

RKGD MR

DIGITAL MARKETING REPORT

Q3 2014

RKG

A Merkle Company

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EXECUTIVE SUMMARY

■ PAID SEARCH

- Q3 paid search spending on Google increased 27% Y/Y, a slight acceleration from Q2. This was driven mostly by an 18% Y/Y increase in click volume, though cost-per-click (CPC) also increased by 8% Y/Y.
- Search spending for Bing Ads rose 24% Y/Y, driven entirely by an increase in click volume as there was no movement in average CPC. A rise in mobile traffic helped to both drive the increase in volume as well as keep CPC stagnant.
- Google Product Listing Ads (PLAs) and Bing Product Ads spend rose a combined 73% Y/Y, just above Q2 Y/Y growth rate. 27% of all Google search clicks came from PLAs.
- Smartphones and tablets combined to account for 38% of paid search traffic, up from 30% in Q3 2013. Spend share for smartphone and tablet devices was 28%.
- Cross-device conversion estimates generated by Google conversion tracking attribute 17% more orders to smartphone devices than would be attributed using only single-device conversion measures. Desktop and tablet computers see lifts of 6% and 8%, respectively.

■ ORGANIC SEARCH & SOCIAL

- 32% of all Q3 2014 site visits came from organic search, down from 34% in Q3 2013. Optimizations by search engines to make paid ads more appealing continue to drive more traffic away from organic results.
- Organic search click share from smartphones and tablets rose to 38% in Q3, up from 27% a year earlier. iPhone, iPad and Android device organic traffic share all rose Y/Y.
- The share of all site visits generated by social media sites increased slightly Y/Y from 2% to 2.2%. Facebook produced 53% of all social media-driven site visits, while Pinterest generated 18%.
- 42% of social media-driven site visits came on mobile devices, the same figure as Q2 but a 13 point increase Y/Y. This remains higher than mobile's share of paid or organic traffic.

■ COMPARISON SHOPPING ENGINES

- Amazon Product Ads' CSE spend share dropped 10 points Y/Y on the heels of their pushing some advertisers out of the product in Q2.
- Following two quarters of decline relative to Google PLAs, Amazon Product Ads delivered 11% as much revenue as PLAs in Q3 for advertisers on both platforms, a return to Q4 2013 levels.

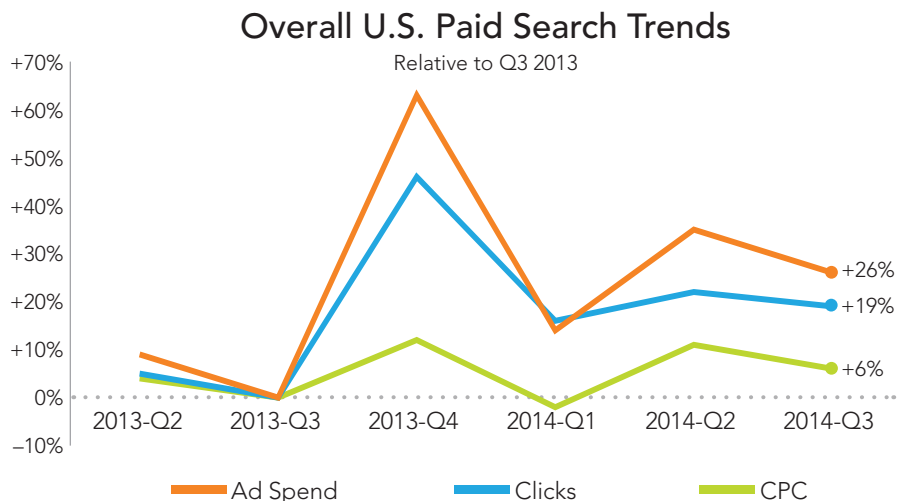
■ DISPLAY ADVERTISING

- Google Display Network (GDN) share of total Google investment increased from 6% in Q2 to 8% in Q3 for advertisers actively advertising on the GDN.
- FBX spend was up 30% Y/Y in Q3, while average CPC increased 10%. The larger right hand rail format introduced in Q2 has resulted in increased competition due to fewer ad units and more players in the space.

PAID SEARCH

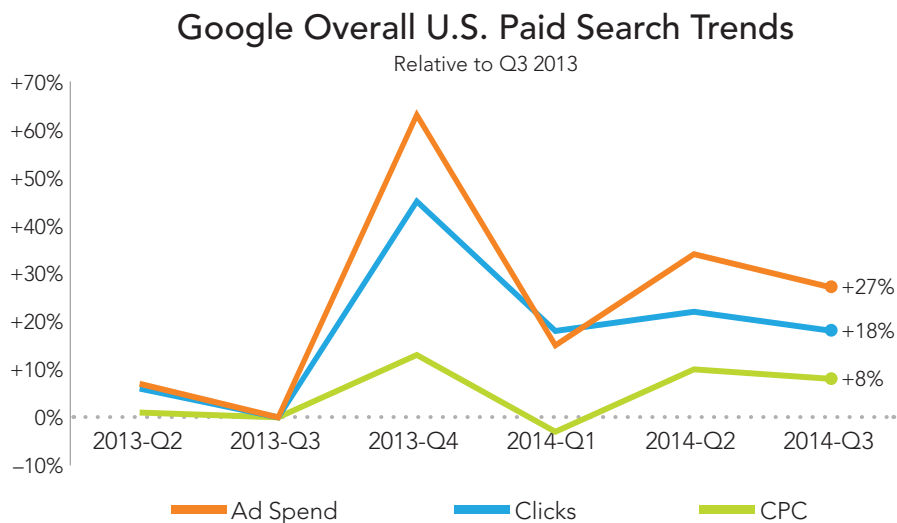
Paid Search Spending Growth Rises to 26% Y/Y

Paid search spending across all engines rose 26% Y/Y in Q3, driven primarily by volume gains as Y/Y click growth improved to 19%. Average cost-per-click was up 6% Y/Y, a slight deceleration from Q2 levels. Sequentially, ad spend was down 6% from Q2 levels due to normal seasonality among our site sample.



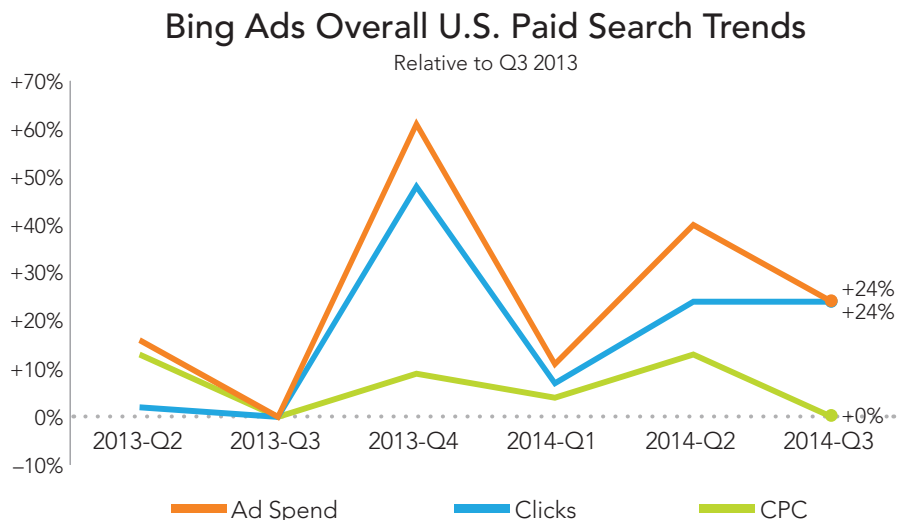
Google Spending Growth Bolstered by Mobile

Spending growth on Google paid search ads accelerated to 27% Y/Y in Q3 from 24% Y/Y in Q2. Paid clicks rose 18% Y/Y and CPCs rose 8%. Smartphones provided a larger boost to growth than in recent quarters due to advertisers passing the anniversary of the Enhanced Campaigns transition, a time when many sites pulled back heavily on smartphone bids to improve return on investment (ROI).



Bing Ads Posts Solid 24% Y/Y Growth in Ad Spend

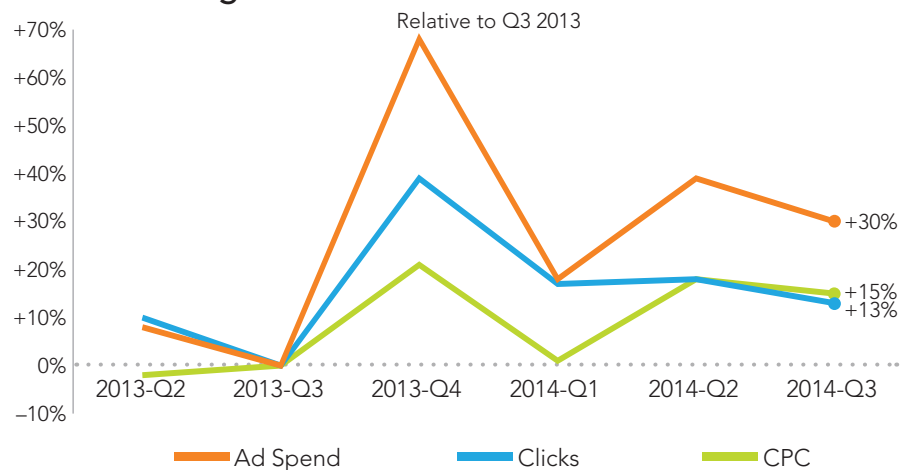
Though no longer exhibiting the same meteoric growth levels it did in 2013, Bing Ads generated a solid 24% Y/Y increase in search spend in Q3 2014. Click volume was 24% higher on average, while CPCs were flat. A sharp increase in mobile traffic share over the last two quarters has depressed CPC growth on Bing Ads, but helped volume growth.



Better Click-Through and Conversion Rates Help Drive Google Non-Brand Spending Higher

Click-through rates (CTR) on Google non-brand ads were up 8% Y/Y in Q3, helping push click volume up 13%. Improved ad conversion rates have also allowed advertisers to bid more aggressively, as CPCs rose 15%. Altogether, non-brand Google spending rose 30% Y/Y in Q3. Traffic shifting to mobile and PLAs has helped improve Google CTR, and Google's change to use a yellow ad icon rather than a shaded ad background has likely helped as well.

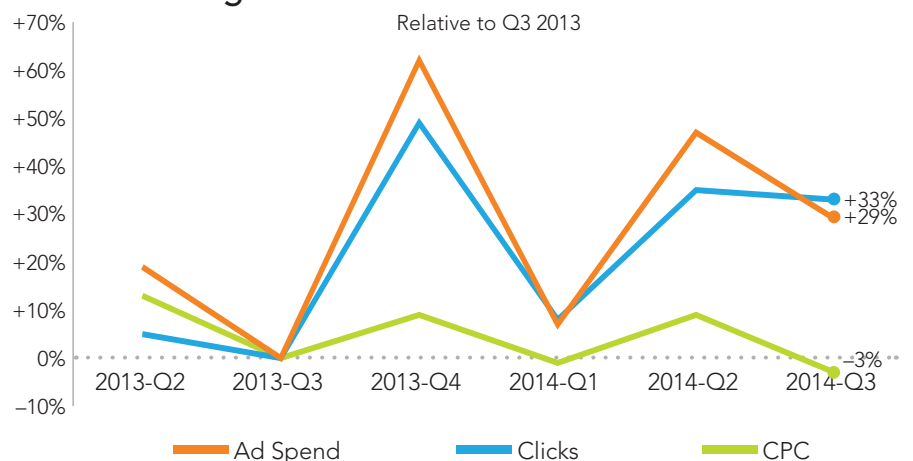
Google Non-Brand U.S. Paid Search Trends



Bing Non-Brand Clicks Up 33%, But CPCs Down 3%

Paid search spending on non-brand Bing Ads rose 29% Y/Y in Q3, driven by a 33% increase in clicks. CPCs fell 3% Y/Y as rapid mobile traffic growth led to small overall declines in ad conversion rates. The contribution of Bing Product Ads is growing, but did not have much impact on these overall numbers.

