

Digital Market Update

July 25

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



E-com Landscape	1.0
Strategic Recommendations	2.0
Paid Performance Insights	3.0
Platform Updates	4.0
SEO Landscape	5.0
PH Insights Hub	6.0
Paid Metrics Index – Key Acronyms	7.0
Our Services	8.0
Our Client Goals & Process	9.0

E-com Landscape

1.0

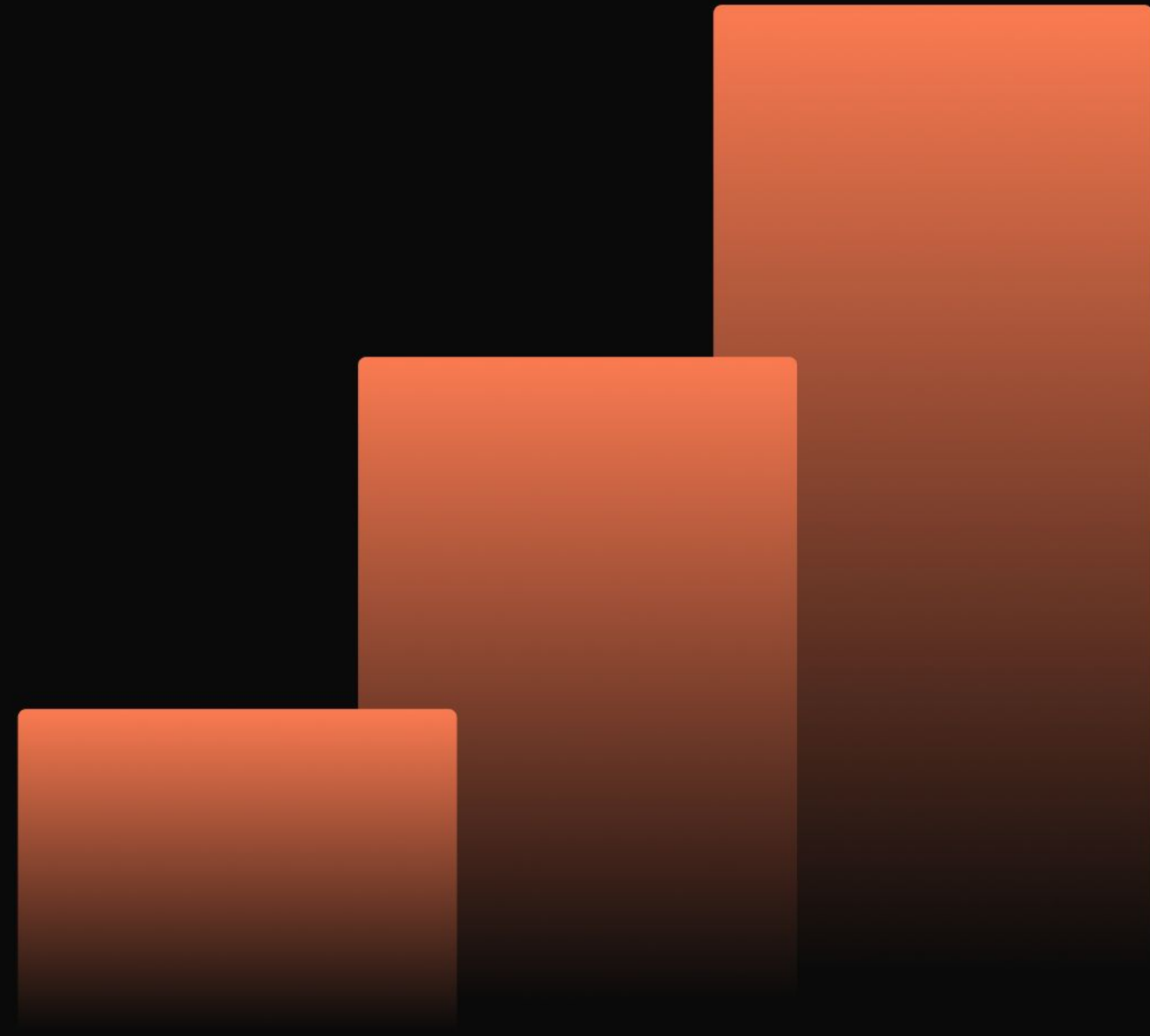
July E-com Wrap Up.

Momentum builds, with opportunities to sharpen for Q3.

Year-on-Year: Sales climbed 10%, orders were up 9.7%, and we saw a modest lift in AOV (+2.75%). Performance is being fuelled by high promo activity (+22%), which is driving volume, but returns also rose (+3.7%), and customer count was flat (-1.8%), signalling room to grow through retention and long-term value strategies.

Month-on-Month: Revenue eased slightly (-6%) in a natural post-EOFY reset, while orders rose (+5.5%) and returns improved significantly (-14.6%). AOV dipped (-6.9%) and discounting increased (+15.6%), reflecting price sensitivity but also showing customers are responsive to compelling offers.

Key Takeaways: July shows the engine is still running, but it's working harder. For brands, the focus for Q3 isn't just making sales, it's selling profitably. Prioritise smart segmentation, offer pacing, and slick CX, and conversion is there for the taking. Not sure where to begin? **Let's break it down** →

