

# HOW TO CREATE AND OPTIMIZE A FULL PPC STRATEGY FOR SPORTING GOODS E-COMMERCE BUSINESSES

WHITE PAPER



# Index

Abstract	4 ▶
About the sporting goods industry	5 ▶
Analyzing the profitability of your sporting goods e-store	5 ▶
Assessing critical e-store KPIs	6 ▶
Assessing KPIs for you online marketing campaigns	7 ▶
About online advertising for the sports sector	8 ▶
Customer acquisition channels in the sports sector	9 ▶
Google Ads Campaigns for sports sector	9 ▶
Search Campaigns in Google Ads	9 ▶
Search Campaigns	9 ▶
Dynamic search campaigns	10 ▶
Display Network	10 ▶
Prospection	10 ▶
Retargeting	10 ▶
Product Listing Ads (PLA)	11 ▶
Google Shopping Campaigns	11 ▶
Amazon Ads Campaigns	13 ▶
Microsoft Ads Campaigns	15 ▶
Facebook & Instagram Ads	16 ▶
Prospection	16 ▶
Retargeting	16 ▶
Affiliation	17 ▶

<b>Optimization of sports product campaigns</b>	18 ▶
Optimization of search campaigns	18 ▶
Optimization of Display campaigns	19 ▶
Prospecting Campaigns	20 ▶
Where to optimize the campaign?	20 ▶
Retargeting Campaigns	21 ▶
Where to optimize the campaign?	21 ▶
Product List Ads Campaign Optimization	22 ▶
Optimization of Affiliation Campaigns	23 ▶
How to optimize the campaign?	23 ▶
Conclusion	24 ▶
Additional resources	24 ▶
For more information	24 ▶

## Abstract

The sporting goods industry is characterized by its enormous competitiveness and high seasonality, as most of the sports are linked to a certain time of the year. To take advantage of the characteristics of this industry, e-commerce businesses in the sector should make use of PPC campaigns to get the most out of their product catalog.

In this white paper, we will create several PPC Campaigns. This resource also aims to identify and optimize PPC campaigns on the main advertising platforms: Google Ads, Amazon Ads, Microsoft Ads Facebook & Instagram Ads, as well as Affiliate platforms.

The content of this document is aimed at both entry-level PPC campaigners as well as PPC campaign technicians, who will be able to improve and optimize the performance and metrics of these strategies thanks to the insights provided.

The white paper contains a selection of strategies for different networks such as Search or Display Campaigns on Google Ads, and for different audiences, from Prospecting to Retargeting audiences.

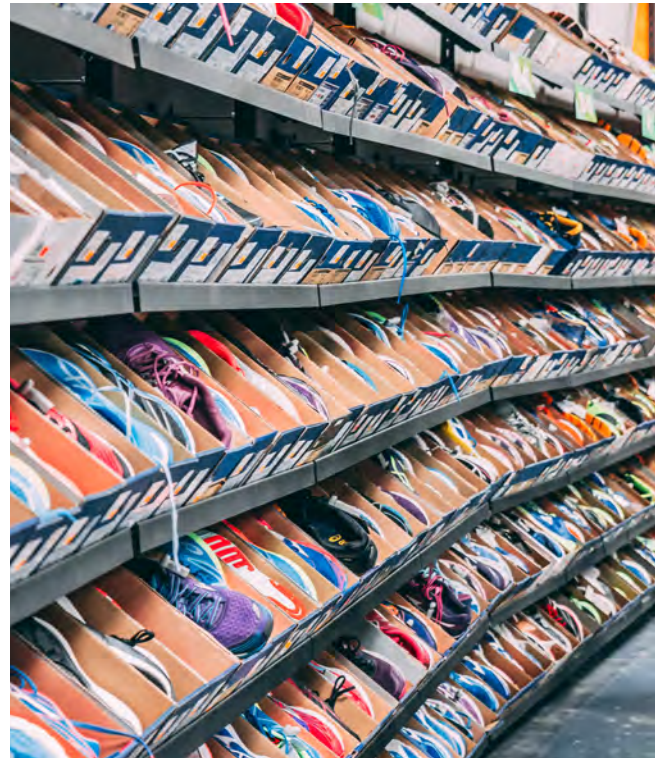


## About the sporting goods industry

This sector is one of the most important in many countries and represents a high share of the online market. It is a sector that has very different purchasing profiles, from children to adults. The socio-demographic profile is one of the most equitable in the e-commerce world.

One of the main characteristics of the sector is its high seasonality. During autumn and winter, certain product categories are sold, and during summer and spring other completely different product categories.

This is why we cannot follow a global strategy by treating the entire store's product catalog as a single product family.



## Analyzing the profitability of your sporting good e-store

In order to optimize our campaigns, we must have clear from the beginning what the KPIs -or **Key Performance Indicators** are: they are metrics or statistics to define the performance of our campaigns- of our business.

While looking at profitability is not the same as analyzing a business model to look at certain types of campaigns or even channels. We will now check the main metrics for each type of analysis.

