

**Bidnamic**

# How successful fashion retailers optimise their Google Shopping campaigns



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1

# Foreword

Everyone's digital lives jumped forward in 2020. The impact of the global pandemic meant people all over the world either increased the frequency of online shopping or tried it for the first time – and the first timers have now fully embraced the benefits of ecommerce.

At the same time, acquisition and marketing budgets have been squeezed and the channels where those budgets are being deployed are proving less effective as competition ramps up.

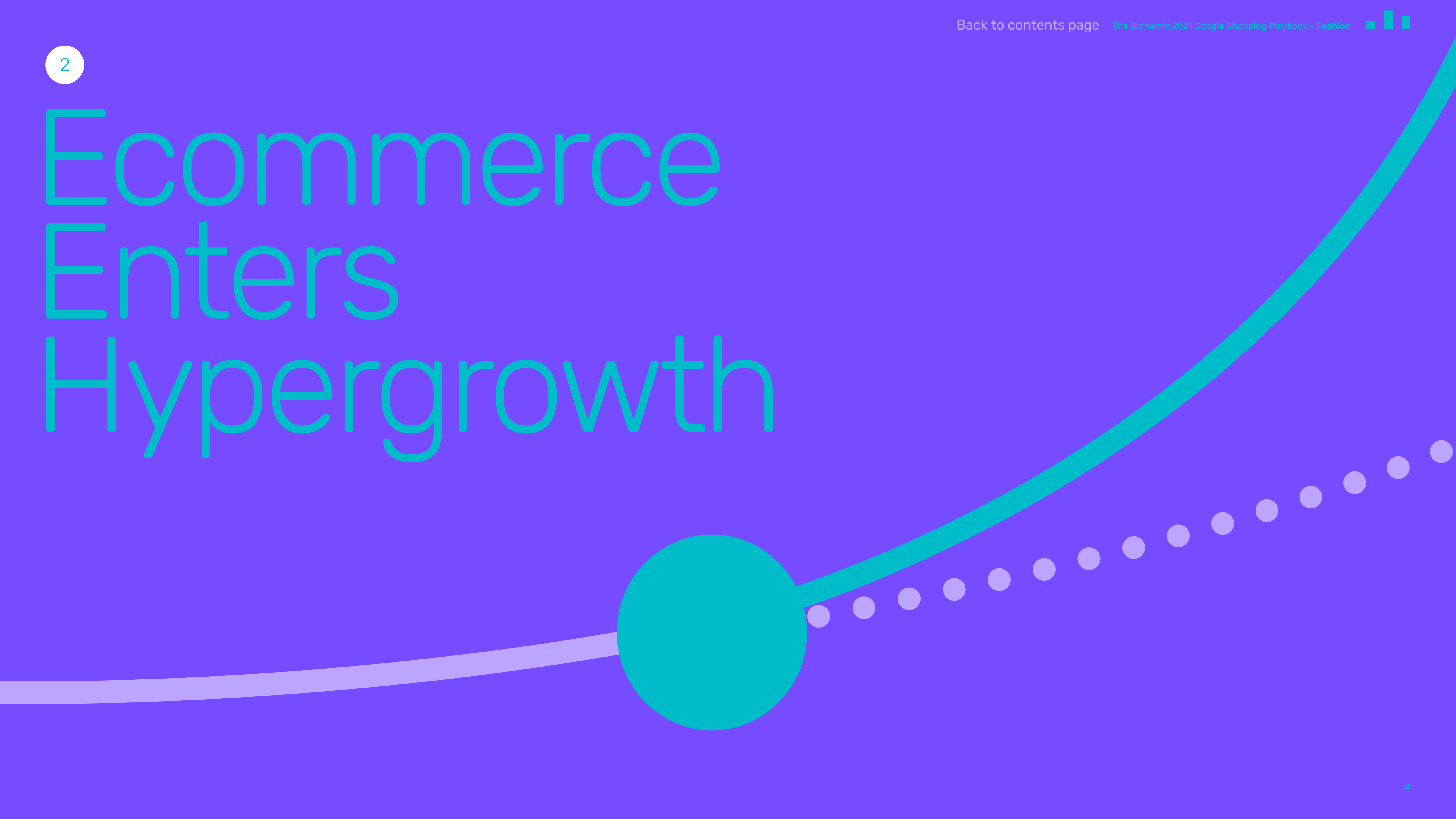
Cutting-through, grabbing consumer attention at the right moment and converting intent into profit needs a retail rethink. New entrants who use innovative technologies and don't play by traditional rules have changed the game.

The opportunities are huge, but it is vital that fashion retailers adopt the mindset of the new generation of ecommerce specialists and deploy data, algorithms and insight to establish a sustainable competitive advantage.

This report explores why Google Shopping is now coming into its own for retailers that understand its potential and how, with the right partner, it can play a huge role in winning online.

**Liam Patterson**  
CEO, Bidnamic

# Ecommerce Enters Hypergrowth

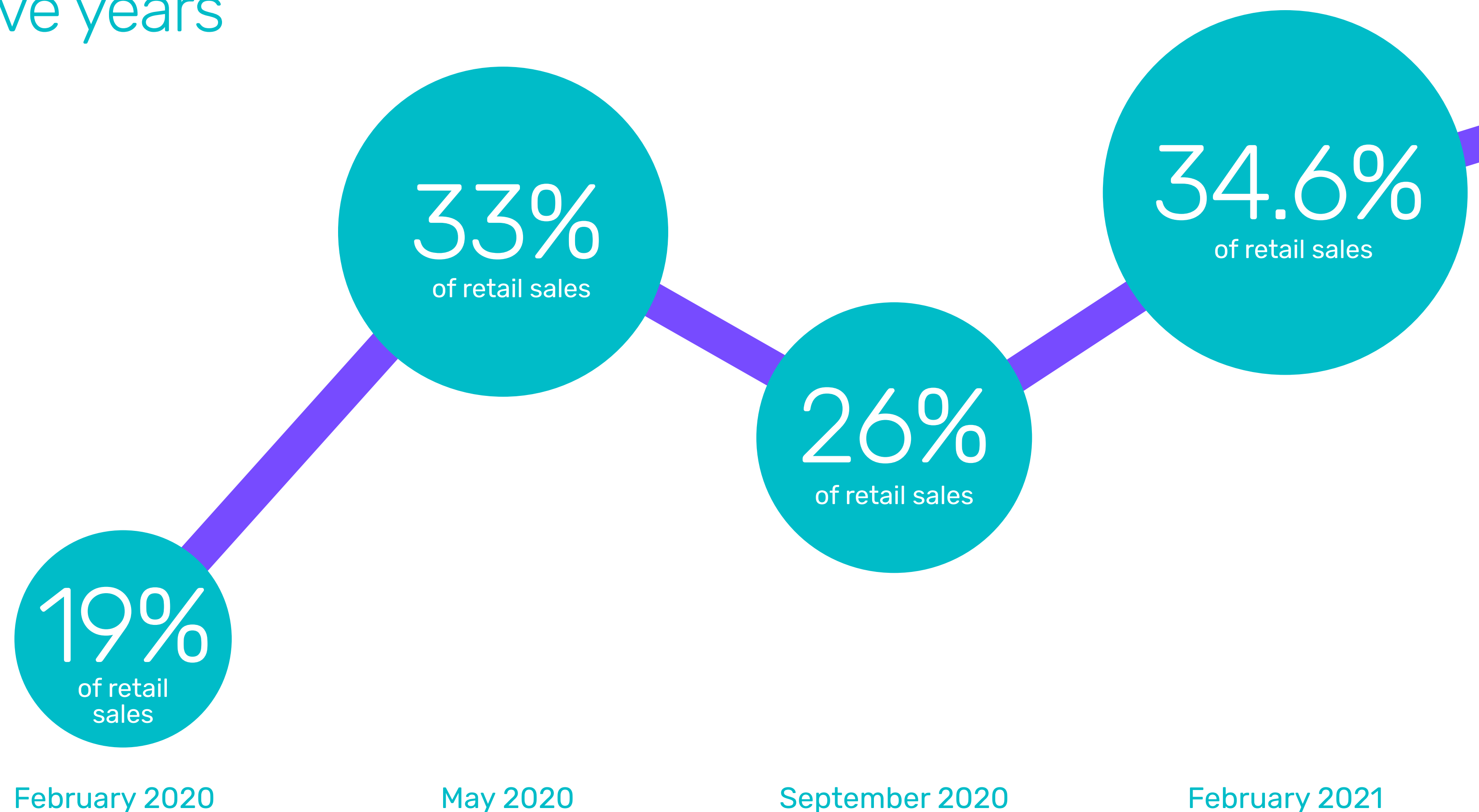


# The global pandemic has accelerated the trend to shopping online by approximately five years<sup>1</sup>

The trend was already in progress but with stores either closed or difficult to access for a large portion of the population, the concept of regular online shopping, even for big ticket items, has been normalised.

In the UK, online sales as a percentage of total retail sales reached a record high of more than 33% in May 2020 and in September still accounted for 26% of total retail sales compared to 19% in February.<sup>2</sup>

Despite the easing of restrictions and return of shoppers to the high street, online sales in February 2021 still made up 34.6% of total retail sales in the UK.<sup>2</sup>



<sup>1</sup><https://finance.yahoo.com/news/ibm-2020-u-retail-index-150119824.html>

<sup>2</sup><https://www.ons.gov.uk/businessindustryandtrade/retailindustry/timeseries/j4mc/drsi>

# Fashion is the largest B2C ecommerce market segment

The global online market for the category was estimated at \$525.1 billion in 2019 and growth was forecast at 11.4% a year.<sup>3</sup>

There is a huge ecommerce opportunity for fashion brands as barriers to purchase in physical stores make visits less appealing. The big advantage stores held was the ability to try the clothes and footwear on – this no longer applies.

As retailers focus on creating enjoyable online experiences and their fulfilment and returns processes become frictionless, consumers will adapt to purchasing clothing online.



\$525.1 billion

Fashion industry 2019

11.4%  
forecast growth  
each year

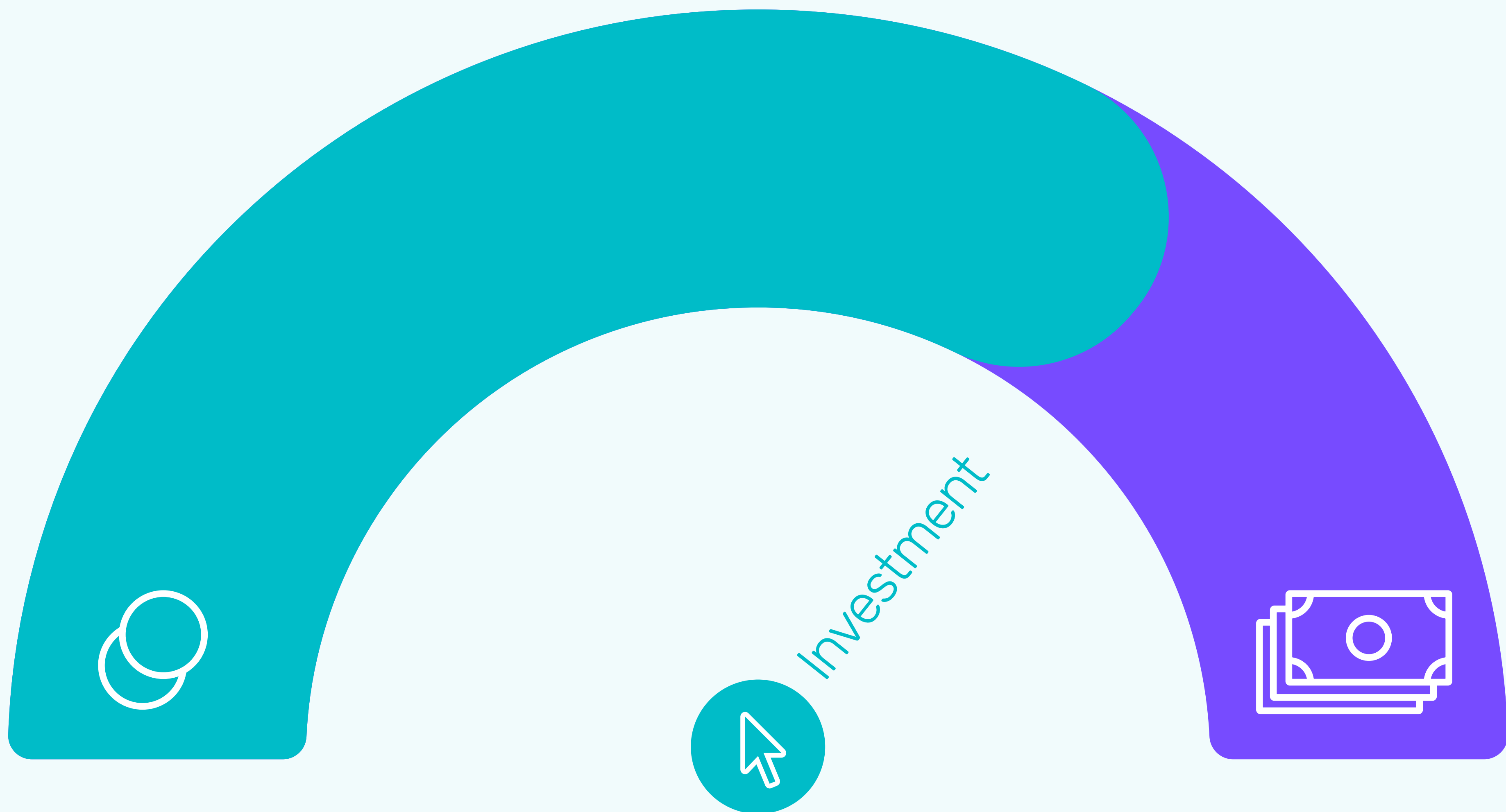
<sup>3</sup><https://www.statista.com/study/38340/ecommerce-report-fashion/>

# Retailers are investing more in online

However, the initial competitive advantage enjoyed by first movers is evaporating.

