

# HERDIFY

## How smaller businesses can beat the retail giants with a non-branded keyword strategy...

Even during an economic downturn





As we tackle the tough economic headwinds of 2023, customer acquisition costs continue to skyrocket. And in times of crisis, businesses often cut back on marketing – an indisputable if somewhat illogical fact.

During the Great Recession, global advertising spend reduced by \$60.5 billion, according to the WARC research group, while in the first month of the Covid-19 pandemic, digital ad spend was cut by 38%.

Branded keywords are seen as an expensive way of driving clicks that would have come for free anyway, while success through non-branded keywords can be untenable for lesser-known businesses.

In “normal times”, bidding on keywords can be prohibitively expensive; right now, many brands have chosen to down paid keyword tools altogether in favour of longer-term SEO strategies.

But research carried out by Herdify’s lead data scientist Ed Barter paints a different picture.

**A research project with The Rare Tea Company has revealed that taking a more targeted approach to a non-branded keyword strategy can leverage impressive results.**

“These are the best results that we’ve seen for non-branded keywords since we started Google Ads,” says James Robinson, ecommerce manager at the Rare Tea Company.

The business’s aim is to source and supply the world’s best loose-leaf tea, directly from farmers and their tea gardens. As an independent challenger in a crowded marketplace, the Rare Tea Company was struggling to gain traction with non-branded keywords, as larger competitors made the CPC expensive and almost unsustainable.

Alongside Ed, the Rare Tea Company used Herdify’s recommendations to identify where more people were talking about their brand in the real world. This meant that the company was able to find word-of-mouth hotspots in their data and only target non-branded keywords in those geo-locations.

By concentrating spend in areas where word-of-mouth was detected, they were able to drive higher quality traffic and increase conversions. As a result, conversion rate and return on ad spend (ROAS) more than doubled, halving the cost per conversion.

In this eBook, Ed explains why businesses that maintain keyword spend may just win the 2023 marketing race.



# Branded vs. non-branded

Branded keywords for PPC campaigns include the name of a specific brand or product, for example, “Nike trainers” or “iPad Pro”. While other keywords attempt to capture intent or interest in generic categories, for example “trainers”, branded keywords attempt to capture intent in your particular brand.

Instead of trying to attract someone to your site who is browsing generally, using branded keywords attracts people who are looking for your brand or product in the first place. It’s natural then to ask why you might want to use them at all – if a customer clicks on your ad, you will pay for a visit that was coming organically anyway.

We would argue that there are several reasons for bidding on branded keywords:

## 1 | To get to the top of the search results

As a smaller brand, or one with a non-unique name, your ranking in organic search might not be good enough to appear at the top of the search results for your brand. Placing ads on your branded keywords can make sure your page is one of the first results that prospects see.

## 2 | To prevent competitors from intercepting organic traffic

There is no protection for keywords solely because they are your brand. Your competitors can bid on them, meaning that people searching for your brand have to scroll past competitors’ ads to reach your site.

Bidding against these means that your result remains nearer the top. It can also be relatively cheap for you, as presumably a lot of people searching for those words are looking for your page and therefore your ad will be judged to be very relevant.

## 3 | To tailor the copy of top results on Google

With ads, you can choose exactly what is shown in the search results. For example, you can use this space for advertising an offer you have running that might increase conversions once the visitor gets on site.

## 4 | To tailor the landing pages for people coming through search

With organic search, you have no control over which page the top Google link will point to. This could be of particular concern with branded search terms.

For example, if someone is searching for “Nike trainers” you might want to navigate directly to the trainer section of the store rather than the blog post about new trends that Google displays as the first result.

