

# THE PPC BENCHMARK GUIDE

*for the retail industry*

Q4 2014



created by

THE  
**SEARCHMONITOR**

# WHY THIS GUIDE IS NEEDED

Benchmarking your search marketing performance against yourself only goes so far. It's great for incremental improvements and definitely feels great to beat a personal record. But without competitors and industry leaders to compare yourself against, it doesn't show you how good you can truly be.

Too often, retail advertisers set simple, internal benchmarks for their search performance. Do these sound familiar?

- “Improve my CTR by 10%”
- “Decrease my CPC by 50 cents”
- “Consistently average at Rank 3”

This guide helps retail advertisers in two ways. It provides them with 5 key PPC performance indicators to monitor, and then provides actual data points to use for benchmarks.

## What PPC retail metrics are benchmarked in this guide?

- Number of Competitors
- Ad Share
- Ad Rank
- Clickthrough Rate
- Cost Per Click

The guide concludes with a checklist for ad monitoring in Retail, a list of search marketing resources for retail marketers, and a few ad monitoring tools.

With better benchmarks, comes better performance.

## Happy Monitoring!



**LORI WEIMAN**  
CEO and Co-founder  
The Search Monitor

# WHAT'S UNIQUE ABOUT PPC & RETAIL

**A lot!** Below are just a few things that make search marketing in the retail vertical especially challenging.

## Local Marketing

Search marketers at retail companies need to understand how their competitors and resellers are advertising through geo-targeting



## Resellers & Partners

Retail marketers must make sure resellers and partners are following agreed-upon rank rules and trademark guidelines



## Coupon & Offer Monitoring

It's essential to monitor the offers your competitors are using in their paid ads



