<td>2%</td>
</tr>
<tr>
<td>Average Revenue Per Conversion</td>
<td>$50</td>
<td>$2,000</td>
</tr>
<tr>
<td>Custom CPA Target</td>
<td>$5</td>
<td>$200</td>
</tr>
<tr>
<td>Max CPC</td>
<td>$0.10</td>
<td>$4.00</td>
</tr>
</tbody>
</table>

Notice the modified maximum CPCs in the table above using CPV, which will result in more profitable traffic for the ‘inkjet printer’ keywords and more revenue-producing traffic for the ‘laser printer’ keywords:

<table>
<thead>
<tr>
<th>Keyword</th>
<th>Inkjet printers</th>
<th>Laser printers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Max CPC</td>
<td>$0.10</td>
<td>$4.00</td>
</tr>
<tr>
<td>Average Position</td>
<td>4.1</td>
<td>4.7</td>
</tr>
<tr>
<td>Clicks Per Day</td>
<td>200</td>
<td>90</td>
</tr>
<tr>
<td>Advertising Spend Per Day</td>
<td>$20</td>
<td>$360</td>
</tr>
<tr>
<td>Conversion Rate</td>
<td>2%</td>
<td>2%</td>
</tr>
<tr>
<td>Conversions Per Day</td>
<td>4</td>
<td>1.8</td>
</tr>
<tr>
<td>Average Product Price</td>
<td>$50</td>
<td>$2,000</td>
</tr>
<tr>
<td>Revenue Per Day</td>
<td>$200</td>
<td>$3,600</td>
</tr>
</tbody>
</table>

The end result still utilises an overall 10 percent cost of revenue, however you are now maximising the total revenue. When you compare the results of the two models, you can see that the CPV model is superior, because it yields 70 percent more revenue and requires no increase to costs.

CHANGED TRAFFIC CONDITIONS

The above is a simple example using only two keywords. Your challenge is that every type of every keyword has different traffic characteristics, and these attributes fluctuate daily. Making sure that you adjust the keywords in your campaign to keep in line with market conditions and changes to your website is central to optimising your PPC campaign.

QUESTIONS TO ASK YOUR PPC PROVIDER

It is important for online retailers to keep abreast of PPC best practice, even if digital marketing campaigns are outsourced. The following questions can serve as guide to getting the best out of your PPC provider:

WHAT IS OUR AVERAGE CLICK-THROUGH RATE AND WHAT PLANS DO YOU HAVE TO IMPROVE IT?

Click-through rate (CTR) is a key measurement of PPC success. Generally speaking, the higher the CTR, the better returns you reap from paid search. Make sure you ask your agency for a comprehensive testing plan for your marketing creative and strategies for boosting your CTR.

WHAT ARE THE BEST TIMES FOR ATTRACTING BUYERS RATHER THAN BROWSERS?

The response to this will require analysis of day of the week and time of the day. Ask your PPC consultant to review sales activity across a few months and offer recommendations on testing on scheduling for day of the week or time of the day.

DOES OUR COVERAGE EXTEND TO THE THREE MAJOR SEARCH ENGINES?

Running advertisements on Google, Yahoo! and Bing is key to optimising your PPC strategy. By ensuring your ads are running on all three, you cast the widest possible net for paid search success.

CAN WE SEE AN IMPRESSION SHARE REPORT?

An impression share report, broken down by campaign is a powerful indicator of how many impressions you’re missing. Your PPC manager should be able to give you a thorough overview of this.

ARE OUR MONTHLY PERFORMANCE TARGETS WITHIN REACH?

Performance results should be discussed with your PPC manager with achievable performance targets set for upcoming months. The aim is to establish reasonable goals, not just your ideal performance targets.

Bjorn Espenes is an AdWords specialist and the founder and CEO of Finch, a company specialising in paid search bidding and performance-based, paid search optimisation. He is an accomplished online entrepreneur whose previous ventures include Infopia, a major provider of software-as-service e-commerce solutions.
When it comes to paid search, choosing the right advertising network is pivotal to the success of your campaign. The right ad network can act as an online publicist by getting your ads in front of the right people and entice your customers to click. However, choosing an ad network that is at odds with your business model or your campaign objectives can be detrimental to your bottom line.

