



LATITUDE
performance led digital marketing

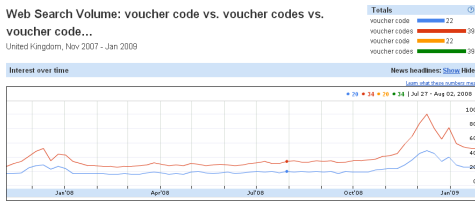
Retail Q1 Summary

April 29, 2009

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Key data

Voucher code search becoming more popular (p.2)



Images being trialled next to product listings

1. [plus size skirts - Google Product Search](#)

	Realityplus Women's Plus Size Skirt	£19.83 - Overstock.com
	KWIK SEW PATTERN 3256 WOMENS PLUS SIZE SKIRTS	£8.75 - eBay UK
	Plus Size Dark Grey Pencil Skirt	£20.00 - Ann Harvey

www.google.com/products

Mini site links have begun to appear in the SERPs

Executive summary

After the biggest Christmas online to date consumer confidence in the market is continuing to grow.

1) Christmas 2008

- 3.8m people purchased goods online on Christmas Day 2008
- Total spending for this day was £102m – up 21% from 2007
- High street retailers with web stores received 68% more internet traffic than their online-only rivals
- Increasing trend of using the internet as a research tool.

Don't purely measure the performance of your online campaigns by their ROI especially during the Christmas period. A balance is needed between making sure you have presence during the research phase and potentially receive a lower ROI with the belief that when customers come to buy they will remember the brand or visit your store.

2) Consumers and companies continue to look at ways of cutting costs.

- Voucher codes terms have seen a significant increase.
- WHSmith and Argos launch stand alone entertainment sites.

Consider working with the voucher code sites to promote your business and drive customers to your site.

3) Search engine developments

- "Vince" update released giving big brands a ranking boost.
- Images being trialled next to product listings.
- Mini site links have begun to appear in the SERPs

These may affect the amount of visitors to your site. Any good SEO company will be aware of these changes and the impact they will have on your campaign and how they are going to combat them. So ask them if they haven't already updated you.



Introduction

Within this document we will look back over Christmas 2008 compared to 2007 and at the 2 big retail events of Q1 namely Valentine's Day and Mother's Day and what observations we saw.

We will also discuss the latest search engine developments and how these might affect retailers and also what we expect to happen in Q2 of this year.

Seasonal Events

"3.8m people bought goods online on Christmas day 2008 spending a total of £102m, up 21% on last year"

Google

Christmas 2008 continued to see a rise in sales online with 3.8 million people buying goods online on Christmas Day 2008 and spending a total of £102 million, up 21% on last year.

There were two main changes from 2007. Firstly, high street retailers with a web store received 68% more internet traffic than their online-only rivals during the Christmas period. These click to brick retailers are realising more and more the benefits of online marketing and how to best use it for their business. Where as potentially they cant compete on price with the online-only retailers because of overheads, the ability to offer better customer service, a reserve in store option and the option to easily return the goods, contributed to helping gain back some market share over the likes of Amazon and Play.com.

"High street retailers with a web store received 68% more internet traffic than their online-only rivals during the Christmas period"

Google

The second noticeable change from last year was the increasing trend of using the internet as a research tool. Searches for voucher codes were significantly up as users looked for savings during the credit crunch and with continuing confidence in the online channel consumers left their purchases even later with last year.

Web Search Volume: voucher code vs. voucher codes vs. voucher code...

United Kingdom, Nov 2007 - Jan 2009

Totals	
voucher code	22
voucher codes	39
voucher code	22
voucher codes	39



Source: Google Insights

After the frenzy of Christmas and the sales that followed, the first few months of 2009 have followed a similar pattern to previous years with the credit crunch not stopping the growing trend of customers using the internet as a channel for purchasing.

Web Search Volume: valentines gifts vs. gifts for mothers vs. mothers day gifts...

