



The MarketLive Performance Index

Maximizing Search Engine Marketing



MarketLive Research Report



The MarketLive Performance Index - Vol. 2

Maximizing Search Marketing Effectiveness

The MarketLive Performance Index represents the pulse of e-retailing. In it, aggregate data from a robust range of merchants is tied to actionable tactics to drive e-commerce success. Using previously undervalued performance metrics, the MarketLive Performance Index provides a holistic view of consumer behavior.

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The MarketLive Performance Index – Vol. 2:

Maximizing Search Marketing Effectiveness

Executive Summary - MarketLive Merchants Achieve Strong E-commerce Gains

This second installment of the MarketLive Performance Index reveals that online retailer performance improved in the second quarter of 2007, with the overall Conversion Rate increasing 12 percent versus the prior quarter to 4.41%. The Engagement Rate (visit-to-cart ratio) also improved during the same period, climbing up to 11.29%, a 28 percent increase over the first quarter of 2007. Additionally, overall Cart Abandonment dropped to under 54%.

MarketLive Performance Index - Average (All Sites)

Key Metrics	Q1 2007	Q2 2007	% Change
Overall Conversion Rate	3.94%	4.41%	12% ↑
Overall Engagement Rate (Visits to carts)	8.82%	11.29%	28% ↑
Overall Cart Abandonment Rate	57.88%	53.95%	-7% ↓

Source: MarketLive Performance Index Q2-2007

Online merchants continue to see success with applying best practices outlined in Volume 1 of the Performance Index to impact these key performance indicators. For a detailed guide on how to influence site performance rates, such as Conversion, Engagement, Cart Abandonment and the 1-and-Out, download a copy of the MarketLive Performance Index - Volume 1 at <http://www.marketlive.com/reportvol1>.

The primary focus of this report will be on improving customer acquisition through search engine marketing – specifically natural search and paid search. Data highlights for the second quarter 2007 include a detailed look into the effectiveness of paid search versus natural search as well as a performance breakdown of the top three search engines.

Detailed Insights into Additional Industry Segments

The MarketLive Performance Index has increased its coverage to include aggregate online retail data for two additional industry segments: Brand Manufacturers and Brick-and-Mortar Retailers.

Industry Segments Covered

Q1 2007	Q2 2007 (New Segments)
<ul style="list-style-type: none"> • Overall • Catalogers • Apparel, Footwear & Accessories • Housewares & Home Furnishings 	<ul style="list-style-type: none"> • Brand Manufacturers • Brick-and-Mortar Retailers

Overall E-Commerce Merchant Performance

MarketLive Performance Index Average (All Sites)

Conversion	Average
Overall Conversion Rate	4.41%

Abandonment	Average
Overall Cart Abandonment Rate	53.95%
Checkout Abandonment Rate	46.82%

Revenue	Average
Average Order Size	\$128.24
Revenue Per Visit	\$5.55

Engagement	Average
Engagement Rate (Visits-to-Carts)	11.29%
"1-and-out" - % of all visits*	34.52%
Homepage "1-and-out"- as a % of all visits	7.64
Pages Per Visit	12.37
Time Per Visit (Minutes)	7.04
% of Sites with Reviews	31%

Customer Acquisition	Average Traffic
Bookmarked/Typed	32.96%
Other	38.97%
All Search Engines	28.05%

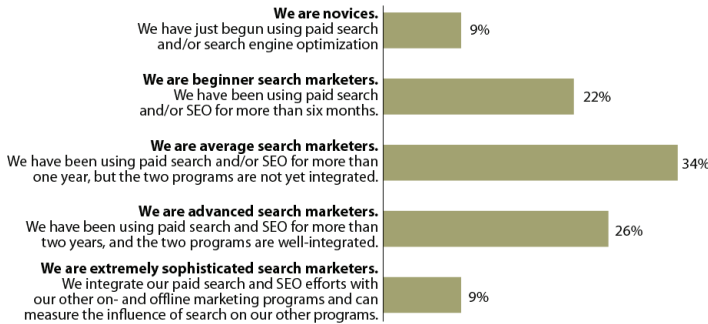
Source: MarketLive Performance Index Q2-2007

* "1-and-out" measures the number of single-page visits to the site

The only drop in performance was an increase in the “1-and-out” rate, or the percentage of unproductive site visits where the shopper visits only one page and immediately bounces away before engaging or purchasing. A major cause of 1-and-out visits is an increase in sub-par Search Engine Marketing; paid search results that don’t deliver on the promise of the ad or natural search links that lead to less than optimal landing pages.

Although cause for caution, the increase in 1-and-out visits is understandable and will likely continue to trend upwards as merchants increase their SEM budgets going into the Fall and Holiday seasons. Even as online merchants continue to rely on SEM, a surprising 65% of online marketers rate themselves as only average, beginner or novice search marketers.

“Which of the following best describes the level of your company’s expertise with search marketing?”



Base: 193 marketers currently using or piloting search marketing

Source: Forrester’s Q4 2006 Marketing Benchmark Online Survey

Therefore, we will use Q2 Performance Index data to shed light on what you can do to improve your SEM initiatives. The recommendations that follow are directly based upon the performance trends we uncovered and are calculated to not only give you the greatest strategic advantage but to be practical and executable in time to make a real impact on 2007 sales.

Search Marketing Picks up Momentum

In the second quarter of 2007, merchants continued their dependence on search engine marketing, from both pay-per-click ads and “natural” search placement, to drive qualified and consistent traffic to their sites. MarketLive Performance Index data shows that search engines can drive on average 28% of site traffic and up to a high of 36% for some merchant types. Clearly Search Engine Marketing (SEM) should be at the top of the “to-do” list for many online marketers. But optimizing sites for natural search and bidding for popular keywords can be expensive propositions, in terms of human resources and ad dollars. As search engine marketing continues to gain in complexity, use the following benchmarks and best practices to help guide your search efforts.