A veteran of online marketing, pay-per-click (PPC) has been around in one form or another since the early days of the internet. Although giants such as Google and Yahoo! continue to shape the landscape of paid search, the discipline is being increasingly impacted by Microsoft’s AdCentre offering and competition from social networks such as Facebook and Linked In. The arena is also opened up to smaller players such as Click sor and BidAdvertiser. One thing’s for sure – Australian retailers are perfectly placed to capitalise on this level of choice and truly take control of their PPC campaign.

GOOGLE ADWORDS
Arguably the most popular ad network on the market, Google AdWords allows businesses to craft targeted text ads that will appear within relevant search results. AdWords will place your ad under the ‘Sponsored Links’ section of the search page and may appear above the free search results – this has the advantage of advertising to an audience who has demonstrated interest in finding your product. AdWords is premised on two major pillars – the ability to target new audiences through Google and an editing functionality that allows you to tweak your ads and budget until you get the desired results. The product also enables you to target your ads to different languages and locations and does not require a minimum spend or time commitment, promoting flexibility throughout your PPC campaign. However, the major benefit of Google AdWords lies in its Keyword Tool, a powerful instrument for conducting keyword research for both paid and natural search campaigns. The strength of Google AdWords is its ability to highlight the number of search queries that match your keywords across the Google search network. As Google enjoys a majority share of the search market, ensuring your keywords are optimised for AdWords should be an ongoing focus for online retailers. Google AdWords also earns points in the marketing accuracy stakes, adopting a sophisticated ad relevancy multiplier based on consumer click-through-rate (CTR). The CTR utilised in the relevancy algorithm is calculated by your 1,000 most recent ad displays on the Google website. You can then effectively determine your bid price by multiplying your maximum bid price by this CTR.

YAHOO! ADVERTISING NETWORK
Search behemoth Yahoo! offers a cross-section of advertising services tailored to a range of businesses. The company’s core PPC offering allows retailers to connect with consumers across two major publishing networks – Yahoo!’s and ninemsn’s Bing. Yahoo! also offers various complementary services to assist businesses including contextual adver-
Power Retail Q&A with Claire Seldon, Yahoo7 Sales Director – Marketplaces.

Why do you think PPC Marketing/Sponsored search is important for retailers and advertisers? 
Sponsored search is a highly effective and low cost way to directly engage with consumers who have expressed an interest in purchasing a product or service. For retailers looking to sell products online or drive consumers into their store, search engine marketing is highly effective; you only pay when a customer clicks on your ad to view your offering.

For those retailers who do not offer online e-commerce services, search engine marketing is still highly effective at driving in store traffic. It is well documented and there are a number of pieces of research, which demonstrate that consumers use a search engine to conduct pre-purchase research before going in store to buy a product. The risk for a retailer of not being part of the research process is that the consumer will buy in-store from a competitor who is advertising on the search engine.

What are the main considerations retailers should keep in mind when optimising for Yahoo PPC campaigns? 
When running search marketing campaigns there are a number of tactics that should be considered for optimisation. Include long tail terms and add product codes, full product names and terms modified with ‘cheap’, ‘quality’, ‘affordable’, etc into your lists of search terms. These general low impression keywords may not bring a lot of traffic, but given that consumers use generic search terms at the start of the buying cycle and more specific search terms when they are ready to buy, adding long tail terms will help drive more conversions.

Include a strong call to action. If you have an offer, or if your business provides something unique, make sure to include it in your ad. For example, free shipping on DVDs is likely to drive more clicks than ‘DVDs’. Make sure that the price points are up to date and reflected on the landing page as well.

Twenty percent of searches on the Yahoo! Search Marketing network each quarter are brand new. By turning on broad match you are increasing the chances that your ads will be shown when a consumer is searching for the products or services that you sell. Additionally use exclusion or negative words to refine your advanced matches and ensure you’re only matching to relevant keywords.

