



## Google Adwords vs. Google Shopping and Product Listing Ads (PLA)

**Background:** As Google Adwords become increasingly more expensive and competitive, business owners are searching for more cost effective alternatives. As many advertisers pay within \$2 - \$8.50 per click, and sometimes more, our clients are often interested in pay-per-click channels that still deliver quality prospects, within more reasonable costs. Furthermore, clients selling lower cost goods with lower profit margins, such as T-shirts and novelties, are discovering that Google Adwords, while generating sales, can become less profitable overall.

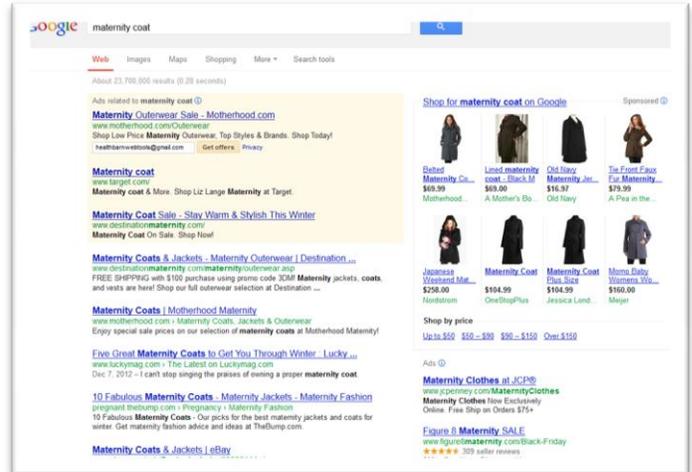
**Solution:** Google Shopping and Product Listing Ads (PLAs) are an effective way for merchants to provide a data feed of their products, and then to pay on a cost-per-click basis. These ads are more powerful than traditional AdWords text ads, since they integrate product images, seller ratings, and selectable features.

**Results:** In a recent customer engagement, Explore Consulting developed a Google PLA campaign along with traditional Google Adwords campaigns to run side-by-side. Google's PLA averaged 71 cents per click, with a 1.63% click through rate (CTR). The Google Adwords campaign averaged \$1.46 per click, with a 1.42% click through rate.

Visitors originating from the PLAs had better website interaction over Adword visitors. PLA visitors had a 16% less bounce rate, and an impressive 201% increase in average visit duration. Likewise, visitors from the PLA had a 314% increase in viewing at least three website pages, over visitors coming from the Google ads, and an overall increase of 162% in page views.

Therefore, Google Shopping and Product Listing Ads consistently delivered higher quality visitors, at less than half the cost of Google Adwords text ads.

Other studies confirm Google PLA's value. From a 2012 Q4 survey, the average cost per click for Google Product Listing Ads was 31 cents. Furthermore, comparing Google's product Listing Ads to Amazon Product Listing Ads, Amazon's PLAs averaged 41 cents



