

**Module 4 - Google Ads
Coalition Training - Google Shopping
Fundamentals
Mike Rhodes
January 2021**



Google Ads

Welcome back to Google shopping fundamentals. I'm Mike from Agency Savvy. You knew that by now. In this module, we're going to talk about Google Ads. So, just to recap, we've got our data out of our store, we've got our product feed, we've got all of the required fields and a couple of extras. We've got our feed coming into Google Merchant Center, we're refreshing that data on a daily basis at least. And now, we need to link Google Ads to Merchant Center, get the two talking to each other, and get some campaigns set up in Google Ads so that we can start running some ads.

Campaign Options



Smart Shopping*

Legacy Shopping

Free Listings (no volume)

Local Inventory Ads (physical stores)

* Requirements: feed uploaded & approved, conversion tracking configured, remarketing list with 100+ users

So, when it comes to the options for your various campaigns, I'm going to assume at this stage that you are at least a little bit familiar with Google Ads, so this is not Google Ads 101. If you're not, though, please go find my Google Ads fundamentals course. It's about 39 or 40 videos in there that lay out all of the basics that explain the lingo, that'll take you on a tour of the interface. That's all in my Google Ads fundamentals course. So, if as soon as I say the word campaigns, you're like, "I don't know what he's talking about," go check out that course.

I'm going to assume that you understand what a Google Ads account is and what a campaign is and you're familiar with the basic concepts. You understand that we can target a very select group of people. We could show shopping ads just to people in Sydney if we really wanted to, or at least just to people in Australia, depending on which option we're using. With search ads, we use these things called keywords to target our ads to people. With shopping, we don't get that option. There are no positive keywords. We can't say to Google, "Hey, show my shopping ads. Show my products to people that are searching for this." We don't get that option. Google decides who to show our ads to.

And there are two main ways that we can do this. There are two main types of campaign inside of Google Ads. We have this thing called Smart Shopping, which came out, I don't know, in 2017, maybe 2018, and at the time, was a basket case. It really was not very good at all. It was called something like Shopping Goal Optimized, or something, was the original name, and you'll still see that in the API if you're a data geek like me and you dig into the API, they still have that original name. But the more used name for this now is Smart Shopping or Smart Shopping Campaigns, SSC. Now, Smart Shopping is the fully automated version of a Google shopping campaign, and we'll look at the pros and cons of those in just a second.

The other main option that you have, the two in bold here at the top, is what I'm going to call it Legacy Shopping, or generally called just Shopping Campaigns right now. But Google is pushing Smart Shopping harder and harder, particularly as we come to a silly season, I'm recording this at the end of October 2020, we're fast approaching Black Friday, Cyber Monday, and Google wants as many retailers on Smart Shopping as possible. So, they are pushing it really, really hard right now. Again, we'll get to the pros and cons in a minute. But those are your two main options: Smart, which is the fully automated version; Legacy, where you retain a lot of control, but there's more work to do.

There is an option for free listings inside Google shopping, but there's virtually no volume there at all. I was looking at some client numbers just before recording this. They are getting three, four, five clicks a day versus their paid campaigns are getting a couple of thousand clicks a day, so virtually no volume. And again, I'm not going to focus on physical stores and local ads in this course because I find that most online retailers don't have a physical store, but if you do have a physical store, then please go check out local inventory ads. That's more of an addition. You want to do that as well as everything else that we're going to talk about, not instead of.

The requirements, just quickly, just to explain that line across the bottom, for Smart Shopping, you must have your feed uploaded and approved, you must have conversion tracking set up properly, and you need remarketing set up properly and at least 100 users on your remarketing list. But if you're a retailer spending more than a few dollars a day, you'll probably have those three set up and you'll probably be eligible for Smart Shopping. So, we need to understand the pros and the cons.



