



**eComOne**

eCommerce Marketing Agency

# **The 80:20 Approach**

**to managing your  
Google Shopping  
campaigns**

**PREMIER** Google  
Partner

# The 80:20 Approach to Managing Your Google Shopping Campaigns

## Edition 1

eComOne

eCommerce Marketing Agency

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**Inputs 20% = Outputs 80%**  
**By using the 80:20 approach to Google Ads management, you can turbo-charge your productivity and maximise your ROI**



## Introduction

The 80:20 rule, also known as Pareto's Principle, states that in many circumstances 80% of the outputs come from 20% of the inputs. We have found this rule very applicable to online advertising where often 80% of sales come from 20% of customers; and 20% of a management routine will generate 80% of the benefits to the campaign.

By using the 80:20 approach to Google Ads Management, you can turbo-charge your productivity and maximise your ROI - by focusing on the minority of actions which have the greatest impact on your results. With Google Shopping, you could spend hundreds of hours making thousands of adjustments to your campaigns.

However, you can achieve better returns by implementing the handful of strategic changes outlined in this paper. As the title suggests, it is not the aim of this paper to cover all aspects of PLA management - and I have only focused on the areas which will have the greatest impact on your results. To supplement this paper, I would highly recommend reading Google's own materials on Google Ads and PLAs, which will provide very useful basic information on setting up and managing a PLA account.

# The 50:1 Benefit

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# Very often, just by adjusting device bids – we have turned accounts which are losing money, into accounts which are profitable, or highly profitable.

## What will this section cover?

While Part 2 will cover some background to Google Shopping, this section will dive straight into the 1 action you can take which will provide up to 50% of the benefits for your account performance. (If you are a complete newcomer to PLAs you may want to return to this section after reading section 2.)

## What action can be taken in the account which will see the largest benefit?

The biggest and quickest win in 90% of unoptimised accounts - is adjusting device bids i.e. changing how much you are bidding on computer relative to mobile and tablet.

## Why will adjusting device bids make a difference?

At the time of writing, any given product (i.e. stock keeping unit or “SKU”) will typically generate more advertising clicks on mobile devices relative to computer. However, a product will generally convert at a much higher rate on computer -relative to mobile. If you have not adjusted for this, you will be paying far more for a “mobile” conversion than a computer conversion. Tailoring your bid adjustments can immediately redress this imbalance and provide a significant uplift to your profitability.

## What changes will device adjustments make to profitability?

Very often, just by adjusting device bids - we have turned accounts which are losing money, into accounts which are profitable, or high profitable. We frequently see accounts where people have made thousands of changes to individual product bids - taking tens or even hundreds of hours, but they have never adjusted their device bids. However, this one change is often far more effective than all of the micro bid adjustments - and takes a fraction of the time. We believe this one change can provide up to 50% of the benefits in your account performance; which is why we call it the 50:1 benefit.

## How can I tell which devices are performing well?

You can see how well devices are performing by clicking on the “device tab” in the Shopping Campaign menu. This will provide a comparison table of mobile, computer and tablet performance. You can add whatever columns you choose, and it is useful to know your costs, the number of clicks, the number of conversions and the conversion rate (amongst other metrics). However, the most useful measure of performance is profitability. This can be assessed by adding the “conversion value/cost” column which will show you your “return on Ad spend” or “ROAS”.

## What is ROAS?

ROAS, (or return on Ad spend) is a measure of revenue relative to the advertising costs to generate that revenue i.e. (conversion value/cost) E.g. if it costs you £2 in advertising money to sell a £10 product your ROAS would be (10/2) i.e. x5. If it only cost you £1 to sell a £10 product - your ROAS would be (10/1) i.e. x10.

If your ROAS is higher on computer relative to tablet - this is an indication it is more profitable to sell on computer compared to tablet. You might, therefore, consider decreasing your tablet bid and / or increasing your computer bids; to increase your conversion value relative to the amount you are spending.

### **Wouldn't it be most profitable to have low bids for all my products?**

Yes. The “dream” for a PLA account owner would be to have a high number of clicks on your Ads with very low cost per click (CPC) e.g. 1p per click. That way a £20 product could accrue 100 clicks with a conversion rate of just 1% and the ROAS would still be a healthy x20. However, with very low bids your Ads are less likely to show - as your competitors are likely to outbid you. With very low clicks, your number of conversions and revenue is also likely to be low. There is, therefore, a “sweet spot” - where you are paying a fairly low cost per click - but getting a good number of clicks and conversions; leading to a profitable ROAS while also generating a good revenue.

### **What level of ROAS is unprofitable / profitable?**

An account with a ROAS of under x1 is unprofitable, as you are spending more in advertising than you are receiving in revenue. In many accounts, a ROAS of x4 means the account will be making money and a ROAS of x10 generally means the account is highly profitable (although levels of profitability will depend on your margins.)

### **How much should I increase / decrease my device bid adjustment - depending on my ROAS?**

If you are getting an exceptionally high ROAS for a certain device: e.g. x20 or above on tablet, you should consider increasing your bid adjustment to e.g. +10% for tablet. If your ROAS is poor e.g. less than 1 on mobile, you should significantly reduce your mobile bid adjustment by e.g. -50%.

It is usually a good idea to be more cautious about increasing bids than decreasing them (this is true for any bid increase, but especially for device adjustments - as they will affect your whole campaign). A significant bid reduction for a poorly performing device will allow you to spend a higher proportion of your budget on the devices which are performing well.

In addition, with lower bids - and a lower cost / click, your ROAS is likely to increase for the device you have just adjusted. However, significantly increasing your bid adjustment (e.g. by +25% or more) may quickly prove expensive and you may start over-paying for conversions, causing your ROAS to plummet. When increasing bids it is better to make small incremental increases (i.e. up to 5% at a time) and to review this regularly (i.e. once every couple of weeks).

