



RKG Digital Marketing Report Q4.2011

RKG

> Table of Contents

2	Executive Summary
3	Methodology & About RKG
4	Paid Search <ul style="list-style-type: none">• Overall• Google• Bing & Yahoo• Google vs Bing• Mobile Trends• 2011 Trends
11	SEO <ul style="list-style-type: none">• Overall• Link Development• Google vs Bing• Mobile and Other
15	Facebook Advertising
17	Comparison Shopping Engines
19	Multi-channel Attribution
21	2011 Timeline of Notable Events

Executive Summary

- > Paid search spend growth accelerated in Q4 to a 31% year over year rate, up from 20.9% in Q3. Higher click-through rates were the primary driver as impression growth was limited to 5.5% and cost-per-click declined 1.4% Y/Y.
- > Google paid search spend increased 38.5% Y/Y on a 46% increase in clicks. CPC declined 5.2% as a shift to mobile and other ad formats, as well as increased advertiser rationality, brought downward pressure on click costs.
- > Bing and Yahoo non-brand paid search spend fell 6.1% Y/Y in Q4, an improvement from Q3 as 2010 comps weakened. Higher brand keyword costs for advertisers could drive Bing's and Yahoo's combined paid search revenue growth into positive territory.
- > Google increased its search lead over Bing & Yahoo in Q4, generating 86.5% of paid clicks and 83.5% of organic search visits.
- > Mobile, including smartphones and tablets, contributed 9.6% of paid and organic search traffic for the full fourth quarter of 2011, but surged to 14.2% of paid traffic at the end of the year. Amazon's Kindle Fire quickly jumped to second place in the tablet space with 4.1% of tablet traffic compared to the iPad's 87.8%.
- > Facebook generated 3.6% of referral traffic to sites on average in Q4 and 0.6% of all traffic, speaking to a large growth opportunity. For marketers running Facebook ads, we found that 90% of Facebook impressions were generated by the ads, as opposed to organic or viral activity.



About RKG:

RKG is a full-service digital marketing agency that combines talented and creative marketing analysts with unmatched proprietary technological capabilities to create the industry's most efficient and effective data-driven, online marketing solutions. We drive business to our clients by maximizing a full range of opportunities including Pay-Per-Click, SEO, Social Media Advertising, Comparison Shopping Management, Display Advertising and Multichannel Attribution Management Services. RKG was founded in 2003 and works with organizations ranging in size from young startups to established Fortune 500 companies in sectors including retail, travel and finance.

Methodology:

Paid search figures are derived from a sample of RKG clients currently under full-service paid search management. The sample is 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. The figures are based on non-branded keyword performance unless otherwise specified.

Figures for organic search, social media advertising, comparison shopping engines and multi-channel attribution are derived from a sample of clients that have worked with RKG for each respective service since the beginning of the most recent financial quarter.



Paid Search Marketing

The past year was a good one for paid search advertisers, as evidenced by the performance of the RKG client base and by Google's own earnings reports. As Google saw its year over year revenue growth rise from 23% in the third quarter of 2010 to 33% in Q3 2011, RKG clients saw their paid search ad spend and revenues accelerate as well. While we await Google's official word on Q4 2011, we can say that RKG's year over year growth rates only rose further in the fourth quarter.

Meanwhile, the picture hasn't been quite as rosy for Bing and Yahoo in 2011, but even they appear to have stemmed the bleeding with RKG clients seeing their year over year spend declines cut roughly in half in Q3 and again in Q4. While the team behind the adCenter platform has made some efforts to drive increased traffic to advertisers, the biggest reason for this apparent turnaround is far more favorable comps. Bing and Yahoo are now competing against 2010 numbers that came after the Search Alliance implementation which brought significant ad traffic declines to Yahoo, largely due to adCenter's more restrictive ad matching and a reduction in search partner traffic.

The performance of Bing and Yahoo looks particularly weak in light of the gains Google has made, but Google may be tweaking their own revenue dials in a manner that isn't sustainable in the long-term. Continuing a trend, Google made a number of changes to its SERP in 2011 that brought greater prominence to its ad listings while blurring the lines between those ads and the organic results. In Q4, RKG's ad spend increases on Google were largely driven by higher click-through rates, and while Google's impression growth was stronger than in Q3, cost-per-click actually declined Y/Y among our client base. That's a welcome development for some efficiency-minded advertisers, but a potentially worrisome one for Google. A traffic shift to mobile and other ad formats with lower CPCs contributed to the decline and increased advertiser rationality may have been a factor as well.

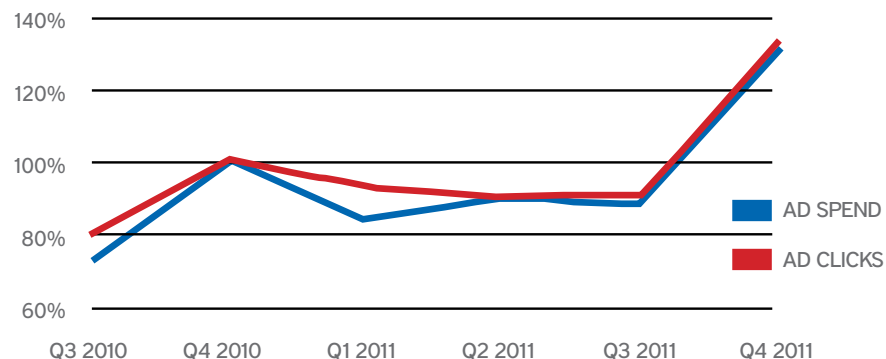
Speaking of which, it seems like each of the last few years has been the "year of mobile," but 2011 really did seem to mark a turning point, with huge surges of mobile traffic occurring around important dates in Q4. It's

critical to note, however, that the primary driver for "mobile" paid search growth has been the tablet, which is a bit ironic since our research and that of others suggests that tablet usage spikes during the hours when users are at home, and even in bed. In Q4, Amazon became the latest player to challenge the iPad's dominance in the tablet world, and our numbers suggest that the Kindle Fire is indeed getting the traction that other big names like HP, BlackBerry and Samsung failed to achieve.

Another big trend in 2011—one that was largely overlooked—was the growth of Google's Product Listing Ads (PLAs) format. PLAs migrated to AdWords and shifted to a CPC model in the Fall of 2010, and Google has increasingly displayed them in place of standard text ads. For a number of our advertisers, PLAs contributed a larger portion of spend and revenues in Q4 than Bing and Yahoo combined. While adCenter reintroduced Yahoo's Rich Ads, most of the ad format innovation came from Google in 2011, including the official launch of Dynamic Search Ads which portended an increased focus on automation capabilities in AdWords.

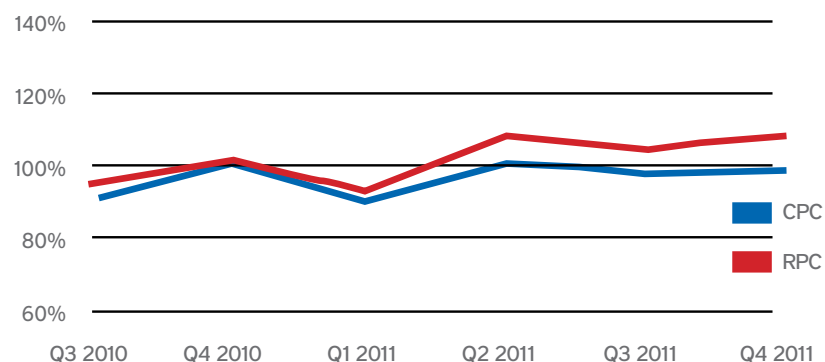
In the following pages we offer specific figures and analysis for these topics and many other key paid search metrics, but first a few notes on our methodology. While we are not trying specifically to predict the engines' actual performance, we do make efforts to select our sample in such a way that it is representative of the industry as a whole and can serve as a reasonable benchmark for advertisers. For example, if an advertiser quadrupled their product selection resulting in a similar increase in ad spend, we would see that as an anomalous one-time event and exclude them from our sample. Also, we restrict our figures to non-branded keywords (unless otherwise specified) to limit the impact of extrinsic factors like atypical ad buys in other media from skewing our results. These two efforts generally result in numbers that track better with the larger industry, although it will be particularly interesting to compare our numbers to Yahoo's this quarter, due to an apparent shift in their costs to brand terms. (More on that in our last paid search graph.)

Overall Paid Search - Spend & Clicks



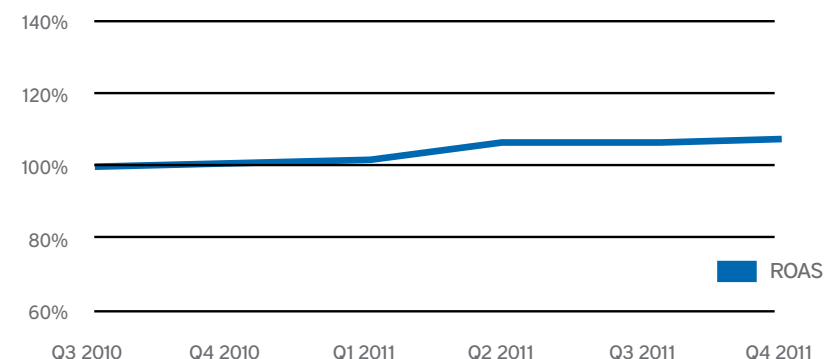
Paid search ad spend increased 31.0% year over year in the fourth quarter of 2011, while ad clicks increased 32.8%. This was a significant acceleration from Q3 spend and click growth rates, which were 20.9% and 14.1% respectively for this sample.