United Kingdom, Jan 2008 - Mar 2009

Totals	
valentines gifts	19
gifts for mothers	2
mothers day gifts	9
valentines day gifts	7

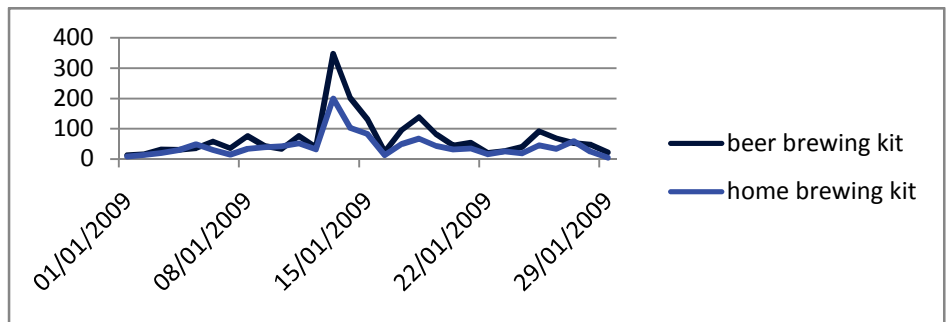
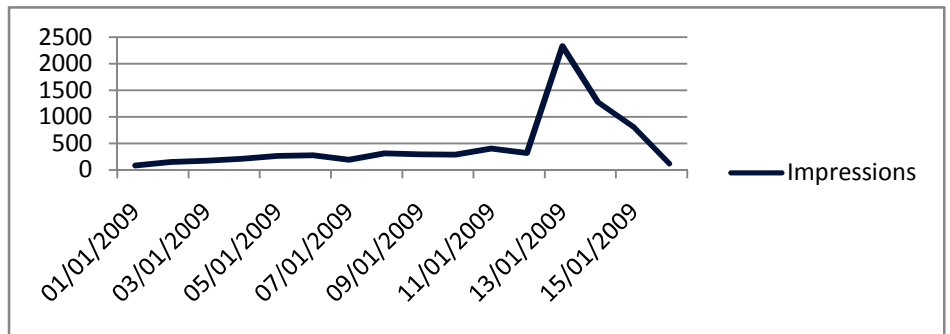


Source: Google Insights

Valentine's Day and Mothers Days continued to be the peak periods and stand out days for retail. These helped sales in gifts such as flowers increase month on month, but sectors such as electrical, health and beauty and clothing and footwear all saw a drop.

Cutting Costs

It has been reported that online sales for beers, wines and spirits have continued to do well this year and interestingly we saw an increase in searches for home brewery kits from one of our retail clients after a James May documentary on the BBC.



Source: Google

The first graph shows the overall impressions for the products ad group whilst the second graph shows the impressions received for two of the most searches upon terms within that adgroup.

The data not only reinforces the ever growing relationship with TV and online searches but also how during the credit crunch consumers may well purchase more items that allow them to save money and cut costs.

It is not just the consumers who have been looking at ways to cut costs during the recession. In a move to reduce overheads both WHSmith and Argos have launched stand alone entertainment websites in recent weeks.

<http://www.whsmithentertainment.co.uk/whsmith/home.dept>

<http://www.argosentertainment.co.uk/argos/home.dept>

During the year before July 2008, WHSmith had seen sales in the entertainment category fall by 18% and had therefore started to remove such products from its stores. As we enter Q2 and the start of the summer blockbuster season, it will be interesting to see how these sites fair against the market leading pure play sites of Play.com and Amazon.

Search Engine Developments

Over the past few weeks there have been some slight changes to the SERPs which could have a greater impact on the retail market compared to others.

"The "Vince" update...means Google are giving big brands a rankings boost for a selection of generic keywords"

The "Vince" update, named after the man behind the algorithm tweak, now means that Google are giving big brands a rankings boost for a selection of generic keywords. This is Google's latest effort to combat spam in their index as well as ensure the most relevant results are displayed to the user. Given the amount of investment companies put into brand building, it is logical to assume that the content provided by the big brands is going to be quality and relevant, and therefore worthy of a boost in the organic rankings.

Google.co.uk appear to be trialling the change at the moment on certain generic keywords, but Google.com in the US appear to be one step ahead as the change has been fully rolled out. An example of this brand boost can be seen on the keyword

“laptops”, whereby Apple (<http://www.apple.com>) rank in 8th position despite the word “laptops” not appearing anywhere on the ranking page itself. It has been confirmed by Google that the “brand boost” only impacts generic keywords at the moment, but that does not mean to say that it will not be rolled out across longer-tail keyword variations.

