

# Digital Market Update

May 25

Based on annual data across Shopify, Google, Meta and SEO



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# E-com Landscape

# 1.0

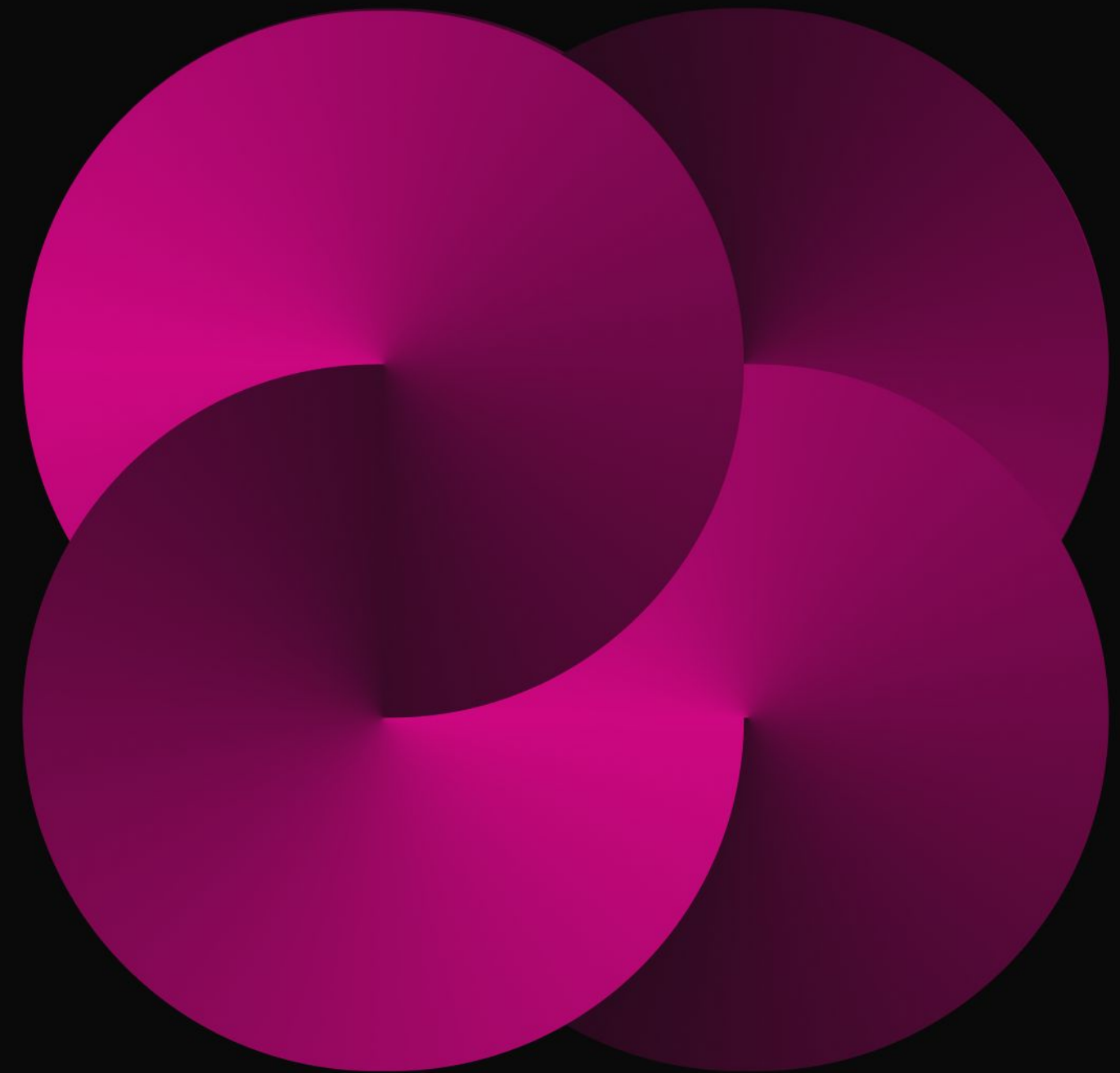
# May E-com Wrap Up.

**Consumer confidence is building, and the data's catching up.**

**Month-on-Month:** Revenue rose 6.5%, driven by a 27.6% surge in customer count. Orders only lifted slightly (+1.6%), but those who did convert spent more – AOV climbed 7.6%. Returns spiked 47.7%, pointing to potential sizing or post-sale issues. Discounting dropped 7.3%, supporting margin gains.

**Year-on-Year:** Revenue is up 21% and AOV 17%, but order growth is slower at 6%. Discounts rose 9.6%, and returns 31.2%. Customer count was up 5% – a modest win that reinforces the importance of converting new visitors into loyal buyers.

**Key Takeaways:** As interest rate drops begin to reach bank accounts, shoppers are spending more and conversion rates are improving. With NZ economists forecasting an additional \$45m in consumer spending by Christmas, this quarter is all about building momentum. Value is driving growth, and the opportunity is in making every purchase count. Let's go!

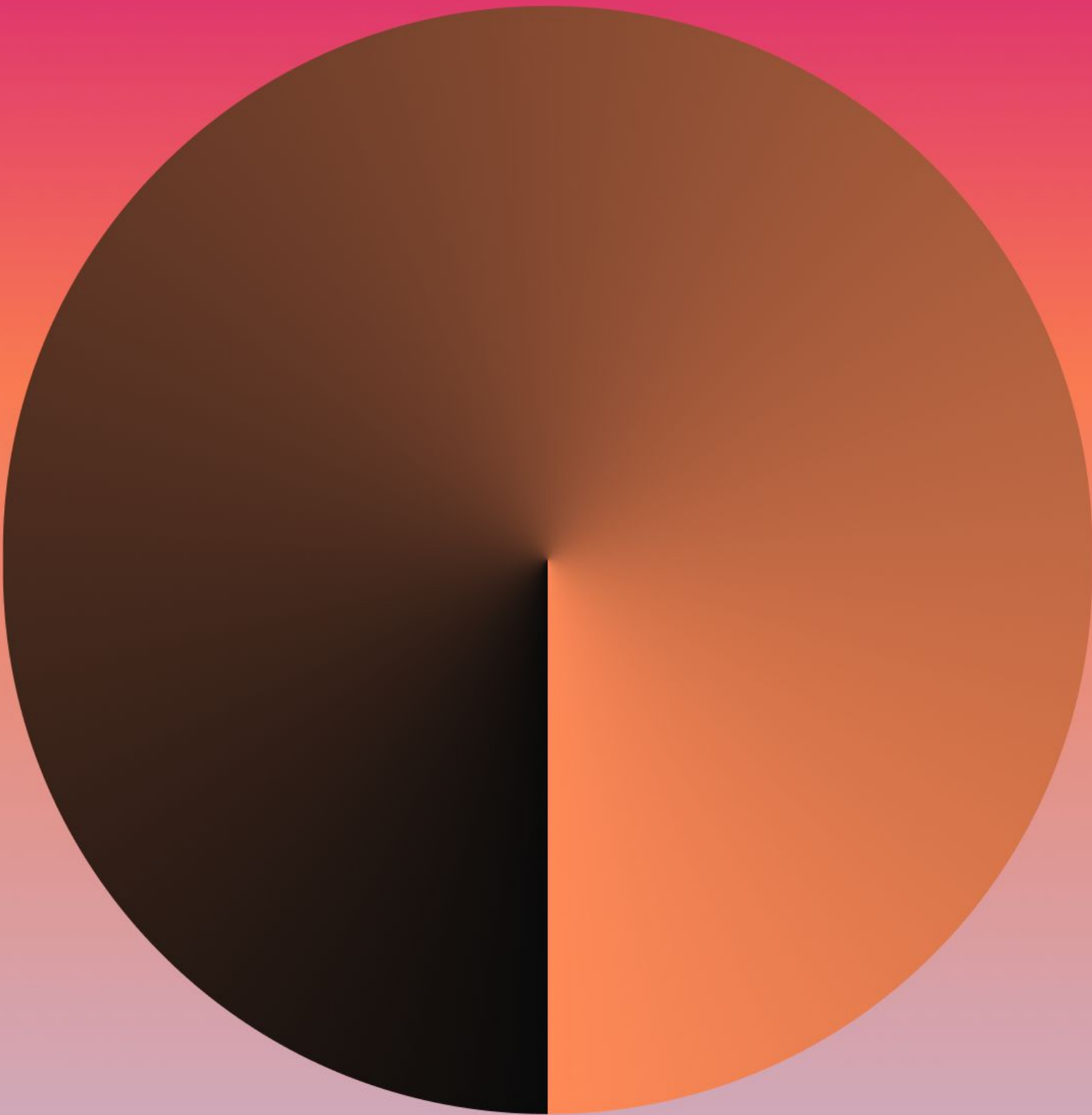


# Spotlight on Sales

Each month, we aggregate anonymised performance data to provide a benchmark of what's happening right now across our portfolio.