## Assessing critical e-store KPIs

These statistics will help to assess the profitability and viability of your sports goods online shop. Main performance metrics of business are:

- **CAC**

Customer Acquisition Cost is a metric that calculates the economic investment made to convert a potential customer into a consumer. It is calculated by dividing the money invested in marketing campaigns by the customers achieved through that campaign.

- **AOV**

Average Order Value measures the average shopping cart value of each customer. It is calculated by dividing the total number of gross revenue by the number of orders.

- **cLTV**

Customer Lifetime Value measures the amount of revenue the company expects to receive during a customer's life cycle. It is calculated by multiplying the consumer's average shopping cart value by the frequency of purchase.

- **Growth**

- Earnings: Ideally, it should be analyzed on an interannual basis. In this way, we will be able to know the real growth, since the sports sector has high seasonality. It is calculated by dividing what you have earned in a specific period by what you earned in the same period of the previous year.
- Orders: this metric will be used to assess whether the logistics of the business needs to be improved.

## Assessing KPIs for you online marketing campaigns

To know the efficiency of the PPC channels in a fast and global way there are two main metrics:

- Orders and/or earnings
- ROAS

Return On Advertising Spend measures the economic return on investment in advertising. To calculate it you must divide the income by the investment (multiply it by 100 to get a percentage).

It's important to know the number of orders and earnings, since analyzing only through ROAS can lead to confusion; we'll see it better with a real case of a Netrivals' customer.

We analyzed two campaigns: **Skiwear and Skis**.  
The campaigns present the following results:

### Skiwear:

- Number of Orders: 200
- Revenue: 10.000€
- ROAS: 800%

### Skisales:

- Number of Orders: 10
- Revenue: 1.800€
- ROAS: 2000%



These examples help us understand why the two metrics need to be used together. If we only look at ROAS, we would be losing the core of our revenue, while if we only look at the revenue received, we would not get such a high return that requires less effort.

# About online advertising for the sports sector

As in all ecommerce, it is common to invest in various acquisition channels and to distribute the budget according to the results of each one. Below we find the main ones:

- Google Ads
  - Search Network
  - Display Network
  - Shopping
- Product List Ads
  - Shopping
  - Microsoft Ads (Bing)
  - Amazon Ads
- Facebook & Instagram Ads
  - Prospection
  - Retargeting
- Affiliation





# Customer acquisition channels in the sports sector

## Google Ads Campaigns for sports sector

In Google Ads there are two different advertising networks:

- **Search Network**  
Is one in which the user makes a query
- **Display Network**  
Is one in which the user finds our banner while is navigating through different pages.

### Search Campaigns in Google Ads

#### Search Campaigns

For this strategy we will have to divide the catalog into different well-differentiated product lines. We will create a campaign for each product category and divide them into different ad groups according to the product line.

One example of two search campaigns would be:

#### Climbing equipment:

- Add Group 1: Climbing Shoes
- Ad Group2: Harnesses, ropes and carabiners
- Ad Group 3: Magnesium

#### Boxing:

- Add Group 1: Boxing gloves
- Ad Group2: Boxing shorts
- Ad Group 3: Mouth protectors and bandages



Why this level of detail? The answer is simple: we want to show our ads only in certain queries and therefore we want the relevance for the user to be as high as possible. For example, a user performing a search for “buy men’s climbing shoes” would be better off landing on our Climbing Shoes category page than on the Outdoor Sports family.

In the sports sector it is important to know in detail the seasonality of each of our categories. There is likely no point in having an active “Surfboards” campaign in the middle of winter, for example.

## **Dynamic Search Campaigns**

The previous strategy is the one that provides us with a greater capacity for segmentation but requires many hours of creation, optimization and analysis. There are many cases in which a dynamic search campaign saves us hours and hours of work. The best strategy? Use both at the same time.

All e-commerce has certain categories which provide them with the most revenue. These are the categories that we must create “manually”, for which we do not think we should consume our time. It is ideal to create DSAs also by category. After a few days or weeks and analyzing these DSAs we might see that there is a category with a great potential; in this case we will create a normal search campaign for that category and try to optimize it as much as possible.

## **Display Network**

### **Prospection**

Prospecting means that we will target our advertisements to people who do not know us or have not shown interest in our products. For the sports sector the most appropriate strategy is to strategically plan a schedule for launching prospecting campaigns according to the product category. Unlike a search campaign, a display campaign requires graphic elements and it takes time to create them.

In this sector, the display audiences that usually show the best results are those of “Personalized Intention” and “Market Audiences”.

For the creation of personalized intention audiences it is important to add only web pages of verticals of the products we are going to promote. In other words, for a boxing material sales campaign it is better to create an audience of people who visit stores like [topking.shop](#) than people who visit [decathlon.com](#)

### **Retargeting**

Retargeting campaigns will be very different from prospecting campaigns. When a person has shown some interest in products of a certain category, it means that he or she has shown a buying attitude. For these people, the ideal is to send them dynamic advertising and show them ads for products similar to those they have visited.

