



Catalyst's Holiday Campaign Paid Search Best Practices **September, 2011**

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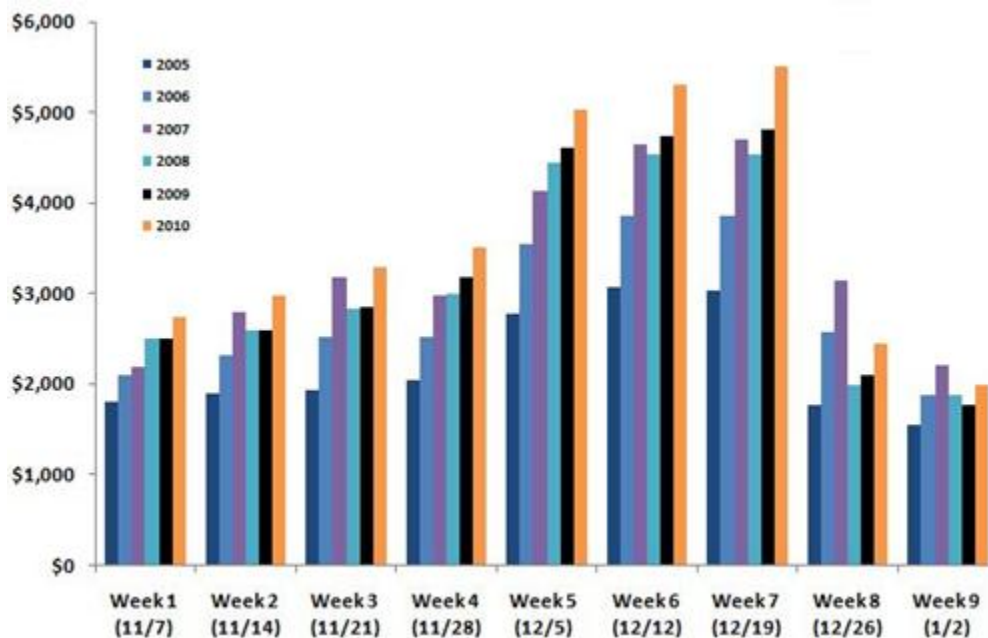
Overview

The upcoming 2011 holiday season is expected to be the largest yet for e-commerce sales, and brands across the globe will be ramping up paid search budgets in anticipation. In 2010, comScore Inc. reported that e-commerce sales during the November-December 2010 holiday season reached an all-time high of \$32.6 billion, a 12% increase YOY from 2009. Cyber Monday (Nov 25th, 2010) ranked as the largest online spending day in history, reaching over one billion dollars in total sales.¹

comScore 2010 Holiday Season vs. 2009 Holiday Season e-Commerce Spending in Millions (\$)

	2009	2010	% Change
November 1 – December 31	\$29,084	\$32,589	12%
Thanksgiving Day (Nov. 25)	\$318	\$407	28%
Black Friday (Nov. 26)	\$595	\$648	9%
Cyber Monday (Nov. 29)	\$887	\$1,028	16%
Green Monday (Dec. 13)	\$854	\$954	12%
Free Shipping Day (Dec. 17)	\$586	\$942	61%

comScore Weekly Online Holiday Retail Sales in Millions (\$)



¹

http://www.comscore.com/Press_Events/Press_Releases/2011/1/U.S._Online_Holiday_Shopping_Season_Reaches_Record_32.6_Billion_for_November_December_Period

Kenshoo Inc. also reported that during the 2010 holiday season, search advertising budgets increased 52%, online sales transactions increased 87%, online sales revenue increased by 69% and return on spend increased 25% YOY.²

Bizrate Insights and Forrester Research reported in 2010 that 83% of consumers prefer to shop online than in crowded stores during Thanksgiving weekend.³ Additionally, 21% of online shoppers plan to spend more over the web in 2011.⁴

IBM Coremetrics reported that online retailers have seen a dramatic increase of the average order value during the holiday season from 2009 to 2010.⁵

IBM Coremetrics: Online Retailer's Holiday Season Average Order Value

	2009	2010	% Gain
November	\$ 175	\$ 195	11.3%
December	\$ 172	\$ 190	10.7%
Black Friday	\$ 170	\$ 191	12.1%
Cyber Monday	\$ 180	\$ 195	8.3%

What does this mean for paid search campaigns for the upcoming 2011 holiday season? Increased competition, higher risks and higher rewards. As brands compete for the same holiday customers, cost per clicks (CPCs) will increase and make it increasingly more expensive and difficult for brands to convert a consumer to purchase than in the past. According to Econsultancy, the increase of online competition during the 2010 holiday season drove up CPCs 22% YOY.⁶ Therefore, it is critical that brands deploy holiday campaigns that have been strategized and implemented properly in order to be a competitive force this holiday season.