## Month-on-Month Trends (May 2025 vs. April 2025)

Metric	Change	Strategic Insight
Revenue	+6.46%	Bounce-back from April's lull. Now's the time to harness momentum and push evergreen campaigns.
Orders	+1.63%	Minimal lift – signals intent is rising, but conversion tactics (UX, urgency, offers) may need refining.
Customer Count	+27.55%	Big win. More people are landing onsite – time to invest in segmentation and welcome journeys.
Discounts	-7.29%	Margin win. Shows brands can sell without slashing. Consider value-first messaging and bundles.
Shipping Costs	-4.22%	Reflects April overstock and stabilising fulfilment. Optimise warehouse flow to prevent lag.
Average Order Value	+7.57%	Strong indicator of higher-value carts. Reinforce this with cross-sells and tiered offers.
Returns	+47.73%	Caution flag. Review sizing, product content and post-purchase comms to reduce churn.



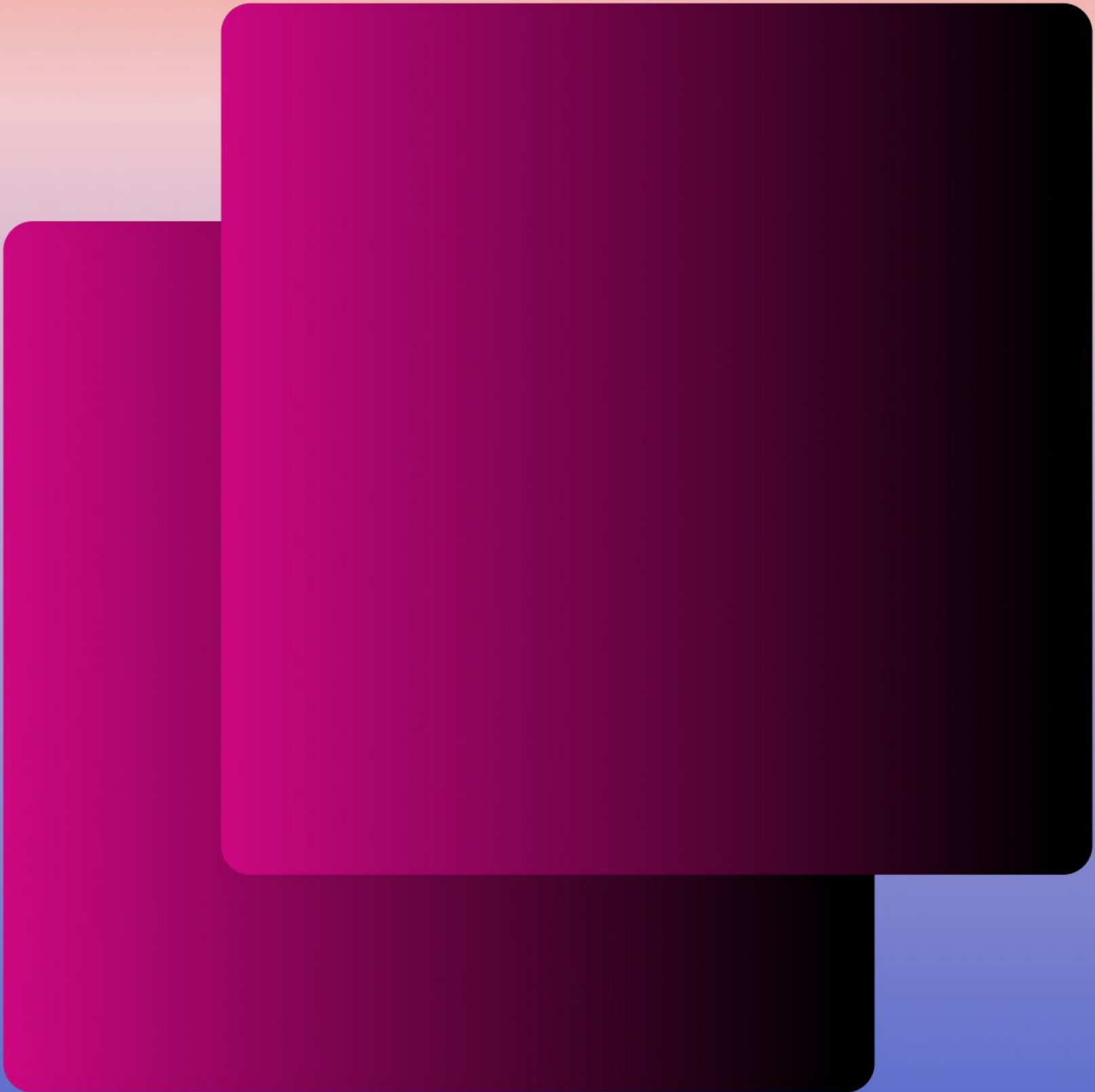
Year-on-Year Trends (May 2025 vs. May 2024)

Average sales performance across PH Digital clients.

Metric	Change	Strategic Insight
Revenue	+21.09%	Strong growth from better quality purchases and a marked shift in the economy.
Orders	+6.26%	Encouraging signs of volume growth. Reinforces the impact of brand-led evergreen content.
Customer Count	+5.32%	Modest lift signals early acquisition gains, but stronger prospecting and retention still needed.
Discounts	+9.61%	Discounting remains a key lever for short-term growth, but focus must shift to perceived value, not % off.
Shipping & Returns	+16.27% / +31.16%	Rising fulfilments show stronger demand, but rising returns could erode profit. Flag for deeper CX review.
Average Order Value	+16.77%	Buyers are spending more. Leverage with bundles, premium SKUs, and clearer product value.

**Key Takeaways:** May brought a return to form for many, with strong gains in revenue, AOV and order volume. More customers are entering the funnel, and they’re spending more per transaction.

But growth is still being supported by discounting, and rising return rates could impact profitability. The focus now is on sustaining value-led growth: converting interest into high-quality purchases, protecting margin, and optimising post-purchase to reduce churn.



# Strategic Recommendations

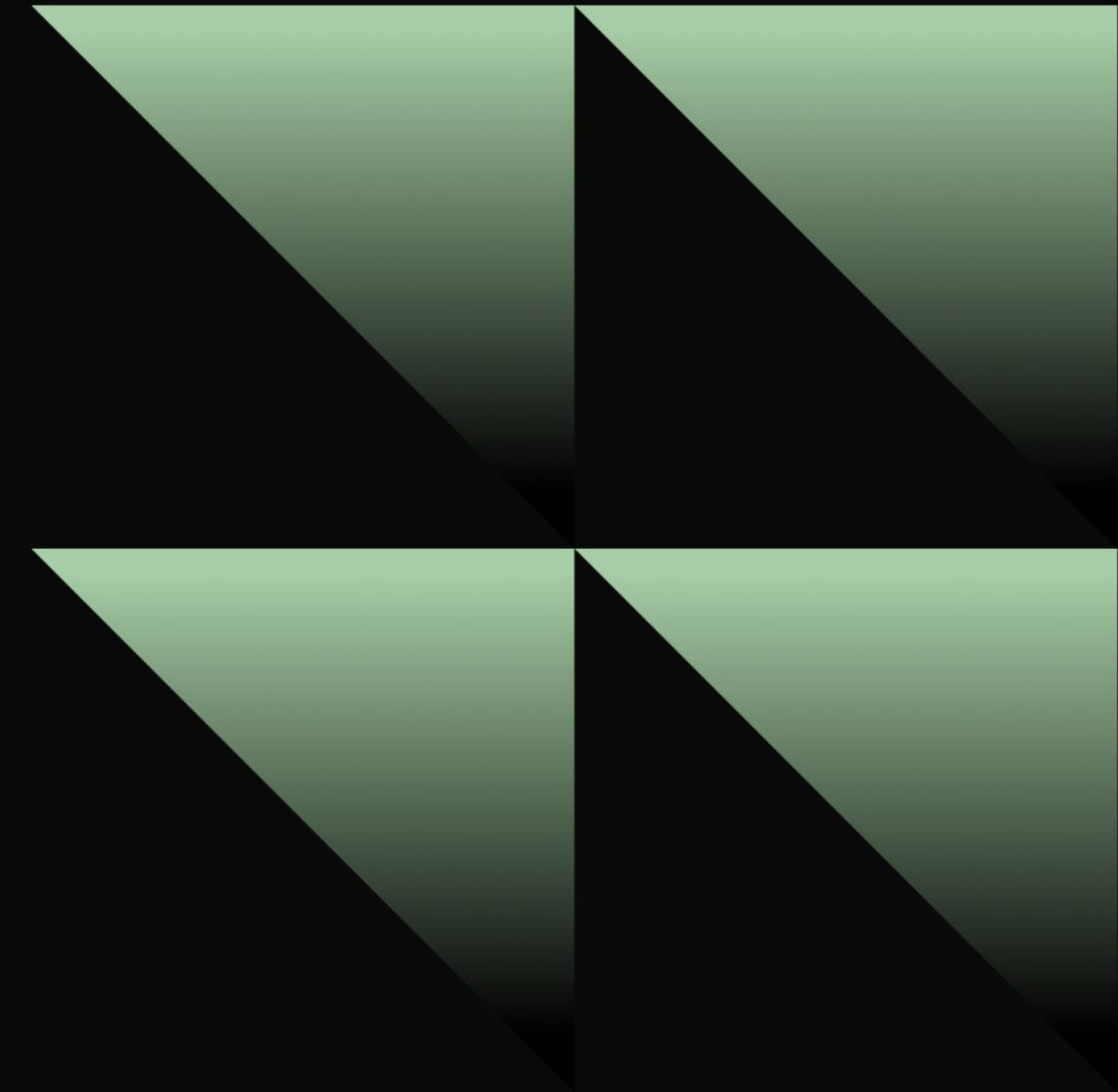
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# Your Digital To-Do List.

