

RKGD MR

DIGITAL MARKETING REPORT

Q1 2014

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EXECUTIVE SUMMARY

■ PAID SEARCH

- Google paid search spending grew 17% Y/Y in Q1, a small deceleration from 19% growth in Q4. Paid clicks were up 10%, while CPCs increased 6%.
- Paid search spending on Bing Ads, which includes Bing and Yahoo, also grew 17% Y/Y. Paid clicks rose 16%, while CPCs were just 1% higher.
- Among retailers, Product Listing Ads (PLAs) generated 29% of total Google paid search clicks in the quarter and nearly half of non-brand Google paid search clicks. ROI for PLAs was 14% better than that for comparable text ads.
- Bing Product Ads showed improvement in Q1 and contributed 12% of participating advertisers' non-brand revenue from Bing Ads.
- Mobile generated 36% of paid search clicks, with that figure split fairly evenly between smartphones and tablets. Smartphones accounted for just 7% of spend though, compared to 20% for tablets.
- According to Google's conversion tracking data and estimates, cross-device conversions amount to 20% of conversions that Google attributes to smartphones for RKG clients, but just 7% of conversions across all device types.

■ ORGANIC SEARCH & SOCIAL

- Organic search produced 30% of site visits in Q1 2014, down from 33% a year earlier. Google drove 82% of total U.S. organic search visits and 87% of mobile search visits.
- Mobile generated 31% of organic search visits in Q1. The iPad and iPhone each drove more organic search volume than all Android devices combined.
- Not Provided query share has remained stable since October of 2013 and now stands at an average of 85% of Google search visits.
- Facebook generated 54% of social media referrals in Q1. Pinterest has shown rapid growth, but with a wide range of influence from site to site. For the top quartile, Pinterest generated 47% of social referrals, but for the bottom quartile that figure was just 3%.
- Mobile devices accounted for 37% of social media referrals in Q1, up from 22% a year earlier.

■ COMPARISON SHOPPING ENGINES

- Among advertisers running both Amazon Product Ads and Google PLAs, RKG found Product Ads CPCs running 31% higher, due largely to Amazon maintaining its rate card from Q4 to Q1. Consequently, Product Ads volume suffered in comparison.
- Nextag's share of CSE spending declined to 2% in Q1 this year, from 13% a year earlier. Engines with more flexible bidding systems like PriceGrabber and the eBay Commerce Network saw gains.

■ DISPLAY ADVERTISING

- While revenue per click is nearly identical between Facebook Exchange (FBX) ads and other display ads, CPC remains 33% lower on Facebook, resulting in superior ROI.
- For advertisers actively advertising on the Google Display Network (GDN) and running AdWords paid search ads, GDN accounted for 6% of total Google spending.

■ MULTI-CHANNEL

- Last touch attribution models show affiliates accounting for more than 15% of revenue in Q1, up from 11% a year earlier. Email continues to show year-over-year declines in last touch revenue share, likely the result of mobile email checking and the relegation of marketing emails to a promotion tab in Gmail's tab system.

PAID SEARCH

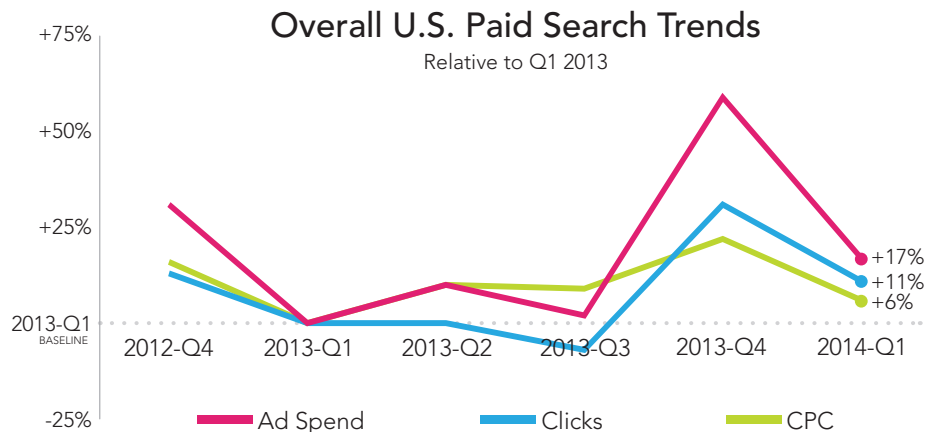
Since our last report, two of the biggest stories in paid search that have piqued marketers' interest have done so more for their symbolism than any substantive impacts they will have in the near term. In February, Yahoo announced its Gemini program, which is now migrating mobile search ad traffic away from the Bing Ads platform. In the first quarter we found mobile Bing Ads traffic made up a little over 4% of U.S. advertisers' paid search clicks. With that traffic split between Yahoo and Bing, only about 4% of search clicks will be affected by this change and a smaller percentage of search ad revenues.

In early April, Google confirmed that it will no longer be passing raw user search queries to advertisers via the referring URL, effectively bringing Not Provided to paid search. While this change will hinder some query-based keyword and negative research, it will not impact keyword reporting or bidding. While Not Provided dealt a heavy blow to organic search analytics, for paid search it will be only a relative nuisance.

Over the following pages we'll highlight some of the more meaningful issues affecting paid search trends including the continuing growth of product ads and mobile, as well as Google's Enhanced Campaigns model and advertisers' response to it.

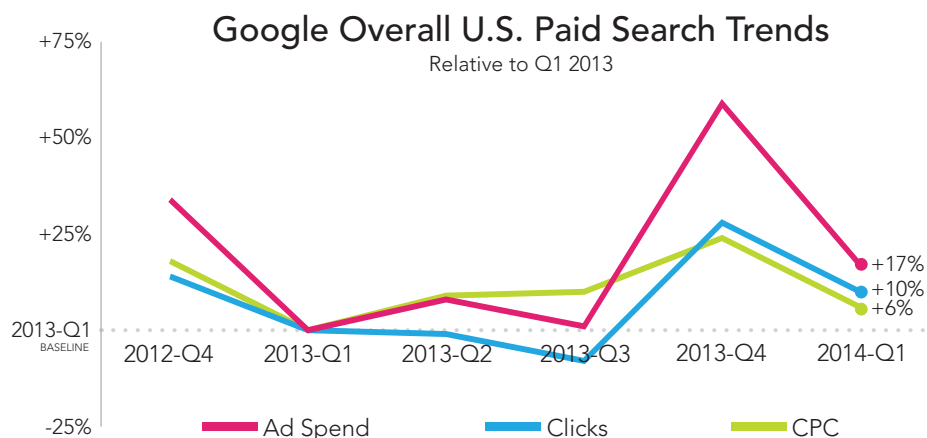
Total Paid Search Spending Rises 17% in Q1

Paid search spending growth got off to a fairly sluggish start in Q1, but closed strongly with ad spend up 17% Y/Y for the full quarter on 11% higher clicks and 6% higher cost per click (CPC). This intra-quarter trending points to some residual impacts of an aggressive Q4 holiday push among retailers.



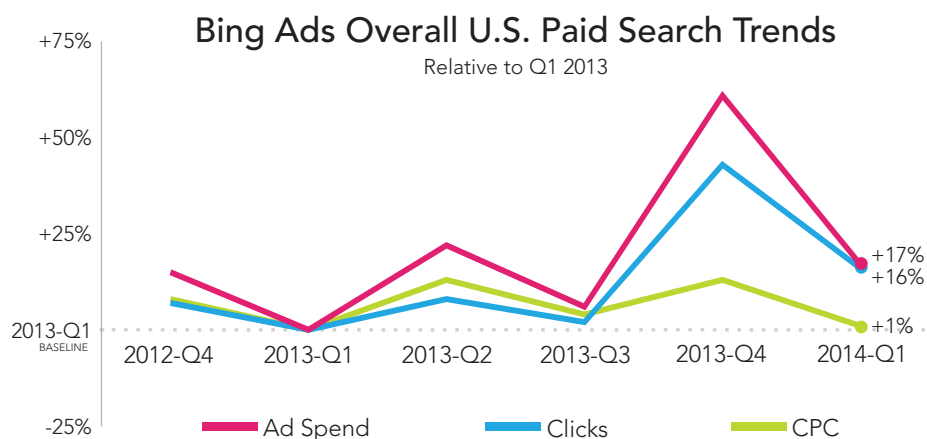
Google Paid Search Spending Growth Decelerates Slightly

As the dominant player in the U.S. search market, Google's growth trends mirror the overall figures above with spending up 17% Y/Y, clicks up 10% and CPCs up 6%. In Q4 2013, RKG found Google spending growth at 19% Y/Y, so this marked a slight deceleration. From Q4 to Q1 we saw spending decline 27%, which is typical of the seasonality we see among our retail-leaning client sample.



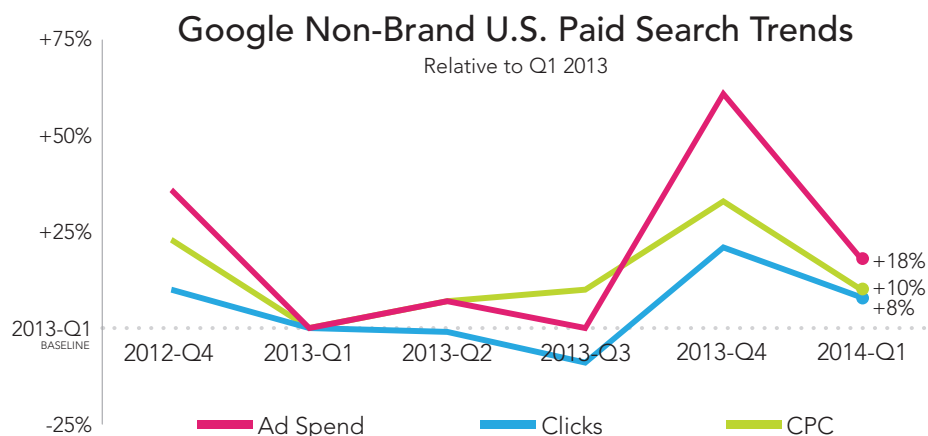
Bing Ads Growth Returns to Industry Average After Huge 2013 Gains

Throughout 2013, RKG found Bing Ads spending growth reaching two to three times that of Google levels. Now that we are running up against those strong comps, we see Bing Ads growth falling back in line with the industry overall with spending up 17% Y/Y on 16% higher click volume and 1% higher CPCs.



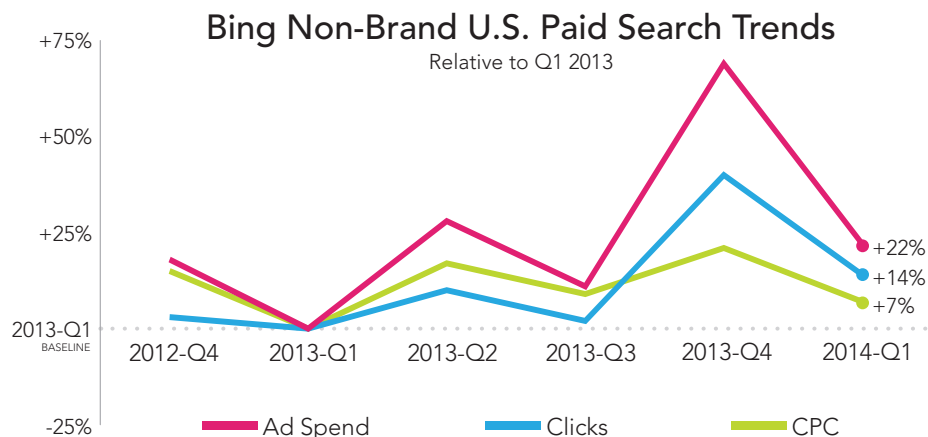
Google Non-Brand Spending Growth Outpaces Overall Levels

For more competitive, non-brand traffic, including Product Listing Ads (PLAs), Google spending growth was 18% Y/Y in Q1, with clicks up 8% and CPCs up 10%. Lower spending growth on brand traffic depressed overall growth, as brand CPCs fell 9%, likely tied to Ad Rank changes last October.



