

THE 2017 GOOGLE SHOPPING GUIDE

Data & Best Practices for Advanced Shopping Advertisers

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Introduction

Although there are still many companies running rudimentary Shopping campaigns, more and more are understanding how important Google Shopping is to their business and their overall success with traffic generation.

The ability to almost exact-match target users' queries, especially top performers, can reap great performance gains and is practically essential to compete in the growing competitive Shopping landscape.

As an agency managing Shopping for hundreds of businesses, we've seen a direct impact on client growth thanks to our unique approach to Google Shopping campaign structures & advertising techniques.

In the following guide, we share some of our recent findings on Google Shopping campaign structures, advanced RLSA tactics, how to better leverage CRM data, and an overall glimpse into 2016 Google Shopping data and trends.



PROTIP: If you would like to reference previous data, information and best practices—please check out the [Google Shopping Guide 2016 Edition](#).



Remarketing Lists for Search Ads (RLSA)

Remarketing Lists for Search Ads (RLSA)

Remarketing lists for search ads (RLSA) is a feature that allows retailers to customize their search ad campaigns for people who have previously visited their site, and tailor their bids and ads to these visitors when they're searching on Google.

When potential customers leave a site, remarketing lists help retailers connect with those shoppers while they continue to search for what they need on Google.

According to our in-house experts, the evolution of RLSA & advancing the technology and strategy on RLSA was a big talking point at the [2016 Search Marketing Expo & Conference](#).

“Most advertisers simply apply their standard retargeting audiences within their search campaigns and put bid modifiers on them. But, that can be a very basic approach and there’s a lot more that advertisers should be doing to target their audiences within Google Search,” **Lewis Brannon**, Paid Search Manager at CPC Strategy said.

“Specifically, there was a lot of talk about whether you should be segmenting your campaigns based on audiences and writing different ad copy for those people.”



Lewis Brannon
Paid Search Manager
CPC Strategy



Initially, the only way that we could use retargeting was on the Google Display Network. You would add the tracking code on your website and then—when people visited your site, Google would aggregate those cookies into audiences based on the rules that you set up.

But then [Google released RLSA](#)—and advertisers realized they could put their audience lists into Search campaigns too.

For example, this could include people that viewed Men’s pages (we would put them in a Men’s audience list), or for someone who added to cart but did not follow through with a purchase (we would put them in a cart abandoner audience list). If someone was on one of those RLSA lists and they were doing a search on Google—we could bid “x” percent higher for them.





Introducing RLSA 2.0

According to Lewis, if advertisers are just applying RLSA lists into their normal campaigns and putting bid modifiers on them (RLSA 1.0)—although that could improve the performance of the existing campaign(s)—there are several other ways advertisers can leverage advanced RLSAs to:

- ✓ Increase click-through rate
- ✓ Increase conversion rates
- ✓ Decrease cost-per click

In the following blog post, [“Why Advanced RLSA Audience Targeting Is Essential for Your Business”](#), we walk you through three different scenarios where leveraging advanced RLSA tactics can improve your campaign results including:

Theory 1: Unique Ad Copy Experience for Dedicated RLSA Campaigns

Theory 2: Dynamic Search Ad Campaigns Targeting RLSA Lists

Theory 3: For Limited Budgets Try Running RLSA

Customer Match



Customer Match

Customer Match is a feature aimed to re-engage loyal customers as they shop on Google. We covered the [initial announcement](#) introducing Google Customer Match to Search, Gmail, and YouTube, allowing advertisers to upload a list of email addresses, which can be matched to signed-in users on Google.

Customer Match for Shopping allows advertisers to adjust bids across various segments of their known customers. Advertisers upload a list of email addresses into AdWords, that are matched to signed-in users on Google. Then they can create a remarketing list to reach these customers across campaigns.

Although account performance has been strong, in general last year—we saw **very limited volume and little discernible impact from Customer Match**. One possible theory for the lack of impact is due to potential misalignment among “Match” rates and the exclusivity of the feature.

“The ad only shows to users who have a Gmail account, and are logged into their Google account, and searching for a keyword/product eligible to trigger an impression,” **Roman Fitch**, Retail Search Manager at CPC Strategy.

