**QUESTION 1**

A non-branded search would have an impact on the conversation in a multitude of ways. First, the search volume, and therefore competition for the search term “shoes” is much higher which would impact the organic and paid search ad placement on the SERP. We cannot expect the Bazaar shoes page to be first on the SERP as we would in a branded search. Second, many other sites would have performed SEO on the term shoes. Sites that specialize in just shoes (e.g., DSW, Zappos, and Famous Footwear) would likely rank higher on the organic search results than the Bazaar shoes page. Lastly, in a test performed on my computer I found the SERP results for shoes placed local and shop results higher than organic results.

The factors mentioned above (i.e., search volume, competition, and other SERP results) reveal that organized a paid search campaign would be an important component to the conversation. A paid search campaign would help Bazaar shoes appear higher on the SERP in both shop and paid ads. The marketing team would have to weigh the cost benefit in this situation because CPC for ad space with the keyword “shoes” will be high.

There are two important assumptions with this strategy. The first is Bazaar shoes does not show rank high in either the paid search ads or organic links. I am assuming larger and more shoe-centric brands (e.g., Nike, Adidas, DSW, Famous Footwear) will automatically populate those spots due to the brand and site strength. The second assumption is that the user is not a prior visitor to the Bazaar website. If the person was a prior visitor the Bazaar shoes page may rank higher in the “shoes” SERP results because of their previous affinity towards the Bazaar brand.

**QUESTION 2**

The critical calculations to the ROI analysis are listed below. Each one is a critical component to the overall ROI which will be compared to Bob’s calculation.

**Week 1-9 vs 10-12 Average Difference in Number of Clicks**

The article discusses a technical glitch that happened in the Google Ad campaign that results in the stopped paid ads from weeks 10 through 12. It will be important to calculate the average total clicks (organic and sponsored) for both google and Bing from weeks 1-9 and 10-12. We should expect a natural drop in the number of clicks in the later weeks of the campaign; however, Bing will serve as a control for how the campaign was expected to progress.

The rate of change difference between the Google and Bing campaigns will be used to understand the total traffic attributed to the Google ad campaign.

**Traffic from Google Ads**

The traffic from ads is a backhand calculation used to identify the traffic directly attributed to the google ad campaign. The traffic from google ads is calculated as the average google ad clicks from weeks 1-9 multiplied by the difference in the click rate between the Google and Bing campaigns from weeks 1-9 compared to weeks 10-12. This number is an input into the calculation for revenue (number of ad clicks times margin per customer arrival).

**Ad Spend**

Ad Spend is a component to the ROI calculation. In this case study the spend is calculated by cost per click (CPC) where the amount spent is dependent on the number of clicks obtained through the ad. In the case study the CPC is $0.60 – so the total ad spend will be $0.60 times the average number of sponsored ad clicks.

**Margin from Customer Arrival**

The margin from customer arrival is an important metric that encapsulates the revenue expected per customer arrival to the site. Bob correctly calculates this in the case study by taking the average probability of making a purchase times the average margin per conversion.

**Revenue**

Revenue is an input into the ROI calculation. It is calculated as the traffic from ads times the margin per customer arrival ($2.52).

**ROI**

Return on investment (ROI) is the goal of this exercise. In the case study Bob obtained an ROI of 320% which is subject to investigation. The ROI is calculated as the difference between profit and cost divided by the cost. The ROI is an indication of the performance of the ad campaign. A positive ROI shows the campaign was a success because the profit is greater than the cost. Meanwhile a negative ROI shows poor performance where the cost is greater than the profit of the campaign.

**QUESTION 3**

**Step 1:** Calculate the average total clicks from weeks 1-9 and 10-12 for Google and Bing, respectively.

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**Step 2:** Calculate the rate of change between the weeks 1-9 and weeks 10-12 for Google and Bing.

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**Step 3:** Calculate the difference in rate of change between Google and Bing to obtain the percent attributed to paid ad spend for Google in weeks 1-9.

A screenshot of a cell phone

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**Step 4:** Calculate the total traffic attributed to Google ads for weeks 1-9 as the rate of change difference between Google and Bing multiplied by the total Google clicks weeks 1-9.

views from ads

**Step 5:** Calculate the ad spend per week (cost) as the average sponsored clicks times the cost per click (CPC)

**Step 6:** Calculate the profit attributed to traffic from ads as the views from ads (Step 4) times the margin per customer arrival.

**Step 7:** Calculate the ROI as the difference between ad spend and revenue from ads divided by the ad spend.

The ROI is significantly less than Bob’s calculations and clearly shows the ad campaign has poor performance and is not beneficial for the company. The Bazaar should reconsider its use of paid search ads on branded search keywords because of this low ROI.