Search Engine Marketing for Cloverleaf Stores

As the June sun sailed into the sky above Minneapolis and local meteorologists predicted a week-long stretch of temperatures reaching the 80s, Monica Stanley stepped out of her car onto the mall’s asphalt parking lot with one thought on her mind: Christmas shopping.

She wasn’t worried about buying gifts to wrap for her family. Monica’s focus was on the sweaters, fragrances, watches, gloves, small appliances, games, and other things her company would sell during the holiday season. Although months away, the holidays already had retailers working hard to plan strategies for the most important shopping season of the year. Monica’s employer, Cloverleaf, was no exception.
The familiar green-and-white Cloverleaf logo dominated the exterior of the mall ahead of Monica. As an anchor tenant, Cloverleaf had a prominent presence at this location. The same was true at most of the other 320 malls and shopping centers across the country where Cloverleaf operated stores.

The automatic doors glided open as Monica approached, and she stepped into the air conditioning. After seven years with the company, Monica could practically navigate the store’s departments blindfolded: Men’s, women’s, and children’s apparel. Household furnishings including designer bedding, bath towels, lamps, picture frames, and other accessories. Cookware, blenders, coffee makers, toasters, and other kitchen items. In addition, the company had recently expanded its stock of baby clothes, toys, and equipment, focusing on stylish modern designs at affordable prices.

Walking the wide, brightly lit aisle of this particular Cloverleaf store, Monica turned her attention to the shoppers. Sometimes she liked to visit a store and observe the customers as they browsed and made purchases. It helped Monica to get into the mind of the shopper. She passed a woman picking out a couple of children’s swimsuits, a young man testing some rolling luggage, and further down, a couple looking at a display of stand mixers. Today’s foot traffic was fairly light.

What Monica couldn’t see at the moment was how many customers were buying things online. She could check the numbers when she returned to the office, but Monica already knew where the trend line was headed. Cloverleaf—like Target, JCPenney, Barnes & Noble, Wal-Mart, and many other retailers—now operated in both “bricks and clicks.” As a vice president in the company’s digital marketing group, Monica’s biggest project for the upcoming holiday season was to make the most out of those clicks.
Three Perspectives: Marketing, Search, and Analytics Come Together

Sam Collins appeared at Monica’s office and gave a quick knock on the open door. “Hi, Monica. Ready for me?”

“Hey, Sam. Come on in. Have you met Diya Singh yet? She recently joined us, and brings a lot of analytics experience to the team.” Monica gestured to a small round work table where Diya sat.

“Welcome,” said Sam, offering a hand. “Pleased to meet you.”

“Likewise,” said Diya, “I’m really glad to be here.”

Sam and Monica took seats at the table with Diya.

“Sam specializes in search engine optimization and marketing,” Monica elaborated. “He and his team research keywords, track campaign metrics. Sam and I have been meeting regularly to measure performance and see where we can improve. Now that you’re on board, Diya, I wanted the three of us to get together.”

“It wasn’t that long ago that online advertising was all about banner ads and popups,” recalled Sam. “But the focus has really shifted.”

“How so?” asked Diya.

“Banner ads just don’t perform as well as everyone had hoped they would,” Monica explained. “Don’t get me wrong: banner ads have their place, and we’ll still use them. But we want to take advantage of the fact that more people are using search engines to shop and buy.”

“And they’re using them more often,” Sam continued. “So there’s tremendous potential there. We want Cloverleaf to show up when someone’s looking for the kind of products we sell. The challenging—and fun—part is that this is evolving territory. Search engines change their algorithms, customer behaviors shift. It’s a puzzle that keeps changing.” Sam laughed.

Monica added, “Plus, with the number and variety of products we sell, we have to be smart about how we do this. At this scale, we need to master the nuances.”

“There are plenty of numbers to crunch,” said Sam. “So it will be great to add your expertise to the project team.”
“I’m happy to help,” said Diya. “I use search engines of course, but I don’t have a lot of background with online marketing. Maybe you can give me a crash course in how you approach it; is that a good place to start?”

Monica and Sam both nodded. “Then we can all take a look at the data together,” said Monica. “It’ll be good to have your eyes on it.”

**Getting from Search to Sale**

“The basic concepts are pretty straightforward.” Sam rose from his chair and stepped to the white board on Monica’s office wall. “When a customer—let’s call him Chris—goes to a search engine, he types in a word or phrase for what he’s after. For example, we’ll say *food processor*. Customer Chris types that in and gets a SERP that includes organic and paid results—”

“Sorry,” Diya interjected, “‘SERP’?”


“Got it.”

“So a standard SERP has different parts of the page for the organic results and paid results. The list of paid results is determined by two things: the keywords the customer typed and how much various advertisers bid to associate their ad with those keywords. The bidding is automated and happens behind the scenes, and the system generates results in a blink.”

“We know how many impressions each of our ads gets, as well as the keyword phrase that triggered it,” Monica added. “We pay for those impressions, but of course what we really want is for someone to click on the ad and go to our site.”

“Right,” said Sam. “The click-through rate is an important metric. We pay more for each click-through. So now the customer is on the way to a Cloverleaf web page. When he lands there, we hope he sees content that he likes and that matches his search query.”
“He still hasn’t bought anything, but at least he’s on our page,” observed Diya.

“Exactly. He may or may not buy that food processor from our site this time or ever. But if he does, that counts as a conversion and the sale is linked to the paid search marketing we did. The systems connect the basic dots, but there are other factors that are more elusive.”

“Like human behavior,” said Monica. “Every SERP has a couple of dozen choices on it. Different users choose in different ways. The wording combinations have an influence. So does position on the list and the quality score.”

“Right. Not all keywords are created equal, both in terms of cost and effectiveness,” Sam continued drawing on the board. “Some of the different types of keywords are those associated with the Cloverleaf name, those associated with a product brand, and more basic or generic phrases about products.”
“Someone may search for a *Cuisinart food processor*, but that doesn’t mean they want to go to the Cuisinart site and read about models. They may want to find a store in their area where they can look at and buy a Cuisinart food processor. Cloverleaf wants that customer. We also want the customer who doesn’t know that Cloverleaf carries Cuisinart food processors.” Sam paused.

“And as Monica mentioned, another factor is the quality score. The search engines have algorithms to rate the ads. Search engines don’t want to display a bunch of ads that link to suspicious, low-quality, junk websites. If users get directed to poor quality sites, they’re going to switch to a different search engine. So Google and others developed quality scores to help combat that. And the quality scores affect our ability to bid and what we pay for keywords.”

“Then once the SERP displays, the question becomes, what causes a customer to click on one ad versus another?” Monica continued. “Is it the copy? Is it the position on the page? Some people—a lot of people, actually—just click what’s at the top of the list; others scroll a bit. Some pick the paid results; others avoid them.”

“We could structure our keyword bidding to put our ads in the first position, or close to it, to maximize click-throughs,” said Sam.
“Yes, that would likely increase traffic,” countered Monica, “but it will also cost us more. Being the ad at
the top of the list has advantages, but it’s not the only factor. We have to fine tune this and figure out how
the spend on keywords affects rank . . . and click-throughs . . . and conversions. Most importantly, how do
all those factors affect our financial bottom line?

“You want to spend your budget on keywords that produce the best results,” said Diya, “and optimize it
to scale across categories.”

“Yes,” said Monica, “Optimize it to maximize profit.”

“Okay,” said Diya, opening her laptop. “Let’s take a look at some of your data. With multiple factors,
we’ll want to start with regressions, and we’ll have to consider how to control for factors we can’t
observe—in case there’s something affecting this that we don’t yet know about.”