How retailers can survive Amazon’s stronghold in Google search

Retail marketers can’t out-Amazon on the paid Google SERP, but they can find white space.

Among the metrics that can help is impression share. It’s in the Google Auction Insights report for shopping and paid search campaigns.

Impression share is the percentage of impressions your ads received divided by the estimated number of impressions the ads were eligible to receive. Google determines eligibility based on a number of factors, including targeting settings, approval statuses and quality.

On the surface, impression share can help you understand whether your ads might reach more shoppers if you increase your bids or budget.

But a smarter way to use impression share is for gaining context into how your advertising environment is shifting. Evaluate it alongside other performance and competitive metrics. From there, use those insights to identify how to adapt your campaigns and bidding strategy to the changing competitive pressure.

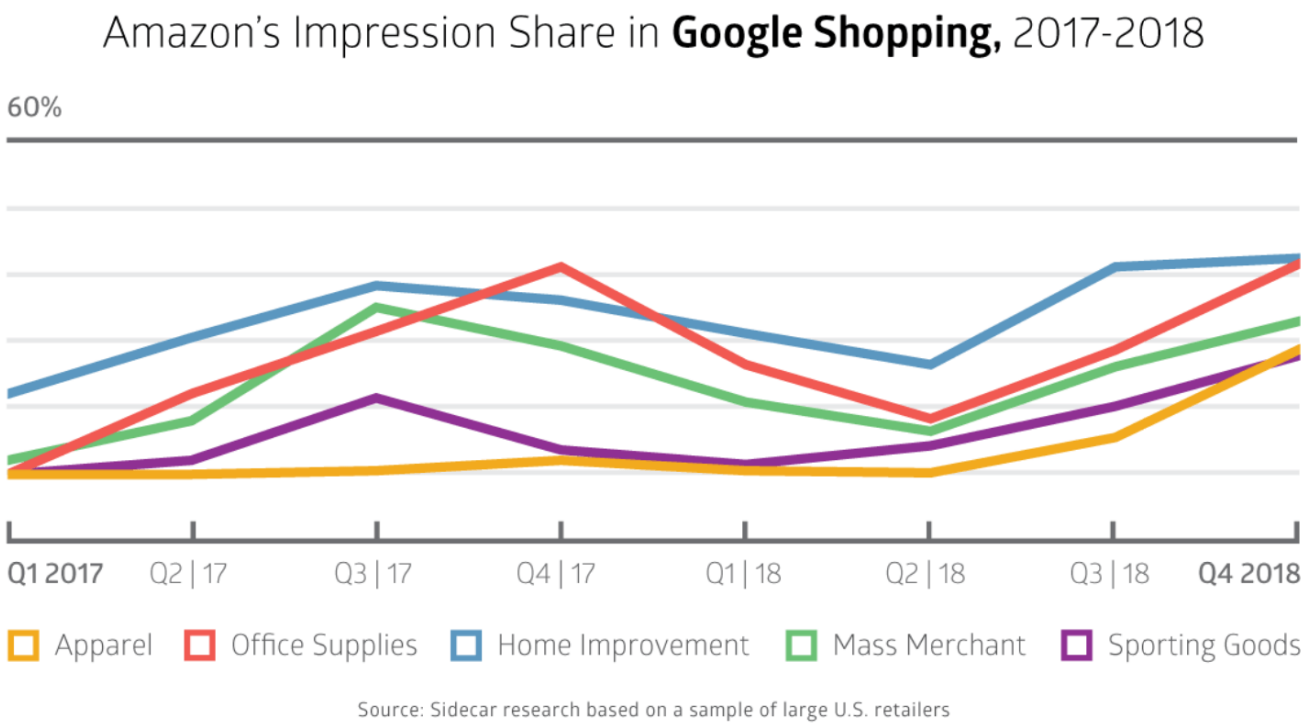
Let’s take a look at the latest data and examples for how to go about it.

Amazon’s impression share in Google Shopping

We analyzed Google Auction Insights reports for a leading

retailer in five verticals. These retailers all see Amazon as a regular competitor in Google Shopping and Google paid search.