## TIP!

Create different audiences depending on the product category they visit to increase or decrease the bidding according to the seasonality.

### Product Listing Ads (PLA)

PLAs are ads that show much more information about a product compared to, for example, a standard text ad. They are usually positioned at the top of the search screen.

The three most used platforms in Europe are: Google Shopping, Microsoft Shopping and Amazon Ads. Below we will see how to create a successful campaign for a sporting goods e- store.

### Google Shopping Campaign

In this section we are going to deal with very specific topics on the structuring of shopping campaigns for the sports sector.

## Worth reading!

Before continuing it would be important for you to read...

If you have never created a Google Shopping campaign, check our White Paper: [‘Create and Optimize Your Google Shopping Campaigns’](#)

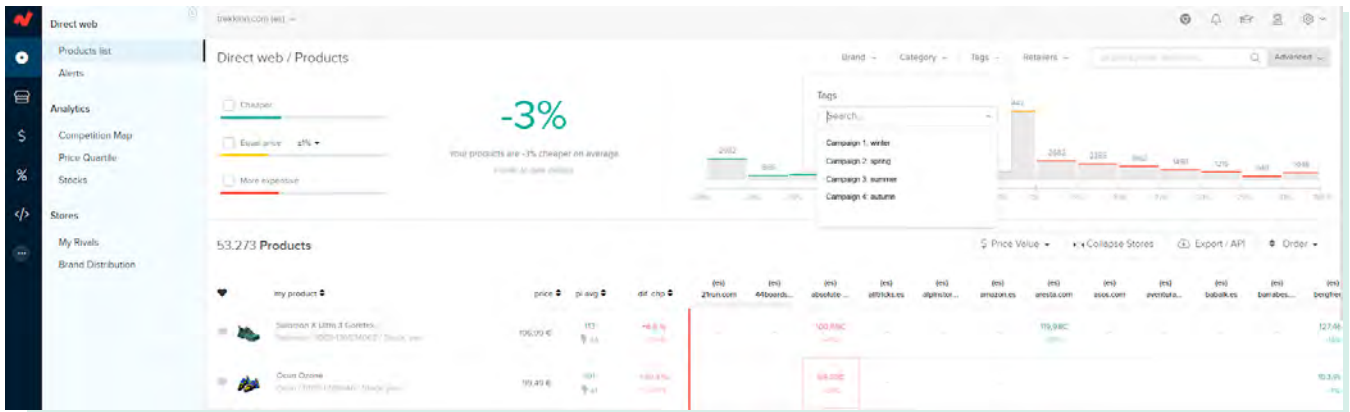
If you are an advanced user of Google Shopping, check this Netrivals’ White Paper [‘Improve the Performance of Your Google Shopping Campaigns’](#)

Now that we have refreshed our memory, let’s see how to make the most of these campaigns for this industry.

One strategy that works well is to divide the catalog into seasons or, going into more detail, months. It consists of separating the campaigns according to the optimum sales season.

In general terms, we could have:

- Campaign 1: Winter
- Campaign 2: Spring
- Campaign 3: Summer
- Campaign 4: Autumn



The reason for dividing the campaigns like this is simple: each one will have a completely different ROAS depending on the time of year we are in. On the other hand, by applying a portfolio bid strategy like Objective ROAS we can apply various seasonality adjustments, so the system will work for us.

Another strategy, complementary to the one we have just seen, is: in the case of off-season products, we will only bid on those where we are competitive in price. Since products that are out of season show a lower conversion rate many advertisers decide not to pay for those ads in which they are not competitive.

## TIP!

If you are a **Netrivals' customer**, you can create a specific feed in less than a minute for each of the cases given, and in an unlimited way. All you have to do is go to: Direct web > Product list > Select “Cheapest” and “Same price” > Select the category and the label (season of the year) > Generate the feed.



