10 Advanced Strategies

to Improve the Performance
of your Google Shopping Campaigns

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ABSTRACT

Google Shopping has become an indispensable service for retailers and e-commerces, it is not simply a place to promote your products online, it is the place to do so. Besides, Google Ads enlarges the possibilities by offering the chance to show your products to the people who really need them. Thanks to its broad service, Google is one of the main platforms to display your products and, at the same time, it is a powerful tool to increase your benefits… if you know how to take the most out of it, though.

This whitepaper aims to help you find the right strategy to improve the performance and the results of your Google Shopping sales campaigns, as well as to let users expand their knowledge of Google's services, i.e. Google Shopping, Google Ads and Google Merchant Center.

This whitepaper contains a selection of advanced strategies that will help you improve your digital performance online and optimize your sales campaigns on Google Shopping.

Each business has its own needs and audiences, that is why getting to know different possible strategies will let you decide properly which one you need to apply according to your business' needs.

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The need of running the adequate sales campaign on Google Shopping

Currently, most of the e-commerce industries sell very similar products to similar audiences, which increases the level of competitiveness of the digital sales industry. One of the most used online services when it comes to search for products over the internet is Google Shopping, an indispensable comparison tool for any e-commerce store. That is why having correctly optimized your campaigns in Google Shopping turns out to be indispensable to stand out from your rivalry and get to increase both traffic and conversions.

There are different strategies you can apply depending on the needs of your business, features of your vertical and type of product you are offering. On this whitepaper we are going to explain different strategies and their characteristics, as well as some crucial concepts about Google Shopping that will allow you to improve your online sales campaigns.

However, a certain medium-high knowledge of Google Shopping, Google Ads and Google Merchant Center is required, as the goal of this whitepaper is to focus on how to boost your already-optimized campaigns. We will assume some basic concepts as learned and will not focus on the first steps of setting campaigns through these platforms.

Before starting to describe the different advanced Google Shopping strategies, we are going to remind certain basic concepts related to this sort of campaigns:

1   The performance of the campaign depends mostly on the amount and quality of the information provided by your feed of products, according to the current criteria of Google.

2   Despite the impossibility to choose the keywords for which you want your ads to pop up, you can certainly select those words for which you do not want to be shown.

3   Google Shopping campaigns can be classified by priorities. In case a product falls under the umbrella of two different campaigns, the one with the highest priority will prevail.

4   There are three main types of campaigns on Google Shopping:
- Google Shopping Standard Campaign
- Google Shopping Smart Shopping Campaign
- Showcase Ads

5   ROAS is the metric that measures the Return on Advertisement Spending. There is another metric called Conversion Value/Cost that indicates the ROAS, expressed as a decimal.

$$ROAS = \frac{Revenue}{Cost} \cdot 100$$

Title modification by variables and/or constants

As we mentioned before, Google Ads does not allow you to choose the keywords for which you want your ads to show up. We advertisers have some ways to incentivize your products to appear for certain search terms, though. Before developing a strategy, we are going to see a basic example of a title modification by a constant and a variable.

Example of an attribute modification

Google Merchant Center allows you to edit certain elements of your feed depending on available parameters of your choice.