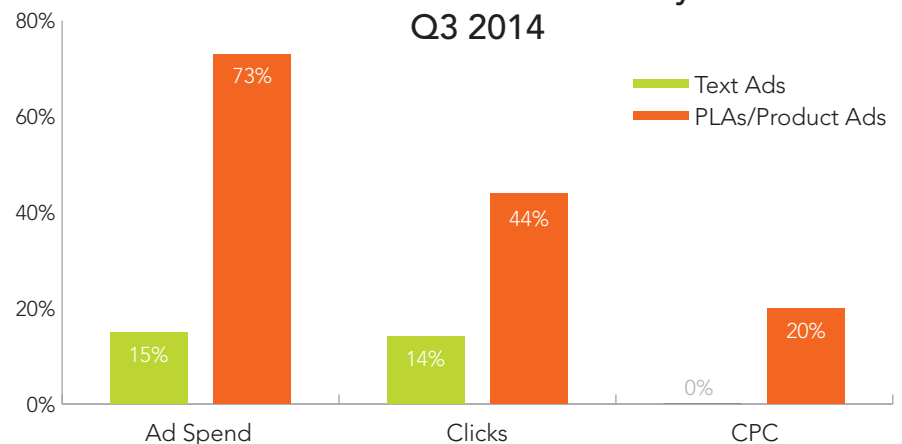
Bing Non-Brand U.S. Paid Search Trends



Text Ad Growth Improves, But Still Far Outpaced by Product Listing Ads

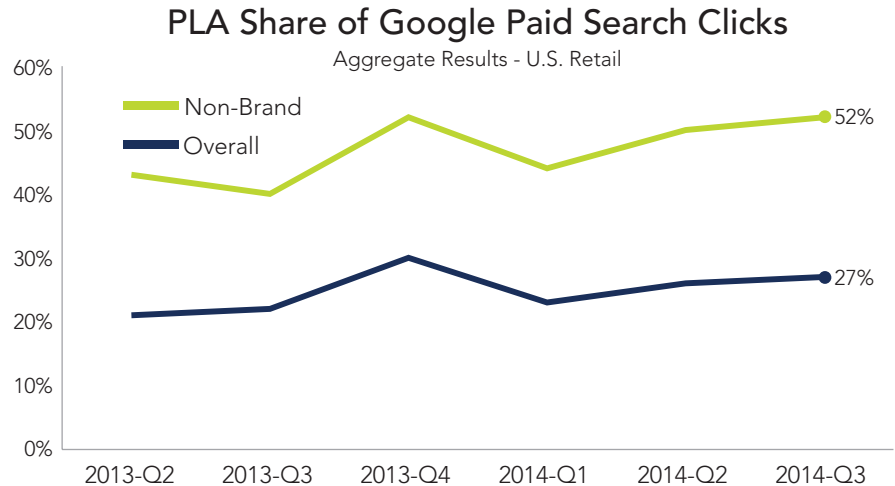
Text ad spending growth improved to 15% Y/Y in Q3 from 11% in Q2. Combined growth for Google's Product Listing Ads and Bing's Product Ads was 73%, slightly above Q2 growth. Product ad CPCs rose nearly 20%, while text ad CPCs were flat. Declining CPCs for branded text ads offset gains for non-brand text ads.

Overall U.S. Paid Search Growth by Format Q3 2014



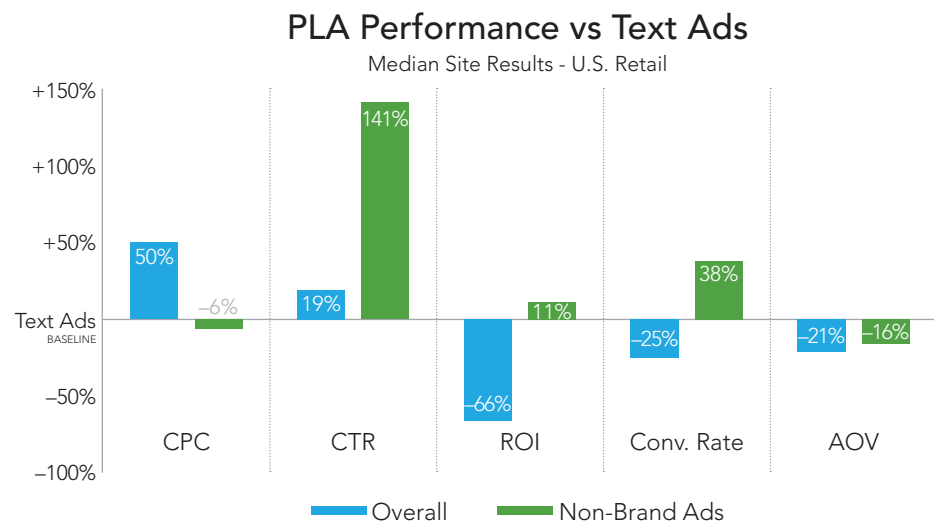
PLAs Contribute 27% of Google Paid Search Clicks Overall

Among retailers, PLAs made up 27% of all Google clicks in Q3, and 52% of non-brand clicks. For this sample of sites, PLA click share spiked in Q4 2013, but has failed to eclipse those highs yet in 2014. One of the bigger questions going into the holiday shopping season is whether we will see another large shift from text ads to PLAs this year.



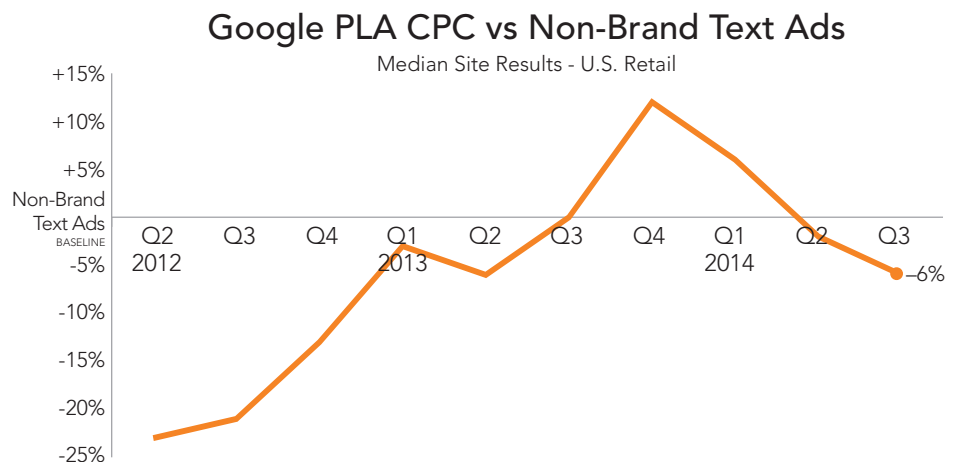
PLA ROI Still Compares Favorably to Non-Brand Text Ads

Advertiser ROI from PLAs was 11% higher than that for comparable, non-brand text ads in Q3. PLAs also held large advantages in click-through and conversion rates, but generated a 16% lower average order value (AOV) than non-brand text ads. Because branded text ad CPCs tend to run much lower than non-brand CPCs, PLAs had a 50% higher CPC than text ads overall.



PLAs Once Again Cheaper than Non-Brand Text Ads

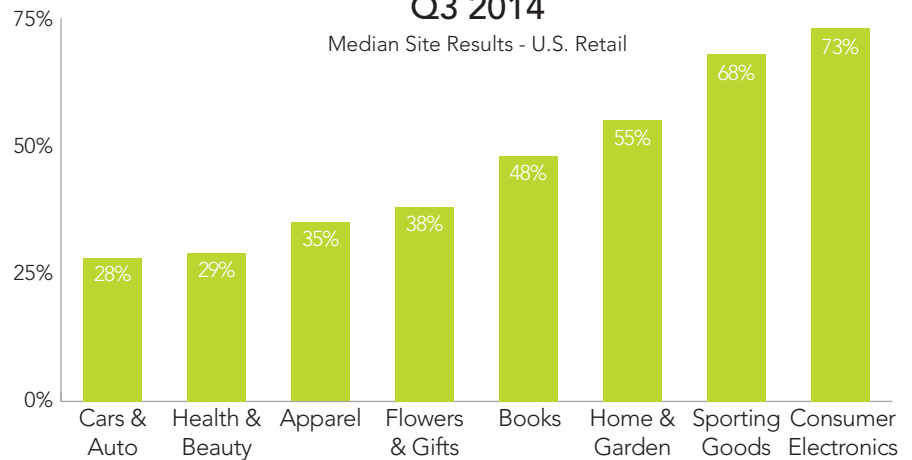
The typical retail advertiser saw PLA CPCs running 6% lower than non-brand text ad CPCs in Q3 2014. In Q4 of last year, PLA CPCs were 12% higher, likely because of increased competition within the space for the holiday season. Because of the ROI advantage PLAs hold over text ads though, there is room for PLAs to gain back the ground that they have lost on CPCs this Q4 and it is likely that they will.



PLAs Traffic Share Varies Significantly Across Retail Categories

The PLA format is a natural fit with queries for a specific product or even product SKU or model number. As a result, those sites and retail subindustries with offerings most likely to match those types of queries see the highest share of traffic produced by the format. In Q3, consumer electronics sites generated 73% of their non-brand Google paid search clicks from PLAs, compared to 35% for apparel retailers.

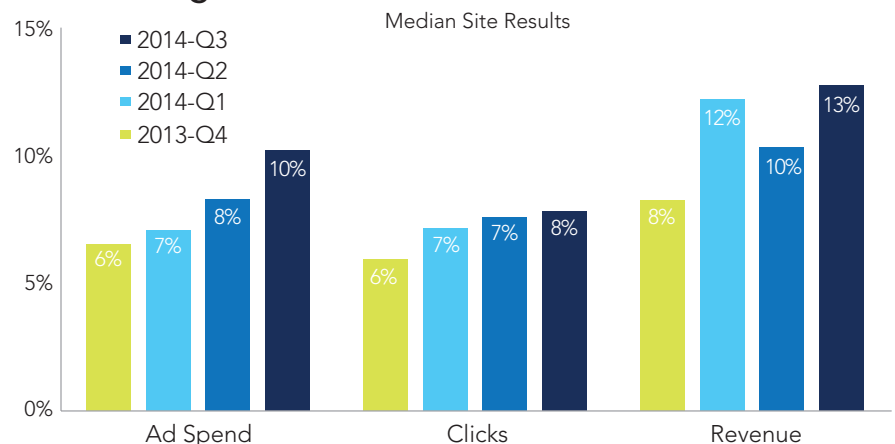
PLA Share of Non-Brand Google Paid Search Clicks
Q3 2014



Bing Product Ads Now Over 10% of Non-Brand Bing Ads Spending

Among sites running Product Ads and text ads through Bing Ads, Product Ads commanded a little over 10% of non-brand ad spend. Advertisers are paying higher CPCs for Product Ads, but they are also getting a better ROI as the format contributed 13% of non-brand revenues for the typical retailer.

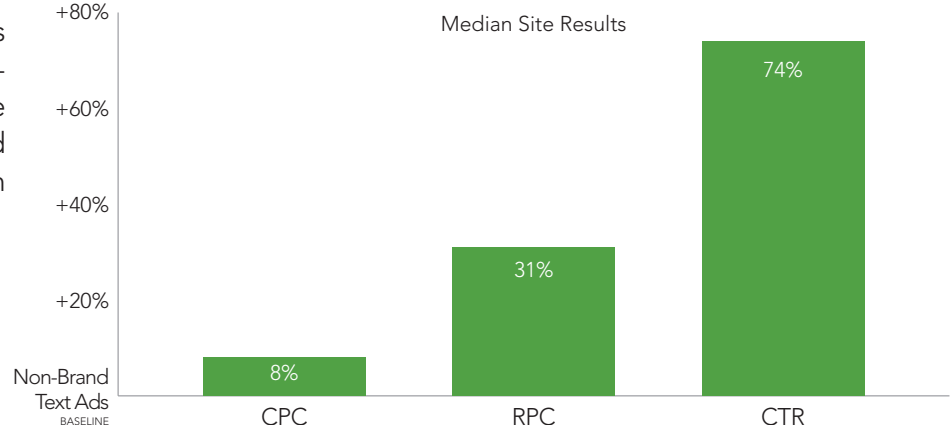
Bing Ads: Product Ads Share of Non-Brand



Bing Product Ads Outpace Text Ads on Key Metrics

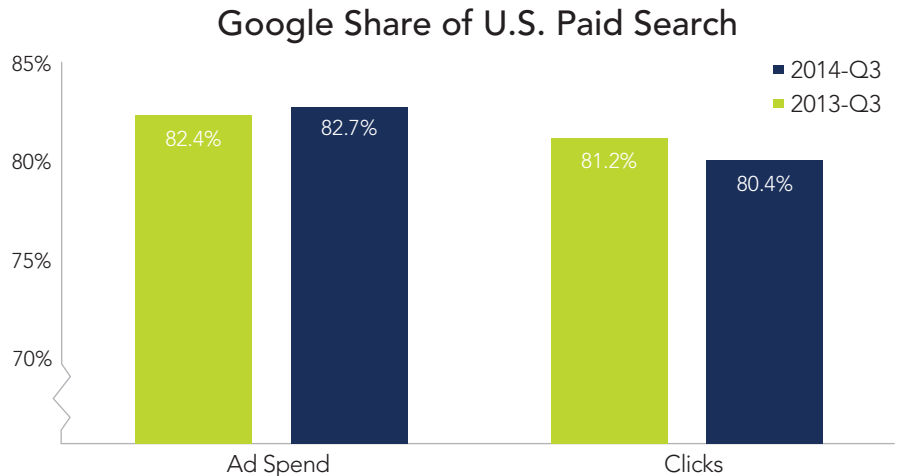
Bing Product Ads generated a 74% higher CTR than comparable non-brand text ads on the Bing Ads platform in Q3 2014. Revenue-per-click was 31% higher and CPCs were 8% higher. Product Ad CPCs gained ground from their position in Q2, when they ran 8% lower than text ad CPCs.