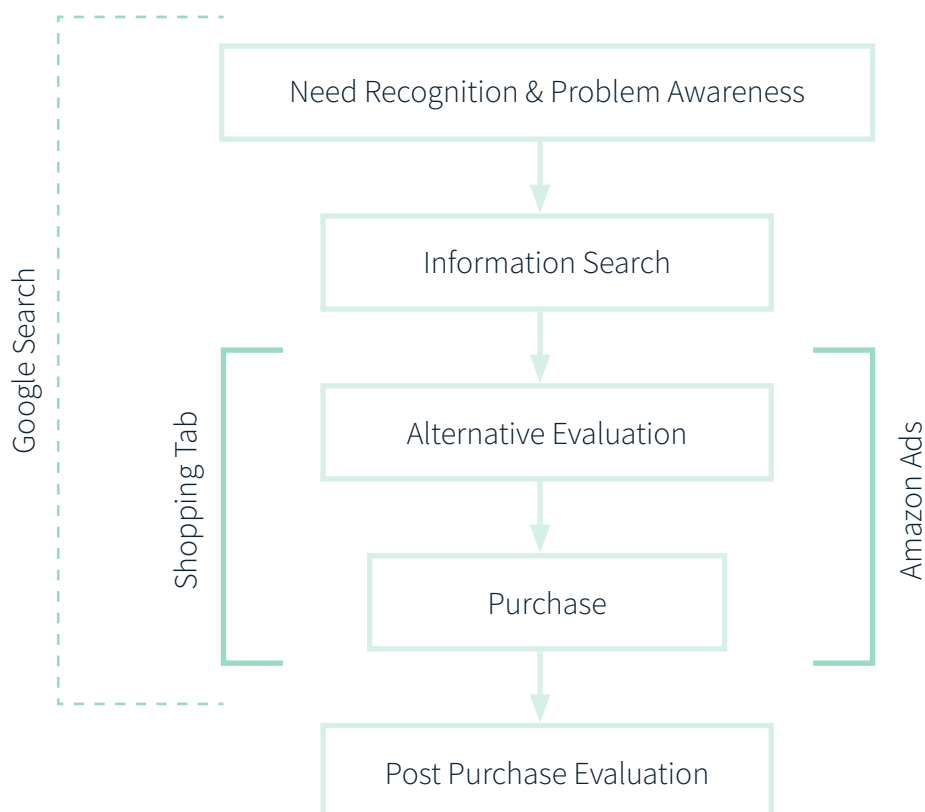
## Amazon Ads Campaigns

Amazon has an internal programmatic advertising platform available. There you can create three different types of campaigns:

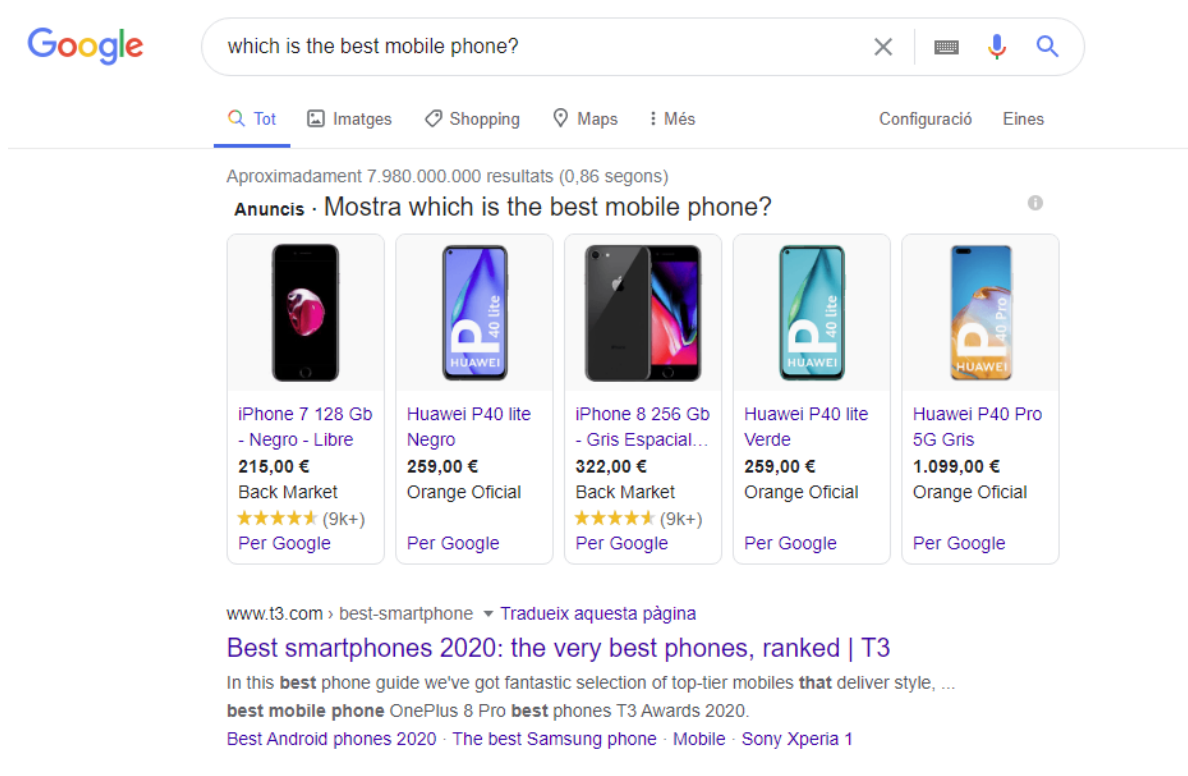
- **Sponsored Products**  
These are advertisements for individual product lists. They work using the CPC
- **Sponsored Brands**  
As the products, they also work using Cost-Per-Click, but these ads include the brand logo, a customizable header and up to three products.
- **Display**  
Used to promote the ads on Amazon, and other sales channels.

Since this guide is intended for online stores and not brands or manufacturers, we will only discuss sponsored product campaigns.

For people involved in digital marketing, the main difference between advertising on Google Shopping or Amazon Ads is that in the latter the user is at a much more advanced stage of the consumer's purchase process.