Overall Paid Search - Cost & Revenue Per Click



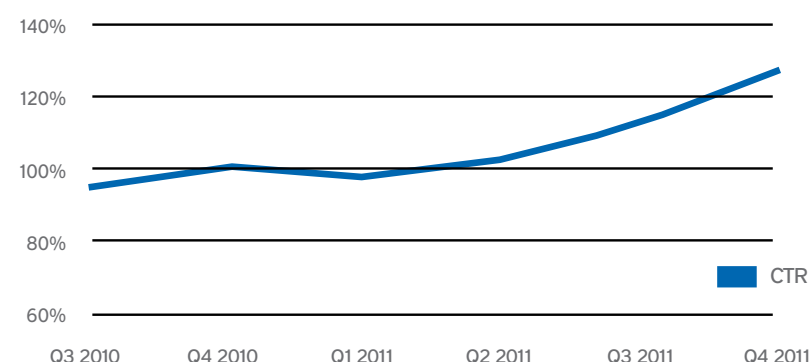
Average cost per click (CPC) was up just 1.4% from Q3 to Q4 2011 and fell 1.4% Y/Y. Revenue per click (RPC) rose 6.6% Y/Y in Q4, suggesting a greater focus on efficiency among RKG's base of advertisers.

Overall Paid Search - Return on Ad Spend



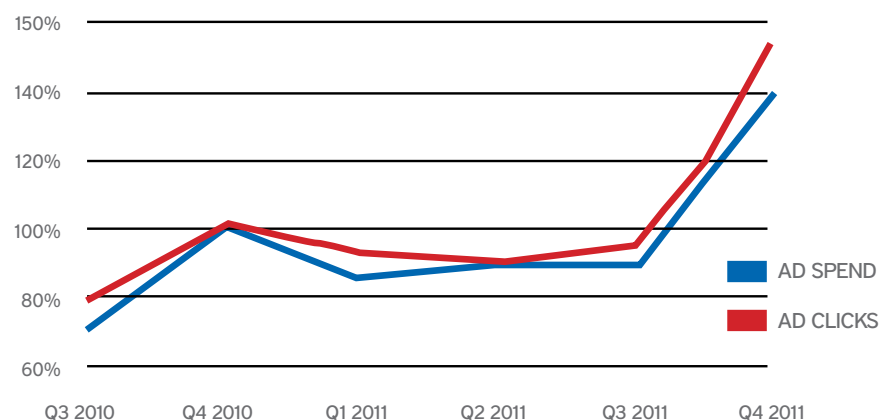
That greater efficiency is seen in our return on ad spend (ROAS) figures for the last 6 quarters shown above. We saw a moderate jump in ROAS in Q2 of 2011 to a level 7% higher than Q4 2010, and it remained elevated through the end of the year coming in up 8.1% Y/Y in Q4.

Overall Paid Search - Click-through Rate



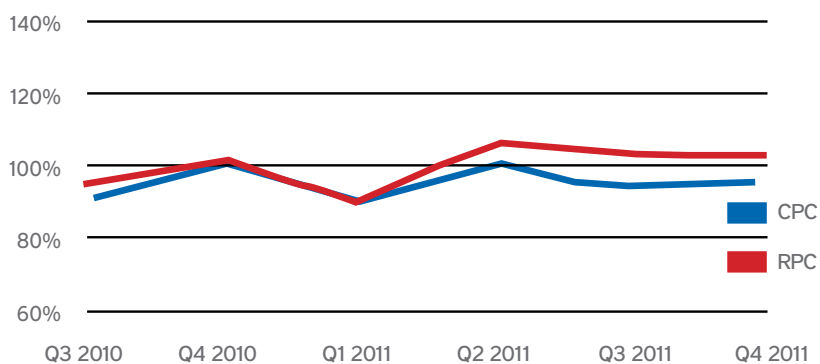
Paid search click-through rates (CTR) absolutely soared in Q4, increasing 25.9% Y/Y and driving the bulk of our traffic gains for the quarter. This continued a trend of increasing CTRs that began to take shape in Q2 2011.

Google Paid Search - Spend & Clicks



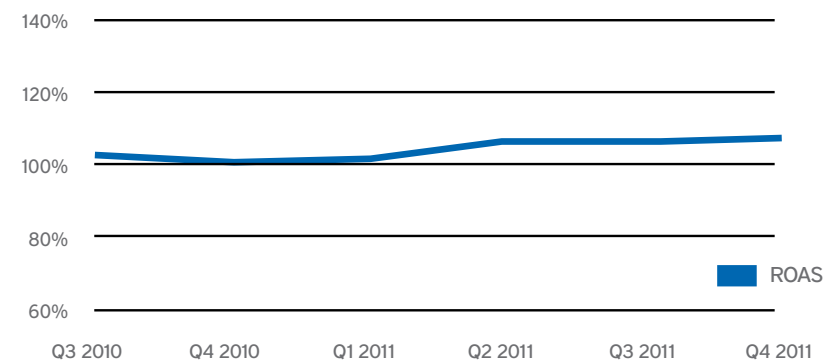
Ad spend on Google surged 38.5% Y/Y in Q4 on a 46.0% increase in clicks. RKG's sample selection and methodology generally result in numbers that track well with Google's, but if that connection holds, both of these figures would mark gains Google has not seen since early 2008.

Google Paid Search - Cost & Revenue Per Click



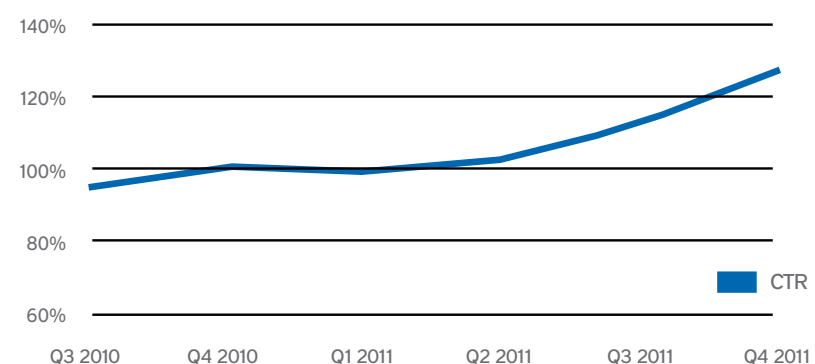
One of the most interesting metrics in Q4 was CPC, which we saw decline 5.2% on Google. Google hasn't reported a CPC decline in eight quarters, and this may worry investors if it holds. A shift to mobile and other ad formats with lower CPCs as well as increased advertiser rationality are likely contributors here. Revenue per click increased 2.6% Y/Y on Google.

Google Paid Search - Return on Ad Spend



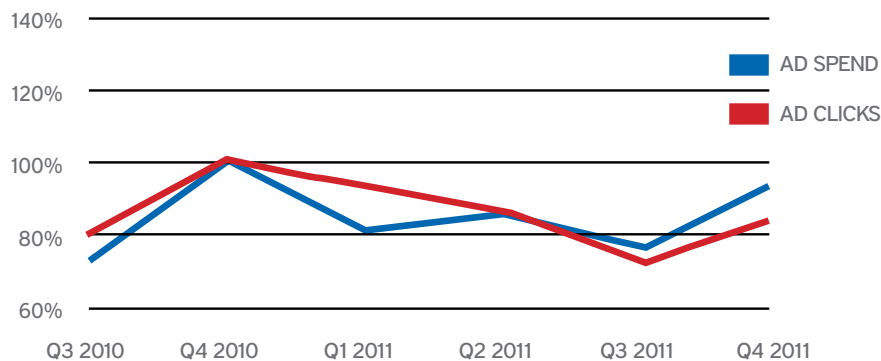
Lower CPCs and higher RPC led to an 8.1% increase in ROAS for our advertisers on Google. ROAS trended higher in each quarter of 2011.

Google Paid Search - Click-through Rate



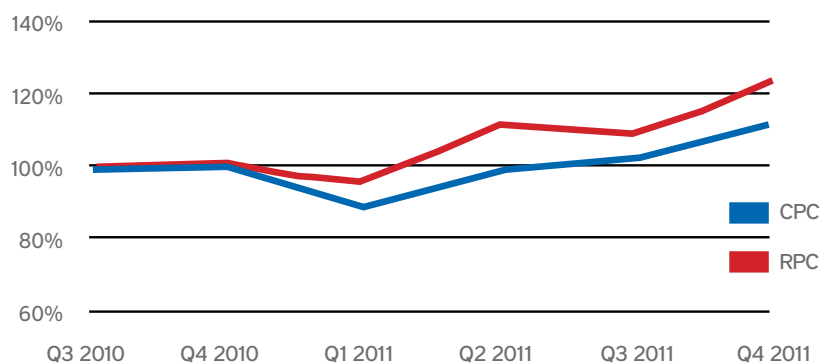
Click-through rates rose 11.8% from Q3 to Q4 following a similar increase from Q2 to Q3. All in all, the result was a 26.1% Y/Y increase in Q4. Google helped their cause with ad format and other changes throughout the year that drove more users to the paid listings.

