

HOW A PAID SEARCH AGENCY CAN COMPLEMENT—NOT REPLACE—YOUR IN-HOUSE TEAM

Why Retail Marketers Benefit from Partnering with the Right Agencies



We Turn Browsers Into Buyers

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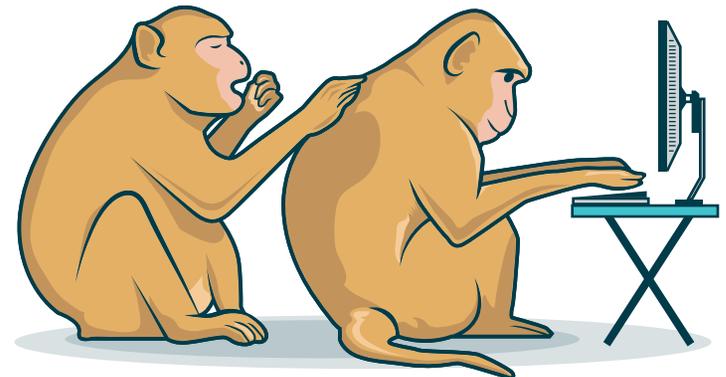
Introduction

The growing need to be able to attribute Marketing efforts directly to bottom line sales has led to a heavy emphasis on ROI — return on investment — and rightfully so. For this reason, direct-response channels like Google Shopping, AdWords text, comparison shopping engines, and now Facebook have a heightened emphasis within the retail Marketing portfolio.

These channels are now seen as incremental investments — more money in, more money out — and so it's the responsibility of retail Marketing leaders to put their business in the best position to succeed with their investments.

This white paper is *not* a deep dive into the strategies an agency will employ to maximize your Retail Search investments. This is *not* a guide to choosing the best agency partner for your business.

This guide is designed to help retail Marketing and Ecommerce Directors maximize Paid Search performance by assembling the most capable team possible. **Oftentimes, this decision comes down to whether management should remain in-house or be outsourced to agency.** Yet the reality is that many major retail advertisers opt for the hybrid approach: having the in-house Marketing team work in conjunction with a digital marketing agency. To better understand this trend, it's important to diagnose why a retailer should ever consider an agency to begin with.



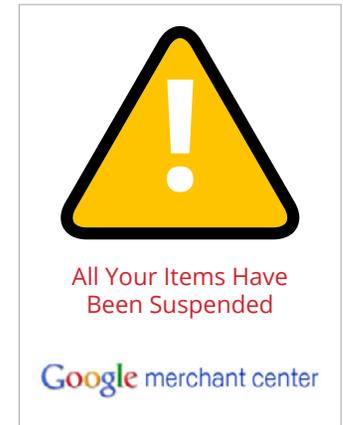
Evaluating if it Makes Sense to Partner with an Agency

There are a number of red flags, pain points, and warning signs that are characteristic of an in-house team in need of help. As a Director of Marketing, you might lead a team of anywhere from 1 to 10 Marketing Managers, and so your needs and pain points will certainly differ as the scale of your PPC investments grows. Here are the most common we hear:

5. “We have major issues with our account.”

Typically an indicator that something catastrophic or crippling has happened to the account, “major issues” can range from long-term Google Merchant Center feed suspensions to non-existent safeguards around wasted ad spend.

Of course, it’s not an ideal scenario to need to turn to an agency out of urgent need, but agencies and other third-party consultants typically have the experience to quickly diagnose account issues and prescribe changes. For this reason, agencies can be a strong support system, but regardless of whether or not you choose to go with an agency in this scenario, it’s important to get some fresh eyes on the account to examine the issue.



4. “My team is small, and our internal resources won’t be able to match how quickly we’d like to scale.”

This is a good problem to have because as Director, you can always opt to either bring in more bodies in-house or to team up with an agency to accelerate growth. Depending on the local talent available, it can be an arduous and slow process to interview and evaluate potential Marketing Manager candidates.

Many fast growing retailers opt to evaluate agency partners early on for a number of good reasons:

Multiple Eyes on the Account

Should you bring on one Marketing Manager to oversee the account or have 3-4 agency reps on your account team? The ideal scenario here is for you to have a process where the account is constantly under evaluation. Without a checks-and-balances system, there are no safeguards that will ensure the innovation of your account doesn’t stagnate.