This POV will focus upon best paid search practices for the holiday season produced by Catalyst Online search experts, helping your brand get ahead of the competition and increase conversions this holiday season.

How to Use this Guide Internationally

This best practice document has been tailored to the major US holiday schedule which includes Christmas, Thanksgiving, Chanukah, Kwanza, New Years and others. In the US, purchases made by consumers during the holiday season often yield a combination of purchases for others and purchases for themselves. Due to this, ad copy messaging and keyword bidding strategies tend to combine a 'for self' and 'for others' methodology.

² Kenshoo 2010 Online Retail Holiday Report

³ Bizrate Insights and Forrester Research, 'Online Retail Holiday Study,' December 2010.

⁴ Forrester Research, North American Technographics® Retail Online Survey, Q3 2010 (US), September 2010.

⁵ IBM Coremetrics Online Holiday Report 09.08.11

⁶ <http://econsultancy.com/us/blog/7021-paid-search-boosted-holiday-online-retail-report>

Although this report is US generated, the best practices discussed within this document can be tailored around any major holiday across the globe. Different countries celebrate holidays in different ways. International brands need to determine the local holiday to consumer purchasing relationship in their particular country. Furthermore, steps need to be taken to identify local holiday purchasing characteristics and customs for the particular holiday which can be leveraged in online search. By using this guide, international brands can combine local holiday paid search strategies with Catalyst’s best holiday practices, positioning the brand for a successful paid search holiday campaign.

Holiday Paid Search Best Practices: Before the Holiday Campaign

1. Do Your Research! Know Your Brands Historical Paid Search Behavior

Historical search data can provide brands insight to foresee into future! Before any steps have been taken regarding the paid search holiday campaign strategy, it is important to determine when consumer interest began to increase during the holiday season for your specific brand. By looking at historical data of past holidays, brands can determine when the increase of volume has occurred in the past. Not only should brands be concerned about when volume was increased for their branded products, brands should also be concerned about when volume was increased for product or category level searches as well as holiday terms such as ‘holiday’, ‘holiday gifts’, ‘gift giving’, etc.

At Catalyst, experts tend to see the first surge of holiday growth during the beginning of October. However, this growth will vary by brand; therefore it is important to understand the brand’s historical search behavior. Below are three graphs that represent search interest in three categories; gifts, holiday and oral care. It is evident that search behavior in all three categories began to increase steadily around the October month.



Web Search Interest: holiday, christmas, hanukkah

Worldwide, Jan 2005 - Jan 2011

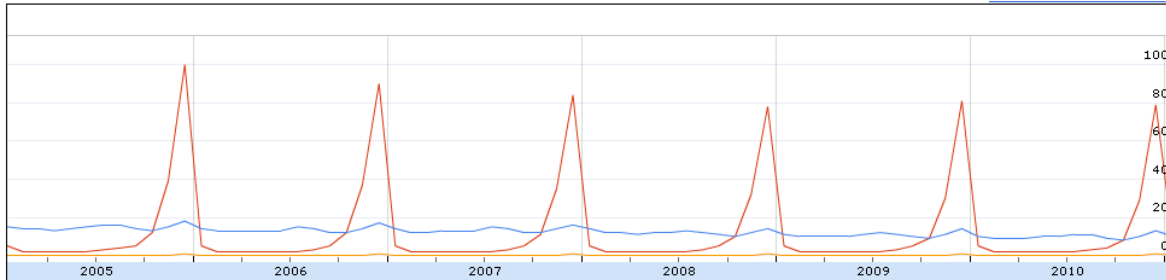
Categories: [Travel](#), [Local](#), [Entertainment](#), [Shopping](#), [Lifestyles](#), [Arts & Humanities](#)