Let's imagine you are working for the official store of a football team. On their own website, the products will appear as "Sports T-shirt Season 2019-2020". This is a proper title for a product on the website. However, it is not detailed-enough to be added as an ad on Google Shopping, because it does not mention the name of the team, for example. If a user searches this t-shirt on Google Shopping, your ad may not show up because it is not linked to the primary keyword. Besides, on the website you cannot have all the products as "{title} team XXX", as it would be absolutely anti-UX. In this case, thus, you should modify the title on Google Merchant Center for the "T-shirt" category and link the following variables:
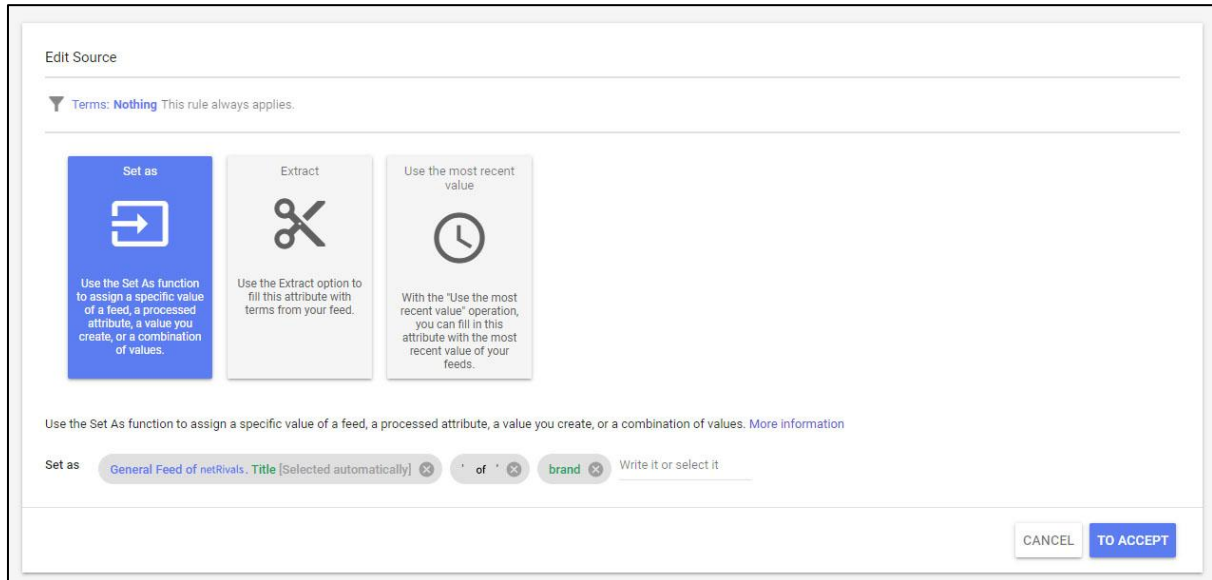
Figure 1. By using the function "Set as", you assign a specific value for a particular feed.

By applying this small change, you will show much more relevant information for those users who make a search on Google.

Add search terms in the product's title

Imagine that you are analyzing the search terms that activated your ads on Google and suddenly you detect that certain terms have a much higher conversion rate than the average for some specific categories.

Following the example of the football team, you find out that the football balls are sold usually when the title starts with "official balloon". In this case, the keyword with a higher conversion probability will be "official balloon" as a phrase match. What should you do then?

