Lisa Raehsler on PPC for eCommerce

Moderator: How's everybody doing today? You guys enjoying your time so far? Good, good. We're excited to have you out here for the first annual [Euro] Conference. So for today's session here, we're going to be diving into the exciting new world of PPC for e-commerce and we have a special guest with us today, Lisa Raehsler, who is the founder of Big Click Co. So without further ado, I'm going to let her go ahead and jump into the topic and let's get a round of applause.

Lisa: Thank you. So one of the things I noticed over our lunch today is that there are a lot of very smart people here so I feel like this is really a room full of experts. So I'd like to share with you my point of view and then I would love to, if you have any questions, but more importantly, if you have anything to share, any case studies or anything that would help out people in the room, I think that would be great.

I've had several e-commerce clients and I've also worked client-side at Thompson-Reuters. I worked on their e-commerce site. One of the reasons I love e-commerce is because it is demanding. Because I like that it's demanding, I like that it's accountable. It's something where I get a lot of satisfaction out of the results that I get. So I wanted to talk a little bit about how e-commerce is evolving, specifically with pay-per-click, as we get into new media and new sites begin and old sites go away. So I want to talk a little bit about social connections, behavioral targeting, and then mobile shopping. We've had a lot of sessions today that were talking about re-targeting so I might go through that a little bit faster than some of the other parts.

So consumers more and more today are looking at Facebook and looking at other social networks for recommendations on products. I've seen different studies that said that it's really not making that much of a difference but I think it is and that's not something that we can easily measure. So we should definitely pay attention to the impact that our friends and other influencers have on us through social networking.

One of the ways we see this, and this has been around for awhile, are the seller ratings that are on Google. This consists of aggregate ratings score with snippets of customers' reviews and those are from third-party sites in Google Checkout. How many people have seller ratings on their ads right now? I'd like to talk more later about if you've seen a difference in the ads that have those on there. But this is a way that people are connecting with their social network and showing that these products have higher ratings and putting that right in the search engines.

There's a couple hoops that you have to jump through. You have to have at least 30 unique reviews of four stars or above on Google Product Search and you don't necessarily need to be in Google Merchant Center but it probably helps a lot.

Now, social extensions with Google Plus is showing up in ads now and that's been going on for a couple of months. The +1 button is added by default so when you hit the +1 button, you're actually not liking the ad as much as you are liking the landing page. So all the +1's are for the Google Plus page but then those likes on the Google Plus page are also applied to your AdWords ad. So they're interconnected as long as you have the pieces put together. This creates, as you know, with a personalized search, a larger social network for your advertising because you're seeing the ads that people are recommending and Google says this increases your overall performance when you see that.

We're also seeing the +1 button on display ads. Those rolled out last fall. The +1 button on display ads is the only one that you can actually opt out of so you

automatically have it on the search ad but the display ad you can opt out of in the settings area.

You can get reporting on this now. So when you're in the regular, old web interface, which I suspect that a lot of people here don't use this very much, but if you are on there, you can look into the segment and get the +1 annotations reporting. This will show you a couple of different things: the impressions and the clicks where these annotations appear but they also show you another level of detail which is the personal and the basic pluses. So the personal one is this example: Maria and 28 people plus this so that means that Maria is in one of your circles and she has already said that she liked your page. The other one is a basic one: 300 people did this, a generic one. So no one in your circle has connected to this and you can see an example on the bottom there where they show a little icon of me and someone I know that we both plussed this page.

Now for PPC and Facebook, just released as a new offers product and that just came out last week, I think. So it's in beta to a limited number of local business pages. It doesn't cost anything to post an offer but how Facebook is selling this is that you'll get more exposure if you place an ad for a sponsored story to support your offer. This is sort of going into the Groupon and Google offers and all of the discounting and promotions that is really popular right now.

So trends to watch in this area with social connections and your pay-per-click ads, we talked a little bit about this at lunch too with some people in the room, is Pinterest. It turns out that they are the third most popular social networking site in the U.S. Is there anyone in this room that's very active on Pinterest? No? Kind of? Checking it out? Well, there's over 18 million unique visitors in March. That's a lot of traffic. Recently, Amazon and eBay just added the Pinterest buttons to their products. I have that in the top screenshot on eBay. You can mail it, Facebook it, tweet it, or pin it so I think that's a big tell there.

They haven't said anything about taking advertising on exactly but they might try affiliate links in the future and ads. They are going to need a way to monetize that so that's something to look for in the future. So when they roll out a program, you can get on that, if your product is something that's appropriate for Pinterest.

I think it's also important for us to look for more integration across channels for e-commerce, PPC. Your Facebook login turns into the sign in for your storefront. A lot of people can log into sites with their Twitter account and think about how powerful that is because when you're doing that, you're also broadcasting to your friends and your connections that you've done something on that site. I think we'll start to see that these channels are merging and blurring.

I found this really great example. This is Smashbox cosmetics and I signed in with my Facebook login. So they know who I am and I think I did kind of opt out of giving them additional information. But basically, they wanted me to broadcast to all my friends that I just signed up with them and that I'm shopping through them. So right from their website, so this is not on Facebook, right from their website you can like these different products. So I think this is something that will be pivotal in e-commerce as we move forward.