Let's take an example: a user wants to change his mobile phone so he searches in Google "which is the best mobile phone?" In Google search results, Google Shopping results appear so you may be paying clicks for users who are in a need detection phase. In contrast, a search on any marketplace shows a much more transactional than informational intent.



Without any doubt, any advertiser in sponsored product campaigns on Amazon Ads can quickly see how easy it is to increase the number of orders in a few hours at the expense of getting less profit from each order.

Amazon Ads' peculiarity: unlike Google and Microsoft Shopping, Amazon Ads only shows the product when we have the BuyBox. One of the main factors to getting the BuyBox is to have the best price for that SKU. For this reason, we recommend making aggressive repricing strategies based on the price of the competitors.

## PROTIP!

To create a dynamic pricing strategy, you must access the Dynamic Pricing>Strategy Editor module and once there, create a strategy for the selected products.

When you create a sponsored product campaign you have two options: by product or by keyword. In general, you always use the product option as it is the least time consuming to create it but in the case of online stores for sports products you may prefer to show certain product categories for certain keywords.

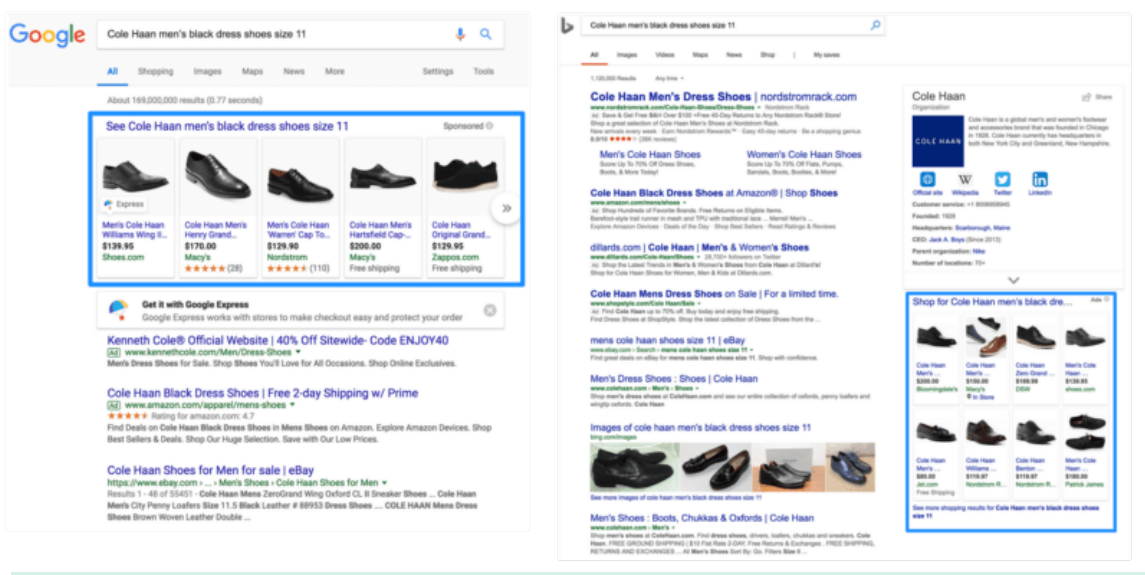
Let's take an example: we want to promote a new line of swimming trunks with a pattern of drawings of a surfer. In this case we want to show the products for swimsuit related searches (by product) and when people search for surf-related material (by keyword).

## Microsoft Ads Campaigns

Microsoft Ads is a programmatic advertising platform where businesses can place bids for advertising space when a user performs a search.

In Mediterranean countries, it is not a very common search engine, but in countries like the United Kingdom or France, it is more widely used. Since no European country is the main search engine, competition is much scarcer than with Google, so preparing an exclusive strategy for this search engine can be a good source of income.

In the following screenshot, you can see the similarities between Google Shopping and Microsoft Shopping.



The operation of the campaigns is pretty much the same except for certain points:

- Microsoft Shopping is not available for all EU countries
- The equivalent of Google Merchant Center is Microsoft Merchant Center which, unlike the first one, is integrated into the same advertising platform.

It is advisable to start with manual bidding strategies and optimize them according to the performance of the campaigns since Microsoft's Smart Bidding strategies are much less efficient than Google's.

## Facebook & Instagram Ads

### Prospection

This strategy is almost identical to the Google Ads display prospecting strategy. The advantage of Facebook and Instagram is that the segmentation by users' interests is much more accurate than that of Google.

Facebook and Instagram create audiences based on user behavior patterns on their platforms, which people they follow, what groups they are in, what kind of posts they like, and so on.

As we mentioned before, it is ideal to have a calendar of prospecting campaigns planned and to launch and pause them according to the time of year.

### Retargeting

The objective of this type of campaign is simple: to show similar product ads to users who have visited our website while browsing its social networks.

In this type of campaign, the creation of personalized audiences takes on special importance; this time they should be done through the Business Manager Pixel.