# Bring on the PPC benchmarks for Q4 2014!

**NUMBER OF  
COMPETITORS**

**AD  
SHARE**

**AD  
RANK**

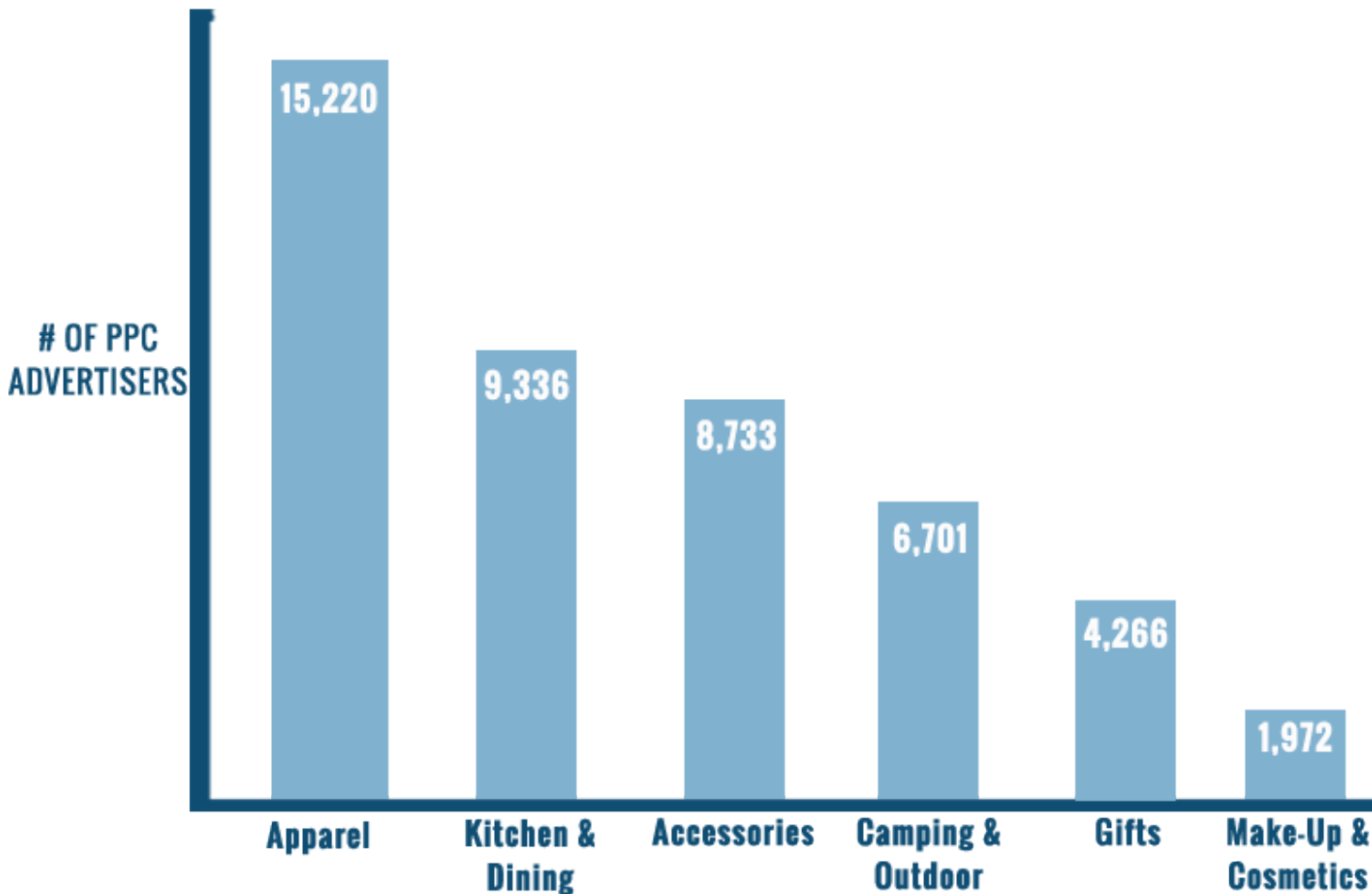
**CLICKTHROUGH  
RATE**

**COST PER  
CLICK**



# NUMBER OF COMPETITORS

How much search competition is there in Retail?



US Google searches for these keywords, Q4 2014

## METRIC

The number of competitors bidding on the keywords in your industry is one of the best measures of competitiveness for keyword groups.

## FINDINGS

As expected, most advertisers were in Apparel, and the fewest in Make-Up & Cosmetics, and Gifts.

## SO WHAT?

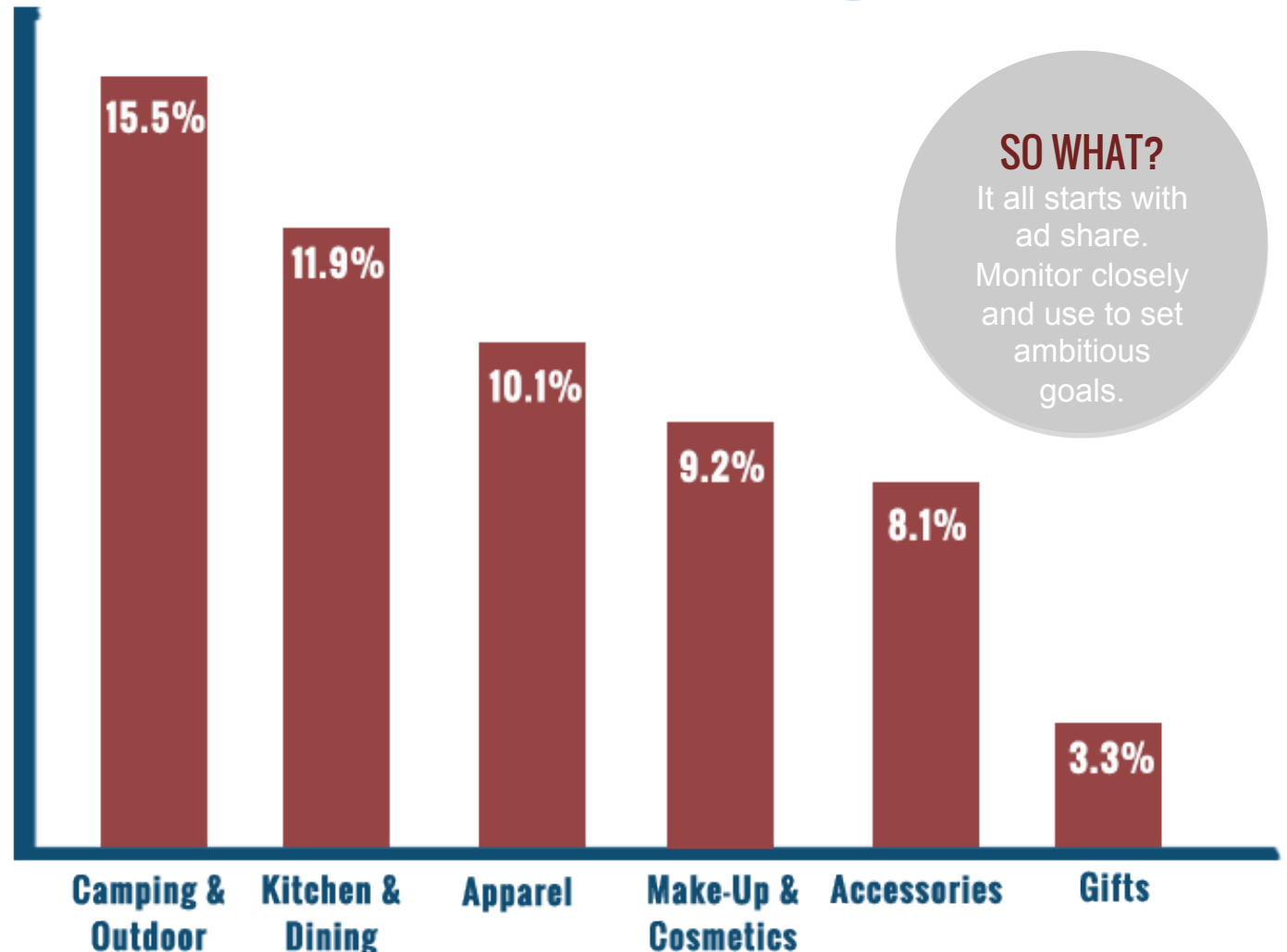
Use to identify areas where your products can shine or to justify higher spend