As traditional rivals increase their online investment, new competitors launch ecommerce stores and consumers hunger for a wider range of goods.

An integral part of winning will be the capability to surface the right message at the right time to prompt a customer action – and to be able to do it at scale.

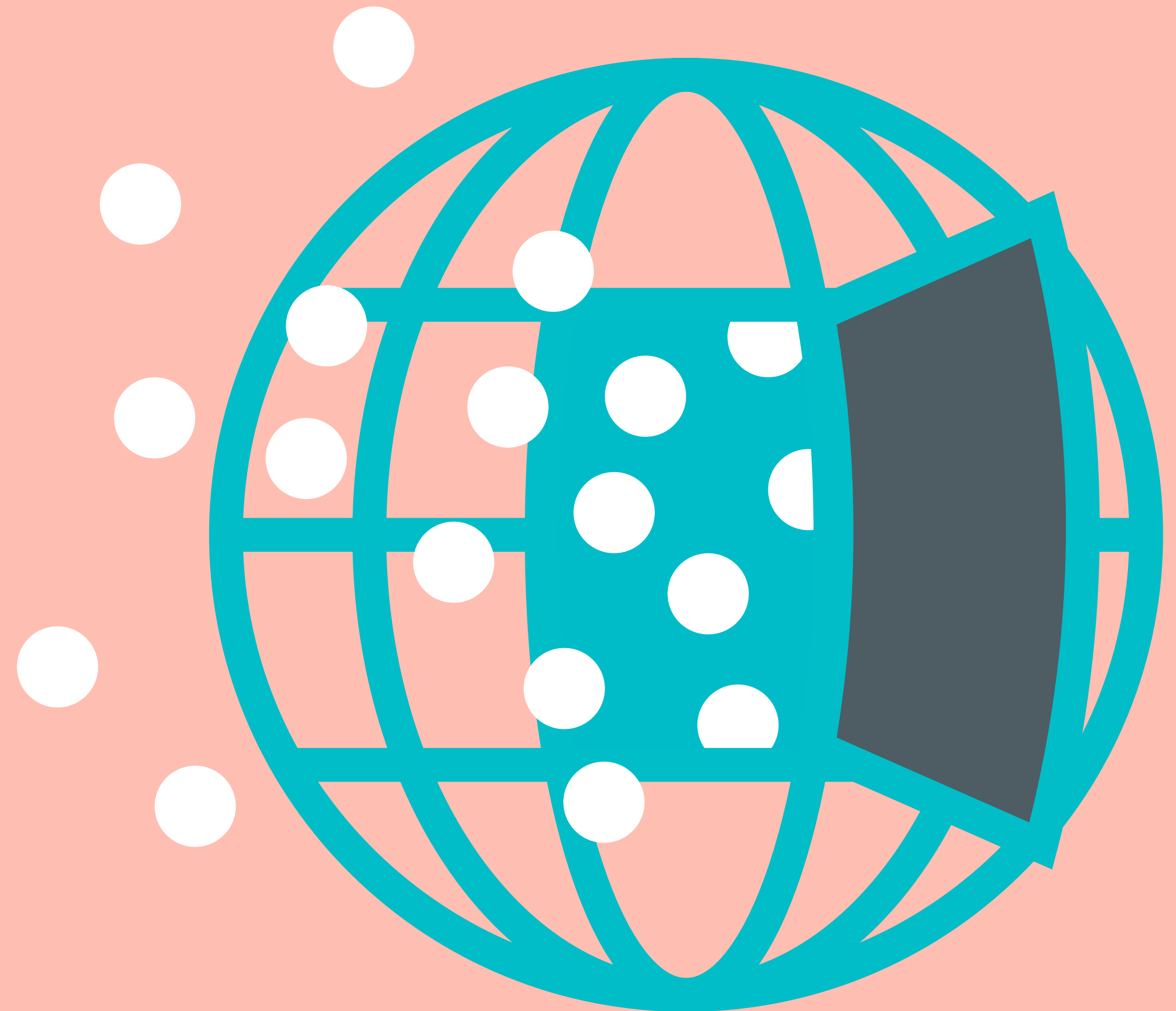




3

# A New Breed of Competitor

New technologies have opened the floodgates to a mass of competitors





# Consumers can now shop from anywhere, and competition is taking new forms

## Direct-to-consumer

Digitally native **direct-to-consumer** (DTC) brands continue to spring up. EMarketer forecasts US sales from digitally native brands that began life as online retailers will grow by 24.3% this year to \$17.75 bn.<sup>4</sup>

\$14.28 bn

↑24%  
growth this year

\$17.75 bn

## Private label

The reverse side of the DTC coin is **the rise of private label** from some retailers. It's particularly evident in Consumer Packaged Goods and supermarket grocery with 'value ranges' but extends into all categories – **Walmart has its Time and Tru** clothing brands, while online fashion players like **ASOS and Amazon are also developing their own lines.**

Sub  
-Range

Sub  
-Brand

Core Brand

<sup>4</sup><https://www.emarketer.com/content/us-direct-to-consumer-ecommerce-sales-will-rise-to-nearly-18-billion-in-2020>

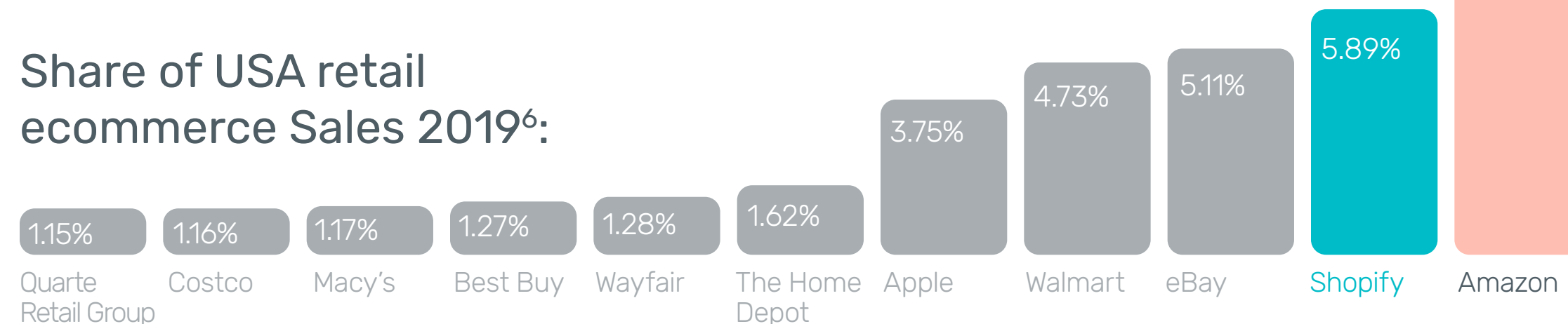
# Growing competition in a growing market

Amazon is omnipresent and the company makes use of every scrap of customer data to improve its offer to consumers. It is already estimated to be the leading apparel retailer in the US thanks to third-party sellers and is making strides into Luxury.<sup>5</sup>

There is also a growing long tail of **SMEs with digital storefronts thanks to 'plug in and play' technology platforms like Shopify.**

Shopify alone has more than one million merchants using its platform and sales across its storefronts make it the second largest online retailer.

## Share of USA retail ecommerce Sales 2019<sup>6</sup>:

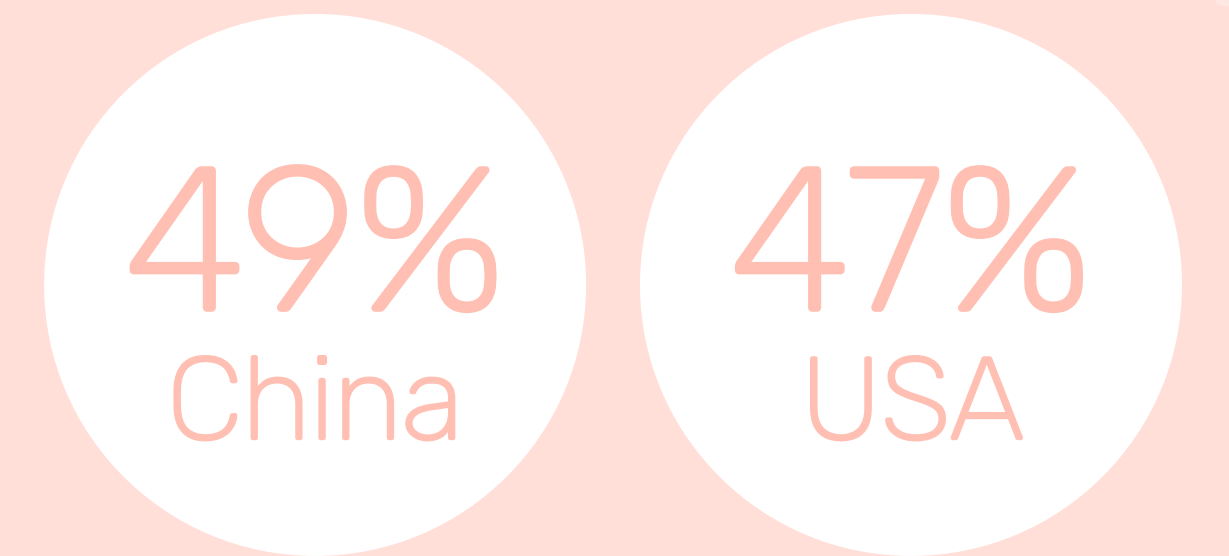


<sup>5</sup><https://www.forbes.com/sites/pamdanziger/2020/01/28/amazon-is-readying-major-disruption-for-the-fashion-industry/>  
<sup>6</sup>eMarketer, May 2020, Shopify

# Chinese suppliers are outselling US suppliers on Amazon.com<sup>7</sup>

## Amazon.com top sellers in early 2020

Competition is also increasing from manufacturers and other points in the supply chain. Chinese suppliers are increasing the use of Epacket courier services and 'dropshipping' to sell direct.



## Take advantage of the growing market

To take advantage of the growing ecommerce market, retailers need to change their approach to business by using data, technology and algorithms to optimise and scale their online presence.



<sup>7</sup> <https://www.marketplacepulse.com/articles/chinese-sellers-outnumber-us-sellers-on-amazon.com>



4

# The Rise of

# Google Shopping

# in Search Marketing

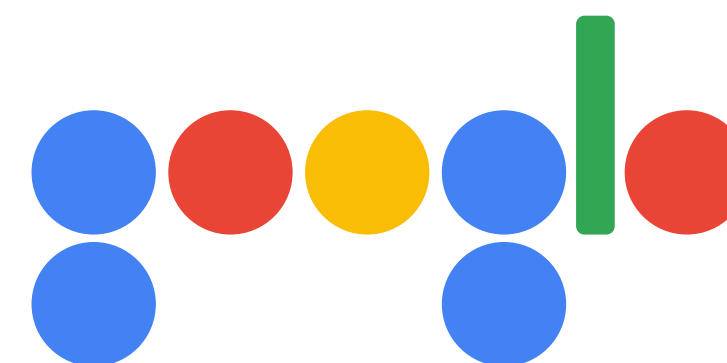
The switch of focus to drive customers online means investment in search is rising

# Rising investment in search spend

The entwining of ecommerce and marketing is irreversible as campaigns on platforms and social media channels increasingly route consumers directly to retailers. The switch of focus to drive customers online means investment in search is rising.

**eMarketer forecasts<sup>8</sup> spend on search in 2022 will exceed its pre-pandemic predictions for the year and is expected to reach nearly \$100bn by 2024.**

Search spend will have grown **68%** by 2024



\$60.5 billion



Search Spend 2020

\$99.22 billion



Search Spend 2024

<sup>8</sup><https://www.emarketer.com/content/search-marketing-2020>

# Amazon: your biggest competitor on Google Shopping

Google Shopping was added to the Google Ads platform in 2016 as a comparison-shopping service to compete with marketplaces like Amazon.