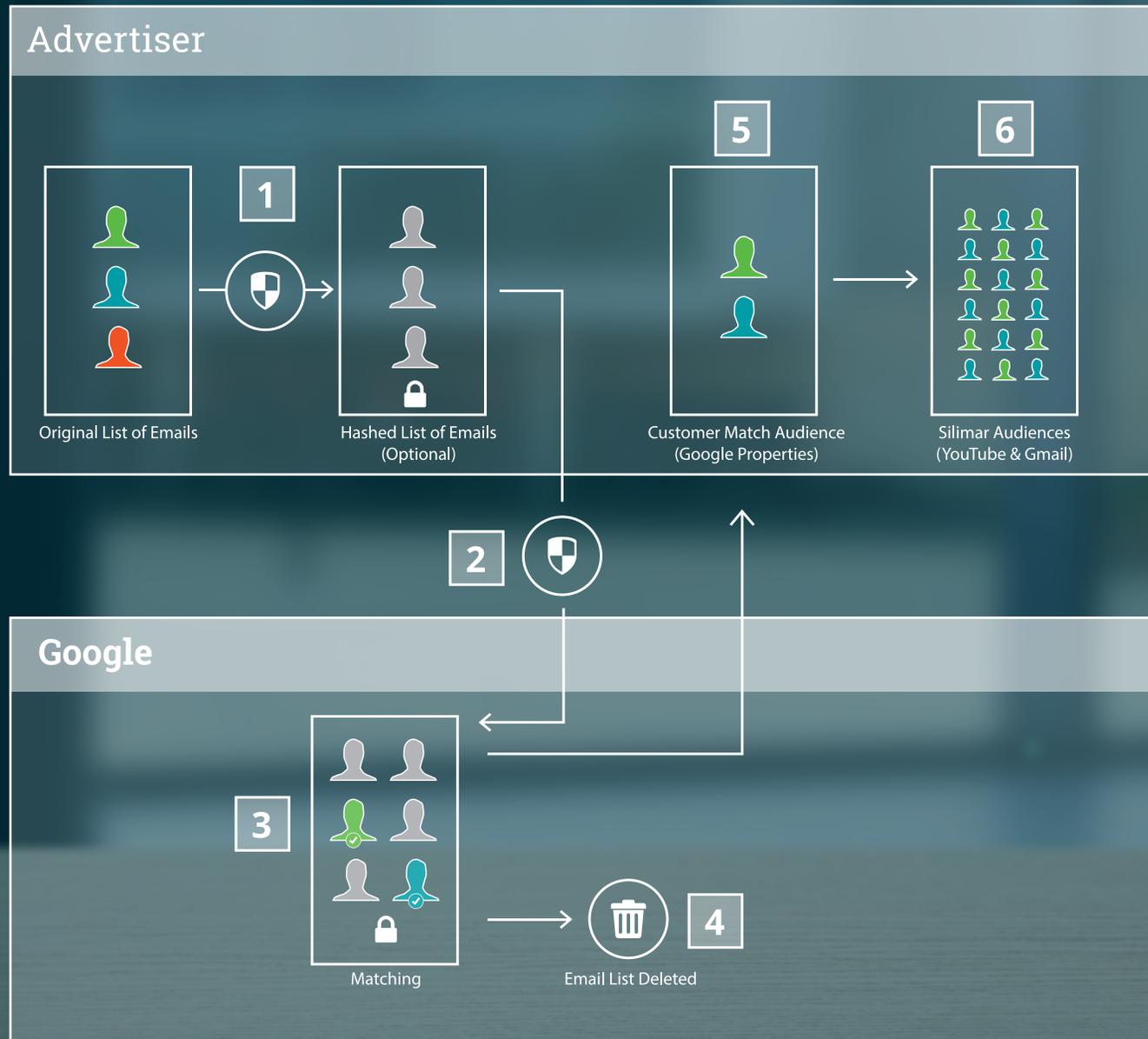


Roman Fitch
Retail Search Manager
CPC Strategy

To read the entire analysis and early findings from our team of experts, check out: [“Advertisers on the Impact of Customer Match for Google Shopping](#)



Customer Match



In the next section “Leveraging CRM Data”, we discuss which factors determine your CRM-targeted ads and how to use CRM data on Google to increase sales.