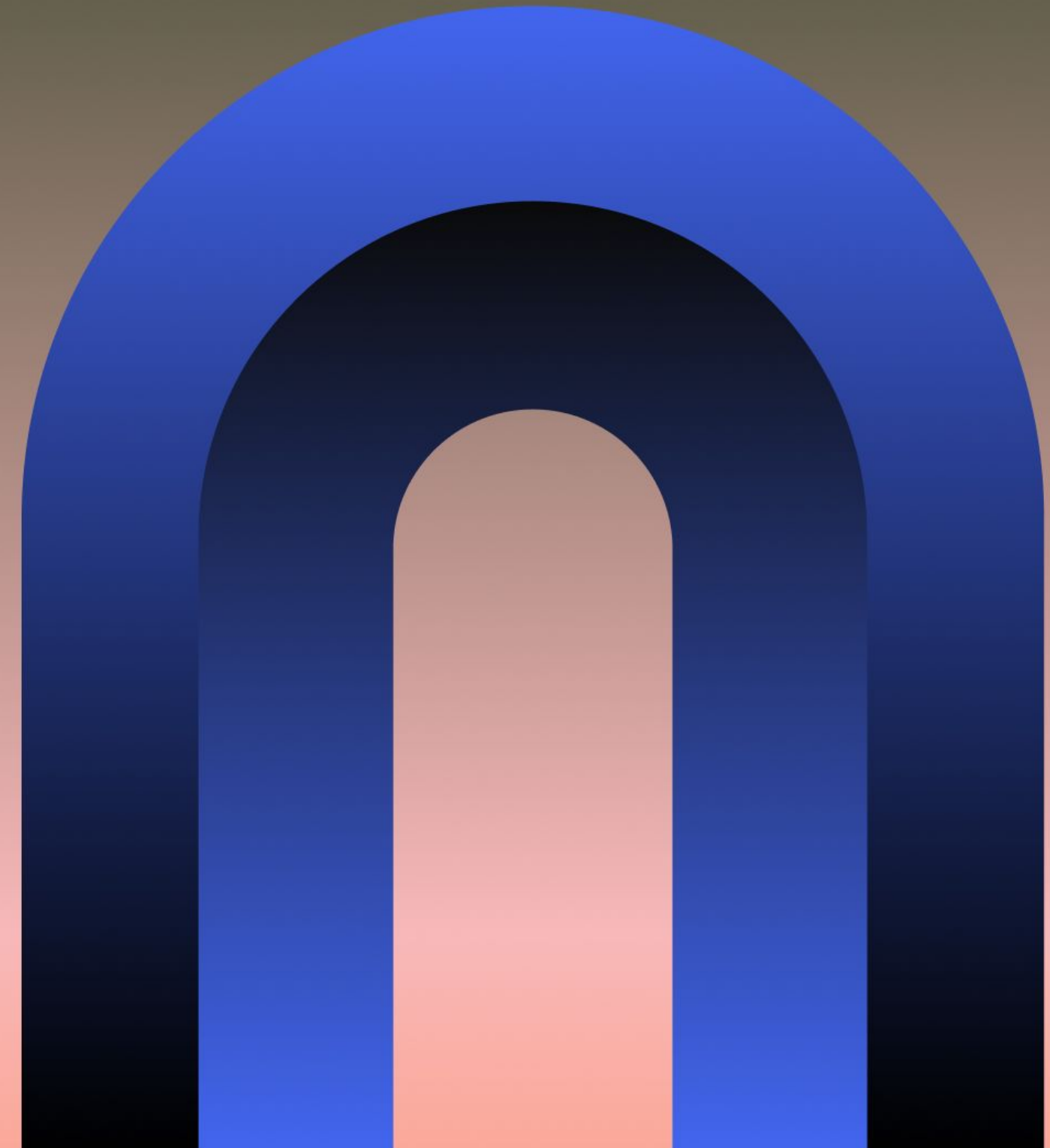


Spotlight on Sales

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

Month-on-Month Trends (July 2025 vs. June 2025)

Metric	Change	Strategic Insight
Revenue	-6.18%	Slightly softer sales typical of winter. Use this period to focus messaging on replenishment, essentials, and seasonal value.
Orders	+5.53%	Targeted activity is converting well. Build on winning campaigns and replicate success in similar segments.
Customer Count	-7.4%	A chance to reconnect with lapsed audiences. Deploy retention programs and tailored re-engagement to bring high-value customers back.
Discounts	+15.68%	Higher promo use is driving volume. Test alternative value drivers (bundles, loyalty perks) to maintain momentum without relying solely on price.
Average Order Value	-6.97%	Smaller baskets create an opportunity to promote add-ons and premium variants that lift spend per order.
Returns	-14.66%	Big improvement and a positive sign of better fit and purchase confidence. Build on this with strong post-purchase touchpoints.



Year-on-Year Trends (July 2025 vs. July 2024)*Average sales performance across PH Digital clients.*

Metric	Change	Strategic Insight
Revenue	+10.16%	Solid growth continues as the cycle normalises. Use the momentum to optimise margin and contribution, not just top-line.
Orders	+9.74%	Healthy demand and strong conversion. Lift profit per order with bundling and higher-margin add-ons.
Customer Count	-1.89%	Essentially stable base; big upside in reactivation, referrals, and win-back journeys to grow LTV.
Discounts	+22.43%	Promotions are working; shape them into structured value (bundles, loyalty perks, evergreen offers) to protect margin.
Returns	+3.77%	Still well controlled; keep fit/size guidance and post-purchase care sharp to maintain the improvement.
Average Order Value	+2.75%	Trending up. Accelerate with smart merchandising, “complete the look”, and threshold incentives.

Key Takeaways: July shows resilient demand: revenue and orders are up, proving the May-June surge was no fluke. The opportunity now is to compound that Q2 growth into stronger profit by growing basket value, making promotions work harder for margin, and investing in systems to turn more first-time shoppers into loyal customers. It’s all about harnessing the momentum. **Here’s how** →

