

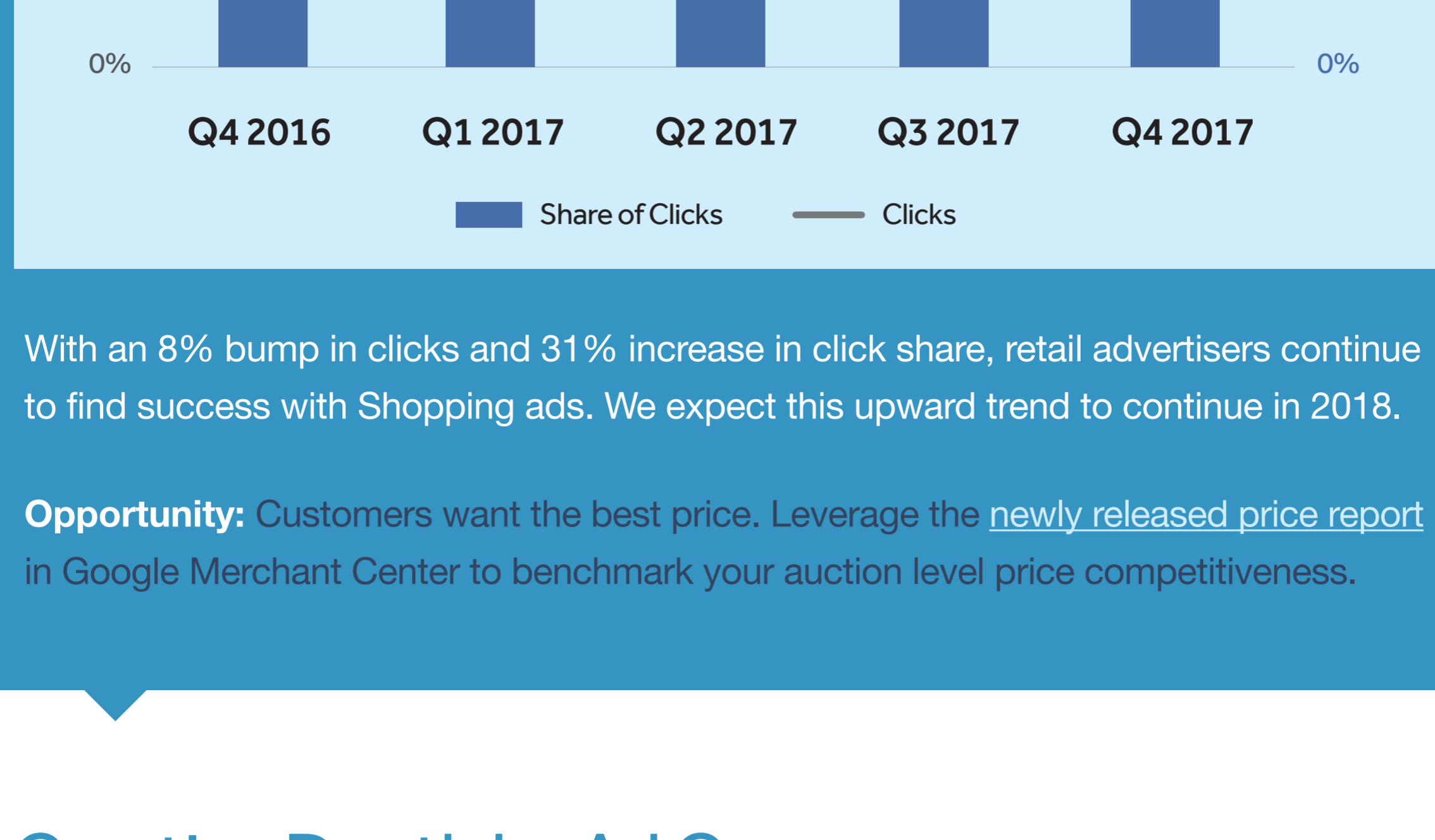
# DIGITAL BENCHMARK REPORT

## Q4, 2017

### Key Findings

- Shopping ads continue to gain momentum
- Advertisers are still underutilizing Audiences
- Search clicks are down, but engagement's up, so advertisers are happy
- As CPMs continue to rise, the social space is heating up