May's data shows promising signs: customers are back, spending more, and buying with intent. But momentum only becomes growth if your brand is ready to meet it. Here's what you can do right now:

- **Make sure your value is obvious:** Review your top product pages. Are your bestsellers clear? Is the value of your offer instantly obvious? Do you have up-sell functionality at checkout to drive a higher AOV?
- **Check your return experience:** Returns jumped 30% YoY. It could be fit issues, vague descriptions, or post-purchase regret. Are you setting the right expectations? What happens after someone buys?
- **Welcome new customers well:** Customer count is up slightly – a win, but a fragile one. Look at your first-purchase email flow or checkout experience. Are you building loyalty, or just closing a sale?

Whether you're seeing strong signals or soft ones, we'll guide you through what to do next. But these small client-side actions can really help lock in growth.





# How PH Digital is Helping.

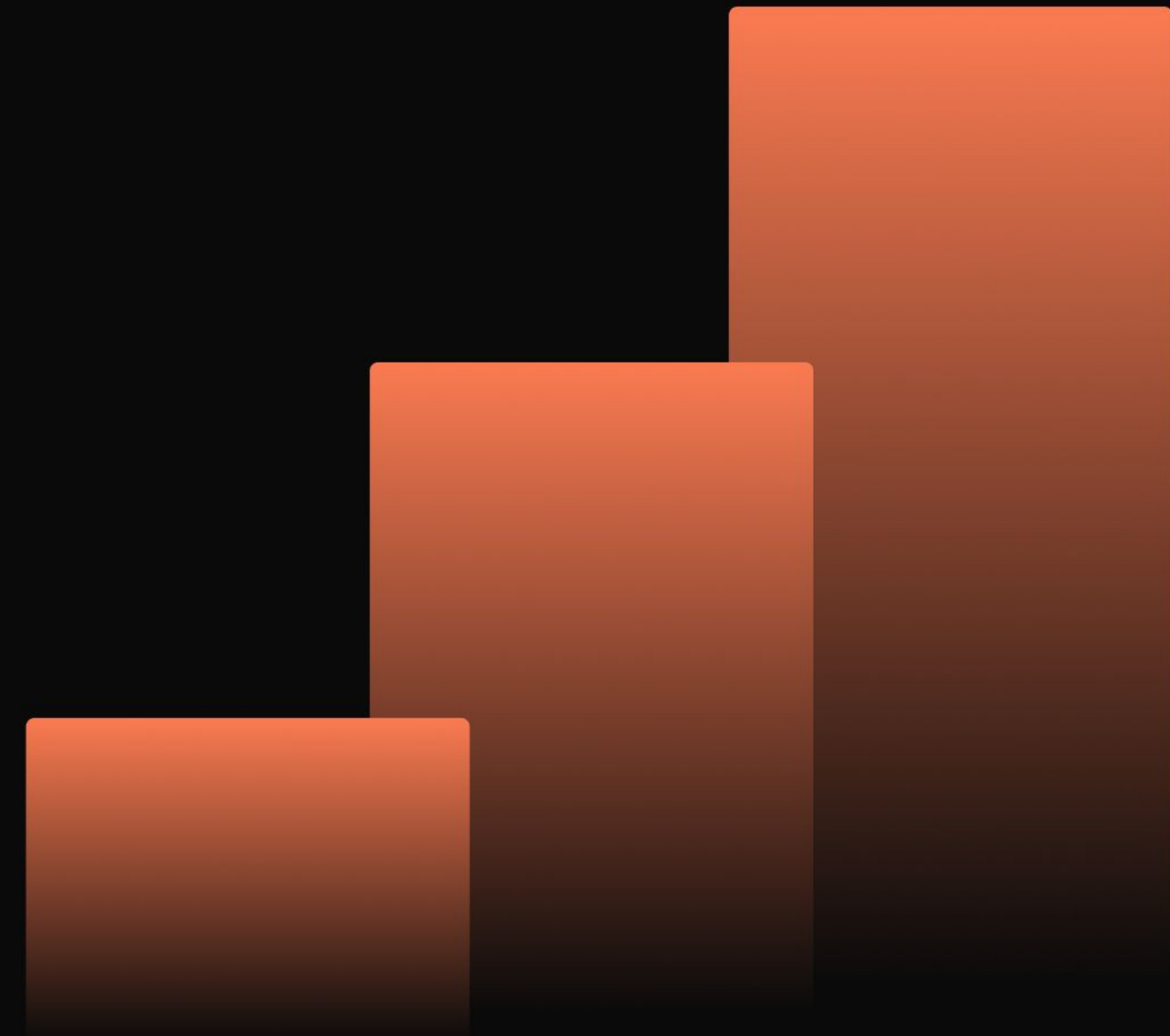
This month, our team is zeroing in on conversion friction. With traffic bouncing back across many client sites, the opportunity is clear, but so is the risk. If your site can't convert that interest, you're leaving growth on the table. Our current focus includes:

- Strengthening PDPs and collection pages for clarity and speed
- Testing urgency cues, trust signals and offer formats
- Refining post-click journeys across Meta, Google and EDM

**Top Tip: It's not just about traffic – it's what you do with it.**

With customer count up nearly 28% MoM, now's the time to turn interest into income. Many brands focus heavily on acquisition, but skip the crucial middle. That's where we come in – making sure every new visitor has a clear, compelling path to purchase.

Whether you're seeing more traffic or still building it back, our goal is the same: reduce friction, boost buying intent, and make sure your site is set up to convert.



# Paid Performance Insights

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# May Google Ads Performance.