### **Does it matter if I over-adjust my bids?**

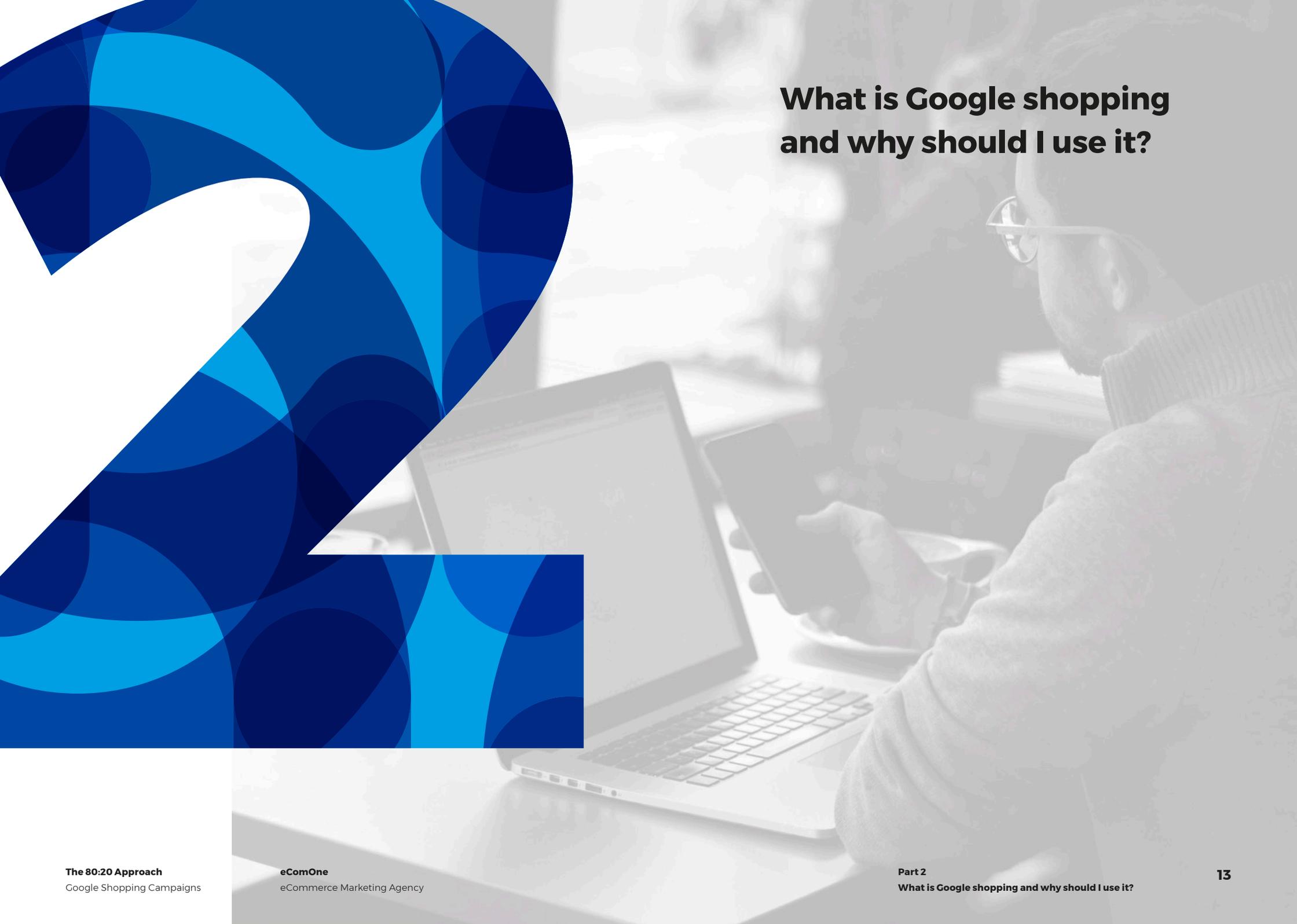
Any bids can be adjusted at any time - so over adjusting bids should not be a problem, if you carefully monitor the change in ROAS, clicks, and impressions; and adjust back - where necessary.

### **What are the main takeaways from this section?**

Hopefully, this section has convinced you that device adjustments are an easy change, that can have a profound effect on profitability. In practice we often find an unadjusted mobile bid adjustment drags down the ROAS of the whole account, and can negate a great ROAS on computer and / or tablet. Adjusting your device adjustments to an appropriate level can transform your account - and turn an account which is losing money (at say a x2.5 return - into an account that is making money, e.g. at a ROAS of over x4).

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**A significant bid reduction for a poorly performing device will allow you to spend a higher proportion of your budget on the devices which are performing well.**

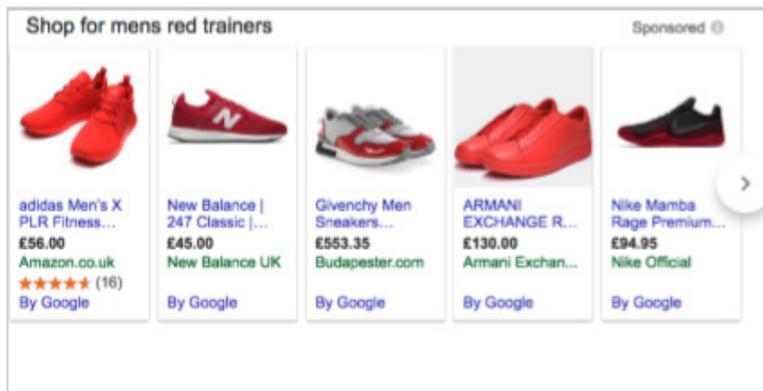


# What is Google shopping and why should I use it?

## PLAs or “Product Listing Ads” is another name for Google Shopping.

Using PLAs, means that at the point of a search, a potential customer will see a picture of your product, with the price you have chosen, and when they click on the Ad: they will be taken through to a specific page where they can learn more about your product and have the option to purchase it.

Once a PLA is clicked it should take you through to a product page - where you can purchase the item.



**With a fairly low budget (e.g. £500 a month) within the first 30 days, you should have a good idea of your best selling products.**

## How do PLAs perform compared to other types of advertising?

PLAs are generally very successful compared to other forms of advertising. This is because by the time the potential customer has clicked on your ad; they know exactly what the product will look like and its cost. This means the potential customer is already further down the purchase funnel than someone who has clicked on e.g. a text ad.

In 90% of the accounts we see running PLA's and Text Ads, the PLA's will have a higher conversion rate than search. PLA's will usually have cheaper conversions and will have a greater ROAS (conversion value / cost), than text Ads i.e. they are more profitable. Generally, most businesses selling products will be able to benefit from PLAs. However, in rare cases businesses may struggle: if you know you sell the same products as your competitors but yours are significantly more expensive, this may be an issue. If your products cost under £10, and you make low margin, e.g. under 20%, this may also be a challenge, as the costs of advertising are likely to be greater than the value of the products you sell.

This said, if you sell a low cost, very niche product, your conversion rate could be very high - and you may be able to make your account highly profitable. If you are uncertain about whether to start using PLA's - we highly recommend that you do, as the potential upside will outweigh the worst case scenario; provided you begin cautiously with your bids.