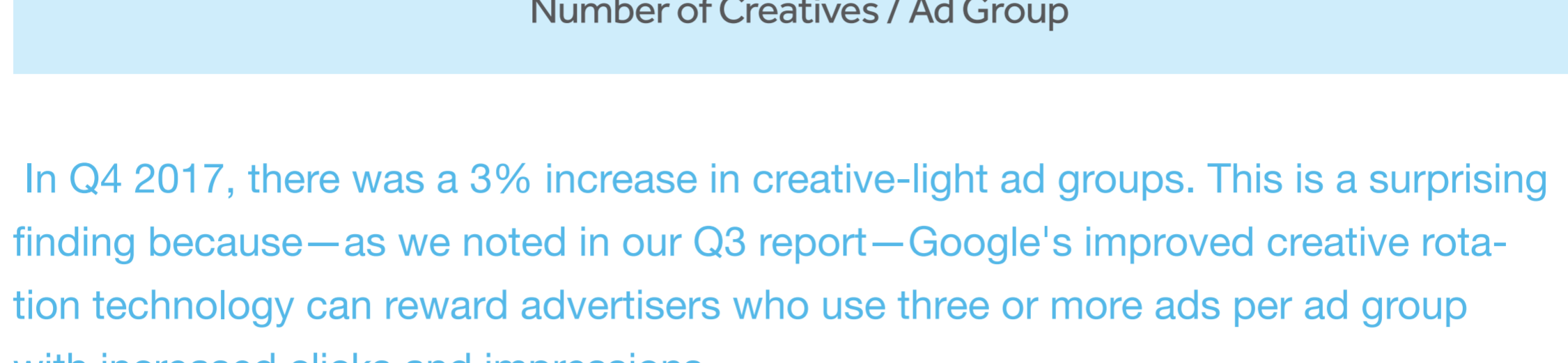
### Google Shopping



With an 8% bump in clicks and 31% increase in click share, retail advertisers continue to find success with Shopping ads. We expect this upward trend to continue in 2018.

**Opportunity:** Customers want the best price. Leverage the [newly released price report](#) in Google Merchant Center to benchmark your auction level price competitiveness.

### Creative Depth by Ad Group



In Q4 2017, there was a 3% increase in creative-light ad groups. This is a surprising finding because—as we noted in our Q3 report—Google's improved creative rotation technology can reward advertisers who use three or more ads per ad group with increased clicks and impressions.

**Opportunity:** Consider adding more creative to your most important ad groups. You'll benefit from Google's machine learning technology underpinning the newly released "optimize" ad rotation setting.

### Audience Depth

Google Audience KPI

# 24%

Audience utilization remains low, despite the advantage that combining audiences with keyword targeting provides.

**Opportunity:** Add audiences to all campaigns; begin with "Bid Only" to measure audience performance without restricting reach.