> Bing & Yahoo Paid Search - Spend & Clicks



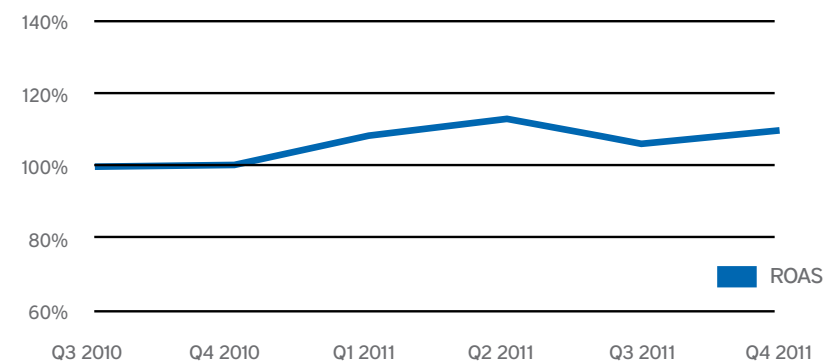
Paid search ad spend on Bing and Yahoo fell 6.1% Y/Y in Q4, which marked an improvement from their Q3 decline of 8.7% among these advertisers. Ad clicks fell 15.9% in Q4.

> Bing & Yahoo Paid Search - Cost & Revenue Per Click



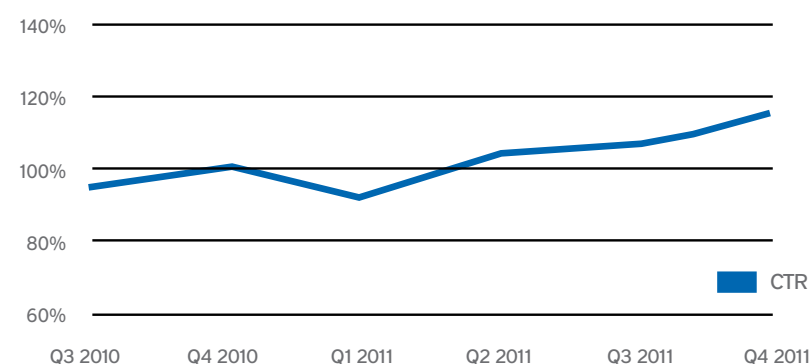
Although they haven't managed to deliver pre-Search Alliance traffic levels, the adCenter engineers can take solace in the fact that CPCs were up 11.7% Y/Y. Meanwhile, advertisers enjoyed a 22.6% increase in RPC.

> Bing & Yahoo Paid Search - Return on Ad Spend



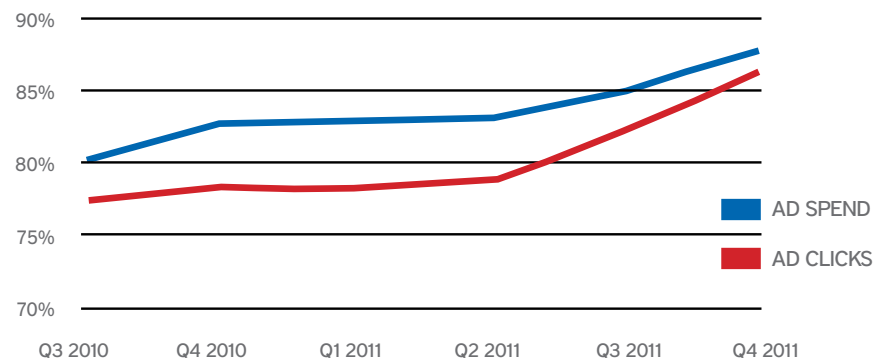
ROAS on Bing and Yahoo was up 9.8% Y/Y in Q4, but it has fallen slightly from a recent peak in the second quarter of 2011.

> Bing & Yahoo Paid Search - Click-through Rate



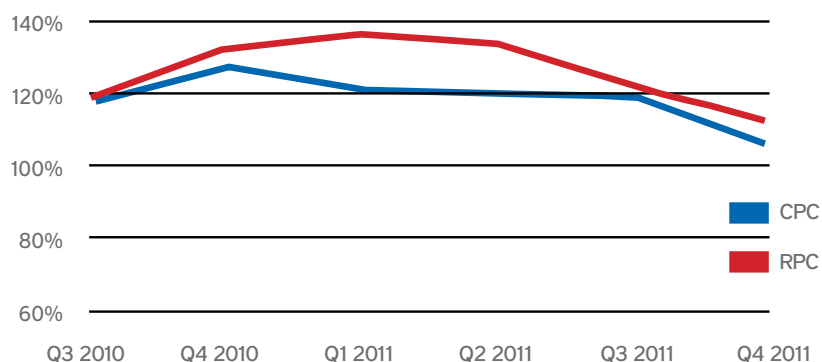
Bing-powered SERPs did not have the same level of ad-friendly changes as those of Google in 2011, but click-through rates did improve a healthy 14.4% Y/Y in Q4.

> Google Paid Search Share



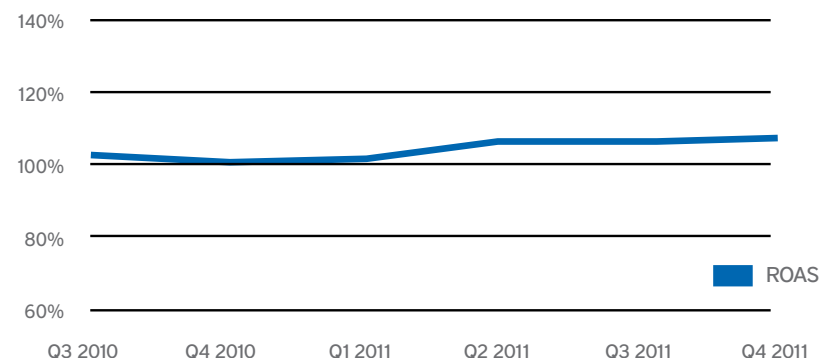
Although the Bing & Yahoo alliance appeared to make some progress in Q4, Google's exceptional growth rates brought it significant gains in both ad spend and click share. Google's share of PPC spend rose from 83.0% in Q4 2010 to 87.8% in Q4 2011. Its click share rose from 78.7% to 86.5%.

> Google/Bing - Cost & Revenue Per Click



Bing narrowed its CPC gap with Google throughout 2011, as average click costs on Google declined from 133% of those of Bing in Q1 to 113% in Q4. Revenue per click across the two also came into closer alignment, with Google RPC coming in at just 107% that of Bing in Q4.

> Google/Bing - Return on Ad Spend

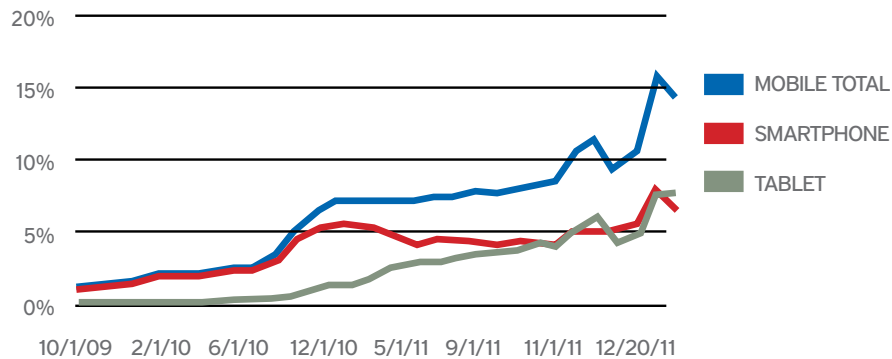


Google's advantage in monetizing its traffic kept advertisers' ROAS at 94.8% of the return seen on Bing. This was roughly in line with Q4 of 2010 but higher than the middle of 2011.

In Q4, RKG's ad spend increases on Google were largely driven by higher click-through rates, and while Google's impression growth was stronger than in Q3, cost-per-click actually declined Y/Y among our client base.

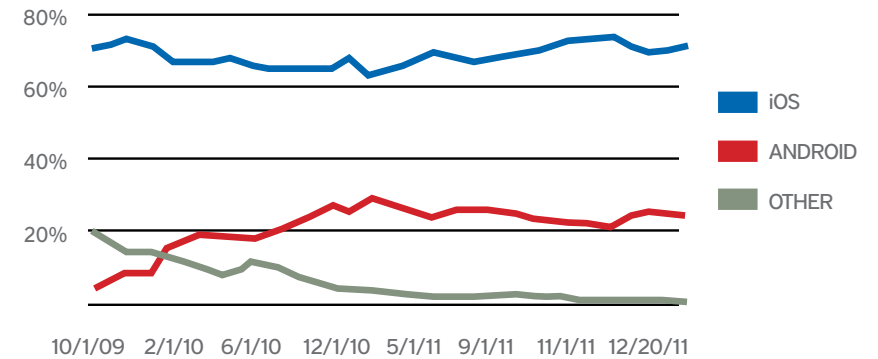
It's critical to note that the primary driver for "mobile" paid search growth has been the tablet, which is a bit ironic since our research and that of others suggests that tablet usage spikes during the hours when users are at home, and even in bed.