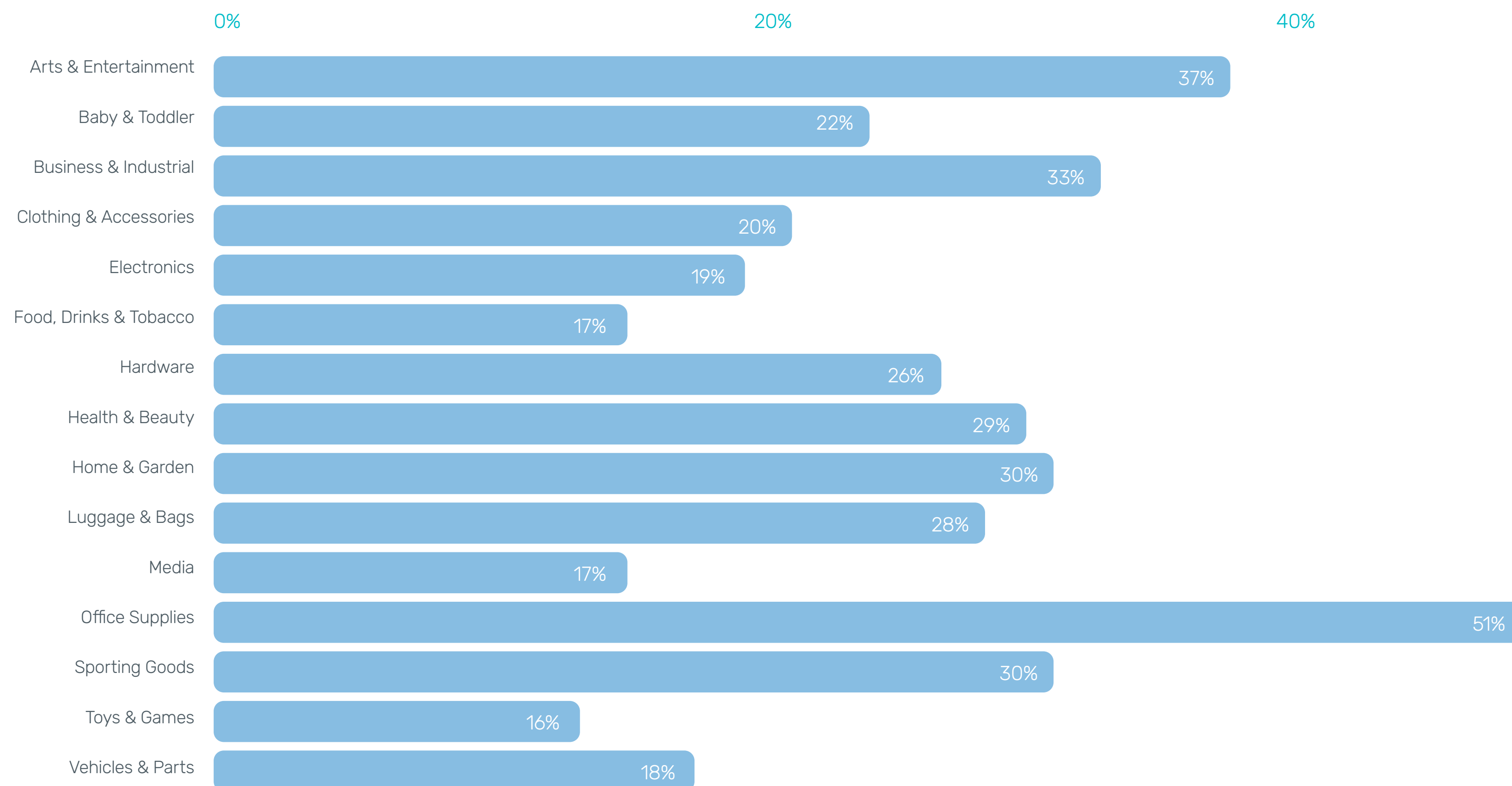
Since its launch, Google Shopping's image-based product listings have proved highly attractive to consumers. Data from Bidnamic's platform show that **Google Shopping's share of retail paid search clicks was 65% in Q3 2020**.

Enhancements such as Showcase Shopping ads and Smart Shopping have increased the audience and lowered the entry barrier for small advertisers, which have in turn led to increased competition.

**Amazon, for one, accounted for over 50% of impressions in some retail sectors on Google Shopping** in October 2020.

<sup>9</sup>Bidnamic, October 2020

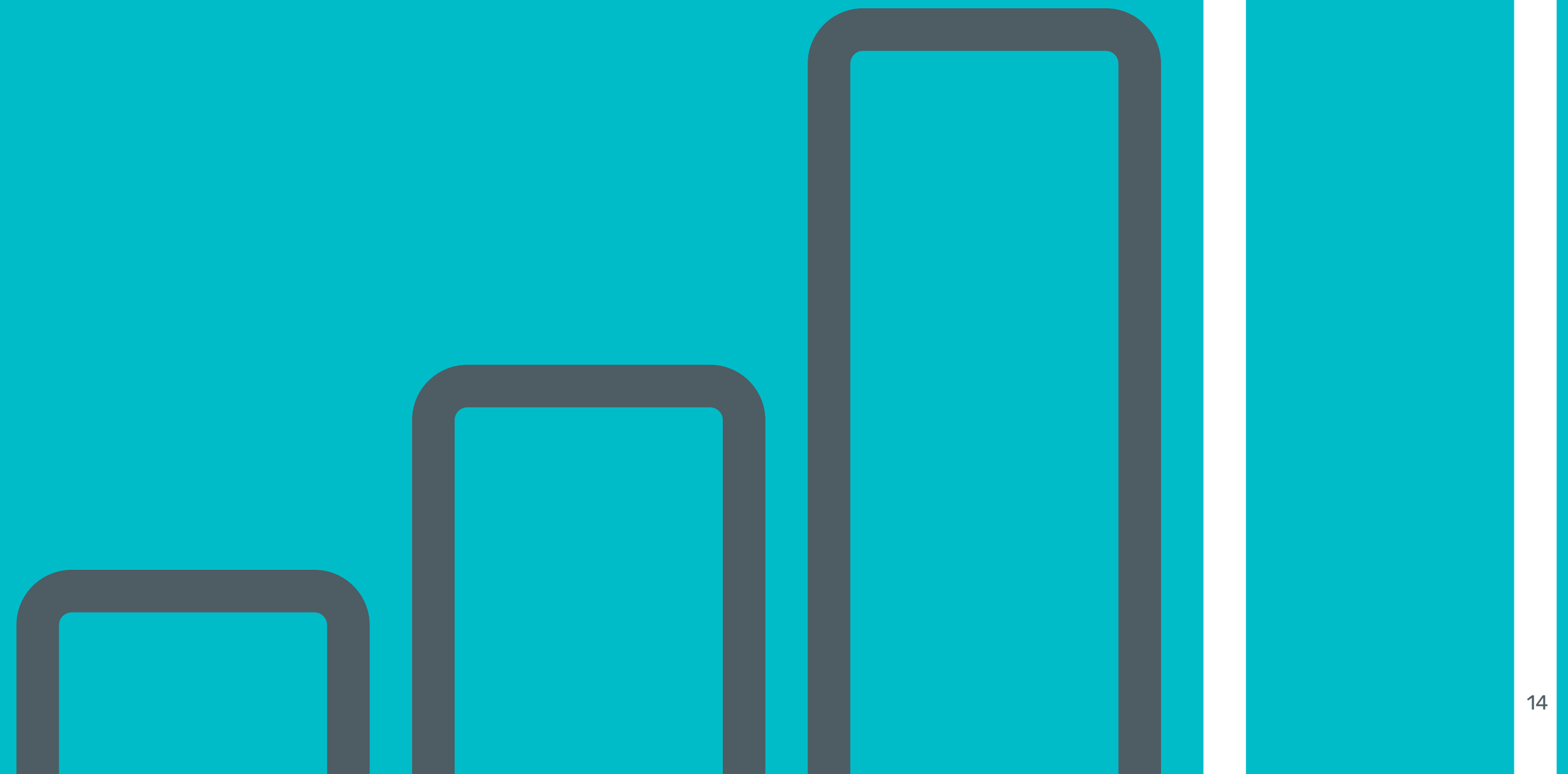
## Amazon impression share on Google Shopping<sup>9</sup>





5

# How To Win: Obsess Over Input Metrics



# Online retailing's powerful advantage over the high street

The difference is that online shopping can provide a vast amount of useful customer data which a retailer can use to understand how to deliver the right message, in the right place, and at the right time to catch the attention of shoppers.

The most successful online retailers start by defining the input metrics that will have the biggest impact on their campaign goals – their output metrics. To win, a retailer must understand the importance of each of the core input metrics and how technology can drive incremental improvements and provide scale in ways that aren't possible manually. The correct inputs will help a retailer understand where best to focus budget for growth.

Alongside metric definitions we have assembled examples of **best practice case studies to show how fashion retailers can use technology to improve input metrics** and win more, and more profitable, customers.



# Click-through rate

A small gain in click-through rate – at the top of the funnel – has a huge ripple effect on performance. Improving your click-through rate from 0.2% to 0.4%, for example, will double traffic and have a similar impact on revenue.

Data-driven technologies can help by optimising your keyword choices and ad performance.

## What's important

There are two areas of focus when optimising your click-through rate (CTR). First, ensure that your product is directly relevant to the intent of the keyword search.

Second, make your ad content stand out more than that of your competitors. If you have a large number of keywords and ads this can be too complex and time-consuming to do manually. Using specialist, data-driven technologies you can deliver rapid improvements in your CTR in an efficient way.



yourcompany.com

Price and promotions



## Pro tip

Bidnamic reveals the exact terms shoppers are using when searching for each unique product SKU, and their respective performance. This helps our clients discover high value search terms which they can insert into product titles and descriptions to increase relevance and click-through rate.



# Integrating Trustpilot reviews and ratings increases CTR

## Case study

## Life Style Sports, Ireland's largest sports and fashion retailer, increases CTR by over 20%

Once Life Style Sports had achieved Review Snippets and Google Seller Ratings in their paid and organic search by collecting Trustpilot reviews, results followed swiftly.

**The positive ratings provided additional verification for prospective customers**, and once customers landed on site, the increased trust that exhibiting Trustpilot reviews gave UK consumers also proved critical.

▶ View full case study

20%  
increased CTR



Trustpilot is free and open to every company and consumer everywhere. Sharing your experiences helps others make better choices and companies up their game.

We bring consumers and companies together to continuously share, collaborate and improve. The power of our platform comes from being open to all consumers and companies, independent of both and transparent.

# Conversion rate

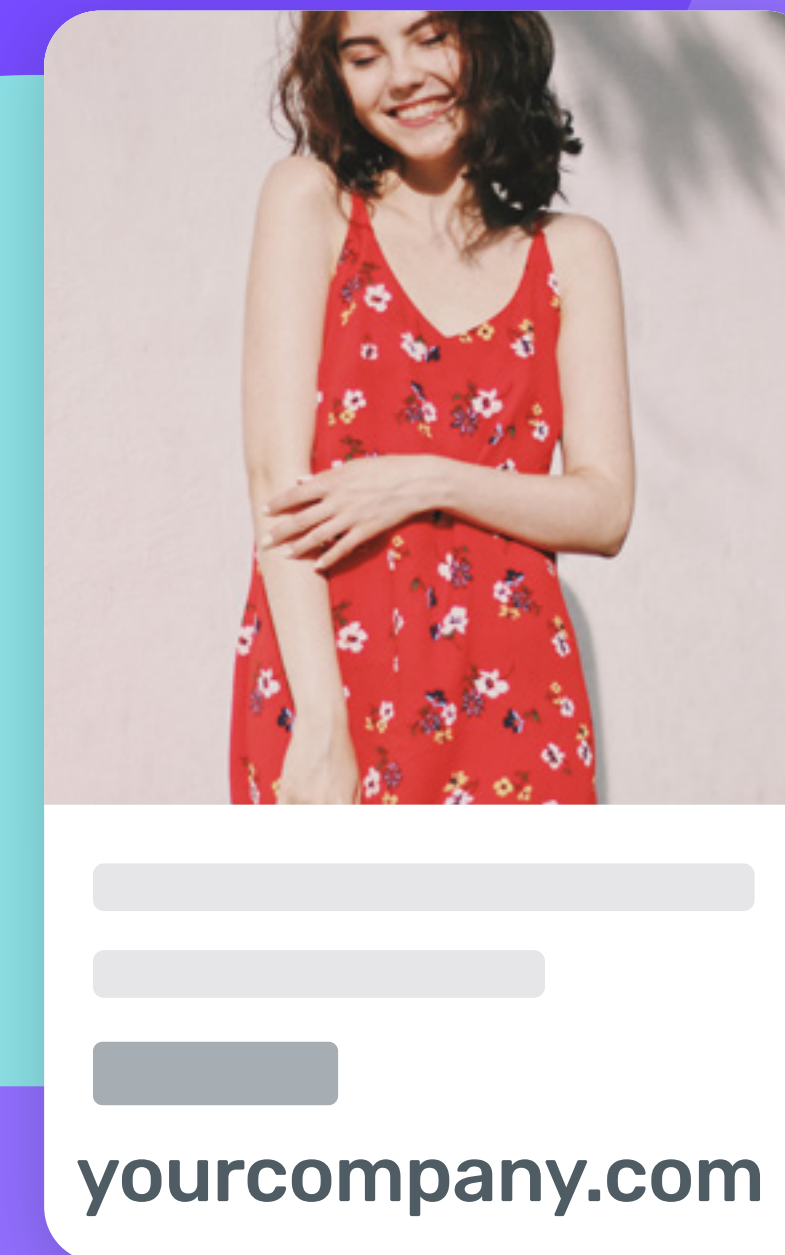
Increase the percentage of visitors to your website that convert into paying customers by optimising your conversion rate.