MarketLive Performance Index Average (All Sites)

Customer Acquisition	Q1 2007	Q2 2007	% Change
Bookmarked/Typed	31.71%	32.96%	4% ↑
Other	43.15%	38.97%	-10% ↓
All Search Engines	25.13%	28.05%	12% ↑

Source: MarketLive Performance Index Q2-2007

Q2-07 Data Highlight:

- Overall traffic from search engines increased to 28.05%, a 12 percent gain versus the prior quarter

Google Widens the search Gap

We took a look at the top three search providers and compiled merchant data over four criteria: traffic, overall percentage of sales, conversion rate and customer loyalty.

Top 10 Search Providers by Searches July 2007

Provider	Searches (000)	Share of Total Searches
Google	4,143,752	53.3%
Yahoo	1,559,745	20.1%
MSN/Windows Live	1,057,064	13.6%
AOL	407,988	5.2%
Ask.com	143,513	1.8%
MyWeb Search	69,145	0.9%
Bell South	40,374	0.5%
Comcast	37,311	0.5%
Dogpile	25,675	0.3%
MyWay	24,534	0.3%
Other	264,073	3.4%
All Search	7,773,174	100%

Source: Nielsen//NetRatings, 2007

Perhaps not surprisingly, Google is the runaway search engine winner when it comes to driving site traffic. More than 23% of all traffic to merchant sites came through Google, which overall commands a 53% share of total searches conducted on the Internet, according to Nielsen//NetRatings.

Because it drives so many site visits, Google is also responsible for the largest percentage of search engine revenue: nearly 14% of all sites' revenue, compared with 3.25% and 1.87% for Yahoo and MSN, respectively. But for conversion, it's MSN that delivers the highest quotient of visits that result in sales. Whereas Google's search traffic is comparable to casting a wide net and attracting large numbers of clicks, MSN might be compared to fishing with a line in a small pool of qualified buyers.

MarketLive Performance Index - Average (All Sites)

Customer Acquisition	Effectiveness by Search Engine		
	Search Engine	% of overall site traffic	% of overall site revenue
Google	23.68%	13.98%	3.04%
Yahoo!	6.20%	3.25%	3.28%
MSN	2.53%	1.87%	4.61%

Source: MarketLive Performance Index Q2-2007

Q2-07 Data Highlights:

- Google delivers over 23% of overall traffic to e-commerce sites – highest among top three search providers
- Google generates approximately 14% of overall revenue for e-commerce sites – highest among top three search providers
- MSN achieves highest conversion rate of top three search engines, at 4.61%

Search Engines and Customer Loyalty

There was also a clear difference among the top three search engines with regard to the level of customer loyalty and lifetime value. In general, search engines tend to drive a significant number of first time customers. However, MSN again delivered a much higher percent of customers that were considered Return or Loyal Customers compared to either Google or Yahoo.

MarketLive Performance Index Average (All Sites)

Customer Loyalty*	Percent of Overall Orders			
	Non Search Traffic	Google	Yahoo!	MSN
New Customers (1 ST time purchase)	82.02%	88.46%	86.97%	85.41%
Return Customers (2-3 purchases)	10.83%	7.85%	8.58%	9.48%
Loyal Customers (4+ purchases)	7.15%	3.69%	4.46%	5.11%

Source: MarketLive Performance Index Q2-2007

*Tracked from the time when the tracking cookie was first initiated

Q2-07 Data Highlights:

- Search engines drive a significant number of first time customers compared to non-search traffic
- Google delivers highest percent of first time customers among top three search engines
- Among top three search engines, MSN provides a greater percent of return and loyal customers – leading to a longer lifetime value for merchants
 - Compared to Google, MSN delivers 21% higher return customers and 38% more loyal customers

PERFORMANCE TACTIC #1:

Look beyond Google.

Place a higher consideration on MSN when budgeting dollars and resources for search engine marketing; not only is competition for keywords less strenuous, but the return on investment and lifetime value is likely to be higher as well.

Natural Search versus Paid Search

We also compared the overall performance of paid search versus natural search and found that merchants are finally starting to benefit from their investments in Search Engine Optimization. Natural search results are now driving a higher percentage of both traffic and revenue to e-commerce sites versus paid search – by approximately 2 percentage points. But paid search delivered substantially higher conversion, with 16% more visitors who clicked on paid links converting to buyers. With an overall conversion rate of 2.93%, paid search remains a powerful tool in online merchants' marketing arsenals.

MarketLive Performance Index Average (All Sites)

Search Engine Mktg.	Paid Search	Natural Search	% Difference
% of Traffic	17.00%	19.00%	Natural Search +12% ↑
% of Revenue	13.97%	15.36%	Natural Search +10% ↑
Conversion Rate	2.93%	2.52%	Paid Search +16% ↑

Source: MarketLive Performance Index Q2-2007

Q2-07 Data Highlights:

- Natural Search engines drive a higher percent of traffic and revenue versus paid search
- On average, Paid Search delivers a conversion rate of 2.93%, a 16 percent increase over natural search

PERFORMANCE TACTIC #2:

Co-dependency is Critical.

Utilize Paid Search as a means of testing keyword effectiveness to deliver high ROI for organic/natural search.

Best Practices for Search Engine Marketing

Data from the MarketLive Performance Index shows the dramatic difference in search engine marketing effectiveness between top and bottom performers. Following are some best practices learned from our top search performers that you can put in place within a few weeks to increase the effectiveness of your search marketing initiatives.