The following chart shows the share of impressions Amazon has garnered over the last two years for Google Shopping auctions in which both the retailer and Amazon were eligible to serve an ad.



From this chart we can make a few observations. One is that Amazon's impression share tended to increase as each year progressed, reaching a peak just before or during each holiday shopping period, and dipping sharply during Q2 2018 when Amazon briefly paused its shopping campaigns.

We can also see that Amazon's share of impressions for categories such as office supplies and home improvement was consistently higher than its share for sporting goods or apparel.

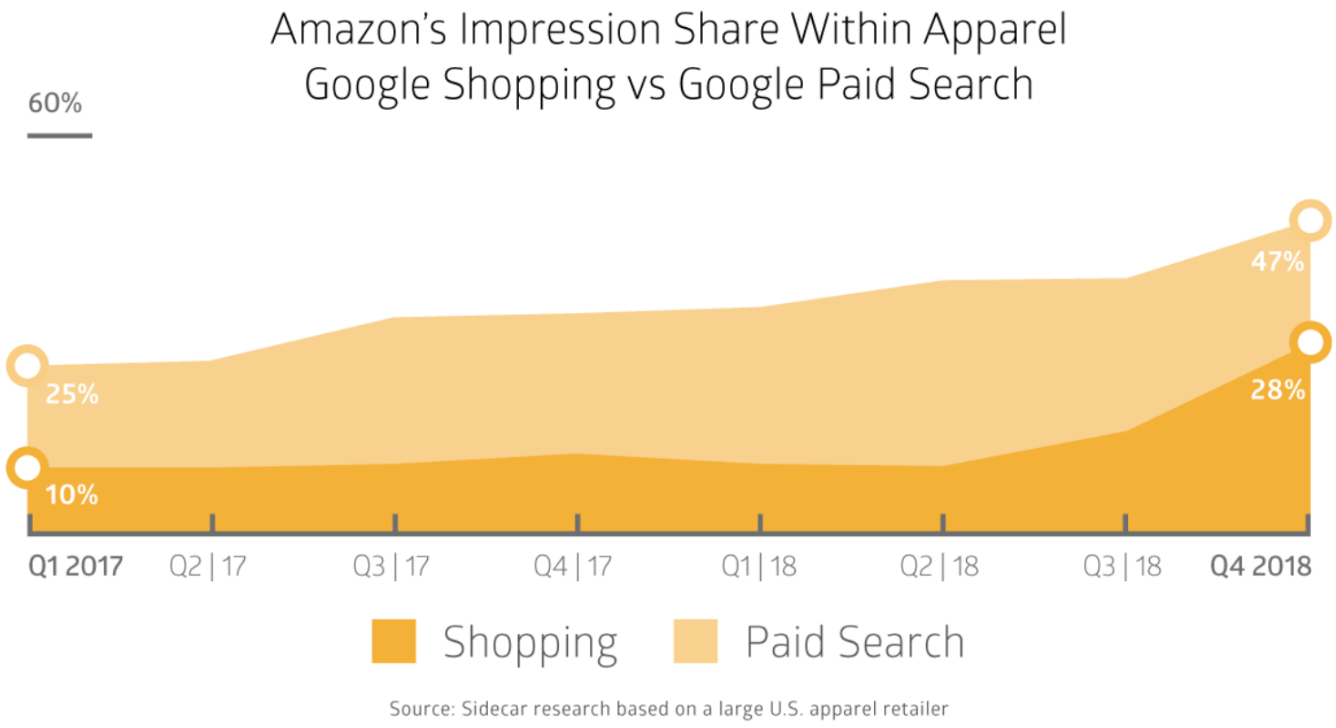
Why the difference between verticals? In part it's a reflection of each retailer's search query universe and how much it overlaps that of Amazon. The home improvement and

office supplies retailers likely share more of Amazon's search query universe.