Roughly the Same Cost as one New Marketing Hire (if not less)

This is an often overlooked but important factor in your decision process to partner with an agency. Do you bring on one hire with salary and benefits or an agency with a monthly fixed or variable fee? While it’s not ideal to constantly be jumping from agency to agency, it’s certainly easier to part ways with an agency that isn’t working out than it is to part ways with a Marketing hire that has underperformed.

Built-in Expertise

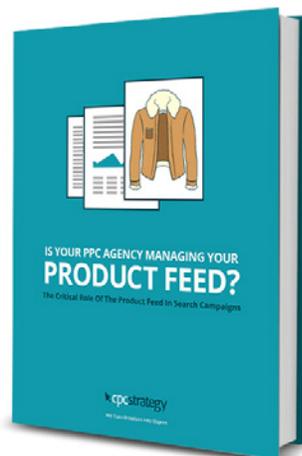
It takes time to get any new hire to get up-to-speed on your team’s existing processes. Additionally, he/she may not walk in the door a formidable Paid Search expert. An agency, on the other hand, (should) will have all internal systems and processes documented from Day 1 and know exactly what to do in every unique management scenario because of their experience with multiple clients over many years.

3. “We don’t have any knowledge around feeds nor the resources to manage them.”

This scenario is rather cut and dry – your team either has experience managing and optimizing feeds or they don’t. Furthermore, it’s one thing to adequately manage the product feed so that the account stays afloat, and it’s another thing to be able to develop processes around ongoing product data optimization.

It’s pretty common for a Marketing team to not be so knowledgeable around feed management – it’s really more of an IT area – yet product data plays a crucial, foundational role in the success of product-driven advertising campaigns.

For this reason, many Directors will choose to bring on a feed marketing-type service. The issue here is that when the management of actual Retail Search channels and the management of product data are so isolated, you have a management structure that fundamentally disadvantages success on product data-driven channels like Google Shopping. Ideally, the same team that manages the account is also the one managing and applying customizations to the feed itself.



The Critical Role of the Product Feed in Retail Search Campaigns

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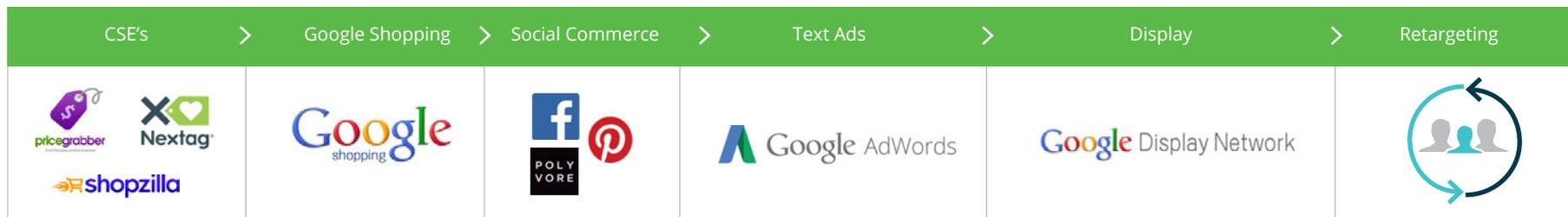


2. “I don’t have the time to manage 5+ accounts on a daily basis and still be as granular as I’d like.”

Depending on the size of your team, you may have just one Marketing Manager overseeing multiple Retail Search channels - like all of AdWords (Shopping, text, & display) in addition to CSEs, Facebook ads, etc. – while also focusing on other Marketing initiatives coordinating the promotions calendar, website copy changes, and email marketing. It’s certainly feasible for one person to adequately handle multiple channels, yet there are a couple risks associated with this setup:

Inability to Specialize and Scale

It’s difficult to be able to dive deep and become a true expert on one channel when managing 5+ unique channels. Ideally, a Marketing Manager has the luxury of handling just one channel initially, learning the nuances associated with that channel, and ultimately scaling their workload by slowly bringing on other, similarly structured marketing channels. A natural progression for scaling PPC channel management is:



Neglecting Other Initiatives

Sometimes you'd just rather have your team be focusing on what you deem most important. It's not uncommon for a retail Marketing department to identify customer retention – for example – as a huge weakness in last Q4's strategy, and so this year, you'd prefer if your Marketing team dove deep into email marketing, audience segmentation, personalization software, etc. It's difficult to stress this as an initiative when that same Marketing team is still tasked with managing a full Retail Search portfolio.

Not Drilling Down to the Product-Level

Without a doubt, your Marketing team has a more intimate knowledge of your product catalog than any agency team. But without the time to dedicate, the internal processes in place, and the PPC technology integrated to scale Retail Search channel management, it's a challenge to tailor a granular, product-level strategy for each channel.

