

Why Retailers Should Move Up-Funnel to Engage New Customers on Google Ads





Costs Keep Rising on the SERP

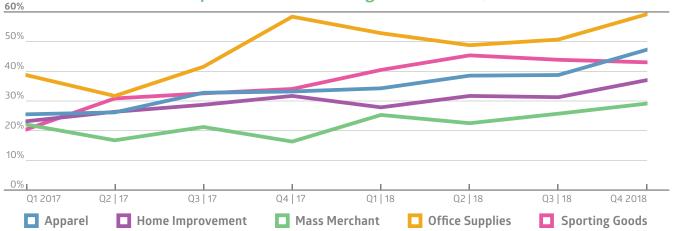
At times it seems that Google Ads is a race to the bottom. In order to stay at the top of the SERP, retailers are forced to spend higher CPCs at the expense of their margins. They also must compete with retail giants like Amazon. In some verticals, Amazon shopping ads capture over 40% of impressions. On Google paid search, Amazon's presence is even larger, capturing 60% of impressions in certain verticals.

Instead of competing directly with Amazon, some retailers are going back to their own customers whose loyalty and return purchases they rely on. Targeting low-funnel, branded queries has helped retailers ensure they don't lose their most loyal shoppers to competitors, but it risks their acquisition funnel running dry.

For more Google Ads trends, <u>download</u> the complete **2019 Benchmarks Report**.



Amazon's Impression Share in Google Paid Search, 2017-2018



Source - Sidecar 2019 Benchmarks Report: Google Ads in Retail

Retailers Must Take a Holistic Approach

Consumers who search for your brand on Google are a fairly small subset of all potential buyers shopping for products you sell. Shoppers who search using non-branded or trademark terms are valuable prospects who should not be overlooked. What's more, the shoppers who know your brand aren't necessarily loyal to your brand alone. If they see a lower price or faster shipping on the SERP, you've lost that sale.

If you focus primarily on the bottom of the funnel, you are missing out on a huge swath of shoppers who have yet to discover your brand and what you have to offer. So while bottom-of-the-funnel targeting can drive a sale on Google Ads, it's brand awareness campaigns that attract new opportunities and nurture shoppers toward the sale. It's a critical aspect of retail marketing that you cannot afford to ignore.

Instead of focusing primarily on branded terms, consider leveraging the power of non-branded keywords to drive new shoppers to your website. With this approach, you can target the complete customer journey and unlock new opportunities for growth.

In this e-book, you'll gain strategies to scale non-branded traffic across Google Ads. Learn how to keep costs in check and target valuable audiences searching for your non-branded keywords. Step-by-step tactics will help you nurture prospects into loyal customers, expanding your reach and revenue on Google Ads.



Keyword Traffic Definitions

There are three types of keyword traffic on Google Ads: **trademark, branded, and non-branded.** Trademark keywords include the retailer's name, for example "Nordstrom Rack." For manufacturers, like Nike, trademark keywords are also branded keywords. Returning customers often use trademark queries, making them an important retention tool.

Branded keywords include the names of the products retailers sell, such as "Steve Madden Booties". These keywords often signify purchase intent.

Non-brand traffic encompasses all other keywords, including generic queries like "black booties". Retailers should segment their campaigns by trademark, branded, and non-branded keywords in order to set accurate bids based on purchase intent.





Why Paid Search Is the Ideal Driver of Non-Branded Traffic

When it comes to driving non-brand traffic, paid search is the clear choice for retailers. Google Shopping has proven an invaluable performance marketing channel. Retail marketers can connect shoppers to the exact products they're looking for and eliminate the number of clicks needed prior to the purchase. But the higher up the customer acquisition funnel marketers go, the less relevant some Google Shopping ads become.

In the earliest stages of the shopping journey, shoppers are asking questions, researching product types, or simply searching for inspiration. Paid search ads are ideal for serving those needs in addition to mid- and low-funnel activities. Following are the reasons paid search is the channel for non-branded growth and new prospect engagement.

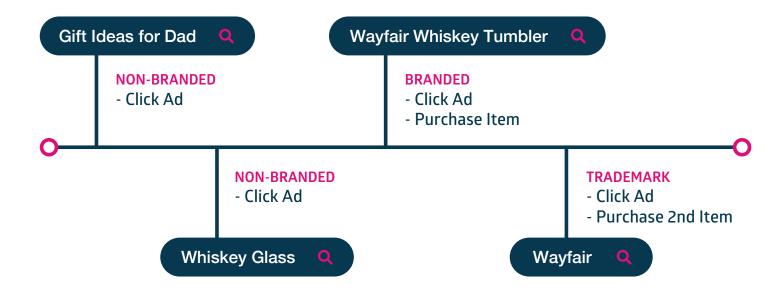


Paid Search & Non-Branded Traffic

Keyword-Level Bidding

Keyword targeting capabilities on paid search allow you to scale non-branded traffic. Unlike Google Shopping, you can bid on positive and negative keywords. If a shopper searches for "Gift Ideas for Dad" you can bid on that specific keyword and negate branded terms to filter out shoppers who are further down the funnel.