By contrast, a retailer who sells a lot of, say, North Face and Nike products might not see much competition from Amazon, because those brands are not available on Amazon. When consumers search using North Face- or Nike-branded terms, for example, Amazon could possibly appear in search results with ads for similar products. Still, Amazon would have a much lower impression on those items because of their lower relevance.

Ramping up apparel

Take a closer look below at Amazon's impression share within the apparel category on Google Shopping over the past several months.



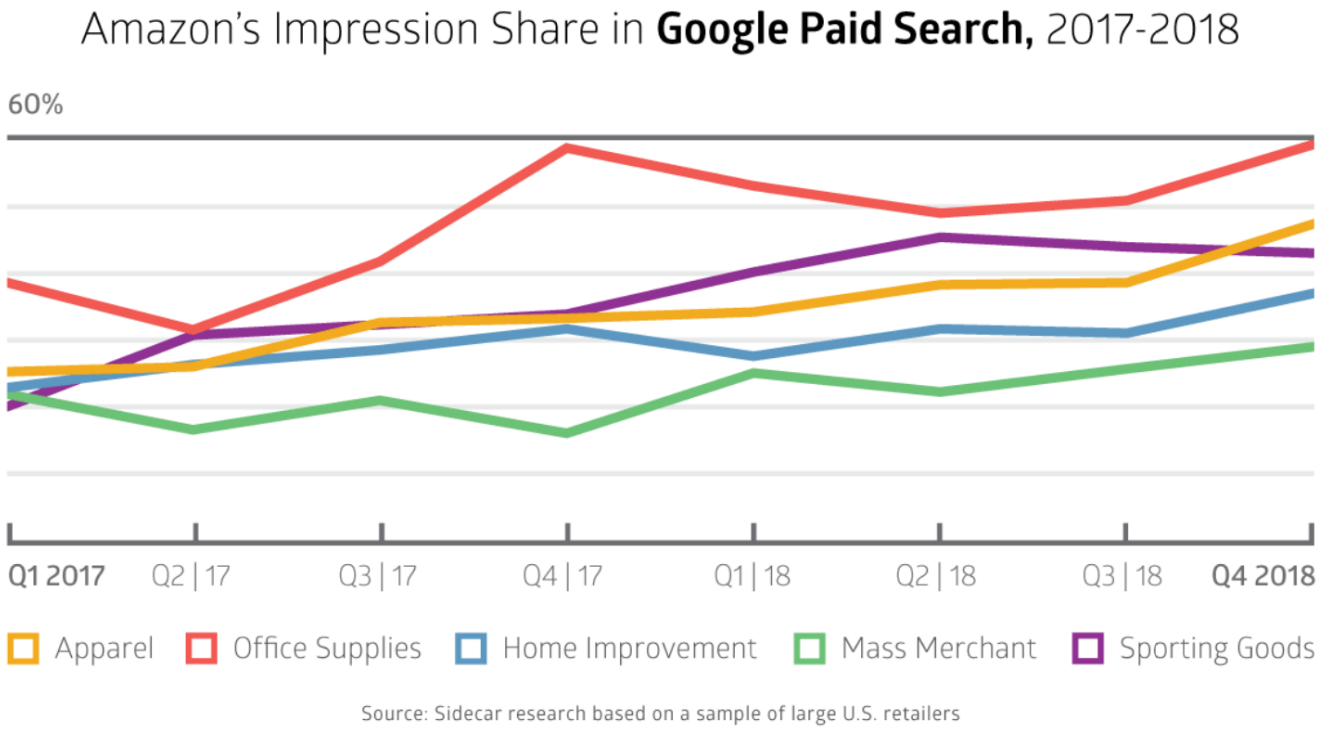
Source: Sidecar research based on a large U.S. apparel retailer

One takeaway here is that the hockey-stick growth aligns with Amazon's private label surge. The company introduced seven new private label brands and over 150 Amazon-exclusive brands in Q4 2018, according to the TJI Amazon Brand Database. Amazon's

largest brand portfolio? Apparel and accessories, with over 80 private label and exclusive brands in the U.S.