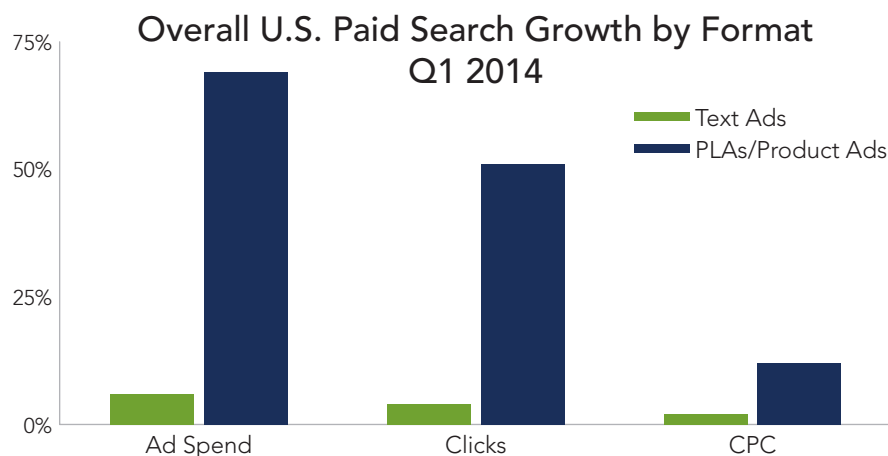
Bing Ads Non-Brand Spending Growth at 22%

Similar to results on Google, spending growth on Bing Ads was stronger for non-brand traffic, where click volume increased 14% Y/Y, CPCs increased 7% and ad spend increased 22%. While CPCs for Bing Ads brand traffic have fallen sharply in the past year, including a 14% Y/Y decline in Q1, Bing Ads' brand CPCs remain well above those for Google.



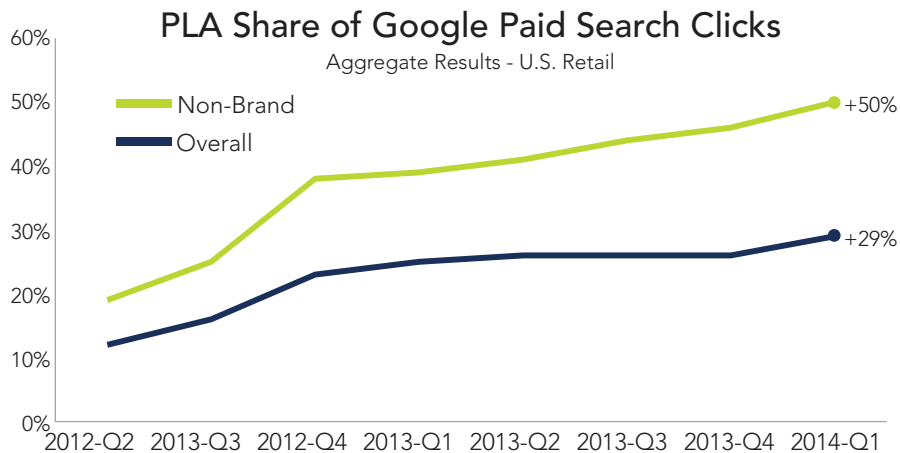
Product Ads Driving Bulk of Paid Search Growth

Image-based product ads, including Google's Product Listing Ads (PLAs) format and Bing's Product Ads are driving the bulk of overall paid search growth across the RKG client sample with ad spend up 69% Y/Y and clicks up 51%. By comparison, text ad spending growth was just 6% with clicks up 4%.



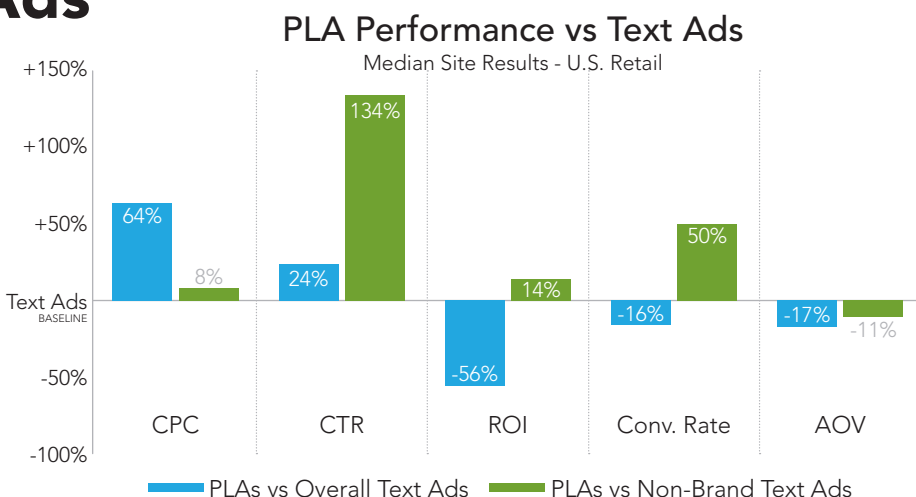
PLAs Generate 29% of Google Paid Search Clicks for Retailers

Among retailers using the format, PLAs took share from Google text ads at a faster rate in Q1 2014. Overall, PLAs generated 29% of Google paid search clicks for retailers, and half of all non-brand clicks. Google gave PLAs greater prominence in the quarter by showing them above the main search results, instead of on the right rail, more frequently.



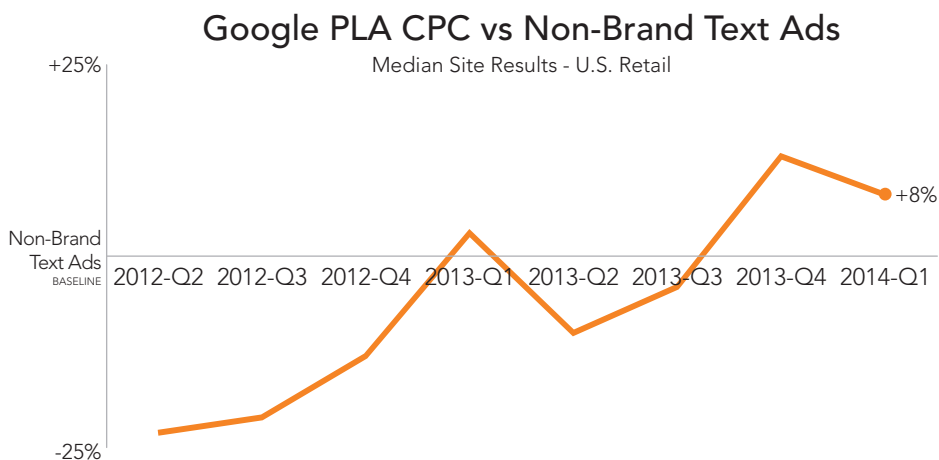
PLA ROI Still 14% Better than Comparable Non-Brand Text Ads

Suggesting there may still be room for PLA CPCs to increase, ROI for the format was 14% higher than that for non-brand text ads in Q1. Click-through rates for PLAs were more than double those for non-brand text ads, while conversion rates were 50% higher for the median retail client we analyzed.



PLA CPCs Edge Down Compared to Text Ads in Q1, But Trending Higher Over Long-Term

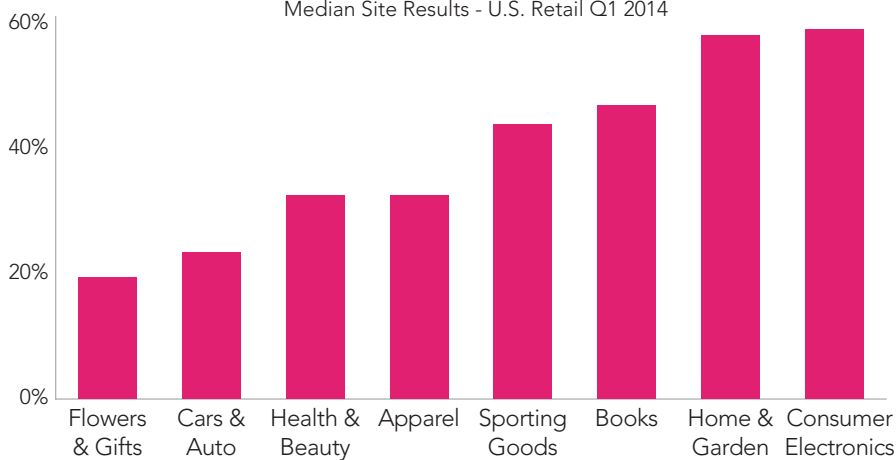
Again compared to non-brand text ads among retail sites, PLA CPCs were 8% higher than those for the traditional text format. That was down from a 13% advantage in Q4 2013, but PLA CPCs have exhibited a strong upward trend over the last two years as advertisers exploit the ROI advantage of PLAs.



PLAs Nearly 60% of Google Paid Search Clicks for Consumer Electronics Retailers

We continue to see a wide range in PLAs' share of non-brand traffic across retail sub-industries, but the format is a significant contributor even at the lower end of the spectrum. A typical Apparel retailer generated 32% of their competitive Google traffic from PLAs, while the median Consumer Electronics retailer generated 58%.

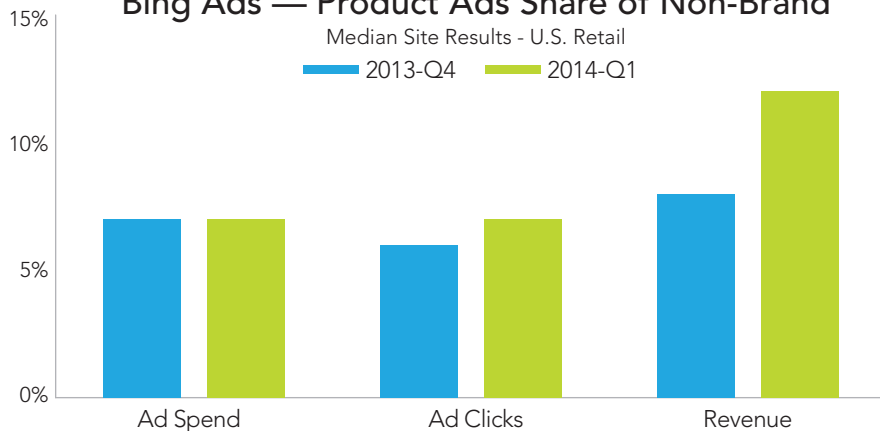
PLA Share of Non-Brand Google Paid Search Clicks
Median Site Results - U.S. Retail Q1 2014



Bing Product Ads Make Strides in Q1, Contribute 12% of Non-Brand Revenue

Just out of beta testing at the end of the quarter, Bing Product Ads accounted for 12% of non-brand Bing Ads revenue among participants in the program. That is a significant improvement over the previous quarter when Product Ads contributed 8% of non-brand revenue at a lower ROI.