Bing Ads: Product Ads vs Non-Brand Text Ads
Q3 2014



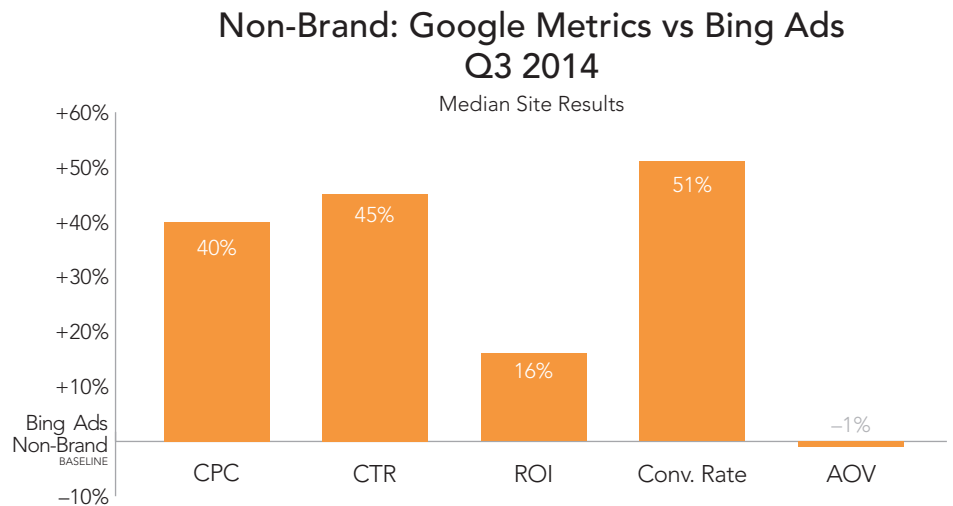
Google's U.S. Paid Search Share Generally Stable from Year to Year

Google's share of both paid search ad spend and clicks moved less than a percentage point from Q3 2013 to Q3 2014. Its take of ad spend rose slightly to 82.7%, while its share of ad clicks slipped to 80.4%. Bing Ads has shown relative strength in producing click growth, particularly in mobile where CPCs run lower.



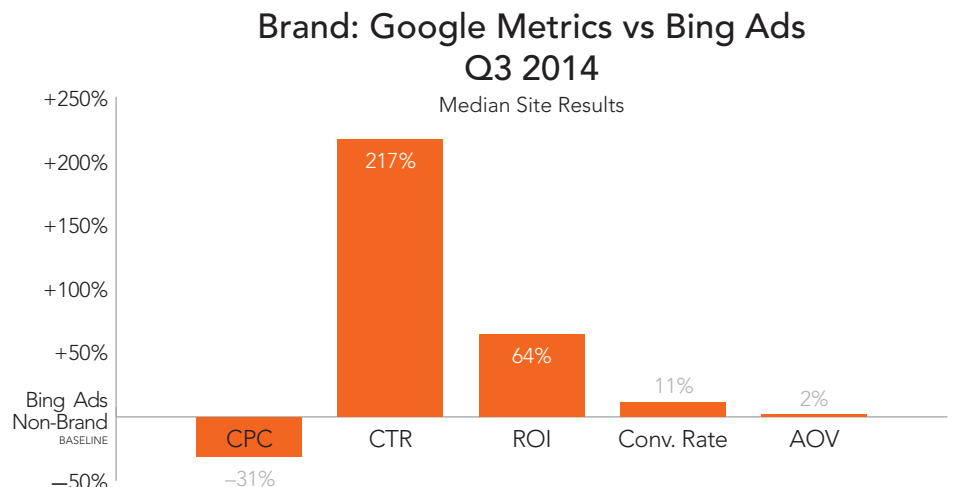
Non-Brand CPCs 40% Higher on Google than Bing Ads

As we've seen in earlier quarters as well, Google is able to command much higher non-brand CPCs than Bing Ads, due to its search ads producing 51% higher conversion rates for the typical site that is advertising on both. Average order size is roughly at parity between the two engines, while Google's ads have a 45% higher click-through rate.



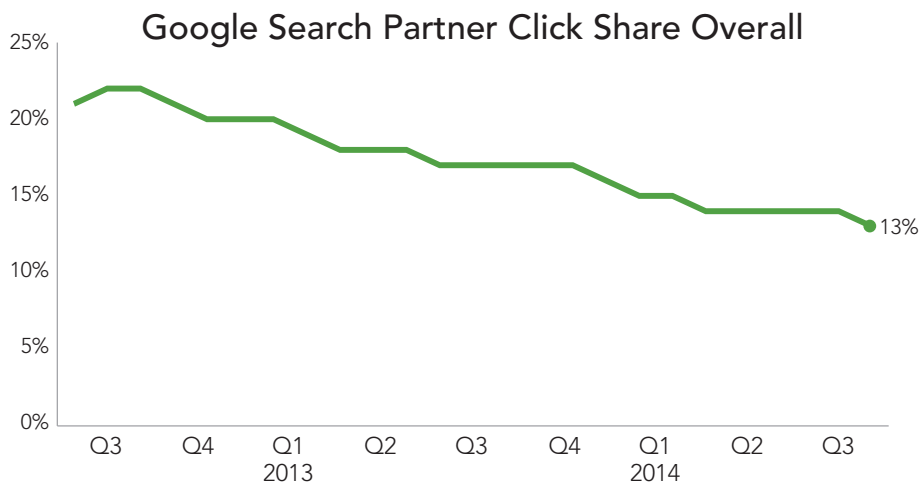
Brand CPCs 31% Lower on Google, Click-Through Rate 3X as High as Bing Ads

Over the years, we've consistently found that CPCs for an advertiser's brand terms run much lower on Google than Bing, and they remained 31% lower in Q3. The gap has closed, but many programs report that Bing Ads is more aggressive in how it serves competitive ads against brand terms and how it broad matches brand terms to other queries. The latter issue requires careful consideration of ad match types and negatives.



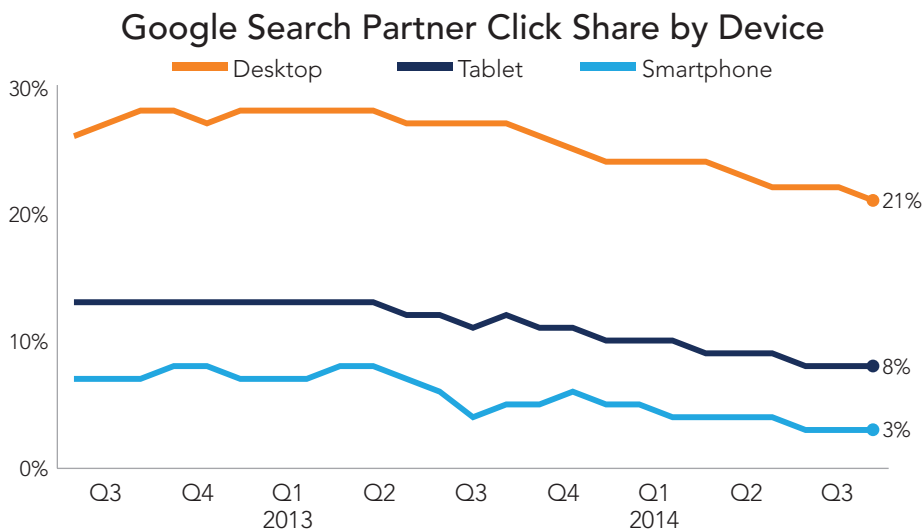
Search Partners Now Contribute Just 13% of Google Clicks

Over the past two years, the share of Google paid search clicks produced by their search partners has fallen from 21% to 13%. The shift in traffic to both mobile and PLAs has contributed to search partner declines over the long-term, but the trend is present no matter how one slices the data.



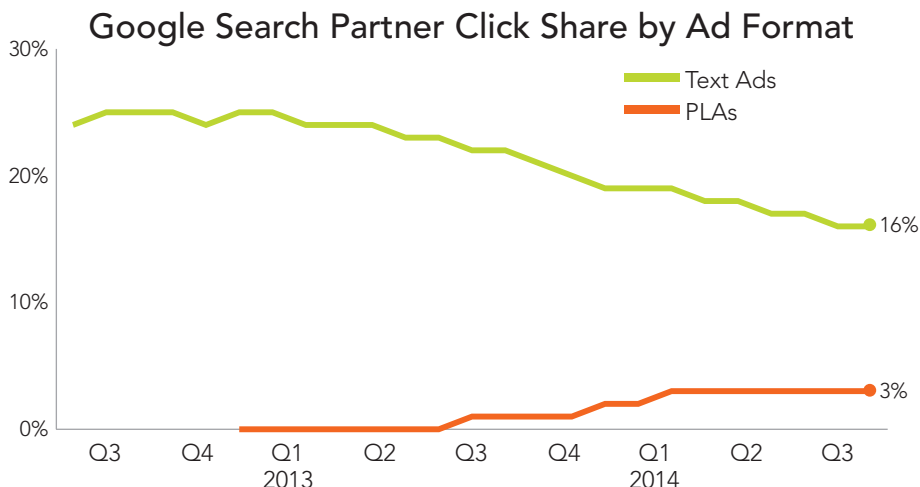
Google Search Partners a Small and Declining Factor on Mobile

Google search partners have never been large contributors to traffic from smartphones and tablets and their share of this traffic has fallen over time. At the end of Q3 2014, 8% of Google tablet clicks came from search partner sites and just 3% of smartphone clicks.



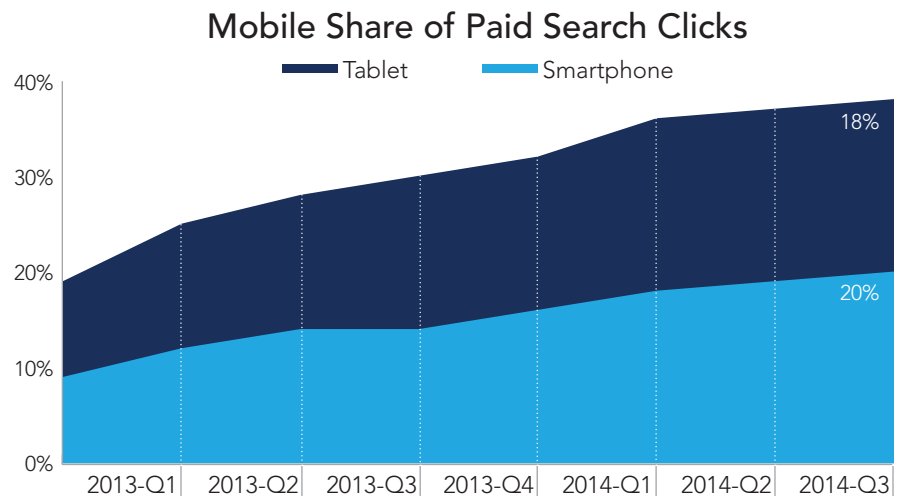
Google Partners Not Producing Many PLA Clicks, But Share Could Increase

With the AdSense for Shopping product that Google announced this September, more Google search partner sites will be displaying PLAs in the months ahead, specifically retailers like Walmart.com. This should help ramp up the share that partners contribute to PLA clicks and PLA volume overall. At the end of Q3, partners were contributing just 3% of PLA clicks.