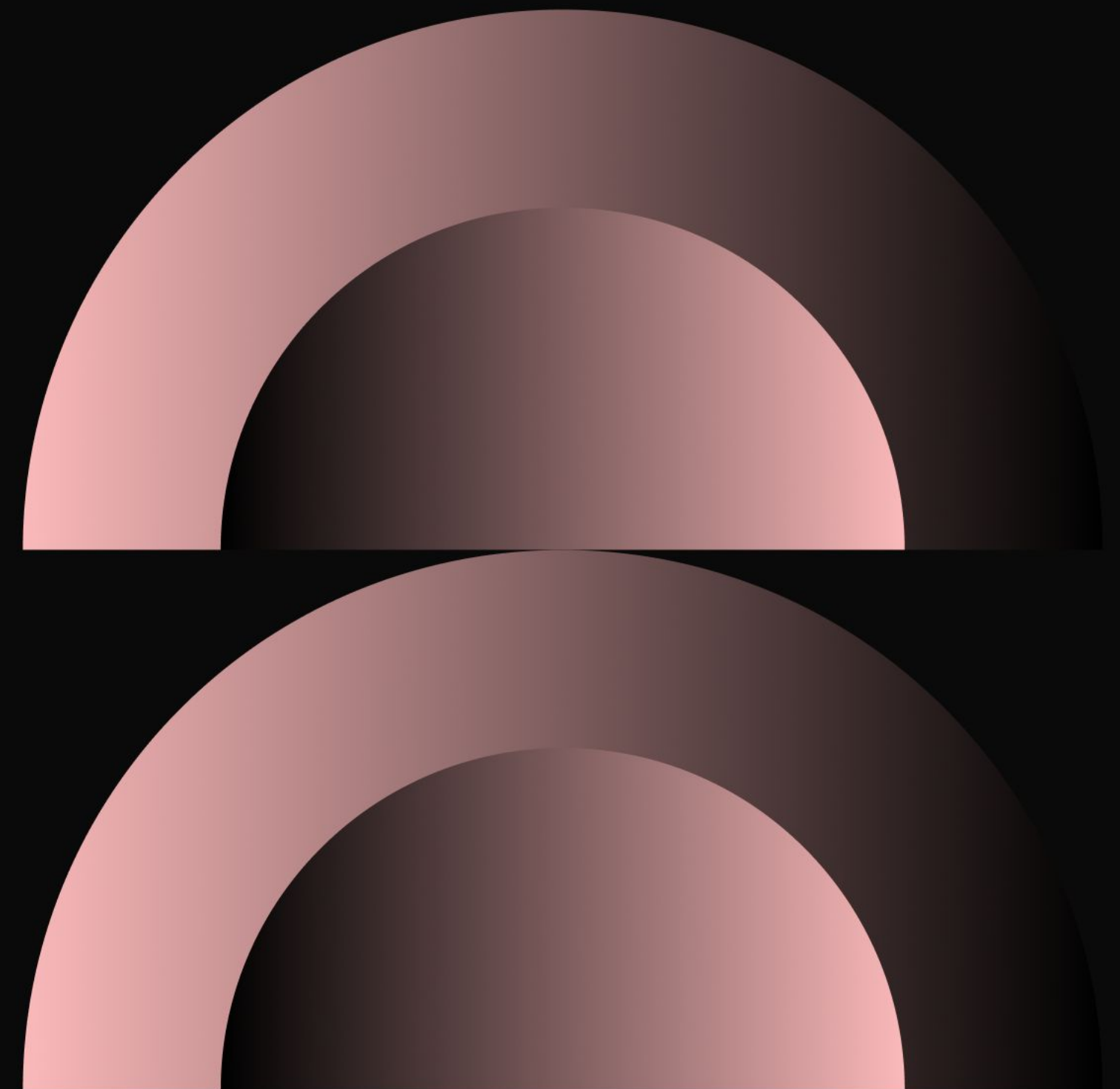
## Steady Gains, Smarter Allocation:

Google Ads remained a solid performer in May, with steady returns and signs of growing efficiency across key campaign types.

**Month-on-Month:** Spend decreased by 4%, but we still saw a 1% lift in revenue – a positive sign that ongoing optimisation is working, even in a softer season.

**Year-on-Year:** Spend rose 20%, delivering 15% more revenue. Performance Max continues to lead results, generating a 92% increase in revenue from just a 45% increase in spend – a strong return that highlights the value of smart automation when properly managed.

**Key Takeaway:** Google continues to reward strategic setup. While PMAX is driving results, it's not one-size-fits-all, and blindly increasing spend doesn't guarantee performance. We're helping clients rebalance campaigns, test non-PMAX formats, and improve control without compromising scale.



# May Paid Social Performance.

## Maintaining Momentum Through Smarter Strategy:

May's Meta performance showed continued strength year-on-year, even as monthly shifts highlighted the importance of long-term funnel planning.

**Year-on-Year:** Ad costs rose 48% with revenue up 31%, a healthy return in a more competitive landscape. Stronger creative, refined audience targeting, and ongoing testing are helping PH clients maintain growth while controlling efficiency.

**Month-on-Month:** Spend held steady, but revenue dipped 12% – a typical reset after a high-activity promotional period. This softening at the bottom of the funnel reinforces the value of always-on activity across the full customer journey.

**Key Takeaways:** Paid social growth isn't linear, but it is sustainable when brands commit to the full funnel. We're continuing to build long-term demand by pairing high-performing BOF campaigns with consistent brand presence, smarter segmentation, and creative built for conversion.



# Understanding Efficiency.

Spend across the paid platforms is up, but that doesn't automatically mean inefficiency. What matters is *where* and *how* your budget is performing.

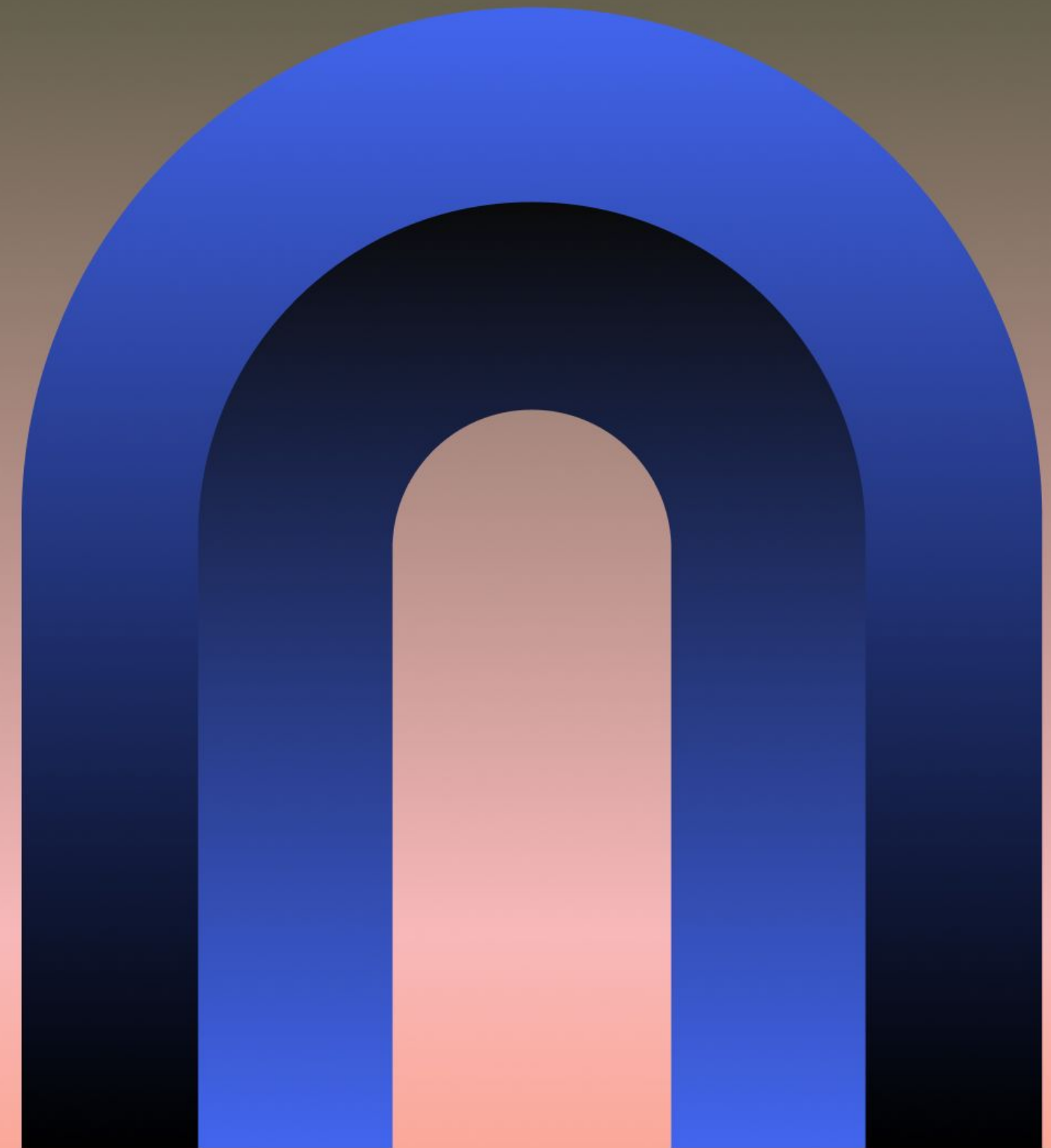
## Google Ads

- Spend ↑ 20%, revenue ↑ 15%
- Within that, Performance Max delivered +92% revenue from just +45% more spend – a highly efficient result.
- Monthly spend ↓ 4%, revenue still ↑ 1% – clear sign of optimisation paying off.