## How long do PLAs take to see a return?

If you are setting up a PLA account from scratch, you will not know for certain which products sell well, which will be expensive to sell, and which will never sell. You can make some assumptions by looking at products selling well through different channels, but competitor bidding may mean that a product that sells well on e.g. Amazon, might not be profitable on Google.

The beginning of a PLA account is often when it is least profitable, as you require data on conversion rates and the cost-per-click on certain products. Unfortunately gathering this data may be expensive - because clicks cost money.

However, with a fairly low budget (e.g. £500 a month) within the first 30 days, you should have a good idea of your best selling products - and where you should allocate most of your budget. Within a couple of days, you will be able to identify products where your costs are out of proportion to the value of the product, and you can reduce your spend here immediately.

### **Is Google Ads Data in Real Time?**

With Google Ads you will see real-time data on your Ad spend, and accurate conversion data within 24 hours, so you will be able to see quickly which products / product groups are profitable.

### **Should I use product listing ads instead of search ads?**

As an eCommerce store, you are likely to have a higher click-through rate and conversion rate with PLA's compared to text ads. So if you are only going to try one: you should probably go for PLAs. However, if none of your competitors are using search Ads (and are all using PLAs), you are likely to pick up very cheap clicks with search Ads - and so this could potentially be very profitable.

If you already have a search campaign, and it is profitable, we would recommend setting up PLAs in addition to (rather instead of) the search campaign.



# Setting up your PLA account for success



To set up a product listing Ads campaign you will require your feed, Merchant Center and Google Ads to be linked. This is a straightforward process, and there are several Google materials you can follow to implement this.

We would also highly recommend setting up a “custom label” for price. Custom labels allow you to set specific bids for a product group based on their price. If you sell a range of products from £5 to £500, you would want higher bids for your more expensive products: E.g. if you sold computers: you might be happy to bid 50p per click for a £1000 PC, but you probably wouldn’t want to bid this for a £5 USB stick.

By bidding different amounts for different categories of “product group” and different amounts within the categories “price band”, you will have added a layer of sophistication which only a small percentage of AdWords users are aware of, and which will put you at a great advantage.

The structure of your campaigns will depend on the size and complexity of your product catalogue. Generally, when we audit campaigns, all products are lumped together in one campaign or campaigns are broken down into “themes” often in an ad-hoc and confusing way.

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## **Within a day, your products should start to acquire impressions and links.**

We often find it is best to break down campaigns based on the layout of your website and the website navigation. This approach often provides much more clarity and simplicity than other methods. Within a campaign, we would then advise splitting product groups into sub-categories: again using your website navigation for guidance. Finally, we would recommend splitting the product groups into price bands.

As will be covered in section 8, many campaigns have “outliers”, i.e. products that sell exceptionally well and are highly profitable. For these products, it can often be worth splitting them out into their own campaigns - which we call Single SKU Campaigns. When starting out with PLAs it is best to be cautious with your Ad-spend. Google Ads provides a “benchmark max CPC” - which can provide some indication of what bids you should start with. However, when starting a campaign, we would often suggest your bid should start well below the Google Ads Benchmark (i.e. recommended) Max CPC bid. Bidding at the recommended bid price, can often be very expensive to start, as you don’t know what conversion rate you will achieve.

Within a day, your products should start to accrue impressions and clicks (unless the bids are too low). If your products are not getting impressions, we would recommend cautiously raising the bids in small increments until you are getting impressions/clicks. E.g. if a benchmark Max CPC bid for a product was £0.80, I would recommend a starting bid of £0.60, then - if you are not getting impressions (within a period of 24hrs), increasing your bid to £0.65 - if you are still not getting impressions within a further 24hrs - I would suggest re-raising to 0.70, and so on.

# Essential Account Management



### **Why do I need to manage my PLA account?**

This may seem like a ridiculous question. But very commonly once account's are set up, they do not get touched again. Occasionally this is not disastrous, and using this approach your account may be able to turn-over a profit (especially if all your bids are very low). However, with an unmanaged account you often see the ugly "flipside" of Pareto's' principle: where over 80% of your input (i.e. spend) will be responsible for under 20% of your outcomes (i.e. income)

### **How much time should I spend managing my account?**

The time you spend on your account is likely to be proportional to the accounts size and Ad spend. We would recommend that in any account - you should review your campaigns at least once a week, look to make adjustments every couple of weeks, and have a thorough appraisal of all aspects of your account once a month. By incorporating the 80:20 rule, and by just focusing on actions which will have a significant impact - you will be able to dramatically reduce your management time while achieving good results. However, as an absolute minimum, we would suggest setting aside 8 hours a month to review and optimise your account.

### **What are the most important things to keep in mind when managing an AdWords account?**

One of the most important aspects of account management is scheduling time to review your account performance and making adjustments. It is important to organise a management routine and have a regular systematic review of; product bids, device adjustments, location settings, time of day adjustments etc. Key to the 80:20 AdWords approach - is considering at all times where is the majority of money being spent, and where the majority being made in the account - and adjusting your bids accordingly.

### **How can I tell where money is spent made in my account?**

To see where money is being spent in your account, you should add a "costs" column. By clicking on the heading of the column - you can sort your campaigns by cost: from highest to lowest (or vice versa).