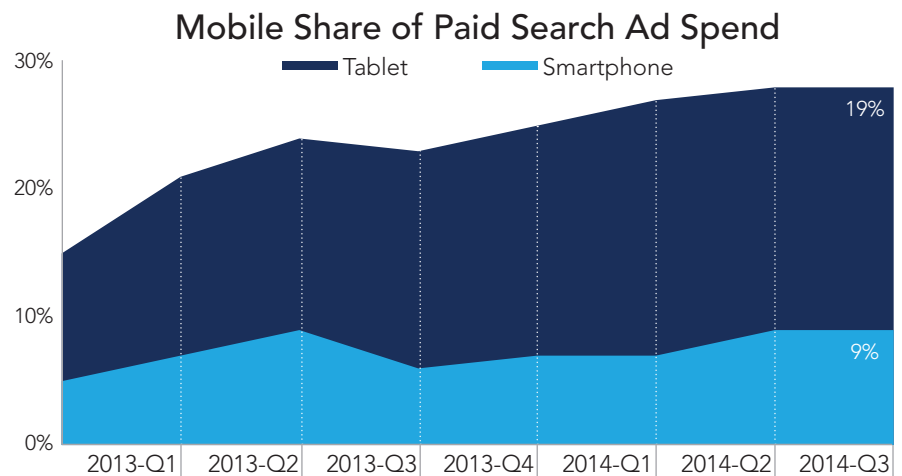
Tablet Traffic Share Flat in 2014, Smartphones Up

After a two point jump following the Q4 2013 holiday season, tablet paid search click share has remained flat at 18% for the last three quarters. Smartphone traffic share also got a nice bump from Q4 to Q1, but it has continued to rise at a steady pace and now stands at 20%. Between the two device groups, mobile traffic share increased from 30% to 38% from Q3 2013 to Q3 2014.



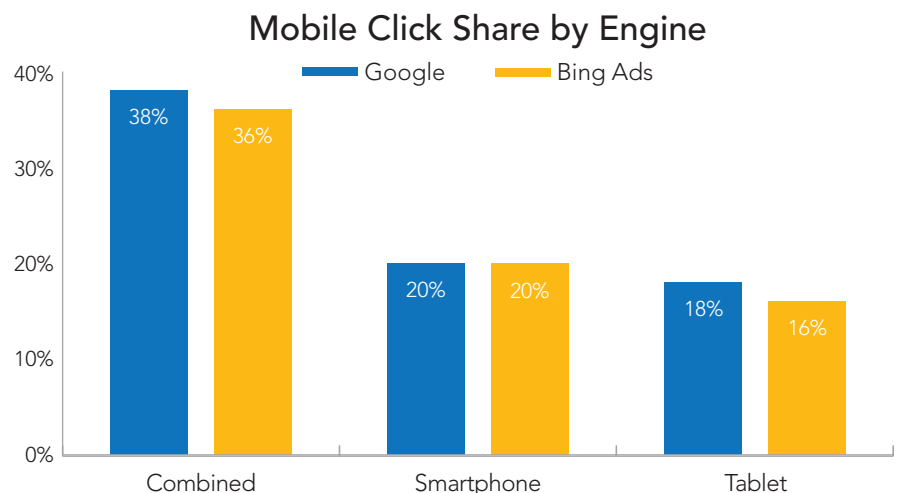
Mobile Share of Paid Search Spending Up Nearly 5% From Year to Year

Smartphones and tablets combined to capture 28.4% of advertiser spending on paid search ads in Q3 2014, up from 23.9% a year earlier. Due to having lower average CPCs, smartphones accounted for 9.4% of spending compared to 19% for tablets.



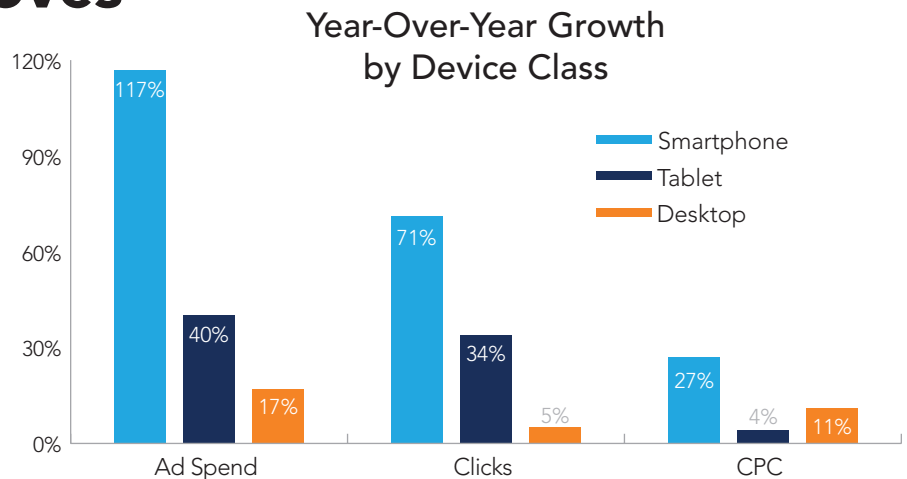
Bing Ads Nearly Matches Google in Share of Clicks from Mobile Devices

Bing Ads is making strides in growing the share of its traffic that is produced by mobile devices. In Q3, 36% of Bing Ads paid clicks took place on either smartphones or tablets, up from a 25% rate just two quarters earlier. Mobile's share of Google paid search traffic has grown at a steadier pace and stood at 38% in Q3.



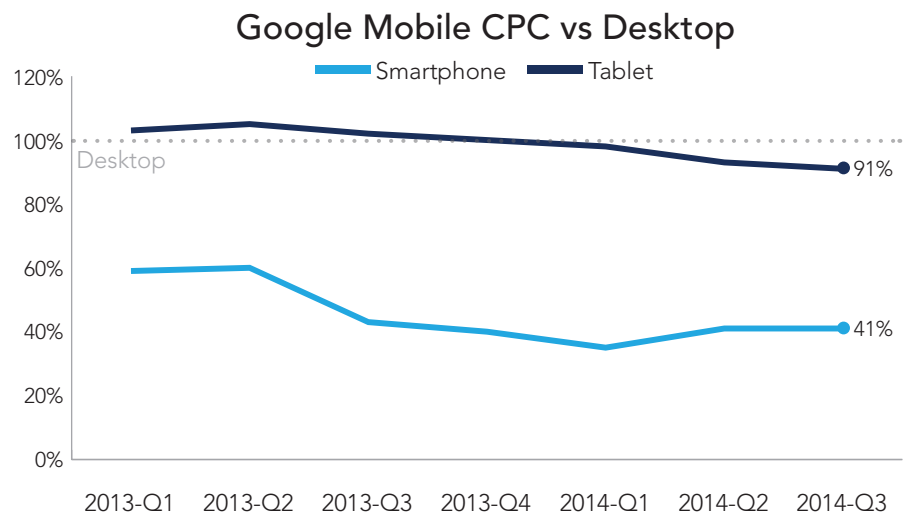
Smartphone Ad Spend Grows 117% Y/Y, Desktop Click Growth Improves

Due to bid pullbacks advertisers made in 2013 to improve smartphone ROI, Y/Y spending growth has been somewhat artificially low for several quarters, but it picked back up sharply in Q3 to 117%. The surge in mobile traffic on Bing has also bolstered growth. Meanwhile, desktop click volume rose 5% Y/Y in Q3, the best rate we have seen since Q4 2012.



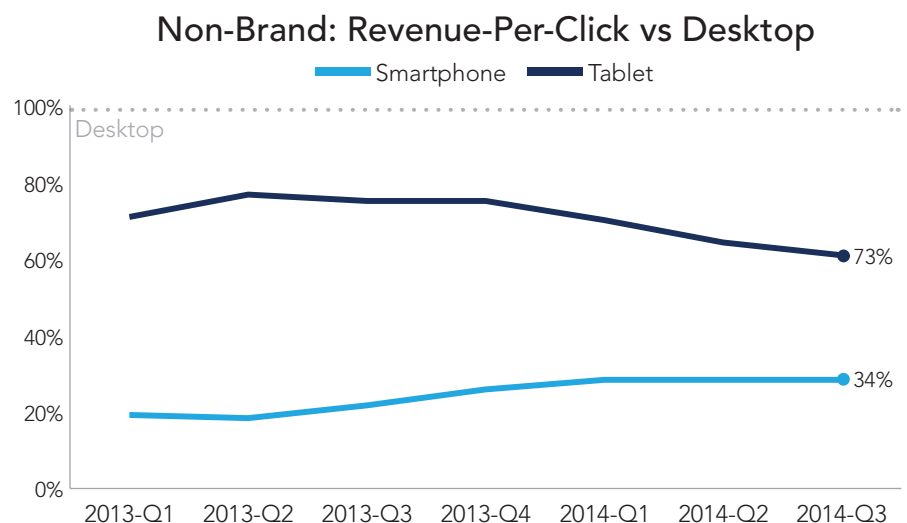
Smartphone CPCs Still 59% Lower than Desktop

Although the gap between smartphone and desktop CPCs has narrowed in the last two quarters, smartphone clicks are still 59% cheaper on average. This is primarily a reflection of the large differences in online conversion performance that most advertisers continue to see across smartphones, desktop and tablets.



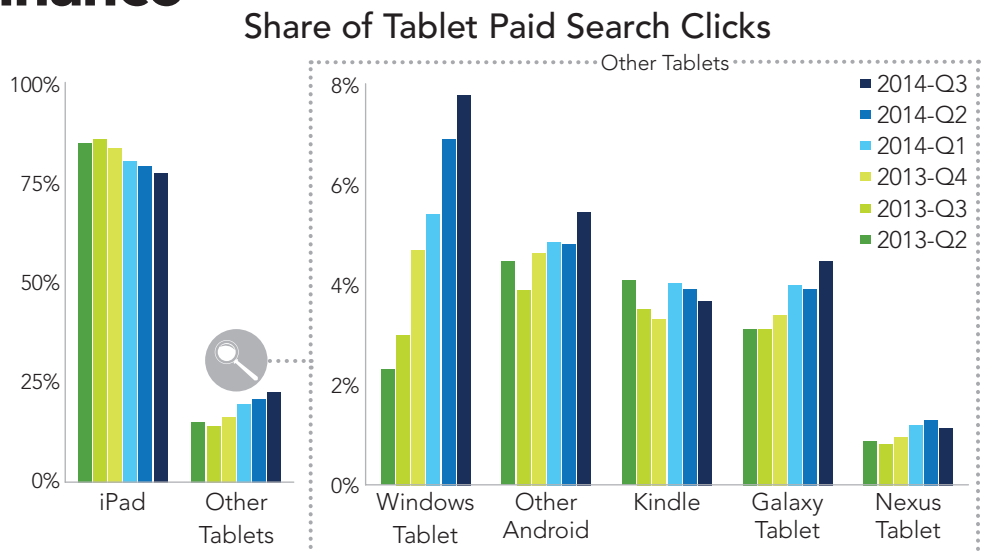
Smartphone Revenue-Per-Click Steady vs Desktop, but 66% Lower

Smartphone revenue-per-click improved markedly following the transition to Enhanced Campaigns in Q3 2013, but it has not improved compared to desktop during 2014. At the same time, tablet revenue-per-click continues to slide compared to desktop and now stands at 73% of desktop levels.



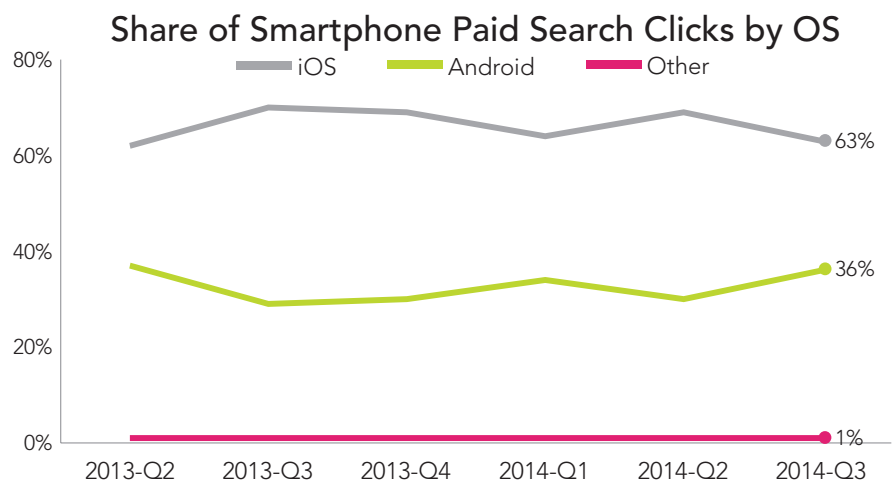
Windows Tablets Continue to Chip Away at the iPad's Tablet Dominance

Although it may not be a fair, apples-to-apples comparison, Windows computers with tablet functionality continue to gain tablet click share at the expense of the iPad. As we've pointed out before, our definition of Windows tablets here includes Microsoft's Surface, but also a broader grouping of touch-compatible devices that may be better defined as laptops.