## Paid Social

- Spend ↑ 48%, revenue ↑ 31%
- MoM spend held steady. Revenue dipped 12%, typical after a busy period.
- YoY traffic and conversions are up, a positive signal for full-funnel health.

**Bottom line:** Efficiency isn't just about ROAS, it's about putting your budget where it works hardest – scaling strong performers, cutting wasted spend and building long-term performance through smarter allocation.



# Platform Updates

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# Paid Platform Updates.

This month's most newsworthy insights and need-to-know updates across **Google, Meta and TikTok**, and how you can take action.

## 1. Platform: Google Ads

**What's New:** Google is expanding the integration of ads within its AI-generated search summaries and the newly introduced AI Mode. These features provide conversational, in-depth responses to complex queries, with ads now appearing within these AI-driven experiences.

→ **Take Action:** Audit your existing ad creatives to ensure they strike a conversational tone. Update your ad copy to address common user queries and provide clear value propositions.

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## 2. Platform: Instagram

**What's New:** Meta has introduced Reels Trending Ads, allowing brands to place ads adjacent to popular Reels content on Facebook and Instagram. This format aims to enhance visibility by associating ads with trending user-generated videos.

→ **Take Action:** Monitor trending Reels content relevant to your industry to identify opportunities for ad placement. Develop creative assets that align with the style and tone of popular Reels, and engage with influencers who are creating trending content to explore potential collaborations.

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## 3. Platform: TikTok

**What's New:** TikTok has introduced GMV Max, an AI-powered tool designed to optimise product listings and ad creatives for TikTok Shop. The tool aims to maximise gross merchandise value by enhancing both organic and paid content performance.

→ **Take Action:** Ensure your product listings on TikTok Shop are complete and include high-quality images and descriptions. Regularly update your product catalogue to reflect current offerings and promotions.



# Email Marketing Updates.

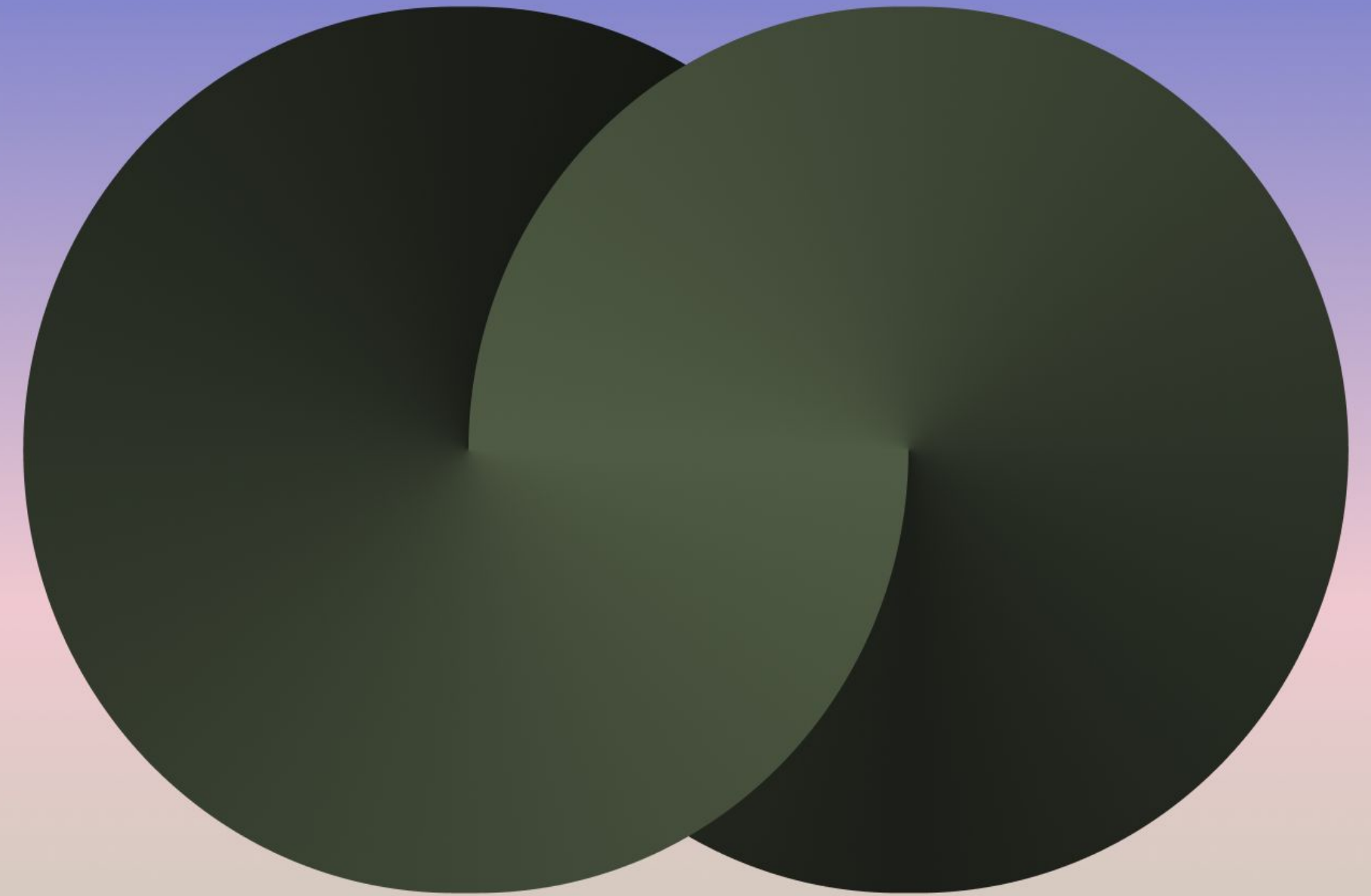
## Automation ≠ Intelligent Automation:

In May, platforms like Klaviyo, Shopify Email and Mailchimp are doubling down on AI-powered tools that go beyond basic personalisation. New features are making it easier to predict optimal send times, tailor content blocks in real time, and use engagement data to serve more relevant offers.

But with inboxes more crowded than ever, performance depends on more than tech. Brands seeing the best results are investing in smarter segmentation, better creative, and flows that feel like brand experiences, not just email sequences.

And with average ROI still sitting around \$36 USD for every \$1 spent, EDMs remain one of the most efficient tools in your toolkit – especially as paid media costs rise.

→ **Take Action:** Are your current EDMs genuinely useful to your audience? Look for opportunities to tighten your segments, refine your messaging, and strengthen the connection between your email and your broader brand experience.