## What's important

Whether they've come from an organic search or a paid search, visitors to your website derive from an investment in search marketing, and failing to convert them is an opportunity missed.

Conversion rate optimisation (CRO) is a key success factor in ecommerce, and any investment in CRO should generate immediate returns. Improving your conversion rate from 2% to 2.1%, for example, represents a 5% increase in online sales.

CRO requires a fast, responsive website, and using advanced data techniques to deliver more compelling content based on the digital history or behaviour of the visitor.



## Pro tip

Bidnamic's platform logs the exact conversion rate of each search term against a specific product SKU, enabling our clients to identify opportunities to improve low-converting product SKUs by reviewing pricing, image quality or descriptions. Also wasted ad spend can be reduced by setting negative search terms for out-of-stock size or colour options, or irrelevant search terms.

# Optimise site speed on mobile, tablet and desktop

A 2020 study observed that a 0.1 second website speed improvement resulted in a remarkable 8.4% increase in conversion rates. Also that retail customers were particularly sensitive to website speed in their pre-checkout journey.



Mobile site speed improvements had a direct correlation to improved funnel progression.



An 8.4% increase in conversions with retail consumers was observed, and an increase in average order value of 9.2%.



When mobile site speed improved we also observed positive change in the number of page views, conversion rates and average order value.



An 8% increase in page views per session was measured for luxury sites.



Retail consumers were most sensitive to speed in the pre-checkout stages of their conversion journey.



<sup>10</sup>[https://www2.deloitte.com/content/dam/Deloitte/ie/Documents/Consulting/Milliseconds\\_Make\\_Millions\\_report.pdf](https://www2.deloitte.com/content/dam/Deloitte/ie/Documents/Consulting/Milliseconds_Make_Millions_report.pdf)

# Integrate independent product reviews

## Case study

Ann Summers, a British multinational retail company specialising in sex toys and lingerie, sees an increase in conversions of up to 230%

Unsurprisingly, the higher the star rating, the higher the chances to convert. The highest conversion rate was seen on products rated 5 stars, meaning a **5-star rating resulted in a whopping 230% conversion increase.**

However, products with 1-star reviews still had a higher progression rate than products with no rating at all.

[▶ View full case study](#)

**230%**  
increase in  
conversions



Trustpilot is free and open to every company and consumer everywhere. Sharing your experiences helps others make better choices and companies up their game.

We bring consumers and companies together to continuously share, collaborate and improve. The power of our platform comes from being open to all consumers and companies, independent of both and transparent.

# Deliver more compelling mobile content

## Case study

## Rip Curl, market leader of surfing wetsuits, surf watches and casual surf apparel, increases mobile conversions

When visiting any of Rip Curl's international websites **every customer is greeted on the mobile responsive home pages with a range of products 'recommended for you'**.

These can include products that were bought by similar customers, frequently purchased items and exciting new Rip Curl lines, and contributed to an incremental increase in month-on-month revenues.

[▶ View full case study](#)



Fresh Relevance is the real-time personalisation and optimisation platform. We analyse customer data and use it to maximize the customer experience for each individual across email, website and app.

By increasing engagement across devices and channels, we help digital marketers and ecommerce professionals drive revenue and customer loyalty.

# Personalise page product details and checkouts

## Case study

## AI-based real time personalisation drives 400% increase in conversion rate for Japanese marketplace

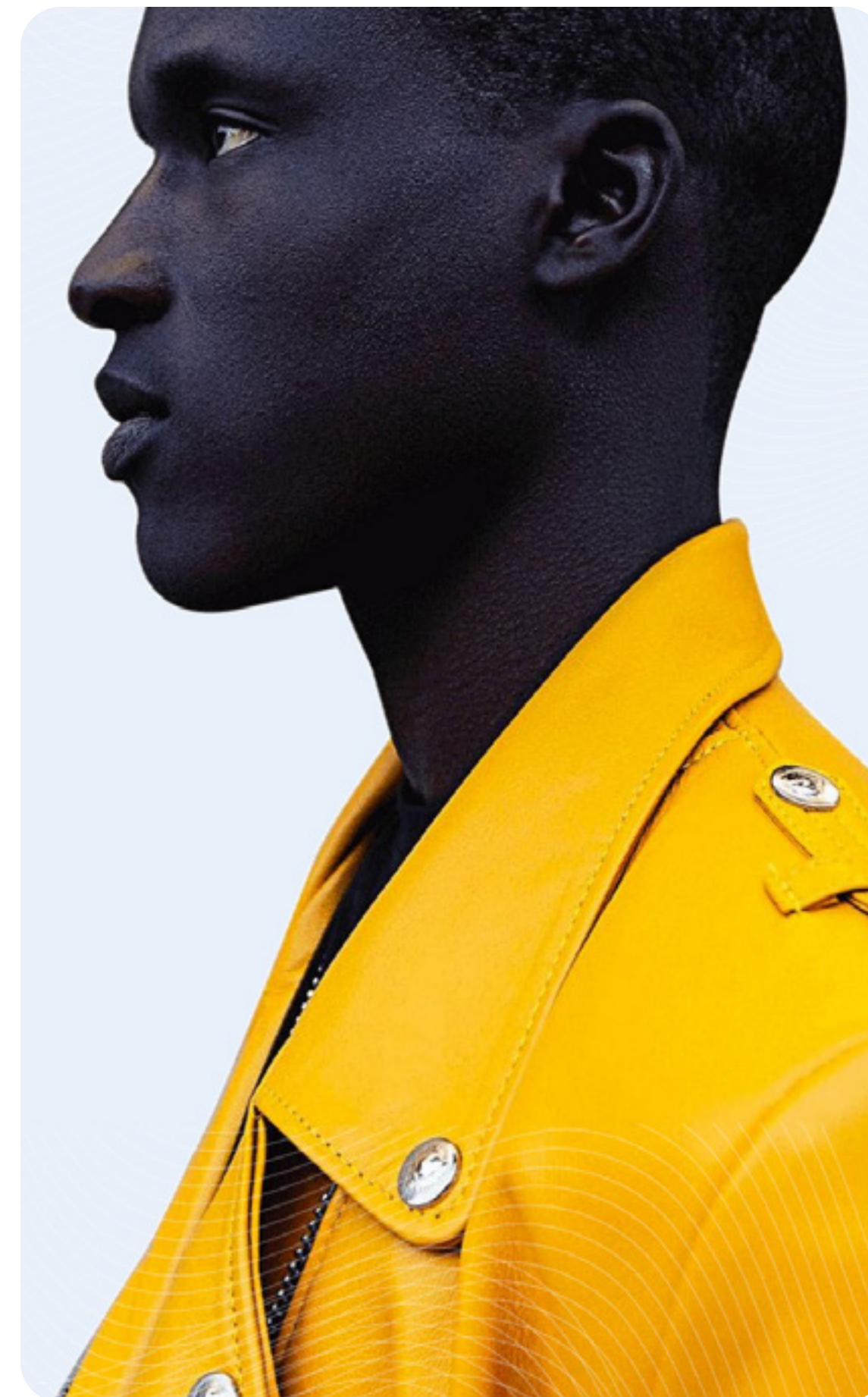
Personalize product detail pages and checkouts..

**Every product attribute is taken into consideration, and the products recommended are based on specific attributes the shopper shows affinity towards.**

For example, a colour over a pattern, or a length over neckline. Product recommendations are based on the shopper's current journey as well as their historical data.

**400%**  
increase in  
conversion rate

[▶ View full case study](#)



Vue.ai is a unified visual AI platform that is redesigning the future of retail commerce.

Using image recognition and data science, we help retailers generate product and customer intelligence, and combine these with market insights to power growth.

# Abandoned cart and browse email campaigns

## Case study

## Luxury shirt maker Ledbury increases orders from abandoned shoppers by 55%

Ometria gave Ledbury the ability to create sophisticated abandoned cart and browse campaigns and send them at the perfect time.

Ledbury was also able to segment its abandonment campaigns based on category and product type, and further segment the messages based on customers' tastes and habits, further aligning the recipient with the brand.

55%

increase in orders  
from abandoned  
shoppers

▶ View full case study



# ometria

Ometria is a smart email software platform that lets retailers increase customer revenue by sending personalised, relevant marketing messages throughout the customer journey.

Our platform combines an AI-based intelligence and orchestration layer with a retail-specific cross-channel marketing platform.

# Boosting shopper identification rates for remarketing campaigns

## Case study

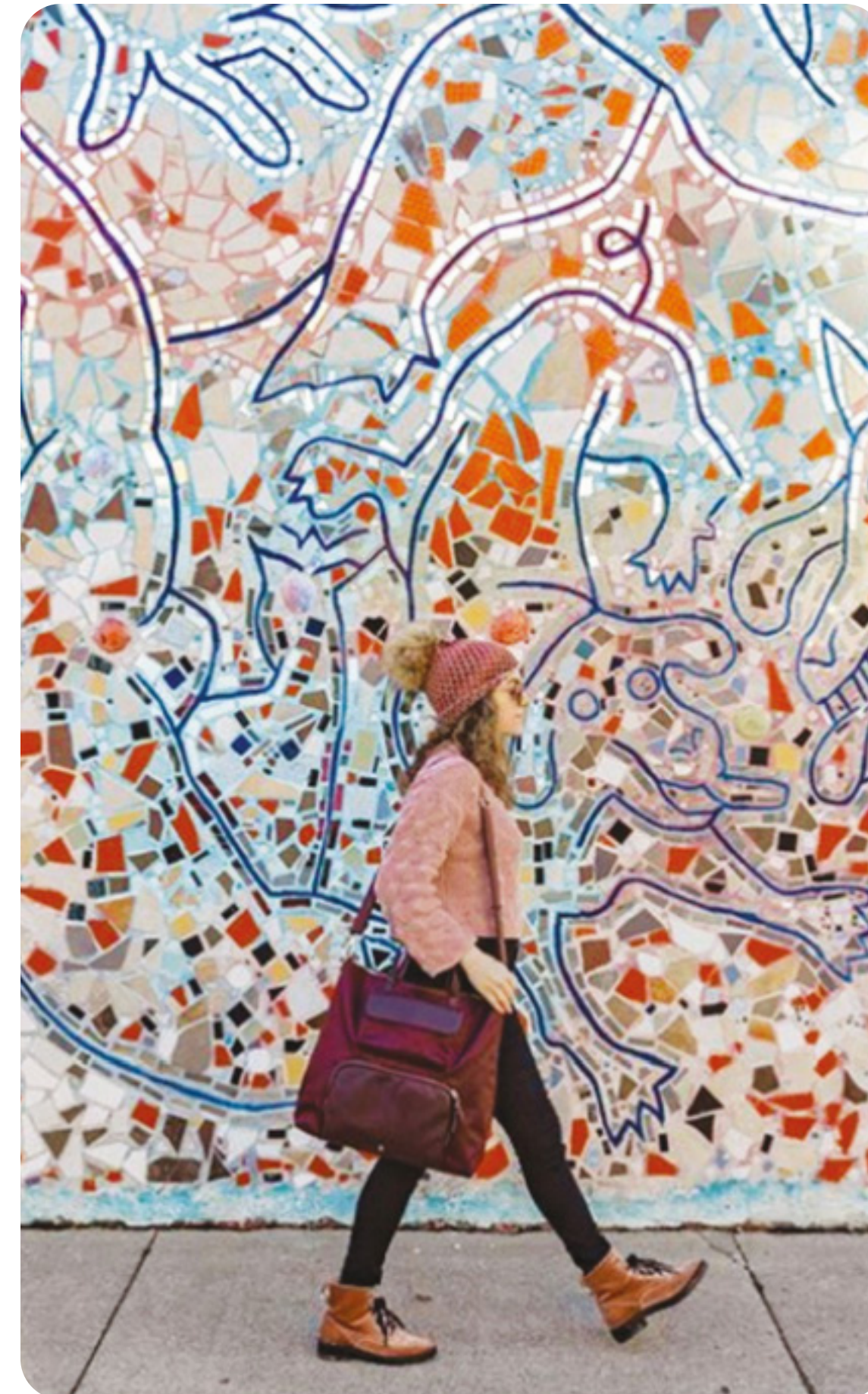
## Samsonite boosts their identification rate to 24.5% of site traffic

Samsonite turned to Wunderkind to help scale their email remarketing channel. Bringing advanced technology, tactics and services to the table, Wunderkind helped the retailer recognise more of their traffic down to an email address.