Amazon's impact in paid search vs. shopping campaigns

Looking at the same retailers in Google paid search shows a slightly different set of results.

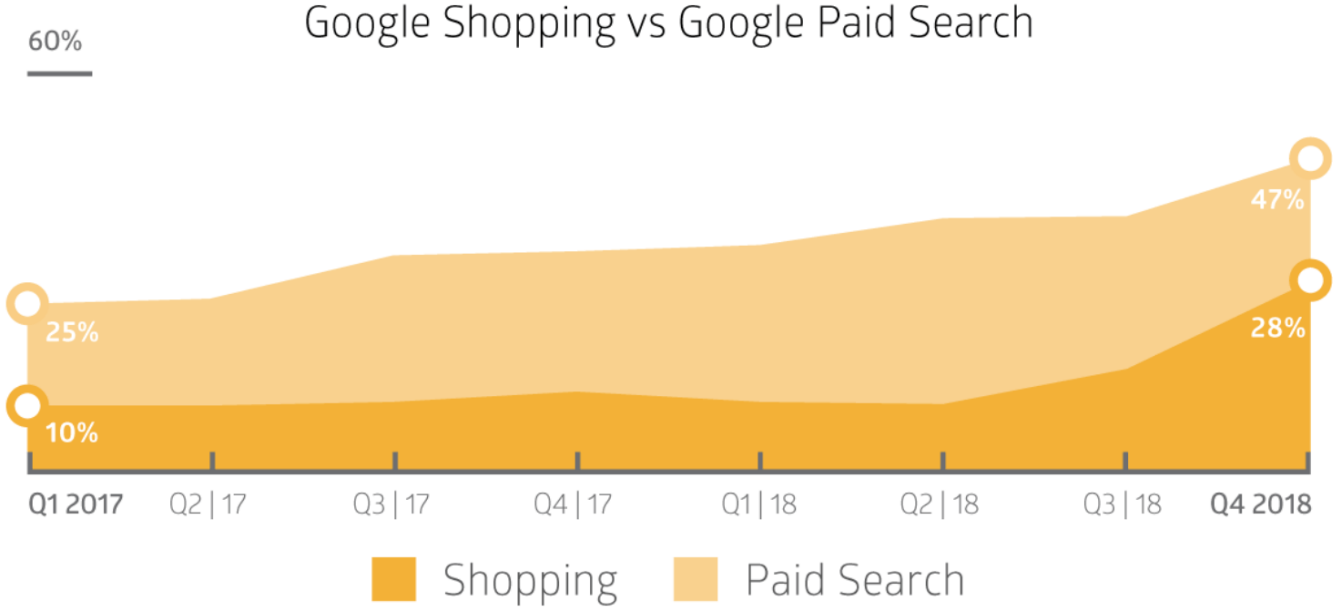


Amazon has long been active in paid search. While it continues to experiment and fine tune its Google Shopping strategy, the company has a more established and consistently growing presence in paid search, as this impression share data suggests.

An outlier, however, is Amazon's heightened impression share within the office supplies category. That trend aligns with Amazon's push in the office supplies market over the past few quarters.

