

Optimising Customer Lifecycle for Peak

Maximising Acquisition, Retention, and Revenue



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This whitepaper is based on our webinar with Google's Global Head of Lead Gen, Beyond Search Solutions, Alryl Koroma and EMEA Product Lead for PMax & Profitable Bidding for Retail, Anna Sokhan.

If you would like to be invited to our future events and stay ahead in the retail market, sign up to our Retail Bites mailing list [here](#).

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Introduction from Productcaster

There's plenty of opportunity during Peak – everybody has the shopper mindset, especially around Black Friday. Peak 2024 comes with fewer shopping days, so retailers need to adapt by focusing on early purchasing trends, ensuring their strategies align with expected shifts in consumer behaviour.



With around 70% of retailers making the majority of their sales and profit in this period, we understand that it can be make or break for some businesses.

Our recent session – Maximising PMax Potential for Peak – brought you outstanding retail industry insight from Google, delivered by their Global Head of Lead Gen, Beyond Search Solutions – Aeryl Koroma – and EMEA Product Lead for PMax & Profitable Bidding for Retail – Anna Sokhan.

Their guidance was bolstered with practical knowledge from Productcaster Director – Jillian Anderson – and Summit's Performance and Strategy Director – Carl Hutchinson.

If you have any questions or comments, please feel free to get in touch at info@productcaster.com.

Martin Corcoran –
Owner and CEO,
Productcaster and Summit



01. Reflections on the Past Year and Future Outlook

Overview

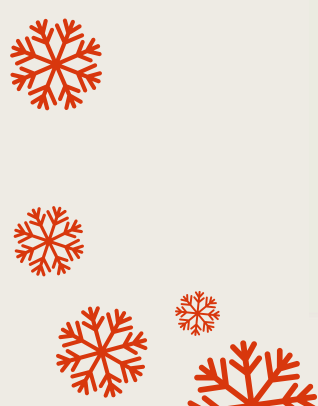
As we approach Peak, it's important to reflect on last year's performance trends and challenges. Post-pandemic years have been marked by unique disruptions, including inflation spikes and events like the World Cup, which impacted retail. While economic uncertainty caused lower-than-expected revenue growth in November last year, retailers still saw a 50% month-on-month growth between October and November, demonstrating the importance of Black Friday and Cyber Week.

Looking Ahead

This year's Peak presents a new dynamic with fewer shopping days between Black Friday and Christmas. Retailers need to adapt by focusing on early purchasing trends, ensuring their strategies align with expected shifts in consumer behaviour, particularly during Black Friday when shoppers are likely to have more disposable income.



Source: Google



02. Understanding Consumer Mindsets



Consumer Behaviour Stages Leading to Peak

Pre-October

59% of consumers already know what they intend to purchase. Early research and decisions on must-have items begin.

October to early November

Shoppers actively seek out deals and promotions. Sales and discounts heavily influence their buying choices.

November to December (Peak)

Urgency rises as panic buying sets in and consumers look for last-minute gifts. This requires targeted messaging and offers that cater to this urgency.

Key Action - Retailers should ensure their product listings are visible and relevant to consumer needs at each stage, optimising their sales funnel for success.

Strategies for Success During Peak

Optimise Product Feeds

Enhancing product visibility with optimised attributes, including colour, size, and promotional details, boosts search rankings and attracts deal-focused shoppers.

Performance Max Campaign Best Practices

Performance Max campaigns (PMax) offer essential tools to reach broad audiences across Google. High-quality assets with seasonal messaging and offers are crucial for engagement and conversions.

Leverage Shopping Ads and Annotations

Using annotations like product ratings, promotions, and shipping information improves click-through rates (CTR) and provides consumers with purchase confidence.



Real-Time Strategy Adjustments

Monitor industry trends and consumer behaviour in real-time. Gradual optimisations, aligned with data insights, ensure long-term success.

