Future Proofing Your Digital Marketing Strategy in the Era of Constant Change





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Retail Media & Social Commerce are on the Rise

Seismic shifts from the pandemic and beyond have had a dramatic impact on the retail industry. What began as a need to shop online due to safety precautions evolved into an unprecedented era of e-commerce — and it's forever changed the way brands promote their products.

Marketers must consider and assess every part of their online advertising strategy with tactics ranging from more intentional Amazon placement to a social media presence that makes an impact. To win, brands must know their audience better than ever through data, engage them with relevant creative and continually adapt to meet their ever-changing needs.

In this eBook, we'll uncover:

- Why retail media and social commerce will continue to represent a significant part of the overall digital ad market
- How to build a future-proof digital marketing strategy for the short, medium and long term
- Where to double down in retail and social advertising to win against competitors

Channels, Channels, Channels

The only constant is change, and recent years have brought plenty of it. According to a recent ChannelAdvisor survey, 52% of US consumers will shop more online in the future than before the pandemic. This creates a huge opportunity for advertisers to capture new ground in the market. But with competitors popping up at every turn, it also means devising a more thoughtful strategy than ever before.

Consumers now have myriad channels at their disposal, from search engines to websites to social media to marketplaces. Yet, many shoppers are channel agnostic and use multiple channels during their shopping journey.

Our research shows that most consumers turn to a combination of search engines, marketplaces, brand and retailer sites to begin their product search. But when there's already an intent to purchase, they head to Amazon first ahead of a search engine or even the brand's website.

Together, search engines and marketplaces account for more than 80% of a consumer's initial research and purchase. To win, marketers must meet them there to inform, entice and guide.



THE STARTING POINT FOR PURCHASES

THE STARTING POINT FOR RESEARCH

When US consumers go online to <u>research</u> products, they begin their product search on:

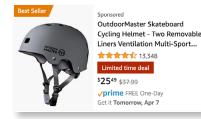


The Lay of the Land: Retail Media

Retail media includes any advertising across e-commerce websites and apps. Last year, retail media saw a huge increase in popularity due to the rise of e-commerce — and it shows no signs of slowing down.

According to eMarketer, retail media advertising is estimated to jump by 31.4% in 2022 to \$41.37 billion, becoming one of the digital ad segments with the highest growth.

These trends are not specific to Amazon. While Amazon dominates with 77.7% of US digital retail media spend, eMarketer forecasts that Walmart's US digital advertising revenue will increase 53.5% this year and reach \$1.55 billion. Nearly every major retailer now has a retail media network with the 11 leading retail media networks including: Amazon, Best Buy, Costco, eBay, The Home Depot, Instacart, Kroger, Macy's, Target, Walmart and Wayfair. New entrants are coming every year. In 2021, Albertsons, Dollar Tree and Lowes launched retail media networks.





Electric Food Stand Mixer 650W 6 Speed 6 Quart Tilt-Head Kitchen Beater Silver With Beater, Dough Hook and Wire Whip, Red, ETL Listed Brand New

\$94.99 \$10 off every \$299 with coupor



From \$39.99 COWIN E7 Active Noise Cancelling Headphones Bluetooth Headphones with Mic Deep Bass Wireless... ******: 12495 "Retail media is just beginning to realize its considerable potential, and it's about to get a lot more interesting— and profitable—for retailers and brands alike."

INSIDER Intelligence

eMarketer.

or Best Offer

Free returns



TIPS TO IMPROVE YOUR AMAZON STORE

Curate your catalog and identify an optimal collection (home, clothing, etc.)

Leverage menus to segment the store

Include lifestyle content and creative (and use video where possible)

Insert product titles or categories where possible

Drive traffic using Sponsored Brands

Add only the descriptive keywords for which you'd like to improve your rankings

Strategies for Retail Media Success

To stand out, brands must cut through the noise with a targeted advertising strategy.

Explore Different Options

With so many channel options and other brands shouting for attention, a standard listing strategy is no longer enough to give your brand visibility. Have an investment plan in the short term and explore different options for all retail channels you sell on. If the majority of your advertising budget currently goes to Amazon, develop strategies to test other marketplaces like Target or eBay where you could gain greater traction and revenue with a smaller investment. You may even explore local or niche options as well.