## Affiliation

Affiliate strategies are a great source of income for e-commerce in all kinds of sectors. They are platforms on which we report our product feeds and pay for each user who accesses our website through the affiliate page.

Unlike Google Shopping or programmatic advertising platforms, in these cases, a CPC is usually set per product category and not based on the auction. This is why it is vitally important to have a well-segmented feed.

The ideal strategy for the sports sector on affiliate pages is:

- We send different feeds to the page according to the time division of our catalog.
- For seasonal products, we will send all categories.
- For off-season products: we will send only those in which we have the best price.

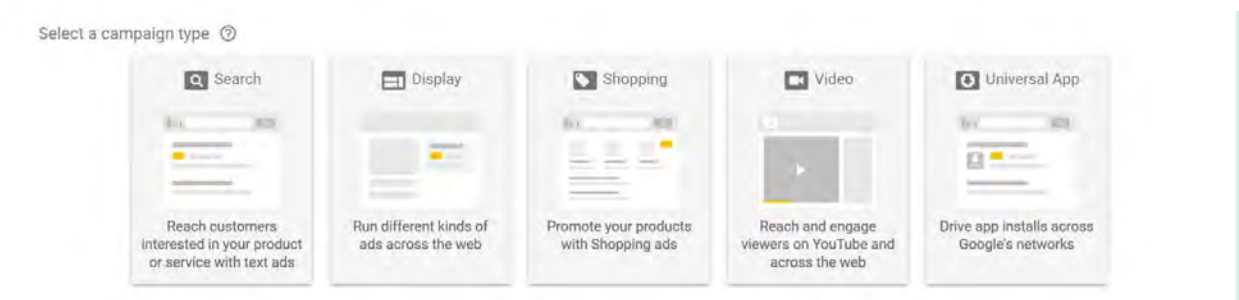
This way we will only pay for clicks from users who have a higher probability of conversion.

As we have seen, the key to success in digital advertising in the sports sector is the correct classification of the catalog.

# Optimization of sports product campaigns

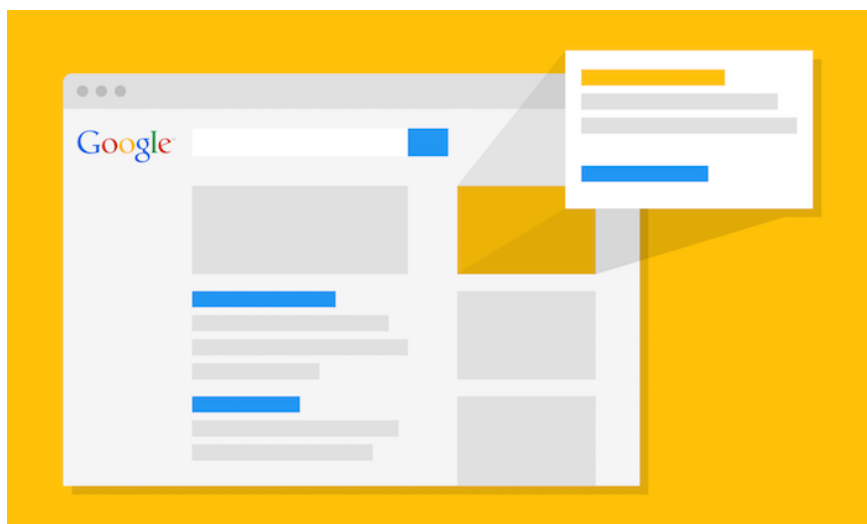
We have separated the campaigns between Google Ads and Facebook Ads, to analyze them we are going to divide the campaigns between:

- Search Campaigns
- Display Campaigns  
Here we will take into account both the campaigns of the Google Display Network and the campaigns of **Paid Social** and **Native Advertising**.
- Google Shopping
- Affiliates



## Optimization of search campaigns

To start the analysis we will see which campaigns and ad groups perform best and worst. We will try to draw conclusions as to why certain campaigns or certain ad groups show low performance.



Let's see what metrics we should take into account:

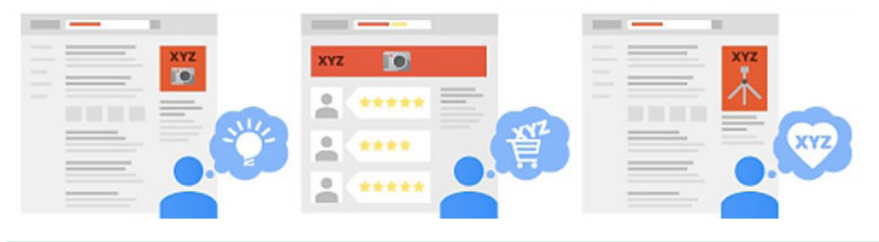
- **Impression Share:** this metric calculates the number of impressions received out of the total number of impressions that could have been received by using the keywords.
- **Click Share** is the estimated ratio between the clicks you have achieved and the total number of clicks you could have received.
- **Conversion Value:** these are the revenue generated by the campaign.
- **ROASv.**

To optimize search campaigns we must analyze if the poor performance of the campaign is due to:

- **Keywords**  
Perhaps they are activating our ads for inquiries that are not directly related to our business. For example, our boxing apparel campaign may be showing ads for inquiries regarding flight schedules or sports news.
- **Landing Page**  
You have to make sure that users go to landing pages related to the search they have made. For this case, we must look at metrics such as Bounce rate and Average time on the page.
- **Ads**  
You have to make sure that the ad shows all the necessary information for the user to click on it and land on a page highly related to your search. For example, if a person is looking for “boxing shirts” he will hardly click on an ad with a title like “Cheap Sports Equipment”.