### **How can I tell if my spend is appropriate?**

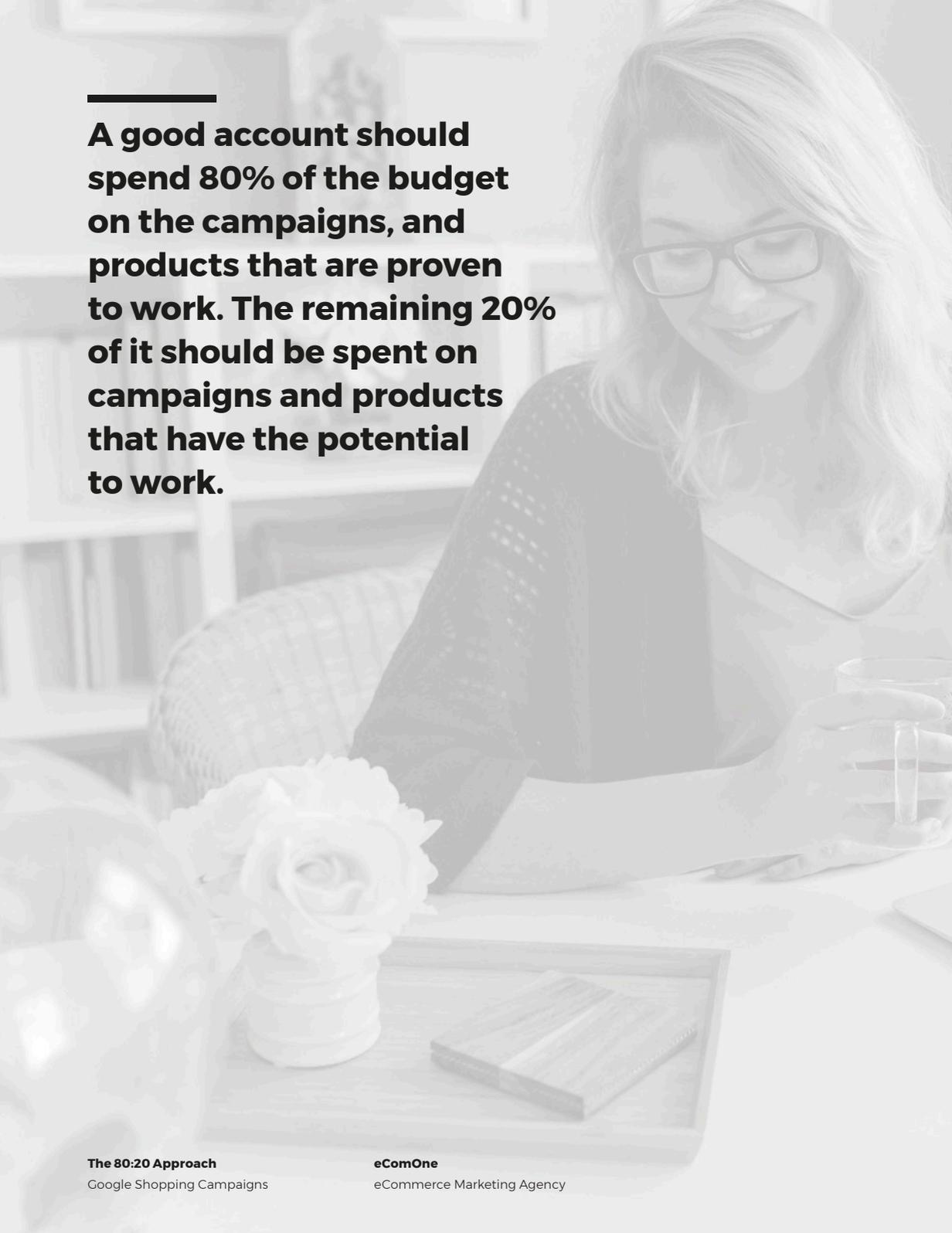
Often a small proportion of campaigns / products will take up a disproportionate amount of your budget. This is not necessarily an issue - if the spend is generating a strong return. But if you are spending a high proportion with a low return, this can be an obvious signal to reduce your bids.

### **With a high cost, poorly performing product group - how much should I reduce my bids by?**

If over a reasonable period of time (e.g. 30 days), the product-group has underperformed in comparison to the rest of your account, and if it is expensive, it is clear spend should be reduced. However, it is often more challenging to decide how much your bids should be reduced by.

If you are losing money on a product group, you should definitely consider a severe reduction in Ad-Spend: potentially starting with a 25% bid reduction. If you review the product group's spend and ROAS a week later - and think your bid is still too high, you could consider a bid which is 75% of your average CPC. (Average CPC - tends to be lower than Max CPC)

You should consider keeping a record (e.g. by using screenshots) of your spend, ROAS, and number of conversions before you make this change. Then in the coming days / weeks - you should compare your stats before and after you made the change.

A woman with blonde hair and glasses is sitting at a table in a cafe, looking at a laptop screen. There is a white rose in a vase and a notebook on the table. The background is a blurred cafe interior.

**A good account should spend 80% of the budget on the campaigns, and products that are proven to work. The remaining 20% of it should be spent on campaigns and products that have the potential to work.**

#### **How can I tell where money is being made in my account?**

To see where money is being made in your account, you should add; conversion value, and conversion value / cost as columns in your campaigns screen. By sorting the “conversion value column”, you will have a breakdown of which campaigns are bringing in the greatest conversion value. ie. Where the money is made. Often when looking at the areas of an account making money, we will once again see the 80:20 ratio: 80% of the conversion value will come from 20% of the campaigns, and within the campaigns: 80% of the conversion value will come from 20% of the products.

#### **What should spend look like in a good account?**

A good account should spend 80% of the budget on the campaigns, and products that are proven to work. The remaining 20% of should be spent on campaigns and products that have the potential to work - but have not yet achieved a good ROAS e.g. where you have accrued a low number of clicks and so cannot be certain if the campaign / product will be profitable).

With campaigns and products getting high conversions, you need to take account of return on Ad spend - to consider if you are paying too much for a conversion. As covered in Part 1, the ROAS will let you know what multiple you are getting back for your Ad-Spend: the higher the ROAS the more profitable your campaign. If for a certain product group you are getting high conversion value and high numbers of conversions - but a ROAS of less than x1, you will be losing money (as you are spending more in advertising costs than you are receiving in revenue), so you will need to reduce your bids.

# Optimising Advanced Settings

## **What are advanced settings?**

“Advanced settings” include device adjustments, location adjustments and time of day bid adjustments. If these settings are properly adjusted and regularly reviewed - your profitability will skyrocket.

## **Device Adjustments – Haven’t we covered this already?**

As you may remember this paper began by discussing device adjustments and the immediate and significant benefits device adjustments can have.

## **Other than what was covered in the introduction - is there anything else I should know about device adjustments?**

An additional way device adjustments can be used is to quickly and effectively make bulk bid adjustments for a whole campaign. If, for example, your products are very seasonal, and perform exceptionally well at a certain time of year (e.g. your consumer goods sell very well in the 2-month run-up to Christmas) - you may want a “blanket” increase of all your bids. One way to do this would be to increase device adjustments by e.g. 5% on mobile, tablet and computer. Likewise, if your ROAS is performing poorly - you may wish to decrease bids across all your devices by e.g. 15%. When making bulk changes.

## **Is there an advantage to changing device adjustments - rather than bulk adjustment at product group level?**

The main advantage of using device adjustments for bulk bid adjustments, is the ease of measuring, recording and analysing the effects of your bid changes. With standard bulk adjustments, it can be difficult to keep track of your changes -in relation to where you started with your bidding. Any adjustments you make to your product group bids will show as a change of CPC rather than as a percentage change. I.e. CPC might change from 10p to 12p rather than as a percentage increase from 0 to +20%. The issue of keeping track of your “bulk adjustments” may be compounded

if you are also changing the CPC of exceptionally high and low performing product groups. By comparison, with device bid adjustments, you can see in the settings tab - what percentage you have increased or decreased your bidding by (in relation to where you started). This enables you to more easily measure, record and analyse what effect this change had on profitability.