Wunderkind enabled the brand to dramatically increase its triggered email reach, which improved its cross-channel customer experience and recovered more abandoned revenue.

**24.5%**  
identification rate

[▶ View full case study](#)



## Wunderkind

Formerly BounceX

Wunderkind is a leading performance marketing engine that allows digital businesses to deliver one-to-one messages at unprecedented scale by remembering their visitors better than ever before.



# Average order value

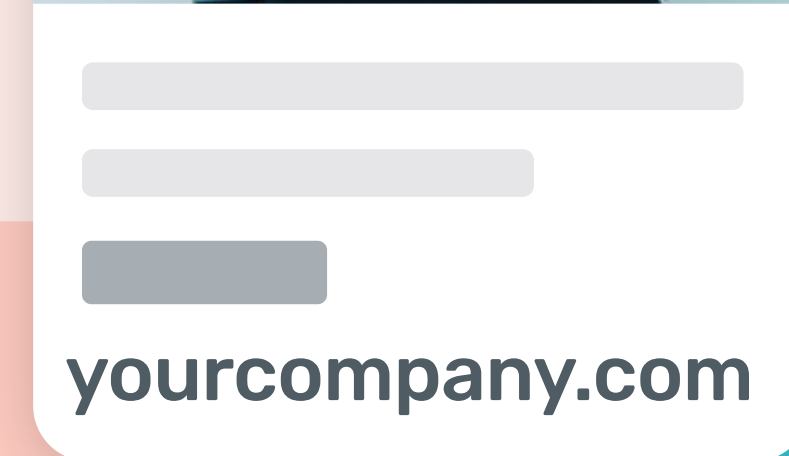
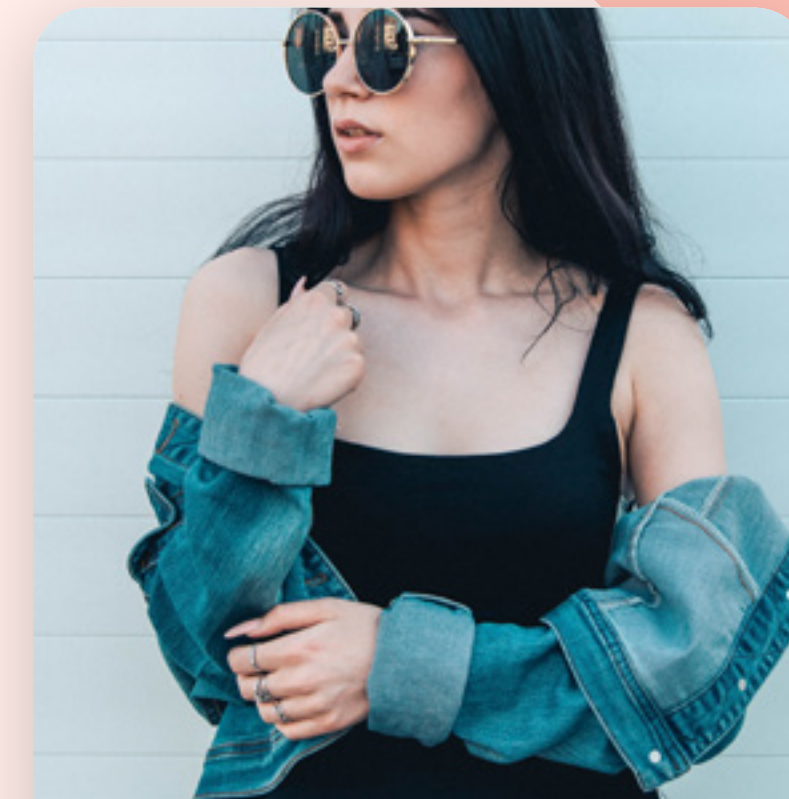
Increasing competition makes it harder to keep new customer acquisition costs at an affordable level. Focusing on average order value (AOV) – total revenue over a given period divided by the number of orders – is one way to address this.

## What's important

Adding a £25 belt to a £100 trouser suit, for example, grows revenue for that order by 25%, but the acquisition cost remains the same, so profit rises.

Doing this well requires investment in great merchandising – presentation, discoverability, upsells and cross-sells – offering flexible payment terms, and making it easy to find and use discounts and codes.

All of which can be done faster, better and easier using smart technology.



## Pro tip

Bidnamic's platform identifies products that might be low value and low margin but provide low cost per click 'gateways' to much larger average order values. Identifying gateway products provides opportunities to bid more competitively, and the data can also inform wider product merchandising tactics.

# Real-time recommendations based on basket content

## Case study

## French fashion retailer The Kooples increases average basket value

The Kooples needed a personalisation solution that supported multilingual, multi-currency websites and could respond to different consumer behaviour in their core markets.

Working with Attraqt, they saw swift improvements by being able to make recommendations based on the contents of the customer's basket, which resulted in a significant increase in sales.

9.5%  
increase in average  
order value

▶ View full case study



# Attraqt™

Attraqt enables every customer to deliver the best possible product discovery experience for their shoppers by combining the very best capabilities in search, merchandising, recommendations and personalisation.

This all-in-one solution is powered by the very latest AI to ensure that every consumer has a seamless, engaging and highly relevant journey from initial search all the way through to conversion and purchase.

# Flexible payment terms

## Case study

## The destination brand for must-have lingerie and pleasure innovation, Ann Summers increases transaction values by 10%

Klarna Pay in 3 offers a safe, simple and seamless way to extend the company's online checkout. Available on spends over £30, it lets users split purchases into three equal payments over 60 days.

There is never any interest or fees added meaning the customer will pay the same product price as they would if they were to use a debit card.

**"With Klarna Pay in 3, our shoppers are still making considered purchases. They are not filling their baskets but rather spending just a little bit more, upgrading on quality, fabric or features."**

[▶ View full case study](#)



# Klarna.

Klarna is now one of Europe's largest banks and is providing payment solutions for 90 million consumers across more than 200,000 merchants in 17 countries.

Klarna offers direct payments, pay after delivery options and instalment plans in a smooth one-click purchase experience that lets consumers pay when and how they prefer to.

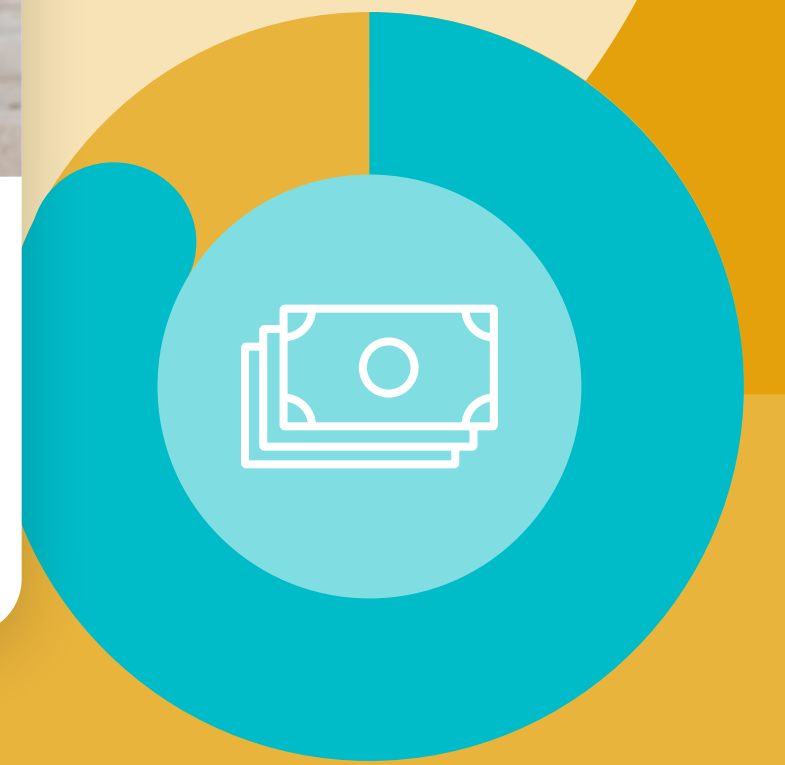
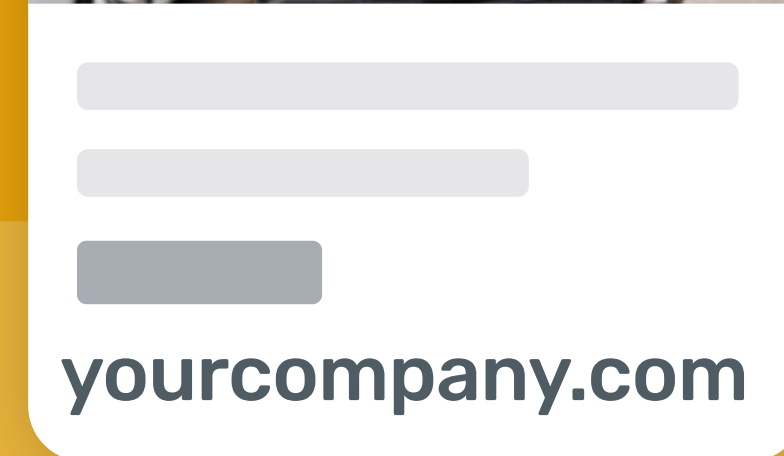
# Customer lifetime value

Calculating the right customer acquisition cost for your business also means factoring in the projected lifetime value (LTV) – the profit you can expect to make over a set time period – for specific customer types.

## What's important

Optimising LTV needs a focus on reactivation and loyalty campaigns based on personalisation, tracking and utilising data from multiple sources.

Doing this quickly and efficiently involves using technologies that can utilise data from your ecommerce platform, your CRM and your accounting software. You can focus email campaigns, for example, on high LTV customers. Also cart abandonment emails can be personalised, and back-in-stock alerts can capture pent-up demand.



## Pro tip

In Google Shopping, use your data to identify products that lead to higher levels of repeat sales and a higher lifetime value, and target customer profiles that offer higher conversion rates. For example, Bidnamic's platform can automatically bid more aggressively for consumable products with frequent repeat purchase rates, or for products with lower refund or cancellation rates e.g. men's apparel, which has lower refund rates than female apparel.

# Using a loyalty programme to increase repeat purchases

## Case study

## London-based accessories, clothing and lifestyle retailer SkinnyDip increases repeat spend by 84%

As a natural extension of their brand, Skinnydip designed a fully-customised loyalty program and named it "Skinnydip Airlines".

To increase repeat purchase and engagement still further, **Skinnydip's team also implemented a tiered loyalty program structure.** Members can progress across four levels; Check-in, Departure Lounge, Boarding and Take-Off.

84%  
increase in  
repeat spend

▶ View full case study



LoyaltyLion is a data-driven loyalty and engagement platform. They unlock real insights to build a better understanding of what drives longer-lasting customer relationships and accelerate their clients' existing marketing efforts.