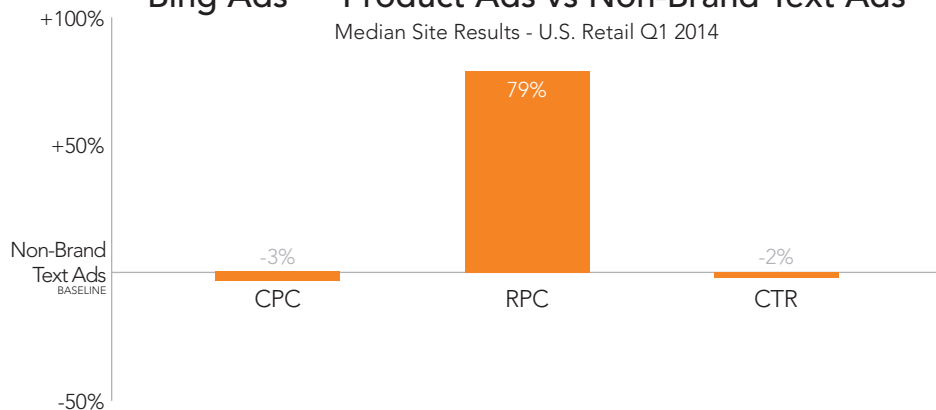
Bing Ads — Product Ads Share of Non-Brand
Median Site Results - U.S. Retail



Bing Product Ads Revenue Per Click Up Sharply Compared to Text Ads

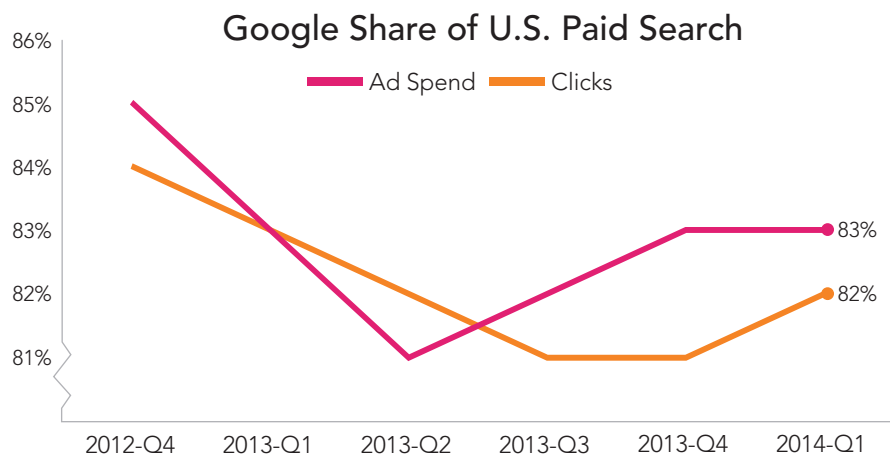
While Product Ads' share of Bing Ads clicks only improved slightly from Q4 to Q1, a much improved revenue per click (RPC) drove the strong revenue gains seen above. In Q4 2013, the nascent format delivered an RPC that was 22% lower than non-brand text ad levels. In Q1, Bing Ads RPC rose to surpass non-brand text ads in value by 79%.

Bing Ads — Product Ads vs Non-Brand Text Ads
Median Site Results - U.S. Retail Q1 2014



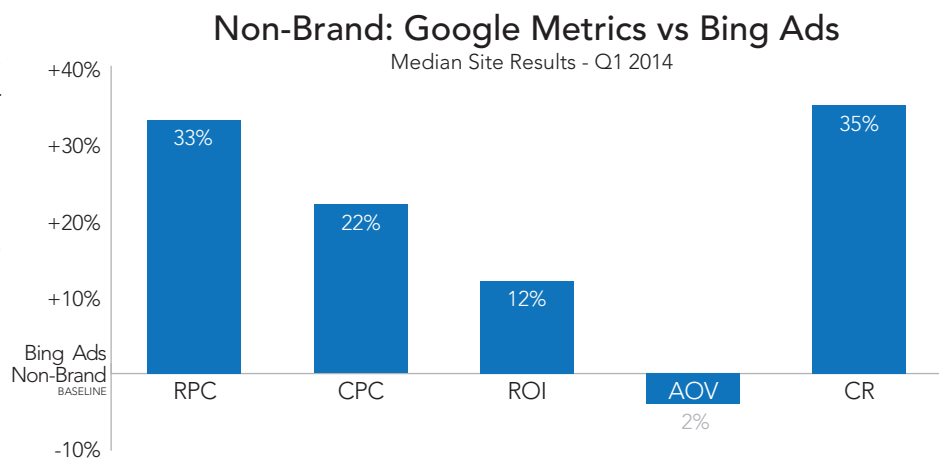
Google Share of U.S. Paid Search Market Edging Back Up

While Bing Ads made strides in taking paid search spend and click share from Google in late 2012 and early 2013, we have seen a bit of a reversal in recent quarters. Among our Q1 client sample, Google's share of U.S. paid search ad spend was 83%, up a tenth of a point from Q4, while Google's share of paid search clicks was 82% in Q1, up eight tenths of a point.



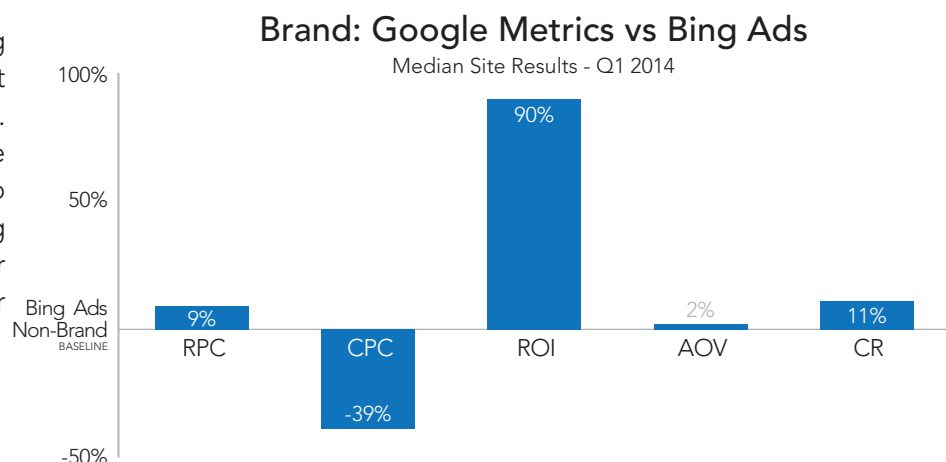
Google Generating 33% Higher Revenue Per Click for Advertisers than Bing Ads

Looking at non-brand ads, including PLAs and Product Ads, Google generated a 33% higher revenue per click than Bing Ads for the median advertiser in Q1. Advertiser ROI on Google was 12% higher, thanks in large part to PLAs and the relative immaturity of that auction.



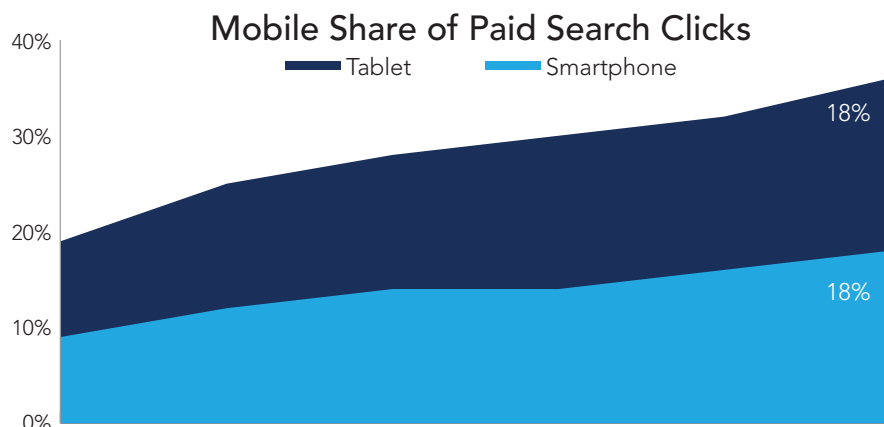
Bing Ads Closer to Parity with Google on Brand Ads, Except for CPCs

We see more similarity between Bing Ads and Google when looking at conversion metrics for brand traffic. However, brand CPCs on Google still run nearly 40% lower, leading to a much higher ROI and suggesting that advertisers receive a greater algorithmic ranking advantage for their brand terms on Google.



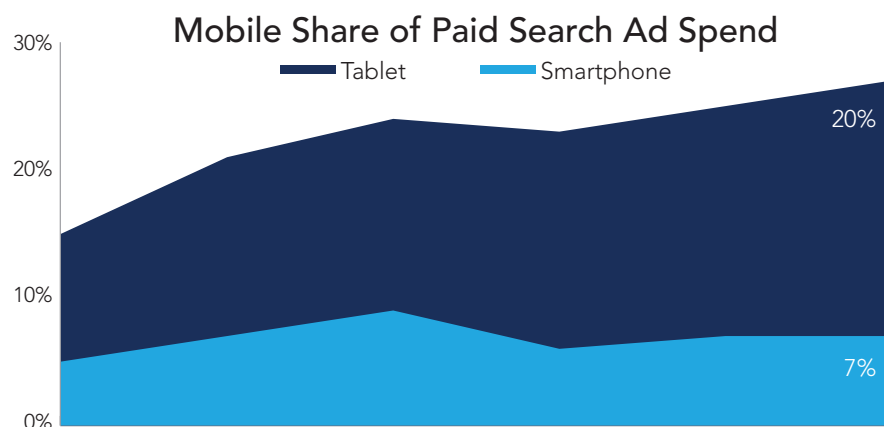
Smartphones and Tablets Each Generate 18% of Paid Search Clicks

With a share of 18% each, smartphones and tablets combined to generate 36% of paid search clicks in Q1, up from 32% in Q4 2013. Smartphones have gained more share over the past year than tablets, 6% vs 5%, despite many RKG programs reducing smartphone bids to improve ROI over that time frame.



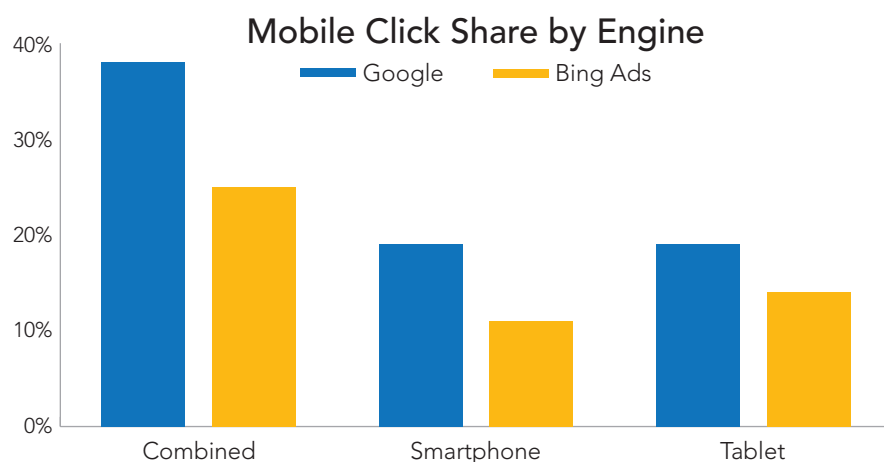
With Lower CPCs, Smartphones Account for Just 7% of Paid Search Ad Spend

Between smartphones and tablets, 27% of paid search ad spend was mobile in Q1, but smartphones only accounted for 7% of spend despite their 18% share of clicks. This is a reflection of ROI-focused advertisers accounting for the disparity in conversion performance across device classes.



38% of Google Paid Search Clicks are Mobile, 25% for Bing Ads

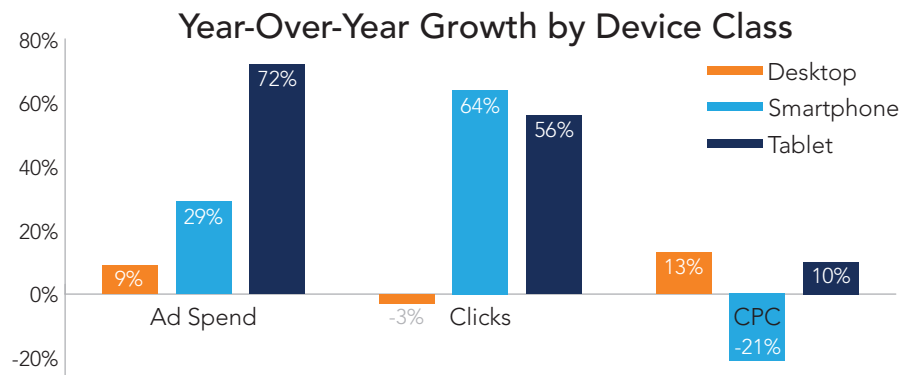
Google continues to hold a relative advantage in monetizing its mobile traffic with 38% of its paid clicks coming from smartphones and tablets in Q1, compared to 25% for Bing Ads. Google gained ground in this area from quarter to quarter with its mobile share up 4% versus 1% for Bing Ads.