Control How Your Brand is Showcased

Individual product listings on Amazon don't allow for much customization. Instead, launching an Amazon Store helps you control how Amazon showcases your brand. It establishes your "brand home" within Amazon, allowing you to extend your website, customize your presence across the marketplace and share your brand story and offerings. Stores with three or more pages enjoy 32% higher attributed sales per visitor and 83% higher shopper dwell time.

An Amazon Store also helps you:

- · Improve your organic product ranking and Sponsored Brand Campaign performance
- Expand coverage across Amazon with keyword and product targeting for Sponsored Brands
- Gain organic sales from users coming from the byline in Amazon product detail pages

Yet, simply having an Amazon Store isn't enough. To win in the long term, continually update your store pages so Amazon can increase its relevance in customer searches. According to Amazon, Stores updated in the past 90 days report 21% more repeat visits and 35% higher attributed sales per visitor.

Ensure Placements Are Not a Blind Spot

Marketers tend to overlook ad placement positions, but defining your preferences can fine-tune your performance on Amazon. Where you choose to place your ad lets the system know how aggressive you want to be. Choose from:

- Top of search Ad appears at the top of the first page of search results
- *Rest of search* Ad appears in search results below the first fold/page
- Product pages on Amazon Ad appears on product detail pages

But keep a flexible approach. Sometimes, top of search works — but other times it doesn't. Test your placements and adjust your bids regularly based on the data you collect.

Automate Ad Management

If you're managing ads manually, you're most likely missing out on sales opportunities. Automation not only saves you time and effort, but can affect your seller rank, driving sales for products that are almost out of stock.

Automated ad management is especially helpful for brands with a larger catalog who implement more campaigns. When you define your account structure based on goals, intent and performance, you enable better budget allocation, priority assignment, strategic bidding and efficient automation.

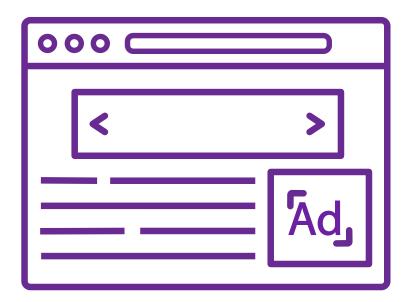
Win Against Competitors

Considering Amazon's global presence and hundreds of millions of products, your competitors in the marketplace may not always be who you think. You

may go up against big names, but you're more likely to face non-branded products at competitive prices.

To win:

- 1. Don't market your full catalog. Instead, target your strategy with products that differentiate you from the competition in various categories like review scores, price, quality, etc. Select only the products that put you at an advantage.
- 2. Keep competitive campaigns separate. Don't add competitive targets to your branded and non-branded campaigns. Keep them in their own dedicated campaigns.
- 3. Don't add all competitors in one campaign. Choose to advertise your best reviewed products or best price point. This allows you to tailor and enables higher performance.



The Lay of the Land: Social Commerce

When you're looking for ways to meet consumers where they are, social media is a sure bet — especially today. According to eMarketer, in 2021, US social media users spent an average of 97 minutes per day on the platforms.

One of social media's biggest benefits is that it's uniquely positioned at the intersection of community and commerce. During the pandemic especially, this created new types of shopping behavior among digitally savvy consumers:

- Serendipitous shopping A consumer stumbles upon a product they like while scrolling through social or video content
- Window shopping A consumer visits apps and websites to browse and see what they offer
- Intentional shopping A consumer opens an app or website to search for the product they want
- Purposeful buying A consumer opens an app or website to message a business and/or place an order

We've always known that social media is a key research channel among younger audiences. During the pandemic, 53% of Facebook users and 53% of Instagram users in the 18-25 age group used the respective platforms for product research.

Despite their penchant for researching products on social media, consumers still prefer to purchase elsewhere. According to eMarketer, 56% of US consumers clicked links that took them to the retailer's product page, where they made an immediate purchase.