# SEO Landscape

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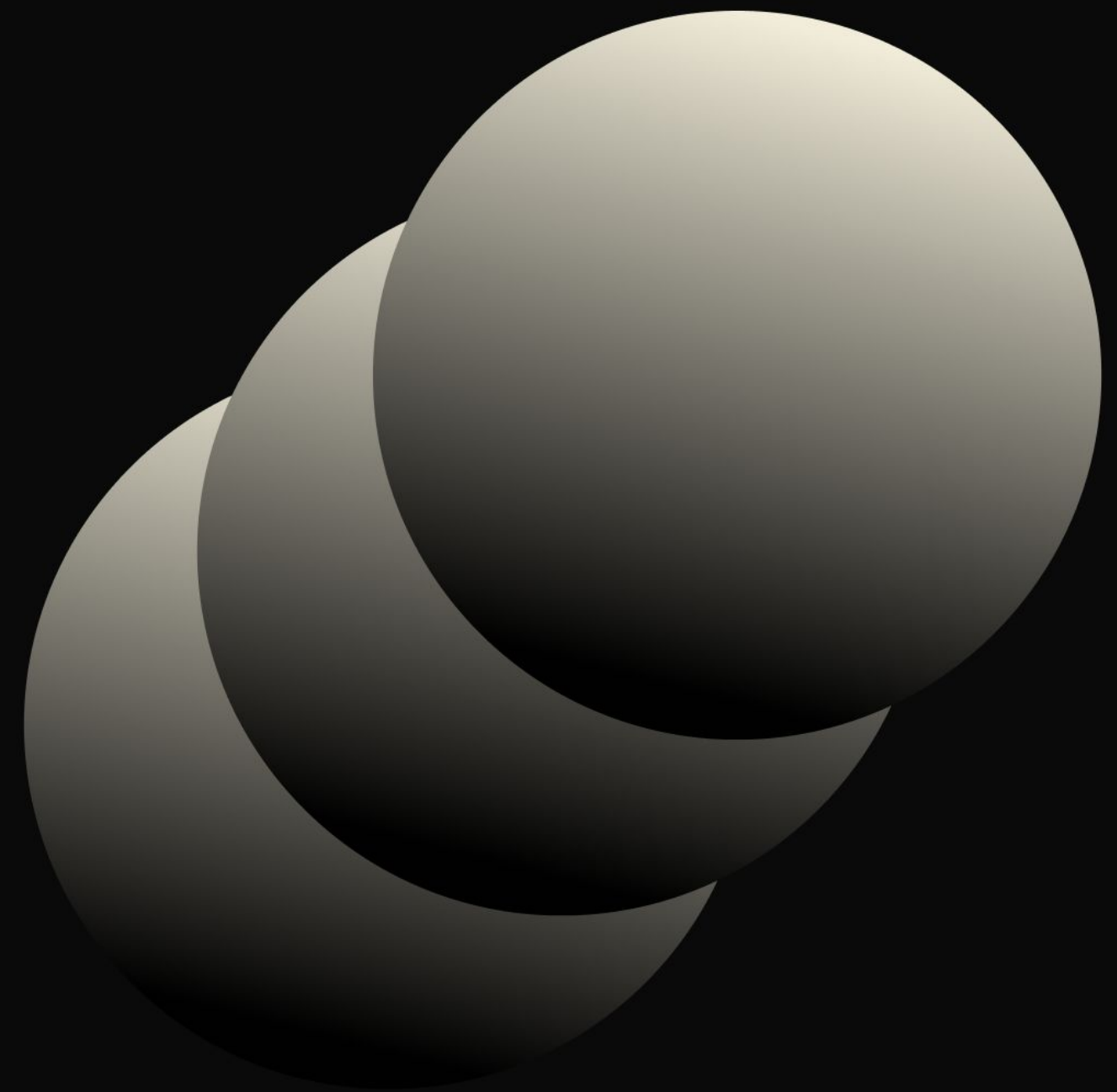
# Important SEO Updates.

**What's new:** Google has introduced AI Mode in U.S. search, a major evolution in how search results are delivered. Powered by Gemini 2.5, AI Mode surfaces conversational, in-depth answers directly in the search interface, reducing reliance on traditional link listings.

**Why it matters:** Your brand now needs to show up within Google's AI responses, not just in search rankings. Google has also confirmed plans to roll out ads within AI Mode, creating new paid opportunities that will demand a fresh approach to visibility, targeting and conversion. We're busy adjusting client strategies to ensure continued performance as this evolves, and will guide you through what to expect next.

**What's new:** Reddit has launched Reddit Pro Trends, a free weekly insights tool highlighting trending keywords, topics, and subreddits.

**Why it matters:** Reddit is increasingly shaping consumer curiosity and search intent. Pro Trends gives us deeper visibility into what real communities are talking about – helping inform more relevant content, campaign messaging, and cultural positioning for your brand.



# Your SEO To-Do List.

As AI reshapes how people search, shop and discover brands, there are small but powerful steps you can take right now to improve visibility and relevance.

## 1. Optimise your eCommerce products for Google AI.

- **Write clear, detailed product titles.** Include brand, product type, key features and variants.
  - **Use structured data (schema markup).** Add product, review, price, and availability schema.
  - **Add high-quality images.** Include multiple angles and alt text with descriptive keywords.
  - **Optimise product descriptions.** Be natural, informative, and include relevant long-tail keywords.
  - **Collect genuine reviews.** Google AI surfaces products with helpful, authentic reviews.
  - **Ensure fast-loading, mobile-friendly pages.** Page experience matters for visibility.
  - **Keep pricing and stock up to date.** Sync with Google Merchant Center for accuracy.
  - **Create helpful content around the product.** FAQs, comparisons, and use cases can help AI understand and rank your page better.
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## 2. Tune into your audience via Reddit Pro Trends.

- **Check Reddit Pro Trends weekly.** Spot rising subreddits, trending keywords, and viral cultural moments.
- **Look for relevant themes.** Identify patterns, questions, or frustrations that align with your industry.
- **Map key communities.** Note where conversations happen. Different subreddits = different expectations.
- **Turn insights into content.** Your learnings can shape tone, messaging or TOF content ideas.
- **Engage or advertise with purpose.** If your brand fits, contribute authentically. If not, consider testing targeted Reddit Ads.
- **Track brand mentions and trend shifts.** Monitor how you're showing up and what's changing – it's insight gold for content and comms.

**Want support implementing these action points?** Our team can help you translate insights into strategy – or manage it all for you. Reach out to your strategist or email [hello@ph.digital](mailto:hello@ph.digital).

# Client Case-Study.

**The client:** A premium fashion brand based in New Zealand.

**The win:** A **65% increase in organic revenue**, alongside a **43% lift in traffic** and **top 3 Google rankings** for a high-volume, high-intent search term.

**The play:** Local-first, content-smart SEO.

**The strategy:** A comprehensive approach to SEO, combining technical clean-up, content improvement and local search optimisation. From structured location pages and metadata fixes to internal linking and on-page refinement, the focus was on visibility and performance.

**The results:** The brand now ranks in the Google local pack and top 3 for its most competitive terms. Organic revenue has surged, and with stronger UX and site structure in place, that growth is set to continue.

**The takeaway:** SEO isn't just about traffic, it's about targeted visibility that converts. With the right structure, content, and local focus, even premium niches can win big in organic search.

# PH Insights Hub

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# PH Digital Lab Report.

In this monthly digest of the digital updates making waves across the web, we share the TLDR version (that's *too long, didn't read*), and our expert team's top takeaways.

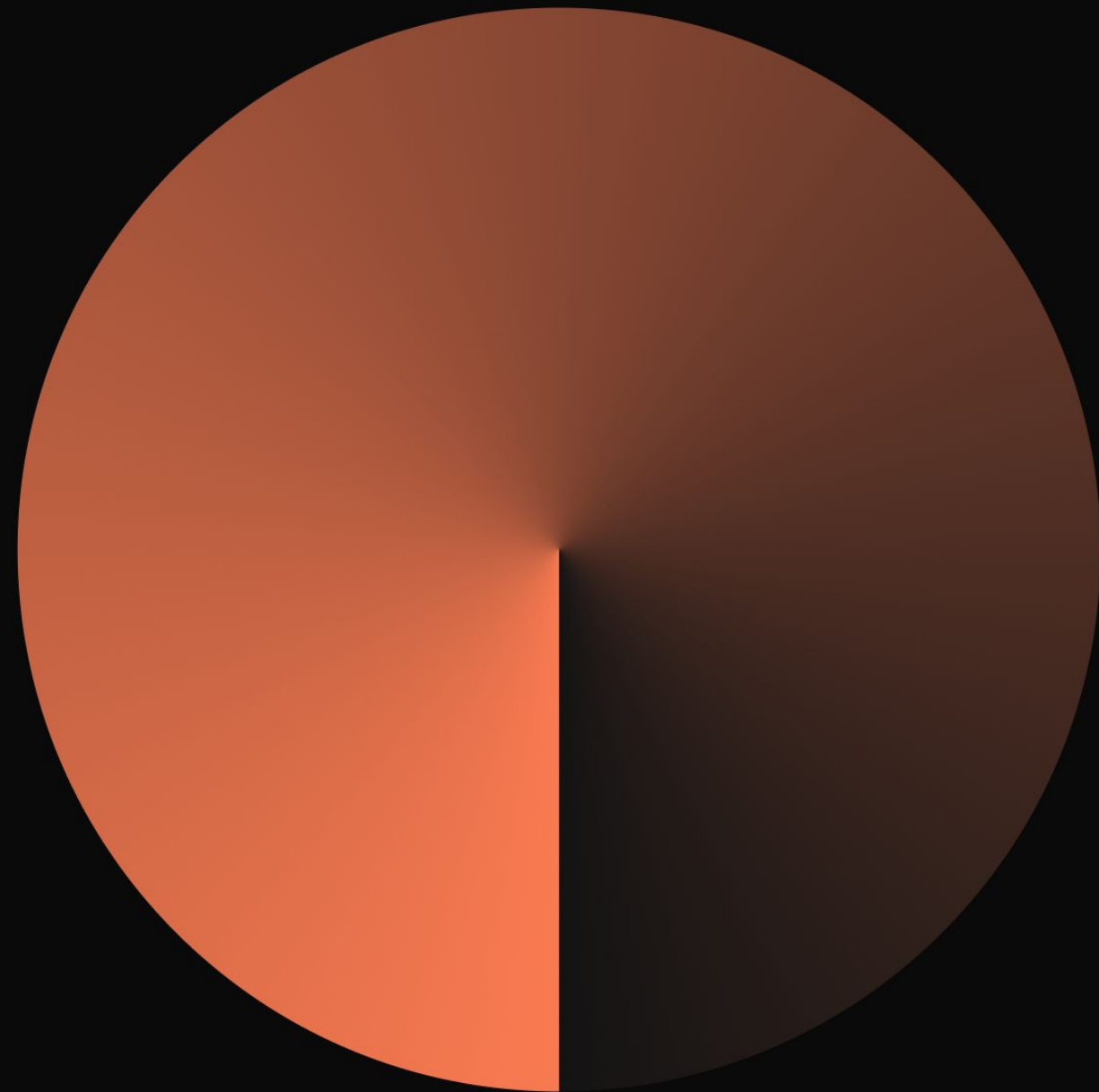
1. **Surprise Party:** Charli XCX deep-cut 'Party 4 U' has found a second life on TikTok thanks to lo-fi fan edits and the platform's endless appetite for nostalgia. Leaked online in 2020 but never officially released, the track has gained so much momentum that the star has added it to her setlist.