⚠ An improvement to our geographical assignment was applied retroactively from 1/1/2011. [Learn more](#)

Totals	
holiday	12
christmas	13
hanukkah	0

Interest over time

Forecast News headlines



Web Search Interest: electric toothbrush, oral-b, power toothbrush, best electric toothbrush

Worldwide, Jan 2005 - Jan 2011

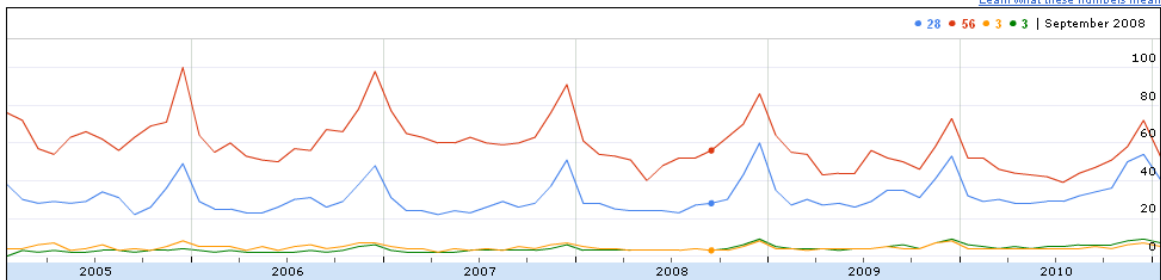
Categories: [Health](#), [Shopping](#), [Beauty & Personal Care](#), [Computers & Electronics](#), [Reference](#), [Local](#)

⚠ An improvement to our geographical assignment was applied retroactively from 1/1/2011. [Learn more](#)

Totals	
electric toothbrush	31
oral-b	59
power toothbrush	5
best electric toot...	4

Interest over time

Forecast News headlines



2. Choose Keywords Carefully

Due to budgetary constraints and a highly competitive search landscape, it may not be in the best interest of the brand to bid on generic ‘holiday’ related keyphrases. Broad ‘holiday’ related keyphrases are extremely competitive and incur a much high CPC due to many brands (even ones who are not a direct competitor) bidding on holiday keyphrases. With multiple brands bidding on broader terms, it is likely that your brand’s ads will not appear on the first page of the SERP unless the brand is willing to pay an excessive premium per click. It’s important to target more specific keyphrases relevant to the branded product such as ‘unique holiday gifts’ or ‘unusual holiday gifts’; these keyphrases are lower in volume but are more relevant to the branded product and the ads will have a better chance of displaying on more targeted keyphrases.

Brands need to consider the content on their site when choosing paid keyphrases. Appropriate content on the landing page is necessary in order to drive an engaged user and to secure high quality scores for keyphrases across the search engines. In addition, brands must ensure that each ad copy is tailored to a set

of tightly knit keyphrases in order to increase relevancy within the search engines. Each search engine calculates a 'quality score' by looking at a variety of factors (including click through rate and overall performance) to measure how relevant keyphrases are to specific ad text and to a user's search query. A lower quality score means that the search engine does not consider the brand's keyphrase and ad combination relevant and brands will therefore pay a higher CPC to show on a preferred ad position.

When launching holiday campaigns, it is also important to leverage core 'always on' keyphrases (high traffic keyphrases within your account that are non-holiday related) to amplify visibility of holiday messaging and potential holiday promotions. Branded and product related keyphrases should be bid on and also display holiday messaging during the holiday season.

A detailed list of negative keyphrases is imperative for a successful keyphrase strategy. By adding a negative keyphrase into an account, it guarantees that that a specific keyphrase will not trigger any of the brand's ads. Negative keyphrases ensure that ads only appear for relevant queries and increase impression share on keyphrases the brand is currently bidding on.

3. Unique Landing Pages for Holiday Campaigns

Initiative based campaigns for the holiday season should have a unique landing page for the campaign to yield optimal results. When consumers are directed to a landing page from a particular holiday season ad, it is imperative that the user finds relevant content. Without appropriate content and a clear call to action on the landing page, the paid campaign will incur a higher bounce rate (% of single-page sessions). Clicks driven by searchers who land on a page and quickly bounce off can negatively impact the overall engagement of the campaign. These clicks can be perceived as wasted visits and budget. By providing a landing page that correlates appropriately with the ad copy, consumers will become more engaged, leading to potential for increased conversions.