### Publisher Share

Market Share

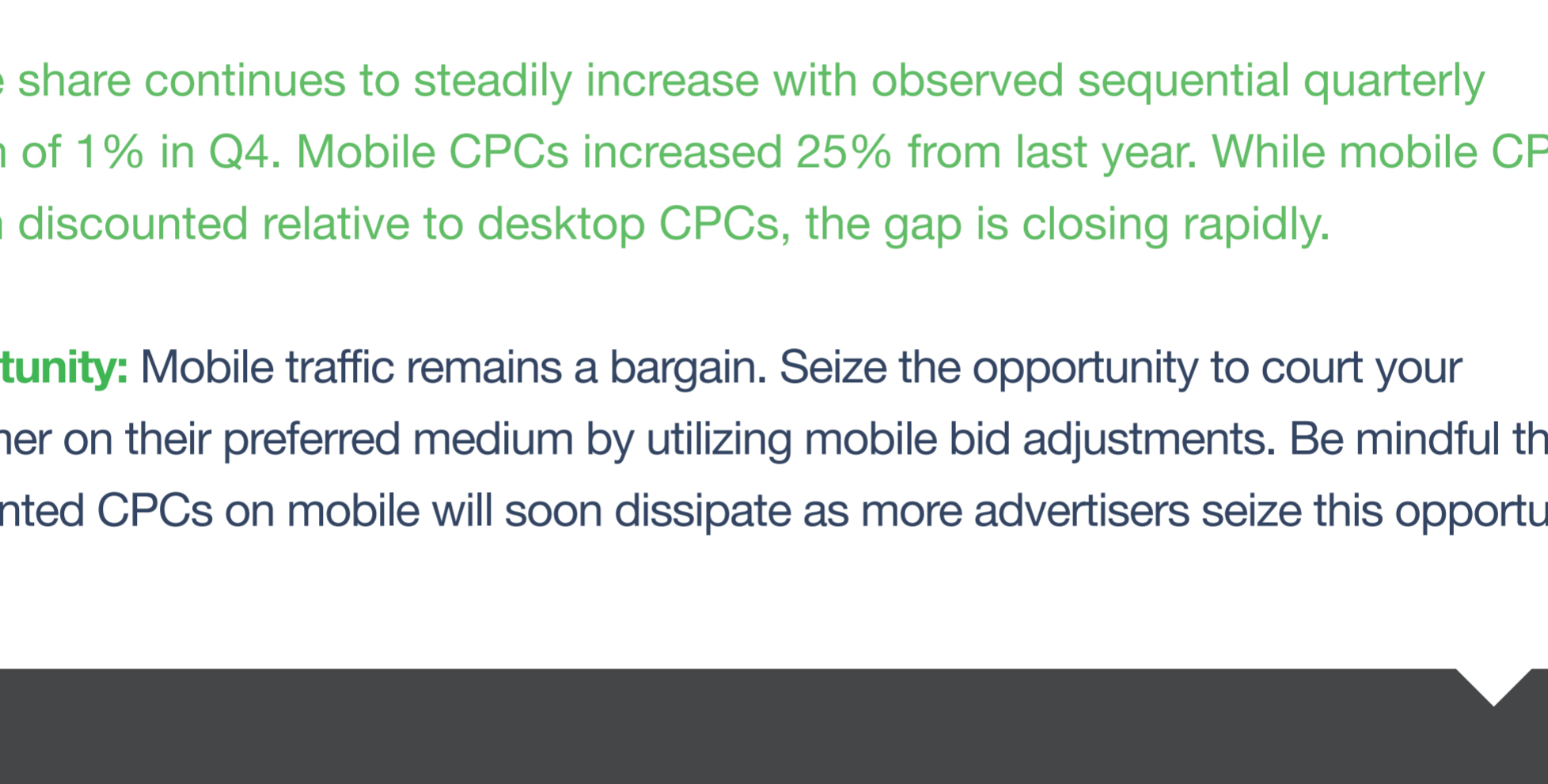


In North America, we observed no market share change between Google and Bing from Q3 to Q4. Time will tell if Microsoft's December soft-launch of a new AI-powered Bing will move the market share needle. In the meantime, our findings serve as a good reminder that not everyone searches on Google.

**Opportunity:** Bing still presents 10-15% in additional volume for advertisers not invested there today. Round out your search ad campaigns by including Bing.