Modify the category title "Football ball" to contain this keyword right away.
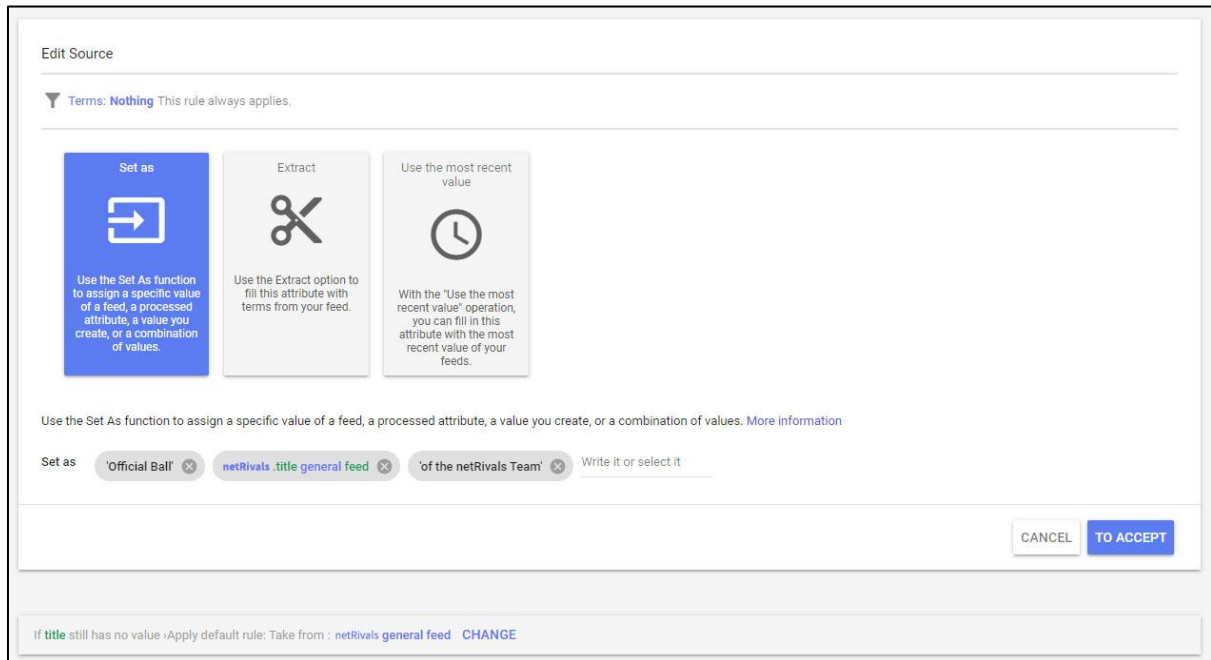
Figure 2. Use the function "Set as" to modify the title of a set of your feed's products.

Special events like Black Friday or Valentine's Day

During some specific dates, like Black Friday or Valentine's Day for instance, users' searching terms use to include the name of the event, primarily with the objective of looking for offers or special prices for those special dates. What can you do during these special events? There are some search terms you can use to promote your appearance in Google search engines. To improve your search campaign is very simple, you can even set a countdown for those products' titles and descriptions by applying dynamic keyword insertion.

That means, that the title of your products change according to the event and the searching terms of users. If the title of your product is "red roses", it will change to "red roses valentine's day" if the users search for it specifically. This way, you have more chances to increase your CTR and improve the relevance of the results.

How can you do it for your Google Shopping campaigns? It is as simple as following the previously mentioned steps from the "Set as" function.

The structure of the campaigns

Properly structuring your campaigns is one of the key factors to scale up a strategy on Google Shopping.

There are an umpteen number of ways to structure them. However, the most common thing is to structure them following the same pattern as the catalogs architecture of any online store, as shown in Figure 3.
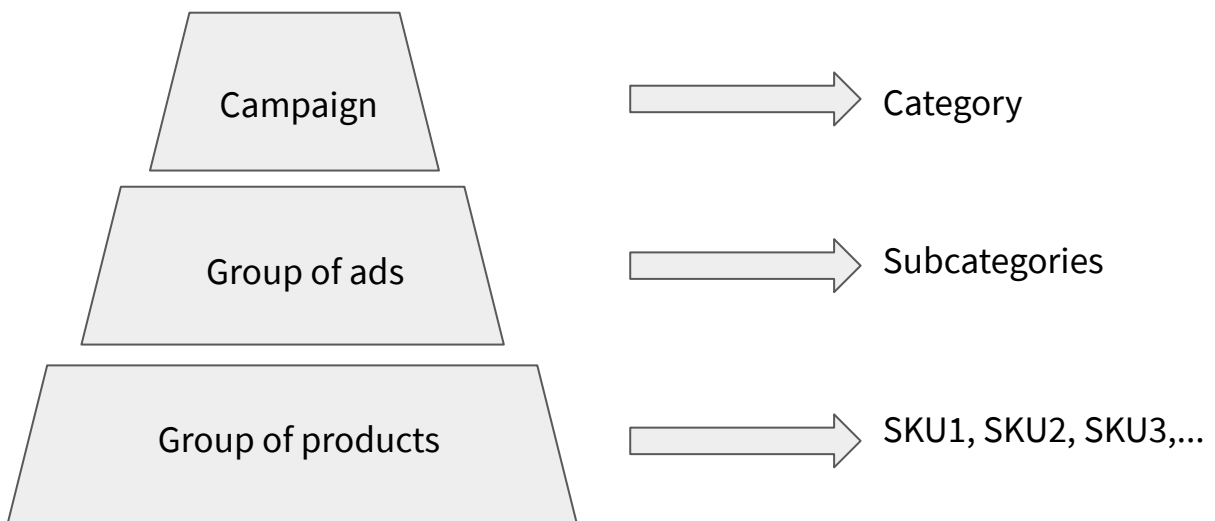