MarketLive Performance Index Average

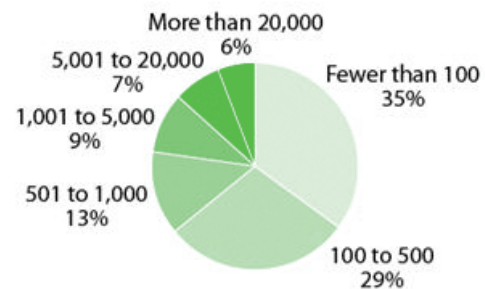
	Top Performers	Bottom Performers	% Difference
Overall Search Conversion	9.03%	0.28%	3162%
Natural Search Conversion	4.62%	0.72%	542%
Paid Search Conversion	5.51%	0.43%	1171%

Source: MarketLive Performance Index Q2-2007

Keyword Development

Whether your primary focus is paid or natural search, establishing the right set of keywords that deliver a high return while continually growing your keyword list is critical. According to Forrester Research, although search marketing is well penetrated, 64% of current search marketers manage a tiny volume of keywords – fewer than 500. As Forrester states, “Five hundred words is the vocabulary of a three-year-old...adding keywords beyond the most popular ones taps into search marketing’s ‘long tail,’ that is, the thousands of low-cost keywords that generate few searches independently, but collectively represent a large audience.”

“How many keywords are you managing with your paid search marketing efforts today?”



Base: 190 marketers currently or planning to use search marketing (percentages do not total 100 because of rounding)

Source: Forrester’s Q4 2006 Marketing Benchmark Online Survey

PERFORMANCE TACTIC #3:

Grow your Keyword List.

- **Make sure your list covers the three main types of keywords.**

- o Generic Keywords – The most basic words used to describe a product or service category, such as “digital camera” and “diaper bag.”
- o Descriptive Keyword Phrases – Generic keywords modified with adjectives to narrow their focus, such as “two mega-pixel digital camera” and “designer diaper bag.”
- o Targeted Keywords – Keywords that apply to one and only one product or service, such as “Coolpix 2100” and “Fanci-Free All-in-One Diaper Bag.”

- **Practice the art of word stemming.**

- o “Stemming involves the interchanging of singular and plural forms of a keyword or the derivation of a verb from the gerund form (the “-ing” word). For example, if “educate” was part of a keyword phrase, “educated”, “educates”, “education” and “educating” should also be considered.”

• **Think locally.**

- o “If your business depends on a certain location, then by all means try stemming with the location’s name. For example La Jolla surfboards, Southern California surfboards, etc.”

• **Consider outsourcing your keyword research program or investing in keyword software assistance.**

Beyond using the free keyword suggestion tools offered through Google and Yahoo’s paid search program, below are two of the more popular keyword building software programs which you can purchase.

- o Word Tracker: <http://www.wordtracker.com/>
- o Keyword Discovery: <http://www.keyworddiscovery.com/>

Search Engine Optimization for Natural/Organic Search

Natural search results are those search listings that cannot be influenced by payment to the search engine company. They typically appear on the left or in the center search result area. Approximately 80 percent of clicks on search engines are clicks on organic search results; of those, 90 percent occur on the first page of the results and over 40 percent of those are on the first result. This means being among the top results for an organic search is critical to driving new traffic to your e-commerce site.



Natural/Organic Search Results

Paid Search Results

Visibility

In order for a page or site to rank in search engine results, the search engines have to know about the site. Search engines use spiders (also known as “crawlers” or “bots”) to automatically browse the web. These spiders follow links and create a copy of the pages they visit for later processing by the search engine. This process is called “indexing.”

Once a search engine has found your site, it must also be able to reach the pages on your site in order for them to be indexed. This can be accomplished by effective internal linking strategies as well as by providing a search engine sitemap using the Sitemap protocol supported by Google, Yahoo and MSN.

PERFORMANCE TACTIC #4: Implement Search Engine Sitemaps to Aid with Visibility.

A search engine sitemap is much like a typical sitemap in that it provides links to all the pages in a site. Search engine sitemaps, however, also include supplemental data for crawlers about those pages. This data provides hints to crawlers that may help them do a better job of crawling your site. Using the sitemaps does not guarantee that web pages are included in search results. Visit <http://sitemap.org> to learn more about the sitemap protocol.

By making sure your site is visible to the search engines, you make it possible for pages from your site to be indexed and returned in search engine results. Where those pages rank in results is influenced by the quality and relevance of those pages.

Quality

The quality of a page is affected by the links to and from the page, the information density of the content on the page and the uniqueness of the page. A site’s overall quality is determined by the quality of its individual pages.

PERFORMANCE TACTIC #5: Increase the Popularity of Pages with a Solid Linking Strategy.

Search engine algorithms, the most famous of which is the Google PageRank algorithm, treat links as “votes” for pages. The more links to a page from other pages both within a site and in the wider web, the more “popular” it is – and the more popular a page is, the more its votes count. Hence the quality of pages and thus of a site is significantly influenced by their inbound and outbound links.

Search Engine Optimization (SEO) refers to the techniques and process for improving your ranking in search results. The primary factors that can improve your ranking and click through can be grouped into three key categories: visibility, quality and relevance.

- **Inbound Links from the Web**

The more inbound, external links a site has from reputable sites, the higher its popularity and corresponding placement in search engine results. Conversely, links from disreputable sites such as link spammers can negatively impact the ranking of a site and its pages if they constitute the bulk of inbound links. Steadily building inbound link quality through valid link exchanges, affiliate marketing programs and public relations (press releases) is the hallmark of a quality site.

- **Outbound Links to the Web**

Outbound, external links also have an impact on site quality. Avoid linking to sites that have low quality content or are “bad neighbors” – sites with a reputation for link-spamming, keyword stuffing or other blacklisted techniques. If you need to link to a site that is in a bad neighborhood, use the “rel=nofollow” tag in the link.

