

JUNE 2019

TOP 10 GOOGLE SHOPPING MISTAKES

And How To Avoid Them



Peter Crone
Digital Excellence
618 7200 4771
pc@digitalexcellence.global

WHEN 3 GUYS FROM GOOGLE STARTED A PERFORMANCE MARKETING AGENCY IN 2013, THE WORLD THOUGHT WE WERE CRAZY.

CRAZY
CLEVER
MAYBE.

We set up a top-notch satellite team in Europe, optimising international e-commerce campaigns across Google platforms and turning successful clients into an automatic referral engine.

When the world caught on to the power of paid marketing a few years later, we had already set the stage for the post-Adwords wave. As experts in alternative platforms, from Bing to Google Shopping and social media, we solved the e-commerce multi-channel marketing challenges for our clients in a virtually hands-free way, giving them time to focus on what they do best.

In the next phase of Digital Excellence we are diving even deeper into data with an end-to-end platform that turns spreadsheets into a streamlined marketing machine, leaving no revenue opportunity untapped.

As fast as the marketing landscape changes, our values stay the same. We put data at the heart of each campaign. We eliminate fluff to focus on what works. We consistently generate outsized results for our clients. And with this approach, have grown the business beyond what we thought possible in 2013.

And we're just getting started.

TOP 10 MISTAKES TO AVOID IN GOOGLE SHOPPING

The key to selling online is to get your products in front of the right set of people. At the right place. At the right time.

Google Shopping is bound to emerge as an important go-to channel for marketers, especially considering that Australia's **online advertising spending** had already reached **\$8.8 billion** in 2018.

Known previously as Google Product Search, Google Products, and Froogle, Google Shopping allows shoppers to search for products on different websites and be able to compare prices. Sounds like a dream for every online entrepreneur, right?

But while it does offer an easy way for clients to showcase their products, hundreds if not thousands of other businesses are also competing for the top spot. So instead, let's talk about how you can get ahead of the competition by finding out what NOT to do.

Here, we've compiled a list of things you should be wary of and common mistakes that other advertisers make when using Google Shopping.

MISTAKE NO. 1

Not working on optimising your product feed

From our experience, more than half of the value lies in the product feed part of the equation. But it's not unusual for advertisers to focus more on the Google Ads Shopping campaign part of the equation than on the actual product feed that goes into the Google Ads machine.

Typically, they will set up a plugin for Shopify or other mainstream ecommerce shop system and then, connect the entire product feed from the shop to the Google Merchant centre and the Google Ads account. At first glance, this practice might seem to make good sense; to go through thousands of products would be tedious and too time-consuming. If a plugin can help sort that out and accomplish the goal in less hours, why not?

Some marketers, however, would simply add the product XML from the shop provider directly to the Google Merchant Center account and the Google Ads account. And then, there are others still who would simply upload to Google Spreadsheets – same general idea as the previous approaches, just done manually.

This last example – using Google Spreadsheet – is often the main reason why Google Shopping campaigns are not giving the best bang for the advertiser's buck.

Adding a feed to Google will grant access to Google Shopping Ads, but will it give the best return? While technically, it might work, it is not necessarily optimised for selling on Google Shopping.

Getting a diagnosis of your added feed is just the start; steps then follow to optimise according to the Google algorithm. The Google Merchant Center can help with troubleshooting the technical errors; however, it will not disapprove products, based on titles or descriptions that are technically error-free but poorly crafted – an oversight that can especially hurt your performance.

Are you properly set up? Take a look at the individual columns in your product feed. These are the columns you need to have, listed in this exact order:

- ID
- Product Title
- Product Description
- Product Category
- Product Type
- Landing Page
- Image + Image URL
- Condition
- Availability
- Price
- Unique Product Identifiers

Learn the product feed dos and don'ts.

Download our Google Shopping Best Practices [PDF].

MISTAKE NO. 2

Not utilising data feed management tools

To manually optimise feeds is simply not the most practical way to go. Fortunately, data feed management tools – such as Datafeedwatch, Channable, and so on – make management and optimisation much easier to do at scale.

Using software makes it possible to make rules-based adjustments for:

- Mapping of fields in your feed and enrichments to products
- Inclusion/exclusion of products
- Categorisation of products

The larger your SKU inventory, the more errors you will be able to correct with data management software. You can often organise smaller setups (below 500 products) without such tools. However, it can depend a bit on the initial ecommerce setup, the choice of shop system, and in turn the existing feed quality.