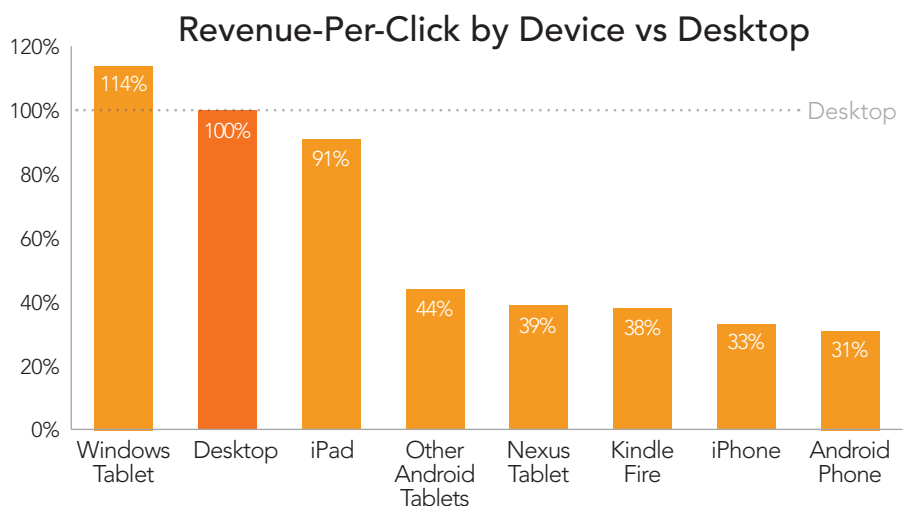
iPhones Produce 63% of Smartphone Paid Search Clicks

It is a two-horse race between iPhones and Android phones when it comes to generating paid search clicks on smartphones. Phones running other operating systems produced just a little over 1% of smartphone clicks in Q3, compared to 63% for iOS and 36% for Android.



iPhone Revenue Per Click Edges Up, Android Tablets Weaker

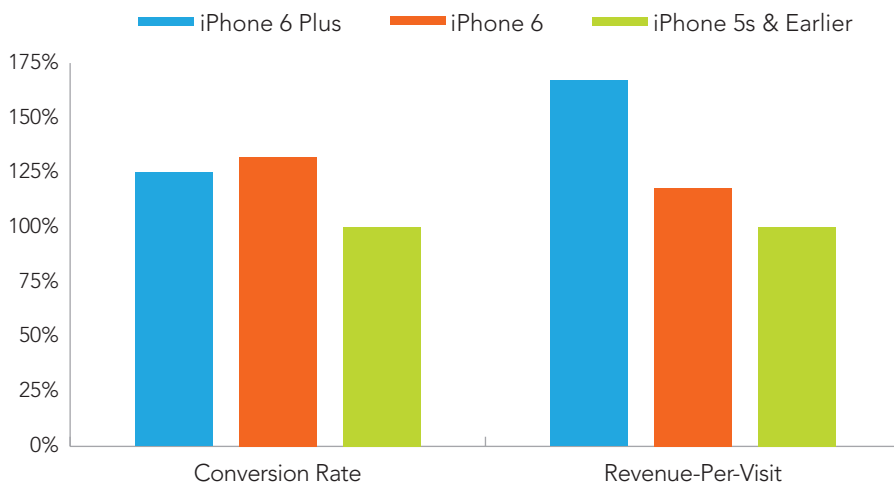
From Q2 to Q3, the average revenue-per-click for iPhones improved just slightly compared to our desktop RPC baseline, however it will be interesting to see how those numbers compare once the larger iPhone 6 models make their way into the hands of more consumers. Android tablets continued to weigh down the tablet segment in Q3, with most major devices showing weaker relative performance.



iPhone 6 Conversion Performance Outpacing Earlier Models

In the first weeks following the release of the two new larger iPhone models, we see iPhone 6 conversion rates running 32% higher than those for earlier iPhone models. For the iPhone 6 Plus, revenue per visit has been 67% above earlier iPhone models. As adoption increases and the data becomes more robust, we will see if this is simply an early adopter effect or if consumers will continue to be more inclined to make purchases from the larger iPhones.

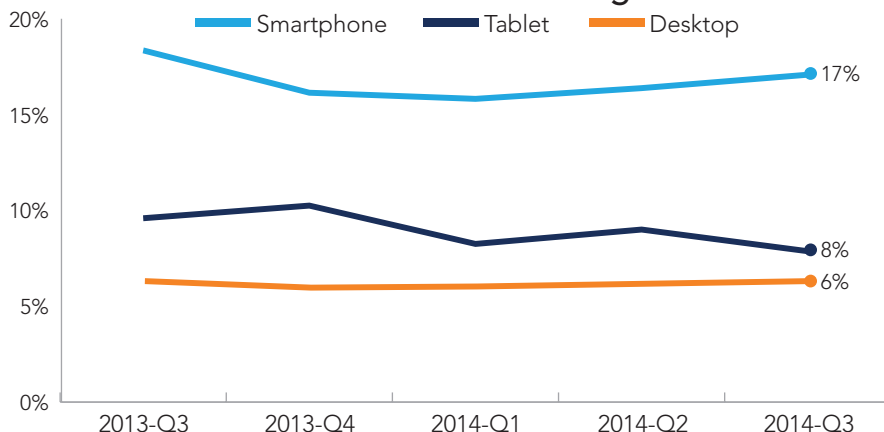
iPhone 6 Conversion Performance vs Earlier Models



Smartphones Get 17% Lift in Conversions from Including Cross-Device Estimates

Google's cross-device conversion estimates suggest that smartphones should have received credit for 17% more conversions than the total captured by single-device tracking. This rate is nearly three times higher than the lift desktop computers receive from including cross-device conversions and about double the lift tablets receive.

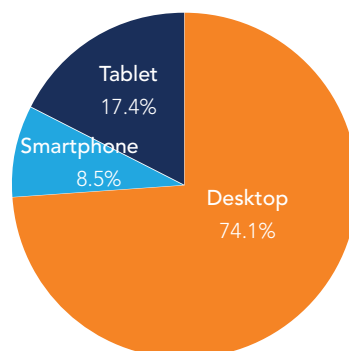
Lift in Conversions from Including Cross-Device



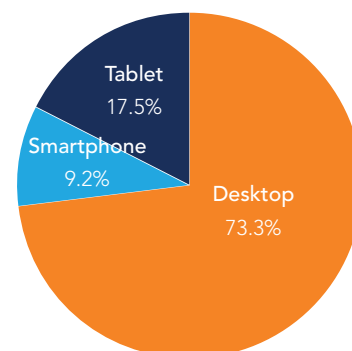
Cross-Device Conversions Shift Smartphone Share of Conversions Less than 1%

Despite the relatively large lift in conversions smartphones receive from including cross-device estimates, the share of conversions attributed to smartphones only increased by 0.7% in Q3 when moving from a single-device tracking view to one that includes the cross-device estimates.

Share of **Single-Device** Conversions



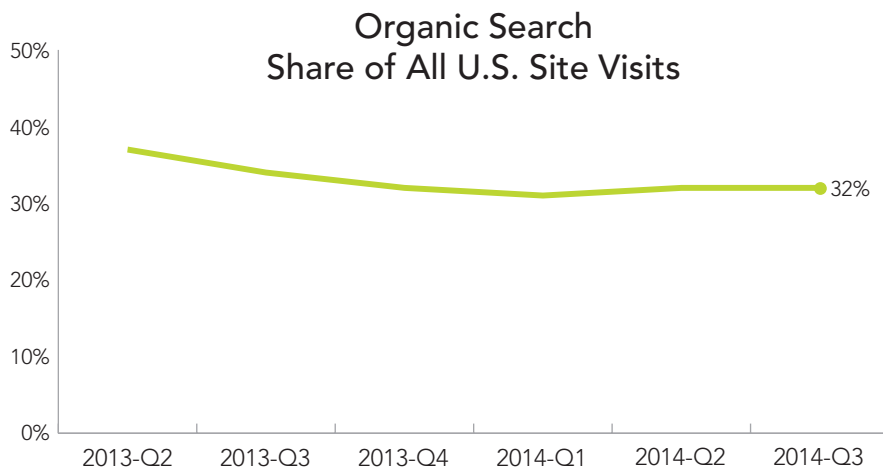
Share of **Total** Conversions



ORGANIC SEARCH & SOCIAL

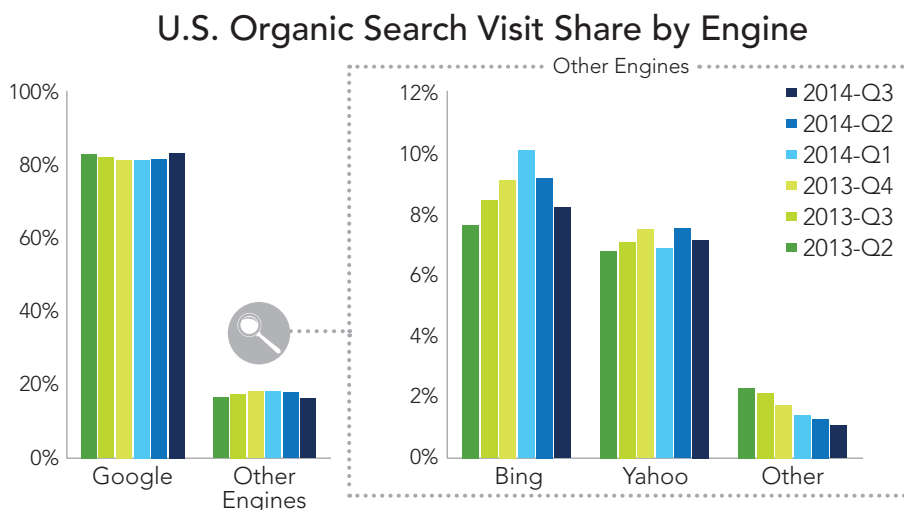
Organic Search Traffic Share Edges Up from Q2, But Down Four Points from 2013

The share of overall site traffic produced by organic search rose about a point from Q2 to Q3, but organic search share was still down about four points from a year earlier. Organic search results have been squeezed out by the engines' better monetization of search results with formats like product ads, as well as the shift to mobile where SERP real estate is more limited and paid click-through rates run higher than on desktop.



Google's Share of Organic Search Visits Rises to 83%

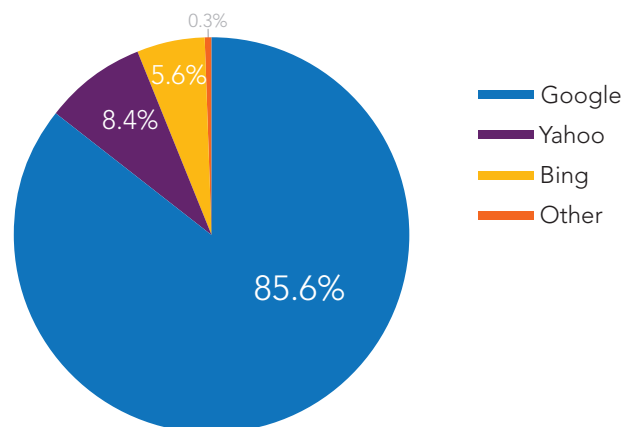
Having made gains throughout 2013, Bing appears to be giving back some ground in organic search visit share with Google being the main beneficiary of those losses. Google saw its share rise to 83% in Q3 2014, compared to Bing's 8% share. Yahoo's share of organic search visits has been stable at around 7%, while second-tier search engines continue to make a smaller contribution to search traffic.



Yahoo and Google Continue to Show Relative Strength in Mobile Search

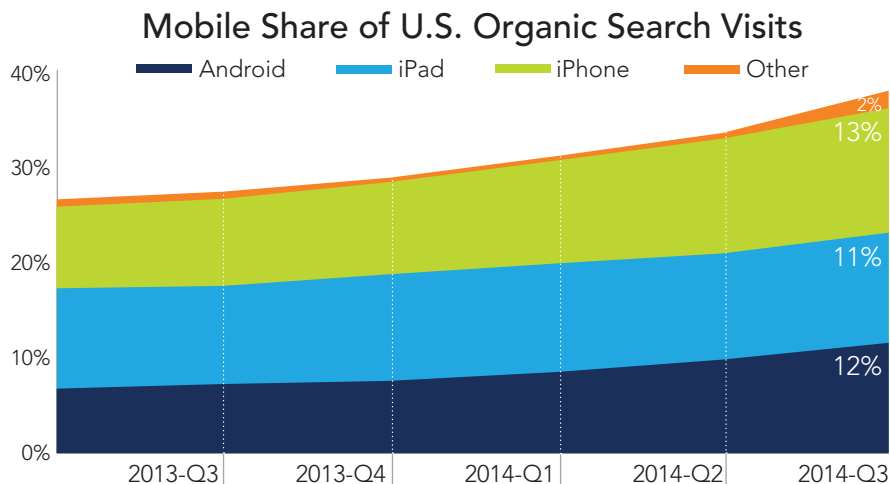
While Google has long enjoyed an even more dominant share of mobile search than it holds on desktop, Yahoo has also been punching above its weight class in mobile for several quarters now. In Q3 2014, Yahoo produced 8.4% of mobile organic search visits, compared to 86% for Google and just 5.6% for Bing.