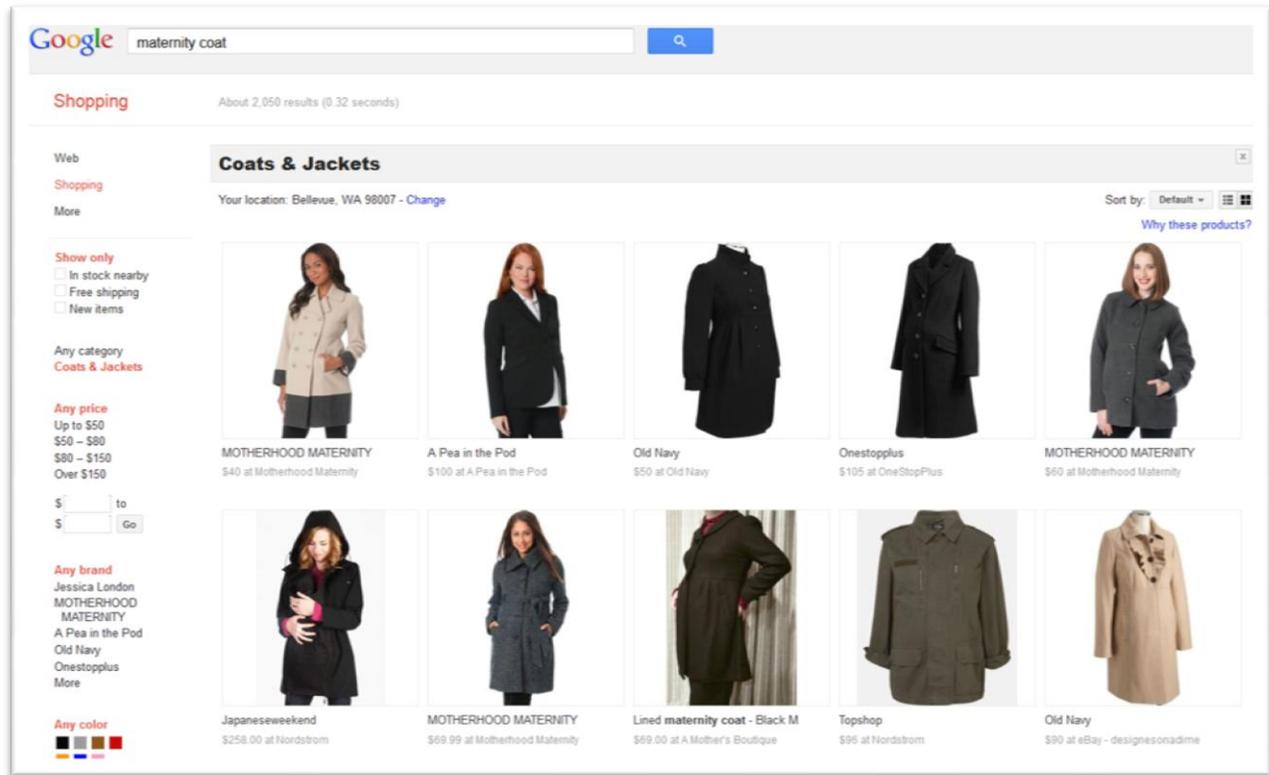
per click, while Google's PLAs delivered 120% more traffic over Amazon's PLAs. Overall, the cost per sale was 33% lower using Google's PLAs over Amazon's.

Since Google Shopping Price per Click (PPC) is relatively new territory, there are fewer people in the auction so the clicks cost less. Merchants can start bids upon clicks starting at just a penny each, whereas compared to traditional Google Adwords, quality clicks often costs at least a dollar each.

**Factors of Success:**

- Products should be unique, or competitively priced. As the product is listed along with competing products, there must be compelling reason to draw attention.
- Have a well rated business within Google+. Google favors merchants with quality reviews over those with poor reviews.
- Website quality: site speed, site reliability, a pleasant user experience, and so on.

**Conclusion:** Google Shopping and PLAs can be a very cost effective mechanism to generate online sales. Like Google Adwords, PLAs require effective management to be profitable. Since Google PLAs are still new with less competitors, they're less expensive. Companies that act can craft and actively manage PLAs and have the opportunity to generate new sales at very attractive costs.



Google Shopping results

## About Explore Consulting

Based in Bellevue, Washington, Explore Consulting was founded in 2001 and is a professional services company dedicated to providing innovative and cost-effective solutions for their customers' database and IT systems needs. Having specialized in SaaS solutions for more than 11 years, Explore Consulting is the largest and most experienced NetSuite reseller and solution provider in the Northwestern United States. Whether you are looking for assistance with your NetSuite purchase and implementation or needing to integrate your NetSuite account to an external data

source, Explore is your one stop NetSuite service provider. Explore Consulting is well-known as a leader in NetSuite customization, integration and extensibility, and was recently included on the Inc. 5000 list of fastest growing privately owned companies in the U.S. for the fourth year in a row as well as the Puget Sound Business Journal's 100 Fastest Growing Private Companies. Explore has also been a 7-time NetSuite Star Performer and was recently named as 2011 NetSuite Partner of the Year, Americas. For more information, visit [www.exploreconsulting.com](http://www.exploreconsulting.com).