`This is a bad site`

- **Links within Your Site**

Your site's internal link structure determines the popularity of pages within your site. The more links to a page from other pages on your site, the more votes you are giving it. Standard information architecture and navigation structures are designed to give more link priority to your homepage and top level gateways. You can affect the search engine ranking of pages within your site by linking to them from the homepage and gateway category pages.

Optimization Tip:

Optimize your site for holiday keywords and start building your home page promotional links by no later than the second week in October. Plan on keeping those links up through the end of the year. This should give the search engines time to find your site, index it, and start generating quality traffic.

For a shopper to consider your page informative she needs only to see what she's looking for on the screen, but a search engine spider is much more limited. Spiders only “see” the page source—not images or flash movies or links embedded in javascript. Furthermore, because sites have abused meta data fields, search engine spiders give priority to text in the source that can reliably be rendered in the browser, that is, text that the shopper can see and will want to read (sentences, not link lists). For this reason, a quality page will, in general, avoid using images in place of text and will use descriptive text that reads naturally as in the example below.

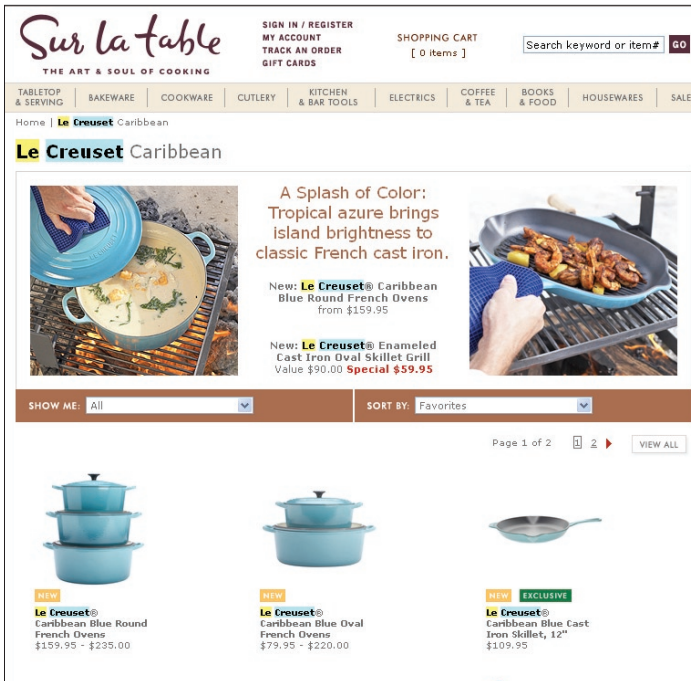


Optimization Tip:

Product directory pages are a frequently missed opportunity for providing relevant, high-quality content. If you don't already have descriptive text on directory pages, consider adding text to provide customers and the search engines with context for the list of products. Above, right is an example of an optimized directory page from a MarketLive Top Performer.

PERFORMANCE TACTIC #6: Develop High Quality Content.

Quality content is informative and unique. In general, if you have a site that is easy for shoppers to navigate and use and that is full of products and information that they want, then it will be a good site for search engine spiders too. However search engine spiders have some limitations that your shoppers don't, so you should consider these limitations when creating pages for your site.



Similarly, for directory pages, it's possible to include sorting and filtering links that are good for shoppers but bad for search engine optimization. While a default of "new arrivals" will help spiders find new products faster, links to the same list of products sorted by price or alphabetically will result in very similar pages and dilute the overall rank of the directory page. For this reason, you should keep sorting within javascript, but if you choose to change this behavior or add filtering, think carefully about which versions of a directory page make sense based on your product set.

In general some duplicate links are fine, but you should avoid practices that create duplicates for a majority of your pages; for example changing URL values frequently will create a wide array of duplicates. If you do need to change high-value URLs, use a 301 redirect to pass the old link popularity on to the new one.

Relevance

Search engines return results for the queries their users enter. Relevance is the degree to which your pages contain the information that users are looking for. You know what people are looking for, because you understand your customers. You can use SEO to reinforce your paid keywords and make your pages more findable.

PERFORMANCE TACTIC #7:

Stress Uniqueness.

The more unique the user-content of your page, the more likely it is to rank well. If two pages contain the same or very similar content but can be reached by different URLs then the value of that content is split between the two URLs.

- **Making your content unique**

Where does your content come from? If your product page uses descriptions provided by the manufacturer, consider taking the time to craft a description that is targeted to your audience; otherwise your page may be duplicating every other seller's page for the product. Even if that information is highly relevant, it will not rank as well as the same information re-written for a specific audience. When considering the uniqueness of content keep in mind the page title for the product gateway and directory as well as the text on the page.

- **Avoiding multiple links to the same content**

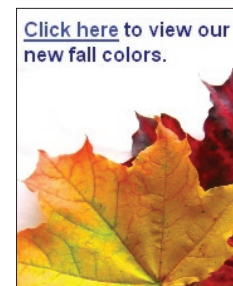
Well merchandised e-commerce sites typically have a high number of duplicate pages. For example, if a lunchbox is in a "back to school" category and in a "food storage" category, this results in two possible links that go to product pages that are nearly identical except for breadcrumb and navigation variations.

PERFORMANCE TACTIC #8:

Establish Link Relevance – Don't "Click Here".

Among the most important relevance factors is the anchor text you use for links. Anchor text is weighted highly by search engines, because in addition to being indexed as part of the page content, the linked text is assumed to be relevant to the destination page. Links surrounded by text are generally assumed to be of higher relevance than isolated links such as navigation links.