Desktop Clicks Down 3% Y/Y, Smartphone Clicks Up 64%

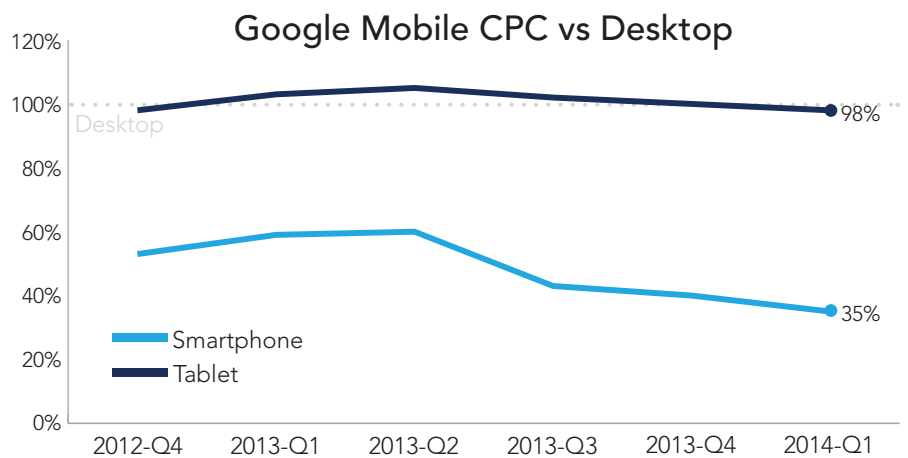
Despite RKG advertisers reducing smartphone CPCs 21% year-over-year to bring ROI more in line with desktops, smartphone click growth was 64% in Q1, surpassing tablets, which saw a 10% increase in CPC. At the same time, desktop click volume was down 3% Y/Y, although spend rose 9% due to higher CPCs. Google's

Enhanced Campaigns model has helped drive smartphone volume growth by making it easier to scale mobile keyword coverage and bidding segmentation.



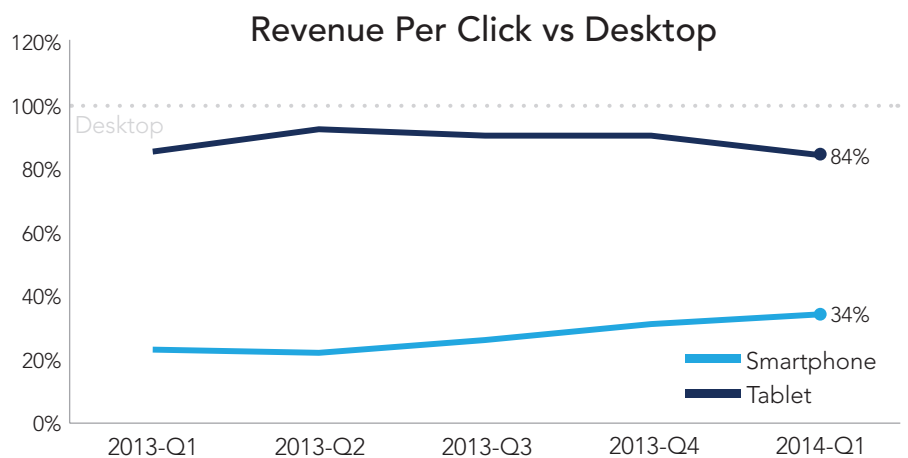
Google Smartphone CPCs Slip to 35% of Desktop Levels

As noted earlier in this report, RKG advertisers have moved to improve smartphone ROI by reducing their CPCs for smartphone clicks. Smartphone CPCs have fallen from nearly 60% of desktop levels in Q1 of 2013 to 35% this past quarter. The recent results are a better reflection of the value being driven by smartphone traffic.



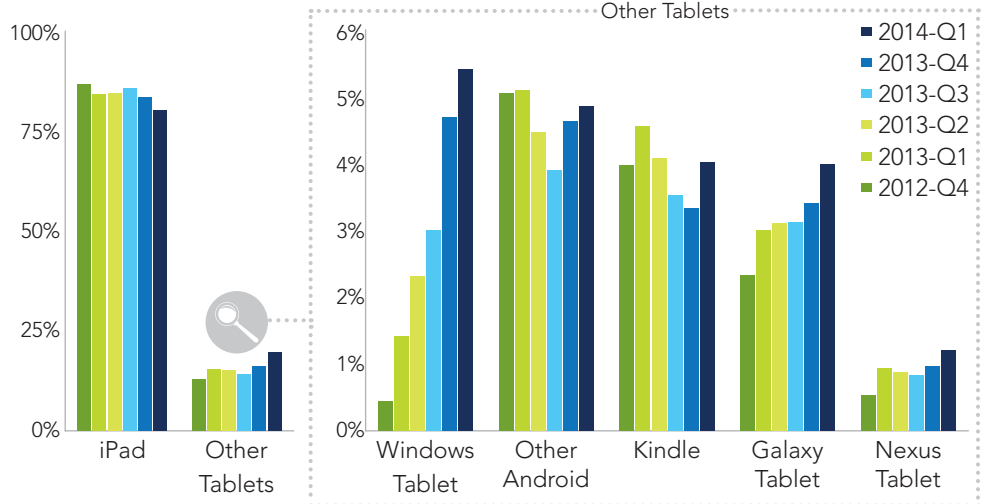
Smartphone Revenue Per Click Trending Higher Post-Enhanced Campaigns

For smartphone CPCs to ever catch or surpass desktop levels, advertisers will need to see the value of smartphone clicks improve. At least in terms of direct response revenues, we are seeing progress in this area as smartphone revenue per click has risen from 23% of desktop levels in Q1 2013 to 34% in Q1 2014. Enhanced Campaigns and RKG's bidding platform have helped advertisers better capture top-performing mobile traffic.



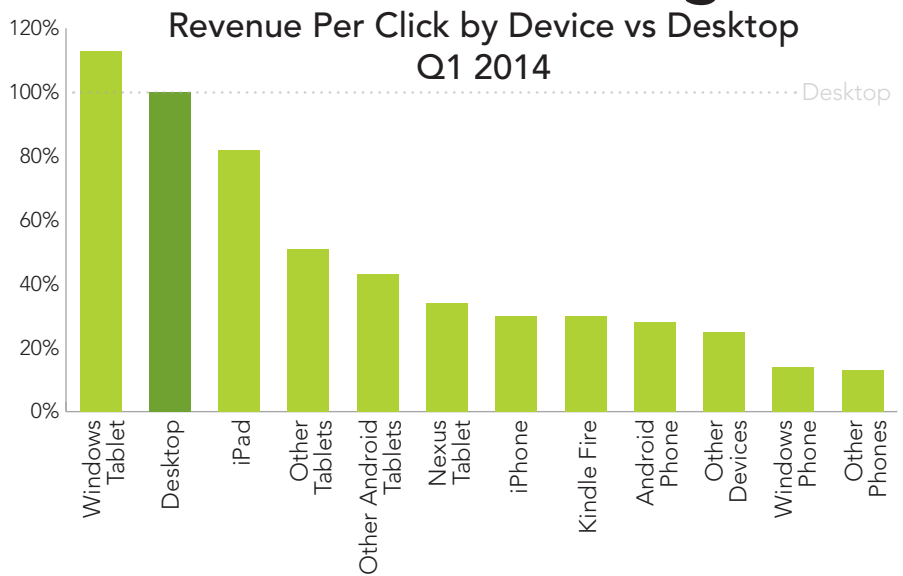
iPad Share of Tablet Traffic Slips to 80%, Windows Devices in Distant Second Place

Though still far and away the largest traffic driver among tablets, the iPad saw its share of tablet traffic slip post-holiday from 84% to 80%. Touch-compatible Windows computers, including the Surface, have quickly taken the number two spot with over 5% of traffic in Q1. The Kindle Fire and Galaxy Tab lines each generated 4% of tablet clicks, while Nexus tablets accounted for 1.2% of tablet clicks.



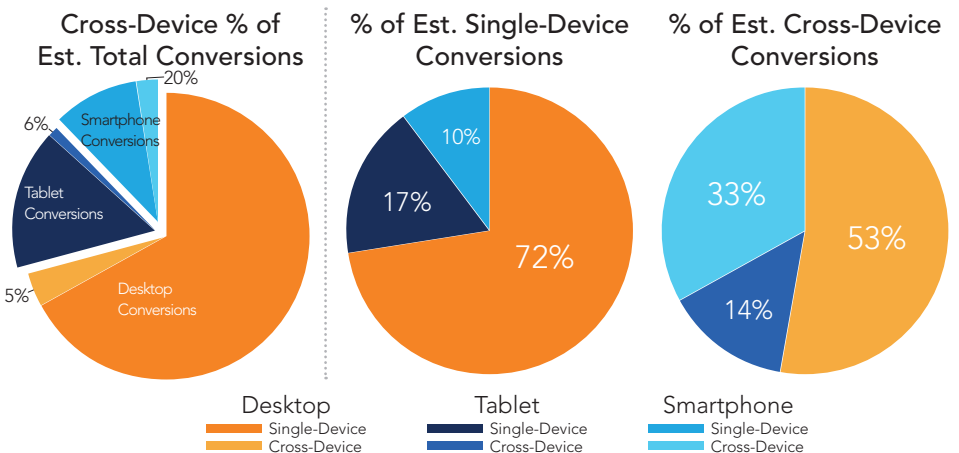
Windows Tablets Remain Best Performing Devices, But Gap Narrows

Looking at revenue per click across devices, we found that Windows tablets were the best performing for advertisers in Q1, generating a 13% higher revenue per click than desktop. A year earlier though, Windows tablets produced a 42% higher RPC than desktops, suggesting that there was a strong early adopter effect that is now wearing off.



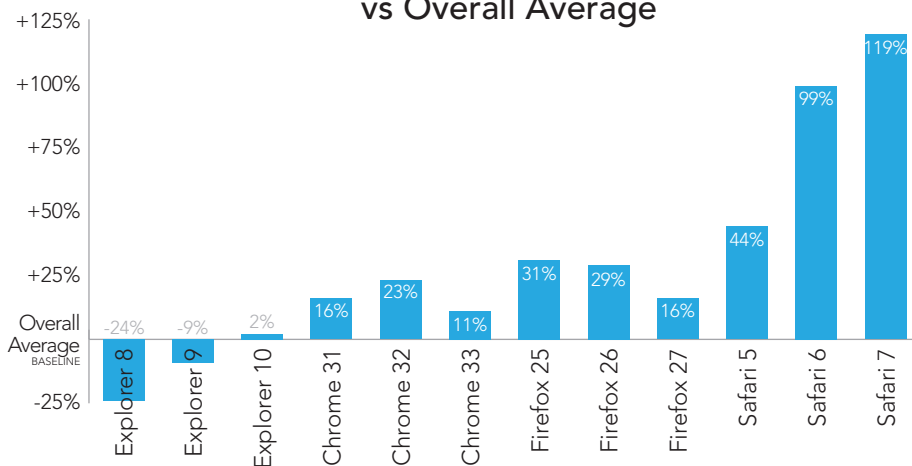
Google Estimates Suggest Cross-Device Accounts for 20% of Smartphone Conversions

According to Google's conversion tracking data and estimates, smartphones accounted for an average of just 10% of single device conversions in Q1, but initiated a third of all cross-device conversions. Cross-device conversions amount to 20% of conversions Google attributes to smartphones, but just 7% of conversions across all device types.