Google have also now begun trialling images alongside product listings.

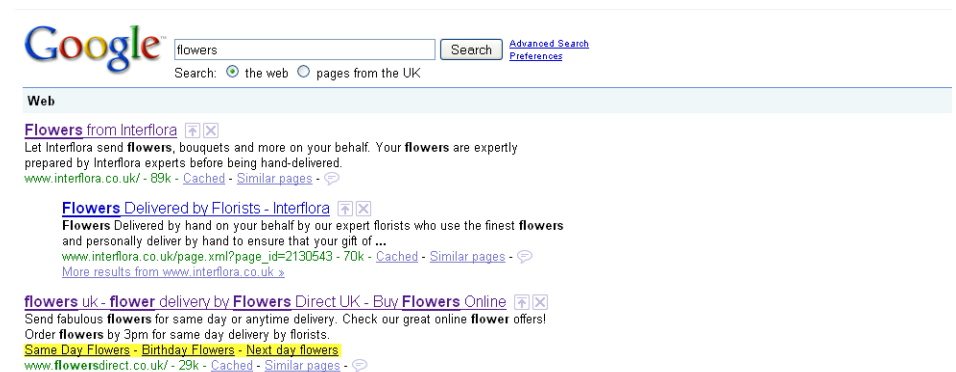
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This is designed to help click through rates onto Google’s Product search. Interestingly Google have also disabled the links that go straight to the direct sellers. Instead a user has to click onto the title which then leads them to the Product Search page (full of PPC ads that will generate Google more money).

It also appears that some websites have started to have their mini site links shown on the SERPs.

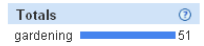


This should increase the traffic to these pages especially when the search query is a generic one, as google is now offering the searcher other related pages that might be of interest to them.

Web Search Volume: gardening

United Kingdom, Jan 2007 - Jan 2009

Categories: [Home & Garden \(50-75%\)](#), [Local \(0-10%\)](#), [Shopping \(0-10%\)](#), [Entertainment \(0-10%\)](#), [more...](#)

Totals  gardening 51

Interest over time

News headlines: [Show](#) [Hide](#)

[Learn what these numbers mean](#)



Web Search Volume: sunglasses

United Kingdom, Jan 2007 - Jan 2009

Categories: [Shopping \(25-50%\)](#), [Health \(25-50%\)](#), [Entertainment \(0-10%\)](#), [Sports \(0-10%\)](#), [more...](#)

Totals  sunglasses 43

Interest over time

News headlines: [Show](#) [Hide](#)

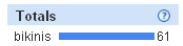
[Learn what these numbers mean](#)



Web Search Volume: bikinis

United Kingdom, Jan 2007 - Jan 2009

Categories: [Shopping \(25-50%\)](#), [Entertainment \(10-25%\)](#), [Sports \(0-10%\)](#), [Local \(0-10%\)](#), [more...](#)

Totals  bikinis 61

Interest over time

News headlines: [Show](#) [Hide](#)

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Source: Google Insights

A report from the Confederation of Passenger Transport (CPT), which surveyed 3000 British adults, showed that 60% of Britons were unwilling to give up holidays despite the recession and weakened pound, so we would therefore advise retailers to make sure that they are aware how the summer holiday season effects the products they sell.

Recommendations

- Products geared towards outdoor use and in the sun will undoubtedly see significant increases in volumes, so it is vital that adgroups be set up in advance for these products or SEO work begun to promote them now in time for this increase.
- People are unwilling to give up their holidays, despite the economic situation, but their choice of destination is changing. Understand what types of holidays people are planning on going on and whether you sell complimentary goods. Caravanning has seen a large increase in bookings this year and as a result searches and sales in tents and camping gear are expected to increase.
- Cleverly marketing a voucher code or coupon can be very beneficial in driving new people to your site.
- Be aware of the latest Google changes, ask whoever runs your SEO to update you on their impact and if any changes need to be made.
- 'Spring clean' your accounts by removing non seasonal keywords that have received zero impressions this year as these will be negatively impacting the Quality Score of the account.
- Review paused campaigns, adgroups, ad texts and keywords delete any that will no longer be required in the foreseeable future.