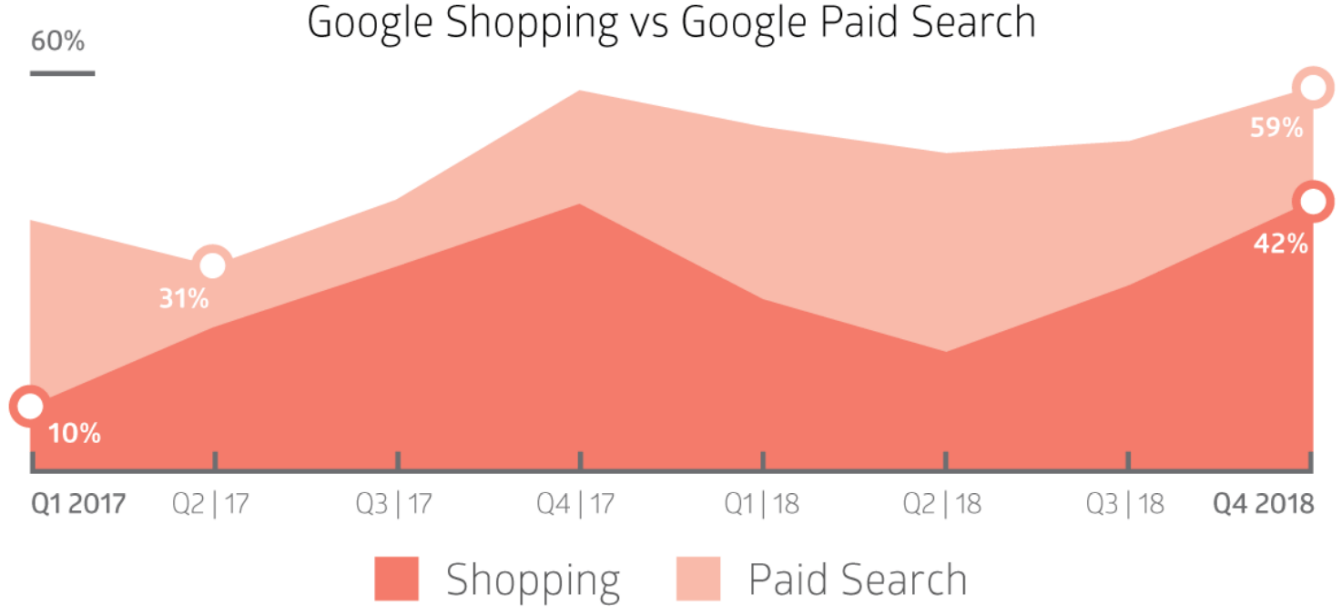
For another view of the data, let's isolate Amazon's impression share for each vertical.

Amazon's Impression Share Within Apparel
Google Shopping vs Google Paid Search



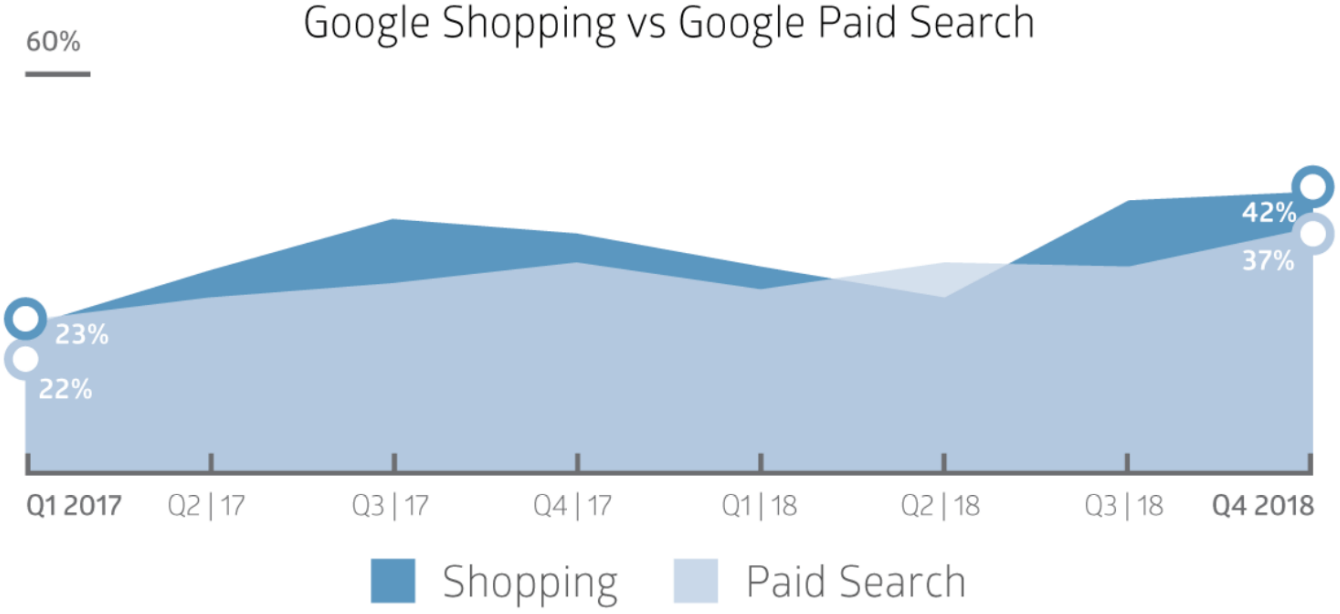
Source: Sidecar research based on a large U.S. apparel retailer