Strategic Recommendations

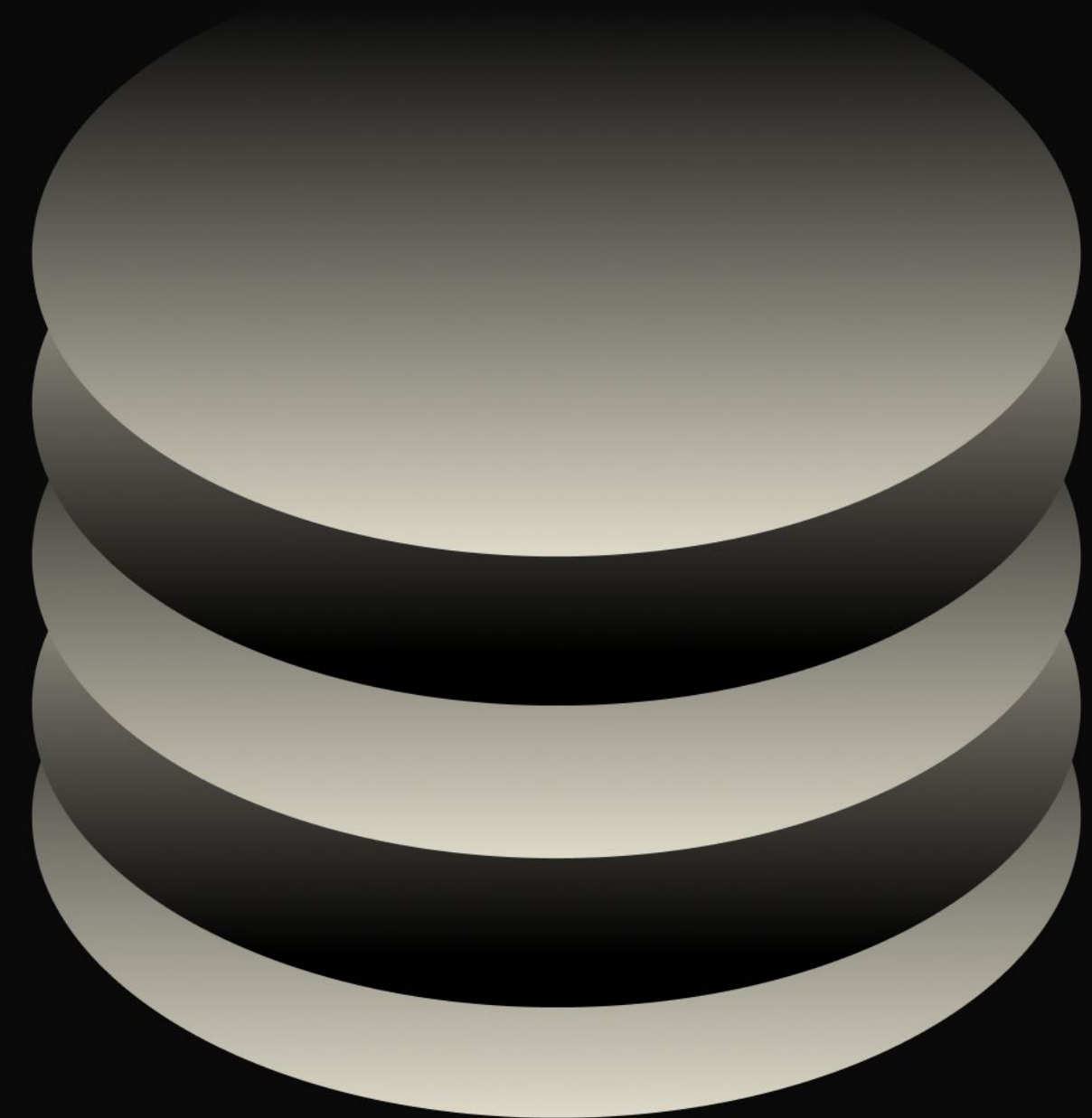
2.0

Your Digital To-Do List.

If Q2 was about volume, Q3 is about value and visibility. Sustainable growth means reaching new audiences while keeping existing customers engaged – selling smarter, not just more. That means:

- **Building a pricing framework, not just a promo calendar:** Anchor pricing, bundle offers, and entry-level SKUs to protect margin, even during discounts.
- **Clarifying the value exchange:** From PDPs (product detail pages) to ads, show customers why your product is worth the spend.
- **Creating a loyalty loop:** With new customer count easing, refocus on re-engagement via social channels, loyalty perks, early access, and next-purchase incentives.
- **Prime the top of funnel:** Grow reach now for Q4. Run segmented prospecting, test creative hooks, and capture intent early.

Shoppers are selective. The brands that win will pair clear value with constant presence – staying front of mind from first touch to repeat purchase.



How PH Digital is Helping.

This month, our strategic focus is margin protection and high-impact retention. We're helping brands drive more value from existing demand, and set themselves up for profitable scale. This means:

- Redesigning offer architecture to better utilise pricing tiers, bundles and sequencing that supports AOV and perception.
- Refining PDPs and site flows to surface value cues, boost trust, and reduce bounce from first click to checkout.
- Building re-engagement journeys across Meta, Google and EDM.

Top Tip: Stop chasing volume if you can't hold onto it.

Every new customer costs more to acquire than they do to keep. If they're not coming back, it's not a volume problem, it's a value one. Fix that first.

Whether you're feeling the squeeze on margin or momentum, we can help you shift from short-term wins to long-term performance.



Paid Performance Insights

3.0

July Google Ads Performance.

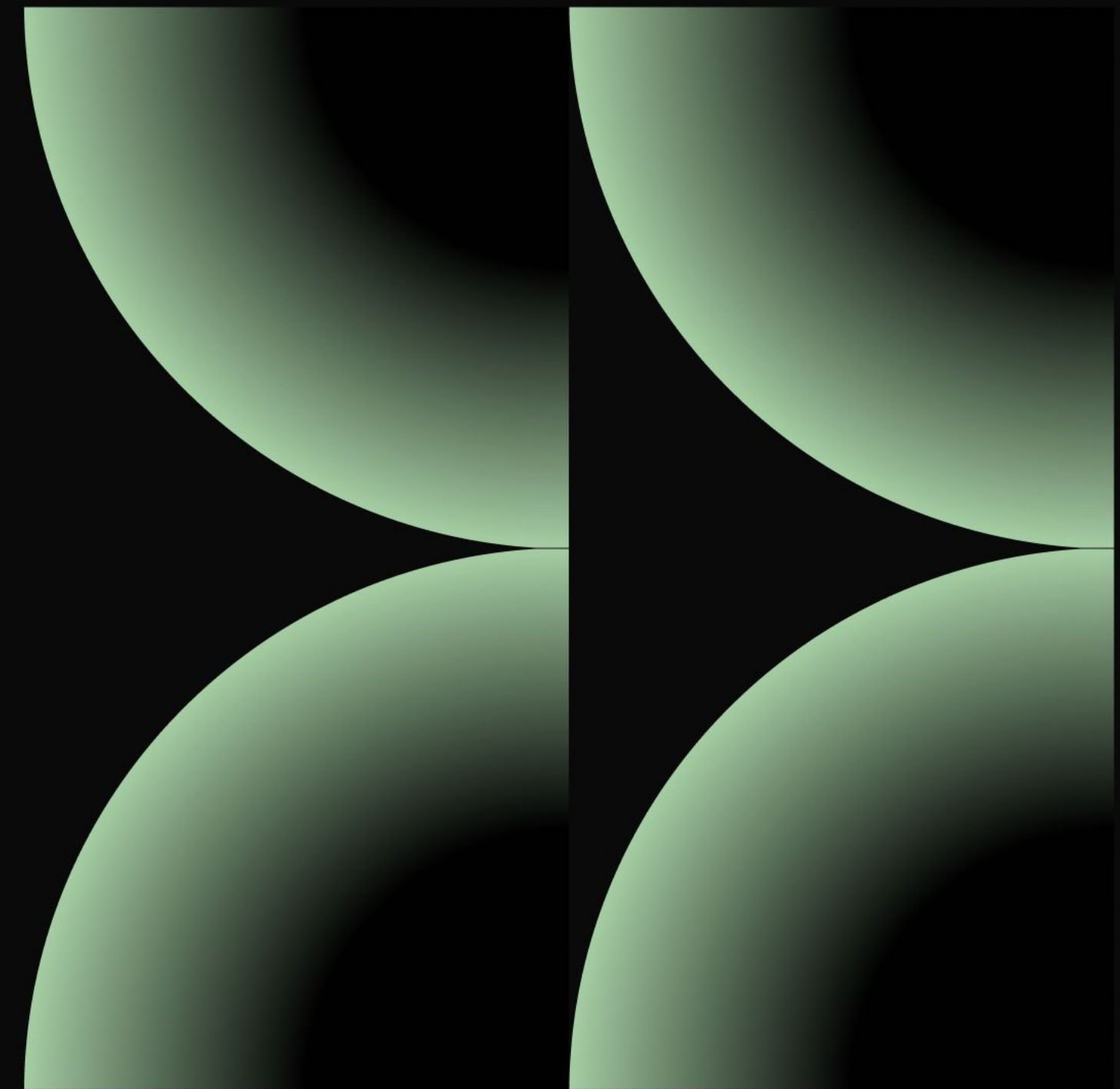
Reshaping Spend, Reclaiming Value:

July's trajectory was nuanced but healthy. Despite an 8% MoM revenue dip, YoY gains held strong, with +26% spend delivering +17% revenue. Brand Search and PMAX are pulling the most weight here.

Month-on-Month: Spend held flat, but revenue softened (-8%). With CPCs up 8% efficiency took a hit, signalling a need to sharpen segmentation, bidding, and post-click journeys across campaigns outside of Brand.

Year-on-Year: PMAX and Brand Search drove meaningful uplift, justifying increased investment. Shopping and Non-Brand Search saw relatively less allocation, suggesting that brands are tightening their focus on formats that return.

Key Takeaway: Rising CPCs and flat MoM results make it clear that efficiency now depends on precision, not presence. This doesn't mean pulling back on Google spend, it just means spending it smarter, and optimising how each format earns its place in the mix.



July Paid Social Performance.

Holding Steady in a Shifting Landscape:

Meta saw modest MoM revenue growth of 2.27%, with ROAS slipping (-7%) and CPCs steady. The positive? CTR continues to climb, pointing to stronger creative and audience engagement, even in a cost-sensitive climate.

Month-on-Month: Revenue edged up slightly, but rising costs outpaced returns. To regain ROAS, the focus must shift to creative clarity and offer strength – particularly across retargeting and lower-funnel segments.

Year-on-Year: CPCs have been stable for 3 months now, and CTR is increasing, which proves Meta's algorithmic targeting is still effective. But performance is now heavily reliant on relevance. Offers and creative that convert are non-negotiable.

Key Takeaway: Meta is no longer a set and forget platform. In a flat-spend, high-expectation environment, success depends on inputs, not just budget. That means creative, timing, and post-click experience must do more heavy lifting. Want to know what's working in Meta ad creative right now? **Keep reading** →



Creative That Converts on Meta.

Meta's CTR is on the rise, which means your creative is getting attention. But with ROAS softening, we know that clicks alone aren't enough. The new challenge? Bridging the gap between interest and action. Consider that:

- **Native motion > polished perfection:** Lo-fi, product-first videos are outperforming studio-polished edits. Think: fast cuts, real hands, and real use-cases. Bonus points for captions and demo-style overlays that are skimmable and conversion-led.
- **Format matters more than ever:** Carousels and Collection Ads are making a comeback, especially for bundles and layered offers. Use them to showcase value, compare options, or walk through steps. Static still works, but only when paired with a killer hook.
- **Speed to meaning is everything:** Attention spans are short, and Meta is watching time-on-ad. Remember, audiences just want to know what's in it for them. Tighten hooks. Simplify offers. Get to the point in under two seconds.

Key Takeaway: Your best chance at strong *ROAS* is creative that feels made for the person seeing it. Keep things personalised, platform-native, and punchy.



Platform Updates

4.0

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: In the US, Google is testing Ads in AI Mode, matching placements to both user queries and the platform's AI-generated responses. Formats include text and shopping ads from Search, Shopping, and PMAX campaigns, shown across mobile and desktop.

→ **Take Action:** Ensure campaigns are eligible and optimise creative for both discovery and purchase intent. Keep product feeds accurate to maximise relevance and visibility in AI Mode as it scales.

2. Platform: Instagram

What's New: Instagram has confirmed it is temporarily prioritising Reels created in its new Edits app. Aimed at driving adoption, the boost includes paid content, meaning brand assets can benefit from stronger initial engagement signals, potentially lowering CPMs and improving delivery.

→ **Take Action:** When producing Reels ads, create and export via Edits to leverage its temporary reach advantage. We'll help you track performance against non-Edits content to quantify the lift so you can adjust creative workflows accordingly.

3. Platform: TikTok

What's New: TikTok is testing Countdown Bidding for select livestream sellers, allowing products to be auctioned in real time with a starting bid and set timer. The format mirrors high-engagement auction mechanics and taps into TikTok's push for commerce-driven content.

→ **Take Action:** Even without direct bidding access, brands can adapt auction-style urgency in ad creative to boost engagement, click-throughs, and conversions.

Email Marketing Updates.