How important is a good landing page to paid search? 
A landing page can make or break the effectiveness of a search campaign. Test responses to different landing pages to get insights into what page leads to a conversion. Also, make sure that the landing page is consistent with your ad and check that your destination URL takes prospective customers to a page that makes sense given what they are searching for. For example, if someone is searching for ‘Sony digital SLR camera’ they are more likely to convert if they land on the page containing this content.

What do you think are the main shifts in the PPC landscape in the last few years? 
The major shift we have seen in the search engine marketing landscape over the past few years has been the evolution of campaign measurement. As we have seen the industry grow and mature, advertisers have become more sophisticated with their campaign objectives, measurement and optimisation towards those objectives. Once upon a time the majority of campaign objectives centred around driving traffic to a landing page, and while this objective is still valid in many cases, over the past few years advertisers have moved to measuring their return on ad spend, direct ROI at a campaign, ad group or keyword level, cost-per-lead or acquisition. This is evolving into the measurement of brand-related metrics around engagement and finally the lifetime value of a customer acquired. Search being a highly measurable advertising medium, has allowed for this level of insight into performance, and technology has been a very large enabler of this.

What best practice advice can you give about conversion tracking and measuring ROI? 
It’s essential not only to have a robust analytics solution in place, but also understand how to read the reports and use the data to make actionable changes to your marketing campaigns, website and/or your products or services. Set clear goals, and know what steps are required to achieve them. For example, you may decide to invest more time and budget into a paid search marketing campaign with a goal of generating a positive return on ad spend (ROAS) by the end of the month. In order to determine your ROI (for this channel you need your analytics system to incorporate the cost-per-click (CPC) and calculate the total cost of clicks against the value of a conversion (this could be the dollar value of a transaction, or the assumed value for a non-commercial event such as a lead, newsletter signup or email enquiry). The analytics software can calculate this for you, but the result will only be accurate if you’ve set things up correctly.

Once you’ve met your targets, don’t stop optimising! Continue testing the variables that influence your ROI goals – using the paid search example these may include testing new landing pages, expanding your keyword set, tweaking your ad creative and revisiting your pricing strategy. One thing that stays constant with online marketing is change. If you’re able to effectively apply the right technology, it will help you keep ahead of your competitors and grow your profits.

tising against relevant content on Yahoo! and ninemsn homepages and access to Yahoo!’s performance-based display, one of Yahoo!’s main draw cards is Rich Ads in Search, a unique product that allows advertisers to own a keyword or search category with exclusive positioning at the top of Yahoo!’s search results. With Rich Ads in Search, retailers can execute engaging, content-rich PPC campaigns by incorporating enhanced listings and integrating video and images. The product is also conducive to cross-channel marketing, making it easier for retailers to tie offline media and brand messaging into the experience. Rich Ads in Search aims to accelerate conversions by including customised site links and an embedded search box. The company charges a monthly flat sponsorship fee based on brand keyword selection.

MICROSOFT ADVERTISING ADCENTRE

In October last year, Microsoft’s Bing started powering every paid and natural search result in Yahoo! – an event that shone the spotlight on Microsoft’s adCentre. This move meant that advertisers had to navigate Microsoft’s core paid search product before purchasing sponsored search ads in Yahoo! and Bing, search engines with a 30 percent market share of paid search. Microsoft adCentre offers users access to performance data, allowing easy optimisation and improvement to paid search campaigns while providing an accessible, one-page view of key information. The product incorporates Microsoft Advertising Intelligence, an Excel-based keyword research and optimisation tool that allows you to maximise ROI across paid search and content campaigns. Although adCentre’s PPC service shares a similar format to Google AdWords, it offers an extra level of campaign management. The program pulls data from MSN’s various registered users across Hotmail, Passport and Messenger, to target customers based on demographic. The product’s other key advantage is the offer of ‘day parting’, where you can allocate what time of day your paid ads appear to fine-tune the responsiveness of your PPC campaign.
Ad Network Alternatives

Clicksor
Clicksor leverages contextual targeting to match ads to the most relevant websites across its network. It allows businesses to create text or graphic banner ads and pop-under ads as well as pay-per-click ads, per 1,000 impressions or per visit.