Amazon's Impression Share Within Office Supplies
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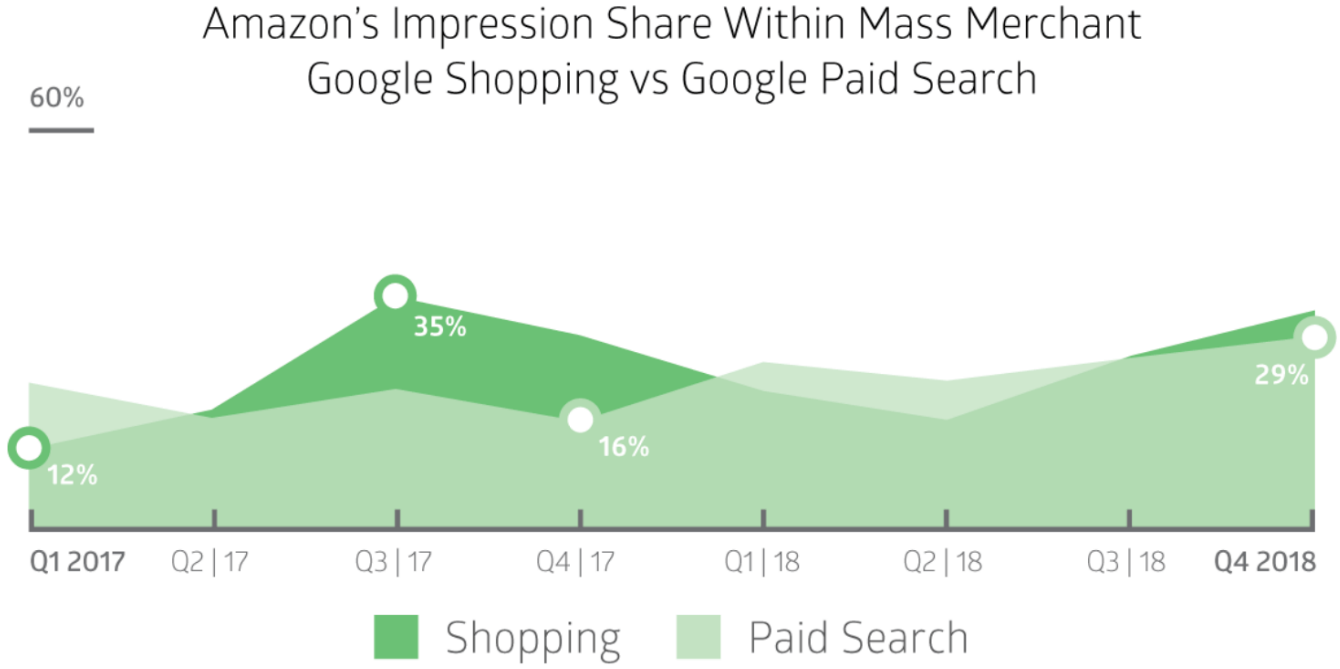
Source: Sidecar research based on a large U.S. office supplies retailer

Amazon's Impression Share Within Home Improvement
Google Shopping vs Google Paid Search