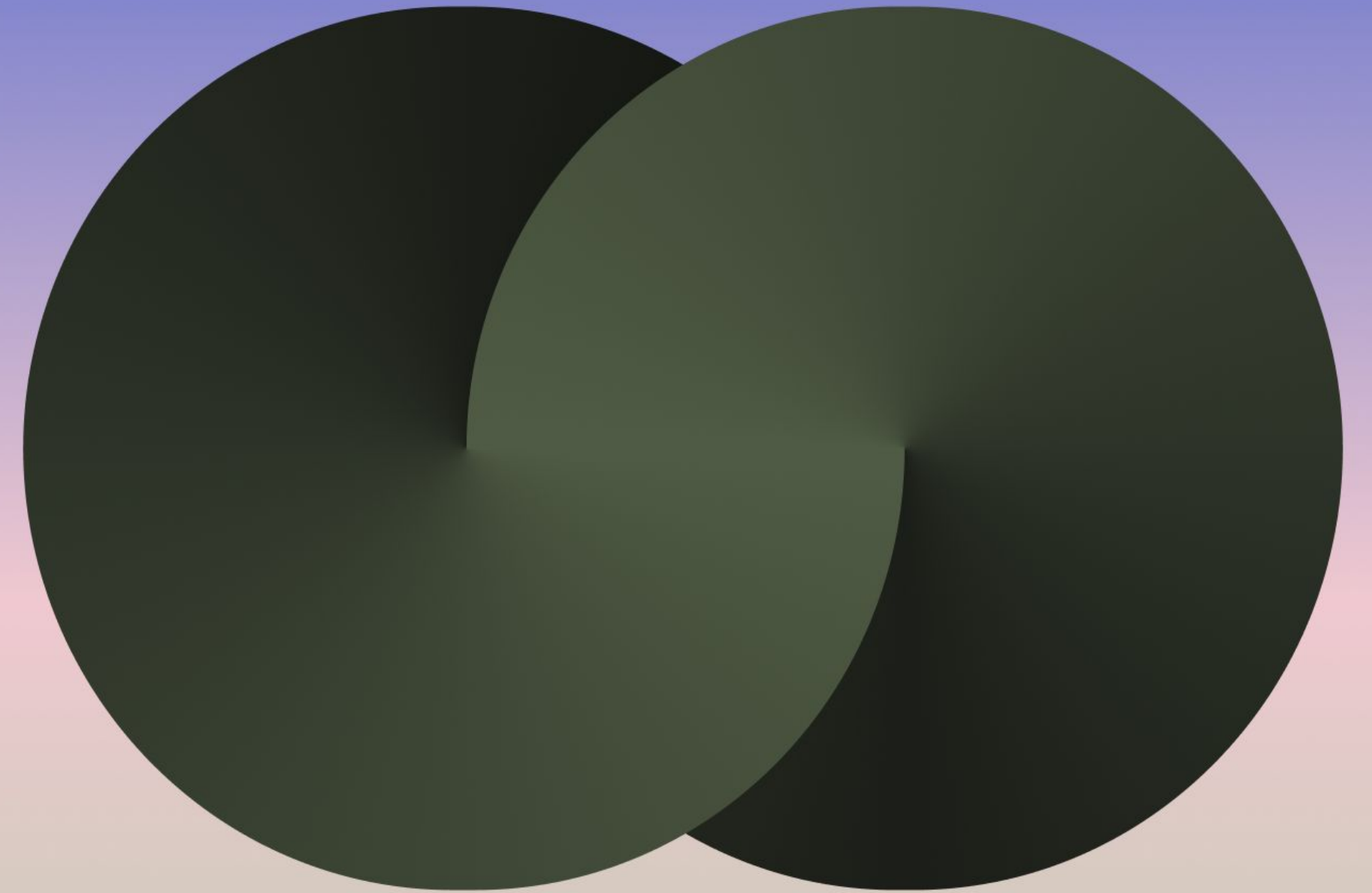
Yotpo Shifts Focus to Reviews & Loyalty:

Yotpo has announced it is retiring its native Email and SMS products, pivoting fully to its core strengths in Reviews and Loyalty. The decision follows partner feedback that brands want deeper, best-in-class tools rather than a broad, all-in-one stack.

What's Changing: Yotpo will no longer offer in-house Email or SMS. Instead, it has partnered with Attentive and Omnisend to ensure smooth client migration, with price matching and integration of its Reviews & Loyalty tools. Dedicated migration support is available for impacted agencies and brands – including PH Digital clients.

What's Ahead: Expect faster product innovation in Reviews & Loyalty, including AI-generated review summaries, smart sorting, multilingual widgets, loyalty tiers for subscriptions and VIPs, and advanced integrations with major Email/SMS platforms.

→ **Take Action:** If this update applies, start migration planning now to avoid service disruption. Consider how upgraded Reviews & Loyalty features can be leveraged alongside your chosen Email/SMS platform to strengthen retention and conversion.



SEO Landscape

5.0

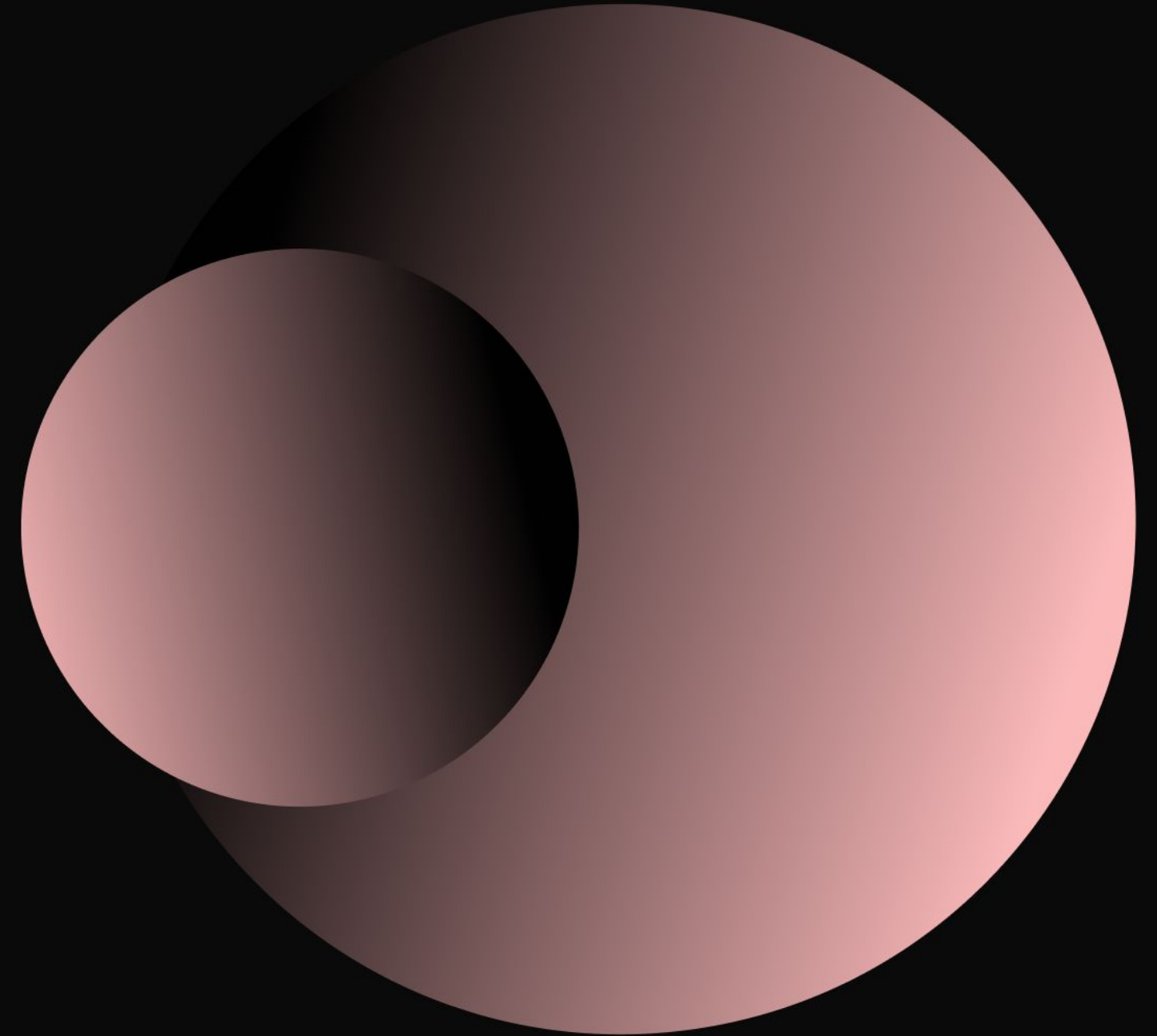
Important SEO Updates.