# AD SHARE

## Which Retail verticals have the highest ad share?

PPC  
AD SHARE



### SO WHAT?

It all starts with ad share. Monitor closely and use to set ambitious goals.

### METRIC

Ad Share is the percent of ad exposures across all keywords monitored, with a boost for better rank. Low ad share helps explain other data such as low click totals.

### FINDINGS

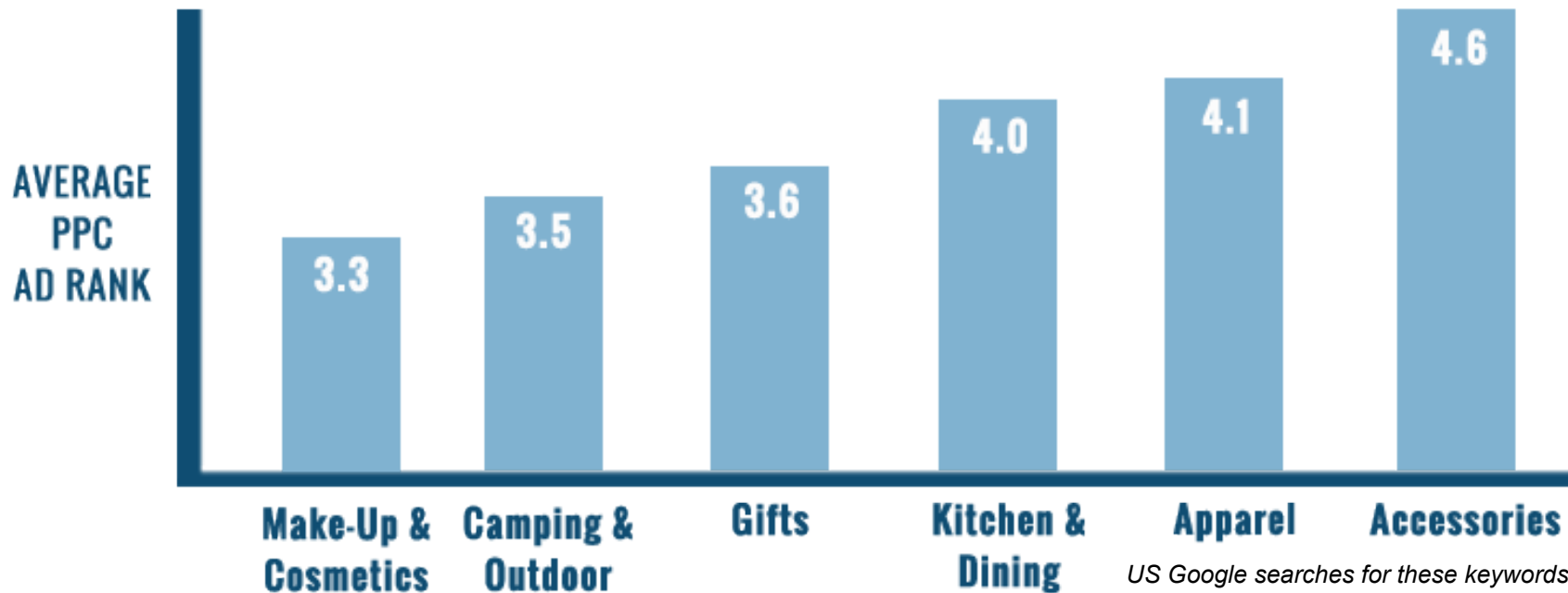
Three of the six retail sub-verticals scored over 10% ad share. Gift advertisers, meanwhile, were the least successful at dominating the search results.