Figure 3. Organigram of a campaigns structure, following the same pattern as web architecture. The campaign is distributed in different groups of products according to different subcategories of ad groups, all of them coming from a primary category.

Now we are going to see some of the most efficient ways to structure your campaigns on Google Shopping. We will present them from less advanced to most advanced structures.

Structure your campaign by price

This is one of the most basic and simple possible structuring strategies for your campaigns. As the name suggests, you need to divide your campaign by products' prices.

It is recommendable to divide your catalog with customized tags that contain at least 300 products. Let's make it clearer with the following figure:

Figure 4. Feed divided in different price ranges.

The ROAS provided by the group of products depends somehow on the price of the product. In many cases, promoting products under 10 euros turns out to be inefficient and the best thing you can do is to exclude those from the campaign.

Figure 5. The Conversion Value/Cost indicates the ROAS in much for one. Here you can observe how every group of products varies depending on the price range.

In the example of Figure 5, you can see the ROAS difference between groups of products with different prices. Here, we detected that it was not profitable to publish ads for products under 15 euros, so they were excluded from the campaign.

Structure your campaign by ROAS

Once your campaigns passed to target ROAS, it is vital to analyze the performance of the many groups of products to detect which ones offer a higher profitability. Remember that it is necessary to unblock your campaign's conversion tracking of Google Shopping in order to activate the target ROAS bidding functionality.

In Figure 6 you can see how the primary KPIs (like ROAS itself) show considerable differences between divisions of products that use any type of classification (here by second level category).

Figure 6. ROAS values for different products categories.

It is useless to apply the same strategy for all sorts of products because they all have completely different behaviours. In order to optimize campaigns of this type, you should divide them by ROAS in groups of 200 and, afterwards, set different target ROAS for each group of products.

Structure your campaign by profit margin

There are different ways to structure campaigns by profit margin. All of them must use customized tags:

- Divide the campaign among Own product, National purchase and Import. This sort of listing is highly used by big retailers, as the margin obtained in each one of these types of supply are quite different. Once you have divided it, you can subdivide the campaigns under other criteria.
- Divide by profit margin in monetary value.
- Divide by profit margin in percentage.

Why should you apply this structure?

Basically because of the setting of a maximum CPC for each group or for each SKU. This classification allows you to easily see when are you spending more than the profit obtained for a certain product; or when a product offers a profitability above the average.

As Google Merchant Center does not provide data of products' costs, you need to modify your feed outside of it, unless you add this data in the form of customized tags.

Structure campaigns by keywords

It is essential to have properly adjusted the keywords for which your ads will appear on the searching engines. In order to properly structure your campaigns by keywords, it is critical to choose the negative keywords as well. Negative keywords are those for which you do not want to show your ads. Before explaining this strategy, we are going to quickly explain some aspects about the negative keywords:

- Negative keywords have three types of match: broad , phrase and exact match.
- By default, if you do not add any symbol, the keywords are assigned as a broad match.
- A branded keyword is a keyword that contains the name of a brand.
- A long tail keyword is "key phrase" that contains information much more detailed than a simple and generic word.

As we explained before, when using Google Shopping, you cannot add keywords but you can add negative keywords to your products.

Exact match

The next strategy is one of the most tedious possible strategies. However, it is going to provide you with very good results. It takes a lot of time to create specific customized keywords lists, that is why we recommend you to apply this strategy only for those products with a high number of searches on Google and that generate enough profit to compensate the time invested in the creation and tracking of the strategy.