Mobile Paid Search Traffic Share



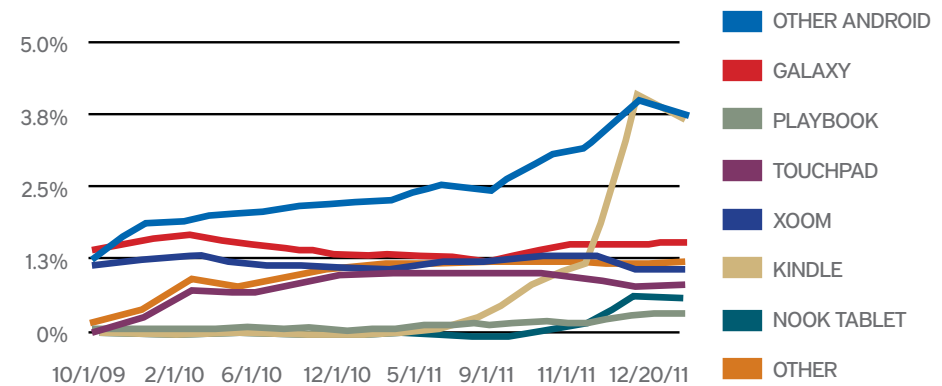
After plateauing for much of 2011, mobile's share of paid search traffic saw two large spikes in Q4. The first occurred over Black Friday weekend, while the second came after Christmas. At the end of the quarter, smartphones generated 6.6% of paid search clicks for RKG clients, while tablets generated 7.6%.

Mobile & Tablet Paid Search Traffic Share by OS



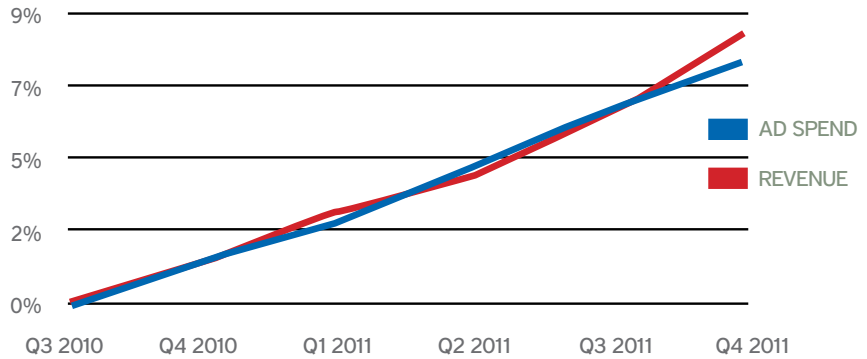
While other data sources suggest a more favorable picture for Android, RKG figures for paid search show Apple's iOS operating system maintaining a hefty lead in traffic share at 72.5%. While Android tablets have made gains, the iPad is a primary driver here with a 6.7% share of all PPC clicks.

iPad Challengers—Share of Tablet Traffic



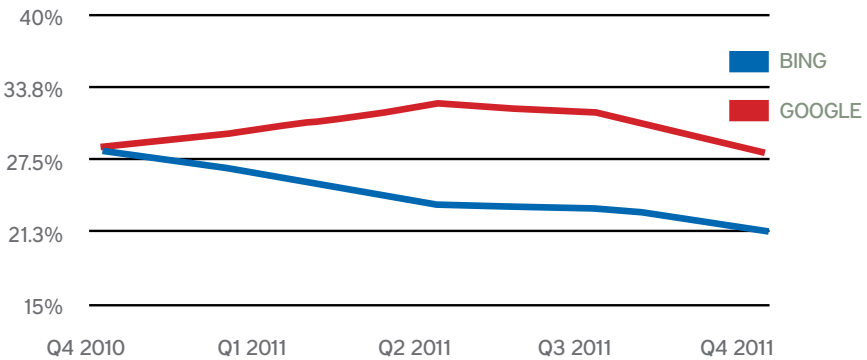
Amazon's Kindle Fire quickly became the iPad's single biggest challenger in the tablet space in Q4, jumping to a 4.1% share of tablet traffic at one point. Despite an onslaught of competitors in Q4 and earlier in the year, the iPad was able to maintain an 87.8% share of PPC tablet traffic at the beginning of 2012.

> Product Listing Ads Share of Google Total



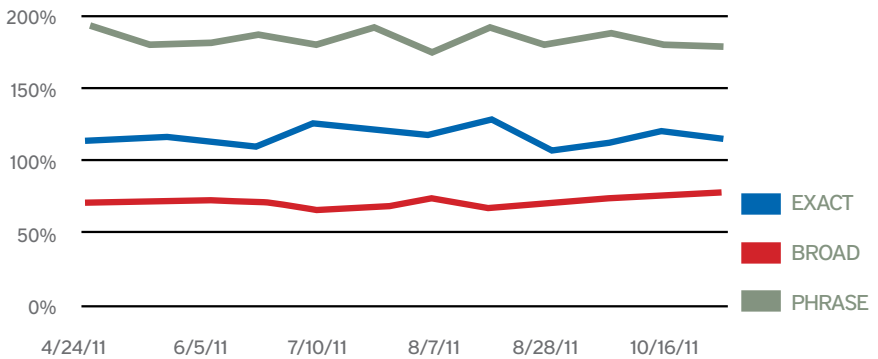
Maybe the most overlooked story in paid search for 2011 was the rapid growth of Google Product Listing Ads (PLAs). PLAs generated just 1.4% of our clients' Google spend and 1.3% of their Google revenue in Q4 2010. This year, PLAs grew in almost perfectly linear fashion to make up 7.5% of Google spend and 8.4% of Google revenues in Q4.

> Partner Share of Traffic



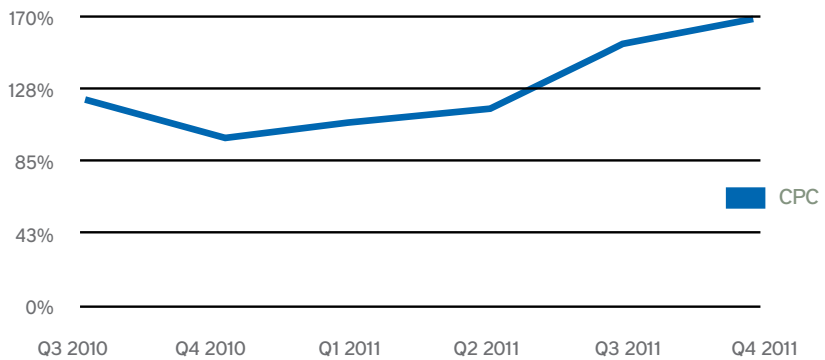
In Q4 2010, partner traffic made up just over 28% of both Bing's and Google's paid search clicks among our clients. Since then, Bing partner traffic has fallen sharply to 21% of its total, while Google is roughly equal to last year. The Bing decline is contributing to improved advertiser revenue per click, but it is not helping the Alliance's bottom line as CPCs have not kept pace.

> Bing/Google Share of Paid Search Traffic by Match Type



One of Yahoo's bigger problems since its partnership with Microsoft has been adCenter's more restrictive ad matching. Bing-powered ads are far more reliant on exact or phrase matching to queries than Yahoo was or Google is, and that has not changed much in the past year. Non-brand Bing ads were broad matched at 78% of the rate of Google at the end of Q4, up just slightly from a 73% rate at the end of Q2.

> Bing & Yahoo - Brand Term Cost Per Click



Finally, one unsettling trend in 2011 was rising CPCs for our clients' brand keywords on Bing. CPCs were 68.8% higher Y/Y in Q4. While adCenter changes did not increase broad-matched non-brand traffic much, they do appear to have affected brand terms. This could make our non-brand-based figures above a pessimistic view of overall Bing and Yahoo performance for the quarter.

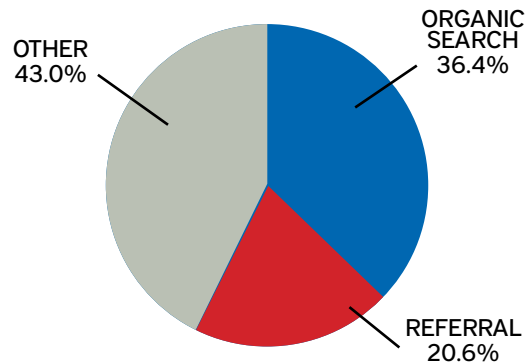
In many ways, 2011 was a banner year for search engine optimization. Several major changes occurred, the convergence of Bing and Yahoo! largely solidified, and SEO was changed forever with Google's Panda update.

But there was another, more ominous change in 2011 that has caused significant concern for SEO practitioners even beyond Panda: for the first time, search engines began withholding data from users. Yahoo! Site Explorer, the venerable but ill-fated link index, was shuttered. Bing removed support of the "link:" command in its search engine. Google continued to obfuscate link data itself. Most troubling of all, in late 2011 Google announced that query data for its logged in users would no longer be shared. This disconcerting trend marks a sharp departure from historical policies by search engines.

However, as challenges have increased in some quarters, the overall quality of the organic search results has arguably increased. Rich snippets and better use of schemas has enriched search results. Social integration - notably at Bing, but with Google following closely behind - is a big change that will only increase throughout 2012. It is more apparent than ever that Google is keenly interested in leveraging social signals for their algorithms, while Bing has openly stated that social signals are at least as important as the link graph for rankings.

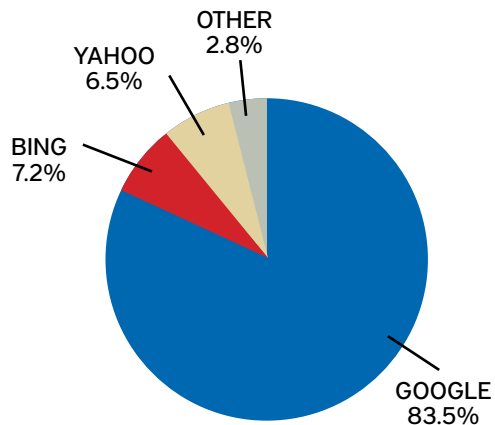
In the SEO field, 2012 will be the year of social media.