What's new: Google has clarified that SEO results depend heavily on the scale of your changes. Simple on-page tweaks (revising page titles; adding targeted copy) can improve ranking within two weeks. But major structural or large-scale content updates will take longer, as Google needs time to re-crawl and reprocess your site.

Why it matters: SEO isn't a switch, it's a system. We help clients layer quick wins with longer-term strategy, ensuring changes are properly tracked, prioritised, and rolled out in a way Google understands.

What's new: SEO experts are emphasising a new content standard – PEECAI SPA – to improve visibility in AI search. The framework encourages content that's Persuasive, Engaging, Expert, Concise, Authoritative, and Informative, while also being Structured, Personalised, and Actionable.

Why it matters: Ranking in AI search requires more than keywords. To help clients get cited, featured, and found, we're evolving our SEO strategy to match how AI actually finds and evaluates content – from optimising structure and reducing JavaScript, to increasing presence on high-trust platforms like Reddit and Wikipedia.



Your SEO To-Do List.

SEO isn't just about getting to the top – it's about staying there. From planning realistic timelines to optimising your site for AI visibility, these steps will keep your content relevant, resilient, and ready to be surfaced.

1. Plan For Realistic SEO Timelines.

- **Start with on-page updates.** Think title tags, H1s, alt text, meta descriptions, and internal linking.
 - **Set expectations for bigger changes.** Structural or content-wide fixes may take months to show results.
 - **Track performance continually.** Use Search Console and analytics to monitor impact over time.
 - **Report regularly.** Keep stakeholders informed with simple, clear progress updates.
 - **Refine using real data.** Let user behaviour and search queries guide next steps.
-

2. Prepare for Generative Engine Optimisation (GEO).

- **Allow AI bots to access content.** Avoid blocking crawlers or over-relying on JavaScript.
 - **Apply the PEECAI SPA framework.** Content should be clear, structured, and useful.
 - **Keep brand language consistent.** Align website, socials, and citations.
 - **Target query variations.** Cover related searches and alternative formats.
 - **Build presence in trusted sources.** Strategise ways to appear in forums, wikis, and high-authority references that AI tools draw from.
-

3. Focus on Long-Term Quality

- **Improve content relevance.** Align with search intent and offer unique, valuable insights.
- **Strengthen authority signals.** Use expert authors, credible sources, and quality backlinks.
- **Keep your site healthy.** Maintain fast load times, clean structure, and mobile-friendliness.
- **Track performance over time.** Review trends monthly – not just post-update dips.
- **Use Disavow sparingly.** Google usually filters bad links automatically.

PH Insights Hub

6.0

PH Digital Lab Report.