# Using a referral programme

## Case study

## Global fashion retailer PrettyLittleThing bags thousands of new customers

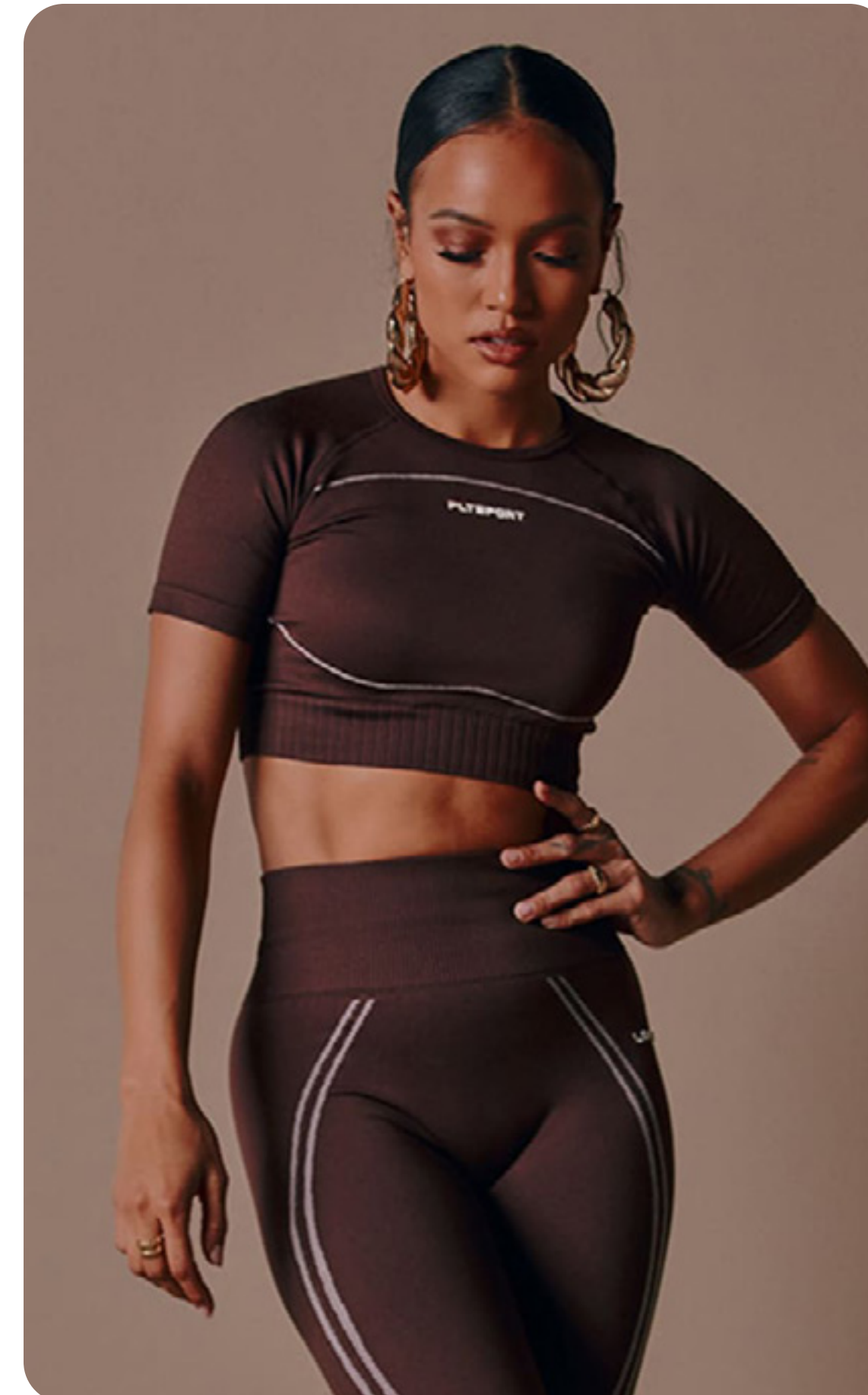
PrettyLittleThing partnered with Mention Me to tap into its customers' conversations and boost orders.

Through A/B testing, PrettyLittleThing has doubled the rate at which referred friends became customers. It has also incorporated key events such as International Friendship Day into its referral programmes to drive brand advocacy.

40%

of new referrals came  
from name sharing

[▶ View full case study](#)



mention *me*

Mention Me is a referral marketing platform that fuels business growth. Our world-class programmes have delivered more than 3 million referrals totalling £750M+ in revenue, and increased customer lifetime value for 450+ brands around the globe.



# Profit per transaction

Margins are under pressure: more online retailers, ad spend shifting to digital, the phasing out of cookies and the erosion of consumer trust all point towards rising CPAs.<sup>11</sup>

Long-term ecommerce success requires being able to move beyond revenue- or cost-based metrics like ROAS or CPA, to focus instead on maximising the profit generated by each transaction.

## What's important

In retail, gross profit margin is the sale price less the costs of production (or wholesale price), customer acquisition, and fulfilment.

Many retailers use **average** margin i.e. the average profit they make across all products, as a 'broad brush' indicator.

The more successful retailers know their margins for each individual SKU. With the right technology, this data can be used to adjust ad spend at the granular, SKU level, driving down the cost of customer acquisition, and increasing profit margins across the board.



## Pro tip

Move beyond averages to precision, using Cost Of Goods Sold data. Using the cost price of each product SKU enables higher bids and a lower target ROAS for higher margin products, and prevents losses from a low target ROAS for low margin products. Use advanced Google Ads tracking to see which items are purchased after your Shopping ads are clicked, providing a clear measure of revenue and profit generated.

<sup>11</sup><https://www.shopify.com/future-of-commerce/2021>

# Making bidding decisions at the SKU level

## Case study

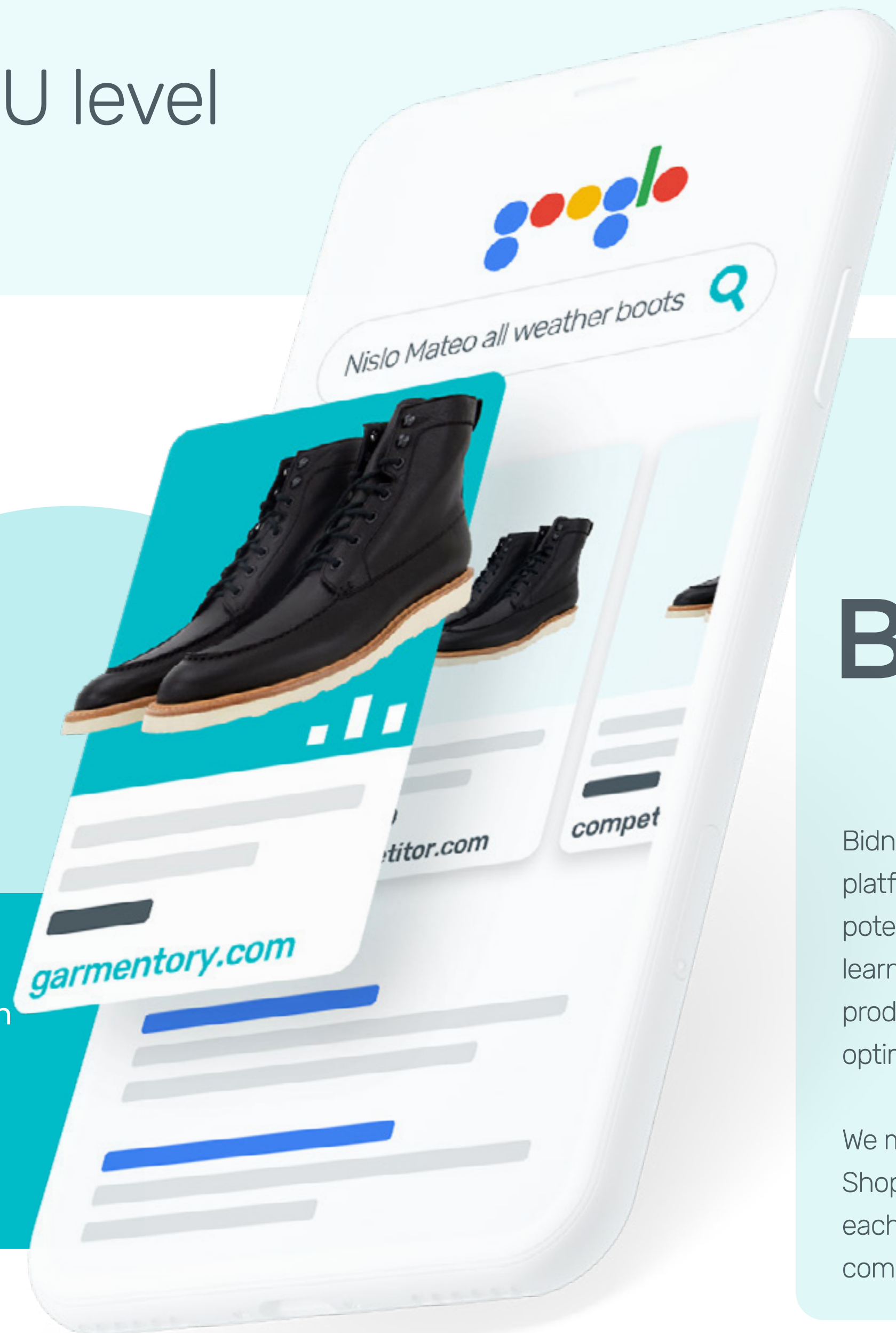
## Designer fashion marketplace Garmentory increases profit per transaction

Like many retailers, using group bidding meant that Garmentory was overbidding on a lot of their 400,000+ SKUs, leading to unprofitable transactions on Google Shopping.

Bidnamic's unique purchase intent model, combined with machine learning, used Garmentory's budget more efficiently. Click volumes and revenue remained steady, but ad spend decreased by 10%.

[▶ View full case study](#)

"We offer great prices to our customers so we needed a solution that generates a very high ROAS. Bidnamic consistently delivers this – **often 15x or more.**"



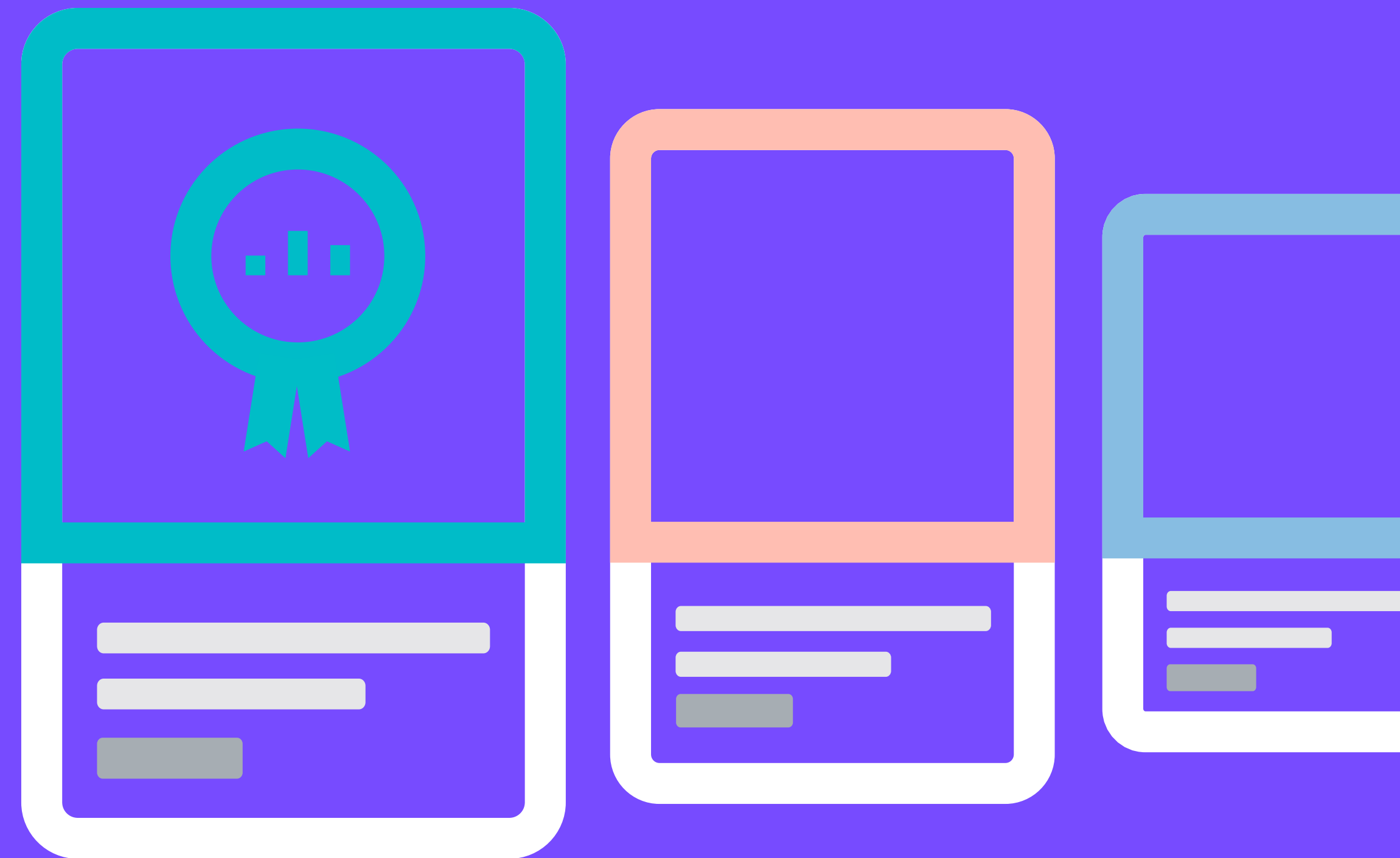
## Bidnamic

Bidnamic is a marketing technology platform that helps retailers unlock the full potential of Google Shopping. Our machine learning platform profiles every single product SKU in your catalogue, predicting its optimal bid value algorithmically.

We make an average 500,000 Google Shopping bid adjustments per week for each of our clients, helping them to outrank competitors and increase market share.



# A New Strategy For Google Shopping Campaigns



# Competitor discounting puts pressure on margins

**You either reduce your price or see sales gradually fall.** Only by continuously adding new lines and ranges can a business keep healthy margins – but adding more SKUs increases the complexity of managing bids.