## Optimization of Display campaigns

The difference between a prospecting campaign and a retargeting campaign is that in the prospecting campaign you seek to attract new customers while in a retargeting campaign the goal is to convert users who have already visited your website.



## Prospecting Campaigns

The main metrics are:

- **CPA (Cost Per Action)**  
This is the most important metric for prospecting campaigns as our goal is to capture new customers. In the case of our CPA campaigns, it means Cost Per Transaction.
- **ROAS**  
Measures the profitability of the first customer transaction achieved through this campaign.

The goal is to attract quality customers, so we must pay special attention to CPA rather than ROAS, because if the customer is satisfied, he will make more purchases and therefore the ROAS will increase even if it is not reflected in the platform's metrics.

### Where to optimize the campaign?

As with all optimization processes, the starting point is an exhaustive analysis of certain elements of the campaign. In this case, it is vitally important to compare the performance of the campaigns with the performance they obtained during the same period of the previous year.

Factors to be analyzed?

- **CPM**  
(Cost per Thousand): with this metric, we will see the most expensive audiences to show our ads.
- **Reach**  
Is the total number of unique users impacted.
- **CTR**  
Click Through Rate, Clicks/Impressions:  
With this metric we will know how much interest this campaign's ads generate in the target audience.
- **Audience**  
who are we targeting?
- **Conversion Rate**

When we detect that an audience is underperforming, and having ruled out factors such as seasonality or the copy of the ad, the task will be to create higher quality audiences.

Let's look at an example:

We reviewed a prospecting campaign for people who love nature (Affinity Audience) to sell mountaineering and trekking products and the results are bad. Since this audience does not perform well, we will have to look for audiences with more intention as:

- **Google Ads**  
Market audiences for mountaineering products.
- **Facebook Ads**  
lookalike audiences of current customers of mountaineering products.

## PRO TIP!

In Google Ads, create personalized target audiences by adding both transactional keywords and web pages from the vertical we want to cover. In the sports sector, we have detected that they show superior performance compared to other sectors.

## Retargeting Campaigns

The main metrics are:

- **ROAS**
- **Revenue**

The ROAS will show us the profitability of the campaign, while the revenue metric shows us the volume of income that we would no longer obtain if the campaign had not been carried out.

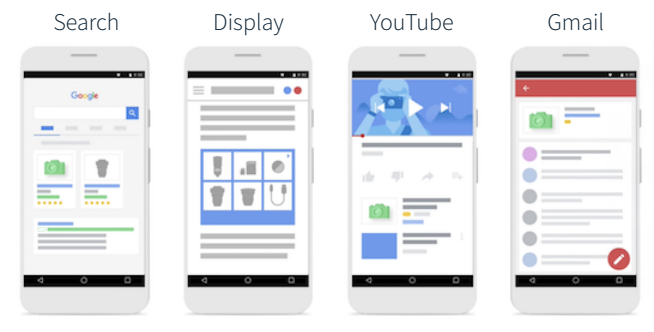
### Where to optimize the campaign?

The procedure followed to create a retargeting campaign consists first of creating audiences based on the behavior of our website and then sending personalized messages to each of them.

We recommended creating audiences according to the family or even the product category. To optimize these campaigns, we simply have to analyze the performance of each of these audiences and adjust the bidding based on this criterion. Unlike other types of campaigns where we must also analyze other factors such as the copy of the ads or the locations where they are shown, here the most important factor is an optimal audience, even more so if you use dynamic ads.

## Product List Ads Campaign Optimization

The most important metrics to analyze a PLA Campaign are:



- Conversion value
- ROAS
- ACOS

The initials correspond to Advertising Cost of Sales and it is calculated by dividing the cost of the ads by the total sales.

## How to optimize Sports Products Shopping Campaigns?

Here it depends on the structure we have decided to use during the creation of the Shopping Campaigns.