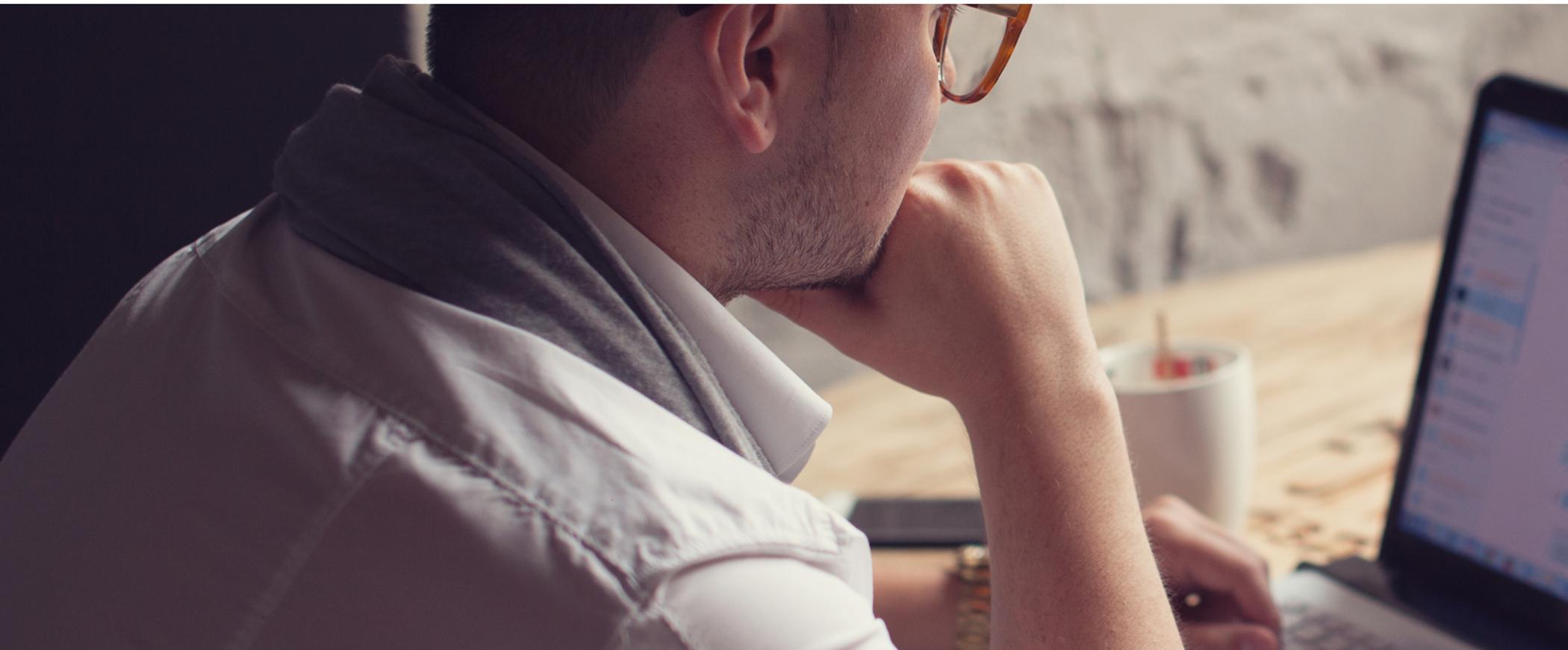
PROTIP: Remarketing lists for search ads (RLSA) and Customer Match help to customize campaigns for people who've previously interacted with your business. Unfortunately, if you're managing a high volume of ad groups, the thought of applying audiences to each one and analyzing the results separately seems extremely time-consuming. Recently, Google has introduced an easier way to manage your audience lists by applying them at the campaign level. To learn more, check out our [blog announcement](#).



Leveraging CRM Data

Savvy brands and retailers have been using CRM data to increase sales via targeted ads to current and prospective customers for several years now. If you're not currently taking advantage of this option, you could be missing out on sales.