To unlock social media marketing success, marketers must:

- Optimize content and product data.
- Refine targeting.
- Invest in automation.

Ensure product selections are best for the channel.

COMPLIMENTARY ADVERTISING ANALYSIS

Let our digital marketing experts take a look at your advertising accounts and find new opportunities that can help meet and exceed your digital marketing goals. REQUEST YOUR ADVERTISING ANALYSIS



Know Your Audience

Each social media platform is different. First, understand the differences between each and how your advertising will differ from platform to platform. Then, define how large the user base is and who you'll be targeting. Newer apps like TikTok specifically target Gen Z and have already outgrown platforms like Snapchat and Pinterest.

Manage Creative

You already know you should target consumers with the right message at the right time. The creative elements you use are equally important. Regularly refresh content to avoid burnout, and test as many creative types as possible. But be careful to avoid making changes during high-traffic sales events, as the ad type doesn't have enough time to gather sufficient history. Lastly, match ad types to your targets and goals for the highest relevance.

Tailor Your Optimization Strategy

Optimization strategies are often overlooked, but key to maximizing results. Instead of using your Google shopping feed for social media ads, create a dedicated feed and tailor your strategies for each channel and product. Product data is especially important for specific ad formats on social channels.



What's Next? Ad Formats of the Future

Google Smart Shopping

Channels like Google have started to adopt a "black box" approach to advertising, and other channels are starting to follow suit. Driven by machine learning, the approach creates a model where marketers have less control over how their inputs are used, resulting in outputs that aren't as granular as they previously were. This leads to unexpected results and inflation of the cost per result.

The sooner you test new ad formats, the more control you'll have in the long term. To see better results across all Google properties (search, display, YouTube, Gmail), you can:

- Better control your budget with campaign segmentation
- Maximize the use of historical data
- Optimize product data to improve campaign relevance

Take control of your input: product data. Remember, what makes a product stand out in one channel isn't necessarily the same as another. The more relevant your product data, the more your ads will match to specific consumers.

Stop thinking of product data as required versus optional, and instead think of the impact that added details can have on your discoverability and performance.

Video Advertising

eMarketer forecasts there to be 230.6 million viewers on YouTube in 2022. 80% of people say they typically switch between online search and video when researching products for purchase. In response, YouTube is becoming more actionable. Attribution reports allow you to see how your video campaigns impact search and understand how/why people jump between the two.

If you're already conducting search campaigns, video is a great way to increase your results and an easy option for helping consumers remember your brand.

Be Prepared for a Future of Change

Now is an exciting time to be an advertiser. As existing channels heat up and new ones emerge, marketers have an unprecedented opportunity to make a big impact. Retail media will likely continue to represent a significant part of the overall digital ad market, and brands will need a strategy to remain visible on their partners' sites. Not far behind is social commerce, where consumers spend most of their time and are now seeking product recommendations and shopping opportunities.

To be prepared, marketers must develop (and continue to fine-tune) a tailored product data optimization strategy that will make their products stand out in the short, mid and long term.

Let us handle the heavy lifting, so you can focus on growing your business.

Acting as an extension of your internal team, ChannelAdvisor's Managed Services combines the strengths of our technology with our unmatched industry expertise to supercharge your selling and marketing efforts across Amazon, Google, Facebook and hundreds of other channels. The Managed Services team works in the specialized marketplace and advertising domains all day every day.

Streamline all of your digital marketing. In one central platform.

ChannelAdvisor unifies your retail media and social commerce activities in one simple, central e-commerce location. With direct connections to the industry's most powerful players, this robust platform is the key to success for many of the world's highest-performing brands and retailers.



Trust the leader in e-commerce.

As the industry's most trusted centralized e-commerce platform, ChannelAdvisor offers an award winning, robust platform that helps companies monitor, manage and improve activity across brands operating in an intricate multichannel environment. We're undaunted by complexity.

All of our solutions are based on years of experience helping e-commerce sellers optimize their performance, and we offer the ability to customize aspects of our platform to meet your specific needs. Interested in learning more? Let us show you what we can do.

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