Using Google Shopping correctly will help defend margin and maintain growth if you focus on the right output metric. Businesses typically set their Google Shopping campaigns targets based on cost per order (CPO) or ROAS. Both metrics are flawed as they are based on broad averages. For instance, CPO does not factor in product margin or order value and does not account for order repeat rate.

Retailers need to focus on setting their bids to reach the maximum volume of customers profitably. Aiming at targets based on CPO or ROAS means the CPC will be set for a large group of products rather than more cost-effective bidding based on granular detail.

Underbid on your search CPC and competitors will scoop up new customers and your business growth slows. Overbid on search terms and you are spending more than you need to reach customers and will burn through budgets.



# How to optimise Google Shopping and search spend

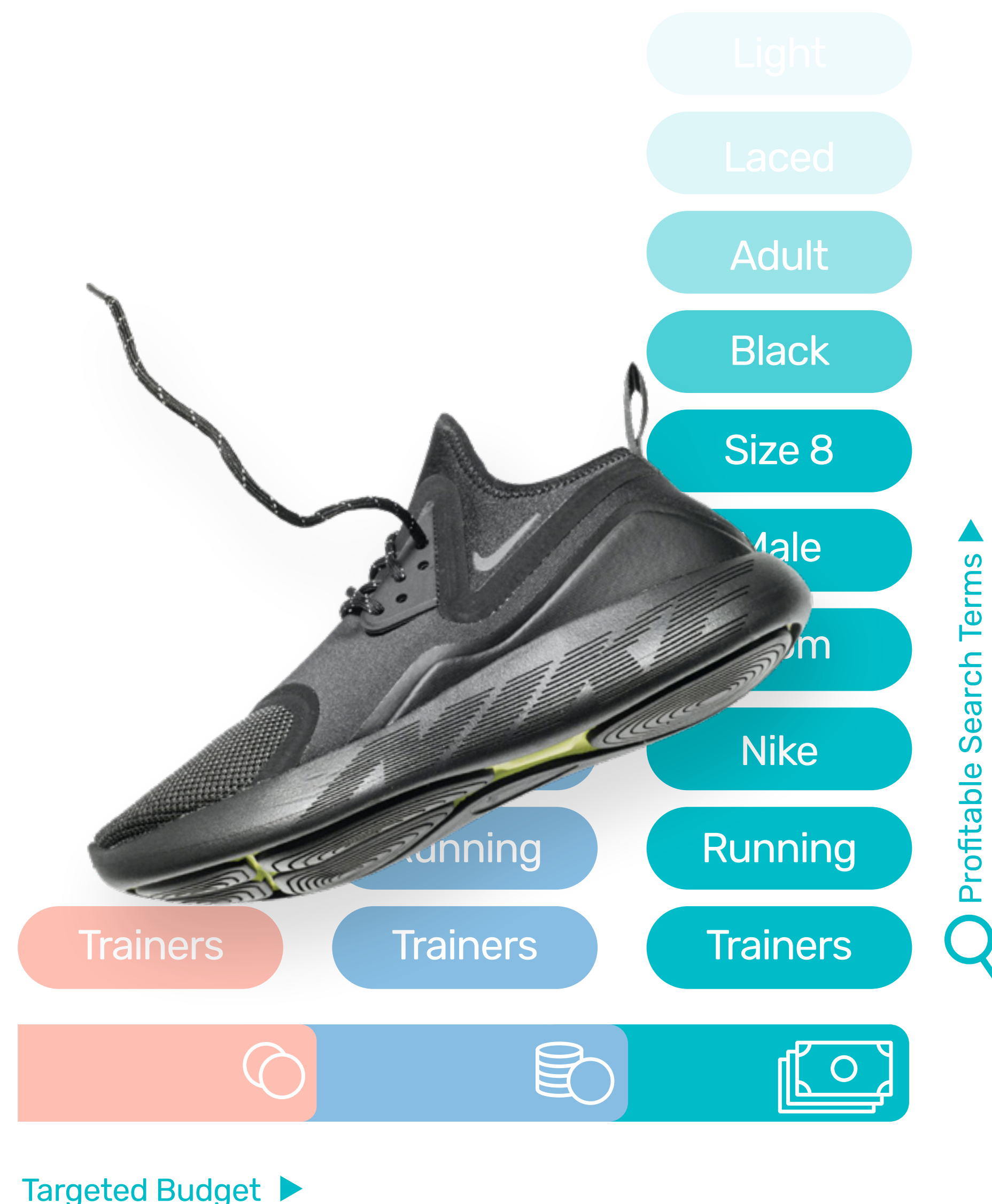
Optimising Google Shopping and search spend starts with understanding the potential profit available at SKU level in real time. This knowledge combined with the capability to execute constant bid adjustments will ensure that profitability is always being enhanced by your ad spend.

The right input metrics also need to be allied with a laser-focus on and intelligent analysis of purchase intent signals – content should be served when a prospective customer is signalling they are in a buying mindset. You need the lightning-fast ability to target and bid on the search term keywords that show a high intent to buy.

To achieve the optimum competitive bid on the right keywords at the right time for a countless number of SKUs sounds beyond reach. But partner platforms that are genuinely based on machine learning can do this.

For the strategy to work retailers must ensure that they have not walled themselves off from their most valuable asset – their data. It needs to be visible and accessible.

An intelligently automated, granular approach to Google Shopping will ensure a retailer is not wasting money but optimising opportunities.





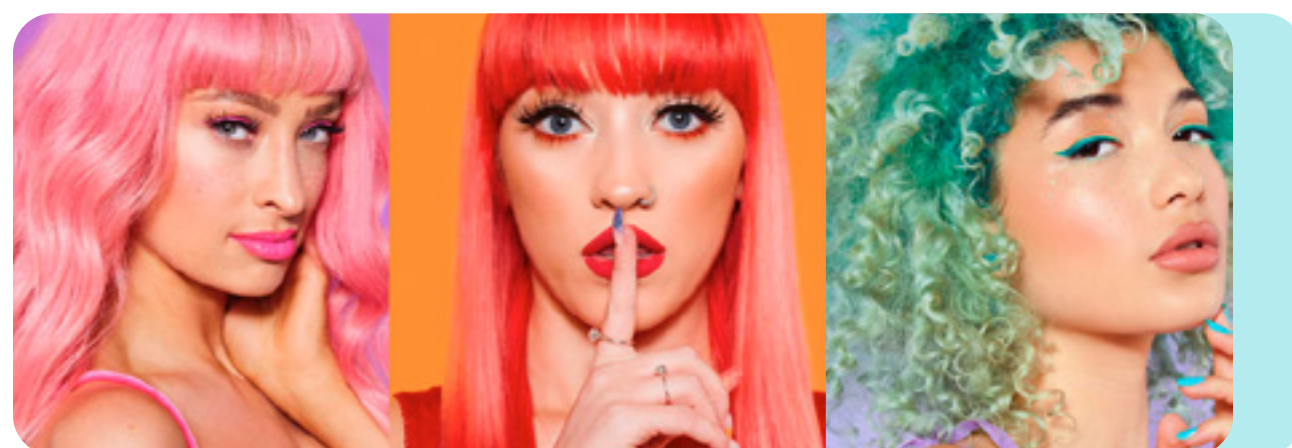
# 3 barriers to Google Shopping success, and how to overcome them.

## 1. Growth

Case study

# SHRINE

96%  
Impression Share



"The Bidnamic platform is great at **finding new customers for Shrine's products where we don't yet rank organically** – soon after moving to Bidnamic's platform we had our best Black Friday ever. Also, the service is great – the team really gets what we are trying to achieve as a company."

**Mike Harrison**  
Head of Marketing

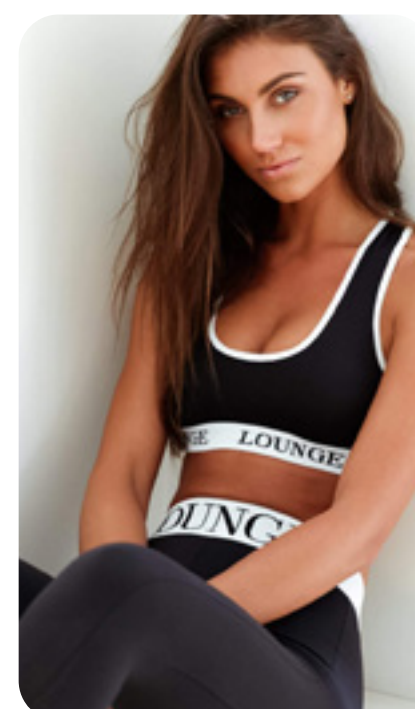
[▶ View full case study](#)

## 2. Profitability

Case study

# LOUNGE

344%  
YoY Revenue Growth



"We were blown away with how granular Bidnamic can get – the platform allows Lounge to bid based on **profitability for each product**, which was **impossible to do manually.**"

**Hannah Lewis**  
PPC Manager

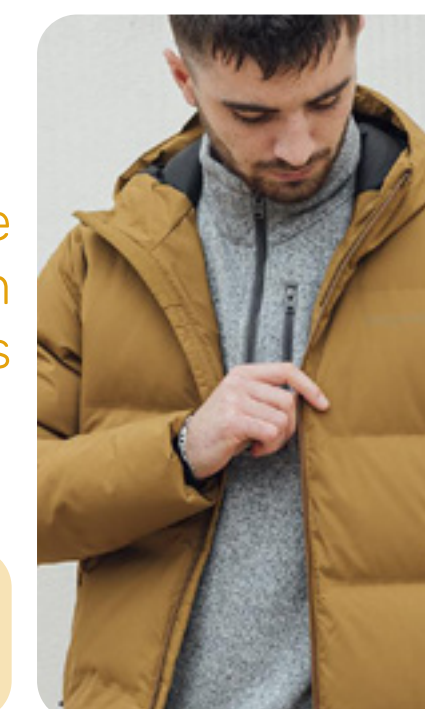
[▶ View full case study](#)

## 3. Time

Case study

# THE UNION PROJECT

62%  
Revenue Growth in 6 months



"Before Bidnamic we were **managing things manually** which meant that our capacity to keep on top of our breadth of product and realise the potential of Google Shopping was incredibly limited."

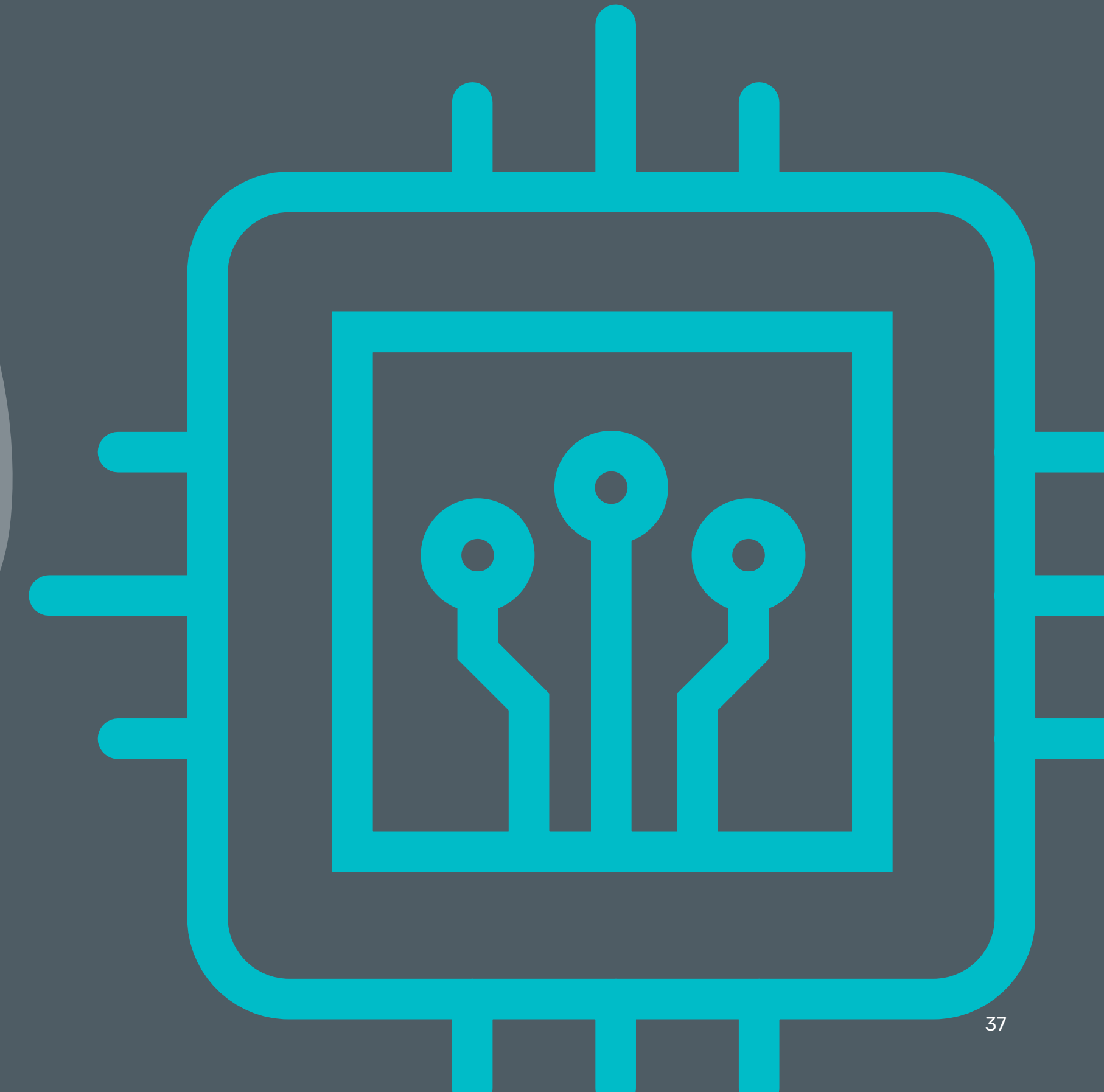
**Max Shaw**  
Co-Founder and Director

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7

# Manual vs Automated

Options for Google Shopping campaign management




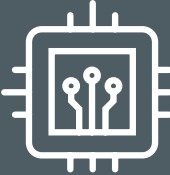
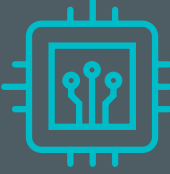
# The right method to manage your Google Shopping

Google Shopping campaigns can be managed manually using **in-house or agency expertise**, or automatically with **a technology platform**.