In 2015, Google started to allow advertisers to target their CRM audiences with relevant ads via "Customer Match" on the Google Display Network, YouTube TrueView ads, and Gmail native ads. Unfortunately, as we mentioned in the previous section of our guide—early results were not as promising as we had hoped.





Luckily, our team of experts was able to compile a list of factors that impact how effective your CRM-targeted ads are including match rate, CRM list origin & list size.

1 Match Rate

One big factor for your ad success is the “match rate”—or how many of your CRM email addresses will actually match up to those on Google or Facebook. Although match rates vary by advertiser, at CPC Strategy, we work with retail clients and in general, we’ve seen email match rates that are consistently higher on Facebook than on Google.

2 CRM List Origin

The email that people use to purchase with are more likely to be the same email they’re using to log into Facebook, as opposed to the more stringent matching requirements on Google. But with Google, it’s a slightly different story. In our ecommerce marketing experience, there’s a lack of volume and match rates skew lower than Facebook.

3 CRM List Size

CRM targeting does give you the ability to target an older list of past customers or subscribers, which can be great if you are attempting to re-engage that segment. However, in general, the bigger and more recent the audience, the better. At the end of the day, you have to weigh the pros and cons of using Customer Match for your particular brand.

According to **Josh Brisco**, Manager of Retail Search Operations at CPC Strategy, “Unless you have a CRO list that’s more than a few hundred thousand strong, don’t expect a ton of volume on Google. The main advantage [Customer Match] is that you’re able to circumvent any limitations that cookies have. On the flip side of that coin, you’re at the mercy of match rates.”



Josh Brisco
Manager of Retail Search Operations
CPC Strategy

To learn more detail on each of the best practices listed above—check out our recent blog post: [“How Brands Can Use Hard-Earned CRM Data To Increase Sales on Facebook and Google”](#)



Expert tips on how to use CRM data on Google:

- 1 Know Where Google Properties Fall in the Funnel
- 2 Try Mirroring Your Campaigns for More Impact
- 3 Don’t Buy Lists
- 4 Test and Reallocate Budget
- 5 Generate “Similar” Audiences on Google

Auction Insights



Auction Insights

The biggest, and perhaps most noticeable, of Google Shopping trends we have seen is a rise in competition. Shopping, often seen as a viable tool for a large majority of retailers, has become populated with sellers trying to take advantage of the exposure offered from the Google platform—particularly among big box retailers, such as Macy's and Target.

But with more competition, how can retailers take an aggressive approach while maintaining—if not improving their profitability?

One approach our experts suggest is leveraging Auction Insights.

The Auction insights report is available for both Search and Shopping [campaigns](#). With this report retailers can compare their performance with other advertisers who are participating in the same [auctions](#) as them.

This type of information can help retailers make strategic decisions about bidding and budgeting choices by showing specifically where they are succeeding and where they may be missing opportunities for improved performance.

Auction Insights are not necessarily a new tactic, they are really important in Q4, because you can actually see the impression share for some of your competitors & what the overlap rate is between you and your competitors.

To learn more about competitive monitoring with Auction Insights, check out our [recent post here](#).



Best Practices for Structuring Google Shopping Campaign



Best Practices for Structuring Google Shopping Campaigns

In-House Feed Optimization

The [product feed](#) can be an intimidating domain for a retail marketer and is often one of the most overlooked aspects of effective product advertising.

Because of the technology involved, the issues that can arise, or perhaps the sheer appearance of thousands of rows in an Excel sheet, feed optimization is often neglected or underutilized. For this reason, the process can be viewed as a tedious, cumbersome, and monotonous responsibility.

Despite all this, product feeds remain the **critical foundation to any successful product advertising channel—especially Google Shopping.**

Once a data feed has been uploaded, Google cross references the data feed with search. This generates a “quality score,” which is multiplied by your bid to determine a product’s ad rank. Better ad rank leads to improved product discoverability and likely an increase in sales.