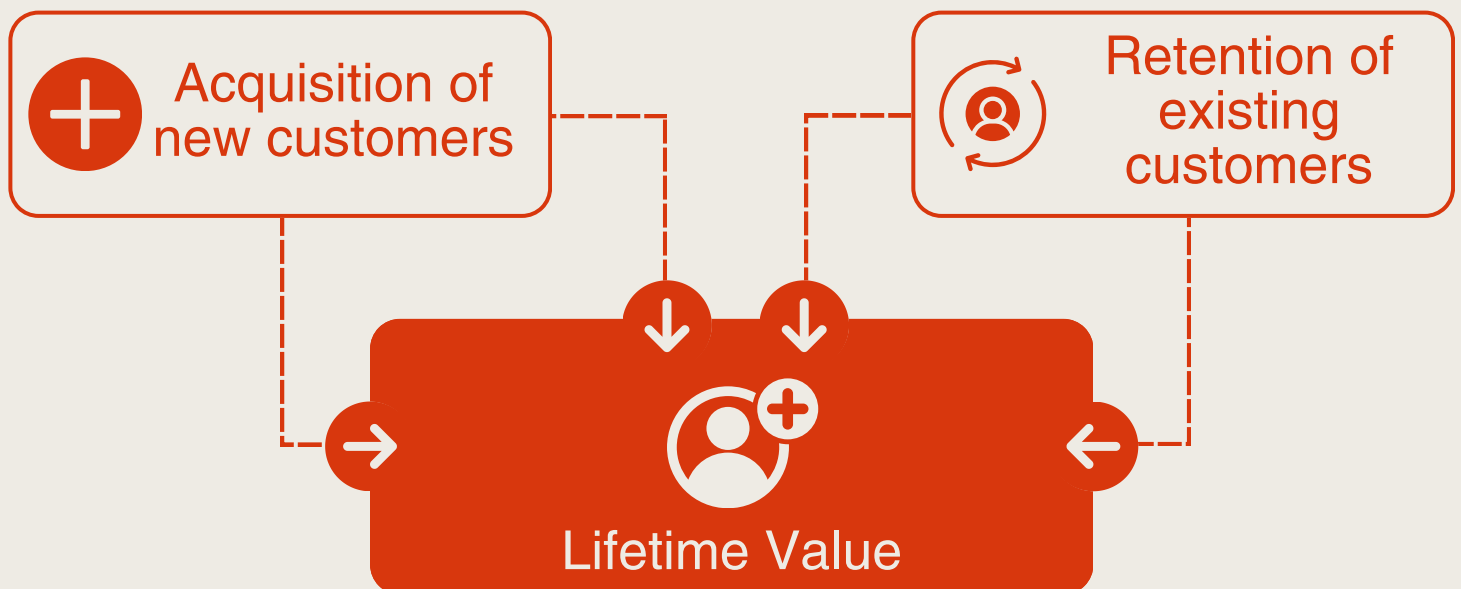
Customer Acquisition and Retention Focus

Peak season is prime for both attracting new customers and retaining existing ones. More than 40% of post-peak searches focus on retailer names, making brand loyalty a key factor.

03. Customer Lifecycle Solutions

A customer lifecycle strategy is vital for moving beyond individual transactions towards building long-term customer relationships. Retailers can boost customer lifetime value, retention, and loyalty by understanding consumer needs throughout their journey.

Key Opportunity - More than half of shoppers are open to exploring new brands during the holiday season. Retailers must focus on strategies that foster both acquisition and retention to maximise returns during this period



Google's Customer Lifecycle Solutions Overview

Google's Customer Lifecycle Solutions (CLS) supports retailers in targeting customers throughout their journey, from acquisition to retention, by using first-party data and value-based bidding. CLS provides tools to optimise for long-term growth while maintaining privacy and data security.



Core Goals

- **Acquisition** - Focus on acquiring high-value, repeat-purchase customers.
- **Retention** - Engage and retain high-value customers, as well as win back lapsed customers.

Acquisition Modes

- **New Customer Only Mode:** Targets only new customers across PMax, Shopping, and Search campaigns.
- **New Customer Value Mode:** Prioritises high-value new customers.
- **New Customer High-Value Mode:** Targets new customers with significant future value.

Retention Modes

- **Win-Back Mode:** Targets lapsed customers.
- **High-Value Win-Back Mode:** Focuses on lapsed customers with high future value.
- **Existing Customer Mode:** In development, it will target existing customers for engagement and retention.

04. Best Practices for Activating CLS

Defining Existing Customers

Customer List: Share data via direct uploads or CRM integration.

Autodetection: Google identifies new or returning customers with a 540-day lookback on purchase conversions.

Global Site Tag: Send your customer status (new/returning) to Google using the global site tag.