First, the pros. It's very fast to set up, is what it says underneath my head there. Fast to set up. Click a couple of buttons and you're up and running. It's fully automated. Google's going to run the whole thing for you once that's done. You are just going to set your budget. It's going to decide how much you pay for each click and who to show your ads to.

You can give it an optional target, so ROAS stands for return on ad spend. So, quite simply, what's the revenue compared to the cost of running my ads? If for every dollar I tip in, I make four and a half dollars, then I have a ROAS of 4.5, or 450%. They're interchangeable, whether you use that as a decimal or a percentage. If you don't give it a ROAS target, it aims for a ROAS of two, or 200%. In other words, for every dollar you tip in, it's going to try and get you \$2 worth of revenue. Now, I don't know what you're selling, but for most retailers that I talk to a return on ad spend of two is not going to be profitable. You've got cost of goods, you've got overhead, you've got returns, you've got shipping, you've got Shopify fees. It isn't going to be profitable at two. But if you forget to give it a target, that's what it's going to aim at.

Now, Smart Shopping is also becoming even more automated, so possible from within Shopify means that there's now an option in some Shopify accounts, at least, to basically press a button from inside of Shopify, and it will go and set up your campaign over in Google Ads for you. So, you never actually have to go log into Google ads. Now, that may sound very appealing if you're, like many small business owners, short on time and wearing a dozen different hats, that seems like the magic easy button. But here's the problem. It isn't going to get you the best results because it's the magic easy button. And generally speaking, you get what you pay for.



This is the downside of Smart Shopping. You don't get any query data, is what it says underneath my head there. Query data is what were people actually searching for that caused my ad to show? So, this is the same whether you're talking Google search ads or Google shopping ads. That's really important to understand because there are two very important things that we can do there. If we find that products are showing to people that we don't want to show ads to, maybe we sell face masks and people are searching for used face masks... That was disgusting. Don't know why they would do that, but let's say they are. And Google is choosing to show our ad, we would look at that query data and say, "No, we want to add used as a negative keyword." In other words, tell the machine to stop showing our ads for that particular query and all the queries that contain that word used. With Smart Shopping, you don't get the query data, so you don't get to understand exactly how people have been searching for you and you don't get to add negative keywords.

You don't get any choice over the device. Generally speaking, people don't convert as well on a mobile than they do on a desktop. So, when you're just starting out, you might choose to only show ads on desktop, where you suspect, or you know from your existing data, that your ads are going to be more profitable. They're probably going to be a little less profitable on mobile devices. And for some reason, tablets have virtually no traffic these days. It's pretty much half, half desktop and mobile, at least on Google.

No audience data, so you don't get to give it different remarketing lists and give those priority and say, "Hey, if somebody has been a cart abandoner on my site in the last three days, I really, really, really want you to show an ad to this person. I'm willing to pay more for this person," you don't get to do that with Smart Shopping. You really get no reporting data. Nothing useful. You don't get to understand which channel Google showed your shopping ad on. Was it a shopping ad? Was it on YouTube? Was it on display or discover? You don't know. No location targeting. And it includes, your Smart Shopping campaign includes, a totally different type of ad, which is your remarketing and even your dynamic remarketing, which we mentioned in an earlier video. So, it's not just shopping ads, which makes it very difficult to compare apples to apples when you're trying to compare the performance of your old Legacy Shopping campaigns to the new Smart Shopping that Google forced you to go try. Now, there are ways around that, but we'll get into it.

Best Results >1 Campaign



Multiple Campaigns* based on:

Product Categories (website/reporting)

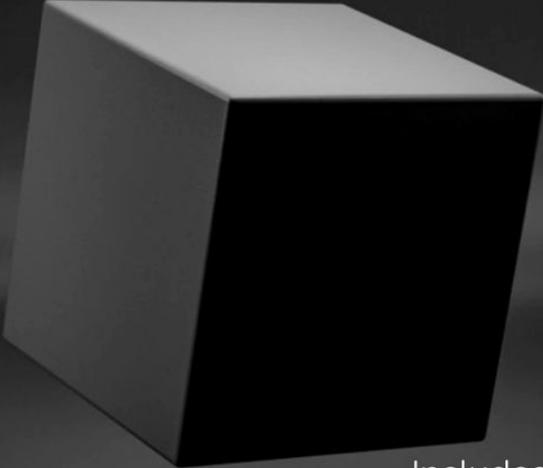
Search Query (brand/generic)