**Our Take:** TikTok isn't just for fresh drops – it gives old ones new life. For brands, this is a reminder that your 'archive' might still have cultural relevance. Whether it's a retired product, classic campaign or popular piece of content, don't sleep on your back catalogue.

2. **Bot Brainrot:** More users are turning to ChatGPT for emotional support, but the concern isn't just capability, it's contamination. When people vent, seek validation, or spiral in chat, they train the model on distorted patterns. That degrades response quality for everyone.

**Our Take:** How we use AI shapes what it becomes. If enough users treat it like a therapist, the line between helpful and hallucinatory blurs. Smart brands should stay clear-eyed: AI is a tool, not a mirror. Don't let the internet's emotional brainrot train your assistant.





3. **Rhode to Riches:** More than a billion-dollar transaction, the sale of Hailey Bieber’s Rhode to cashed-up cosmetics disruptor e.l.f. Beauty was a masterclass in modern brand-building. The real flex wasn’t product innovation, but restraint: a tight SKU range, consistent aesthetic, and rare discipline in an over-saturated celebrity market.

**Our Take:** The Rhode sale signals what beauty (and beyond) investors now value: lean, sticky brands with cultural currency and commercial clarity. Don’t try to do everything. Do what you do well, and make people want to buy into the world around it.

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4. **Billionaire Bust Up:** Musk and Trump have gone from allies to enemies after the former slammed the latter’s latest legislative move. Trump’s subsequent threats to revoke federal contracts with Tesla and SpaceX triggered a market wobble, with Tesla’s stock taking a hit.

**Our Take:** This high-profile fallout underscores the volatility of personal brand alliances. For marketers, it’s a reminder to assess the risks of associating too closely with individual figures, as public disputes can have far-reaching implications for brand perception and investor confidence.

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5. **The Scrolling Booth:** Australia’s 2025 federal election saw 43% of voters aged 18–29 citing TikTok as a key source of political information – a record for a Western election. Politicians leaned hard into platform-native content and partnered with influencers to shift perception and mobilise youth turnout.

**Our Take:** When nearly half of young voters are getting political news from TikTok, it’s not just a platform, it’s the public square. Brands should take note: relevance now means fluency in digital culture, influencer ecosystems, and audience-first storytelling.

# PH Solutions.

## *How To: Optimise for AI Search*

Search has entered its AI era. Built for brands that want to lead the change, not chase it, our [free downloadable guide](#) breaks down exactly what that means, how your visibility is being impacted, and how to adapt your digital strategy to take advantage of AI-powered opportunities.

Because believe us, they're plentiful.

## AI is Reshaping Search.

### Is Your Digital and SEO Strategy Keeping Up?

The way people search online is changing – fast. As of early 2025, Google still processes around 14 billion searches per day, holding over 90% of global market share. But ChatGPT – now handling over 37.5 million search-style prompts daily – is hot on its heels.

In the year to March 2025, ChatGPT's usage surged 740%. Its estimated market share has climbed to 4.33%, while Google's has dipped.

Google has responded with AI features like SGE (Search Generative Experience) and AI Mode, delivering conversational answers above paid and organic results.

**The takeaway?** Google's still dominant – but search behaviour is shifting. AI tools are now gatekeepers of visibility, and **your SEO strategy needs to adapt.**

Optimising for AI PH Agency

### 2.1 AI Landscape

## The New Search Landscape.

Search engines don't just send people to your website anymore – they answer directly. Google and ChatGPT are rewriting the rules of discovery by showing users curated results, product suggestions and citations before they even scroll.

#### What you need to know:

- Google SGE answers appear above all other content – even ads
- ChatGPT is curating detailed product lists in response to shopping queries
- These results pull from public content: your product pages, reviews, and explainers
- AI models reference structured, well-reviewed content
- If your content isn't reference-worthy, it's not showing up

**What you can do:** Try searching your top product/service in ChatGPT and SGE. Are you there?

**What PH Digital will do:** We'll review how and where your brand shows up in AI responses – and build a roadmap to fix gaps.

Optimising for AI PH Agency

### 2.2 AI Landscape

## AI Ghosting You? Here's Why.

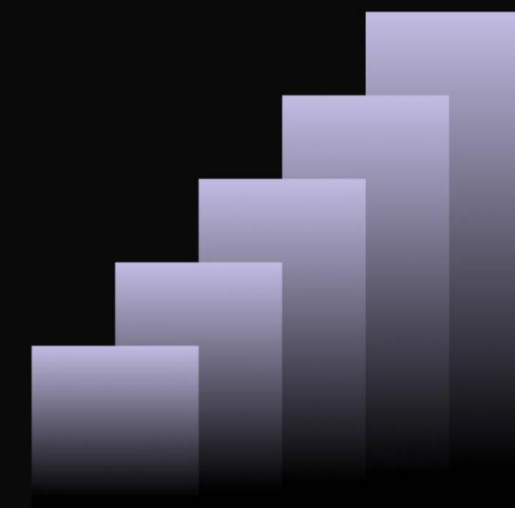
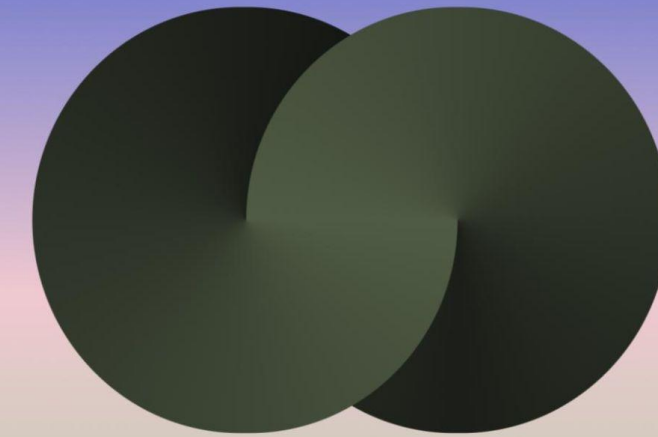
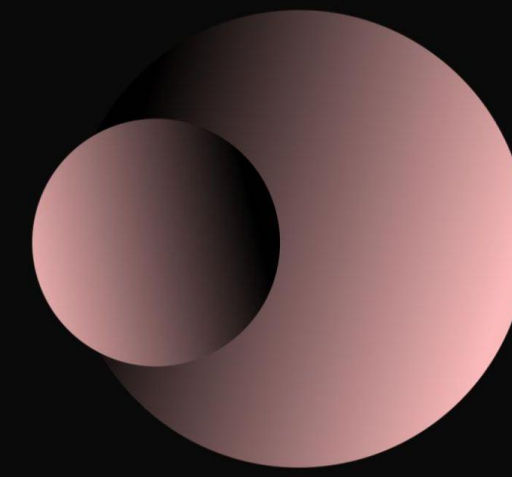
Many sites are optimised for ranking, not referencing. AI tools scan for signals of trust, depth, clarity, and technical precision. If your content is thin or hard to interpret, it's skipped.