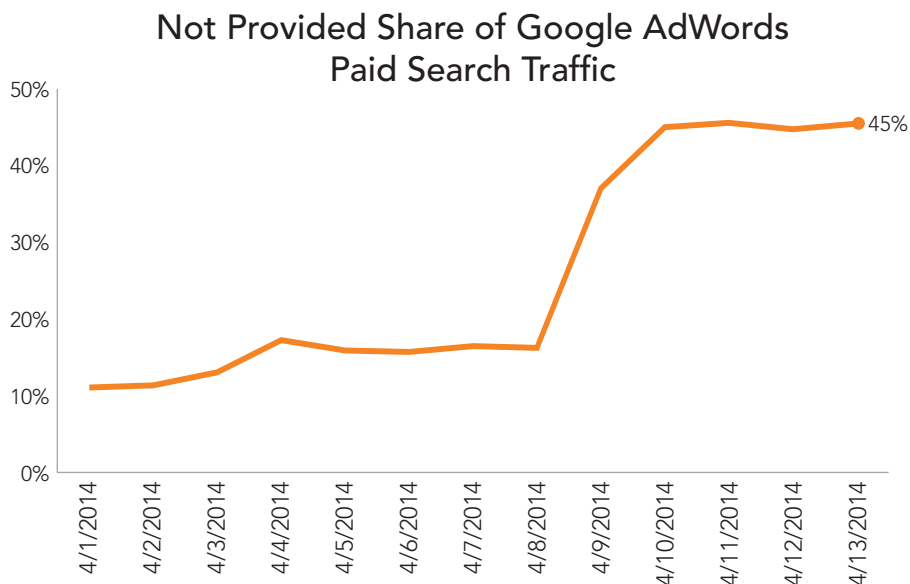
Clicks from Safari Users Twice as Valuable as an Average Click

As Google's Enhanced Campaigns model is making it easier for advertisers to incorporate user context like geography and device into bidding segmentation, the searcher's browser remains a strong predictor of traffic quality that does not have its own bid modifier. In Q1, a Safari 7 user generated an average revenue per click that was more than twice as high as the overall average. Conversely, Internet Explorer 8 users had a 24% lower than average RPC.



Not Provided Quickly Jumps to 45% of AdWords Search Clicks

On April 9th, Google announced that it would soon no longer pass raw user search queries to AdWords advertisers via referrer, effectively bringing Not Provided to paid search. While a small percentage of ad clicks did not pass queries prior to this change for other reasons, Not Provided immediately reached 37% of Google paid clicks on the day of the announcement. Over the next several days, Not Provided share has been steady at about 45%.



ORGANIC SEARCH & SOCIAL

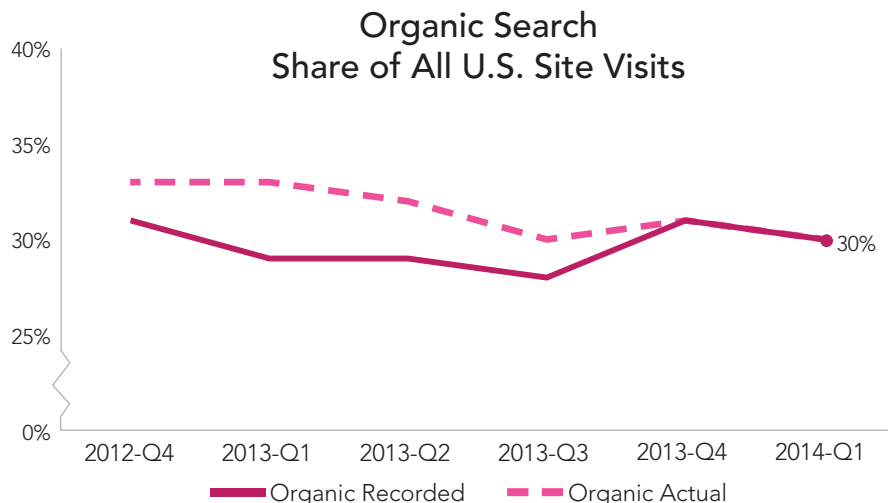
Measuring organic search trends has been like a game of Whac-A-Mole over the last couple of years. As one issue impairing site owners' ability to assess their data gets resolved, another one will spring up. In Q1 2014, Yahoo.com began defaulting to secure search, which resulted in nearly half of Yahoo search visits being recorded as direct site visits from early January through early February.

Similar to an issue with Google searches on devices using iOS 6, Yahoo initially did not pass any referrer information for its secure searches, making it impossible for analytics to determine the source of the traffic. When Yahoo began to pass referrers in early February, some analytics packages, including Google Analytics, categorized the visits as referrals rather than organic search, an issue that persists as of this writing.

While the iOS issue reduced the perceived share of organic search visits as a percentage of all site traffic by nearly 4% at its peak last year, Yahoo's secure search move affected about 1% of site visits on average. Though a small percentage, 'hidden' Yahoo searches may be the difference between total organic search visits being seen as growing or declining year-over-year for many sites.

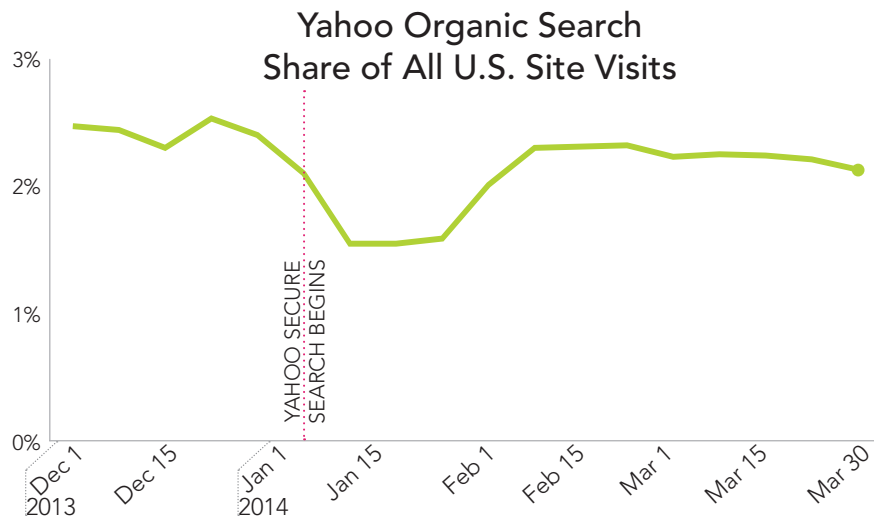
Organic Search Visit Share Stable at 30%, Despite Yahoo Secure Search Issue

Including RKG estimates for organic search visits hidden by iOS 6 last year, we find that organic search visit share has been fairly stable from Q3 2013 to Q1 2014 at between 30-31%. Over a longer window though, organic search visit share has slipped slightly from 33% in the first quarter of 2013. The period over January and February when Yahoo secure search did not pass referrers depresses the Q1 numbers slightly.



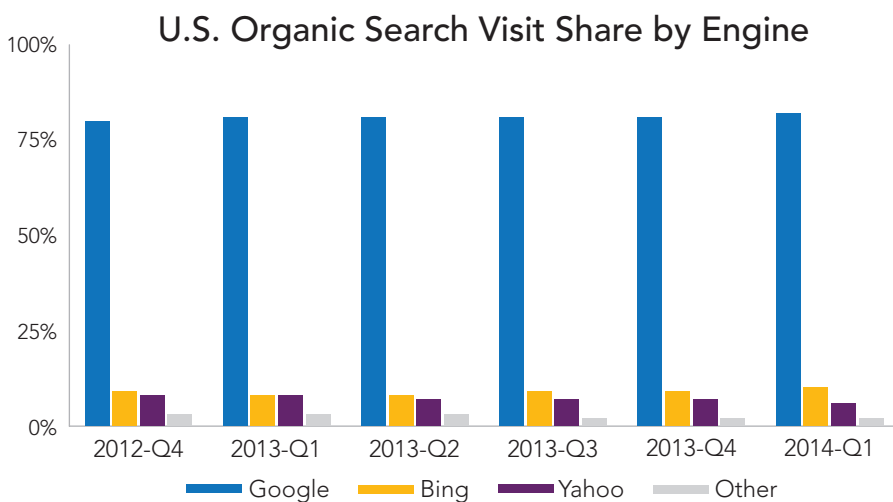
Yahoo Secure Search Move Impacted 1% of All Site Visits

The point at which Yahoo.com began defaulting to secure search is quite obvious when we look at a weekly trend of the share of traffic attributed to Yahoo organic search. Over the first two weeks in January, Yahoo organic's measurable share of all site visits dropped from 2.5% to 1.5%. During the first week of February, Yahoo traffic appears to rebound as a result of referrers, now stripped of search queries, being passed again.



Hidden Yahoo Searches Skew Search Share Trends

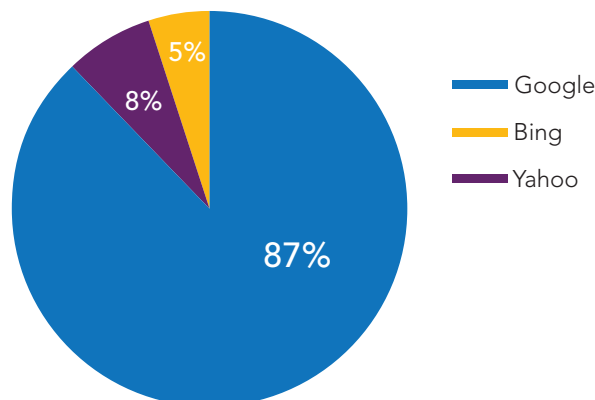
RKG finds that Google's share of organic search visits edged up one percentage point from Q4 to Q1, while Yahoo's share fell by the same amount. These figures do not attempt to account for the Yahoo searches hidden by secure search over the early part of the quarter. Doing so would produce results showing little change from quarter to quarter.



Google Continues to Hold Relative Advantage in Mobile Search Share

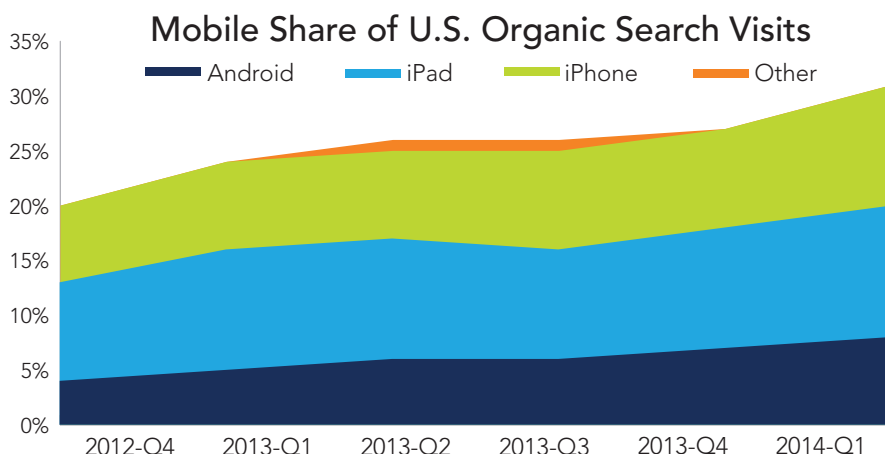
While Google generates roughly 81% of organic search visits overall, it continues to generate a higher portion of mobile search visits. In Q1 2014 Google accounted for 87% of mobile organic search visits, compared to 8% for Yahoo and 5% for Bing.

Share of U.S Mobile Organic Search by Engine Q1 2014



iPad and iPhone Each Drive More Organic Search Visits than all Android Devices Combined

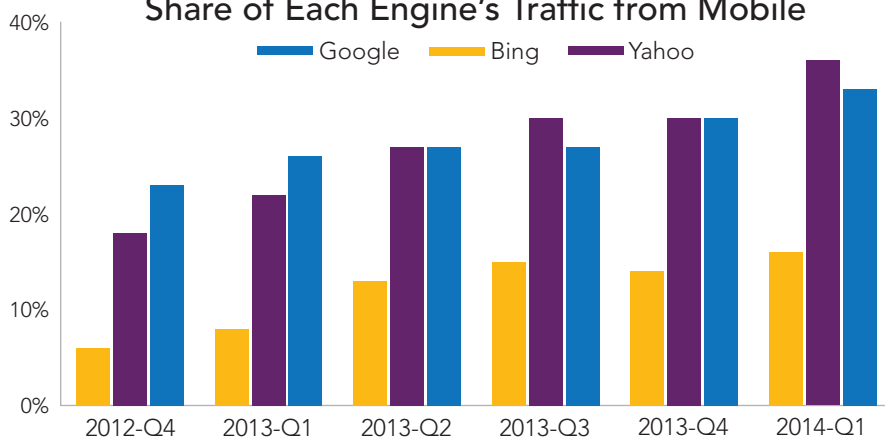
Mobile devices accounted for 31% of organic search visits in Q1, up from 24% a year earlier. iPad users drove 12% of all search visits, compared to 11% for iPhone users and 8% for users of all Android devices combined.