Share of U.S. Mobile Organic Search by Engine Q3 2014



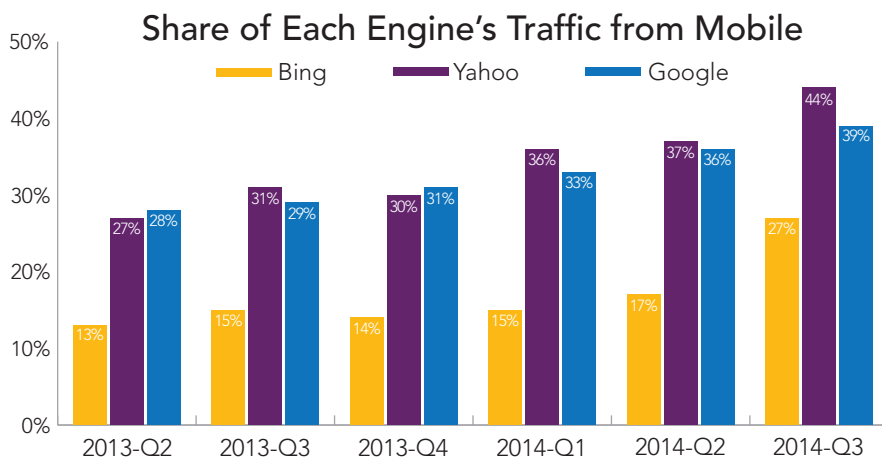
Mobile Now 38% of Organic Search Visits; Android Catches iPad

Smartphones and tablets combined to produce 38% of organic search visits in Q3 2014, up from 27% a year earlier. Traffic across all Android smartphones and tablets matched that from the iPad for the first time, but including iPhone share, iOS devices still accounted for over twice as much organic search traffic as Android and 65% of mobile search visits overall.



Despite Jump in Mobile Search Visits, Bing Still Lagging Behind Google and Yahoo

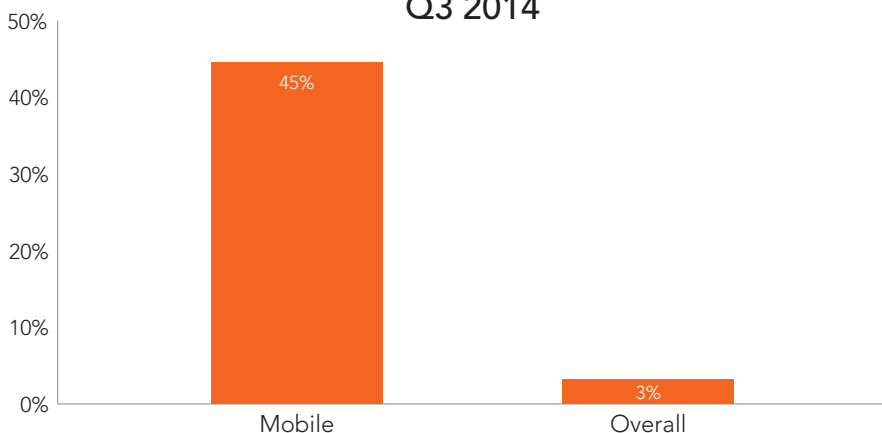
Even with a surprising nine point quarter-to-quarter jump in the share of Bing search visits produced on mobile devices, Bing still trailed Google and Yahoo in this area by a large margin. In Q3 2014, a remarkable 44% of Yahoo search visits were mobile, compared to 39% for Google and 27% for Bing.



Mobile Drives Overall Organic Search Growth into Positive Territory

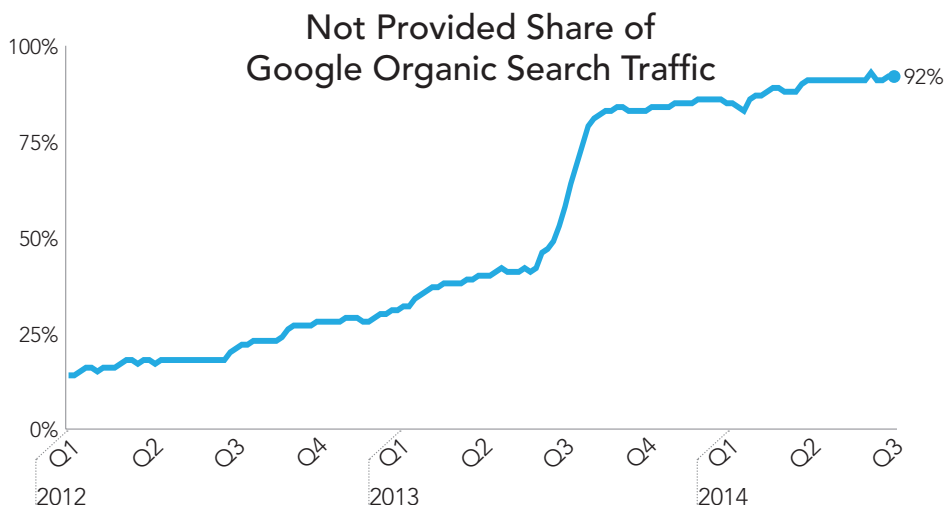
Despite the pressure from increasing SERP monetization and even Google's switch from a shaded background for ads to a yellow ad icon, organic search visits increased 3.2% year-over-year due to the strength of mobile search growth. Mobile organic search visits rose 45% Y/Y in Q3, up from 18% growth in Q2.

Y/Y Growth in Organic Search Visits
Q3 2014



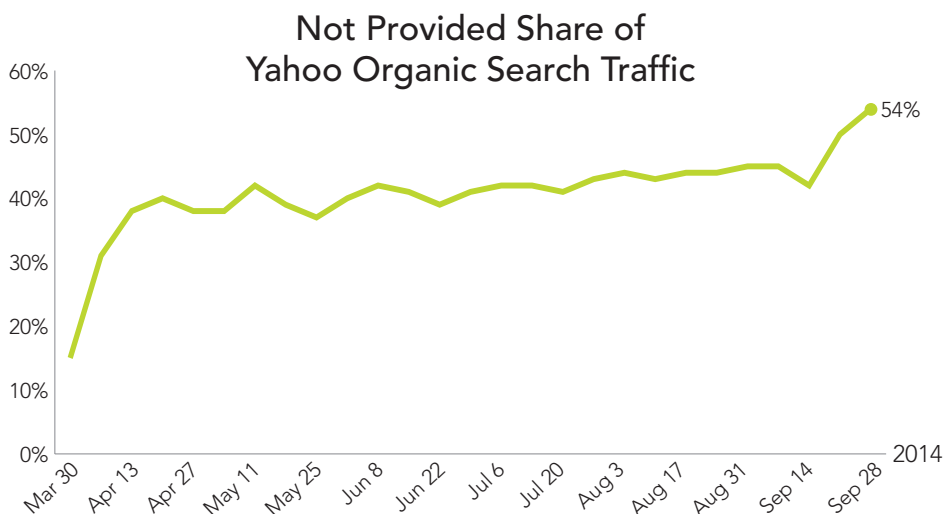
Some Google Organic Queries Still Being Passed, but Not Provided Share Hits 92%

With such a small, and likely unrepresentative, percentage of Google organic searches passing user queries to site owners, tracking the continued rise of Not Provided queries is primarily just a curiosity these days. Still, by the end of Q3, Not Provided share had hit 92%.



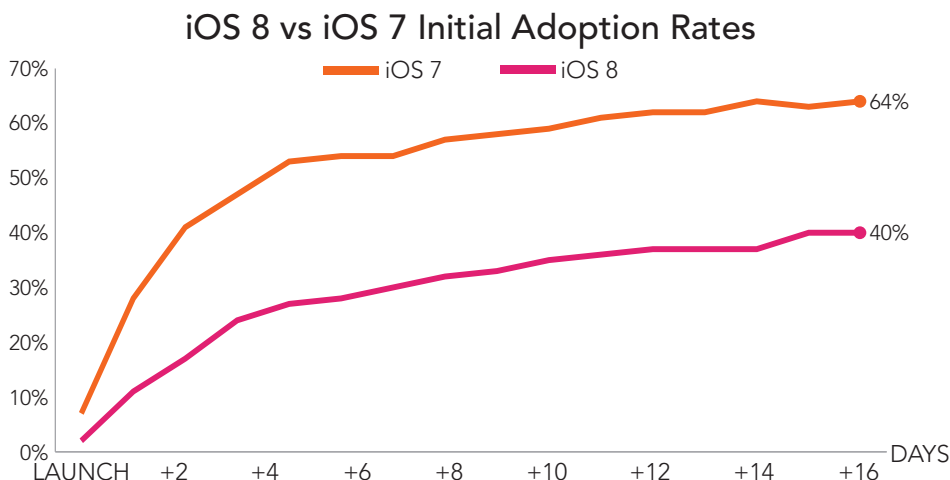
Over Half of Yahoo Search Queries Now Not Provided

After hovering around 40% for most of Q2 and Q3, Not Provided share on Yahoo spiked to 54% at the end of September.



iOS 8 Adoption Rate Lagging Behind Its Predecessor

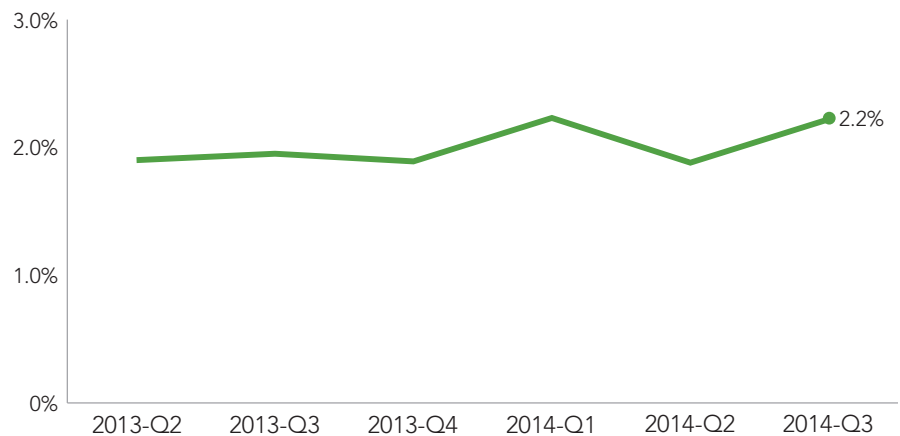
User adoption of Apple's latest version of iOS has not been as brisk as that for past upgrades. After two weeks of availability, iOS 8 accounted for 37% of organic search visits from iOS devices. After the same time period last year, iOS 7 accounted for 64% of iOS organic searches. By all accounts the iPhone 6 has sold better than the new models introduced last year, so this discrepancy is likely due to a slower pace of software upgrades among users of older iOS devices.



Social Media Sites Contribute 2.2% of All Site Visits

Although Facebook continues to report very impressive year-over-year ad revenue growth, the share of traffic site owners produce from social media does not appear to be growing as rapidly. In Q3 2014, 2.2% of site visits originated from social media sites on average, up from 2% a year earlier. Declining organic reach is likely hampering social referral growth, and social growth rates overall tend to be highly variable from site to site and, naturally, tied heavily to the amount of investment being made in the channel.