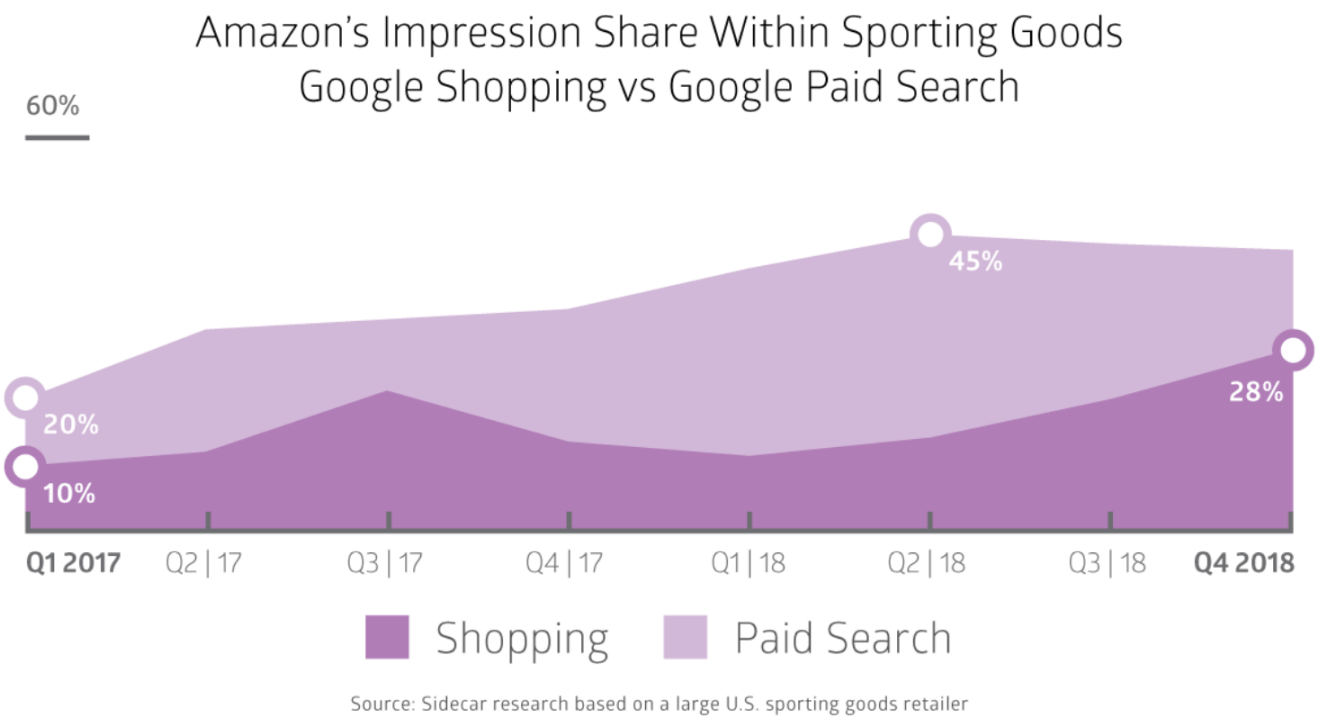


Source: Sidecar research based on a large U.S. home improvement retailer

Amazon's Impression Share Within Mass Merchant
Google Shopping vs Google Paid Search



Source: Sidecar research based on a large U.S. mass merchant retailer



Compete with Amazon, not against it

The best way to respond to Amazon's growth is not to panic. Look at your bottom line and determine what, if any, impact Amazon is having on your business. Impression share is a metric that shouldn't directly drive strategy, but rather provide context around the advertiser competition in your market.

At the end of the day, keep Amazon's impression share in perspective. Amazon is influential, but retailers that know their business and customers can be well-equipped to handle rising impression share from competitors. Here's how.

Know how to interpret impression share

Impression share can you help you determine your biggest competitors on Google, and how that landscape is changing. While you probably know your competitors overall for your business, that composition might differ in Google's shopping

and paid search channels. For instance, retailers that devote most of their digital marketing budget to Google Shopping could create strong competition for you on that channel, while creating little competition elsewhere. Use impression share to uncover new entrants or established competitors who are being more or less aggressive with their bids. Say your CPCs suddenly rise. Examine impression share to see whether a competitor's heightened spending is a factor.