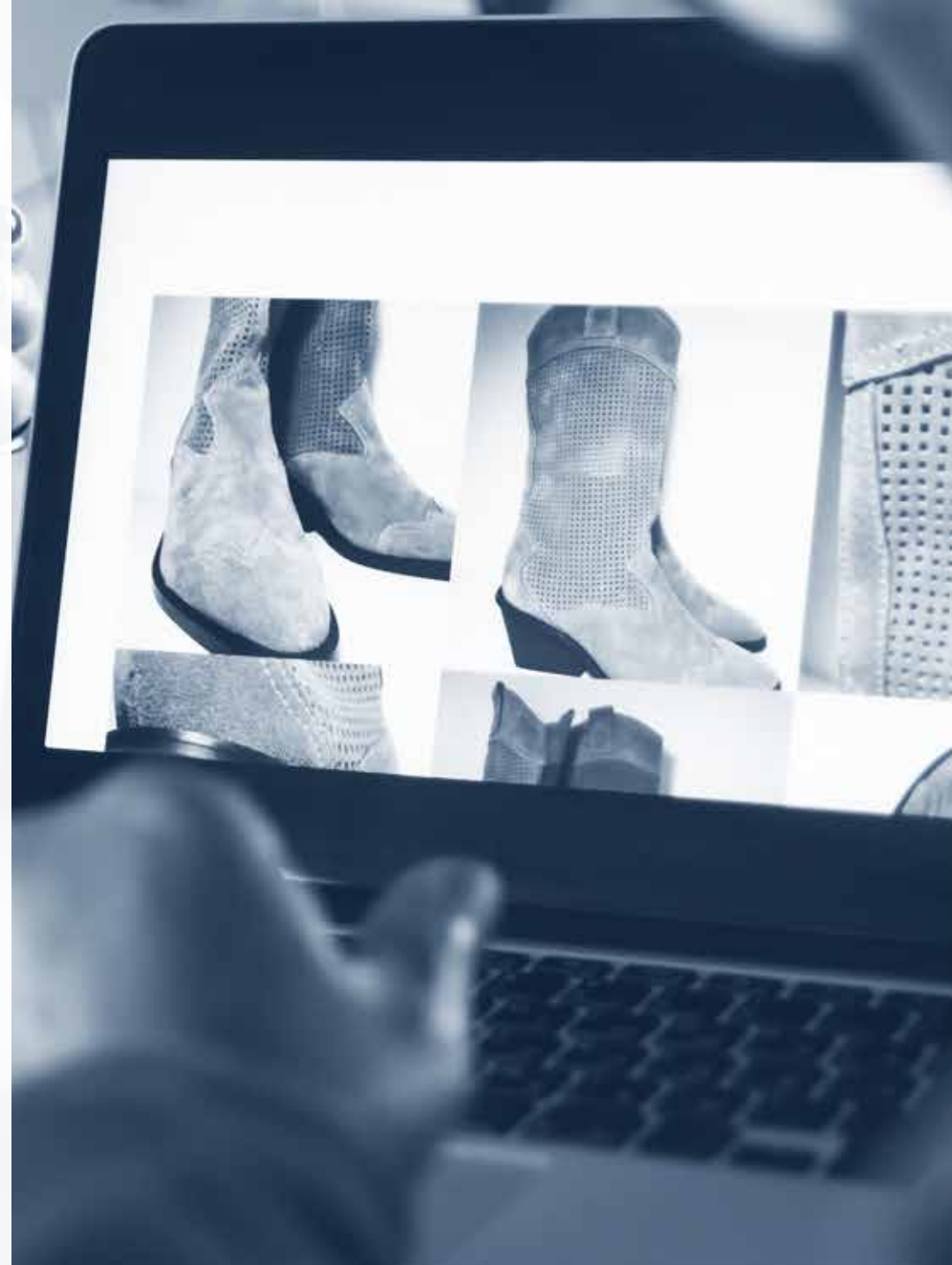
# However... “Halting brand keyword advertising resulted in no detectable drop in traffic”

In 2012, ebay conducted what is probably still the biggest experiment with branded search.

By turning off branded keyword advertising in some regions, they concluded that there was no reduction in overall traffic, and a subsequent increase in organic traffic.

Effectively, ebay had been paying Google and other search providers for users who were trying to visit their site anyway. By removing branded keywords, ebay was able to save money on advertising without reducing traffic.

ebay also found “strong evidence” that the removal of branded keywords improved the positioning of ebay among organic sites. We can assume here that Google was assigning relevance to links that increase organic traffic and therefore the increased organic traffic led to better positioning.