4. Ad Copy Based Around Deals & Gift Ideas

A unique holiday landing page is important, however many argue that it is more important to have powerful paid search ads with strong messaging and an attractive call to action. In 2010, Catalyst found that the ad copies with the highest click through rates (CTRs) during the holiday season were those focused upon product discounts, coupons and/or rebates combined with the word 'holiday'. Furthermore, Catalyst recommends placing the exact discount value within the ad copy. Consumers tend to be more attracted to ad copies which provide an exact dollar amount.

Generally speaking, it is important to include a strong call to action within the ad copy such as 'buy now' or 'download rebate' so that the searcher knows what to do when they enter the site. Dynamic keyphrase insertion can also be tested to see if it drives an increase in CTR.

Dynamic keyphrase insertion is a feature where the search engines dynamically insert the headline of the ad using a list of selected keyphrases that the brand has identified. When within character limitations, the searcher sees their exact query within the headline of the ad text; this makes a brand's ad more relevant to the user and may increase CTR. It is important to note that there should not be any misspelled keyphrases within an ad group with dynamic keyphrase insertion because the headline would also be misspelled.

Brands should also consider launching Google Sitelinks, which allows additional links to be displayed within a paid ad, enabling the user to be emerged deeper into the site, and thereby increases CTR. Sitelinks are an easy way to drive awareness of holiday promotions and seasonal pushes. Per the snapshot below, the searcher can choose a number of links to click into depending on what topic interests them most and each link will drive them to the most appropriate page for that topic.

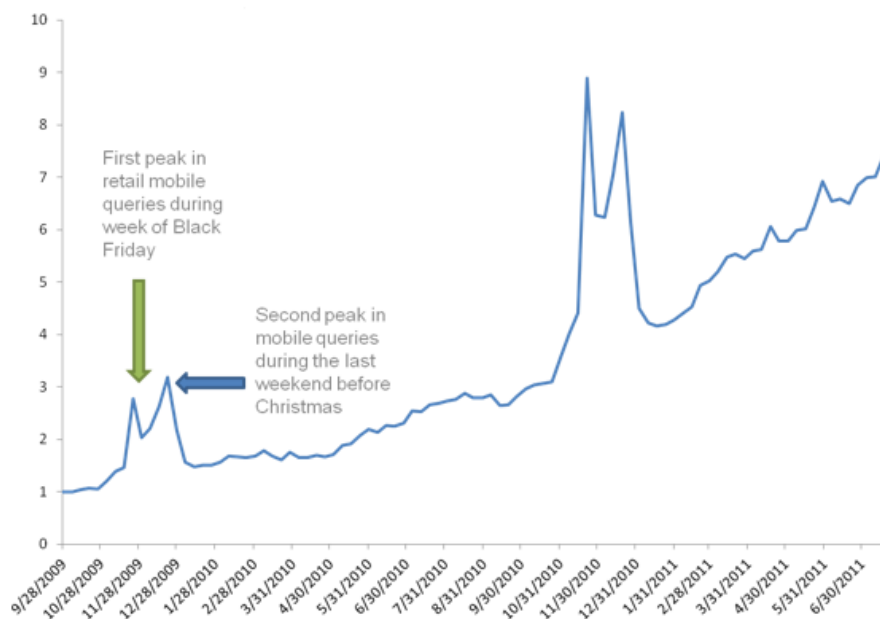
▶ [Oral-B® Power Toothbrush - Shaped Like a Dental Cleaning Tool](#) +1  Ad

www.oralb.com/Power
It Removes More Plaque. [Learn More.](#)
[Why Use An Electric Toothbrush? - Why Power Toothbrushes Are Better](#)

5. Increasing Importance of Smartphones

The sheer amount of smartphones being used by consumers has been increasing at an exponential rate. In June 2011, Google announced that worldwide, 500,000 Android smartphones were being activated daily, a 4.4% weekly increase.⁷ **Google recently predicted in September 2011 that ‘44% of total searches for last minute gifts and store locator terms will be from mobile devices this holiday season based on historical growth rates.’⁸**