The Role of Non-Branded Keywords in the Shopping Journey





Paid Search & Non-Branded Traffic

Targeted Copy

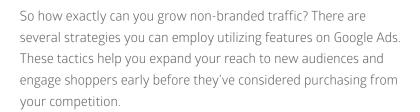
Google paid search also gives you the flexibility to align landing pages, ad copy, and keywords. When the query "Gift Ideas for Dad" surfaces your ad on the SERP, you can ensure the ad copy includes that phrase, and you can provide the shopper with exactly what they're looking for on the landing page: multiple Dad-related gift ideas from your catalog.

On Google Shopping, ad engagement drives shoppers to a product page, which upper funnel shoppers may not be ready to engage with yet. Tailoring your ads to research or inspiration can help you tap into non-branded traffic and cultivate new customers.

Remember, this is a long-term relationship-building initiative. A shopper at the top of the funnel may click your "Gift Ideas for Dad" ad and visit the site five more times before making a purchase. But that initial engagement is still valuable. It empowers you to retarget these shoppers and continue to educate them about the value of your products. Plus, you've formed a relationship with the shopper before they've even encountered your competition.







Use RLSAs to Convert Site Visitors & Grow CLV

Retargeting Lists for Search Ads (RLSAs) play a critical role in transforming non-branded paid search traffic into paying customers. This tool can help you uncover valuable audiences in your non-brand campaigns, and it can help you stay top of mind with shoppers as they make their final purchase decision.

If you have applied the RLSA tag to your website, you can retarget any shopper who has visited your site or added products to their shopping cart. For example, you could increase your bid on the term "sectional couch" by 25% only if the searcher has previously visited your site. If a shopper has visited your site in the past, the likelihood that they will convert from a non-branded search query increases.



Reach completely new audience segments using a combination of social media and RLSAs. If you advertise on Facebook and Instagram, for example, you can develop a campaign that targets new audiences outside your current RLSA lists. You can negate RLSA lists from Facebook ads and use a UTM code to track the campaign in Google Analytics. Once you've attracted a new audience on Facebook (RLSAs require a minimum of 100 contacts) import this new list into an RLSA. This new audience is ideal for non-brand campaigns because they are often at the beginning of their shopping journey.

You can also target past customers using RLSAs. While this does not necessarily increase new customers for your business it can grow customer lifetime value (CLV) and non-branded traffic. For example, a home improvement retailer may have converted a shopper because of its affordable drills. That shopper is now interested in buying outdoor plants and may not realize the same retailer also sells gardening essentials. When the shopper searches for "outdoor plants," the retailer's ad will appear thanks to RLSAs and increase the likelihood of engagement. This is a powerful way to grow repeat business and prevent competitors from poaching your customers.

Harness Non-Branded Traffic

Don't Overlook the Value of Mobile Research

Mobile is an increasingly valuable platform for retailers. Not only is it a growing source of sales, but it is also the place where many consumers begin their shopping journey. Shoppers rely on their mobile devices to research new products and gain inspiration. According to Deloitte, 70% of smartphone users planned to use their mobile devices to research and purchase holiday gifts in 2019.

One way to narrow the scope of your non-brand campaigns is to focus specifically on mobile traffic where much of the research is occurring. If you have a high volume of non-branded traffic on mobile, it may be worth creating a dedicated, mobile, non-branded campaign. Mobile CPCs are lower than desktop—approximately 50% lower in paid search—which mitigates some of the higher costs associated with non-branded traffic.

Reaching these mobile shoppers early, and then retargeting them on Google's paid search or shopping channels can help you drive greater value from these non-branded, mobile searches.



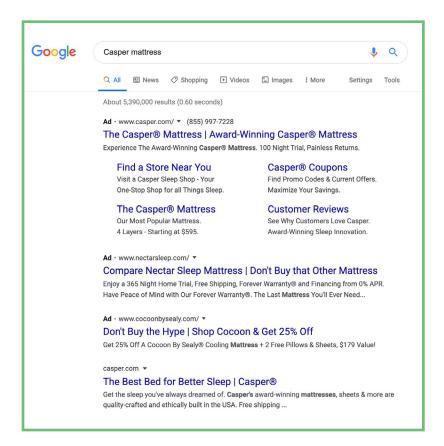
Harness Non-Branded Traffic

Target Competitor Terms to Reach New Audiences

If you want to reach new customers who aren't aware of your brand, target competitor keywords. Google allows retailers to target competitor trademark terms, but you cannot include that trademark term in your ad copy.

One way to execute this successfully might be targeting competitor terms when you are running a significant promotion. For example, in the highly competitive mattress vertical, retailers often bid on competitor terms, promising a higher quality product or lower prices.