MISTAKE NO. 3

Running only one campaign with one ad group

Unless you have a very limited inventory, your prices and margins never vary, and your overall performance is already stellar, to have all your products in one group and bid the same amount on all of them is not the best strategy. Nevertheless, this is not at all uncommon and often seen with larger setups with thousands of SKUs.

Instead, try grouping your products, for example, by subdividing them into several product types.

The approach will differ, depending on the merchant category, as well as the size and variations within the inventory. There has to be greater flexibility in bidding at the product group level, so bids can be set individually.

For better control, you can subdivide into ad groups, thus, leaving the search terms report more transparent.

In addition, looking into the search term report will only reveal what's happening on adgroup level. So if you have bulked everything together in one adgroup, you have no way of knowing which products are triggering the incoming search terms.

Having a proper campaign structure for your size of inventory is therefore important both in terms of bidding but also to analyse search behavior and make adjustments accordingly.

MISTAKE NO. 4

Not doing device-specific campaigns, a.k.a. a device split

Unless you are being swept off by the next best bid management provider that promises to deliver results across devices, audiences, and products with high/low margins, the most effective way to harness the critical size of your performance is by splitting your campaigns by device type.

For instance, traffic size for mobile is now larger than for desktop, but performance can still vary widely. If you don't actively split these up, it may not be apparent just how large this difference is.

Here, we see a Swedish client with one campaign per market, applied across all devices and not split up. Looking at overall CPA levels, the first campaign – and also the most costly – appears to have had similar results as the second on the list.

It turns out the campaign is spending more than double on mobile, as compared to desktop, and is racking up twice the cost per acquisition!

There are other reasons for splitting into device-specific campaigns (e.g., search patterns, length of sentences, audience lists, etc.), but for most advertisers, we would argue that it's mainly about transparency. It's important to be able to view this instantly or you might forget to check for detailed performance.

	Cost	Conversions	Cost / conv.
	SEK112,054.03	14.00	SEK8,003.86
	SEK43,738.10	5.00	SEK8,747.62
	SEK20,183.12	6.00	SEK3,363.85

Avg. CPC	Cost	Conversions	Cost / conv.
			SEK8,069.26
SEK18.77	SEK112,054.03	14.00	SEK8,003.86
SEK22.64	SEK29,044.18	5.00	SEK5,808.84
SEK17.74	SEK72,345.32	7.00	SEK10,335.05
SEK17.54	SEK10,664.53	2.00	SEK5,332.27

MISTAKE NO. 5

Using same ROAS target across all products/campaigns

If you have thousands of products to manage on Google Shopping, your listings would often differ on product margins. For a short-term fix, you can create an average ROAS target, in order to make sure that they are generally profitable. This approach makes it easier and simpler to manage things.

However, if you don't know your margins and you're trying to boost your overall average ROAS, you might tend to focus more on your higher-priced products, say, to sell at a lower price like the rest of your products. Then again, your more expensive products may not necessarily have good margins. And so, as you try to achieve an average ROAS threshold, you might be concentrating on products that don't drive your profits in the first place.

A good example here would be retailers looking to sell higher-margin albeit possibly generic products

In order to attract customers, they might put high-priced (i.e., low-margin) branded products up on Google Shopping.

Top brands may attract more clicks and have a higher chance of selling, which can then raise ROAS. However, if you don't control your product mix in Google Shopping, you run the risk of spending more on products with low margins.

The answer is of course to label the products that are risky and make sure that they get special treatment. Another more holistic approach is to structure your Google Shopping campaigns according to product margins and then, for each margin bracket, create specific ROAS targets.

The best solution can vary; it all boils down to how vast the setup is and how many products are on the shelf.

MISTAKE NO. 6

Not understanding the power of bidding for absolute top positions and when it's profitable

When bidding on Google Shopping, you'll want to know if you're visible enough to get the results you desire. Most advertisers will simply check the Search Impression Share statistics, because there is no Avg Position column that we're used to seeing in Normal Search campaigns. So what is Search Impression Share, anyway?

Search impr. share refers to the impressions that you receive on the Search Network divided by the estimated number of impressions that you are eligible to receive.

Let's take an example. A marketer wants to know whether their products are visible enough on the network. It has a pretty decent return on ad spending (ROAS) and, if you look only at the Search IS column, you'll see that the products are relatively high up and can perhaps use a higher bid. To better confirm this hypothesis, she looks at the Search Lost Impression Share (rank):

Search lost IS (rank) estimates how often your ad didn't show on the Search Network, due to poor Ad Rank.

This metric also seems to confirm that there's room for higher bidding. However, further investigation determines that, in fact, the products hardly show in prominent positions. This is based on the Search Absolute Top Impression Share.