Behavioral targeting, everybody knows how powerful that is and the next couple of slides I talk about re-targeting. We've already talked about that today a couple times but I'll go through it quickly in case anybody missed it. So we know that re-targeting, basically, someone has performed an action on your website and based on the fact that they've been to your site, and ad essentially follows them around on different sites where they go. So you'll end up with an experience where the content on the page doesn't necessarily match the ad. So in this case, I'm looking up Thanksgiving recipes and I'm served up a Petco ad because I've been to Petco and I was looking at their products.

Ads won't show to people that have not visited your site so it's important to show them based on the categories and the products that they're looking at, the types of offers that they'll expect to get. And I want to just, like I said, move through this because we've already talked about it. For e-commerce specifically, one of the powerful targeting tactics is the abandoned shopping cart. You can get a lot of information based on how much of the cart they've been filling out, when they abandoned, at what point, when they do complete that transaction, if you can give them different types of cost selling options. So this is a very powerful re-targeting option for e-commerce and that's why I wanted to point this out. You can remind them to buy, offer them free shipping or different kinds of discounts.

Then this is an example that I showed earlier just going about my normal day. Reading the paper I am served an ad for Loft because I was there earlier researching some of their products.

When I was listening to music in the middle of the day on Slacker Radio, I was also served a re-targeted at from Macy's because I had been there and looking at that specific product line. So they knew I was on, looking at that exact product line, and served me that ad. I'm tying this back to e-commerce. Then earlier, I talked about Overstock and looking at those particular products and that those that are dynamically generated with the exact products that I looked at.

Something a little bit more interesting and new than re-targeting is the interest categories, something that is accessible in AdWords. This is new and there hasn't been a lot written about it but basically we're targeting people based on what their interests are, rather than that they have had an interaction with you. So Google has composed an algorithm to create interest categories. You may be interested in cars, you may be interested in health, you may be interested in shopping and they're using cookies from double-click, behavior data from AdSense websites and then they're categorizing all of these cookies on computers which represent people, between 500 and 800 million cookies and over 2,000 different interest categories. So they have collected a lot of data on people and there's a lot of opportunity to target people this way.

What you do when you go into AdWords is you simply identify these categories based on what behavior these people have done on the web. But it's more sophisticated than you would think because they're being put into categories based on their behavior, again. Since the list of predefined, there's no placement or keyword selection necessary. They're already interested in cars, or they're interested in health, again.

So I think as we move forward, some trends to watch include looking for more third-party data sources to be incorporated into targeting lists so that those can be mixed and matched and with more complex layering capabilities. Google has released some different diagrams on a display network that shows how these

different audiences are layering so you can see keyword on the display not work versus placements versus interest category. So I think that is an area where we're going to be able to get more detailed and more segmented in targeting through that.

The third area, I think, will become very, very important is mobile devices. They have become the indispensable shopping tool. I know that I, personally, have purchased through my mobile devices. So people are using them, if not purchasing directly through them, using them as part of the research phase to decide and compare among sellers. So on mobile devices there are a couple different ad formats that are available through AdWords. The typical text ad, you can site links just like you do in the search engines. What you should do differently for mobile is to incorporate text site links that have to do with mobile. In this example, find an office, anything that has a store locator in it, something where you're able to customize your message to the mobile user.

Click to call is something also that's fairly new and this allows users to click on the link and directly call you. Google says that more than 500,000 advertisers are currently using click to call and they're seeing over 100 million calls per month. I think this is a great entry-level way to get into that click to call area to see how it is performing and to see if your audience is on mobile and if they are responding. It was used to be, for a long time, that we never knew how the phone calls that were coming in through leads, but this is a way, I think, to close that gap.

Another very interesting new ad format is these app ads. When consumers are searching for certain types of apps, they will click directly from the ad and go to the Apple Store or go to the Android marketplace and download. So I think that's really interesting because we're sending them to a place where they can go and purchase it, not necessarily on your site or not a social network. We're going directly to an app store where most people already have their purchase information saved and other credit card information so I think this is great for people who are selling apps as well as anybody who is giving away free apps. It would be a great conversion tool.

Besides the app ad, most mobile ads will need to have some kind of a mobile-friendly landing page that they need to be easy to navigate for users that are on mobile devices, easy for them to sign up and make a purchase and be designed for usability and visibility on small devices and across devices too. So a phone is different from an iPad as you know. Some conversion tips specifically for mobile: make it easy for someone to contact you, focus on the details that people will need to make a decision, so the product details. I really like this example of a mobile landing page because if you have a past problem, I think a big red button with a very clear call to action and the phone number is just great. It's simple but it's really brilliant at the same time. We want to reduce the number of steps needed to complete a transaction and so this is another perfect example. If you need someone to fill out a form, we want to limit the number of check boxes and data entry points that they have.