Mobile's Share of Bing Traffic Doubles Year-Over-Year, Still Half That of Google, Yahoo

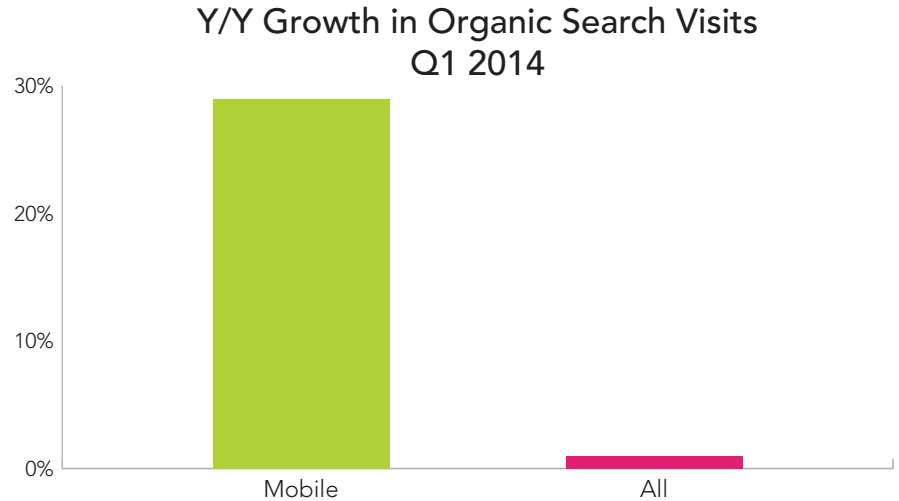
In Q1 2014, 16% of Bing organic search visits occurred on mobile devices, double the same metric from a year earlier. By comparison, mobile was a much larger portion of traffic for Google and Yahoo, which saw mobile account for 33% and 36% of visits in Q1, respectively.

Share of Each Engine's Traffic from Mobile



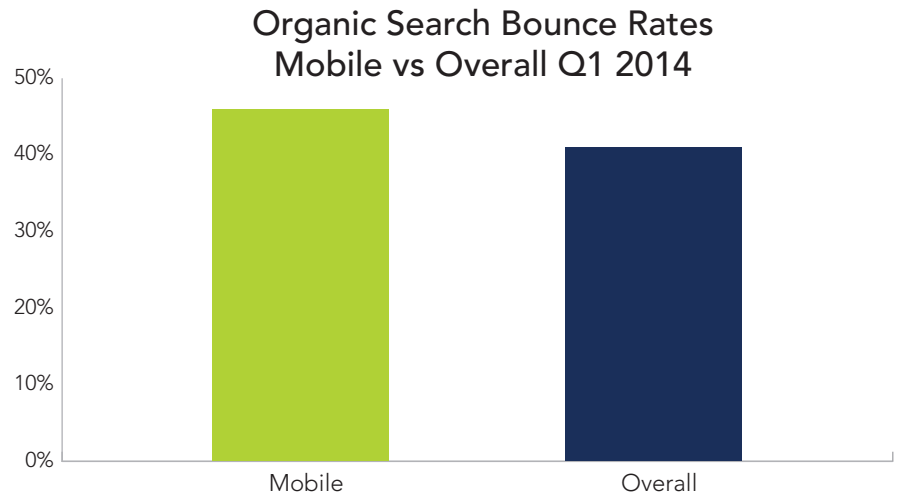
Mobile Search Growth Offsetting Desktop Declines

A 29% year-over-year increase in mobile organic search visits pushed overall organic search growth into positive territory in Q1. Organic visits hidden by Yahoo's move to secure search depress these numbers slightly.



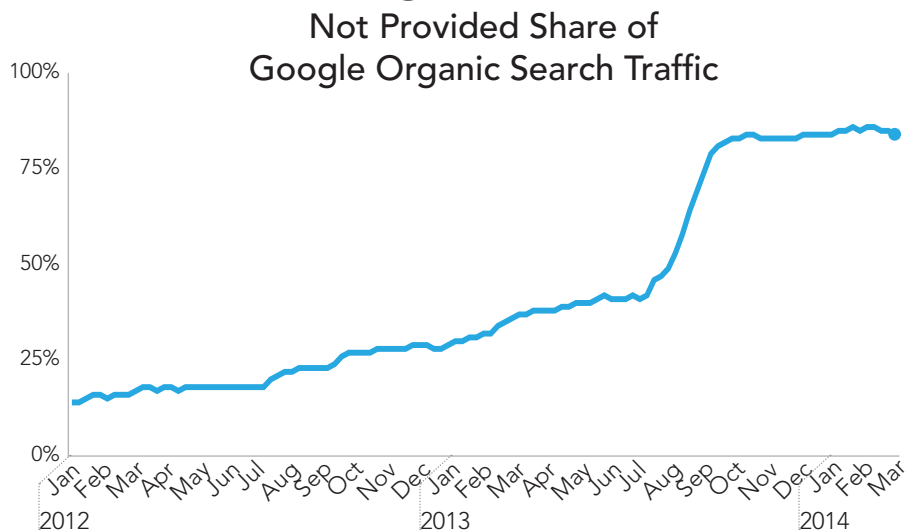
Bounce Rates for Mobile Search Remain 5% Higher than Desktop Bounce Rates

The average bounce rate for mobile organic search traffic was 46% in Q1 2014 compared to 41% for desktop organic search. The gap between the two device classes has been a persistent one with this quarter's results mirroring performance from two years earlier.



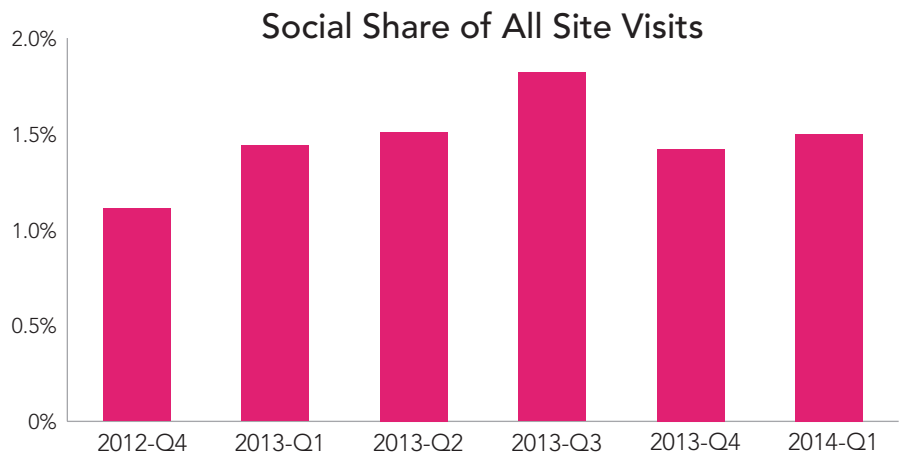
Not Provided Visit Share Steady at 85%

The share of Google organic searches that did not pass site owners the user's raw search query has been fairly steady since October of 2013 and stands at 85%. This Not Provided percentage accelerated in Q3 of last year as Google pushed more users and web browsers to secure search. Queries still being passed have been biased towards certain web browsers and devices, such as Safari and Android.



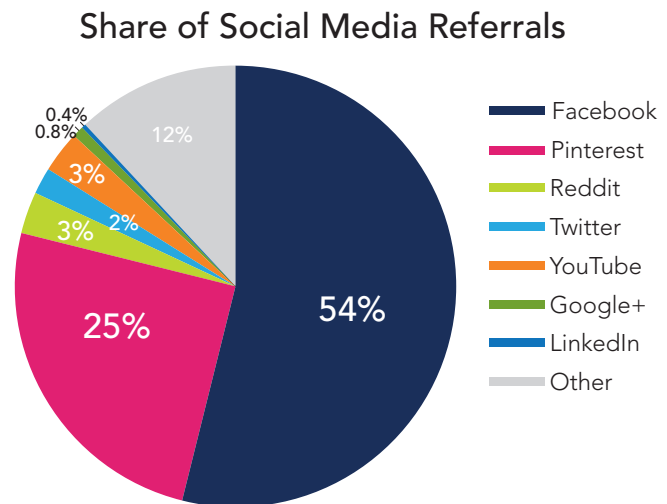
Social Media Sites Contribute an Average of 1.5% of All Site Visits

The importance of social media sites as traffic referrers remains highly variable from site to site, but on average we find that social sites generated 1.5% of all site visits in Q1 2014, a slight increase from Q4 2013. At the high end, we find some sites generating 10-15% of their traffic from social.



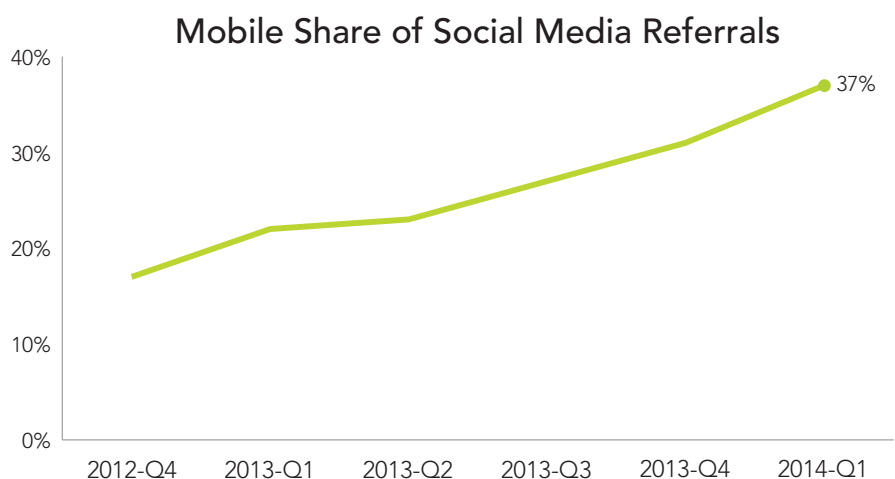
Pinterest Generates 25% of Social Referrals on Average, But Impact Not Consistent

Facebook continues to be the dominant generator of social media referrals with a share of 54% in Q1 2014. Pinterest is very interesting though, as it has shown rapid growth, particularly for retail sites. In Q1 we found Pinterest generated 25% of social media referrals on average, but with a very wide range of results from site to site. For the top quartile, Pinterest generated 47% of social referrals, but for the bottom quartile that figure was just 3%.