In a search campaign, if you want to promote a product like "Nancy Summer Collection Brunette" you might need to include certain keywords like:

- [buy nancy summer brunette]
- "Nancy summer brunette"
- +buy +nancy + summer + brunette

If you want to be found by very specific keywords, you need to use the title modification strategy and add negative keywords to an ads group level.

How can you do so?

You need to divide the campaign up to the point that you only have "Nancy" to an ad group level. Afterwards, you have to add negative keywords in exact concordance or phrasal keywords to avoid showing this ad to those search terms that offer a low purchasing intention. For example:

- "Brunette doll"
- [Nancy summer blonde]
- [Nancy play doll brunette]

Brand campaigns vs. general campaigns

This strategy is less tedious than the previous one and provides you with great results as well. It consists of dividing the campaigns between search terms that contain the brand keyword and search terms that contain general words. When a user makes a search writing "buy nancy brunette new collection 2020", the intention of buying that product is much higher than a user than writing "doll for 6 years old kid". Here in this last example, it is important to show the ad, but not paying the same CPC as for the first one.

How could you do this?

1. Create and configure the Google Shopping campaign. By default, it will be created under low priority criteria. This campaign will be the campaign of general keywords.
2. Now subdivide this campaign in categories and subcategories, until you get to be as specific as possible. Following the previous example: General catalog > Dolls & Stuffed Animals > Dolls > Nancy.
3. Duplicate and modify the priority up to medium priority. Here, add the brand's name to the products for each subgroup of the campaign.

Structure campaigns by the competitiveness of the market

This is by far one of the most powerful structuring strategies. It provides you with incredible results depending on your position in the market. You need to divide your Shopping campaign in:

Best price of the market → provides high ROAS

Competitive → provides medium ROAS

Non competitive → provides low ROAS

Following this structure you can bid more or less aggressively depending on your position in the market. You need to create three campaigns and subdivide each one by any of the previous parameters.

It is necessary to create three campaigns and subdivide each one of them applying any of the previously mentioned criteria.

How can you carry out this strategy?

You need an advanced pricing strategy software capable of monitoring the prices of your products in the market as well as making dynamic pricing adjustments depending on the current status of the market, like Netrivals.

The products will go from one campaign to another in a dynamic way thanks to the customized tags.

Bidding strategies

These are the different bidding strategies available in Google Shopping:

- Standard shopping
    - Enhanced CPC
    - Clics maximization
    - ROAS
- Smart shopping
    - Maximize conversion value bidding
    - Maximize conversion value bidding with a target ROAS

Campaign optimization's natural process on Google Shopping

The most common process for a Google Shopping campaign to succeed, is starting with a general campaign. One that can have a good number of conversions and can be subdivided depending on what we believe convenient. Usually, an enhanced CPC is applied and, once you reached +50 conversions in the last 30 days, we will start using a target ROAS. The reason for this change is simple: once you have achieved this amount of conversions, you will have adjusted a real (and in the best cases, an ideal) cost of Ads spending. At the same time, the system is going to recognize the users' behaviour with a higher probability of conversion.

Once you get to this point, the campaign will work on its own. This is --by far-- the best bidding strategy on Google Shopping, even though it implies certain inconveniences. Let's check them out.

What is the inconvenience of using a click maximization strategy?

By applying this strategy, you are telling the system to optimize the campaign to obtain the biggest possible amount of clicks within your fixed budget. Thus, it does not consider the purchase intention of the searches that activate your ads. Then, concerning other strategies, it will not improve its performance while obtaining more information.

ROAS' issues

Once we moved to ROAS and our campaign gives you a good performance, you need to analyze periodically what products are generating the incomes.
By telling the system that you need to maintain a certain cost percentage over the sales, the system will not only focus on showing the products in relevant searches but will also focus on showing products that fit in your target ROAS.