> Q4 Overall Traffic Share by Channel



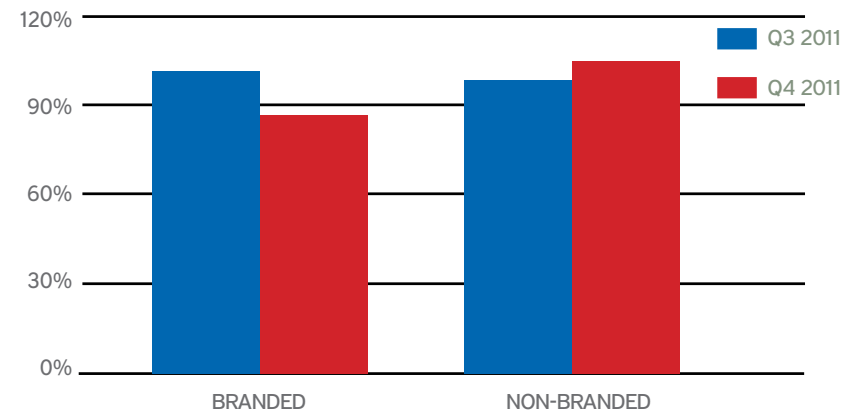
Across our SEO client base, we saw organic search generate 36.4% of site visits. Referrals generated 20.6% of visits while other sources including paid search generated 43%.

> Q4 Organic Search Traffic Share by Engine



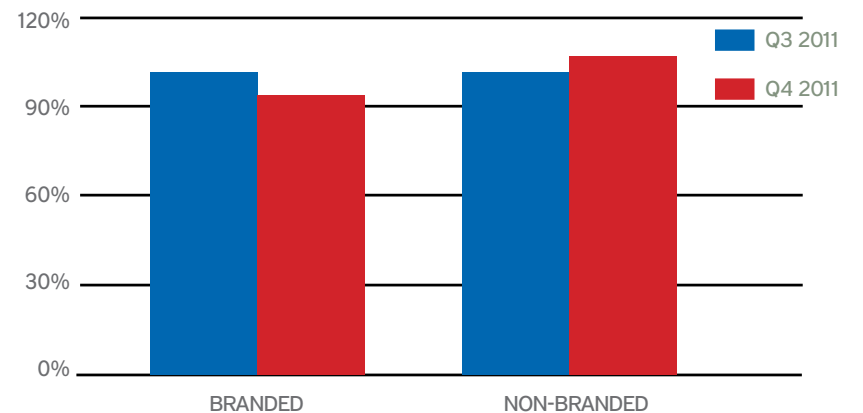
Google generated 83.5% of organic search visits compared to a combined 13.7% for Bing and Yahoo. This is in line with our paid search results, which show Google with an 86.5% share of clicks, but quite different from comScore data which gave Google a share of only 65% in October and November.

> Unique Organic Search Landing Pages



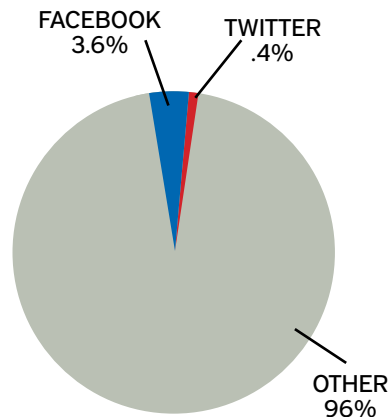
From Q3 to Q4 2011, our SEO clients saw visits to unique landing pages from branded search terms decline 11.8% on average. On the non-branded side, unique landing pages increased 4.4% indicating improved SEO performance during the holiday season.

> Unique Organic Search Keywords



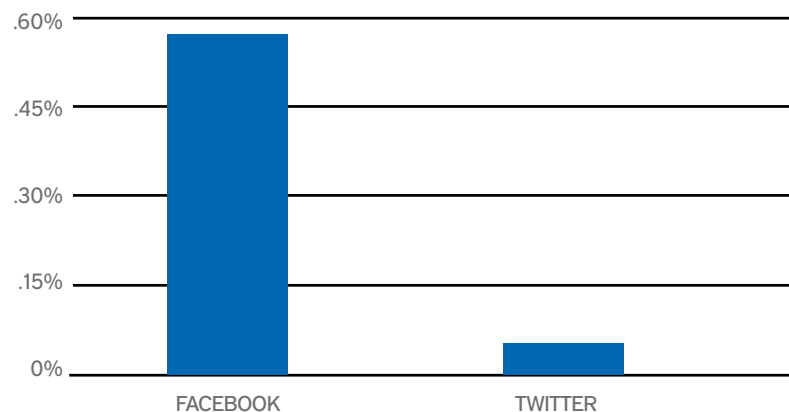
Similarly, looking at unique organic search keywords, on the branded side we saw a decline of 8.5% while non-branded unique keywords increased 4.6%. The brand decline may speak to cannibalization by paid search, and both brand and non-brand could be showing impacts of Google beginning to block referrer data for some queries in Q4.

> Q4 Share of Referral Traffic by Source



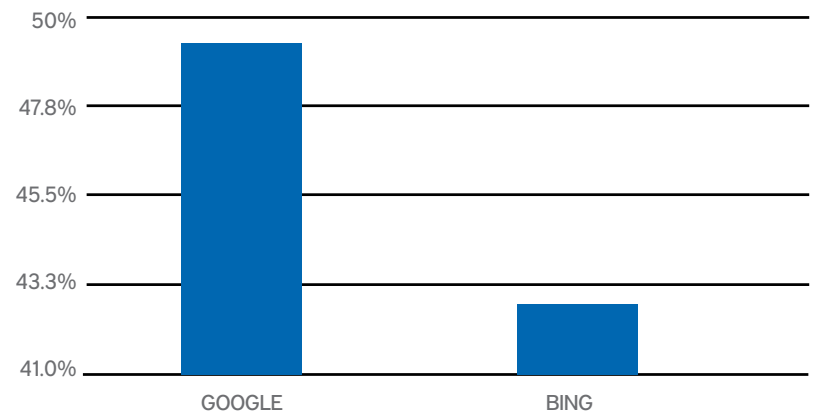
With referral traffic making up 20.6% of total visits, it is clearly an important segment to marketers. Facebook and Twitter get much of the attention here and represent great opportunities, but only generate a combined 4% of referrals for this sample.

> Q4 Average Share of Overall Traffic by Source



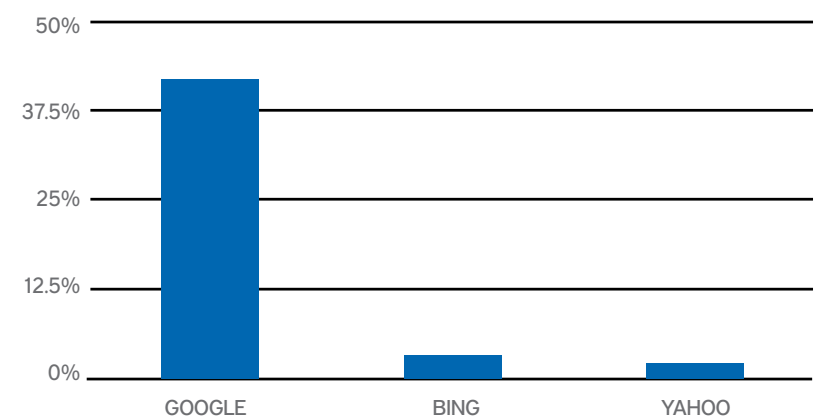
Looking at the larger picture—share of overall site visits—the major social sites generate a share of under 1%.

> Q4 Average Organic Search Bounce Rate



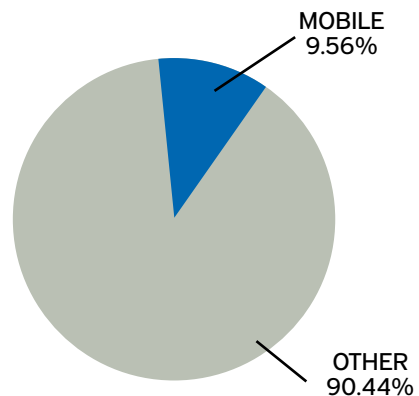
Bounce rates figures from Q4 suggest that even though Google has a dominant share in organic traffic, Bing users may be happier with the search results they get. Google's Q4 bounce rate was 49.3% compared to 42.7% for Bing.

> Engine Share of All Traffic



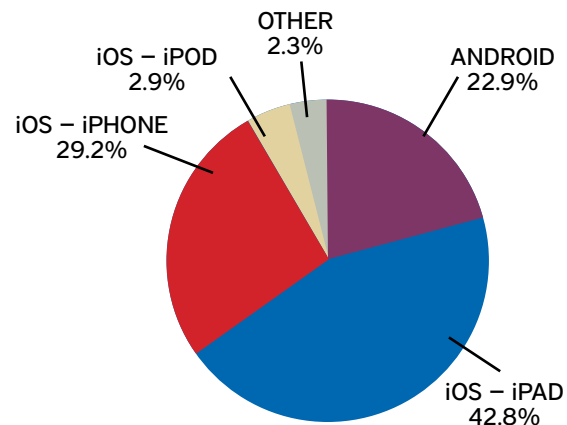
Combining organic clicks, paid clicks and referrals, we see the overall importance of the big three engines to site visits. On average, nearly half of the visits to the sites in our sample were generated by Google, Bing or Yahoo.