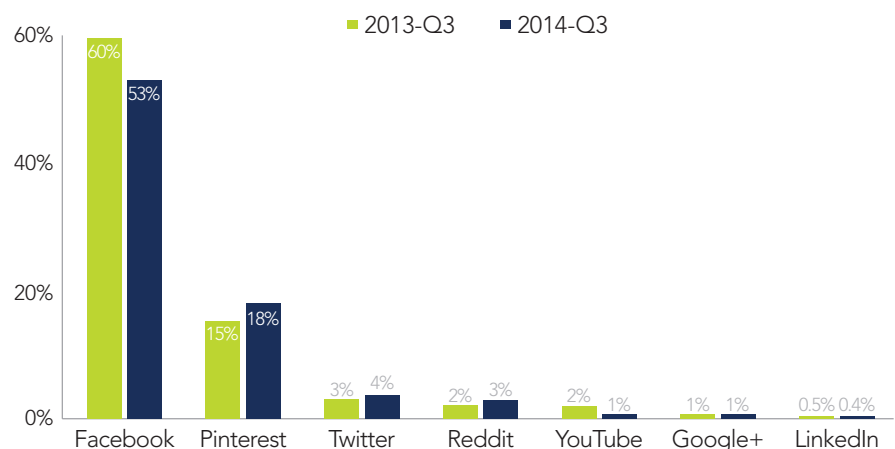
Social Media Share of All Site Visits



Facebook Still Producing a Majority of Social Media Visits

While Facebook remains the largest social media traffic driver by far, producing 53% of social visits on average, a number of retail sites are generating more referrals from Pinterest than Facebook. Among our sample, Pinterest produced 18% of social visits in Q3 on average, but there are still many sites producing nowhere near that level, speaking to the impact that demographics and industry can have on these figures.

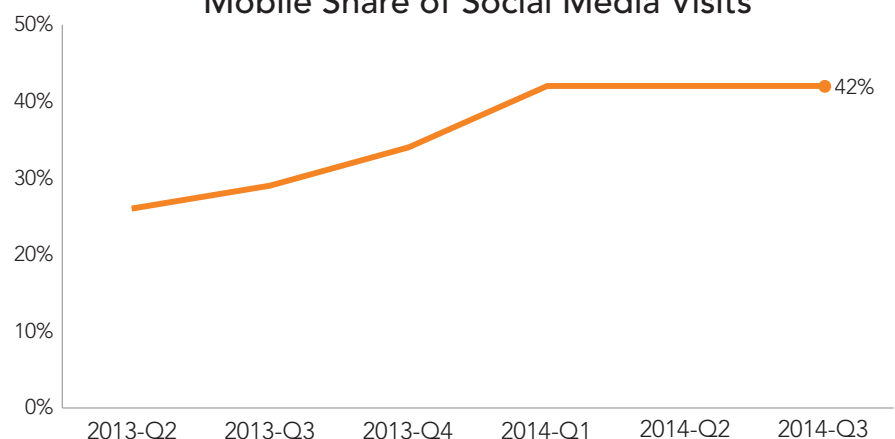
Share of Social Media Visits Produced



Mobile Share of Social Media Visits Steady at 42%

After a sharp rise throughout 2013, we find mobile's share of social media visits running flat in 2014 at about 42%. That still outpaces mobile's share of paid and organic search.

Mobile Share of Social Media Visits

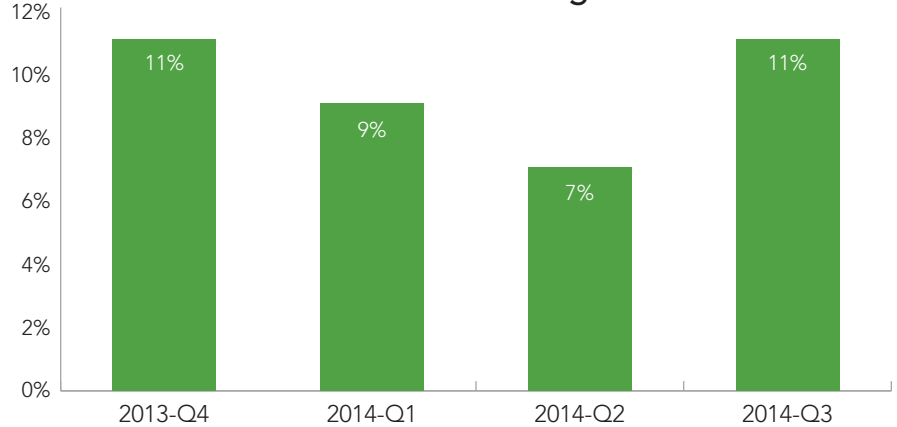


COMPARISON SHOPPING ENGINES

PLAs Provide About 10x More Revenue than Amazon Product Ads

PLAs continue to far outpace Amazon Product Ads in revenue generation for those advertising with both. However, after two quarters of decline relative to PLAs, Amazon Product Ads are now back to Q4 2013 levels of revenue relative to PLAs.

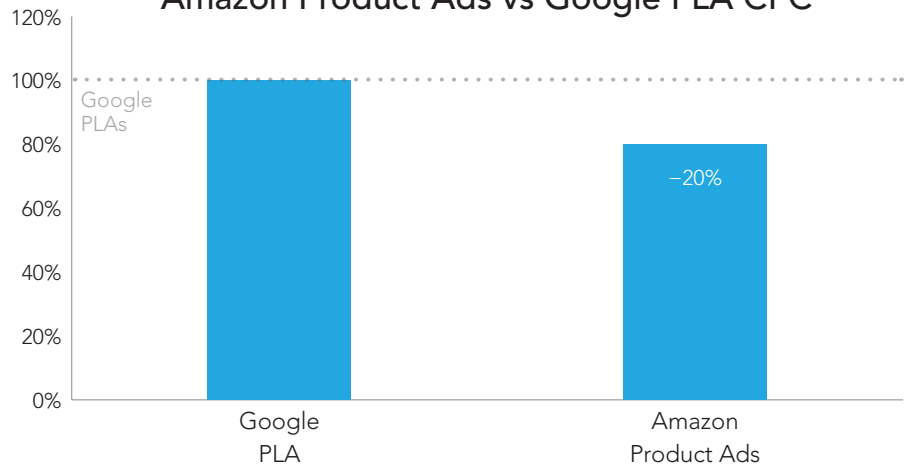
Amazon Product Ads vs Google PLA Revenue



Amazon Product Ad CPC Remains 20% Below Google PLA

There was no movement Q/Q as average CPC for Amazon Product Ads once again came in at 20% below that of PLAs for advertisers on both platforms. Both platforms have seen year-over-year increases in CPC.

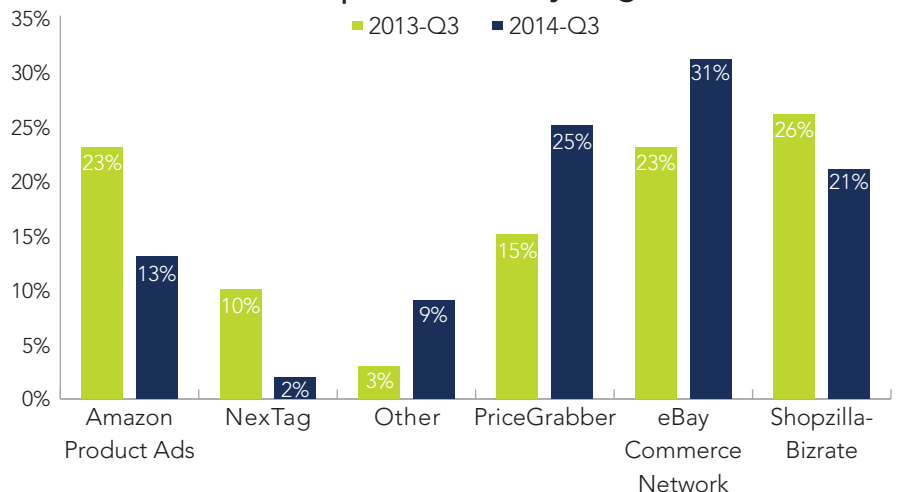
Amazon Product Ads vs Google PLA CPC



Nextag Spend Share Remains Significantly Down Y/Y

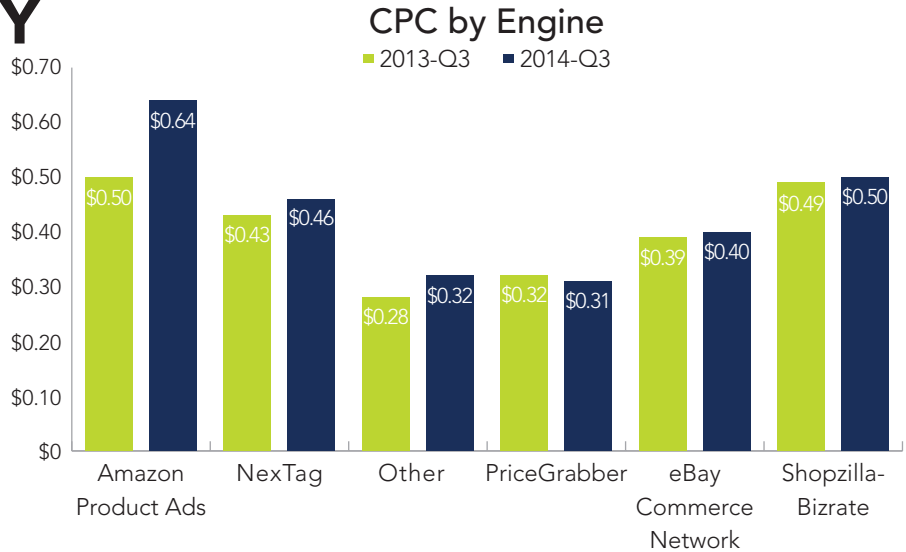
While Nextag once again saw Y/Y spend share declines for Q3, the CSE is now offering modified fee structures to advertisers who have deactivated their ads in the past year. Amazon Product Ads also saw significant Y/Y spend share decline as some advertisers were pushed out of the product, and Shopzilla-Bizrate fell from top spend share in 2013 to third this year as their rigid single rate card system fails to give advertisers flexibility in bidding.

Ad Spend Share by Engine



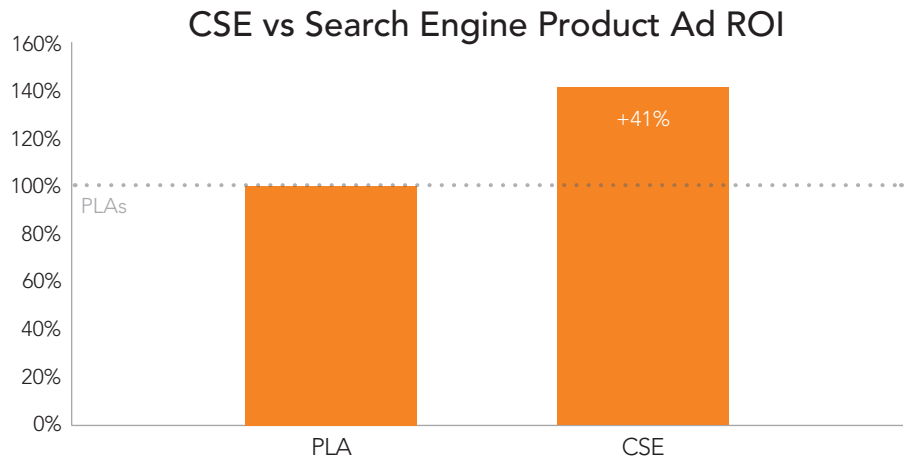
Amazon Product Ads Only CSE to See Significant CPC Movement Y/Y

Most major CSEs saw little change year-over-year in terms of CPC in Q3 except for Amazon Product Ads, which posted a 26% increase as a result of higher rate cards in 2014. This continues a trend we've seen all year in which Amazon's CPC increases outpace all other CSEs.



