



# Rising Ad Costs?

Smarter eCommerce Strategies  
to Stay Profitable

 We'll Start Shortly



# The Speakers



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WE ARE HERE TO HELP

# Tariffs Are Rising

In this session, we'll show you how to:



Reallocate ad spend to smarter channels.



Adjust your product and promo strategy.



Get granular with your product marketing.



Cut waste with AI-powered optimization.



Leverage short-form video to reduce costs.



Maintain conversion rates without deep discounting.



# Poll

What's your biggest challenge with rising ad costs?

- My conversion rates aren't improving.
- ROAS isn't as strong as it used to be.
- I'm struggling with tracking the right KPIs.
- Everything, my ads are not performing.



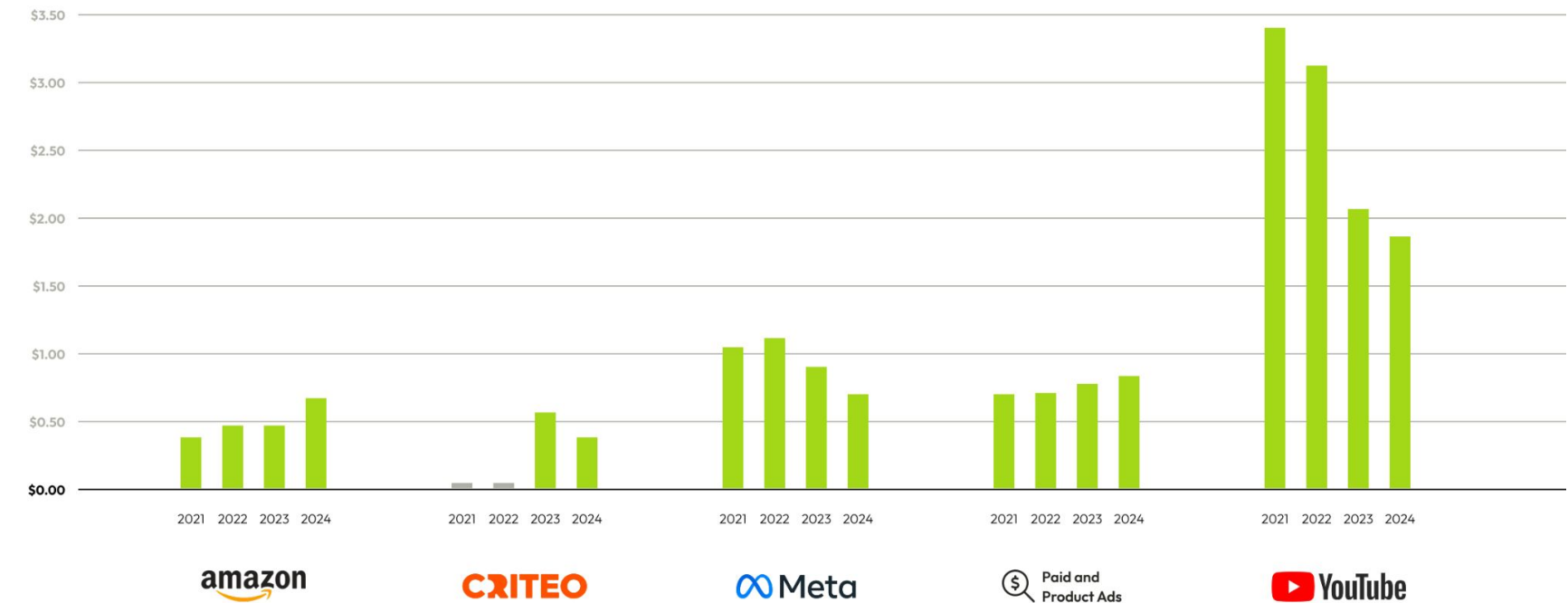
# Media Cost Trends

Historical Insights & 2025 Predictions



# Agital Client Data

## Cost Per Click



# Agital Client Data

## Cost Per Click (YoY)



2021 2022 2023 2024

amazon

2021 2022 2023 2024

CRITEO

2021 2022 2023 2024

Meta

2021 2022 2023 2024

Paid and Product Ads

2021 2022 2023 2024

YouTube

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# Platform Trends

## Visual Advertising



### Meta

**Spend Trends:** Meta ad spend peaked in 2023 and dropped slightly in 2024 (-8% YoY). This could indicate advertisers optimizing budgets due to rising costs or reduced ROI.

**CPC Trends:** CPC has been **declining** sharply in recent years, with significant reductions in 2024 (-23%) and 2023 (-22%).



### Criteo

**Spend Trends:** Ad spend increased steadily (33% in 2024). However, we lack 2023 YoY data, making it harder to determine the broader trajectory. Anecdotally, spend is trending up YoY.