## **Why should I consider adjusting by location settings?**

You should adjust your location settings as there may be considerable sales differences - depending on the region you are selling in. To take some cliché examples: tartan scarfs are likely to sell better in Scotland, and cider may sell better in the West-Country, than other parts of the UK.

We have found it is certainly worth monitoring regional differences - by segmenting your results by country (in the dimensions tab). If you see a difference in performance by country (which is highly likely), you may want to adjust your location settings - and increase your bids in the locations where you are achieving the best results.

## **Should I segment by city as well as by region?**

It may also be worth segmenting your location results by city. You could find certain cities have higher conversion rates than others - even though it may not always be obvious why this is the case. For example, we manage an account for a client who sells computer components, and we have observed certain gaming PC’s sell very well in Glasgow.

We do not know for certain if this has anything to do with the weather, culture or economics in Glasgow - a combination of these factors, or nothing to do with them! However, the stats clearly show this trend, and it worth us responding to it, by increasing our bids to try and capture more of this lucrative market.

### **Should I segment within cities?**

With advanced location targeting, you can target locations as small as 1 mile in radius. This may be worth considering, depending on your product. If, for example, you are selling a very expensive luxury product, you may wish your bids to be highest in the most affluent part of a city: e.g. if you sold luxury clothes - you might wish to set a higher bid adjustment in Chelsea than other parts of London.

### **Should I increase my bids in my local area?**

If you have a physical, as well as online presence, it is almost certainly a good idea to set a higher bid adjustment near your shop.

People browsing in your local area are more likely to be aware of your brick and mortar store than people further away. This awareness will generally mean people will trust your eCommerce site more (especially given growing concerns over scam websites). All other factors being equal, a customer is more likely to buy from your website if your physical store is nearby.

A higher local bid also means people who browse in your local store - with a view to later buying online, may end up purchasing from you - provided you are competitive on price (this is known as the "showroom effect".) As almost half of all people who buy online first go to a brick and mortar store to do their research first - so increasing your bids in your local area - is likely to improve your results. We would recommend starting with a bid reduction on weekends and night time.

## **TIME OF DAY ADJUSTMENTS**

### **What are time of day adjustments?**

As the name suggests time of day adjustments allow you to make bid adjustments, (at campaign level) depending on the hour of day and day of the week.

### **What is usual practice with time of day adjustments?**

In many accounts we audit, campaigns have no time of day adjustments, or very basic adjustments (i.e. campaigns are turned off at weekends or at night-time). We also frequently see that people make a time of day adjustments once, at the start of the campaign, then neglect this setting.

### **What can I do with time of day adjustments?**

With time of day adjustments you can split your campaign into 6 "day partings" and bid a separate amount for each parting. In most cases we would recommend splitting the day into 6 equal 4-hour segments i.e. from:

Midnight - 4am, 4am - 8am, 8am - 12pm, 12pm - 4pm, 4pm - 8pm, 8pm - Midnight. You can then adjust your bid depending on the success of a particular time of day / day of the week.

### **How can I get the most out of my time of day adjustments?**

To get the most out of your time of day adjustments you should start (the same as any other bid adjustment), by looking at your ROAS and total return. For instance, you might have a very high conversion rate and good ROAS between 12pm and 4pm, so you may wish to increase your bids by e.g. 5% to increase your search impression share at this time. Conversely - you may find that from Midnight - 4am, you have a very poor conversion rate, so you might choose to reduce your bids e.g. by -15%.

### **How much should I adjust my time of day adjustments with a new account?**

If you have a completely new account, it can be difficult to know how much to adjust your bids. With the accounts we manage, there are significant differences in the times of day that are profitable and there is no "one size fits all approach". That said, most accounts perform better in the weekdays than weekends,

and very few accounts perform better 8pm - 8am, than 8am - 8pm. So we would recommend starting with a bid reduction on weekends and at night time i.e. 10% - 20%

Very quickly into managing your account (i.e. within the first couple of weeks), you should be able to see patterns of high and low ROAS at certain times of day - and should adjust your bids accordingly.

### **How often should I review my time of day adjustments?**

How often you review your time of day adjustments should depend on how much data you are gathering. If you have a medium daily budget e.g. £100 a day, and are selling mid value products e.g. average order value of £25; if the campaign is working, you should be getting at least 16 conversions a day. In this case, we would recommend reviewing your account on a daily basis for the first week. The most important things to check for, (1): if you are running out of budget before the end of the day and (2): if there is a segment of the day where your costs are particularly high.

If you are spending the majority of your budget in the morning - you should consider reducing your budget. (Unless you are getting a very high return on Ad-spend, in which case it would be worth considering increasing your budget)

We would recommend reviewing and making adjustments once every 2 weeks. Changing time of day adjustments more often than this, may make it difficult to correlate your changes with the results, particularly if you are making changes elsewhere with the account (e.g. increasing individual product bids)

### **How much should I adjust my time of day settings?**

We would recommend increasing bids by no more than 5% at any time, and decreasing bids by no more than 20%. Higher increases may increase your cost / conversion to an unprofitable level, while a larger decrease may reduce your impression share to a level where you are getting few impressions and very low clicks.





# Remarketing with PLA's



## What is remarketing?

Remarketing is a way of increasing the visibility of your Ads (by increasing your bid adjustments) for anyone who has previously visited your site.

## Why should I use remarketing?

You should consider using remarketing, as people who have already been to your website are generally higher value potential customer than first-time visitors.

As return visitors will have made repeated searches for your products, they will - on average, have higher intent to buy than first time visitors. This pattern is borne out by our data, in all of our PLA accounts, returning visitors have a higher conversion rates than first-time visitors.

## How does remarketing work?

Remarketing works by splitting your website visitors into different “buckets” and bidding differently - depending what “bucket” they are in. For instance, you might have a “bucket” for any potential customers who have visited your website within 7 days. You can then increase your bid adjustments for this group of people by any amount you choose, e.g by +100%. These “buckets” are officially known as “audiences” and can be created in the “audience” tab within “shared library.” The increased bid adjustment makes it more likely your Ads will be triggered, when the returning customer searches for your products again - compared to a visitor who hasn’t been to your site. It is often worth trying a very significant bid adjustment (such as +200% or more) for anyone who is searching multiple times for the same product within 1 week - as their intent to buy is likely to be very high.