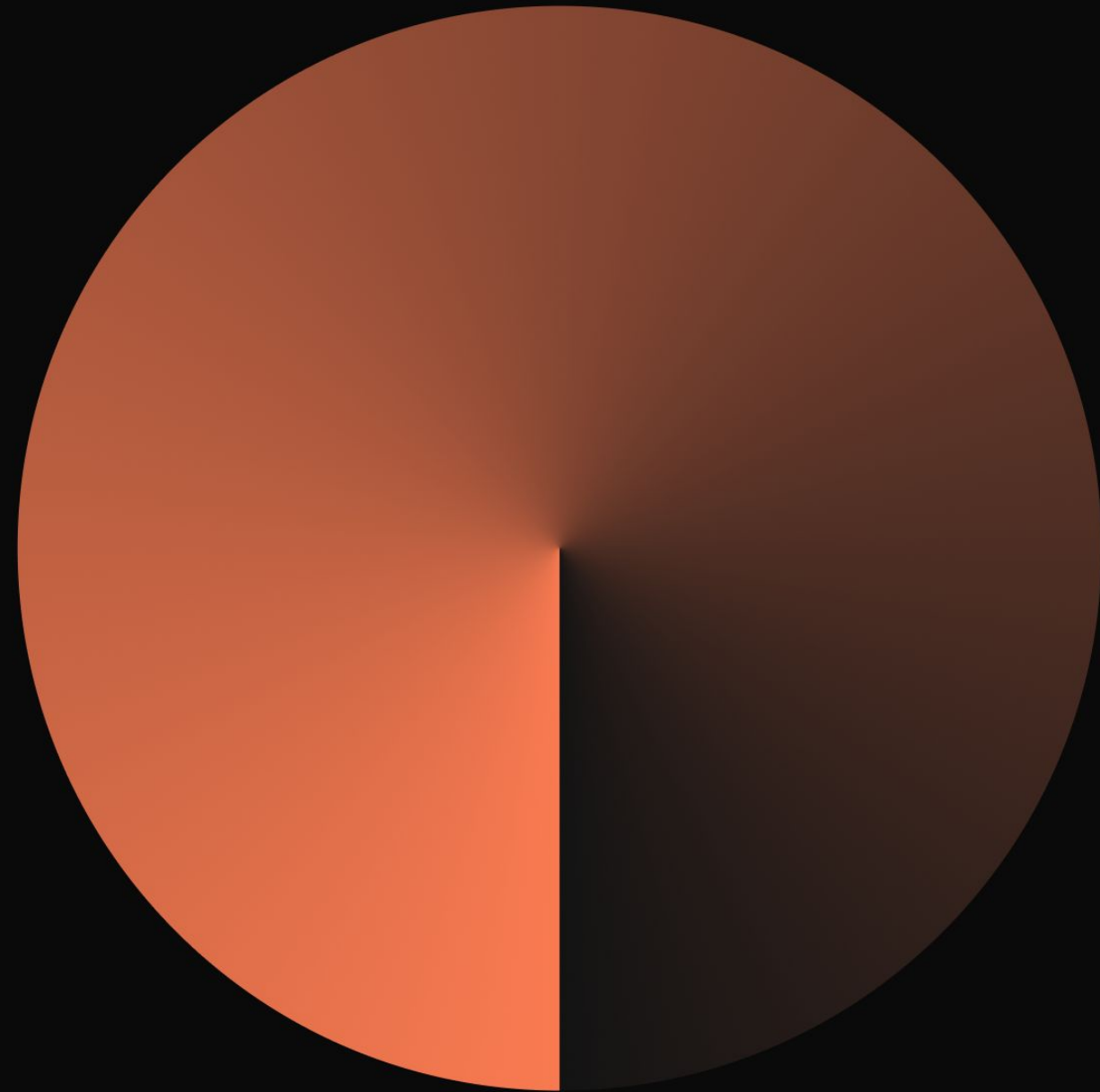
In this monthly digest of the digital updates making waves across the web, we share the TL;DR version (that's *too long, didn't read*), and our expert team's top takeaways.

1. **Meta's Mega AI Play:** Meta's Q2 earnings sent its stock soaring 12%, fuelled by a \$70 billion bet on AI infrastructure. Beyond writing ad copy and generating creative, AI is powering monetisation across Reels, Threads, and more.

Our Take: This is not just an AI upgrade, it is a full rewire of Meta's ad machine. Expect hyper-personalised placements, tighter creative cycles, and an AI arms race for attention.

1. **Shorts, But Make It Big:** YouTube Shorts has rocketed to 200 billion monthly views, driving advertisers to ramp up spend. Expanded ad formats and new creator incentives are set to keep short-form engagement high.

Our Take: Shorts has evolved from TikTok clone to high-volume ad channel. Lower production costs and mobile-first reach make it a performance marketer's low-risk, high-reward test bed.



- 3. AI Ads in Search Answers:** Google is quietly testing ads embedded directly into AI-generated search results. When you ask a question, the AI's answer can now weave in a sponsored product recommendation, complete with a clickable "buy now" link. It is search intent marketing served instantly, without scrolling.

Our Take: This blend of search, SEO, and native advertising could redefine the top-of-page real estate. Brands that secure early placement in AI answers will enjoy high-intent visibility before the format becomes crowded and competitive.

- 4. PG 13 is Dead:** YouTube has loosened its profanity rules, now allowing F-bombs within the first 7 seconds of a video without demonetisation, provided they are not in titles or thumbnails. Once punishable by instant revenue loss, even mild swearing is now fair game, signalling a cultural shift in content moderation.

Our Take: The update paves the way for more authentic, unfiltered creator content without the fear of losing ad revenue. For brands reaching younger or more informal audiences, tone and relatability may now trump overly sanitised messaging.

- 5. Google Ads Gets Smarter:** Google has unveiled new AI-powered campaign types, including "Max Search," designed to automate creative, bidding, and targeting to maximise reach. While offering broader audience capture, early feedback points to more rigid keyword control, placing greater emphasis on input quality.

Our Take: These campaigns will reward marketers who feed the AI rich, first-party data and clear conversion signals. Without that foundation, automation risks diluting spend and delivering reach without results.

PH Press

The Local Project
July 2025

PH Digital head office Studio 11:11

Location: Auckland, New Zealand
Words: Anna O'Keefe | Photography: Thomas Swan-Durst



Studio 11:11 has transformed a vast industrial space in central Auckland into a welcoming, open-plan workplace. With soaring, angled natural light, high ceilings and a generous footprint, warehouse often has impersonal and detached surroundings. Studio 11:11's challenge was to overcome these characteristics and create an intimate workspace for digital marketing agency PH Digital.

The head office is grounded in a careful balance of soft tones, warm hues and tactile finishes paired with bold statement pieces, notably infusing a sense of calm. The cozy, cave-like entry with dim lighting sets in space contrast to the expansive, light-filled office beyond. Further in, an open-plan layout creates a feeling of connection and collaboration, while carefully designed auxiliary areas allow for moments of quiet and retreat. These spaces include a kitchen and bar area, boardroom, meeting rooms and two small pods for private calls.

Much like the open spaces, which are dominated by a neutral colour palette and minimalist feel, the boardroom features soft shades with an integrated bar and custom built TV cabinet. With sleek, warm wood panel finishes, the kitchen and bar are more laid and relaxed. This living zone almost feels like a hospitable venue, making it an ideal place to host events, fulfilling an integral part of the brief.

Each space is unified by a considered material palette. The blend of materials and finishes hark back to the building's industrial past while adding warmth. Galvanised sheet, steel, textured paint, poured-in-situ basalt slabs and textured glass pivot doors are complemented by softer elements, like plush couches and a top-notch rug, which also offers acoustic buffering. Every space – whether it's an advice or a start – has its place, resulting in a comfortable office that encourages creative thinking and teamwork.

With this project, Studio 11:11 has achieved several striking balances: between industrial and warmth, collaboration and clear focus, work and play, raw and elegant. It has created an understated yet carefully considered office that feels grounded in the innovative-led identity of PH Digital.



PH Digital Studio Featured in *The Local Project*

We're incredibly proud to share that our new PH Digital studio has been featured in *The Local Project* Issue 18, which officially launched on Friday 25 July.