An optimized data feed takes into account:

- ✓ Query Volume
- ✓ Query Intent
- ✓ Competition
- ✓ Product Margin
- ✓ Search Term Performance (top-converters & non-converters)
- ✓ Site Performance
- ✓ Audience
- ✓ Inventory

It's not very logical to assume that a sole practitioner can analyze all of this data, make the effective changes within the feed, and do so at scale. Feed tech is instrumental in processing and interpreting data from multiple inputs and what it means in terms of improvements to your product data.

Fortunately, Google has made it easier to improve quality of feed, due to [updates in their Google Merchant Center](#).

In August 2016, Google introduced an updated version of Merchant Center with streamlined navigation and easier access to additional Shopping programs, as well as updates to existing features including feed rules, diagnostics, and currency conversions.

 [Click here to learn more about CPC Strategy's Feed Management Process.](#)



Programmatic Bidding & Technology

Unfortunately, a lot of advertisers don't utilize rule-based bidding strategies to optimize their Google Shopping campaigns as much as they should. It's not feasible for a sole Shopping manager to analyze and optimize performance down the SKU-level for catalogs with over 100 products, for example. We combine programmatic bidding rules and human oversight to scale out SKU-level management.

With [rule-based bidding](#) you can be very specific and customize your inputs, as opposed to algorithmic bidding—which can be a 'cookie cutter' type software that has to be able to work for businesses of all different shapes and sizes.

Programmatic tech allows us to:

- ✓ Monitor SKU-level profitability
- ✓ Create bidding rules by product price, ROAS thresholds, profit margin, etc.
- ✓ Analyze and identify negative keywords in bulk, minimizing wasted spend
- ✓ Whitelist high-performing search terms to run aggressive, ultra-targeted PLAs



CPC Strategy's Google Shopping Rule-Based Bidding Strategies

Pulling Back on Wasted Ad Spend: This rule impacts any items with zero conversions, (ex: cross device conversions or direct on site conversions—depending on your campaign objectives). The rule is implemented to pull back on items that are above a certain spend threshold, over a certain number of days.

Bid Increase Rule(s): The bid increase rule is for converters to gain more visibility. We bucket these bid increases into 3 classes including “mid-range” converters, “top” converters, and “one-off” converters. You can read more about these bid rules in our recent [blog post](#).

Bump Products With Zero impressions: For most catalogs, advertisers will push the majority of spend to the top converting products, which is expected, but that only covers a small range of the total catalog, typically anywhere from 5-20%. The rule will increase bids on individual products up until they hit a certain impression threshold. The whole point of this rule is to drive incremental growth via the rest of the catalog that doesn't get much attention.

Reduce Bid on Bleeders: Bleeders are defined as items that get conversions but are not considered profitable. One way to think of “bleeders” is that they are likely high performing items (when they convert) but in general they are kind of tough to deal with (lots of wasted ad spend), aka it costs too much to acquire the customer. For example, this could include items with a conversion or a ROAS less than 4. These are the items where we want to significantly decrease the bid.



[Click here to learn more about CPC Strategy's CAPx Technology](#)



ISO™ Campaign Architecture

ISO campaigns™ leverage priority settings and negative keywords to isolate and allocate more aggressive bids and budget to certain high value searches.

This advanced strategy gives advertisers more control over which search queries their products show up for. It also allows them to isolate and dedicate budget to search queries that historically convert well.

But because you have designated your budget to search terms you know perform well in your ISO™ campaigns- it better the chance that this product will show up at the top of the search results and get a conversion.



PROTIP: Negative keywords are still a foundational aspect of Google Shopping strategy and advertisers should continue to take advantage of negative keyword lists.



Advertisers shouldn't have to share budget between top performing and low performing search queries.

ISO™ campaigns are constantly gathering new data so it's important for advertisers to avoid the “set it and forget it” mentality.

Shifts in the market are inevitable due to seasonality or trends—so it's critical that advertisers keep a close pulse on which search queries are performing well for their products.