When adding your own text links within merchandising or other content areas, it's good to keep in mind that "click here" is a wasted opportunity. For example, both of these messages convey the same information, but only one will contribute to the relevance of the linked page:



PERFORMANCE TACTIC #9: Establish Content Relevance.

URLs, title tags, your meta-description tag and visible text (especially link text) are all opportunities both to provide relevant keywords for ranking purposes and improve click-through on search engine results pages.

• Title Tags are #1

If you have limited resources to dedicate to SEO relevance, use them to make sure that your most important pages' titles contain relevant keywords. The use of relevant keywords in the title tag was rated as the most important search engine ranking tactic by a panel of 37 SEO experts.

• URLs

URLs are a frequently missed opportunity to improve relevance. Many systems use IDs and long query strings to link to products. A natural language URL not only improves relevance to search engines, but when viewed on a search results page, can catch the shopper's eye.

<http://www.store.com/product/back-to-school/lunchboxes/spaceman-lunchbox.do>

• Visible Text

In general, if you write for your shoppers, your text will be search engine friendly. Search engines are attempting to find content for humans and humans prefer paragraphs and sentences to lists of keywords. Make your on-page copy informative and unique and be sure to repeat the keywords in your page title but resist the urge to "keyword stuff."

- o Additional places to optimize: Page Headers, Breadcrumb Navigation, Product Cross-sells.
- o Consider developing highly focused SEO Content Landing Pages with keyword-driven content for top-performing products and categories (e.g. Buyer's Guide).

• Meta-description

Some SEO experts claim that meta-description tags don't matter anymore. While it's true that they won't affect your ranking and may not be used in their entirety, don't miss this opportunity to improve click through with appealing text.

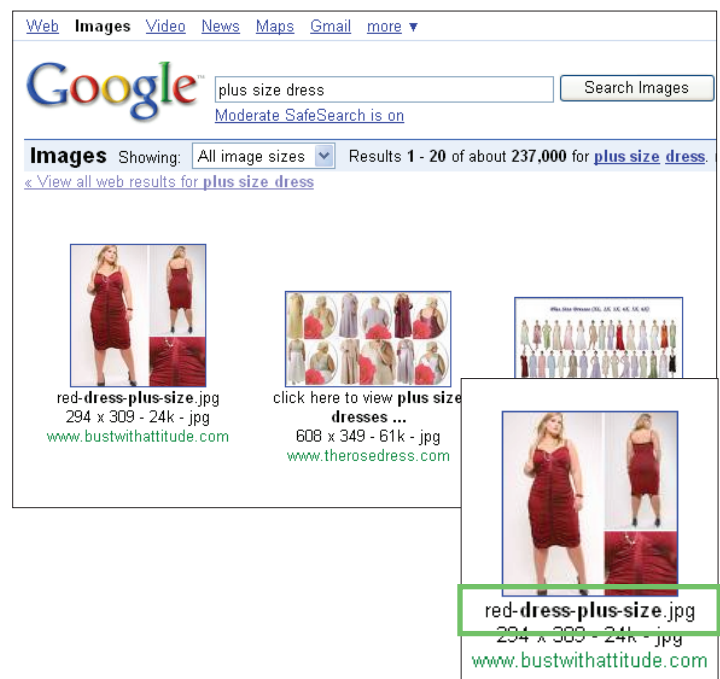
PERFORMANCE TACTIC #10: Leverage Other Site Assets.

• User Generated Content (Customer Reviews)

- o Customer Reviews published by vendors such as Bazaarvoice are an effective word of mouth marketing method and can provide substantial natural search traffic. By intelligently publishing ratings and reviews in a search engine friendly manner, marketers can reach a broader set of searchers who are close to the point of sale, educated about the product being offered, and ready to buy.
- o According to Nielsen BuzzMetrics, 26% of search results link to consumer generated content.
- o According to data from Bazaarvoice, "Referrals from ratings and reviews content generate 97% more revenue per referral than referrals from natural search engines to product pages."

• Optimize your web site images for Google Image Search.

- o Name your Images using descriptive keyword titles

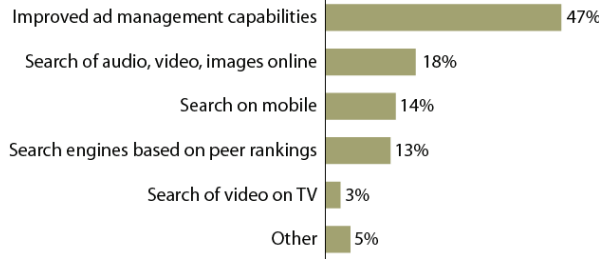


- o Don't forget about the "Alt Tags": reinforce keywords in the image's alternative description

• Be prepared for the next search wave: Video and Mobile Search

- o Search marketers are already anticipating and prioritizing around new search mechanisms

Ad management dominates search marketer priorities
Most important changes for search in 2007



Base: 173 marketers currently using or piloting search marketing

Source: Forrester's Q4 2006 Marketing Benchmark Online Survey

• Don't forget RSS feeds

It's one of the simplest and most effective ways to add SEO value to your site. RSS feeds keep your content fresh; they also increase the amount of optimized on-site content while helping the publisher reach new and niche markets.

- o Use full feeds, not partial feeds
- o Use multiple feeds, organized by category, including latest comments by post.
- o Include compelling site description.
- o Don't put tracking codes in URLs.

Paid Search Optimization

In addition to stepping up optimization efforts for natural search ranking, now is the time to fine-tune your paid search campaigns. It's more crucial than ever to do so; while consumers click on paid search links much more frequently than flashing banners and other forms of online advertising, they recognize that the popularity of paid search may be diminishing its effectiveness. More than half of consumers believe there are more paid search ads than ever, 18% believe the ads are less relevant than a year ago – and a full 36% now report they don't trust paid search advertising.