> Q4 Mobile Share of Organic Search Traffic



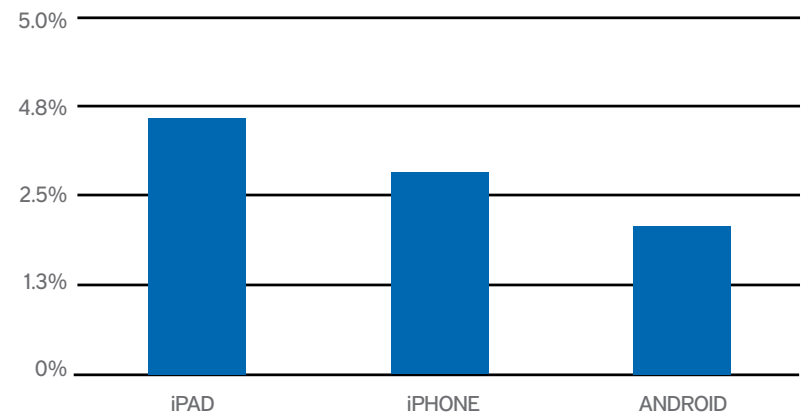
Traffic from mobile devices, including smartphones and tablets, generated 9.6% of organic site visits in Q4. This is exactly in line with our quarterly figures for the clients in our paid search sample.

> Q4 Mobile Organic Search Traffic Share by OS



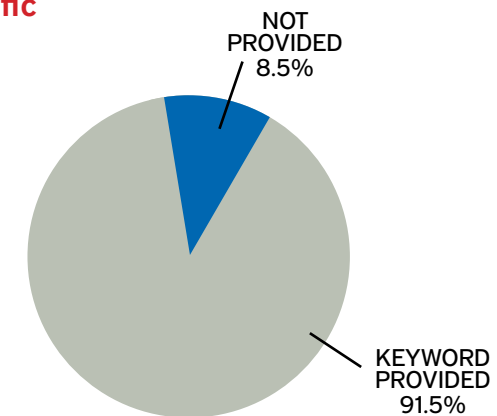
Apple's iOS devices generated 74.8% of mobile organic search visits in Q4, while Android's share was 22.9%. On the paid search side our numbers were a bit more favorable to Android, giving it a share of 25.0% for the quarter.

> Q4 Overall Organic Traffic Share by Device



Looking at share of overall organic traffic, the iPad generated 4.3% of visits while the iPhone and Android devices contributed 2.8% and 2.1% respectively. Again, these numbers were right in line with our breakdown for paid search.

> Q4 Average (Not Provided) Share of Google Organic Traffic



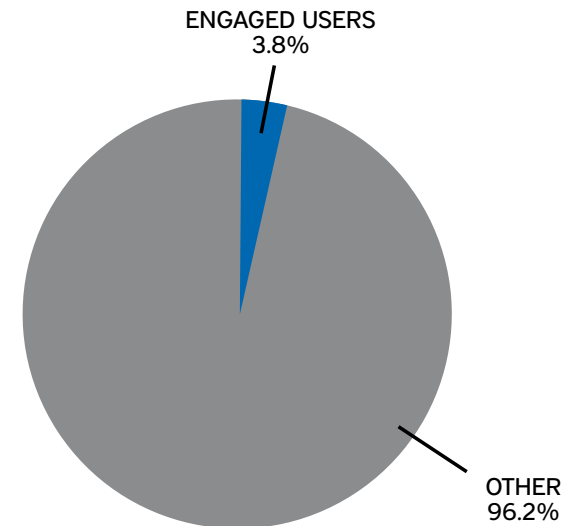
Google's policy change to begin encrypting searches for logged-in users in mid-October raised concerns for SEOs as we lost insights into a portion of the keywords being searched by users. The share of (not provided) queries as a percentage of Google organic traffic quickly jumped, but remained within Google's initial estimates that it would affect less than 10% of traffic. On average we saw a rate of 8.5% for the quarter.

At the beginning of the fourth quarter Facebook revamped its Page Insights analytics, giving every page owner a look at performance down to the post level. As such, marketers were given a new tool for measuring the total distribution of their brand on Facebook at any given time. Presumably these metrics would allow them to discover their best performing content and optimize toward more engagement and sharing around the brand.

In Q4 of 2011, RKG dove in and mapped out the significance of the new Facebook metrics for different types of companies. Understanding the new Page Insights metrics as well as how they relate to one another is vital for measuring the performance of content and supporting advertisements across different target groups.

As we helped clients reshape the content of their advertising campaigns on Facebook, we tracked the associated changes in cost and click data which seem to support the stance that a focus on content does improve engagement as well as advertisement performance.

> Facebook Q4 Average Engagement Rate

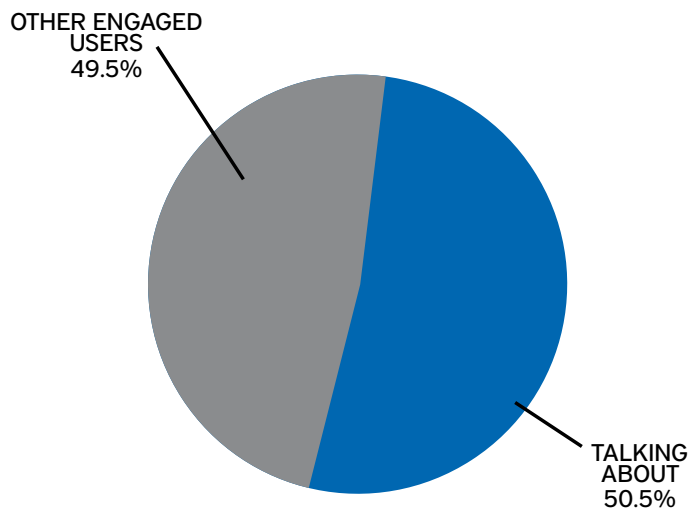


The engagement rate as defined here is the number of “engaged users” (people consuming your content in any way) over “reach” (unique impressions).

While there are many different types of user actions that count as engagement, this rate gives us a sense of how many users are interacting with the client on Facebook as a percentage of all users who saw content associated with the client on Facebook.

Engagement rate generally decreases for brands as their total reach increases, perhaps speaking to the difficult challenge of duplicating long tail success in the mass market.

> Average % of Total Engaged Facebook Users

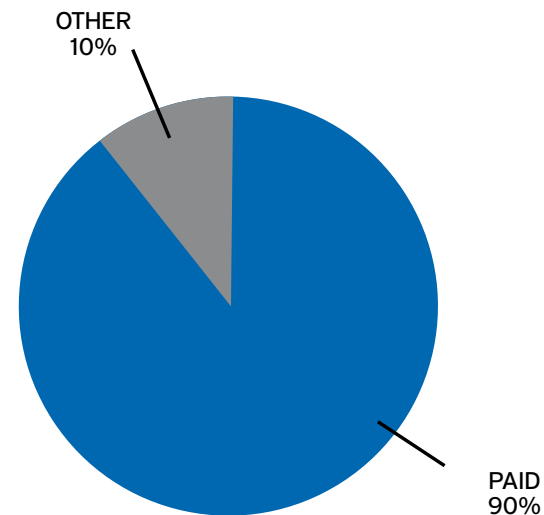


In Q4, brand touches on Facebook were split between simple views and rich interactions with Facebook content.

Many people consider the new “talking about” metric to be representative of the number of users who are interacting with your brand. In reality, the “talking about” metric is a subset of your “engaged user” count.

This metric is a good indicator of how many users are taking actions around your brand as a percentage of users who are accessing content. Tracking this difference gives you a relative understanding of how well your brand content is generating rich interactions over time.

> Paid as a % of Total Facebook Reach



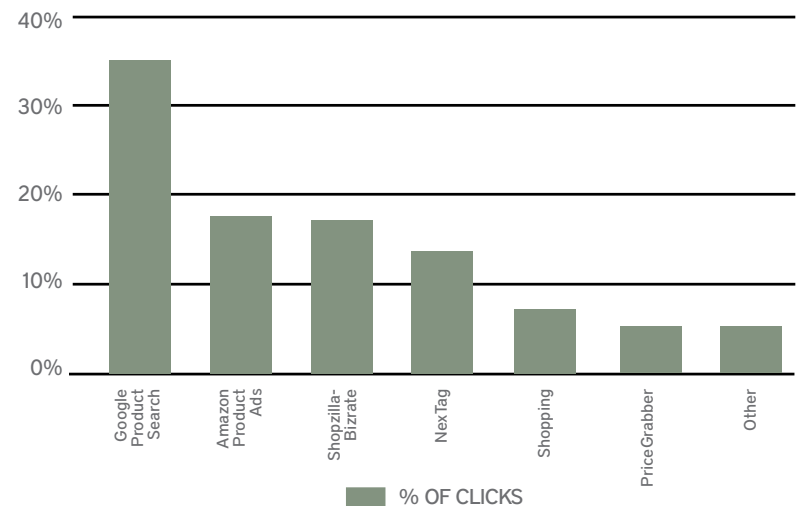
Looking at what percentage of reach (unique impressions) is generated by paid activity on Facebook can help us understand how many impressions are driven by Facebook ads in relation to other organic and viral activity on Facebook. For many of our clients, paid activity generates the vast majority of impressions, leading to a strong increase in fans and brand awareness.