US Google searches for these keywords, Q4 2014



# AD RANK

How does PPC ad rank compare across retail verticals?



US Google searches for these keywords, Q4 2014

## METRIC

This tells the average rank seen during the time period monitored and helps advertisers understand click and spend data, especially when an average rank falls below the industry benchmark.

## FINDINGS

Make-Up & Cosmetics won the battle for PPC rank. Apparel and Accessories, meanwhile, appeared lowest on the page, scoring a rank of 4.1 and 4.6 respectively.

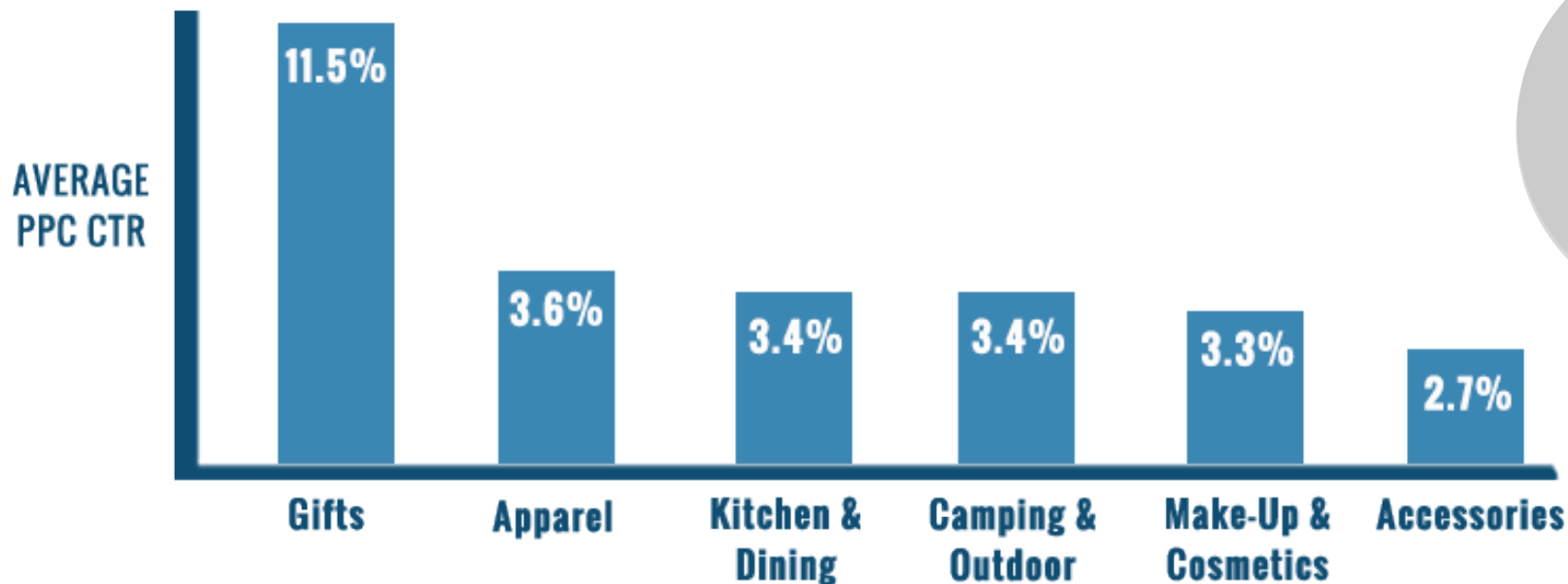
## SO WHAT?