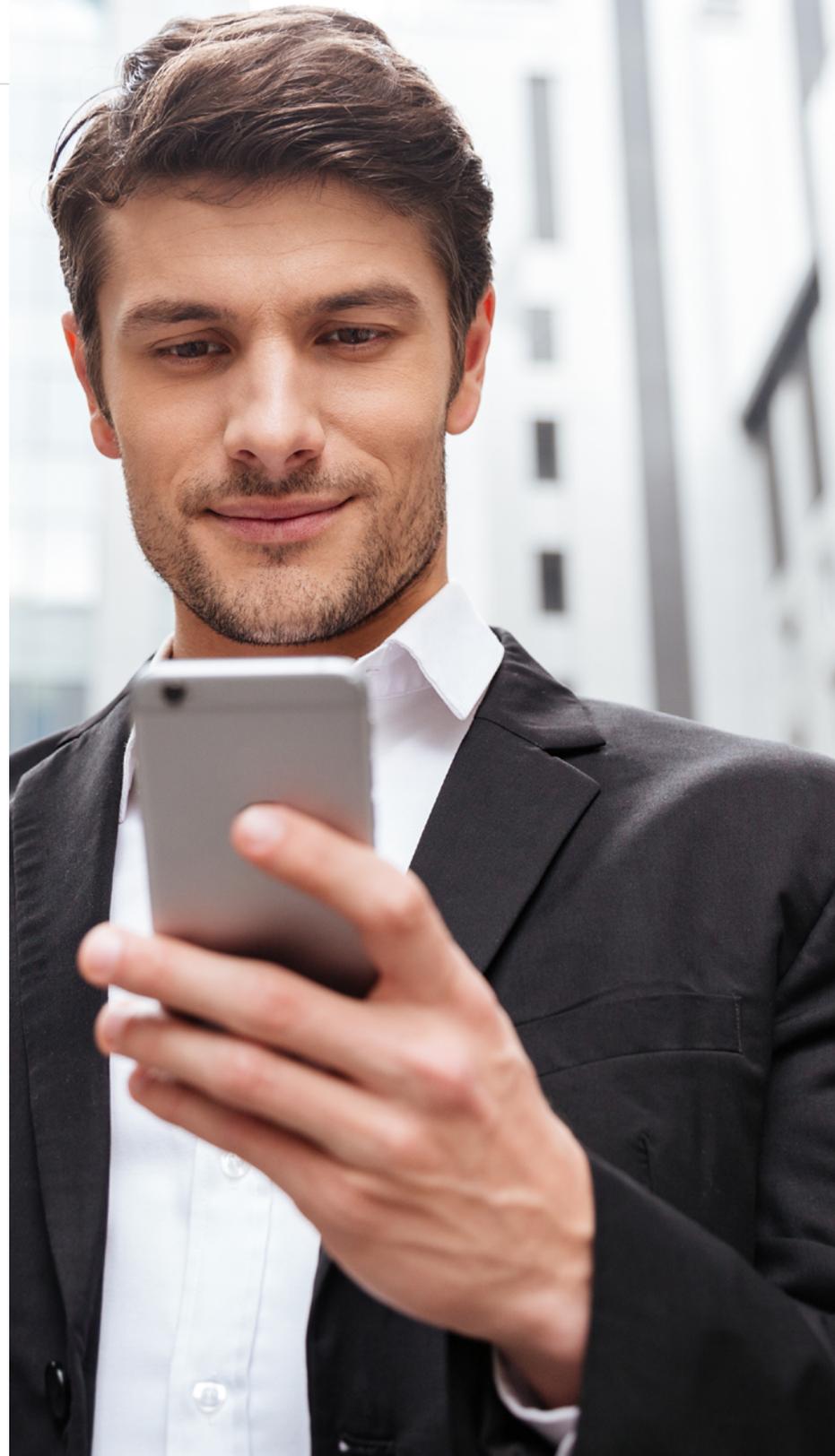
For more on ISO™ campaigns, email tara@cpcstrategy.com

Mobile

When it comes to Google Shopping, most retailers still put their trust in desktop as the main conversion device, not mobile. But according to Google, 6 in 10 internet users in the US start shopping on one device, but continue or finish on a different one.

Additionally, Google's research shows that on average, mobile searches on Google Shopping trigger nearly two follow-up actions, whether that's a purchase or a store visit, and 55% of these actions happen within just 60 minutes.

Generally, we take Google's mobile ad research with a grain of salt. (After all, there is a bias that exists there for their products.) But this time, our AdWords data reflects this shift.