## What remarketing “buckets” should I use?

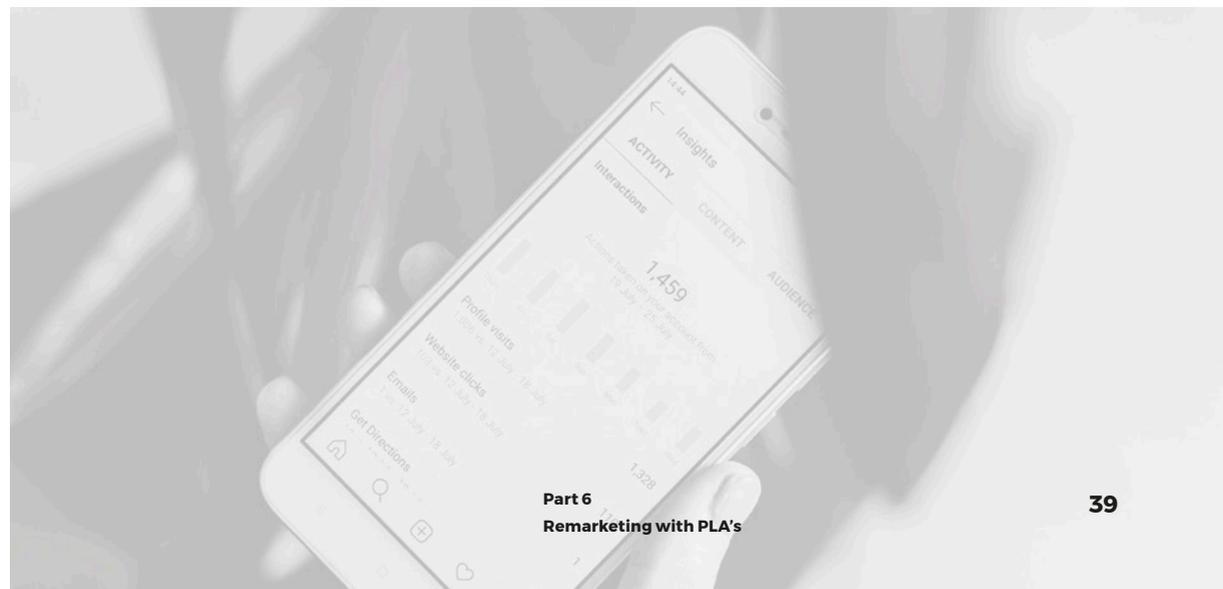
We would recommend creating different “buckets” for people who have been to your site:

- People who have visited your site within 7 days
- People who have visited your site within 14 days
- People who have visited your site within 30 days
- People who have visited your site within 60 days

We would recommend your largest bid adjustment to be “within 7 days”, and then decreasing the adjustment the longer the time since the visitor was on your site. E.g you might choose the following adjustments to start with:

- Within 7 days - a 200% bid increase
- Within 14 days - a 100% bid increase
- Within 30 days - a 50% bid increase
- Within 60 days - a 25% bid increase

The above percentages are just a suggestion and if you already have very high bids, you may wish to have much lower percentages.



# Keyword Sculpting

### **What is keyword sculpting?**

One of the best strategies we have used with product listing Ads is a process we call “keyword sculpting”. Keyword sculpting is an extremely effective strategy to make your Shopping Ads appear for high-quality search terms; whilst avoiding overspend on poor quality terms. By correctly using keyword sculpting you will gain a powerful edge over competitors.

### **Why should I consider keyword sculpting?**

Unlike Google Search Ads, it is not possible to choose the keywords that you want your Ads to appear for. Instead, Ads are triggered by the search terms that (Google consider) match your Merchant Centre Product Data. Unfortunately, this can lead to your Ads frequently triggering for high volume, short-tail search terms with poor conversion rates.

For example, if you are advertising a £2000 Trek Road Bike – your Shopping Ads might frequently show for the term “bike”. As “bike” is a very generic search term it is unlikely to convert well for such an expensive and niche product. (Only a small fraction of people searching for “bike” are likely to pay £2000 for a bike!)

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**If you start excluding short-tail search terms after just a few clicks, you may have excluded a potentially high-value keyword from your high priority campaign.**

However, even though a search term might be a poor match, your PLA could accrue a large number of clicks and high spend for it. As a result, your return on Ad-spend is likely to be poor for this kind of search term. By contrast, a long tail search term such as “Trek Carbon Road Bike For Men”, is very specific – which correlates with a higher intent to buy. Longer tail search terms are likely to have higher conversion rates and higher ROAS than the short tail terms; and therefore should be prioritised.

Keyword Sculpting gives you more control with your spend on search terms. It allows you to focus spend on the high converting, high-quality search terms and enables you to reduce spend on the high volume terms with poor conversion rates. When used properly, keyword sculpting can significantly save costs, improve your revenue and boost the return from your Ad spend.

### **How Does Keyword Sculpting Work?**

Essentially, keyword sculpting uses a tiered bidding structure where you can choose to pay a high, medium or low bid for any given search term. For the system to work, you need to create a set of 3 identically structured campaigns, for your generic, brand and best quality search terms. By default, keywords will trigger in the low bid, Generic campaign. However, by adding negative keywords to the generic campaign, you can specify certain search terms will trigger in the medium bid – Brand campaign, or the high bid “Best Search Term” campaign.

### **What is a “Generic” Campaign?**

Generic Campaign:

Bids: Low,

Campaign Priority Setting: High

The Generic campaign is designed as a “catchall”, This is where you would want low priority search terms like “bike” to trigger. It may seem slightly counterintuitive that this low bid campaign is set to “high priority” in campaign settings. However, the high priority

setting ensures all search terms to trigger in this campaign first by default (even though the bids in the Brand campaign and Best Search Term campaign are higher). Through lower bids in this campaign, you can significantly reduce costs on short tail search terms – with low conversion rates. Unless a search term has been excluded, it will only trigger in this Generic campaign. To make a search term triggers in the Brand or Best Search Term campaigns, they will need to be excluded from here.