What does it mean?

You may have already heard Pareto's law that explains how, in general terms, the 20% of your catalog provides the 80% of the total incomes.
On the one side, the target ROAS system must be adjusted to the targeted goal, and on the other side, it detects that products generate very different ROAS. Thus, target ROAS starts showing solely those products that offer a higher performance.
Nonetheless, in case you want to show the whole catalogue or boost categories which are not obtaining such significant incomes, you need to exclude those products from the target ROAS campaign and add them in Shopping campaigns with enhanced CPC.

RLSA

Remarketing List for Search Ads is the strategy that aims to add remarketing audiences to your campaigns in "Targeting" or "Observation" settings. First of all, you need to create quality audiences to apply this strategy.

Technically speaking, the main difference with a display audience is that to show ads to the audience of the search network you need a minimum of 1000 users on the list.

High quality remarketing audiences

There are specific audiences that show conversion rates higher than average, and this happens in every ecommerce. The idea is to forget about the typical "All users from the last 30 days" audience and create high quality audiences to show our ads, people who truly want to buy our products.

These audiences, since we will create them according to the behaviour of the users on our website, must be created in Google Analytics and be shared in our Google Ads overview.

Some of the audiences we can create are:

- Users that made a search on your website.
- Users that made/achieved a smart goal.
- Users that add a product to the shopping cart.
- Users that spent more than 90 seconds on your website.
- Users that visited more than 3 pages on your website.
- Users that accessed the discounts website.

RLSA on Google Shopping

Once you have created this quality audiences and have shared them to your Google Ads account, you simply need to put these lists under the "Targeting" setting in Google Shopping and, in case of having an enhanced CPC strategy, you might have to increase the bid in relation to the quality of the audience. For instance:

- Users that made a search on your website   > 50%
- Users that made/achieved a smart goal   > 50%
- Users that added a product to the shopping cart   > 100%
- Users that spent more than 90 seconds on your website   > 50 %
- Users that visited more than 3 pages on your website   > 50%
- Users that accessed the discounts website   > 75 %

Why is it important to bid more for these audiences?

Users inside these audiences have previously shown interest in our products and, besides, they already know you. It's the perfect combination: they are actively searching for a product in your catalog, plus they know who you are.

What happens if you have a Smart Shopping or a Standard Shopping campaign in ROAS? You need to keep in mind three primary things under this scenario:

- Bid adjustments do not work when you run Smart Bidding strategies, under the exception of -100% adjustments). It is the same system that decides how and to whom it shows your ads.
- Smart Bidding strategies use information of our remarketing audiences, so you need to put them in "observation" settings anyway.
- If you run an e-commerce with a lot of traffic, you need to ask yourself whether creating only RLSA campaigns, as they will offer a much higher ROAS than average campaigns.

Showcase Ads

Have you ever heard of Showcase Ads? Probably not, but it's ok! Showcase Ads is a type of Shopping campaign that allows you to add "landings" with your products for generic searching terms. However, it is available only in several countries around the world.

Let's imagine that, keeping up with the last examples, you want to promote a subcategory of the Nancy Collection. These ads allow you to show in a very visual way all your products of a whole category at once.