Search abs. top IS is the percentage of your Search ad impressions that are shown in the most prominent Search position. Absolute top impression share is computed as:

$$\text{(absolute top impressions)} / \text{(total eligible top impressions)}$$

Conv. value / cost	Search impr. share	Search lost IS (rank)	Search abs. top IS
3.74	65.80%	34.03%	10.90%
3.79	70.60%	29.25%	11.24%
3.07	71.43%	28.44%	15.92%
3.40	70.97%	28.90%	11.79%
3.52	69.99%	29.85%	12.73%
4.16	64.11%	35.71%	< 10%
3.26	63.20%	36.64%	< 10%
2.91	72.08%	27.79%	< 10%
5.48	70.94%	28.86%	14.10%
5.40	47.49%	52.31%	< 10%

Looking at Click Share verifies that it's a long way to the top.

Click share refers to the clicks that you receive on the Search Network divided by the estimated maximum number of clicks that you could have received.

Search abs. top IS	Click share
10.90%	20.69%
11.24%	25.19%
15.92%	28.10%
11.79%	20.03%
12.73%	20.87%
< 10%	18.28%
< 10%	15.80%
< 10%	17.19%
14.10%	33.38%
< 10%	17.67%

In other words, aiming for top ranking while looking only at search impression share may make for a more conservative strategy than when you look at the complete picture.

Furthermore, in many cases, top positions tend to be more expensive, when it does not have to be that way. Empirical evidence suggests that if you have the right product for the right search and your price is competitive, you can perform much better on top positions and gain a good volume of sales. Similarly, there are instances wherein products can move higher up, but there is no guarantee that they will in fact perform better.

The bottom line: Add these columns to your view and then test, to find out what works.

MISTAKE NO. 7

Not exploiting your audience lists enough

Remarketing (audience) lists for search ads have been around since 2013, but only recently opened up for Google Shopping. In such a short span of time, however, audience lists have become one of the most important considerations for marketers who have earmarked spending on Google Shopping.

But while audience lists are proving to be quite the expansion for Google Shopping campaigns, strategies for improving targeting still use generic lists like “all visitors” or “all visitors minus already purchased” or similar standard lists provided by the Google Ads conversion tracking pixel or Google Analytics.

Audience name	Type ↓
AdWords optimized list Combined audience based on available data sources	Combined list Automatically created
All visitors People who visited pages that contain your remarketing tags	Website visitors Automatically created
All converters People who converted on your site. Based on your conversion tracking tag.	Website visitors Automatically created

Using and changing bid modifiers based only on such generic lists may not be the best approach. In order to expand your relevant audience lists and then bid accordingly, consider the following criteria:

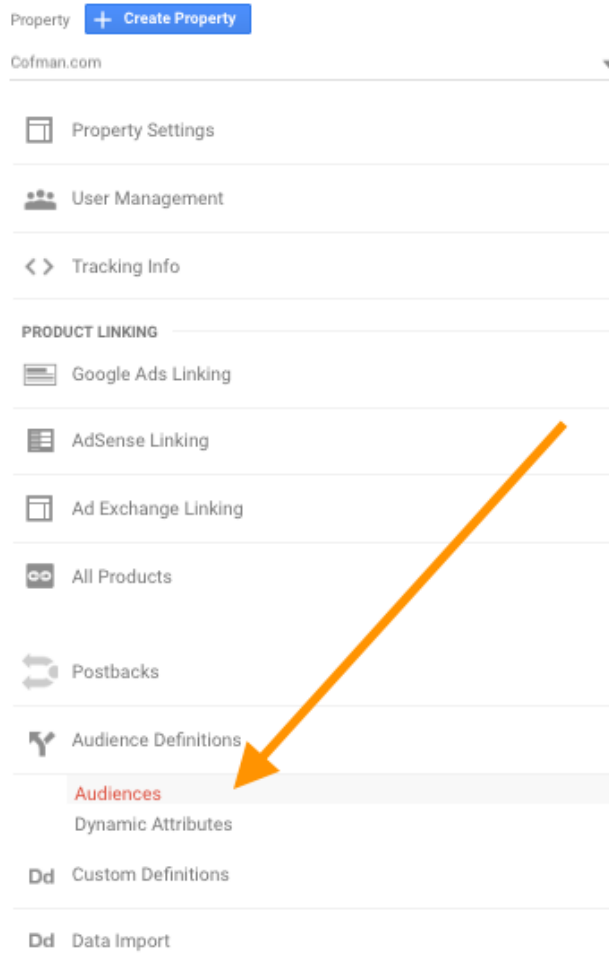
- **Recency:** When did I last visit your website? There’s a difference between yesterday and 180 days ago. Target and bid accordingly.
- **Session Duration:** How far did your visitor get on the website? Segment differently based on front page, category page, product page, and checkout.
- **Engagement:** How long did the visitor stay for? How many sessions? How many pages did they look at? How many times have they come back? Target your ideal segments, determine the level of engagement, and then check if results were delivered.
- **Past converters:** If the audience has purchased before, old-school targeting will typically exclude them, as they are assumed to be loyal customers and already secured. But this may not always be true!