# The benefits of a non-brand keyword strategy

Marketers often believe that non-brand keyword budget is better spent developing a longer-term SEO strategy. However, generating traffic for non-brand keywords through SEO can take months, if not years, to gain traction.

Non-brand keywords can and should...

## 1 | Expand reach and awareness

Marketers are able to position their brand in front of a prospect as soon as they search for a solution that your brand provides. The searcher may have no association of your brand until they are served your ad. The more useful content you produce about a certain topic or keyword, the more likely you'll rank well for a non-branded keyword.

## 2 | Provide customer feedback and product research

Search volume and ad engagement give a good indication of what resonates with your prospective audience. By bidding on keywords around a new idea or proposed feature of your product, marketers can provide a concrete research and feedback loop for business development.

## 3 | Capitalise on brand trust

Most often, consumers are more likely to engage with a non-brand keyword ad from a brand they know and trust, which means that established brands are more likely to succeed in this space.

This is particularly useful when a well-known brand launches a new product. Consumers with a specific search query will be served an ad for a brand's new offering. Because they are familiar with and trust that brand, they are more likely to engage with the ad, even if they didn't originally associate that product with that particular brand.

## 4 | Acquire customers at a lower cost

Non-branded keywords are cheaper to bid on, but marketers commonly believe that the ROI is more effective for branded keywords, because it's harder to make an impact as a challenger business amongst bigger brands. Historically this may be true, but our research with the Rare Tea Company shows that by targeting non-branded keywords to specific locations where a brand has strong awareness, customer acquisition costs can drop dramatically.

The distinction to make here is that a brand may not have strong brand awareness across a whole country or region, but there will almost certainly be specific areas where that brand is well-known through word-of-mouth and influence.

# A note about Performance Max

In 2022, Google accelerated the role of Performance Max and it has now completely replaced Smart Shopping campaigns.

Performance Max campaigns hand a lot of control to Google's algorithms, with the intention that this advanced computing and greater ability to run tests and learn from their results will lead to better performing campaigns for advertisers.

However, one piece of control handed to Google is the use of all keyword search, including branded keywords.

There is currently no native way to prevent Performance Max campaigns spending on branded keywords (though some have found success through contacting support functions).

This has raised the alarm for some advertisers who have not previously used branded keywords. Some agencies have reported that over 60% of campaign spend is now allocated to branded keywords with Performance Max, for advertisers that were previously not using it at all.

Instead of adding branded keywords, it's actually redirecting spend from other forms of adverts to branded search. Arguably, while these Performance Max campaigns appear to be performing due to high CTRs, overall traffic is falling as branded keywords cannibalise organic search and spend on other forms of ads is smaller than before.