Truth to be told, it's similar to a very specific type of advertisement of Facebook Ads.
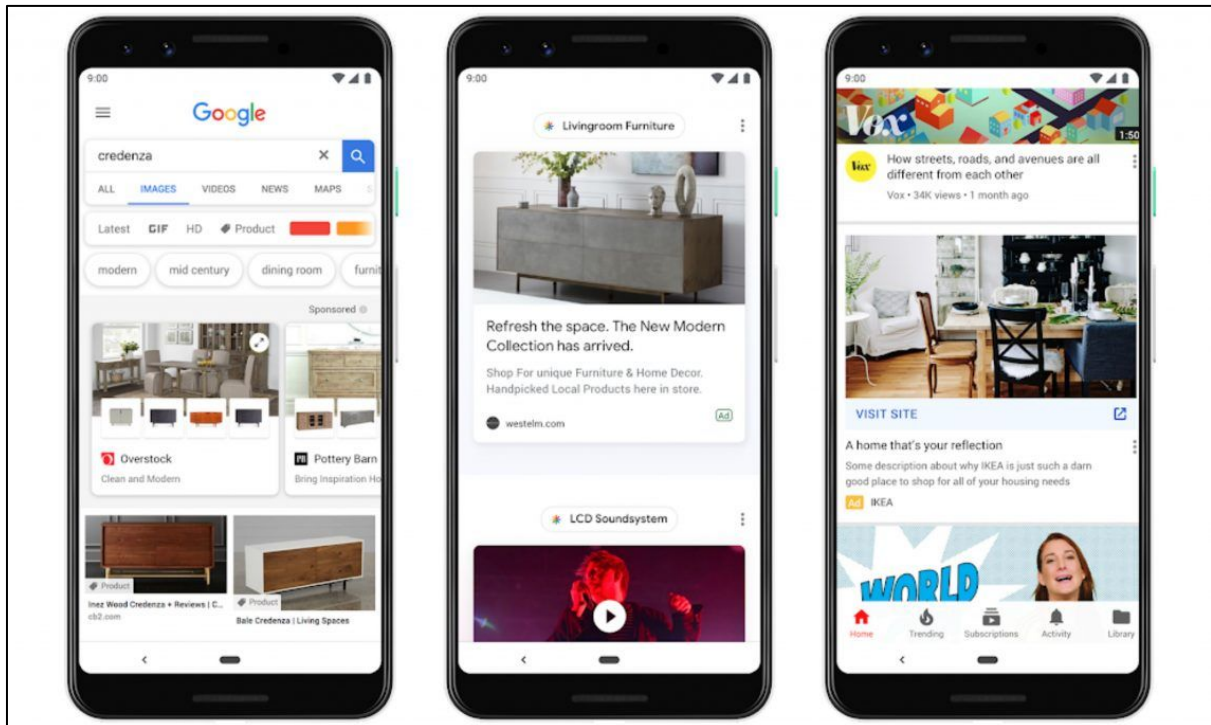

Figure 8. Showcase Ads overview.

Takeaways

After having revised all these strategies, we can conclude a few statements about the optimization of Google Shopping sales campaigns:

Each business has specific needs and audiences; thus, the strategy applied will vary depending on each case. Besides, it is also necessary to apply different strategies, even more than one at once, to improve and scale up the results of your business.

Despite the importance of keywords on Google Shopping, it is worth structuring your strategy by keywords only with those products that have a great volume of searches on Google search engines. It is crucial to spend time considering and assessing the value of each keyword in order to maximize the appearance of your ads to the right people through the right search.

ROAS is a key metric you cannot forget when designing your Google Shopping campaign. By controlling it, along with the enhanced CPC, you will optimize your budget and take out the most of it to get great results.

When used together with Dynamic Pricing solutions, the monitoring of your market and competitors can definitely help you improve your sales on the internet. If you can identify the right optimal price for a product, you are more likely to sell it to the person who is actually searching for it.

Smart Bidding is an interesting solution if your business accomplishes some specific requirements. Even though you save time, you do not have full control on the bids and CPC adjustments. You need to consider which Smart Bidding strategy best meets your business' needs.

Remarketing strategies are also a good option to increase conversions. Showing ads to those who already know you and might be looking again for similar products is a good chance to get conversions.

Additional information

If you want to learn more on how to improve your Google Shopping Campaigns, you can visit netrivals.com for more information on the topic. Netrivals is a key partner of pure-players and omnichannel stores to help them become competitively smarter. The all-in-one view offered by Netrivals covers relevant and valuable e-commerce KPIs like: Price Index, Profit Margins and Conversions of e-commerce businesses. You can learn more here or even request to talk to one of their specialists here.

For more information, please contact support@netrivals.com or visit netrivals.com

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White Paper

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