Mobile Devices Account for 37% of Social Media Referrals

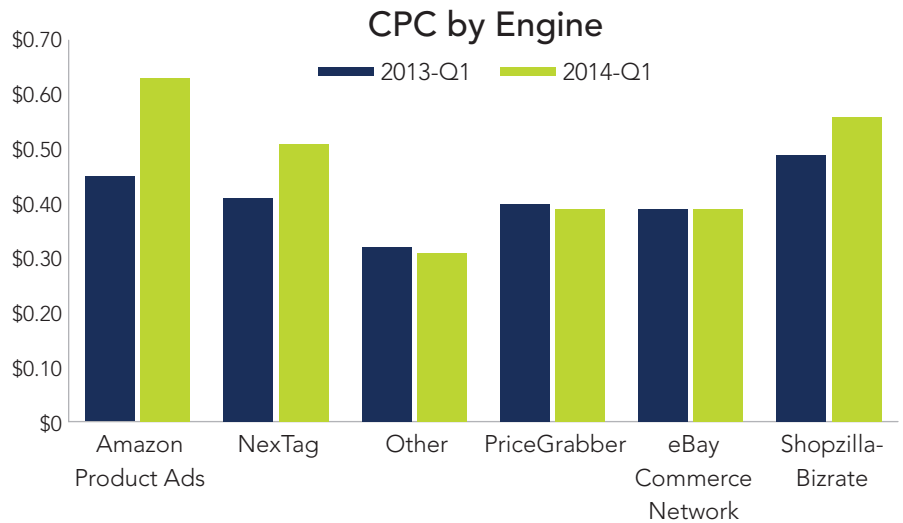
While Facebook generated 53% of its Q4 2013 revenue from mobile, we find that mobile accounted for 37% of all social media referrals in Q1 2014 and 35% of Facebook referrals. This may speak to the nature of the ads driving Facebook's mobile revenues, particularly mobile app install ads, which do not refer traffic to sites directly.



COMPARISON SHOPPING ENGINES

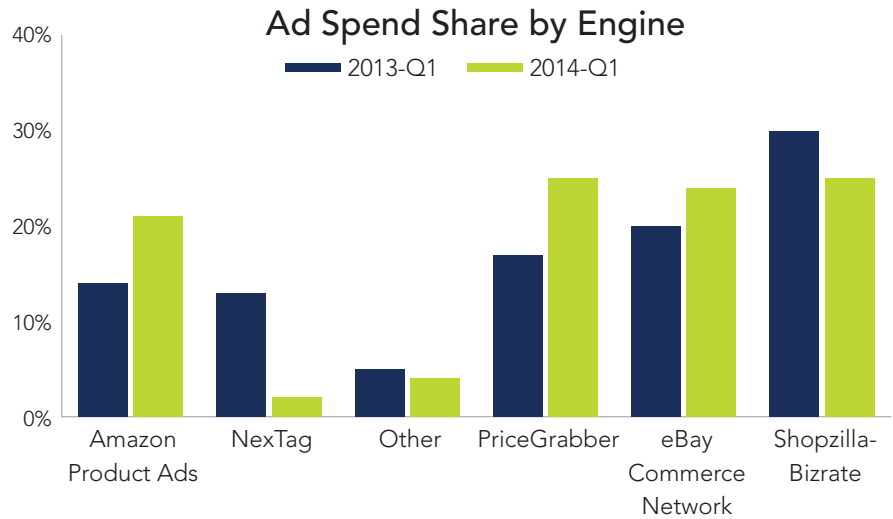
Amazon Product Ads See Biggest Y/Y Average CPC Increase

While Amazon Product Ads, Nextag and Shopzilla all saw year-over-year increases in average CPC, PriceGrabber and eBay Commerce Network (ECN) CPCs held relatively steady. The flexible bidding options on these two engines have allowed advertisers to keep CPCs the same over time, while the other engines' more rigid bid systems and increases in rate card minimums have resulted in steady CPC increases.



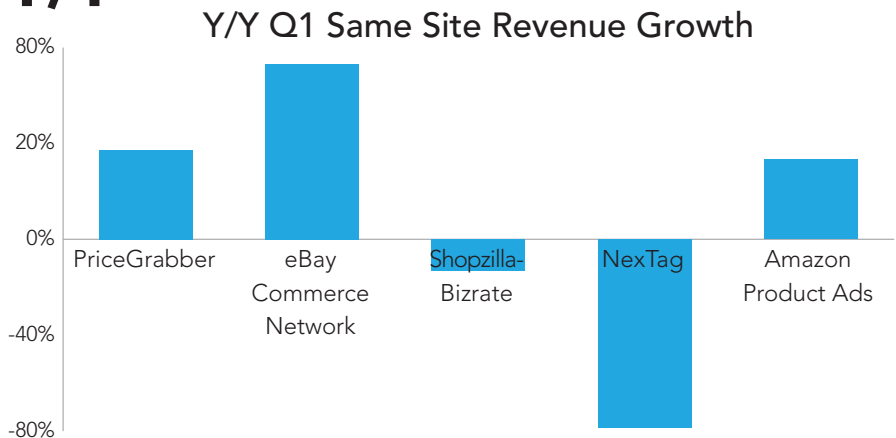
Nextag Spend Share Nearly Gone, Down to 2% of CSE Spend

The declining value of Nextag traffic has further reduced spend share on the engine, down from 13% in Q1 of last year to 2% in Q1 this year. PriceGrabber and the eBay Commerce Network both saw increases in spend share year-over-year as their flexible bidding systems allow advertisers to adjust bids on low performing products rather than exclude them from their feed entirely.



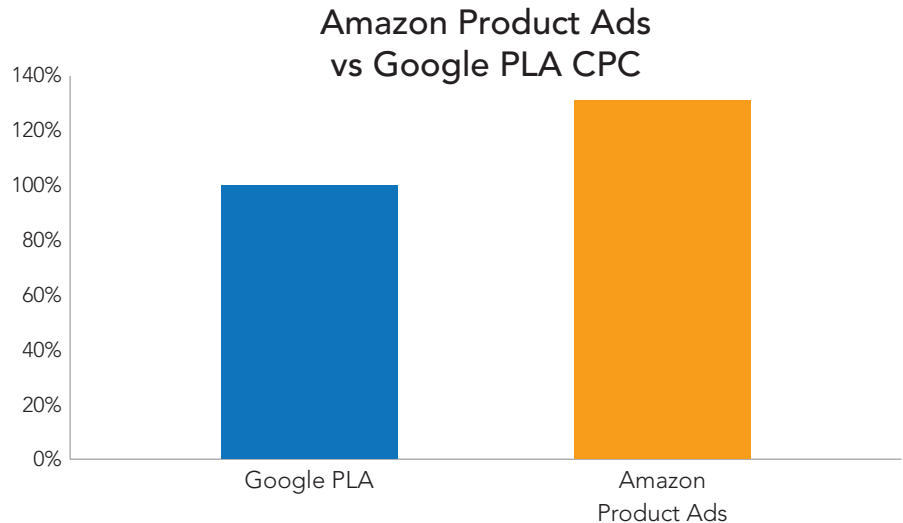
Advertisers Getting Less Revenue out of Nextag, Shopzilla Y/Y

While advertisers generated less revenue from Shopzilla-Bizrate and Nextag year over year, revenue from the eBay Commerce Network grew 55%. The ECN continues to expand by attracting new partners while providing high value clicks.



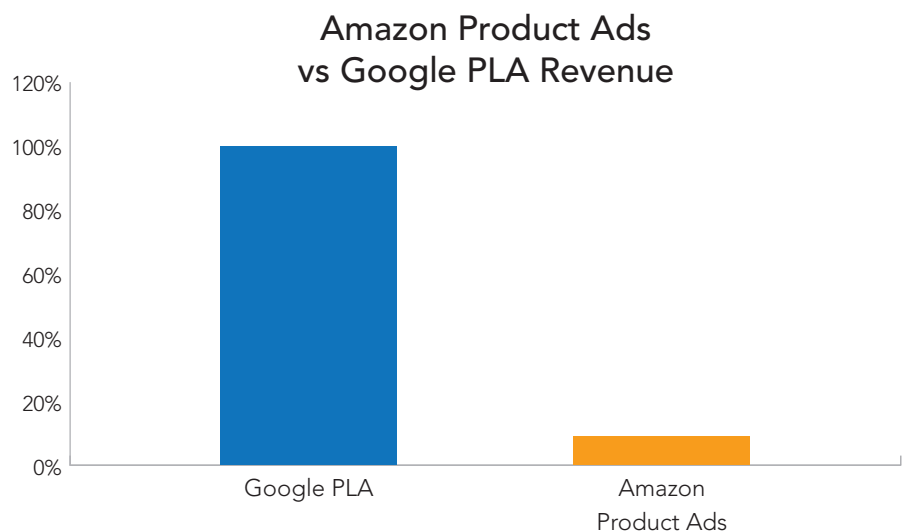
Amazon Product Ads Average CPC 31% Higher than Google PLAs

Average CPC for Amazon Product Ads went from running 18% lower than Google Product Listing Ads in Q4 to 31% higher in Q1. PLA average CPC decreased for most advertisers post-holiday in response to declining value and competition. Amazon's rate cards, on the other hand, remained unchanged from quarter to quarter.



Revenue from Google PLAs Now More Than Ten Times That of Amazon Product Ads

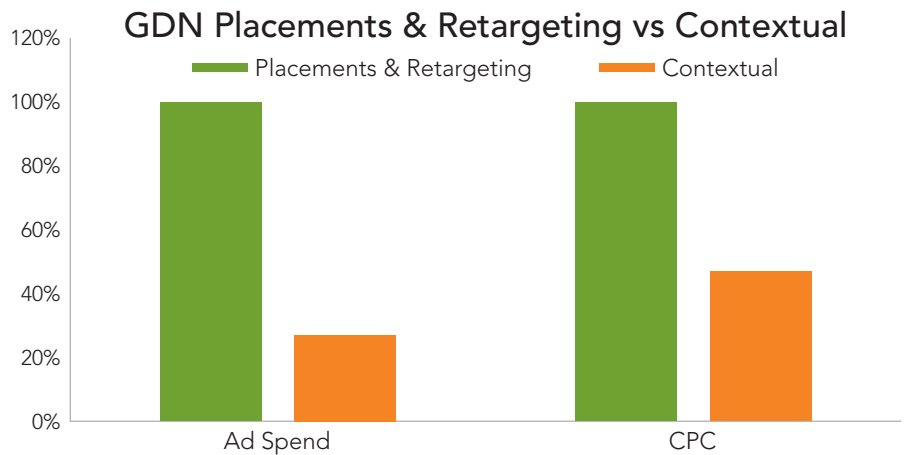
For advertisers using both, Amazon Product Ads produced just 9% of the revenue volume seen on Google PLAs, down from 11% in Q4, as PLAs saw relative traffic increases in Q1. Relative revenue contribution varies significantly by industry as a result of Amazon's restrictions on some categories such as Apparel, as well as PLAs being larger for retail sub-industries like Home & Garden.



DISPLAY ADVERTISING

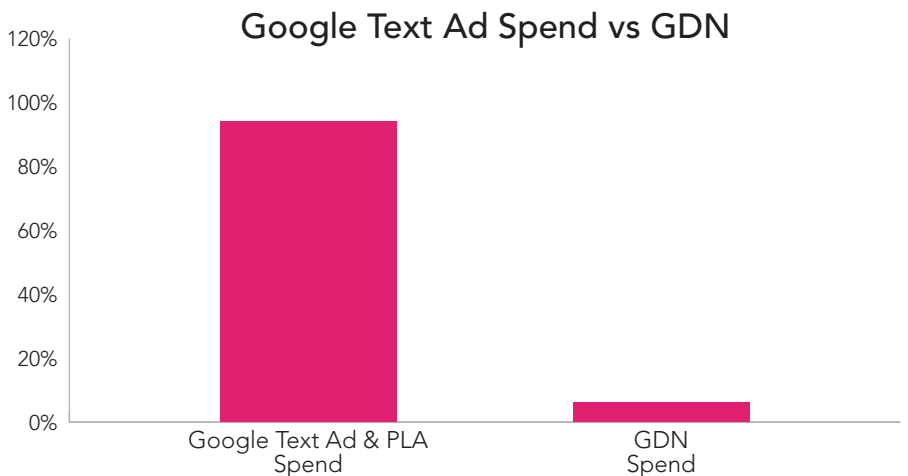
Advertisers Investing More Heavily in Placements and Retargeting than Contextual Ads on the GDN

Placement and retargeting ads account for almost five times more spend on the GDN than contextual ads. CPC is also significantly higher for placement and retargeting ads, as these clicks typically carry greater value.