**CPC Trends:** A significant **drop in CPC** is observed in 2024 (-30%), suggesting that inventory might have become cheaper, or competition has decreased.



### YouTube

**Spend Trends:** Ad spend on YouTube has decreased in both 2024 (-6%) and 2022 (-31%), which may reflect shifting advertiser priorities or platform underperformance.

**CPC Trends:** **CPC has dropped** significantly across all years. The most notable reduction is in 2023 (-35%), with another decline in 2024 (-11%). This could be due to increased inventory or lower competition.





# Platform Trends

## Pay Per Click Advertising



### Amazon

#### Spend Trends:

Amazon's ad spend has grown significantly year-over-year (YoY), with the largest increase in 2023 (45%). The growth rate remains high but is slowing slightly in 2024 (38%).

#### CPC Trends:

CPC has **increased** substantially over the years, with a sharp rise in 2024 (35%). This indicates increased competition or higher demand for Amazon advertising, particularly in 2024.



### Paid & Product Ads

#### Spend Trends:

Spend growth is slowing down dramatically in 2024 (3%) compared to prior years, signaling market maturity or advertiser optimization.

#### CPC Trends:

CPC continues to **increase** (16% in 2024), indicating rising competition despite the spend plateau.



# Key Takeaways

#1

## Amazon Growth:

Amazon continues to dominate with significant growth in both spend and CPC, reflecting its expanding influence in eCommerce advertising.

#2

## CPC Trends:

- Decreasing CPCs on Meta, YouTube, and Criteo could signal better cost efficiencies or declining demand.
- Increasing CPCs on Amazon and Paid & Product Ads highlight rising competition.

#3

## Shift in Spend:

While Amazon and Paid & Product Ads remain strong, platforms like Meta and YouTube show signs of spend contraction, suggesting advertisers are reallocating budgets.