What's a good basic campaign architecture and strategy to support traffic and boost ROAS for mobile?

If you're still using a regular bid modifier to adjust ad group or campaign level, or housing mobile, desktop, and tablet in one campaign—you're missing out. Another benefit of breaking out mobile campaigns vs. desktop and tablet is the ability to break out search queries independently.



To learn more on how to set up the best campaign structure for mobile, check out our recent guide: [Mobile Performance on Google Shopping](#)



2016 Google Shopping Data



Google Shopping Client Category Analysis for 2016

CPC Strategy recently released a new study on Q4 2016 Google Shopping performance.

In the following analysis we decided to take a closer look at the data to study emerging trends and the maturation of Google Shopping as a whole and by category among 220 retailers.

Google Shopping 2015 Q4 vs. 2016 Q4 (only for same store clients) analyzing:

- ✓ Cost Per Click (CPC)
- ✓ Click-through-rate (CTR)
- ✓ ROAS
- ✓ Impression share
- ✓ Revenue
- ✓ Cost





Cost Per Click (CPC)

In 2016, we saw a drop in average CPCs—**\$.71** across all verticals, in comparison to 2015, where we saw an average CPC of **\$.76**.

Click-through-rate (CTR)

In 2016, we saw a drop in average CTR—**1.34%** across all verticals, in comparison to 2015, where we saw an average CTR of **1.62%**.

ROAS

In 2016, we saw a rise in average ROAS—**770.3%** across all verticals, in comparison to 2015, where we saw an average ROAS of only **708.3%**.

Impression Share

In 2016, we saw a drop in average Impression Share—**27.2%** across all verticals, in comparison to 2015, where we saw an average Impression Share of **29.6%**.

Cost

In 2016, we saw an increase in average cost by **24.10%**, in comparison to 2015.

Revenue

In 2016, we saw an increase in average revenue by **24.77%**, in comparison to 2015.





What Happened on Black Friday & Cyber Monday in 2016?

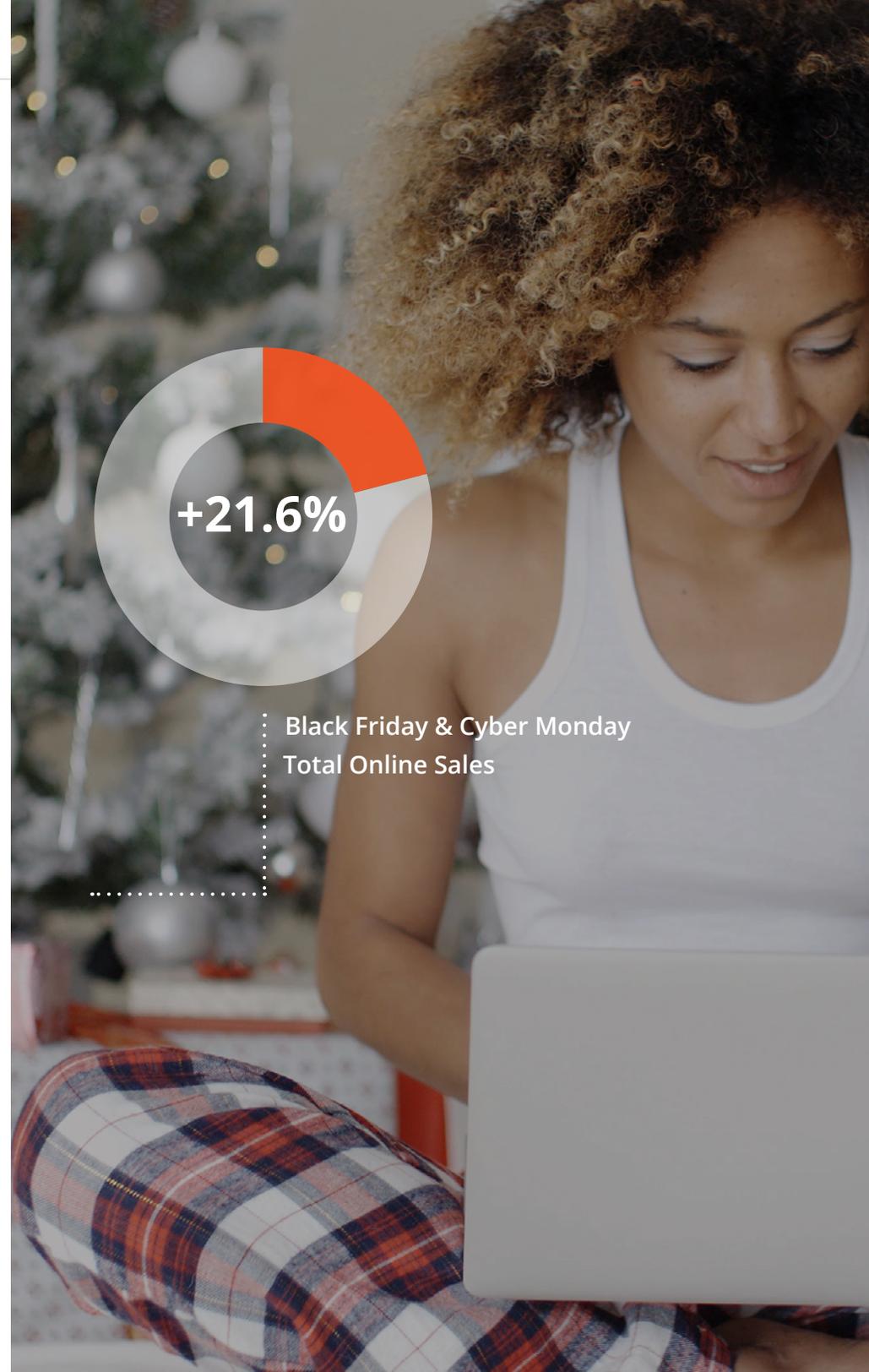
With the growth and popularity of Black Friday and Cyber Monday, the Thanksgiving weekend has often represented one of the biggest shopping times of the year for consumers and retailers alike.