This past year at RKG was very exciting for Comparison Shopping Engine management, as we significantly expanded our service offering, client list and staffing. RKG can now take a single product feed and adapt it to fit over 200 different CSE destinations with virtually unlimited scalability for SKU counts.

At launch we focus on creating a robust feed to optimize the data for each engine, submitting as many details about each product as possible. As we accumulate performance data, we focus on analysis, changing bids and filtering products based on their ability to contribute to a target ad-to-cost ratio. We update the feeds regularly to keep pricing, promotions and availability current. In 2012, we will be making additional upgrades to how RKG's Adaptive Portfolio Bidding technology optimizes bidding for Comparison Shopping feeds.

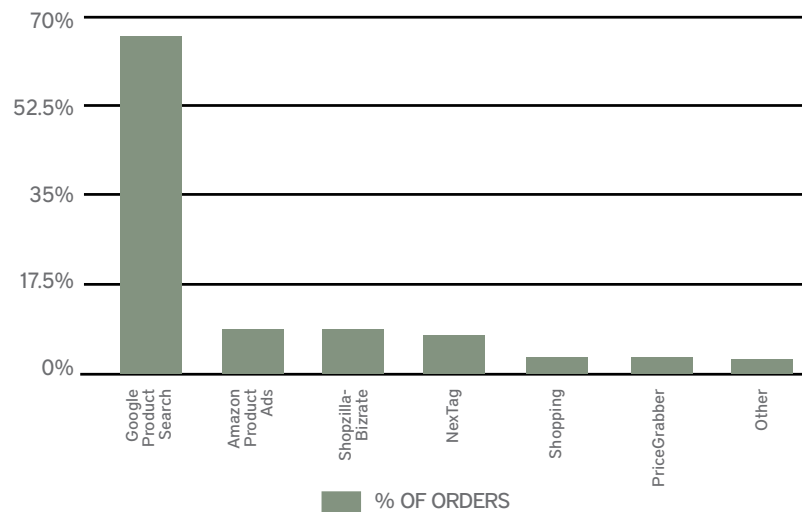
In our Q4 2011 data presented here, we found that Google's strength in search carried over to the CSE listings and while there are many more competitors in the space, only a handful have significant share.

> CSEs -% of Clicks by Engine



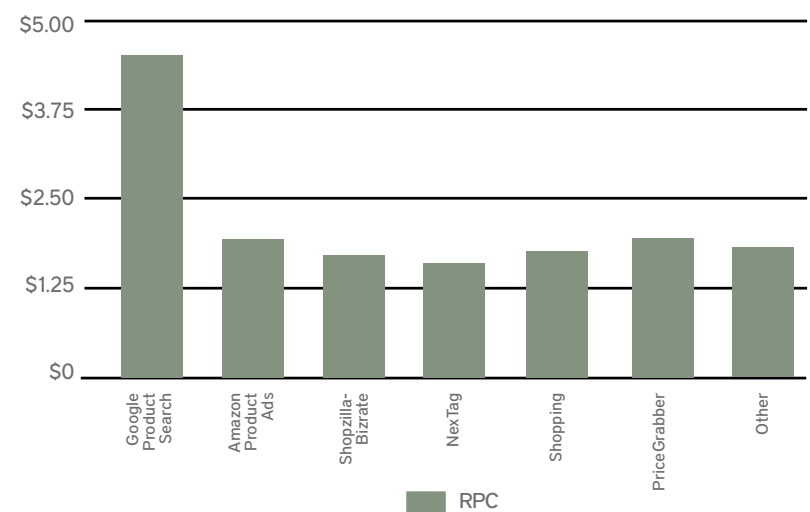
Google Product Search was responsible for 35% of our clients' CSE traffic, with more than double the clicks of any other engine. With Google having a dominant share of the larger search market and Google Shopping Ads showing up for most product searches, it's understandable why Google would be this dominant with CSEs as well.

> CSEs -% of Orders by Engine



Google Product Search generated an even larger majority of the Comparison Shopping orders for our clients. Part of their advantage with both clicks and orders stems from more clients running listings on Google Product Search than any other engine.

> CSEs - Revenue Per Click by Engine



In addition to orders and click traffic, Google Product Search also outperformed other engines in Revenue Per Click. This is more illuminating since it isn't skewed by SKU count or traffic volume.

With ever increasing online marketing budgets, the emergence of new marketing channels and numerous SERP changes, it was more important than ever to analyze and understand cross-channel interaction in 2011. Before we dive into some of the trends we saw last quarter, let's outline basic assumptions, vocabulary and mythology.

The data presented here represents a subset of RKG clients that is distinct from others presented in this report. Two of the primary metrics we'll be comparing are marketing touches and marketing channels. A touch is a single click event leading to a client's website, whereas a channel is a single source of clicks rather than a single click. 3 PPC clicks represents 3 touches and 1 channel; a PPC click, an affiliate click and an email click represent 3 touches and 3 channels. Instances where a user navigated directly to a client's domain (direct loads) are ignored for this analysis. We also refer to two different attribution models: first touch (the model in which the first click event gets full credit for an order) and last touch (the model in which the last click event gets full credit for an order).

One trend that we observed this quarter emphasizes just how important it is to collect, analyze and act upon cross-channel data during Q4. Looking at the average number of days between the first touch and an order (knowing that 70%+ orders only interact with a single channel), we see an increase from a fairly consistent 1.7 days to 2.2 days, then

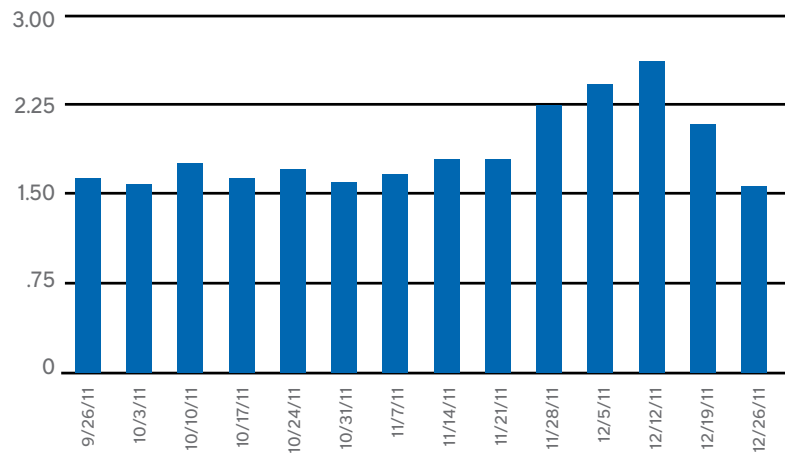
2.4 days, finally peaking at 2.6 days the week of 12/19. This shows us that marketing efforts earlier in the holiday shopping window do indeed bear fruit.

In taking a deeper look into which channels observe changes in order volume when comparing first and last touch attribution models, we observed a shift as we progressed through Q4. The percentage of orders that would get credited to paid search in the first touch model grew as we progressed through the quarter, and the percentage of orders that would be attributed to paid search in a last touch model decreased. Email observes the opposite trend, increasing in order volume in the last touch model and decreasing in the first touch model. Given that paid search is more likely to drive new customers and might even be the reason the customer is on your email list, we believe it may be worth adjusting your attribution model in Q4 to give more credit to first touches during this time.

Our quarterly data also shows that our attribution clients saw the number of marketing touches per order spike in November and decline slightly in December. This is likely due to the popular consumer assumption that the best deals happen around Black Friday and Cyber Monday, making them much more likely to shop around.

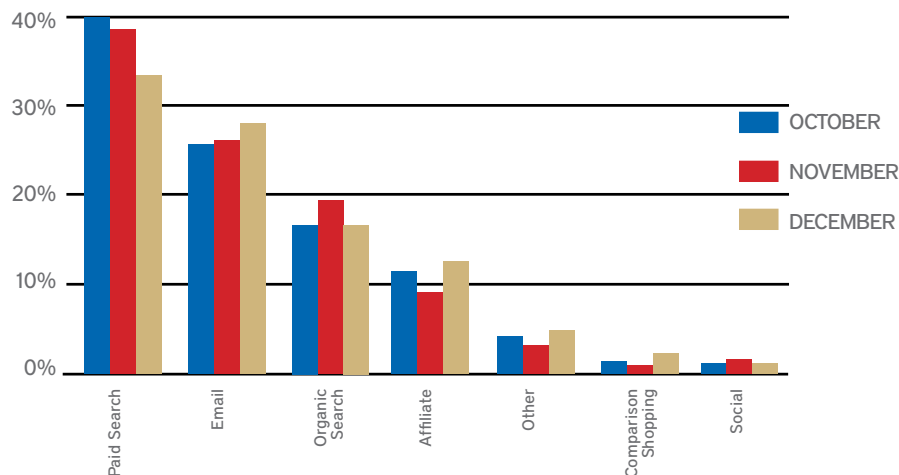
Cross-Channel data is heavy in volume (especially in Q4) and intense to untangle, but RKG's attribution solution can show you the real story.