#### Most common pitfalls:

- Pages that lack product clarity, metadata, or strong UX
- Content that doesn't answer specific questions or compare alternatives
- Poor or inconsistent reviews = reduced trust
- No schema = no structured understanding for AI

**What you can do:** Think of AI as your fussiest customer, then review your product or service pages through this lens. Is your content helpful and clear?

**What PH Digital will do:** We'll run technical audits, identify missing schema, highlight unclear messaging, and content gaps – then fix them.





# Paid Metrics Index

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# Paid Metrics Index – Key Acronyms.

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SEO - Search Engine Optimisation: The practice of optimising a website to improve its visibility and ranking in search engine results pages.

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SEM - Search Engine Marketing: A form of digital marketing that promotes websites by increasing their visibility in search engine results pages through paid advertising.

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CPC - Cost per click: CPC refers to the price you pay for each ad click.

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CTR - Click-Through Rate: The percentage of people who click on a specific link or ad out of the total number of impressions it receives.

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ROAS - Return on Ad Spend: This metric measures the effectiveness of a marketing campaign by calculating the revenue generated in relation to the cost of the advertising. The equation is simply revenue divided by cost, so \$1 spent for \$5 revenue = 5 x ROAS.

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MER - Media Efficiency Ratio: A financial metric that compares the marketing expenses of a company to its revenue or sales.

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CPA - Cost Per Acquisition: A metric that calculates the average cost incurred to acquire or achieve a specific action, such as a conversion or lead.

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CTA - Call to Action: A prompt or instruction that encourages users to take a specific action, such as "Buy Now" or "Subscribe."

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UX - User Experience: The overall experience a user has when interacting with a website, application, or other digital product. It encompasses design, usability, conversion potential and accessibility.

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LTV - Lifetime Value: The predicted revenue a business can expect to make from a customer over the course of their relationship.

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# Our Services

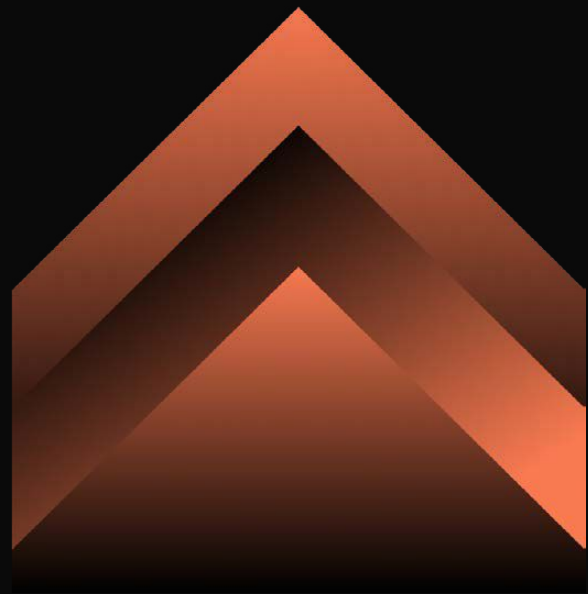
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# Our Client Goals & Process

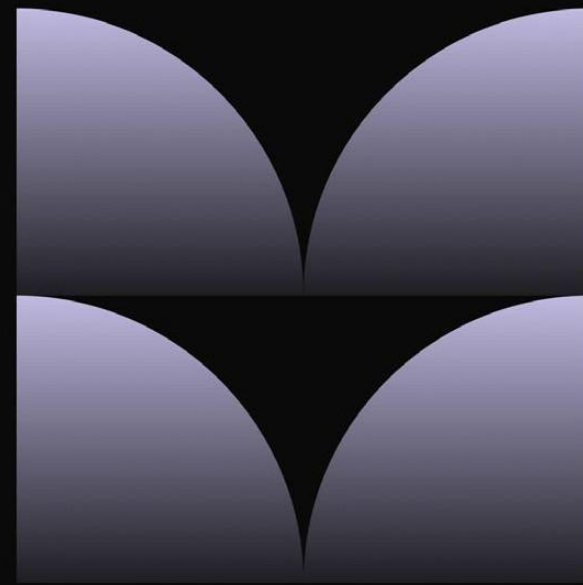
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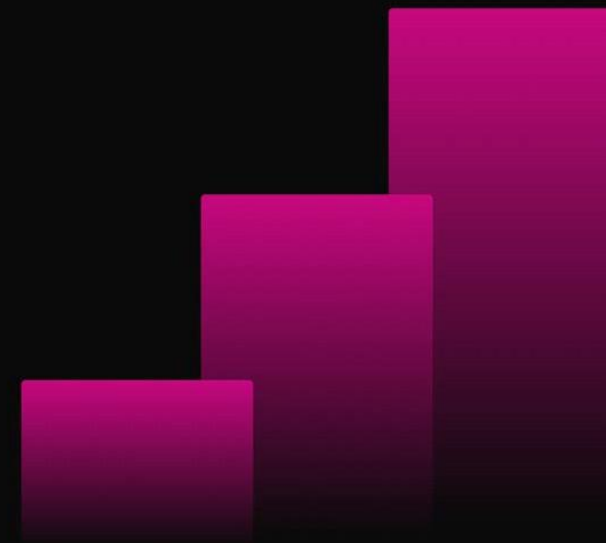
Increase customer acquisition in a scalable way.

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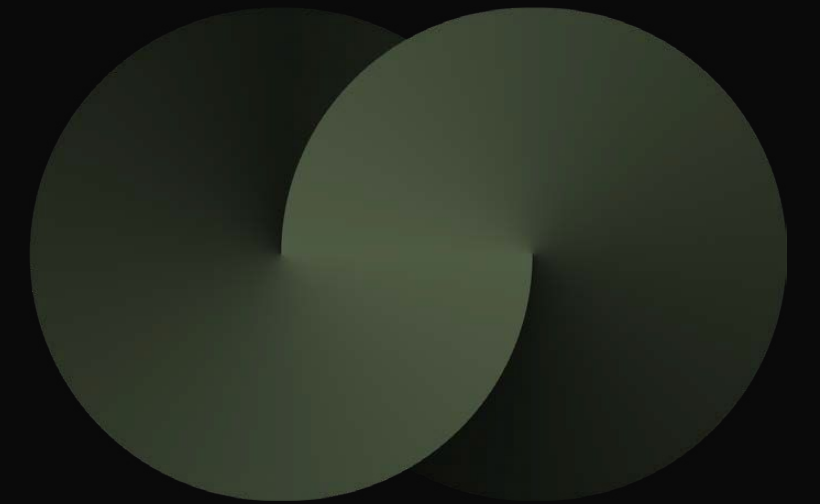
Optimise platform to maximise conversion.

( 03 )



Increase lifetime customer value to max retention.

( 04 )



Increase brand awareness nationwide.

( 01 )

## Initial Digital Audit

Review of your current digital assets including ad copy, creative, landing pages, and entire customer experience. We'll review real-time data of customer behaviour, and identify the leaks and barriers to conversion.

( 02 )

## Expert Analysis

Research your market, competitors and ability to scale to find you the best return for your budget We'll provide the best pathway forward for both short-term and longer-term results.

( 03 )

## Strategy Formulation

Where our service is differentiated. Your campaign gets multi -level input from both director level and from our technology strategists. We then tailor your strategy to get you there responsibly.

( 04 )

## Seamless Execution

We make sure your ads and website are optimised for user experience and conversion. We work on your campaigns, aiming to grow your customer base, increase your brand equity and achieve long-term, sustainable revenue growth.

We provide a Digital Strategy Roadmap when clients come on board. This is a tailored 6 step framework to drive e-commerce sales growth.

■ PHASE 1	■ PHASE 2	■ PHASE 3	■ PHASE 4	■ PHASE 5	■ PHASE 6
Customer avatar definition and competitor analysis (current data analysis)	Optimise for conversions (UX audit)	Find and convert more highly-qualified paid traffic (email automation strategy, paid social content strategy, search strategy, influencer strategy)	Retention strategy (Increase AOV, understand Customer Lifetime Value (CLTV) and order frequency, database segmentation, customer loyalty program)	Grow organic traffic (SEO audit and strategy)	Optimise and scale (spend scaling plan and conversion rate optimisation plan)



Ready for Digital Chemistry?  
Get started with our  
complimentary digital audit.



# Digital Chemistry

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