For these reasons, an agency can be an immediate benefit to your team by onboarding the management of specific digital marketing channels and easing the load off your teams' shoulders.

1. "I just feel like we're not getting the most we can out of the channel."

A feeling of inadequacy is perhaps the most influence driving retailers to partner with agencies. In such an innovative industry, it's disheartening to feel like you're not positioning your business on the cutting edge of retail advertising.

Feelings aside, you'll always have competitors that are gaining advantages by implementing new marketing initiatives that your team may not necessarily be able to focus on at the moment.



The reality is that to really be one of the most innovative retail advertisers in the industry, you need to constantly be:

- ✓ **Investing in your in-house Marketing team's education of new channels & features**
- ✓ **Evaluating technology solutions**
- ✓ **Participating in newly launched and beta programs**
- ✓ **Justifying investments by monitoring ROAS**

There is, of course, a flip side to all of this. As a Director, your top-down perspective on the Marketing department's performance might differ from the perspective of your Marketing Managers who are typically "in the weeds," or consistently having to handle a large volume of minute tasks.

And so Marketing Managers will — intuitively — often have a more defensive approach to introducing an agency partner. As Director, it's important to understand these hesitations and address them with your team.



"My Retail Search Manager is a true professional and I've seen nothing but upstanding integrity and attention to detail from him and the CPC team."

- David Varnai | Ecommerce Marketing Manager





The Most Important Agency Value-Adds

It's not inaccurate to say that in-house Marketing Managers may often feel threatened by the prospect of bringing in an agency. This is largely because traditionally retailers have often opted to either completely outsource channel management or maintain management in-house. There's certainly the fear of having their job be in jeopardy. There's also the feeling that their work may be overly scrutinized or their management philosophies are being called into question.

This isn't a white paper on employee management strategies, but these are all perfectly reasonable concerns, and so ultimately, as part of the decision-making team, it's important to address these potential hesitations with your team.

Understanding your team's current strengths and weaknesses is a critical step towards receiving help, if necessary. Retail advertising is one of the most innovative and dynamic industries, and so any issues that exist now will likely be aggravated in the near future.

So how do you justify keeping an in-house team and hiring an agency? How exactly will an agency help out?

Freeing Up Your Time and Your Team to Push Other Initiatives Forward

This is the most immediate and impactful benefit an agency will provide in the short-term. Not having to log into accounts, make bid modifications, write ad copy, adjust account settings, and manage product feeds on a daily basis will be a welcome prospect to any Marketing Manager.



Enriching the Capabilities of Your in-house Team

For most agency engagements, a Marketing Manager is the direct point of contact with the agency Account Manager. Being able to have weekly — if not daily — lines of communication with a team of Search experts will only strengthen the knowledge of your in-house team. Your dedicated agency reps should be retail and ecommerce experts, open to having discussions around your business' and your team's challenges outside of just Retail Search channels.

Providing Access to Best-in-Class Technology

One of the more underutilized benefits of agency partners is access to PPC technology that would either be too expensive for your team to justify investing in alone or too technical to develop in-house. Enterprise bidding platforms like Kenshoo, Doubleclick, and Marin Software are all prominent technologies that could help scale the growth of your account. PPC scripts are custom-developed integrations that would allow your account to be managed more efficiently.

Feed processing platforms would ensure the syndication and optimization of your product data. Through working with an agency, your in-house team can become familiar with the caveats and capabilities of such technologies and, ultimately, can allow them to be more efficient in managing other Marketing initiatives.

Pushing Bottom-Line Performance

Of course, an agency should be most directly evaluated by its impact on channel performance. However, the effect of successful Retail Search channel performance can help drive forward the other initiatives your Marketing team is focusing on. A clear example would be traffic generation — driving shoppers to your site via PPC channels will feed into a departmental initiative to improve customer acquisition and retention efforts. At the end of the day, you're reporting on department performance and your company's investment in Retail Search advertising. Your agency should constantly be justifying this investment — inclusive of their monthly fees. This is an extremely measurable merit of an ad agency.



What Now?

Identify the Weaknesses in Your Account

Schedule Your Retail Search Audit

CPC Strategy's Retail Search Audit is a complimentary **60-minute analysis and assessment** of a retail advertiser's existing AdWords account, product pages, product feed attributes, and business KPIs. The Audit is conducted by a professional Retail Search Strategist over a screenshare and conference call.

Schedule My Audit