Search Engine Land: US Mobile Queries for Top Retail Brand Terms Holiday '09 & '10 (indexed)



⁷ <http://www.androidcentral.com/half-million-android-devices-activated-every-day-andy-rubin-says>

⁸ <http://searchengineland.com/google-44-percent-of-searches-for-last-minute-holiday-gifts-will-be-mobile-91763>

Yahoo! has also reported that in 2010, 30% of shoppers agreed that they will use their mobile phones in the 2010 holiday season to 'research while I'm at the store or on the go and not near a computer'. Another 30% of shoppers agreed that they will use their mobile phones during the 2010 holiday season to 'research last minute gifts while I'm at the store'.⁹

As the research concludes, mobile search campaigns will be extremely important this holiday season. In order to optimize paid search campaigns, brands will need to customize their normal paid search campaigns to reach a specific type of consumer who is searching for holiday gifts on the go. Mobile campaigns this holiday season should have a mobile optimized landing page with a concise and action driven ad copy. Additionally, the keyphrases chosen to bid on should be short (3 keywords max), primarily non-branded and CPC budgeting needs to be aggressive due to the limited amount of ad space per search.

Due to lower overall competition, mobile CPCs tend to be lower than desktop, however it is important to note that the size for paid ads on a mobile phone is much smaller than desktop – ads must display in position 1 or 2 in order to drive visibility.

6. Increase Budgets Appropriately

Consider previous year's sales performance during the holiday season in order to gauge an appropriate budget for upcoming holiday campaigns. If a substantial amount of sales were driven during the holiday season, brands need to be prepared to allocate sufficient funding during holiday months. The amount of investment for the holiday period should be closely correlated with spikes in sales during the holiday season. Also brands must consider the seasonality of their products and determine if any promotions are running during the holiday timeframe, as additional media support will be necessary to drive awareness.

7. Test Landing Pages & Ad Copy for Optimal Results

Appropriate holiday landing pages and strong ad copy are critical for a successful holiday paid search campaign, but which landing pages and ad copy yield the best return on investment? The best way to determine this is to test weeks before the holiday campaign launch. Catalyst recommends testing of holiday landing pages and ad copy to commence one month before the scheduled launch of the holiday campaign.

By testing well in advance of the holiday rush, landing pages can be tweaked, ad copy can be optimized and the best combination of ad copy to landing page can be determined. Clicks and CTR's may be lower than expected during this time; however this is expected due to the early timing of holiday messaging. It is important to remember that the testing phase is not an early representation of success for the upcoming holiday paid search campaign. The testing phase should be viewed as a guide to determine which landing pages and ad copy will yield the best results during the actual campaign and to aid decision making.

8. Launch Campaigns Three Weeks Prior to Historical Volume Increase

After research has been concluded and it has been determined when search interest historically increases, set the launch date for the paid search holiday campaign three weeks before the initial volume increase. The reason is simple. Before purchasing, consumers are online researching product and pricing information

⁹ Yahoo! 2010 Holiday Shopping Intentions and Attitude Study

earlier and for a much longer time. Some consumers will begin their holiday search early, whereas others may begin their search the same day as the holiday. Whatever the consumer preference, launching a paid holiday messaging campaign early gives the brand an advantage by attracting consumers researching for information before the actual holiday.

Holiday Paid Search Best Practices: During the Holiday Campaign

9. Consistently Monitor Holiday Ads

Even if the brand thoroughly tested landing pages and ad copy before the holiday campaign, it does not suggest that work on the holiday campaign is done. Consistent monitoring and tweaking of ads is necessary throughout the entire campaign.

Ideally, brands should have several variations of approved holiday ad units so it is easy to swap out any under-performing ads with fresh ad copy to help increase CTR. Brands can identify messaging that resonates with the searcher by examining CTR and engagement on site post-click. It is important to note that a lower than expected CTR can be acceptable in some instances. For example, an ad copy targeting a niche market segment with a specific call to action. The CTR for this ad may be modest; however the targeted consumers that do click on the ad will most likely be highly engaged. The holiday timeframe is short; therefore brands must be prepared to make real-time changes to the campaign to ensure success.