This tactic can be expensive. Some retailers bid up their own trademark terms to prevent competitors from siphoning off potential customers. Test targeting trademark terms with a small budget and focus on a single competitor at first. If you find success, consider increasing the budget to appear more frequently on competitor searches.



Keeping Price in Check

While the strategies described above may seem simple, a key consideration for all retail marketers pursuing non-branded traffic will be price. Generic, non-branded keywords like "knit sweaters" or competitor trademark terms like "Target" can be incredibly expensive terms. Unless you have a very large marketing budget, you will quickly exhaust spend if you bid on every non-branded or competitor term.

To prevent your non-branded paid search campaigns from soaring to new spending heights, keep the following tactics in mind.

Go Niche

Think of an area of your catalog where you serve a niche need. There will be less competition for these keywords on the SERP. For example, if you specialize in heated clothing, go one layer deeper into your catalog and focus on heated clothing for motorcyclists. This is a specific niche where you will face less competition on the SERP and lower CPCs

Find the unique audiences you serve within your catalog or the products that stand out from your competition. These are the vehicles to grow your non-branded traffic and build relationships with new audiences.

Target Branded Terms

If you can't afford to target generic keywords that tend to be searched at the beginning of a shopper's journey, consider targeting the middle of the journey. Instead of bidding on the expensive "basketball shoes" keyword, target a brand like "Kevin Durant basketball shoes." This branded keyword indicates that the shopper knows what he wants and is closer to making the purchase. That increases the likelihood of a sale and, as a result, your ROI.

Make sure you separate branded keywords into a separate campaign from generic, non-branded keyword campaigns. This eliminates top of funnel traffic and ensures appropriate bids based on shoppers' intent to purchase.



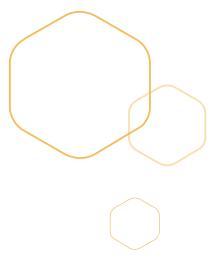
Keeping Price in Check

Create Campaigns for New Versus Returning Customers

Using RLSAs and Similar Audiences, you can create campaigns that are targeted specifically to new customers and returning customers. Separating these audiences helps you bid appropriately on new customers who are less likely to convert and returning customers who are much more likely to make a purchase. To keep costs low, set low bids and ROAS targets in the new customer campaign.

With the RLSA tag, you can filter audiences based on the pages they've accessed on your site. Returning customers will have hit the confirmation page after completing a purchase. Filter these audiences into the returning customer campaign. New customers may have visited your site but never made a purchase. These shoppers should be filtered into the new customer campaign.

Similar Audiences can also help you reach new customers. The tool matches existing customers in your database to shoppers who have similar behaviors on the SERP. Apply Similar Audiences in your new customer campaign to expand your reach beyond site visitors.



How to Get Started

If you're ready to invest in non-branded keywords and convert new customers, follow these steps to get started.

- **1. Segment your campaigns** by trademark, branded, and non-branded keywords. Each of these keyword types suggest a different level of intent from the shopper and may indicate which stage of the shopping journey they are in. Bidding each keyword type appropriately, in separate campaigns, ensures that your spend is in line with your return. Negate branded keywords from non-branded campaigns and visa versa to ensure a clean view of performance.
- **2. Focus on high-margin products first.** Non-branded keywords tend to have a higher CPC, so it's important to promote products that have the greatest margins. Start with your highest margin products when you create non-branded campaigns to ensure the greatest ROAS.

- **3. Align your landing pages** to non-branded keywords. In Google paid search you can select the best landing pages for your ads. If shoppers are searching for a product, you can direct them to a page that lists all the brands of that product you offer. This improves user experience and can reduce CPCs by increasing the quality score of your ads.
- **4. Start small and test regularly.** It may take some time finding your niche in the SERP, but once you see a positive uptick in your new-to-file names at an acceptable cost, you'll know your non-branded campaigns are achieving your goals. Emulate that success with new products and keywords, and constantly test new ways to expand your audience so that you engage shoppers at every stage of the funnel.



Uncover Your Ideal Traffic Mix

Retailers understand the need to continually innovate on Google Ads in order to outpace competitors, but many have struggled to unlock the potential of non-branded traffic. Because costs are high and ROAS is low, mining non-branded traffic for new customers can seem challenging.

With these tactics, you can begin scaling non-branded traffic and targeting new customers at a cost that is sensible for your business. Uncovering your unique mix of trademark, branded, and non-branded traffic will help you engage shoppers at every stage of the shopping journey and maintain the health of your business.



Contributors



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Chris is VP of Customer Strategy for Sidecar. He oversees the department of customer strategy managers and analysts who help retailers excel in search, social, and marketplace advertising. Chris is a veteran of the search and e-commerce marketing industries, and has managed multimillion-dollar ad budgets to position retailers to succeed across channels in a complex and constantly evolving environment.



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