Some trends to watch in this area: mobile offer ads. So Google is doing Google Offers. I don't know if anybody in this room is receiving offers and taking advantage of them but now they have mobile offers. They let advertisers include their deals specifically for mobile. Once you find this ad you can either e-mail it to yourself or text it to yourself so that you can redeem it in the store. So if you watch a little promotional video you see the super trendy people and they click on it and then they have it in their phone and they go into the boutique and they're like, "Hey, I have my discount." So where they're going with that is that they're really promoting local businesses more and getting offers right to people where they are out on the street. These will only be displaying on Google.com.

I saw another interesting Google app: Mobile Shopper app. So I don't know if anybody house this. You'd probably download it just for fun for your research but you can browse through millions of products. You can scan by barcodes, by cover art, voice and text and then you get a list of all the products that fit that description. The data is coming from the Google Merchant Center but it's a very powerful tool because you have people with the shopping information in the palm of their hands.

So some of my final thoughts: for e-commerce in pay-per-click, it used to be we have keywords, we have text ads and people will click through and they'll come and they'll buy our books, our products on-site, or insurance. Now we're seeing that there are a lot of other types of environmental influences from social

channels that are targeting this change and has become a lot more personal and that with mobile devices, even people are not sitting at their desktop, that they're more approachable. Everybody is using these things for shopping. They're leveraging all these different channels, the consumers are, so I think as advertisers, it's really important for us to look at that and how those different pieces of the puzzle fit together.

So I'd like to just open the room up to some conversation if anybody has any specific questions or would like to talk about some of these things that you've tried.

Audience Question: Have you ever had any experience with the free, mobile website creation tools?

Lisa: Yes, it's funny you should ask that because it's horrible. It's really, really bad. You should try it just so you can talk about it. It's really bad. You would think that it would work. I forgot what it's called though. Mobile site builder?

Audience Question

Lisa: It doesn't work very well. But I think it has potential. Maybe we just didn't get it. That's always a possibility. Oh, go ahead, sorry.

Audience Question

Lisa: I have tried it. When I first launched it, I saw that I had a higher click through rate than placement or keyword targeting but after about a month, it evened out and it had about the same click through rate. This was for branding so I don't actually have any conversion information about that. But I believe it's an audience so there's a new display tab. I don't know if you have that.

Audience Question

Lisa: Oh, okay. It would be probably in the audiences tab so you will say I want to target by, I think it does say, like "remarking" or it says "interest categories" and then you can browse through the interests. So the interests that you see in there, they're sort of sub-interests so if you're looking for something more specific than what you see, type that in the search to see what will come up, and you can target multiple interests (people that are interested in health and fitness, for example).

Audience Question

Lisa: Current events, yeah, you go to new sites. Yeah. The cookies that they're reading that put you into other different interest categories. If you go into your privacy settings in Google, it will actually show you what they think your interests are and that's really neat, to see what they think you're interested in and then also just to experience it from how you are targeting people and how accurate that would be. So they encourage you to look at that, at what categories are assigned to you and to edit them to get more relevant advertising. But, yeah, when you look in there and see it from the other side of it, you'll see those are how people are being targeted so thanks for answering that other topic because I couldn't remember.

So I had this interesting experience with mobile sales. I'm doing PPC for a furniture retailer and they sell on-line as well. This was a couple years ago so it was pretty new after the taking out the mobile devices where you could see that data. So when we were able to do that, we saw that several big orders were coming in through iPads of like hundreds of thousands of dollars worth of furniture. So I think, in that example, maybe with furniture, you're on-site at a clients or you're the end user but maybe you're bringing it around, looking at this couch with the other pieces of furniture in your room and saying, "Okay. I finally have made my decision in placing the order through the iPad." So I think it depends on what industry you are and how mobile you are. There's some businesses, especially service industry businesses that are just completely

mobile. If you're targeting those types of people, I've had some construction clients - they will get quite a bit of activity through the mobile channel.

So how would we know if somebody had a mobile site versus a site that kind of worked and they could get the transaction through? We would assume that if it is designed for mobile that it would automatically perform better but it's really an area where it's growing right now so I think the best thing to do is to look at the results that are coming from mobile from your Google Analytics. You can see everything that going on. From PPC you have the campaigns broken out so that's really great. You can see individually how those are doing and make a case for that to try a mobile site or try a mobile landing page, it doesn't necessarily, depending on what you do, it doesn't need to be a whole site. It can be a small mini-site, perhaps.

I think it's still growing right now and I think most people who have been using mobile or trying it or at least looking at the data separately have seen that it's cheaper for right now, but we can probably expect that to increase as the demand increases for that ad space. But I think that this is a really good group, good ideas. Anything else?

I think they have very specific guidelines for how they want to see the merchant feeds, right? So they have, sort of, here's the minimum and then if it's enhanced, that's where you get all the product ads showing up and extra benefits. I don't have any particular, specific tips on making this feed more optimized. I think, it sounds like to me, it's a lot of technical work. So if someone in this room has worked with feeds extensively, let me know. I also know someone in the industry who's really good with that sort of thing that I can refer you to.

Thanks for coming today.