2016 has proven to be no different, as the weekend's turnout exceeded expectations—making it one of the most historic string of days in eCommerce to date.

As such, Google Shopping Black Friday and Cyber Monday traffic was apparent throughout the weekend as well.

This was incredibly evident as online sales totaled a whopping \$3.34b, according to Adobe Digital Insights.

The growth, which was a **21.6% increase** over the previous year, doesn't come as a total surprise considering the ever-growing popularity of Cyber Monday. But it should be taken as a strong indicator of Google Shopping Black Friday trends moving forward.



Black Friday & Cyber Monday
Total Online Sales

We looked at 35 CPC Strategy clients that we managed between 2015 and 2016, and compared their YoY numbers to see how they held up over the holiday weekend.

Our analysis aggregates data from specific days in 2015 and 2016. The comparable dates in 2015 are 11/18/15 through 12/2/15, while the dates taken into account this year are 11/17/16 through 11/30/16. These dates begin one week before Thanksgiving and extend until the Wednesday following Cyber Monday.

“Overall, I would say that the Google Shopping Black Friday and Cyber Monday weekend was a huge success,” said **Jostin Munar**, Retail Search Manager at CPC Strategy

“For one of our clients, we saw revenue boosts of 69%, 97% increase in orders, and 11% ROI improvement when looking at the YoY numbers. Along with those boosts in performance, we also saw increases in the average CPC, year-over-year, for this particular client.

What’s great to see is that, despite the higher CPCs on this account, with the appropriate strategy we were still able to improve ROI compared to last year’s shopping weekend. We were able to achieve success by ensuring that we were zoning in on all of the appropriate terms and stayed aggressive where we saw fit.”



Jostin Munar
Retail Search Manager
CPC Strategy

**GOOGLE SHOPPING BLACK FRIDAY
& CYBER MONDAY 2016 RECAP**

*To view our data,
check out the
blog post here.*



What Now?

Schedule Your Complimentary Retail Search Evaluation

CPC Strategy's Retail Search Evaluation is a complimentary 60-minute analysis and assessment of a retailer's existing Google Shopping campaign architecture, targeting settings, product feed, product pages, and profitability metrics.

[SCHEDULE MY EVALUATION](#)



We Turn Browsers Into Buyers