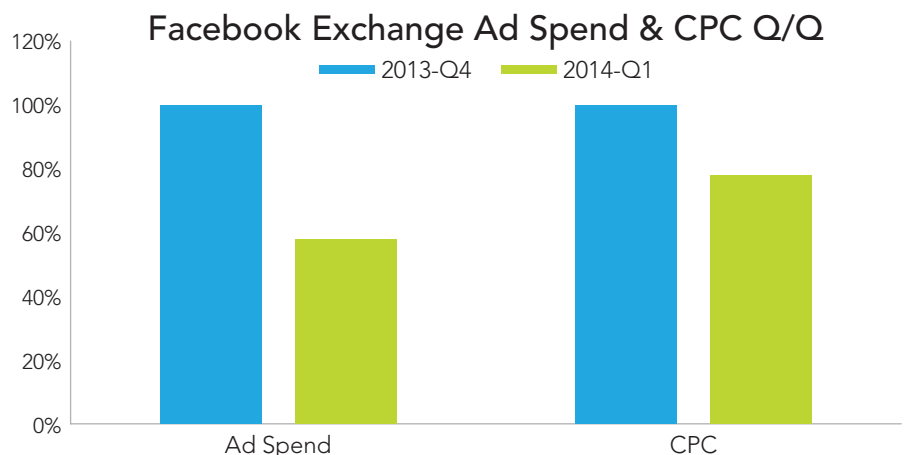
GDN Accounts for 6% of Total Google Spending

For advertisers actively advertising on the Google Display Network, GDN spend is 6% of total Google spending including AdWords text ads and PLAs. The majority of GDN spend is allocated to remarketing and placement ads, while a small percentage goes to contextual ads.



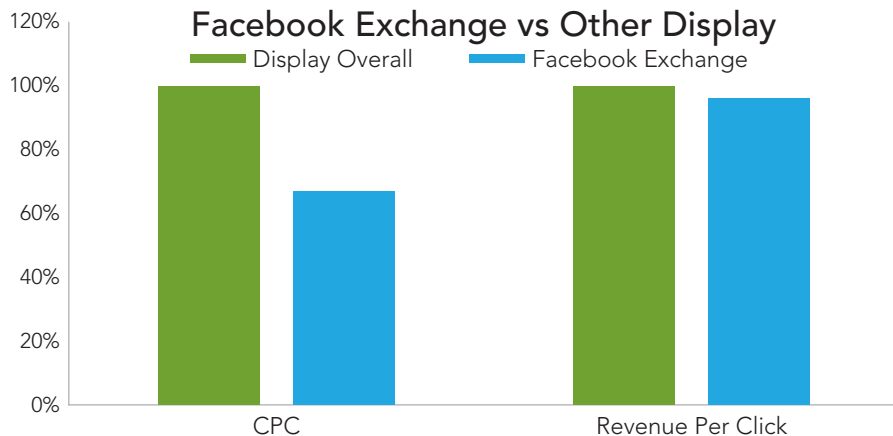
Ad Spend on the Facebook Exchange Dropped Significantly in Q1

Following the holiday season, investment on the Facebook Ad Exchange dropped over 40%. This is due largely to seasonality within the retail sector and decreased competition as some advertisers who invested in the space over the holidays exited once demand died down.



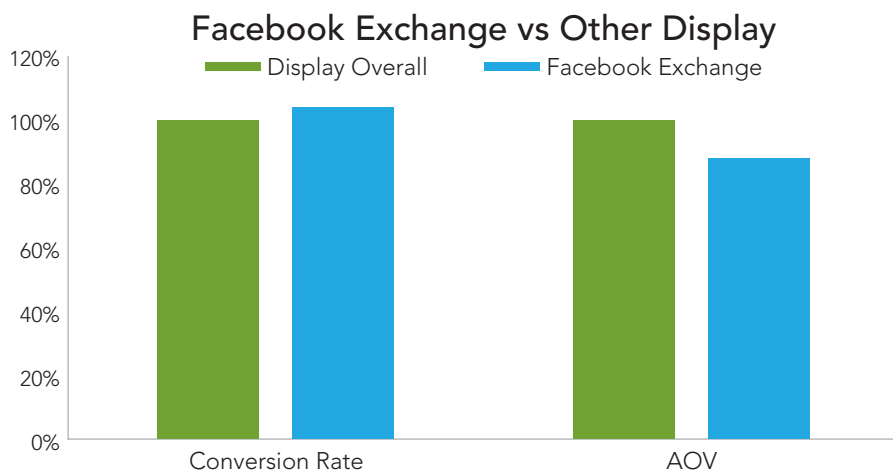
Lower Average CPC on FBX Remains Key Performance Differentiator

While revenue per click is nearly identical between Facebook Exchange ads and other display ads, CPC remains 33% lower on Facebook. This has resulted in superior ROI on the FBX platform, as there is still room for competition to drive up the cost of traffic.



FBX Conversion Rate Higher, AOV Lower than Other Display

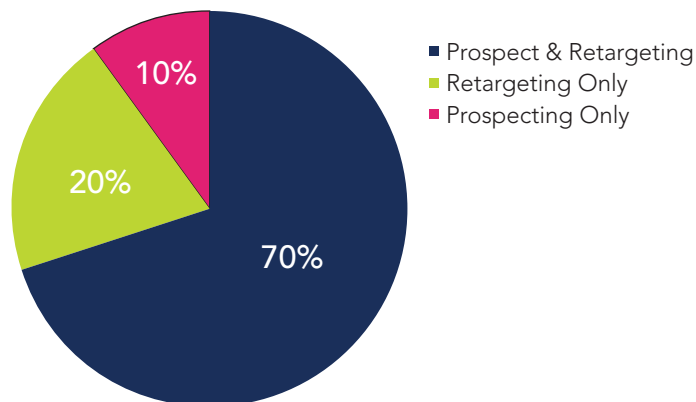
While FBX ads offer a slightly higher conversion rate than other display ads, average order value on FBX is 12% lower. This may be indicative of the demographic differences between FBX traffic and clicks from other display sources.



Most Advertisers Continuing to Pursue Mixed Prospecting, Retargeting Display Strategy

70% of RKG advertisers are targeting both new and existing customers in their display strategies, up from 63% in Q4. Retargeting remains more popular than prospecting among those not using a mixed strategy.

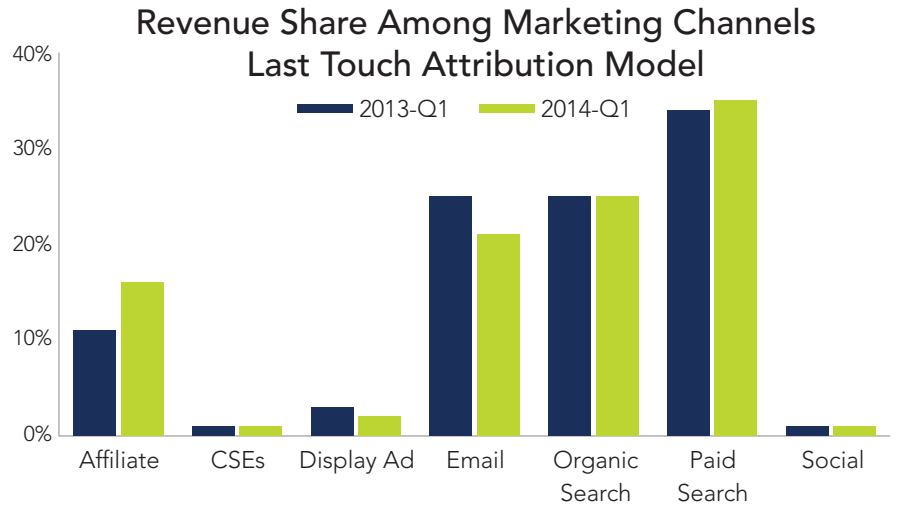
Percentage of RKG Clients' Display Goals



MULTI-CHANNEL

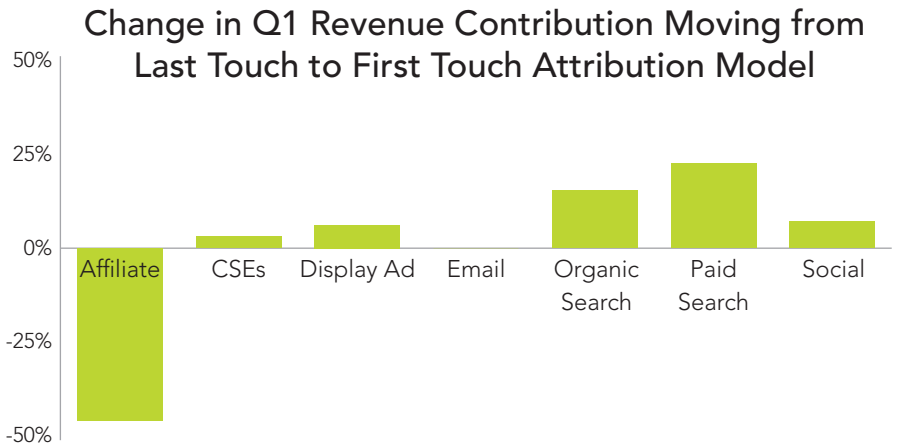
Affiliate Share of Last Touch Revenue Up Y/Y, Email Down

Last touch attribution models show affiliates accounting for more than 15% of revenue in Q1, up from 11% last year. Email continues to show year-over-year declines in last touch revenue share, likely the result of mobile email checking and the relegation of marketing emails to a promotion tab in Gmail's tab system.



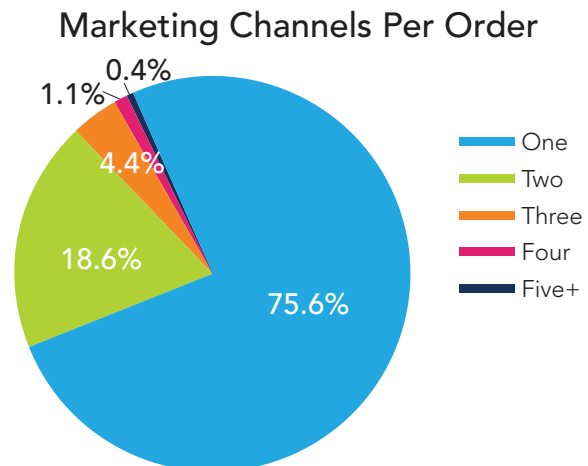
Organic and Paid Search Revenue Share Higher in First Touch Model

As search engines are frequently the first stop in the conversion process for consumers researching products, organic and paid search account for much higher shares of revenue using a first touch model rather than last touch. 45% less revenue is attributed to affiliates using first touch instead of last touch.



Online Customers Usually Interact with Just One Channel

The average order now involves more than four marketing touches, but the vast majority of customers (76%) interact with just a single channel. Even the advertisers most likely to see their customers interact with multiple channels see about 60% of orders placed after interaction with just one channel.



■ ABOUT RKG

RKG is a search and digital marketing agency that combines superior marketing talent with leading-edge technology to create the industry's most effective data-driven digital marketing solutions. RKG drives business to clients by maximizing a full range of opportunities including paid search, SEO, product listing ads, social media, display advertising and comparison shopping engine management services.

Founded in 2003, RKG partners with clients such as Drugstore.com, Express, Herman Miller, Jones Group and Urban Outfitters. In 2013, Advertising Age ranked RKG the fastest growing search agency. A privately held company, RKG is headquartered in Charlottesville, VA with offices in San Francisco, CA, Bend, OR and Boston, MA. For more information visit www.rimmkaufman.com or follow the company on Twitter @rimmkaufman.



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■ METHODOLOGY

Figures are derived from samples of RKG clients who have worked with RKG for each respective marketing channel. Where applicable, these samples are restricted to those clients who 1) have maintained active programs with RKG for at least 19 months, 2) have not significantly changed their strategic objectives or product offerings, and 3) meet a minimum ad spend threshold. All trended figures presented in this report represent same-site changes over the given time period. Unless otherwise specified, the data points in this report are derived from the North American market region.



RKG