### Mobile Share

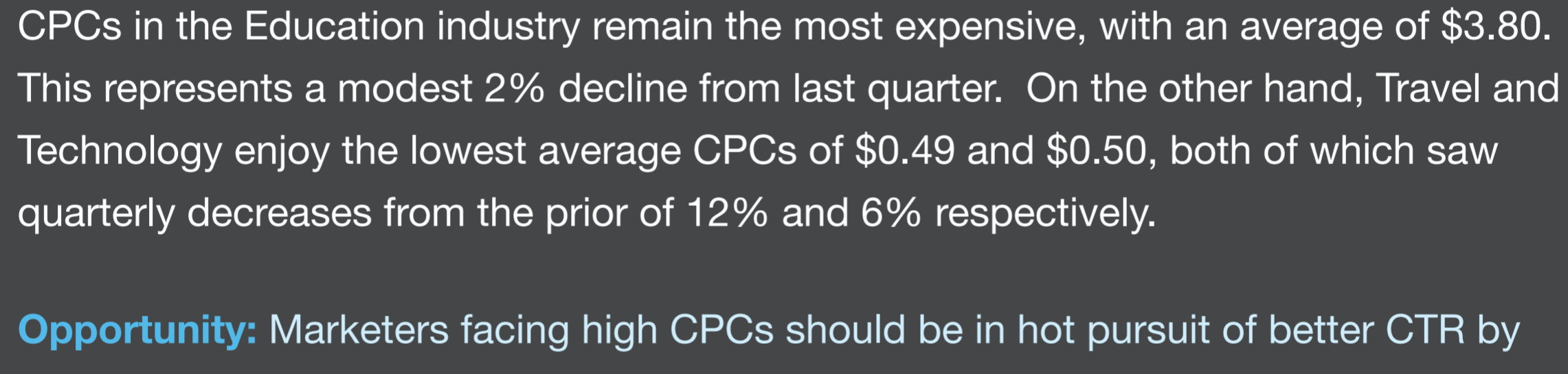
Mobile Share of Spend



Mobile share continues to steadily increase with observed sequential quarterly growth of 1% in Q4. Mobile CPCs increased 25% from last year. While mobile CPCs remain discounted relative to desktop CPCs, the gap is closing rapidly.

**Opportunity:** Mobile traffic remains a bargain. Seize the opportunity to court your customer on their preferred medium by utilizing mobile bid adjustments. Be mindful that discounted CPCs on mobile will soon dissipate as more advertisers seize this opportunity.

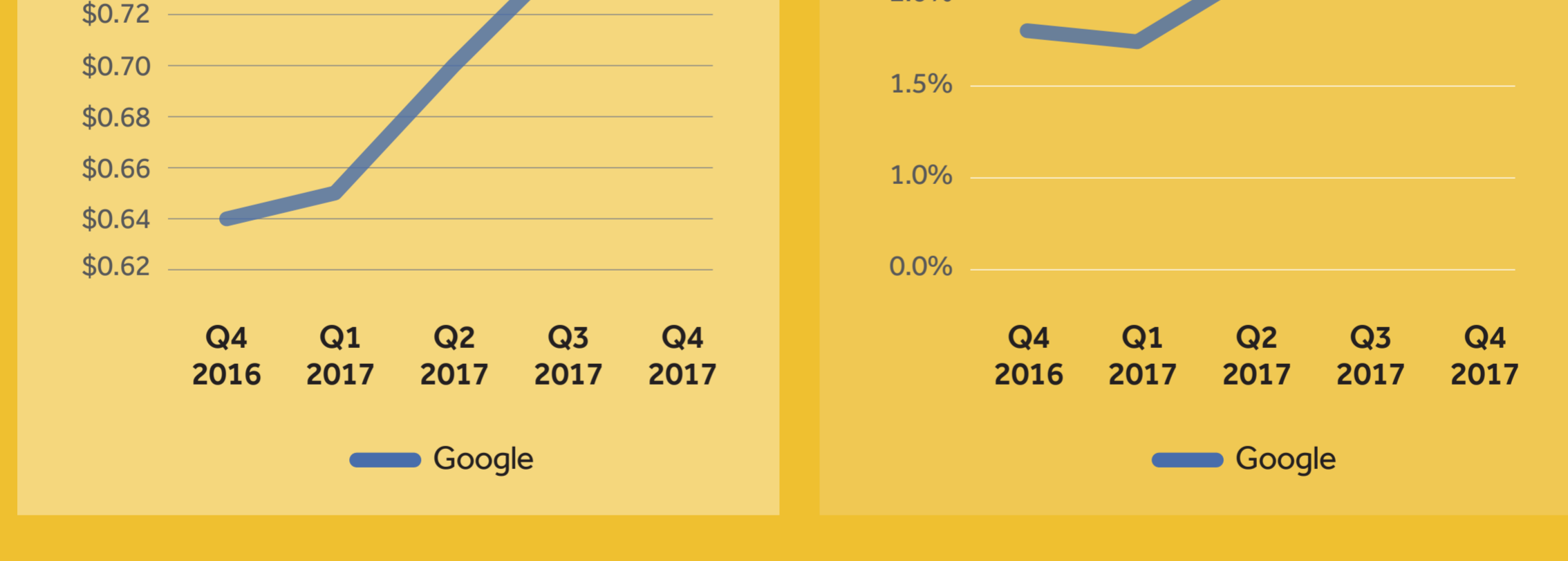
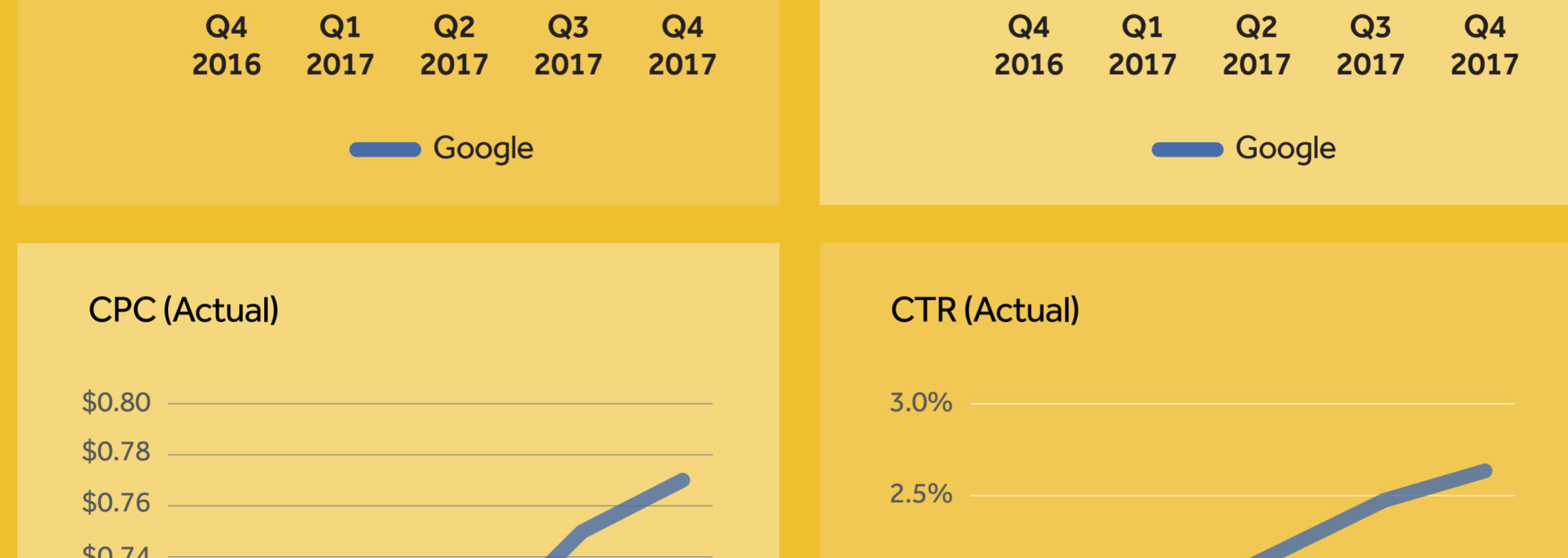
### CPC by Industry