It's not how well *you* rank, but whether you can out-rank *others*!



# CLICKTHROUGH RATE

## Which retail advertisers see the best clickthrough rates?



US Google searches for these keywords, Q4 2014

### SO WHAT?

Dive deeper into competitors who get more clicks and learn their secrets

### METRIC

The Search Monitor estimates an advertiser's clicks with a high degree of accuracy, and then calculates the CTR using the number of times the ad appeared.

### FINDINGS

Gifts saw the highest CTR by far (11.5%). This is likely due to the holiday season being a popular time for searching for gifts online. On the other end of the spectrum was Accessories, which received 2.7% CTR, which is not surprising based on the ad rank chart.





# COST PER CLICK

How much do retail advertisers pay for their clicks?

## METRIC

Yes, it's actually possible to get your hands on precise estimates of how much *any* advertiser spends on each of its clicks.

AVERAGE  
CPC

## FINDINGS

It's no surprise that the highly competitive Apparel vertical saw one of the highest CPCs. What did surprise us was how low the CPC for the Gifts vertical was based on the high CTR the vertical saw in Q4.



## SO WHAT?

Monitor competitors' CPCs closely. At a certain point, more clicks can blow your budget and actually hurt the bottom line.

US Google searches for these keywords, Q4 2014

# A HANDY CHECKLIST TO HELP YOUR RETAIL AD MONITORING



## MONITORING CHECKLIST

- Identify your appropriate sub-vertical
- Identify 5 competitors
- Identify the 5 top players  
(or companies you'd like to emulate)
- Identify your appropriate spending tier
- Find click benchmarks (# and CTR)
- Get spend benchmarks (CPC and budget)
- Calculate your PPC market share
- Analyze your competitors' SERP presence
- Analyze your competitors' mobile ads
- Analyze your competitors' display ads
- Analyze most popular offers (if applicable)

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# RETAIL MONITORING RESOURCES



- [The Search Monitor Website](#)



- [Retail Vertical Blog Posts](#)



- [Infographic: 8 Key Search Marketing Insights from Black Friday](#)



- **The Search Monitor's Major Retail Sub-Verticals**

- Apparel - Clothing
- Apparel - Accessories
- Apparel - Footwear
- Apparel - Jewelry
- Beauty & Personal Care – Make-Up & Cosmetics
- Beauty & Personal Care – Skin Care
- Beauty & Personal Care – Hair Care
- Beauty & Personal Care – Anti-Aging
- Hobbies & Leisure – Camping & Outdoor
- Hobbies & Leisure – Toys & Games
- Home & Garden – Kitchen & Dining
- Home & Garden – Home Appliances
- Health – Nutrition & Dieting
- Sports & Fitness



- **Other Guides from The Search Monitor**

- [16 Tips for Using SEM Data](#)
- [7 Secrets to the Perfect SEM Budget](#)



- [Request a demo](#) of what we know about your competitors or industry



# ABOUT THE SEARCH MONITOR

Click the areas below to learn more or [request a demo](#) for a specific vertical or company.

## The Search Monitor Ad Intelligence Platform

Understand Your Industry



Get Important Benchmarks



Learn from Best Practices



Verify Partner Activity



Protect Your Brand



### COMPETITIVE MONITORING

Custom Keywords

Lighthouse  
(by Vertical)

Shopping

Display

### COMPLIANCE MONITORING

Affiliate Monitoring

Trademark Monitoring

MAP Compliance

Click boxes to learn more

Better benchmarks lead  
to better performance.

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