Attitudes toward search results vary slightly by frequency of use

	Use search engine(s) . . .*			All North American online consumers
	Occasionally	Moderately	Frequently	
I often click on the ads that appear next to the results	10%	11%	13%	10%
I often find the ads just as relevant as the search results	11%	12%	14%	11%
I don't pay attention to the ads that appear around search results	62%	63%	62%	59%
I don't trust search engine ads	38%	38%	38%	36%
When I see a search ad featuring a brand I recognize, I think more highly of that brand	13%	13%	15%	12%
There seem to be more ads on search engines now compared with last year	54%	56%	59%	51%
Search engine ads are less relevant now compared with last year	19%	19%	20%	18%

! More frequent searchers respond to paid search ads but believe ad volumes are up and relevance is down

*Note: "Occasionally" refers to consumers who report using search engines once a month to several times a month. "Moderately" refers to consumers who report using search engines once a week to several times a week. "Frequently" refers to consumers who report using search engines daily.

Base: North American online consumers

Source: Forrester's North American Consumer Technology Adoption Study Q2 2006 Automotive, Customer Experience, And Government Online Survey

To combat this growing distrust, employ the following tactics for delivering accurate, engaging and relevant search ads that motivate clicks to your site:

PERFORMANCE TACTIC #11: Motivate the Click.

The majority of search marketers already adhere to the basic paid search guidelines of reinforcing the keyword in the ad title and within the ad copy. However, most merchants create their paid search ads in isolation. For optimal results, confirm that your ad copy is compelling and stands out in relation to other merchant ads vying for the same keyword and click.

Sponsored Links

[MBT by Swiss Masai](#)
MBT at Tip Top Shoes Free Shipping
 Masai Barefoot Technology or **mBT**
www.tiptopshoes.com

[MBT Sport & Walking Shoes](#)
Breakthrough flab-fighting footwear that brings fitness to a new level.
www.BlissWorld.com

[MBT Shoes N.Y.C](#)
No Tax-Free Shipping-All 50 States
Money Back Guarantee-All Styles
www.shermanshoes.com

[MBT Shoes - MP3 Blowout](#)
Free MP3 Player with MBT Shoes.
Free Shipping. Great Selection.
BodyTrends.Com/MBT_Shoes

[MBT Shoes - 30 S](#)
Fast Free Shipping. G
Toll Free 1-866-872-23
www.superiorshoes.net

Ad copy that stresses the product benefit encourages fitness shoppers to engage.

PERFORMANCE TACTIC #12: Fulfill the Ad Promise.

Regardless of the search engine, tailor site content to match ad copy, and make sure expectations or promises set by the ad are obviously met on the landing page. You will lose shoppers if they do not immediately see a strong connection from the ad to the landing page.

PERFORMANCE TACTIC #13: Invest in Quality Landing Pages.

Landing pages can always be improved, and you need to test them continuously if you expect to make the most of your paid search marketing efforts. Your landing page often provides the shopper with their first impression of your site, frequently serving as an introduction to your company or products. Even existing customers may not fully understand the depth and breadth of your assortment or expansion into various categories or styles. This is your chance to make a big splash, and grab and keep their attention. And, since the page they click to may be deep within the site, it's important to bring brand positioning and promotions to the fore whenever possible. An optimal landing page will address the following:

- **Click continuity:** marry landing pages to search terms, banner ad messaging and imaging.
- **Brand reinforcement:** this is your opportunity to tell or remind the shopper who you are and why they should buy. Showcase your brand and offer.
- **Merchandising opportunities:** carefully craft your product presentation so it is appealing and easy to see that you offer what they want. Hit them fast with stuff they want, and show items in a way that makes them want to buy them.

PERFORMANCE TACTIC #14: Adopt Bid Management Tools Immediately.

According to Forrester Research, "Bid management is a common term among search marketers. Yet the use of bid management tools is foreign to more than one-third of search marketers, who still manage their paid search programs with Excel spreadsheets or similar internal tools." As paid search management becomes more complex, simple bid management tools provide three essential capabilities:

- **Keyword development**
- **Bid management & execution**
- **Reporting**

Conclusion

We have seen increasing numbers of our clients using Performance Index data to benchmark themselves against others in their sectors. They are also applying the best practices recommended for improving conversion, visit-to-cart ratio, and other key measurements. We anticipate further incremental improvement once we tally data from Q3 2007. The big trend to watch will be 1-and-out ratios, as merchants work on improving their Search Engine Marketing. Though the effect of the SEM best practices recommended in this report may not manifest itself until Q4 data is tallied, we think retailers will nonetheless be pleased with the

results considering how important Q4 is likely to be to them. As Forrester Research stated in a recent report, "Stop flirting with search and make a commitment."

Looking ahead, we expect to see the trend of improvement continue among the companies in the MarketLive Performance Index. We will continue to grow and refine the Index, working with our clients to add new measurements and watch new trends in the vast quantity of visitor data they generate. Visit the MarketLive website at www.marketlive.com for news on future volumes of this report.