### What is a “Brand” Campaign?

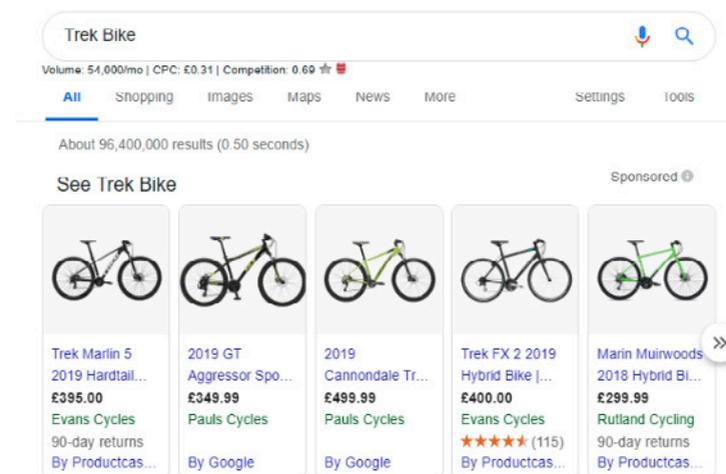
Brand Campaign:

Bids: Medium

Campaign Priority Setting: Medium

The Brand campaign will populate once negative keywords are added to the Generic campaign. By adding a negative keyword such as [Trek bike] to the generic campaign, this will block the Ad from triggering here – and instead, “Trek bike” will trigger the PLA in the medium bid Brand campaign.

Just using a Brand campaign is usually a huge win. Increasingly customers are shopping with brands at the forefront of their minds and showing customers the right branded product when they search for it—greatly increases your chances of winning the click and the conversion. Through setting lower bids and saving budget on the Generic campaigns, you will be able to set higher Max CPC bids for your Brand campaigns; where conversion rates tend to be much higher. Segregating brand and funnelling more budget here will often rapidly turn around the performance of an account.



### What is a “Best Search Term” Campaign?

Best Search Term Campaign

Bids: High

Campaign Priority Setting: Low

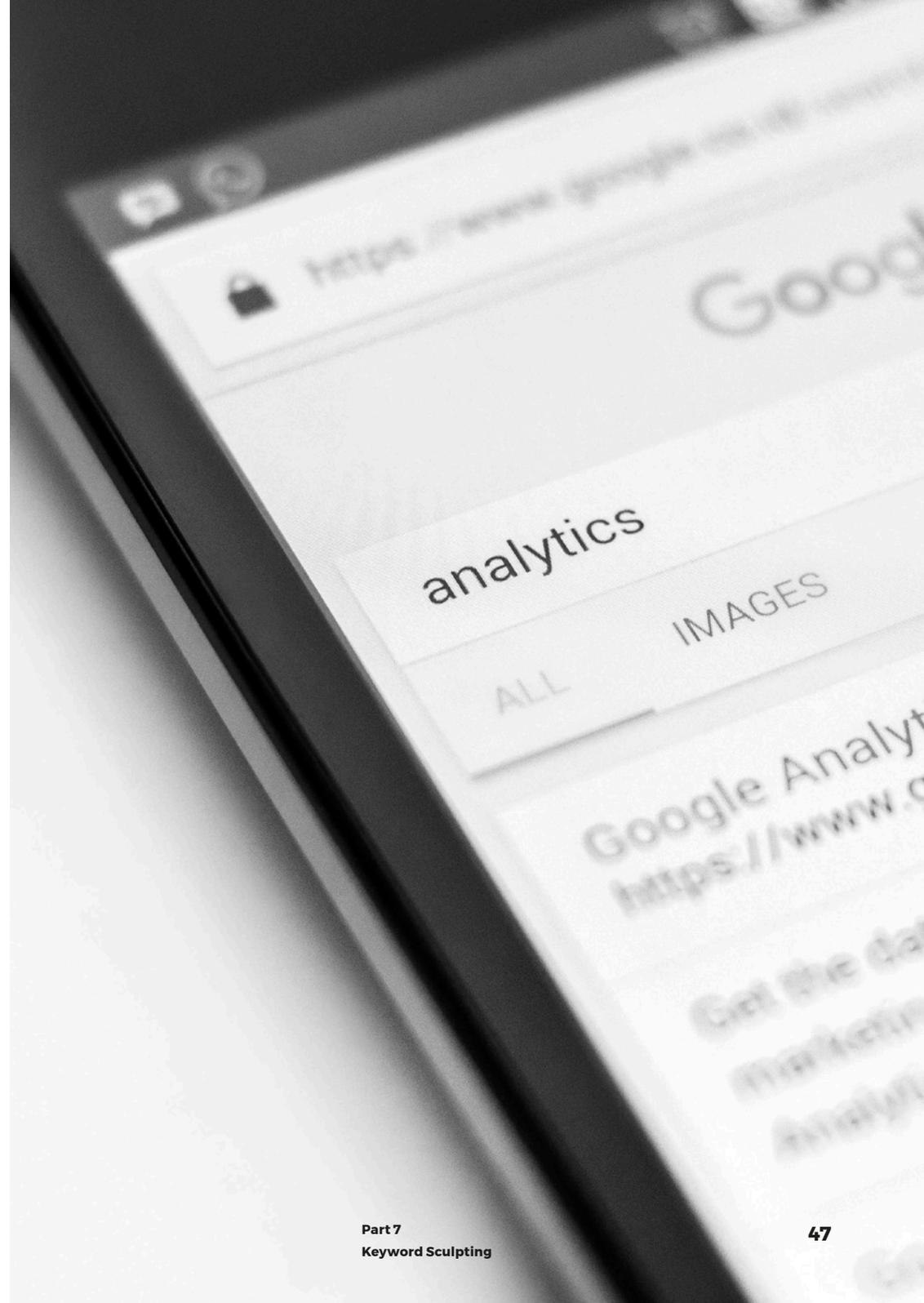
The Best Search Term campaign will populate once negative keywords are added to the Generic Campaign and the Brand campaign. You may find that certain long tail search terms like “Trek Carbon Road Bike For Men” consistently convert at a high ROAS. You will want your PLAs to appear as often as possible for these terms, so it is crucial they trigger in the campaign with the highest bids. To make sure this search term triggers in the Best Search Term campaign, you would add [Trek Carbon Road Bike For Men] as a negative keyword for both the Generic campaign and the Brand campaign.

Once this third campaign is added, the results are often exciting to watch; you will see your PLAs dominating the search results for the most desirable search terms – and your overall conversion value will quickly increase.

For example, for the £2000 Bike SKU, we might set a max CPC bid of £0.30 in Generic campaign, a £0.60 bid in the Brand campaign, and a £1 bid in the Best Search Term campaign. For the poor search term campaign, we might recommend bids of £0.02. With this very low bid, even if the conversion rate is only 1 in 500, the cost of a conversion would only be £10 (which for a £2000 product would give a very healthy ROAS of 200.)