Bounce rates can also be a very helpful metric to monitor. It is important to investigate ads that are associated with uncharacteristically high or low bounce rates and determine why. There could be a discrepancy between the content on the landing page and the messaging in the ad copy. If a bounce rate is high, the ad should be re-directed to a different landing page for a week or so and compare results. By monitoring bounce rates, CTRs and other metrics, ads within the holiday campaign can be tweaked to optimize results.

10. Investigate The Competition

Positioning is very important during the holiday season paid campaign. Simply put, consumers are searching for the most relevant content and if an ad is not within the top few results, it may not generate as many clicks as it could. Consistently monitoring ad positions allows for campaign flexibility and optimization. Determine which keywords are imperative to the campaign and make changes to the bidding strategy for these specific terms. Determine if the competition is running paid search ads for specific branded and unbranded keyphrases. Determine what type of ad copy is being shown. Does the ad copy have a strong call to action? Do the ads have discounts available? Where are the ads directing consumers?

It is also important to determine if the competition is bidding on your brand name or branded products. Competitors can bid on branded keyphrases other than their own however they are unable to use those branded messaging within their ad units. Typically a competitor will pay a higher CPC for bidding on branded terms other than their own because their ads will be less relevant to the search engine due to a lack of content supporting the keyphrase. Although not typical, Catalyst has seen such competitive strategies occur in the past and it is imperative to watch for these tactics.

11. Use Proper Ad Copy Tensing

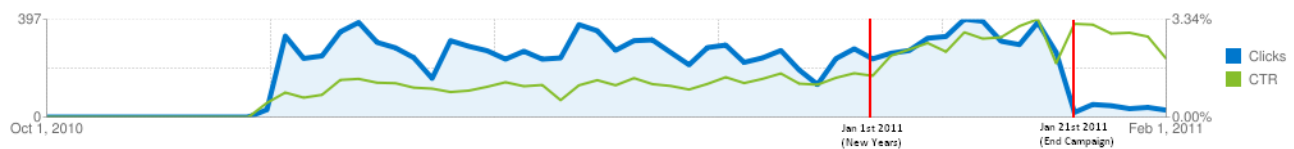
Proper tensing of ad copy appeals to consumers because the ad appears more relevant, speaking to the consumer directly. Consumers do not want to see an ad copy contain the text 'for the upcoming holiday' when January 1st has past. Consumers are intelligent; they will notice this error and become disinterested by the ad. Additionally, a negative brand image may emerge in the consumers mind because they have witnessed poor, outdated messaging.

Therefore, Catalyst recommends that ad copy relates directly to proper tensing in regard to the actual date of the holiday. Before the holiday, the ad copy may include the text 'buy for the holiday'. When the holiday is approaching closer, ad copy may include the text 'not too late for the holiday'. Finally, when the holiday has passed, brands may consider the text 'after holiday specials'. Again, proper monitoring will allow for optimization of ad copy.

Holiday Paid Search Best Practices: After the Holiday

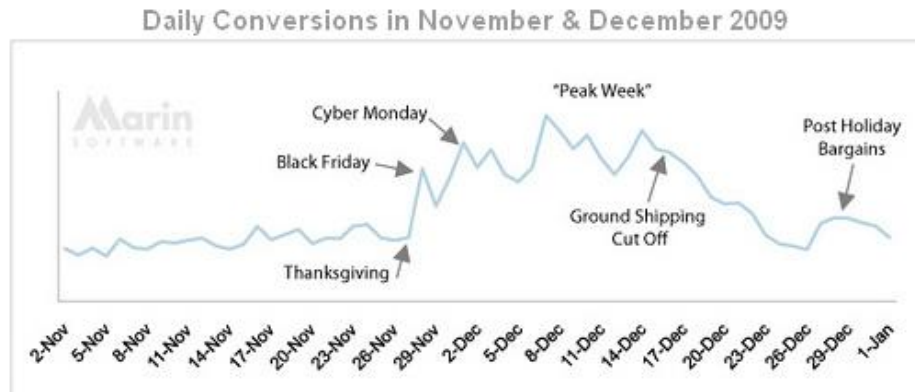
12. Don't End Campaign's Early!