This recognition is not only a dream come true but a real pinch-us moment for our team. It's a testament to the vision, creativity, and intent behind our bespoke Grey Lynn studio brought to life in close collaboration with the exceptional teams at CASA and Studio 11:11.

Our new space is more than just a workplace. Every detail was designed to inspire bold thinking, foster deep collaboration, and push the boundaries of digital innovation. It's a space created for our clients, our team, and the ambitious future we're building together.

To be featured in one of the most respected design publications in Australasia is an honour we don't take lightly. It reflects not only the quality of the design but also the culture and ambition it represents.

Paid Metrics Index

7.0

Paid Metrics Index – Key Acronyms.

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

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

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

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.

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.

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

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.

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

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.

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

Our Services

8.0

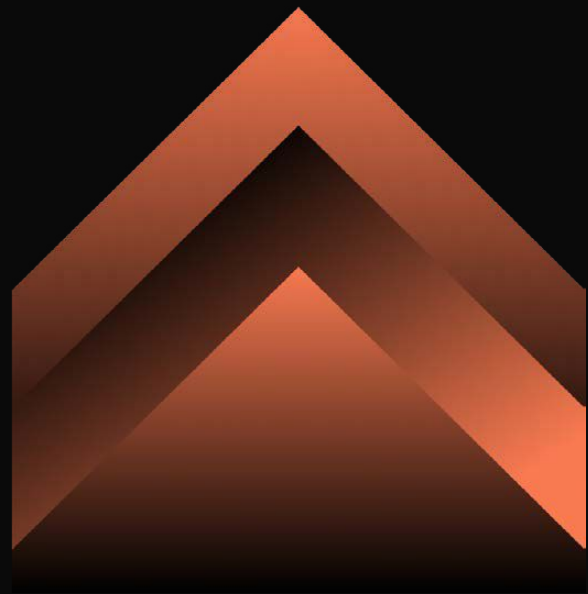
Initial Digital Audit	01
Digital Brand Strategy	02
Social Advertising	03
Paid Google Search	04
Search Engine Optimisation	05
User Experience Auditing	06
Conversion Rate Optimisation	07

Our Client

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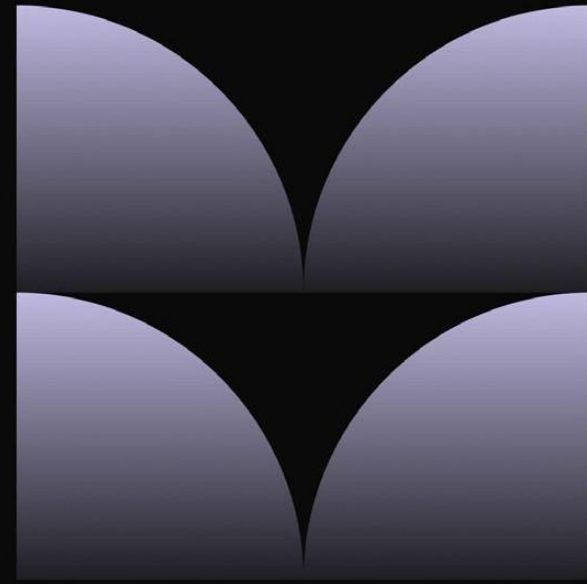
Goals & Process

(01)



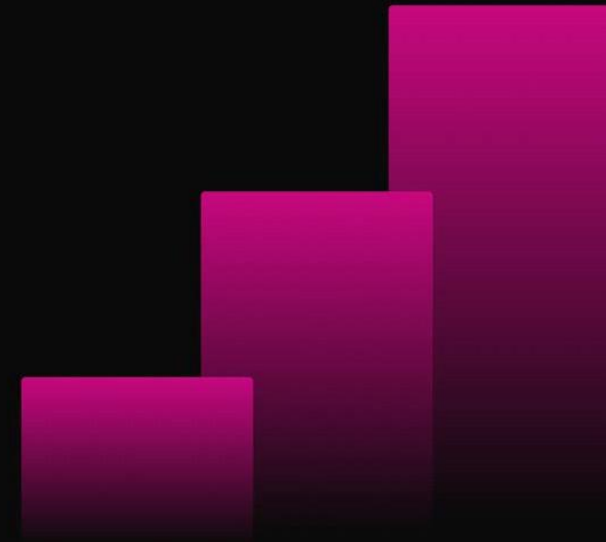
Increase customer acquisition in a scalable way.

(02)



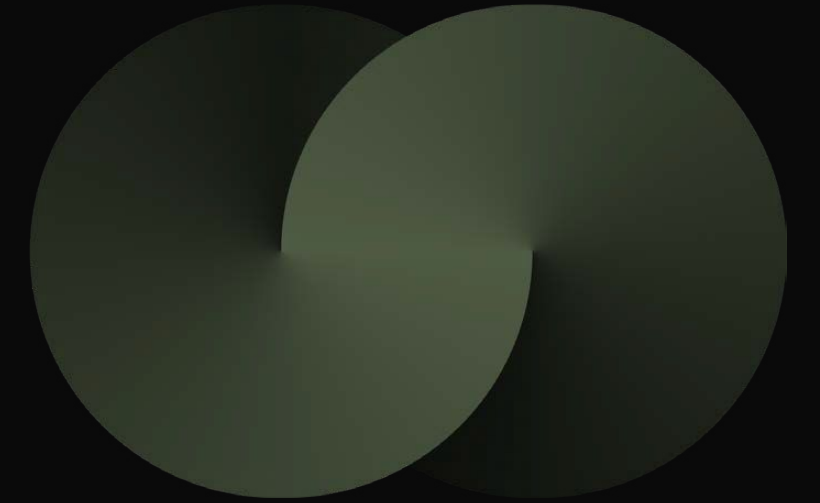
Optimise platform to maximise conversion.

(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

Customer avatar definition and competitor analysis (current data analysis)

■ PHASE 2

Optimise for conversions (UX audit)

■ PHASE 3

Find and convert more highly-qualified paid traffic (email automation strategy, paid social content strategy, search strategy, influencer strategy)

■ PHASE 4

Retention strategy (Increase AOV, understand Customer Lifetime Value (CLTV) and order frequency, database segmentation, customer loyalty program)

■ PHASE 5

Grow organic traffic (SEO audit and strategy)

■ PHASE 6

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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