> Average Days from First Touch to Order



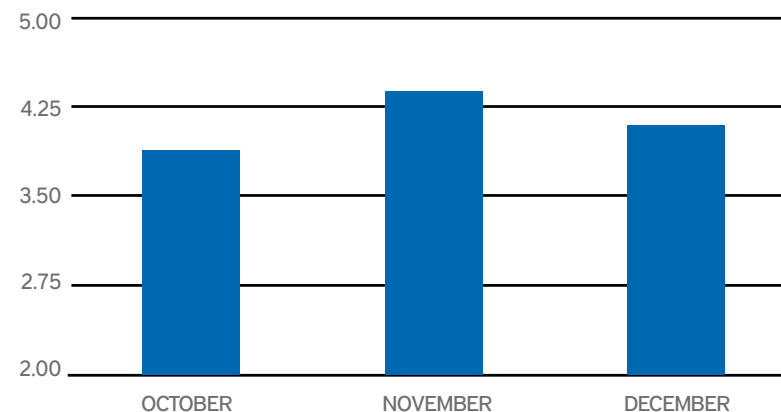
We see the average number of days between the first marketing touch and an order increase as we approach the Christmas holiday, indicating that online marketing efforts early in the holiday season should not be ignored.

> Percent of Sales by Last Touch Channel



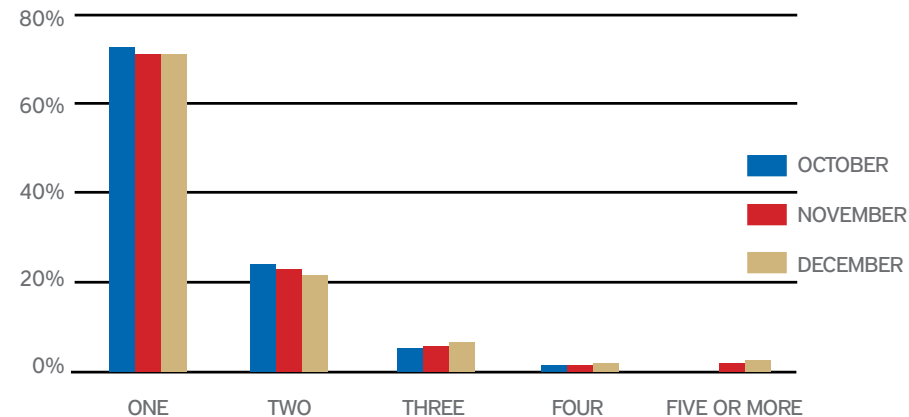
In Q4 we see that paid search is the only major channel that gains first touch credit and loses last touch credit as we progress from October through December. This is likely due to deal hunting (remembering an email with a coupon or searching for a coupon and finding an affiliate) right before the order as we see email and affiliate exhibiting the opposite trend.

> Marketing Touches Per Order by Month



Taking a look at average touches per order, we see that marketing efforts ramped up and peaked in November, moving from 4 to 4.5 touches per order. We saw a slight decline in December, down to 4.2.

> Channels Per Order



We've always maintained that the vast majority of orders only interact with a single channel. Looking at intra-quarter trends, we see a modest decline in single and double channel interaction and an uptick in 3+ channel interaction as we progress from October through December.



2011 Timeline of Notable Events

- | | | | |
|---------|--|---------|--|
| 1.10.11 | AdWords Display URL Domains Go Lower Case | 3.24.11 | AdWords Media Ads Announced |
| 1.10.11 | AdWords Negative Keyword Lists Introduced | 3.29.11 | Contextual Targeting by Topics Introduced for GDN |
| 1.20.11 | Eric Schmidt Announces He Is Stepping Down as Google CEO | 3.30.11 | Google +1 Button Announced |
| 1.20.11 | Google Q4 '10 Earnings: Revenue Up 27% Y/Y | 4.4.11 | Larry Page Takes over as Google CEO |
| 1.24.11 | Sponsored Stories Launched | 4.5.11 | AdWords Position Preference Retired |
| 1.25.11 | Yahoo Q4 '10 Earnings: Revenue Down 12% Y/Y | 4.12.11 | Google Acquisition of ITA Closes |
| 2.3.11 | AdWords Line 1 Moved to Headline for Select Ads | 4.14.11 | Google Q1 '11 Earnings: Revenue Up 27% Y/Y |
| 2.3.11 | Webmaster Tools Query Impressions Rounded to 1 or 2 Significant Digits | 4.19.11 | Yahoo Q1 '11 Earnings: Revenue Down 24% Y/Y |
| 2.7.11 | Ability to Link Webmaster Tools to Google Analytics | 4.25.11 | Instant Previews for Ads Introduced |
| 2.16.11 | AdWords Automated Rules Opened to All Advertisers | 5.3.11 | Google Requires Unique IDs for Most Product Search Items |
| 2.23.11 | AdWords Optimize for Conversions Ad Rotation Option | 5.17.11 | Display URL Domain Added to AdWords Headline |
| 2.24.11 | Google Panda | 5.26.11 | Google Wallet Announced |
| 3.8.11 | Google Instant Previews on Mobile | 5.27.11 | Google Launches New Flight Schedule Feature |
| 3.8.11 | adCenter Quality Score Announced | 6.1.11 | Google +1 Button for Websites |
| 3.10.11 | Google Introduces Ability to Block Results for Particular Domains | 6.1.11 | Google Offers Beta Launches |
| 3.10.11 | Negative Keywords for Product Listing Ads Announced | 6.2.11 | Schema.org Announced |
| | | 6.7.11 | Google Begins Support for Authorship Markup |



2011 Timeline of Notable Events

- | | | | |
|---------|--|---------|---|
| 6.7.11 | Sitelinks Embedded in Copy Introduced | 7.22.11 | Bing Spotted Testing Ads Mixed with Organic Results |
| 6.13.11 | Google Announces Admeld Acquisition | 7.25.11 | Google AdWords Express Announced |
| 6.14.11 | Google Search by Images, Voice on Desktop Announced | 7.29.11 | Google Tablet Search Updated |
| 6.16.11 | RKG Interviewed by Inside Adwords on PLAs | 8.5.11 | adCenter Ad Matching Changes Implemented |
| 6.17.11 | Google Begins Supporting rel="canonical" in HTTP Headers | 8.11.11 | Facebook Zip Code Ad Targeting |
| 6.23.11 | Interest Category Targeting Available to All GDN Advertisers | 8.15.11 | Google Announces Motorola Acquisition |
| 6.28.11 | Google Black Bar and Design Changes | 8.16.11 | Organic Sitelinks Become Full-Size, Max Increases to 12 |
| 6.28.11 | Google+ Announced | 8.17.11 | Ad Position Parameter Added to ValueTrack Options |
| 6.28.11 | Google +1 Reporting for Webmaster Tools and Analytics | 8.17.11 | RKG Acquires AudetteMedia |
| 7.6.11 | Radius Targeting Launched for Bing and Yahoo! | 9.1.11 | AdWords Top of Page Bid Estimates Announced |
| 7.12.11 | New AdWords Tablet Targeting Options Launched | 9.1.11 | Google Requires Tax and Shipping Information for Product Search |
| 7.13.11 | Top vs Side Performance Segmentation Introduced | 9.2.11 | Google Spotted Testing Landing Page Snippets in Ad Copy |
| 7.14.11 | Google Q2 '11 Earnings: Revenue Up 32% Y/Y | 9.13.11 | Google Flight Search Introduced |
| 7.15.11 | adCenter Announces Shift to Daily Budgets | 9.14.11 | Facebook Launches Subscribe Button |
| 7.19.11 | Yahoo Q2 '11 Earnings: Revenue Down 23% Y/Y | 9.15.11 | Google Begins Support for rel="next" and rel="prev" |
| 7.20.11 | Google Labs Wind Down Announced | 9.19.11 | Google Wallet Launch |



2011 Timeline of Notable Events

- | | | | |
|----------|---|----------|--|
| 9.20.11 | Facebook Ticker, Top Stories | 10.20.11 | AdWords Dynamic Search Ads Announced |
| 9.21.11 | Google Chairmain Eric Schmidt Testifies at Senate Antitrust Hearing | 10.25.11 | Bid-Per-Call Introduced for AdWords |
| 9.22.11 | Google Institutes Several Major New Product Search Requirements | 11.1.11 | Twitter Test Self-Serve Ad Platform |
| 9.22.11 | Introduction of Facebook Timeline | 11.2.11 | AdWords Bottom of Page Ads Announced |
| 10.2.11 | Facebook Page Post Ad Unit Roll Out | 11.2.11 | adCenter Import Campaigns Feature Introduced |
| 10.2.11 | New Facebook Page Insights and People Talking About Metric | 11.3.11 | Google Freshness Algorithm Change Impacts 35% of Searches |
| 10.3.11 | Google Announces Landing Page Given More Weight in Quality Score | 11.7.11 | Google+ Pages Introduced for Businesses |
| 10.4.11 | Webmaster Tools Search Queries in Google Analytics | 11.9.11 | AdWords Social Extensions Announced |
| 10.10.11 | Google +1 Button Begins Appearing on GDN Display Ads | 11.16.11 | Google Music Launched |
| 10.10.11 | Facebook App for the iPad | 11.17.11 | adCenter Negative Keyword Updates |
| 10.13.11 | Google Q3 '11 Earnings: Revenue Up 33% Y/Y | 11.28.11 | Ability to Automatically Push AdWords Bids to Top of Page Introduced |
| 10.18.11 | Google Begins Encrypting Searches by Default for Logged-In Users | 11.29.11 | Google Announces End to Google Black Bar |
| 10.18.11 | Yahoo Q3 '11 Earnings: Revenue Down 24% Y/Y | 12.1.11 | Google Flight Information on Main Search Page |
| 10.19.11 | RKG Named to Deloitte's 2011 Technology Fast 500 List | 12.19.11 | Multiple Administrators for Google+ Pages |



Interested in learning more?

info@rimmkaufman.com

434-970-1010

rimmkaufman.com | rkgblog.com