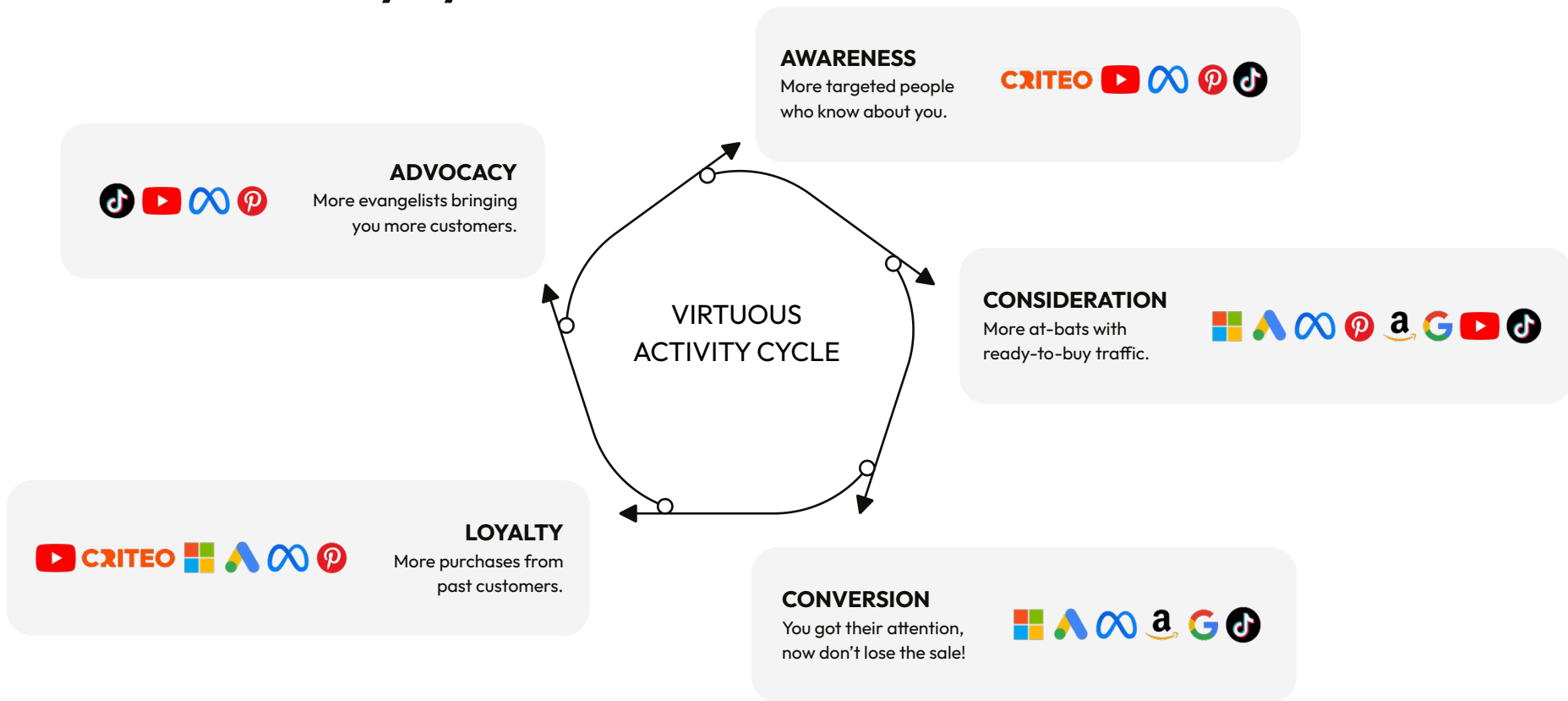
#4

## Market Maturity:

The slower YoY growth across platforms in 2024 indicates market stabilization, with advertisers seeking cost efficiencies.



# Virtuous Activity Cycle





## Identifying the Cause of Rising CPCs

**Competitor activity:** More advertisers entering your space?

**Bid strategy:** Do you have the wrong bid strategy in place?

**Google's algorithm:** Is automated bidding wasting spend?

**Market trends:** Are seasonal factors impacting CPCs?

We'll show you how to analyze and diagnose the root cause.

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## When to Pivot Your Strategy

- If CPCs continue climbing without efficiency gains.
- If ROAS, MER, or CPA/CLV indicate inefficiency.
- If alternative platforms offer better cost per result.
- If audience behavior shifts away from current channels.

**Learn how to pivot effectively without sacrificing revenue.**

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# Tactical Shifts to Retain Revenue



## Test alternative ad platforms

(TikTok, YouTube Shorts, Meta+).



## Adjust bid strategies

to prioritize efficiency over volume.



## Refine audience targeting

to reduce wasted spend.



## Shift budget to high-performing, lower-cost channels

like search and shopping.

Optimize your spend without losing valuable customers.





## From Orchard to Algorithm – Stark Bro's Growth with Google AI

300%

Brand search lift via  
YouTube campaigns.

331%

more revenue from  
PMAX (Feed)

500%

ROAS

87%

Non-brand revenue  
in state/grow zone  
campaigns



## Real Results – Google Ads as Stark Bro's Top Channel

585%

Revenue increase.

30%

Conversion rate increase.

402%

Increase in number of conversions.

26%

Average order value increase.







What strategies are you using to lower CPA?

- A. Testing new campaign types (Meta Advantage+, TikTok Shop, etc.)
- B. Creating more short-form video content
- C. Refining audience targeting & bidding strategies
- D. Running more brand awareness
- E. I haven't figured out a strategy yet





LOWERING CPM

# Platform Updates, Campaign Types & Short-Form Video

How to optimize campaigns and drive lower costs across TikTok, YouTube, and Meta

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# The State of Paid Media Costs

1K

CPMs are rising,  
but optimization  
opportunities exist

01  
10

Algorithm-driven  
placements & automation  
impact costs



Short-form video  
engagement as a  
cost-lowering strategy



# Social Commerce Solutions that Power Performance

## TikTok Shop Campaigns

- New ad formats driving lower CPMs.
- Optimized for in-app purchases.
- Strong performance in apparel, beauty, and home goods.

## YouTube Brand Connect

- Shorts ads & in-feed placements reducing costs.
- AI-driven optimization improving targeting efficiency.

## Meta Advantage+ and Whitelisting

- Automated budget & creative testing.
- Lower cost per acquisition when using broad targeting.



# The Hidden CPM Hack

## Why it Works:

TikTok prioritizes Shop ads, rewarding engagement with lower costs

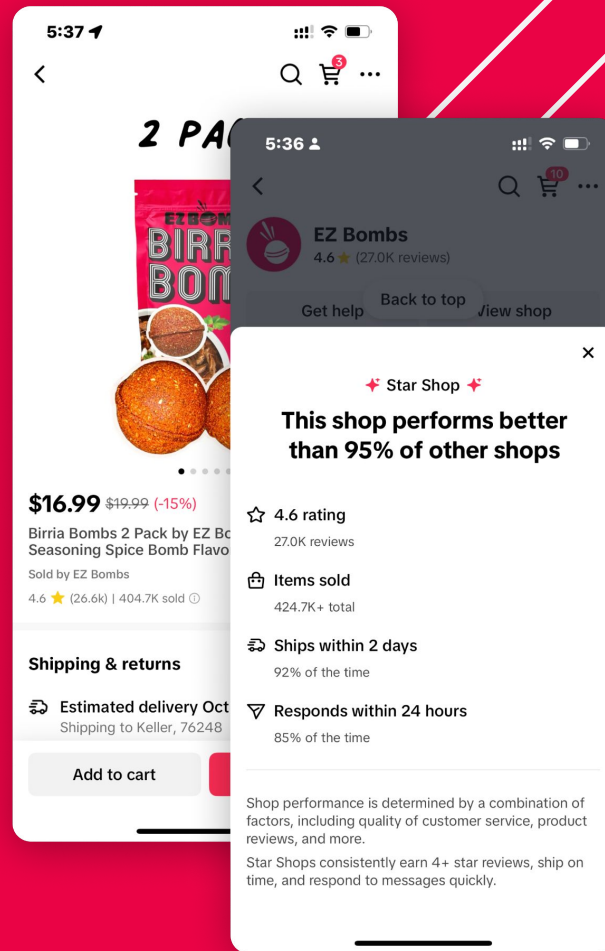
Users stay in the app, reducing friction