### **Keyword Sculpting Campaign Structure**

<b>High Priority</b>	<p style="text-align: center;"><b><u>Generic Campaign</u></b></p> <p><b>Low Bid:</b> e.g. Max CPC £0.30  <b>Triggers for Search Term:</b> "Bike"  <b>Negative Keywords:</b> [Trek Bike], [Cheap Bike]</p>
<b>Medium Priority</b>	<p style="text-align: center;"><b><u>Brand Campaign</u></b></p> <p><b>Medium Bid:</b> e.g. Max CPC Bid £0.60  <b>Triggers for Search Term:</b> "Trek Bike"  <b>Negative Keywords:</b> [Trek Carbon Road Bike For Men], [Cheap Bike]</p>
<b>Low Priority</b>	<p style="text-align: center;"><b><u>Best Search Term Campaign</u></b></p> <p><b>High Bid:</b> e.g. Max CPC Bid £1  <b>Triggers for Search Term:</b> "Trek Carbon Road Bike For Men"  <b>Negative Keywords:</b> [Cheap Bike]</p>
	<p style="text-align: center;"><b><u>Poor Search Term Campaign</u></b></p> <p><b>Very Low Bid:</b> e.g. Max CPC Bid £0.02  <b>Triggers for Search Term:</b> "Cheap Bike"  <b>Negative Keywords:</b> N/A</p>



# Single SKU Campaigns



## What are Single SKU Campaigns?

Single SKU campaigns are campaigns which just contain a single product, also known as an “SKU” or Stock Keeping Unit.

## What is the purpose of a single SKU Campaign?

A single SKU campaign allows you to tailor all your settings and bid adjustments to the one product you have targeted. This level of control can be extremely useful for making bespoke adjustments for your best-selling products.

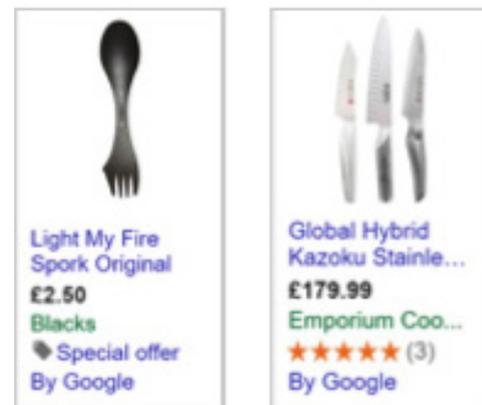
## What sorts of adjustments can I make for a single SKU campaign?

A Single SKU campaign is just like any other campaign - except it only contains one product. This means you can make all of the adjustments referred to in the previous sections of this paper i.e. for one product you can make bid adjustments, device adjustments, location adjustments, time of day adjustments etc.

## Why would I want to make unique adjustments to just one product?

As previously stated: it is very common for 20% of products in a campaign to be responsible for 80% of the revenue in an account. Of this 20% - we frequently find there are a few “outliers” - products which sell exceptionally well and / or at an outstanding ROAS. It can be very useful to make custom-made adjustments for these products: which can put them in the best possible position to succeed.

For example, if you sold kitchen products: two of your bestselling items might be: a plastic spork for £2.50 and a high quality Japanese knife set for £179.99.



The spork might sell best on mobile, whereas the knife set may sell better on PC. (We often see this split, where people make more expensive purchases on PC / tablet - and make cheaper purchases on mobile.)

By splitting the plastic cutlery set and carving sets into separate campaigns - you don't have to compromise on a device bid adjustment and instead you can choose the adjustment that is best for the unique product.

## Are there any other benefits of a single SKU campaign?

Another benefit of single SKU Campaigns is the speed at which you can 'find' your most important products and see how they are performing. In a 'traditional' campaign, finding your best selling products would involve clicking in a campaign and probably through several product groups before you can find the statistics you need. If you have several products you want to check on, this could be a lengthy process. By comparison, if your account contains single SKU campaigns - you will be able to see the performance of individual products just by looking at the 'campaigns screen'. Thereby providing a rapid way of assessing the performance of your most important products.

If, for example, if a bestselling product stops accruing impressions - we will be able to see this on the campaigns screen.

In many cases, if an SKU was getting impressions, then suddenly stopped, this could be due to the product going out of stock, or an error with your feed. Either way the Single SKU campaign approach - allows you to quickly identify there is an issue that needs resolving.

### **How Can I Create a Single SKU campaign?**

We would recommend you create a single SKU campaign by copying and pasting your existing campaigns - then excluding all products from the 'pasted' campaign, apart from the one you wish to focus on.

The advantage of this (compared to setting up your campaign from scratch) is all the settings from your old campaigns will be applied to your new single SKU campaign. Although these settings won't be perfect - they are likely to be better than having no adjustments at all (the default when you create a new campaign). Copying and pasting is a much quicker process than making adjustments all these settings individually - from scratch, for each single SKU Campaign.

### **When should I start making adjustments to the SKU's?**

As soon as you have generated a few hundred clicks and a few conversions - you should have enough data to start optimising your settings for the single product SKU.





# Key takeaways from this paper



1. Don't start spending money on your PLA's until you have set up and tested conversion tracking
2. If you only have time to look at one thing: review your device adjustments (i.e. set appropriate bid adjustment for mobile / computer / tablet) as this is the quickest and most effective way to boost your Return on Ad Spend (ROAS)
3. Approach PLA management by prioritising the actions which will have the biggest impact on your results: in practice, this means a relentless focus on where money is being spent and made in your account - and adjusting your bidding accordingly
4. Schedule time to regularly review and adjust your bids - and when increasing your bids, make small incremental changes
5. Check your "advanced" settings frequently i.e. at least once a fortnight to see if a certain time of day / location / particular device - is generating a disproportionately good or poor ROAS
6. Pay close attention to Remarketing, and consider trailing high bid adjustments (i.e. +100% or over) for visitors who have been to your site recently (i.e. within 7 days or less)
7. Use keyword sculpting to intelligently control bidding for high, medium and low priority search terms
8. Try using Single SKU campaigns - to create bespoke settings for your best-selling and most profitable products



# Bonus Takeaways

The process of managing Bing Shopping Ads is very similar to managing Google PLAs, and the Bing interface is almost identical. (You can also import your Google Campaigns and settings into Bing, so the set-up is usually very straightforward).

There is usually much less competition on Bing compared to Google and your cost / conversion is often far cheaper. So, we would highly recommend trying Bing PLA's - as a supplement to Google Shopping Ads.

I hope you have enjoyed reading this paper - and found some useful suggestions you can try implementing. If you have any questions or comments - please do get in touch; and if you'd like to talk to one of our Google Shopping experts directly please contact us here:

**[hello@ecomone.com](mailto:hello@ecomone.com)**

**[www.ecomone.com/contact](http://www.ecomone.com/contact)**

We offer a complimentary consultation specifically around Google Shopping where we will look directly at your own account (if you have one, if you don't, no worries - we can still chat about the options)







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