CPCs in the Education industry remain the most expensive, with an average of \$3.80. This represents a modest 2% decline from last quarter. On the other hand, Travel and Technology enjoy the lowest average CPCs of \$0.49 and \$0.50, both of which saw quarterly decreases from the prior of 12% and 6% respectively.

**Opportunity:** Marketers facing high CPCs should be in hot pursuit of better CTR by feeding Google's machine learning with fresh collateral. This will help you discover the winning combinations for your audience segments. Marketers in industries with cooling demand should adjust their bids to prevent over-bidding.

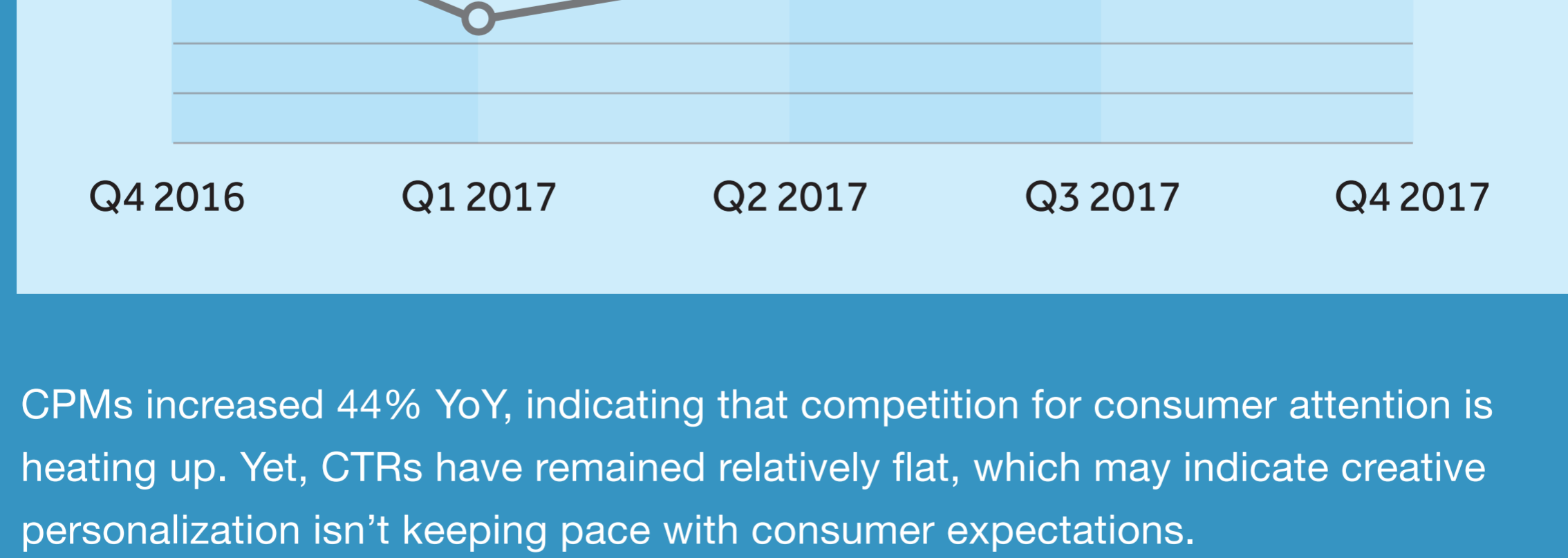
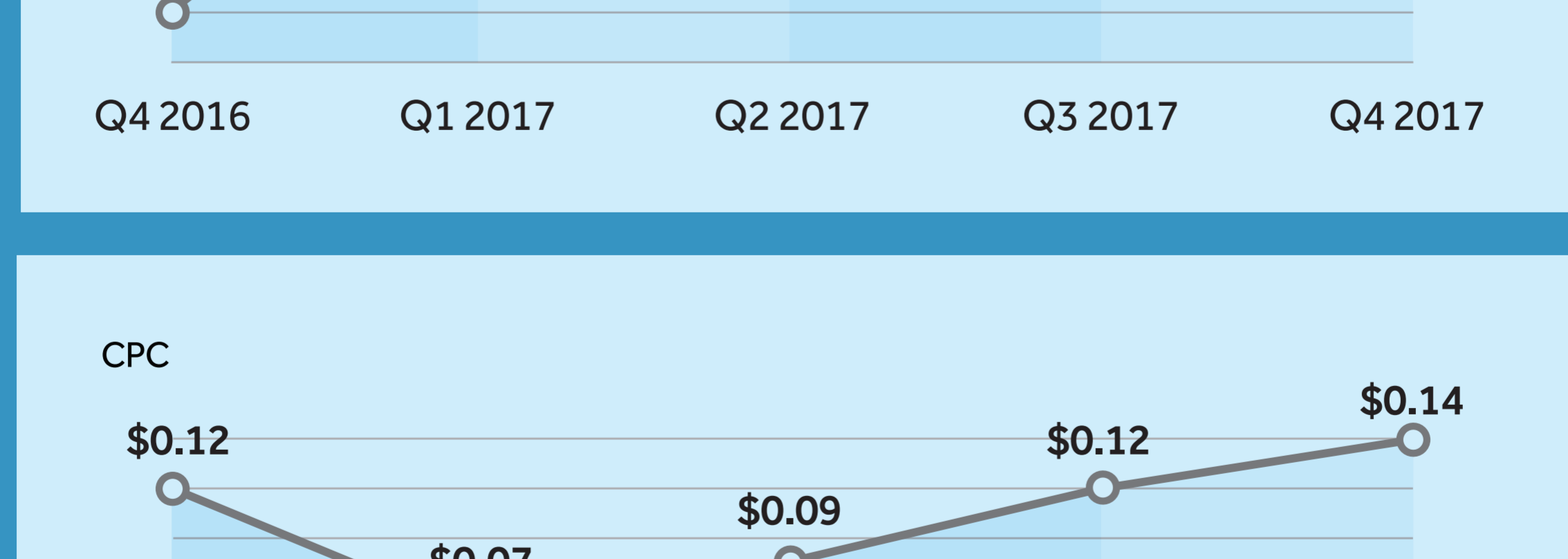
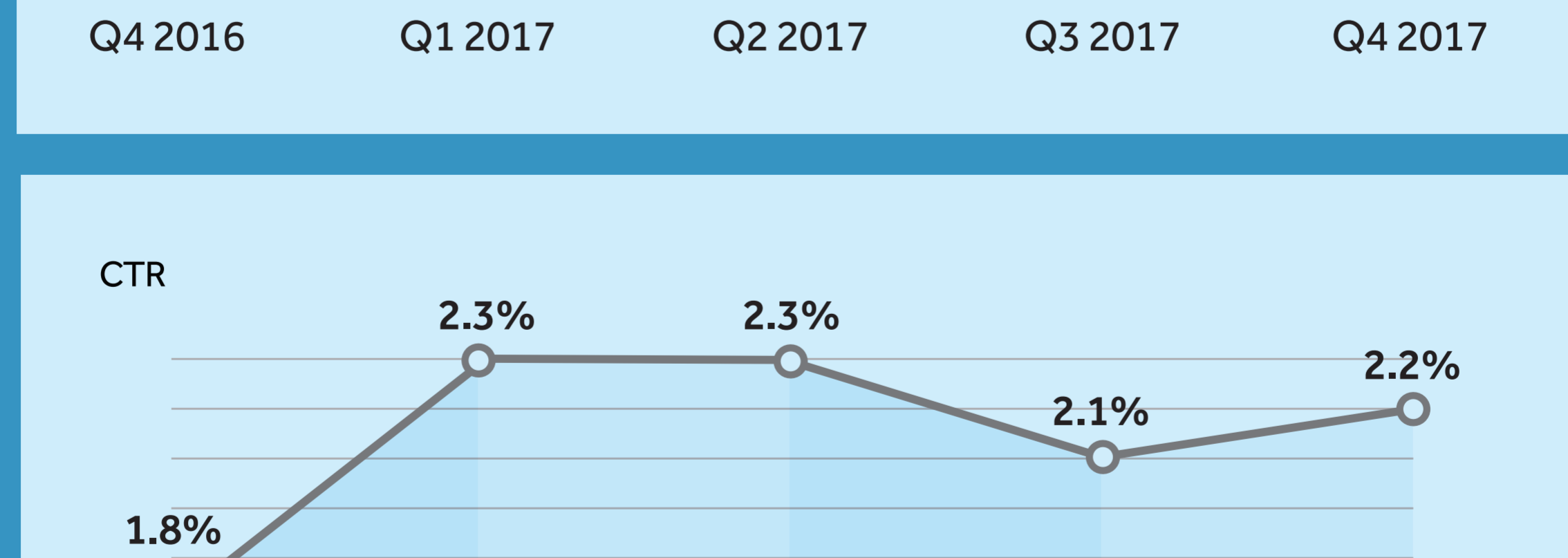
### Search Trends