Most manual campaign managers will use scripts or tools to automate workflow or to generate optimisation suggestions, which then need to be implemented manually. Fully automated platforms use machine learning to automatically adjust bids based on campaign goals or live performance data.

Deciding which approach is the right option for your business is not a simple trade off between cost and quality. The following table outlines some of the key decision-making criteria.

## Which Google Shopping management option is right for your business?

Management Option ↓	Your company's internal priorities and competencies					
	Importance of Google Shopping in your channel mix	Level of competition within your market in Google	Frequency of inventory changes / seasonality	Value of niche market knowledge in campaign mgmt decisions	Value of Shopping data insights to other channels	Granularity of mgmt info e.g. SKU margins, lifetime values
 <b>Manual</b> (In-house or agency)*	Low / Medium	Low	Low / Medium	Low / Medium / High	Medium	Low / Medium / High
 <b>Automated</b> (Smart Shopping)	Low / Medium / High	Low / Medium	Low**	Low	Low***	Low
 <b>Automated</b> (Bidnamic ■■■ independent platform)	Medium / High	Medium / High	Medium / High	Medium / High	Medium / High	Medium / High

\*often using scripts or tools to automate workflow or make optimisation recommendations

\*\*Google Smart Shopping needs 15 days to adjust to inventory changes and requires a high volume of clicks

\*\*\*Granular insights on search terms and other performance metrics are hidden in Smart Shopping



# When to use Google Smart Shopping

Even campaigns with a relatively low number of SKUs can have many thousands of bidding options – too many for a human to manage – and automated bidding platforms offer a solution.

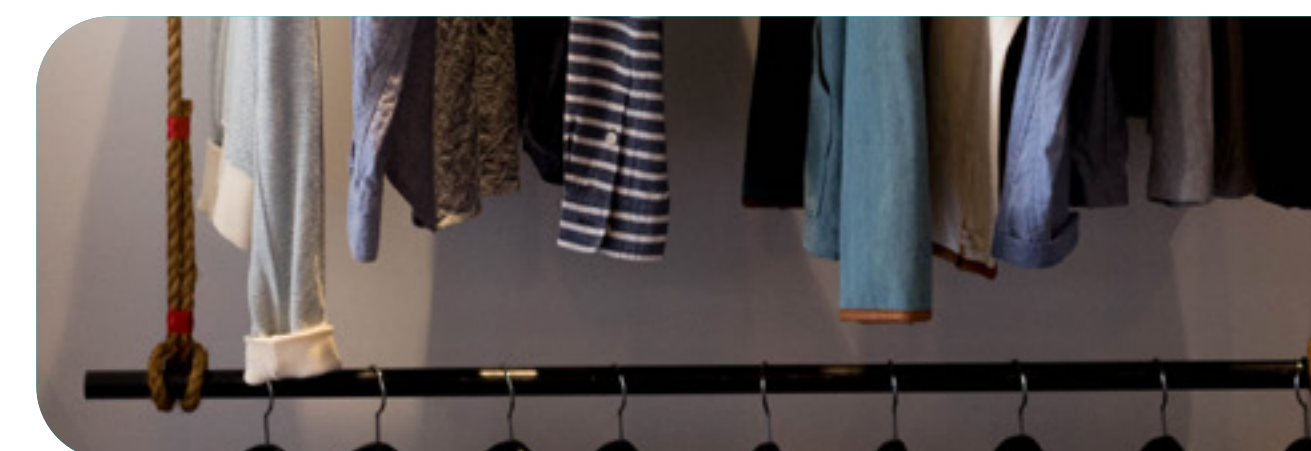
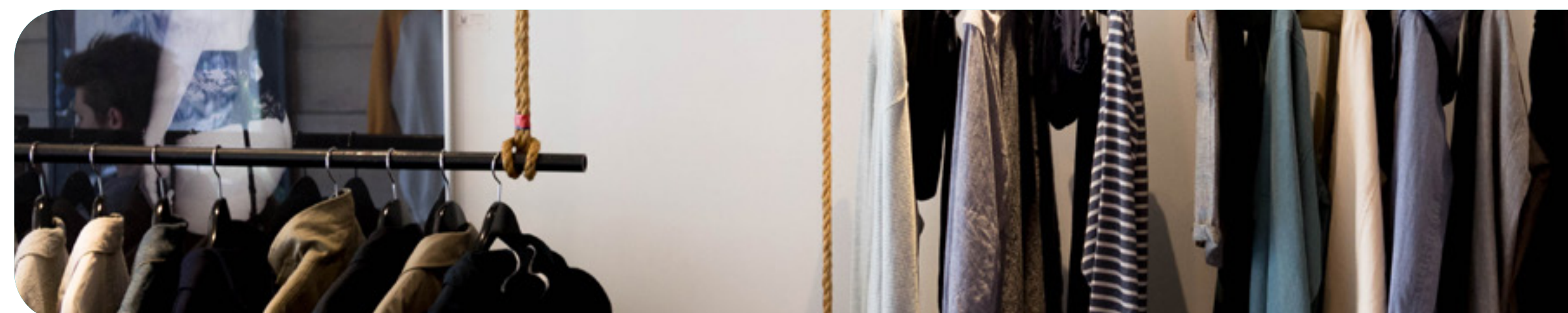
Google's 'set it and forget it' Smart Shopping platform saves time and money. It's a good option for when Google Shopping is a secondary channel or there's a low frequency of campaign changes.

But the black box approach used by Smart Shopping removes any option to use granular data, such as SKU-level margins or LTV, which can help optimise campaigns based on profitability.

The black box algorithm also eliminates the opportunity to use your niche market or product expertise to optimise at a granular level, while the lack of access to campaign data is frustrating for marketers wanting to use keyword and product performance data to optimise other channels like Amazon or Bing, or in SEO activities.

Finally, there is an inherent conflict of interest as Google will benefit from errors such as over-bidding, or bidding on irrelevant search terms.

Whichever decision you make on managing Google Shopping, it should be constantly reviewed as your team and overall business circumstances change.



# Machine learning technology works better with the human touch

Research involving 200 brands concluded that, in addition to reducing CPAs and increasing online transactions, brands that used advanced machine learning technology improved ROAS for digital marketing by up to 33%.<sup>12</sup>

## Measured benefits of using machine learning technology in digital marketing

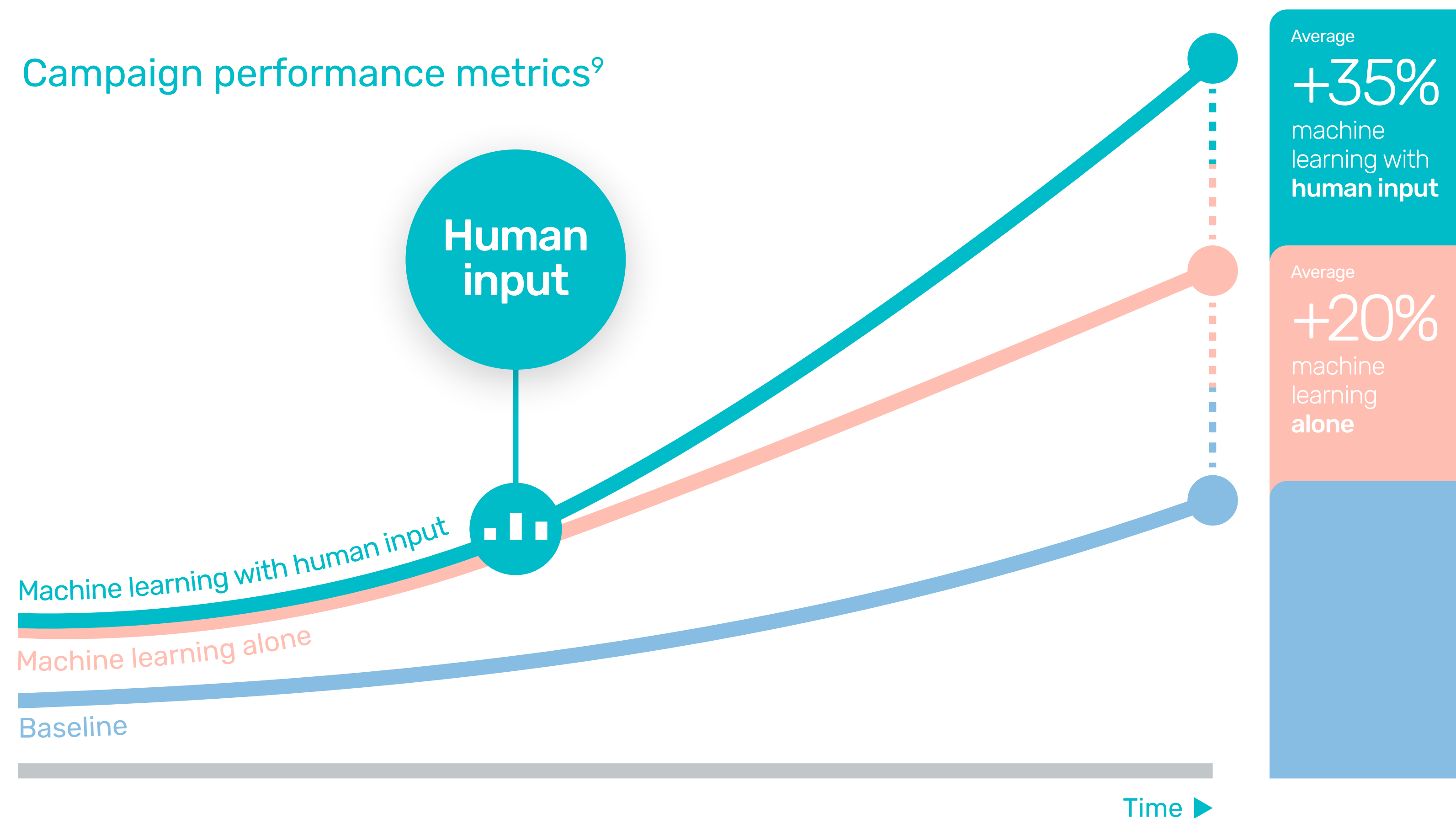
CPA reductions of more than 40%

Increases of up to 50% in online transactions

Improved ROAS of up to 33%

Of the brands that used machine learning technology, **the ones that also used active human supervision experienced an additional 15% boost** to their campaign performance.

## Campaign performance metrics<sup>9</sup>



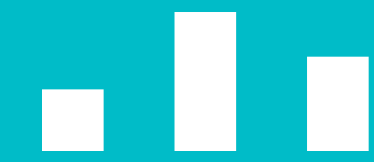
<sup>12</sup><https://www.bcg.com/publications/2019/dividends-digital-marketing-maturity>



# Conclusion

Ecommerce offers retailers a platform to keep trading and help compensate for any drop in revenue from physical stores. However, the solution is not 'build it and they will come'. Every incremental pound of profit now needs to be fought for using all the data, technology and digital tools available. If you cannot capture the attention and convert a potential customer your competitor will.

The ability to respond to a search with the right product is step one. But to be profitable the cost of acquisition must be calculated at the optimum spend for your business. Only this will secure profit and your future in the fierce, fast-moving ecommerce environment. **And in this race being able to use Google Shopping to your best advantage will be invaluable.**



To discuss any of the points raised in this report and to explore how Bidnamic's platform can help your business book a call now.

[Book a call](#)

**Bidnamic**