Appendix I

Analytics Methodology for the MarketLive Performance Index

MarketLive Performance Index data is collected as follows:

- **MarketLive Performance Index data is collected quarterly.**
- **MarketLive Performance Index data is reported as aggregate data**
- **All MarketLive Index merchants use the Omniture® SiteCatalyst® analytics package.** SiteCatalyst reporting uses the following methods:
 - o Javascript tags, called beacons, are inserted into each page of a merchant website. When a customer visits a page on the site, the beacon makes the appropriate log into SiteCatalyst to ensure that the vital statistics are collected for analysis.
 - o The beacons are used in conjunction with cookies placed on visitors' browsers, and/or virtual or regular cookies hosted via Omniture, to derive performance metrics.
 - o Merchants can specify IP addresses to exclude for sites that access their pages for monitoring and other purposes to avoid inflating the reported page view and session numbers.
- **Specific metrics include:**
 - o Unique Visit reporting measures the number of individuals who visit the site for the first time within a certain time period. Omniture uses a variety of technologies to measure a unique visit—persistent cookies, IP addresses, user agent strings, or a combination thereof. The Unique Visit report provides a total for unique visitors with persistent cookies, along with an estimated total for additional unique visitors without persistent cookies.
 - o Visit reporting measures the number of site visits by a calculation on the unique visitor cookie (placed on the visitor's browser), the page views by that visitor, and the visitor timeout period. If the visitor does not have persistent cookies, they are not included in the Visit report. Visits expire after 30 minutes of inactivity. Because Omniture Visit reporting relies on the persistent cookie, a percentage of visits is not captured by Omniture in the Visit report.
 - o Return Visit reporting tracks visits to the site beyond the user's initial visit. Return visits are tracked through a virtual cookie kept at Omniture and through different technology from the Unique Visit or Visit reports. All visitors are displayed in the report—regardless of whether or not they have persistent cookies. This report includes anyone who has been to the site more than once since the site started using Omniture, starting with the second time they visited the site.

Appendix II

MarketLive Performance Index: Detailed Charts

The following charts represent data from the MarketLive Performance Index, broken down according to industry and business type. Further categories will be added as appropriate as the Index grows.

MarketLive Performance Index - Overall (Average All Sites) - Q2 2007

A. Comparison Data

Metric	Q1 2007	Q2 2007	% Change
Overall Conversion Rate	3.94%	4.41%	11.93% ↑
Overall Cart Abandonment Rate	57.88%	53.95%	-6.79% ↓
"1-and-out" - % of all visits	32.94%	34.52%	4.80% ↑
Visits to Carts	8.82%	11.29%	28.00% ↑

B. Detailed Data

Conversion	Avg.
Overall Conversion Rate	4.41%

Abandonment	Avg.
Overall Cart Abandonment Rate	53.95%
Checkout Abandonment Rate	46.82%

Revenue	Avg.
Average Order Size	\$128.24
Revenue Per Visit	\$5.55

Engagement	Avg.
Engagement Rate (Visits-to-Carts)	11.29%
"1-and-out" - % of all Visits*	34.52%
Homepage "1-and-out" - % of all Visits	7.64%
Pages Per Visit	12.37
Time Per Visit (mins.)	7.04
% of Sites with Reviews	31%

Customer Acquisition	Avg. Traffic
Bookmarked/Typed	32.96%
Other	38.97%
All Search Engines	28.05%

Search Engine Detailed Data (Select Merchant Sites)	% of Overall Traffic	% of Overall Revenue	Avg. Conversion
Google	23.68%	13.98%	3.04%
Yahoo!	6.20%	3.25%	3.28%
MSN	2.53%	1.87%	4.61%
Other Search Engines	3.79%	1.56%	2.82%
All Paid Search	17.00%	13.97%	2.93%
All Natural Search	19.00%	15.36%	2.52%

Source: MarketLive Performance Index Q2-2007

**"1-and-out" measures the number of single-page visits to the site

MarketLive Performance Index - Catalogers - Q2 2007

A. Comparison Data

Metric	Q1 2007	Q2 2007	% Change
Overall Conversion Rate	5.44%	6.22%	14.34% ↑
Overall Cart Abandonment Rate	50.47%	53.06%	5.13% ↑
"1-and-out" - % of all visits	33.11%	34.55%	4.35% ↑
Visits to Carts	10.86%	11.76%	8.29% ↑

B. Detailed Data

Conversion	Avg.
Overall Conversion Rate	6.22%

Abandonment	Avg.
Overall Cart Abandonment Rate	53.06%
Checkout Abandonment Rate	43.09%

Revenue	Avg.
Average Order Size	\$135.40
Revenue Per Visit	\$8.27

Engagement	Avg.
Engagement Rate (Visits-to-Carts)	11.76%
"1-and-out" - % of all Visits*	34.55%
Homepage "1-and-out" - % of all Visits	7.46%
Pages Per Visit	13.59
Time Per Visit (mins.)	7.52
% of Sites with Reviews	17%

Customer Acquisition	Avg. Traffic
Bookmarked/Typed	37.03%
Other	40.86%
All Search Engines	22.07%

Search Engine Detailed Data (Select Merchant Sites)	% of Overall Traffic	% of Overall Revenue	Avg. Conversion
Google	17.53%	11.68%	4.91%
Yahoo!	5.28%	2.97%	4.86%
MSN	1.92%	1.95%	7.55%
Other Search Engines	2.86%	1.48%	5.08%
All Paid Search	12.56%	9.04%	4.34%
All Natural Search	13.88%	9.38%	3.84%

Source: MarketLive Performance Index Q2-2007

**"1-and-out" measures the number of single-page visits to the site

MarketLive Performance Index - Brick and Mortar Retailers - Q2 2007

A. Comparison Data

N/A - This is a new category for Q2 2007

B. Detailed Data

Conversion	Avg.
Overall Conversion Rate	2.05%

Abandonment	Avg.
Overall Cart Abandonment Rate	67.79%
Checkout Abandonment Rate	53.35%

Revenue	Avg.
Average Order Size	\$100.69
Revenue Per Visit	\$2.26

Engagement	Avg.
Engagement Rate (Visits-to-Carts)	5.99%
"1-and-out" - % of all Visits*	33.67%
Homepage "1-and-out" - % of all Visits	9.49%
Pages Per Visit	10.83
Time Per Visit (mins.)	6.49
% of Sites with Reviews	20%