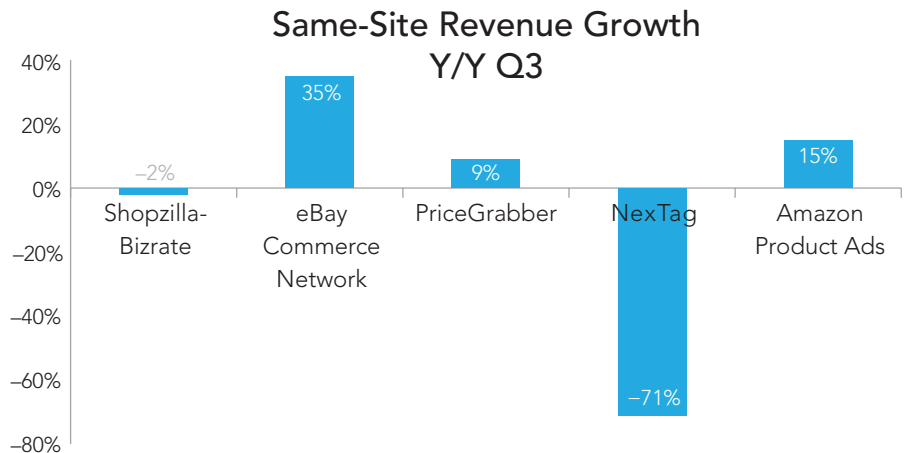
CSEs Continue to Provide Higher ROI than PLAs

While ROI for PLAs lags behind that of CSEs on the whole, this is partially the result of rate card minimums for some CSEs which force advertisers to exclude products from their feeds rather than bid them to value, as well as other inherent differences between CSE and paid search auctions.



eBay Once Again Provides Biggest Y/Y Revenue Growth

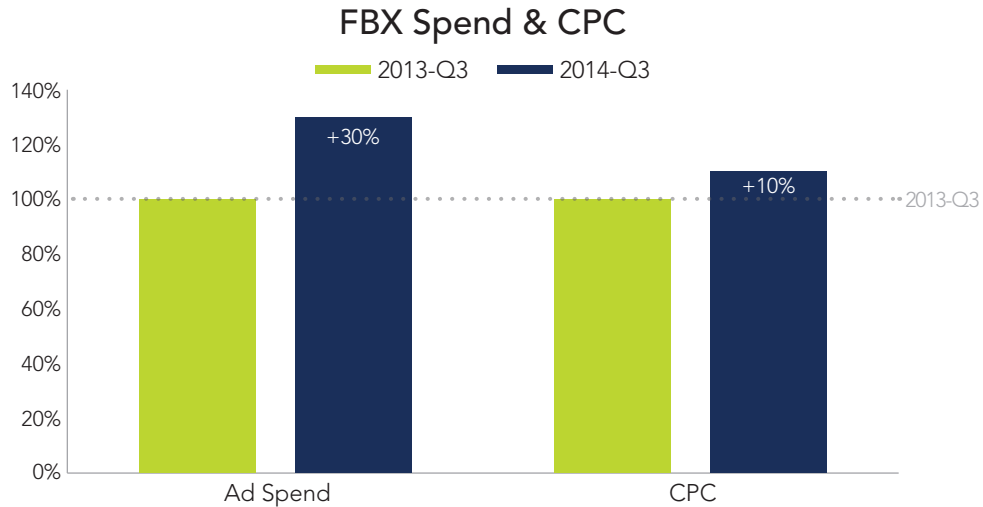
Continuing a trend seen every quarter so far this year, the eBay Commerce Network produced the largest year-over-year revenue growth for advertisers. Only Nextag saw significant decline Y/Y in Q3.



DISPLAY ADVERTISING

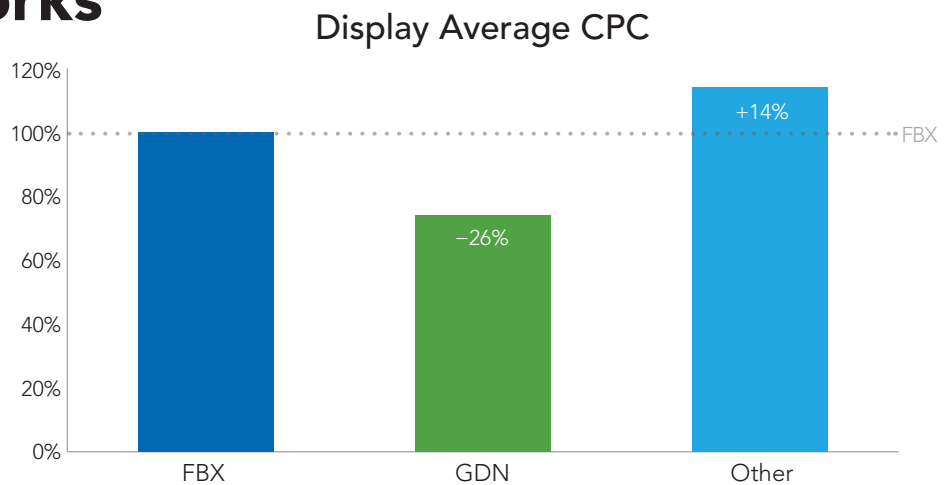
FBX Spend and CPC Both Up Y/Y

FBX spend was up 30% Y/Y in Q3, while average CPC increased 10%. The larger right hand rail format introduced in Q2 has resulted in increased competition due to fewer ad units and more players in the space.



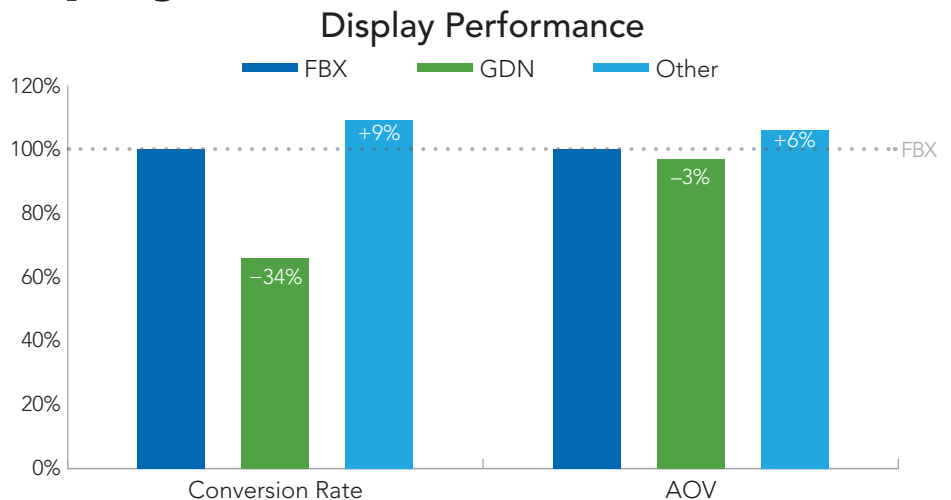
FBX Clicks More Expensive than GDN, Less than Other Networks

While clicks on the GDN network were 26% lower than those for FBX in Q3, FBX clicks remain a value compared to all other display networks, which had a 14% higher average CPC than that of FBX.



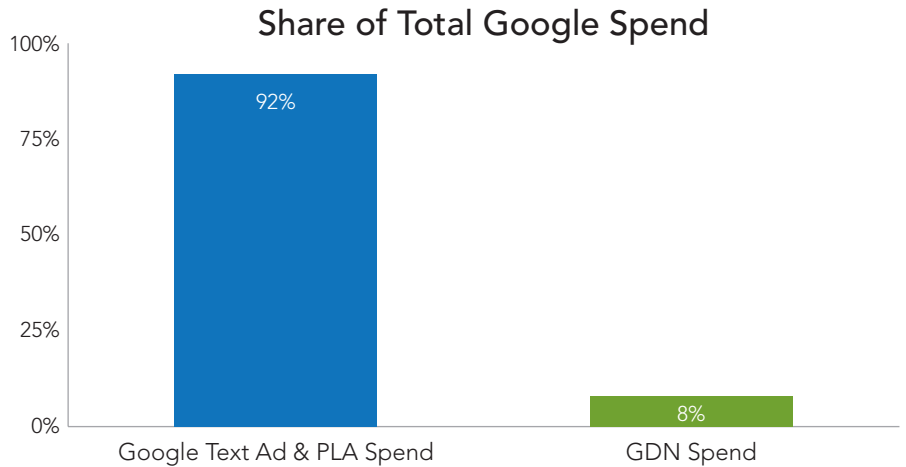
Conversion Rate on GDN Significantly Lower than FBX, Other Display Networks

While the GDN offers significantly lower average CPC, conversion rate is also significantly lower than that of FBX and other display networks. AOV was very similar across all Display platforms.



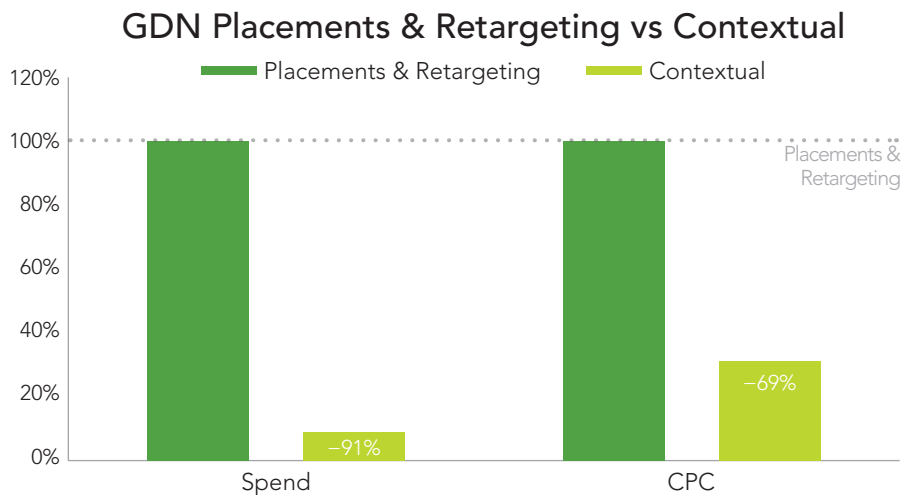
GDN Share of Google Spend Climbs to 8%

While still a small portion of overall Google investment, spending on the GDN has increased from 6% of Google spend in Q2 to 8% in Q3. Of those GDN dollars, the majority go toward retargeting and placement campaigns for most advertisers.



Contextual Spend, CPCs Remain Below Placements & Retargeting

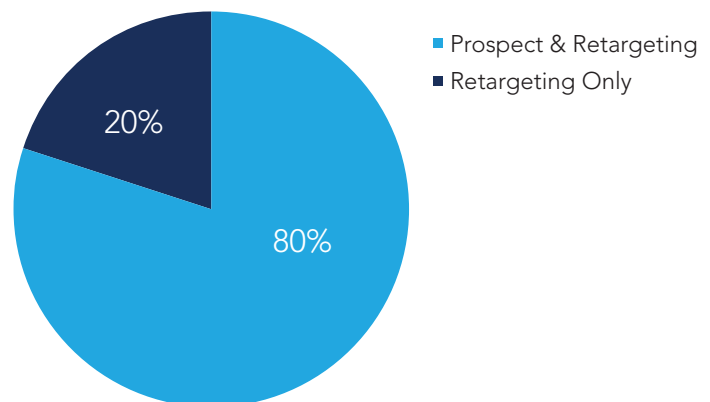
Site placements and retargeting garnered more than ten times as much spend from advertisers' GDN budgets as contextual ads in Q3. Contextual CPCs were also significantly lower than that of retargeting and placement campaigns, with lower expected value from these clicks.



All Display Advertisers Now Using Retargeting

The percentage of advertisers pursuing a prospecting-only display strategy has consistently gone down since Q4 of last year, and is now at 0% as all display advertisers are now retargeting. A mixed strategy of prospecting and retargeting is still preferred by 80% of advertisers.

Percentage of RKG Clients' Display Goals



■ ABOUT RKG, A MERKLE COMPANY

Founded in 2003, RKG is a search and digital marketing agency that combines superior marketing talent with world-class digital media capabilities to create the industry's most effective data-driven digital marketing solutions. RKG drives business to clients by maximizing a full range of opportunities including paid search, SEO, product listing ads, social media, display advertising, and comparison shopping engine management services. In 2014, RKG became a part of Merkle (www.merkleinc.com), the largest privately-held customer relationship marketing agency. RKG is headquartered in Charlottesville, VA with offices in Bend, OR and Boston, MA. For more information, visit www.rimmkaufman.com or follow the company on Twitter @rimmkaufman.



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■ ABOUT MERKLE

Merkle, a technology-enabled, data-driven customer relationship marketing (CRM) firm, is the nation's largest privately held agency. For more than 25 years, Fortune 1000 companies and leading nonprofit organizations have partnered with Merkle to maximize the value of their customer portfolios. By combining a complete range of marketing, technical, analytical, and creative disciplines, Merkle works with clients to design, execute, and evaluate connected CRM programs. With more than 2,400 employees, the privately held corporation is headquartered in Columbia, Md. with additional offices in Bend, Or.; Boston; Charlottesville, Va.; Chicago; Denver; Hagerstown, Md.; Little Rock; London; Minneapolis; Montvale, N.J.; Nanjing; New York; Philadelphia; Pittsburgh; San Francisco; and Shanghai. For more information, contact Merkle at 1-877-9-Merkle or visit www.merkleinc.com.

■ METHODOLOGY

Figures are derived from samples of RKG clients who have worked with RKG for each respective marketing channel. Where applicable, these samples are 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. All trended figures presented in this report represent same-site changes over the given time period. Unless otherwise specified, the data points in this report are derived from the North American market region.

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