High intent audience = lower conversion costs



## Best Practices:

- Use native-looking UGC
- Leverage discounts & promotions
- Optimize for mobile-first experiences





Would you like to uncover wasted spend in your paid media strategy?

- A. Yes, please.
- B. Maybe, I need more information.
- C. No, thank you.



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# A Low-Cost CPM Strategy

## Why it Works:

Lower CPMs than traditional YouTube ads

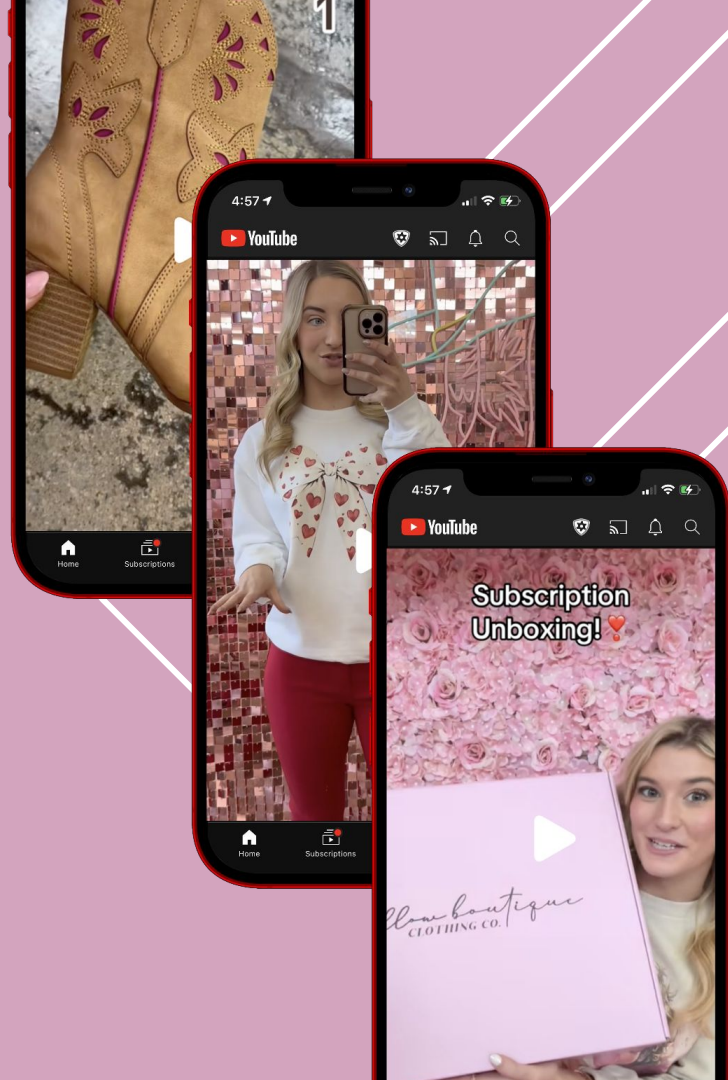
High organic engagement = better ad performance

AI-optimized targeting for better audience reach



## Best Practices:

- Hook early, keep videos under 15 sec
- Use trending audio & captions
- Run Shorts-specific campaigns





# Smart Automation for Lower Costs

## Why it Works:

AI-driven targeting reduces manual adjustments

Dynamic creative testing = best-performing ads

Broad audience approach lowers CPM



## Best Practices:

- Let the algorithm optimize for best results
- Provide multiple creative variations
- Use Conversion API for better tracking





# Short-Form Video = Lower Ad Costs

## Why It Lowers CPMs:

More engagement = better relevance score

Platforms favor high-retention content

Increases organic reach, reducing reliance on paid ads



## Best Practices for Performance:

- Hook in first 3 seconds
- Use captions & bold text overlays
- Keep content fast-paced & visually engaging





Would you like free TikTok and/or Criteo Ad Credits

- A. TikTok Ad Credits
- B. Criteo Ad Credits
- C. Both TikTok and Criteo



**We will reach out with more info.**



15m

# Q&A

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