Target them and you will know.

Here's a tip:

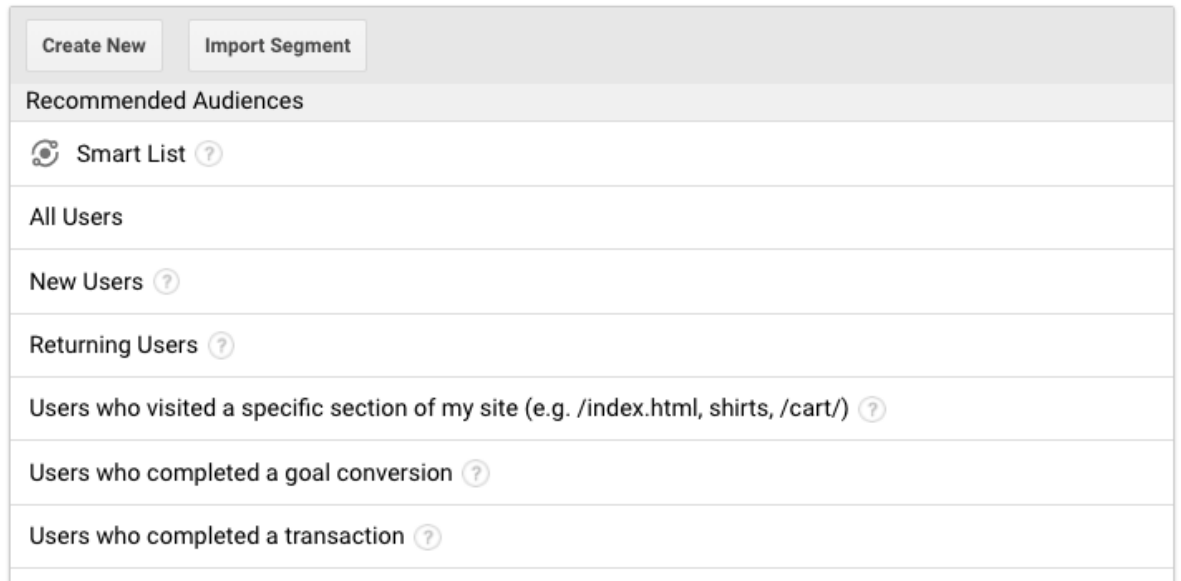
Add the list, without actually placing bids! Then see what sort of traffic they get and whether or not they are converting. From there, you can modify your strategy.

You can set up these lists in many different ways. The main challenge are the limits set within Google Ads campaigns. But if you want to have a play and experiment a bit, you can go into the admin section of Google Analytics and there try setting up specific audience lists. If you have connected Google Analytics to your Google Ads account, the lists will pop up and then, you can add them to your Shopping campaigns.



Google Analytics will help you create the list you need:

2 Audience definition

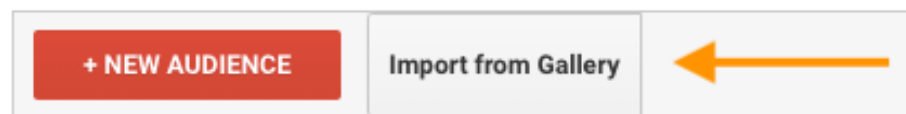


Another tip:

If you get a little lost (it happens sometimes), there's a library of ready-made lists that you can import into Google Analytics and then, add to Google Ads.

Audiences

Create audiences to engage with your users through Google's Aud return to your site with Google Optimize 360. [Learn More](#)



Not sure if your lists are good enough? Try checking the size of your current audiences, as well as the number of active lists ready for Google Shopping. By providing this basic information, you should be able to easily create 20 viable lists for Google Shopping, which will immediately improve chances for gaining higher returns than with the top generic "all visitor" lists.

MISTAKE NO. 8

The search term report: NOT your closest ally?

Working on your inbound search terms has never been more important. In Google Shopping, there are no target keywords to add; you have to rely completely on your feed to trigger the right searches.