Mode Selection

For different bidding by customer segment without splitting campaigns, use Value Mode Lifecycle Goals, starting with New Customer Value and Win-Back Modes. If you have dedicated budgets for new customers, use New Customer Only Mode.



Optimising Setup

In New Customer Value Mode, set the value (typically 2x average order value) and align tROAS with campaign goals. Increase budgets, as acquiring new customers costs more than retaining existing ones.

Monitoring and Reporting on Campaign Performance

Once your customer lifecycle goals are activated, continuous monitoring and reporting are vital. Google Ads provides detailed insights into the number of new versus existing customers. Businesses should complement this with their own analytics systems to gauge performance against internal benchmarks.

Best Practices

- Ensure your Google Tag is implemented for accurate customer segmentation (new vs. existing).
- Analyse campaign performance over time and adjust bids, targets, and budgets based on the data insights provided by Google Ads and internal metrics.

Addressing Common Challenges

Despite the effectiveness of lifecycle solutions, advertisers may face challenges such as a high volume of existing customer conversions in new customer acquisition campaigns. Here's how to address these issues:

- **Match Rates:** Check and improve match rates in your Customer Match by ensuring all data is accurately formatted and includes multiple match keys.
- **Reporting Accuracy:** Use self-reporting via Google Tag to improve the accuracy of new vs. existing customer reporting.
- **Unknown Customer Segment:** For customers who cannot be tracked, either due to not signing in or opting out of personalisation, no bid adjustment is applied, ensuring that this does not negatively affect campaign performance.





Experimentation and Future Testing

In Q4, Google's custom experimentation pilot will allow advertisers to test various PMax campaign settings, however cautious use is recommended during Peak. By leveraging Google's Customer Lifecycle Solutions and following these best practices, retail businesses can enhance customer acquisition, retention, and overall marketing success, ensuring long-term growth and profitability.

06. Top 5 Holiday Tips for CLS Goals

2024 brings unique timing considerations that will influence consumer behaviour and your holiday strategy



Pick the campaign mode that's right for your business goal



Share your first-party data to define existing, high value or lapsed customers



Clearly defined budget for Customer Acquisition / Retention



Adjust targets and budgets to capture increasing demand



Inform the AI feedback loop by setting new customer reporting using tagging

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ProductMaximiser

Your Merchant Center opportunity booster



ProductMaximiser is an innovative tool for optimising product feeds. Using exclusive Google data, it enables controlled testing and reporting on the impact of optimisations, providing insights to increase impressions, clicks, and sales for under-marketed products.

- ✓ Maximise the visibility of your product inventory
- ✓ Review and action BAU checks across multiple accounts
- ✓ Check URLs for flagged products
- ✓ Visibility into the condition of your inventory through the product funnel
- ✓ Delve deeper into untargeted or low traffic categories
- ✓ Identify opportunities within your product inventory



Drop-off by Product Category						
Category	Total offers	Offers approved	Offers in stock	Offers targeted	Offers with impressions	Offers with clicks
Apparel & Accessories	300	300	300	300	300	300
Electronics	200	200	200	200	200	200
Home & Furniture	5000	4500	4000	4000	4000	3000
Beauty & Personal Care	700	700	700	700	700	700
Health & Wellness	400	400	400	400	400	400
Food & Beverages	1000	1000	1000	1000	500	500
Toys & Games	2000	2000	1000	1000	500	500
Sports & Outdoors	200	200	200	200	200	200
Automotive	400	400	400	400	400	400
Books & Media	800	800	800	800	800	800
Pet Supplies	500	500	500	500	500	500
Office Supplies	500	500	500	500	500	500
Home Improvement & Tools	1000	1000	1000	500	500	500

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A final word...



We know that Peak can be a golden period for retail, if you get the formula right. At Productcaster, we're here to help.



If you would like to talk about the tips and insight in this whitepaper in more detail, please contact info@productcaster.com

Or if you would like to find out more about Productcaster, which can save you up to 20% on your CPCs*, provide feed management solutions and ProductMaximiser, also drop us an email: info@productcaster.com

Reach out to Summit to enquire about performance marketing support across paid search & social, SEO, and affiliate marketing hello@summitmedia.com

We're always looking for suggestions for future content. If you would like us to cover a specific retail topic, please drop us an email.

Thanks for reading!

The Productcaster Team