Advertisers continue to find success with search advertising spend marching ever upward. An interesting trend developing is reduced gross clicks, yet higher overall customer engagement (measured by CTR). Advertisers are (happily) paying a premium for this improved engagement.

**Opportunity:** Tightly pairing your audiences strategy with engaging creative ensures that your advertising investment performs to its fullest. Evaluate your campaign audience depth and create unique personalized creative to suit each audience.

### Social Trends



CPMs increased 44% YoY, indicating that competition for consumer attention is heating up. Yet, CTRs have remained relatively flat, which may indicate creative personalization isn't keeping pace with consumer expectations.

**Opportunity:** Competition tends to be at a seasonal low in Q1 and Q2. Advertisers bucking the trend may be positioned to realize better returns from suppressed CPMs.

# DIGITAL BENCHMARK REPORT

## Q4, 2017

Each quarter, we aggregate advertising performance across our customer base, and share our results with digital marketing professionals to compare against their own initiatives. In addition to global industry trends, we explore the most compelling areas of digital marketing, including the evolution of mobile, the best use of creative for more clicks and market share, and using the right search and social tools to attract the right customers. For each benchmark, we identify a tactical opportunity you can use immediately to drive better performance in your campaigns.

Benchmarks are calculated using a "same store sales" approach with advertisers who were clients from 4Q2016 through 4Q2017.