Many brands end their holiday campaigns a day or two after the holiday, missing a critical potential market. Catalyst has observed that consumers continue to purchase weeks after the initial holiday has been celebrated. Below is a graph of a leading consumer product goods brand holiday campaign in 2010. Ads with the term 'New Year' did not decrease in clicks after January 1st. Rather; Catalyst saw a substantial increase of clicks and CTRs until January 21st, weeks after January 1st. Brands need to extend holiday campaigns past the actual holiday until there is a significant decrease of traffic in order to fully capitalize on the search interest.



Marin Software & Search Engine Land have also reported that online purchasing conversions from paid search campaigns tend to rise near the New Year. This trend is due to a combination of post-holiday deals and New Year's resolution goals. Products that tend to be associated with New Year resolutions (dental care, weight loss, etc.) should see a significant increase of online conversions near the New Year, when consumers are beginning their annual goal.¹⁰

¹⁰ <http://searchengineland.com/maximizing-paid-search-campaigns-for-the-holiday-shopping-schedule-51373>



Holiday Paid Search Key Takeaways

1. **Do Your Research! Know Your Brands Historical Paid Search Behavior:** Determine when consumer interest began to increase during the holiday season for your specific brand & plan accordingly for the upcoming increase.
2. **Choose Keywords Carefully:** It may not be in the best interest of the brand to bid on generic 'holiday' related keyphrases due to high CPC's. Rather, target specific keyphrases relevant to the branded product. These keyphrases may be lower in search volume but will have a better chance being displayed at a lower cost.
3. **Unique Landing Pages for Holiday Campaigns:** Engage consumers by providing a landing page that correlates appropriately with the ad copy, increasing potential conversions and lowering bounce rates.
4. **Ad Copy Based Around Deals & Gift Ideas:** Ad copies with the highest CTRs during the holiday were those focused upon product discounts, coupons and/or rebates combined with the word 'holiday'.
5. **Increasing Importance of Smartphones:** Develop a mobile optimized landing page. Ad copies should be concise and action driven. Bid on short keyphrases and with aggressive CPC budgeting due to the limited amount of ad space per search.
6. **Increase Budgets Appropriately:** Verify if a substantial amount of sales were driven in prior years during the holiday season & allocate sufficient funding during holiday months. Increase budgets further if products are seasonal and/or if promotions are scheduled.
7. **Test Landing Pages & Ad Copy for Optimal Results:** Begin testing one month before the scheduled launch of the holiday campaign. Tweak landing pages and ad copies appropriately to determine the best combinations.

8. **Launch Campaigns Three Weeks Prior to Historical Volume Increase:** Consumers are online researching product and pricing information earlier, and for a much longer time. An early launched campaign gives the brand an advantage by attracting consumers researching for information before the actual holiday.
9. **Consistently Monitor Holiday Ads:** Consistent monitoring and tweaking of ads is necessary throughout the entire campaign. Analyze bounce rates and other relevant metrics to determine the effectiveness of ads and adjust accordingly. Brands should have several variations of approved holiday ad units in order to easily swap out any under-performing ads with a fresh ad copy to help increase CTR.
10. **Investigate The Competition:** Determine which branded/unbranded keywords are imperative to the paid campaign and make changes to the bidding strategy for these specific terms to increase ad position. If the competition is bidding on your brand name or branded products make sure that they are not above you in ad position.
11. **Use Proper Ad Copy Tensing:** Relate ad copy tensing in regard to the actual date of the holiday. Proper tensing of ad copy appears more relevant and relates to the consumer better.
12. **Don't End Campaign's Early!** Brands need to extend holiday campaigns past the actual holiday until there is a significant decrease of traffic. Purchasing conversions from paid search campaigns tend to rise near the New Year due to post-holiday deals and New Year's resolution goals.

About Catalyst Online

Catalyst Online is a leading search engine marketing agency headquartered in Boston, MA. We have been a pioneer in developing strategic search marketing services since 1998. Our clients include many of the world's top companies.

At Catalyst Online, we pride ourselves on thought innovation through industry and product expertise. Our service offerings include: search engine optimization (SEO), paid search marketing, content strategy, digital asset optimization, mobile search, e-retail optimization, global search, competitive reporting, and more.

Catalyst Online is part of GroupM, the leading global media investment management group. The focus of GroupM is the intelligent application of physical and intellectual scale to benefit trading, innovation, and new communication services, to bring competitive advantage to our clients and our companies.

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