Understand a healthy impression share for your business

Your business, competitive landscape, and return goals determine an ideal impression share. If you're up against deep-pocketed competitors like Amazon, an impression share of 10% might be healthy for your campaigns, as long as you're driving revenue efficiently. If you're achieving your revenue targets within your campaign's return goals, there's little concern about a few competitors outranking you.

Dig into click share, too

Click share is the percentage of clicks on your ads relative to the clicks they were eligible to receive. Analyze click share in combination with impression share to get a better sense of where your campaigns are weak and can improve. In paid search, if impression share is high but click share is low, your ads might be appearing for irrelevant queries. If the same situation is happening in Google Shopping, your products might be priced too high above the competition. Or, maybe competitors are showing promotions on their ads more often than you. Conversely, if impression share is low and click share is high, consider bidding more aggressively to increase impressions and earn even more clicks. Push products that have the best price for an easy win.

Use smarter segmentation

If you can’t simply increase budget as a response to competitors’ rising impression share, try this instead: Segment products into campaigns based on how much exposure you want those products to get. Increase bids in the campaigns containing the highest margin or best performing items. Or, create separate campaigns for branded and non-branded queries. In Sidecar’s 2018 Google Shopping Benchmarks report, we found that clicks from branded searches delivered 171 percent more ROI and a CTR four times higher than that of non-branded searches. Also, within Google Shopping, use negative keywords to filter queries and avoid wasting impressions on less relevant or low-performing terms.

Bring your mobile strategy up to date

Google Shopping hit a milestone in Q4 2018, according Sidecar’s research. For the first time ever, more than half of all Shopping conversions on occured on mobile devices. Google paid search wasn’t far behind with 44 percent of all conversions occuring on mobile in Q4. If exposure and brand awareness are among your goals for Google Shopping, you’ll get more bang for your buck on mobile where CPCs are cheaper and where Showcase ads are a factor. Those mobile impressions can lead to conversions on both mobile and desktop. Consider creating a separate campaign for mobile traffic if you haven’t yet. It will let you tune bids granularly to how your products perform on mobile.

Plan search and shopping campaigns cohesively

As the above charts show, metrics like impression share vary

between shopping and paid search campaigns. You might find, for instance, that you face greater competition in paid search than Shopping. As a result, you might treat paid search as more of a bottom-of-the-funnel channel and focus spend on high-intent queries that have the greatest chance of converting. To complement that strategy, consider how you can fill the top of the funnel with Google Shopping—a channel where you already have an advantage in terms of exposure. You might be able to withstand bidding more aggressively on a greater swath of products to drive up impression share even more.

Evaluate a move to multi-touch attribution

Most retail marketers probably agree that last touch attribution is a fundamentally flawed approach in today's omnichannel world. On the other hand, multi-touch attribution can empower you to measure performance across channels and gain an entirely new (and more accurate) view of your customers' journey. While it's certainly not a simple feat to shift attribution models, some retailers, like Moosejaw, are successfully making the move. The retail landscape is only becoming more competitive. A multi-touch model that aligns with your business and goals might be among the few, major ways you can uncover a new advantage to push shoppers through your marketing funnel.

By carefully coordinating shopping and paid search campaigns, you're positioning yourself to achieve a full-funnel marketing approach. Put your customers first when devising any strategy for Google Ads, while keeping your competitors in view.

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Steve Costanza is the Senior Analytics Consultant of Enterprise Customer Strategy at Sidecar. He analyzes digital marketing performance and strategic direction for large retailers across verticals, focusing on data visualizations and advanced account segmentation. He is responsible for deriving meaning from numbers and determining how to use those insights to drive marketing decision making. Steve is especially close to Google’s new innovations impacting Shopping and paid search. He has a master’s degree in data analytics and contributes to Search Engine Land as well as Sidecar Discover, the publication by Sidecar that covers research and ideas shaping digital marketing in retail.
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