In the case of having divided the campaigns according to the season of the year, it will be easy to optimize, since we will have to adjust the bidding strategy according to the time of the year. For example, if we have used this structure, the following structure could adjust the ROAS during winter like this:

- |   |   |
|---|---|
| <ul style="list-style-type: none"> <li>• <b>Campaign 1: Winter</b><br/>ROAS: 1500%<br/>ACOS: 6,67%</li> </ul> | <ul style="list-style-type: none"> <li>• <b>Campaign 2: Spring</b><br/>ROAS: 1000%<br/>ACOS: 10%</li> </ul> |
| <ul style="list-style-type: none"> <li>• <b>Campaign 3: Summer</b><br/>ROAS: 800%<br/>ACOS: 12,5%</li> </ul>  | <ul style="list-style-type: none"> <li>• <b>Campaign 4: Autumn</b><br/>ROAS: 1000%<br/>ACOS: 10%</li> </ul> |

## TIP!

Since at certain times of the year, for example, summer in skiing products, your products will have little turnover, you can perform dynamic pricing strategies to liquidate items that are out of season, thus gaining space in the store. To do this, you must access the Dynamic Pricing>Strategy Editor module and once there, create a strategy for the selected products.

## Optimization of Affiliation Campaigns

The most important metrics for analyzing an Affiliate Campaign are:

- **CPC o Cost-Per-Click**  
Is the price it costs for each consumer to click on an ad of your e-commer
- **Total Cost**
- **Revenue**

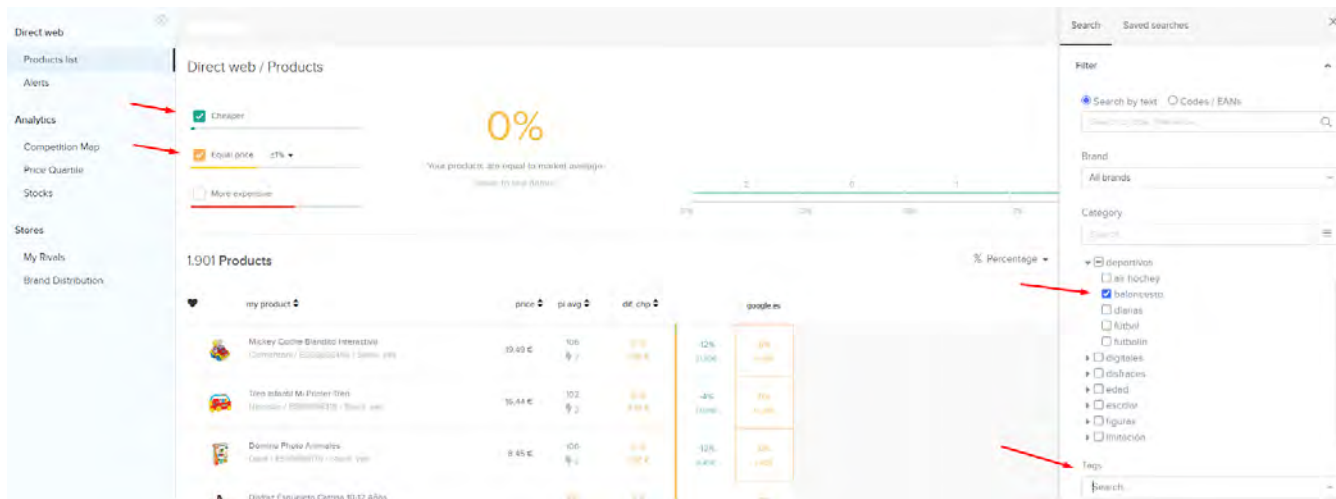
### How to optimize Sports Products Shopping Campaigns?

Unlike a price comparator like Google Shopping, you cannot set a different CPC for each product, so the only way to optimize these campaigns is to send certain products.

Let's see an example: following the previous scenario, it is not efficient to send snow sports products when we are out of season, since the purchase intention is generally lower for this type of products outside of the cold season. Since we cannot choose which products to pay for within the platform, we will have to modify the data feed.

## TIP!

If you are a Netrivals' customer, you can create a specific feed in less than a minute for each of the cases given, and in an unlimited way. All you have to do is go to: Direct web > Product list > Select "Cheapest" and "Same price" > Select the category and the label (season of the year) > Generate the feed



## Conclusion

Throughout the White Paper, the main objective has been to know which are the most important metrics to take into account when doing PPC Campaigns in different channels as well as to optimize the PPC Campaigns in the main advertising platforms.

The seasonality factor in the sporting goods industry makes it impossible to design a campaign globally, as there will always be products that will not give us that much performance.

To optimize Search campaigns, we must improve the Keywords used, the Landing Pages, and that the Ads show all the necessary information.

To optimize Retargeting Display Campaigns, we simply have to analyze the performance of each of these audiences and adjust the bidding based on these criteria.

It is important to remember that for PLA campaigns it will be vital to look at both Revenue and ACOS to get an accurate overview of the campaign performance.

The way to optimize Affiliate campaigns, that unlike Google Shopping work with a fixed CPC, is to send the most competitive products. To create a feed of the most competitive products in your catalog, you can export it directly from the Netrivals software.

### Additional resources

For any additional information regarding pricing and product analysis in the sporting goods industry, please check [netrivals.com](https://netrivals.com) and our [resources](#) section for further data on this topic.

### For more information

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For more information, please contact [hello@netrivals.com](mailto:hello@netrivals.com)