Customer Acquisition	Avg. Traffic
Bookmarked/Typed	28.79%
Other	37.38%
All Search Engines	33.85%

Search Engine Detailed Data (Select Merchant Sites)	% of Overall Traffic	% of Overall Revenue	Avg. Conversion
Google	30.61%	17.79%	1.19%
Yahoo!	6.91%	3.69%	1.22%
MSN	2.22%	1.68%	1.38%
Other Search Engines	4.60%	1.81%	0.85%
All Paid Search	12.21%	5.07%	0.67%
All Natural Search	20.53%	11.66%	1.00%

Source: MarketLive Performance Index Q2-2007

*"1-and-out" measures the number of single-page visits to the site

MarketLive Performance Index - Brand Manufacturers - Q2 2007

A. Comparison Data

N/A - This is a new category for Q2 2007

B. Detailed Data

Conversion	Avg.
Overall Conversion Rate	4.01%

Abandonment	Avg.
Overall Cart Abandonment Rate	36.45%
Checkout Abandonment Rate	45.13%

Revenue	Avg.
Average Order Size	\$98.69
Revenue Per Visit	\$3.87

Engagement	Avg.
Engagement Rate (Visits-to-Carts)	8.06%
"1-and-out" - % of all Visits*	34.13%
Homepage "1-and-out" - % of all Visits	7.44%
Pages Per Visit	12.33
Time Per Visit (mins.)	6.4
% of Sites with Reviews	54%

Customer Acquisition	Avg. Traffic
Bookmarked/Typed	37.28%
Other	26.85%
All Search Engines	35.87%

Search Engine Detailed Data (Select Merchant Sites)	% of Overall Traffic	% of Overall Revenue	Avg. Conversion
Google	29.36%	16.26%	2.37%
Yahoo!	7.22%	3.70%	3.56%
MSN	3.01%	2.03%	4.24%
Other Search Engines	4.60%	1.71%	1.80%
All Paid Search	21.21%	11.66%	1.60%
All Natural Search	29.89%	15.90%	1.38%

Source: MarketLive Performance Index Q2-2007

*"1-and-out" measures the number of single-page visits to the site

MarketLive Performance Index - Apparel, Footwear, Accessories - Q2 2007

A. Comparison Data

Metric	Q1 2007	Q2 2007	% Change
Overall Conversion Rate	5.00%	5.92%	18.40% ↑
Overall Cart Abandonment Rate	56.06%	53.25%	-5.01% ↓
"1-and-out" - % of all visits	30.91%	31.48%	1.84% ↑
Visits to Carts	10.63%	11.76%	10.63% ↑

B. Detailed Data

Conversion	Avg.
Overall Conversion Rate	5.92%

Abandonment	Avg.
Overall Cart Abandonment Rate	53.25%
Checkout Abandonment Rate	43.35%

Revenue	Avg.
Average Order Size	\$124.95
Revenue Per Visit	\$7.17

Engagement	Avg.
Engagement Rate (Visits-to-Carts)	11.76%
"1-and-out" - % of all Visits*	31.48%
Homepage "1-and-out" - % of all Visits	6.50%
Pages Per Visit	14.69
Time Per Visit (mins.)	7.34
% of Sites with Reviews	28%

Customer Acquisition	Avg. Traffic
Bookmarked/Typed	39.54%
Other	31.98%
All Search Engines	28.47%

Search Engine Detailed Data (Select Merchant Sites)	% of Overall Traffic	% of Overall Revenue	Avg. Conversion
Google	20.25%	13.23%	4.19%
Yahoo!	5.48%	3.23%	4.73%
MSN	1.90%	1.94%	7.17%
Other Search Engines	3.23%	1.50%	3.58%
All Paid Search	16.15%	10.53%	2.66%
All Natural Search	20.98%	13.95%	2.98%

Source: MarketLive Performance Index Q2-2007

**"1-and-out" measures the number of single-page visits to the site

MarketLive Performance Index - Housewares & Home Furnishings - Q2 2007

A. Comparison Data

Metric	Q1 2007	Q2 2007	% Change
Overall Conversion Rate	2.91%	3.20%	9.97% ↑
Overall Cart Abandonment Rate	63.02%	60.83%	-3.48% ↓
"1-and-out" - % of all visits	35.07%	36.51%	4.11% ↑
Visits to Carts	6.84%	7.00%	2.34% ↑

B. Detailed Data

Conversion	Avg.
Overall Conversion Rate	3.20%

Abandonment	Avg.
Overall Cart Abandonment Rate	60.83%
Checkout Abandonment Rate	48.58%

Revenue	Avg.
Average Order Size	\$186.65
Revenue Per Visit	\$5.81

Engagement	Avg.
Engagement Rate (Visits-to-Carts)	36.51%
"1-and-out" - % of all Visits*	6.62%
Homepage "1-and-out" - % of all Visits	7.00%
Pages Per Visit	10.75
Time Per Visit (mins.)	6.55
% of Sites with Reviews	33%

Customer Acquisition	Avg. Traffic
Bookmarked/Typed	29.76%
Other	41.13%
All Search Engines	29.13%

Search Engine Detailed Data (Select Merchant Sites)	% of Overall Traffic	% of Overall Revenue	Avg. Conversion
Google	29.06%	15.26%	2.22%
Yahoo!	7.31%	3.47%	2.42%
MSN	3.37%	1.85%	2.43%
Other Search Engines	3.51%	1.58%	3.58%
All Paid Search	15.78%	9.03%	3.35%
All Natural Search	20.82%	12.74%	2.48%

Source: MarketLive Performance Index Q2-2007

**"1-and-out" measures the number of single-page visits to the site



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