AdBrite
AdBrite is one of the most powerful ad networks outside the major search engines and enables users to pay with variable pricing models such as CPC and CPM.
Bidvertiser lets users browse a categorised directory and choose the websites most relevant for businesses. It offers concise geographic targeting and multiple ad formats.

Facebook Ads
Facebook has changed the game for online marketers and is making waves in paid search. The social network’s Facebook Ads product allows retailers to tap into a highly engaged, active user base to drive conversions. Facebook Ads also benefits from the plethora of demographic information available on the site and lets retailers exploit social features such as the popular ‘Like’ button.

Paying for clicks to your site?
Here’s how to make sure they pay you back...

Yes its true, anyone can set up a Google Adwords account quite easily, and just as easily burn money on ads that aren’t delivering new business. Using Pay per click media for advertising (such as Google Adwords, Facebook, and many others), is a lot like traditional media advertising, in that many of the same rules still apply.

One person may say “Magazines don’t work”, and another will say “Magazines bring us 36% of our business”. The same is true for any media, including Pay Per Click services - its easy enough to ‘book some space’ and throw an ad together, yet much more of an art to creating (and testing) bite-size ads, writing relevant landing pages for ads to click-through to, and tracking and tweaking everything to ensure you’re converting the maximum number of those visitors into leads or sales.

Your Options?

1. Set Up an account yourself and see what happens (not recommended).

2. Buy a bunch of books from (say) Amazon on Adwords and Pay Per Click marketing, invest in some courses, and invest 30-75 hours in learning the essentials, then set up your own account and see what happens.

3. Hire a professional agency with a transparent process and down to earth fee structure, and let them work both with, and for you to create measurable, manageable, sustainable results.

There are a number of Agencies around that specialise in Digital Marketing, and an even greater number that just want to sell you something without truly understanding your business first. We’re one who wants to truly understand your business first and foremost, and maybe then, our Digital P.I.M.P.™ will be able to work for you. Lets talk:

1300 761 499
http://swanskiandhutch.tv/digitalpimp
Lasoo was launched late in 2007 after Australia’s leading catalogue distributors Salmat identified exponential growth in online retail research and purchase. Lasoo has since evolved into the most progressive retail pre-shop portal in the country and represents the largest aggregation of Australian retail products and offers – with 350,000 offers, 120,000 iPhone app downloads, 20 million website visits and millions of product interactions each month across its various platform extensions which include iPhone, iPad and Android applications.

More recently, Lasoo brand extensions such as fashion website 565.Lasoo.com.au and Group-buying channel and aggregator Lasoo Daily Deals offer small, medium and large businesses highly qualified reach deep into the Australian online marketplace with various performance based pricing models.

Lasoo head, Paul Marshall, notes the requirement to continually innovate and extend Lasoo’s proposition ahead of market demand, “As consumer behaviour changes, Lasoo will be one step ahead – and will continue to provide opportunities for businesses to reach a qualified audience far beyond the realm of what they understand possible today.”

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Swanski and Hutch is a Digital Media Agency specialising in growing small to middle-market retailer’s business revenues, using smart digital marketing backed by online ‘Cloud’ technologies.

We do this by first gaining a thorough understanding of your business, then preparing your ultimate Online Business Strategy Blueprint and Roadmap for the following 12-24 months including a detailed costing and recommended implementation schedule.

Typically the tools and systems used to achieve this will include a combination of secure, self-manageable websites built on best of breed content management systems and plug-ins, advanced shopping cart including real-time payment, with Google Apps systems for highly evolved email - giving you access anywhere from multiple devices (e.g. your laptop, the office, your iPhone etc), then where appropriate we’ll make both talk with a ‘Cloud’ accounting and/or CRM system. Naturally, full training and support are also provided, along with access to our ever-growing online library of clients-only how-to guides.

Once your systems are suitable, then our Digital P.I.M.P.TM can begin driving new business through your website, via a strategic combination of Search Engine Marketing (including Pay Per Click, and SEO), as well as various social media channels, Video marketing, direct email marketing, and Affiliate programs to name just a few. As you may expect, the overall solution varies for every business, so to discover the full extent of your online business possibilities, lets talk.

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