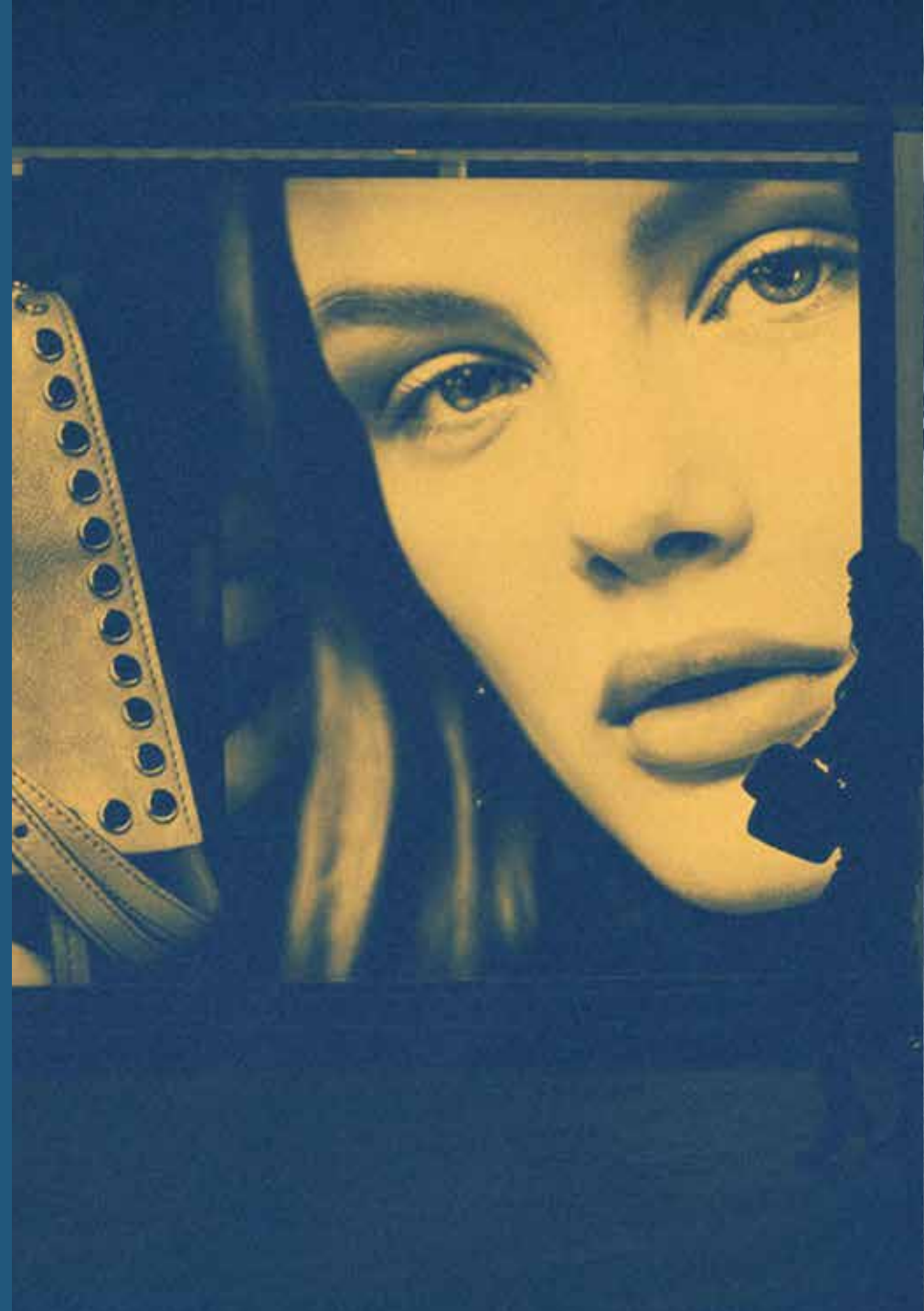
# The future of ad targeting

Here at Herdify, we help customers acquire more customers by targeting their advertising spend to geo-locations where they have strong word-of-mouth. This has important implications for the use of branded keywords.

In areas with high word-of-mouth activity (and therefore higher brand awareness), our clients see higher levels of organic traffic. Campaigns in these areas also drive more organic traffic due to referrals and recommendations triggered by advertising. As a result, campaigns in these areas can be particularly skewed by branded search.

When targeting digital ads in areas with strong word-of-mouth, we find that non-branded keywords are particularly powerful, especially for growing brands. In these areas, more people conducting generic keyword searches have heard of your brand, and as such, are more likely to click on your search ad over a competitors' ad.

Crucially, this means that smaller brands struggling to be heard in a crowded marketplace can compete with the bigger players – while wasting less budget and acquiring the right kind of customers for their business.





## What you can do right now

Multiple sources tell us that now is not the time to cut back on your marketing budget. Instead, carefully consider where to direct advertising spend.

1. Target your keyword strategy to areas where your customers are already talking about your brand or product, rather than fishing in the same pool as your competitors
2. Increase non-branded keyword spend in areas where you have strong word-of-mouth
3. Bid down on branded keywords in areas where you have strong word-of-mouth
4. Maintain branded keywords in non word-of-mouth areas to grow brand awareness

To speak to our data science team about how to develop a high-performing paid keyword strategy using your first-party data, [book a meeting today](#).