Of course, as already discussed, you can optimise your feed, in order to eliminate a lot of irrelevant searches, but you still need to have a strong grip on how to deal with incoming searches. To cover your basics, you need to do away with searches that are unrelated and not bringing adequate ROAS. If you have connected margins and profits to your feed, you can do the same for higher profits.

Top-level advertisers will try to sculpt search terms down a funnel, spending less on top generic window-browsing keywords (like a general search for “shoes”) and giving more attention and placing higher bids on long-tail search terms aimed towards the right products. This technique, which is connected to campaign structure, will help you control your spending on expensive top generic searches and send these searches to your best products on display, in order to get people into your webshop.

Google developed its **Smart Shopping automated tool**, which combines machine learning and an existing product feed like yours. Based on that, Google uses an algorithm to push out a variety of your ads. It is designed to simplify the work related to identifying search terms and so on. Just link your account, set a budget, and put up the required assets, and your job is done.

Or not. Relegating the work to Smart Shopping may not be the best idea, if you're looking to improve your conversion rates. Every advertiser must understand which search terms work and do not work for their business. That's where every successful campaign starts, after all.

There's simply so much performance that can be unlocked here. Actively working on Google Shopping will most likely cover your basics. But allocation of budgets based on search intent, as explained here, is just as important.

MISTAKE NO. 9

Not identifying your strongest products towards brand searches and filtering searches accordingly.

A closer look at search terms connected to individual products might show a number of them converting on the same set of keywords.

For example, if a shoe seller uses an expensive top-level search like “adidas shoes”, which can pertain to a wide range of products, they’ll likely find several conversions on the same terms. And because it’s typical to analyse and place bids at the product level, the credit for the conversion is given to the SKU alone, without any regard for the individual search terms put to work behind it, which are then left out of the analysis.

If you’re on a budget but want to increase sales, you might be tempted to allocate your expensive searches towards the popular products that are most likely to perform. However, this may not be the most effective approach. Instead, cover your bases by increasing your bids across your broad range of products, instead of focusing on just a select few.

MISTAKE NO. 10

Being outcompeted on price

Many campaigns have failed on Google Shopping, not because of bad feeds or poor website experience, but due to consumers buying from rival sellers who offer the same products at better prices.

It seems that retailers are finding it difficult to compete on price in the auction setting. And because clicks are essentially a sunk cost, you’ve already paid for the lost sales, as the price-sensitive buyers head off with your competitor.

Google Shopping gives you the opportunity to save that potentially lost sale, by giving you the information you need on its interface. Here’s an example of an actual retailer who enjoys a ROAS of 4 to 5 on most of his products. Through the Shopping dashboard, he is able to sort, based on Product Price Differentiation:

Benchmark product price difference is the percentage difference between your product’s average product price and the associated benchmark product price. For product groups, the price difference is weighted based on your product’s traffic potential. More popular products will be weighted more than less popular products.

As you can see, products with a much higher price might convert less and get a lower ROAS – that is, if they even convert at all.

↓ Benchmark product price difference	Conv. value / cost	Conversions
+61.95%	0.00	0.00
+49.71%	3.65	0.33
+38.71%	0.00	0.00
+38.28%	0.00	0.00
+34.41%	5.18	9.91
+32.65%	1.76	1.00
+32.22%	5.67	2.00
+31.34%	2.02	1.87
+29.78%	2.75	3.00
+27.94%	0.00	0.00
+24.45%	0.00	0.00
+23.77%	0.00	0.00

On the other hand, the opposite can also be true: A product can still do well, even at a higher price. There are after all many different reasons why consumers would buy from one shop over another. They may prefer to buy from a store they already trust or is more popular, even though their products sell for slightly higher. In other words, it doesn't always have to be about the price.

That said, any seller on Google Shopping would do well to review their prices on a regular basis, in order to make sure that they are still being competitive in the space for their most important products.

Aiming for a perfect performance in Google Shopping is no mean feat. But as you get more familiar with the platform, its features, and how it fits in with your own unique strategy – especially if you learn how to avoid the most common mistakes we've listed here – you'll be ready to dominate in your space in no time.

Aiming for a perfect performance in Google Shopping is no mean feat. But as you get more familiar with the platform, its features, and how it fits in with your own unique strategy – especially if you learn how to avoid the most common mistakes we've listed here – you'll be ready to dominate in your space in no time.

Digital Excellence has helped top e-commerce brands develop marketing automation strategies, from managing bid management ROI to creating API solutions designed specifically for Google products. If you're new to Google Shopping or can benefit from expert help in optimising your ongoing campaigns, call Peter Crone at 618 7200 4771 or email at pc@digitalexcellence.global. We're always happy to help.