Devices (consider attribution)

Margin Targets

* Often possible to have different ad groups (instead of campaigns) if budget isn't a consideration

I'm going to suggest that you start with Legacy Shopping for a couple of reasons. Let's quickly go over those reasons. One is the data.



Smart Shopping

- No Query
- No Device Choice
- No Audience Data
- No Reporting Data
- No Location Targeting

Includes Remarketing & Dynamic



So if I go back to this, you want to understand why Google is choosing to show your products to the prospects it's choosing. How are they searching? What is that query data, at least for the first month or three, so you start to understand the landscape that you're playing within. Understand the difference in conversion rate and ROAS across the different devices. Understand how important your first-party audience data is. Which remarketing audiences do work really well for you? Are we using customer match data? Are we using any other in-market audiences? Which is a wonderful addition to any shopping campaign? We can layer in-market audiences. I'm sorry if I don't have the time to explain all of these different things. I'm trying to give you the 80/20, but in-market, let's do in-market, it's useful.

With Legacy Shopping, you can lay this thing across your shopping campaign called in-market audiences. Again, if you go to my tool, thedisplaygrid.com, you'll find a tab at the bottom of that which has got a list of about 700 different categories. Every time you come on Google, Google is putting you into these different categories based on what you're searching for and the websites that you're browsing, and Google knows what you are in the market for, in the market to buy, right now.

I can then look at this list and go, "Oh, look, they've got this..." Maybe I sell washing machines. There is an in-market category called washing machines. So, I can choose to layer over the top of my shopping campaign this audience, which means I'm, say, bidding a dollar a click, but, "Google, hey, if you spot someone that is in the market for washing machines, they are a member of this invisible audience, I can't see inside there, I don't know anything about those people, but hey, Google, you do. If you see someone that's in the market for washing machines, then I want to bid \$2 for that person because they're probably more likely to buy." And if that proves correct, maybe I'll change my bid to three bucks. If it proves not quite correct, maybe I change my bid to a \$1.50. The point is you have control. You have that data. With Smart Shopping, you don't get that option.

So, start with Legacy, and get this data for the first month or three, understand the sandbox that you're playing in, and then if you want to, you might choose to move to smart later on.

Best Results >1 Campaign



Multiple Campaigns* based on:

Product Categories (website/reporting)

Search Query (brand/generic)

Devices (consider attribution)

Margin Targets

* Often possible to have different ad groups (instead of campaigns) if budget isn't a consideration

Whichever one you choose, it's going to work best when you have more than one campaign, so don't just take the out of the box standard, which is Smart Shopping, one campaign with one ad group and one product group inside that, because that's not going to get you the best results. That's all of your products lumped into one black box. At a minimum, you want a few different black boxes running.

And you could split this up in different ways. It doesn't have to be multiple campaigns. You could have multiple ad groups inside of a campaign. But generally speaking, we'll use multiple campaigns. You could choose to split this by product category, so maybe, again, think about how your website categorizes products, how you like to report on products. If your campaigns matches your reporting structure, life's going to be much easier for you.

Search queries, I'll show you an example about that in a minute, where we have for years, and this comes from Martin Röttgerding. But he did this [wonderful talk back in 2014](#). All of a sudden, the industry, "Oh my God, this guy's really smart. That's awesome." And many, many of us in the industry have been using this system for a long time because it works really, really well. We'll have a look at that in a second.

Some people like to split up campaigns by device. We generally don't do that. Or margin targets, like we talked about before. You're using that custom to label, to tag all of your products, so then I can group them together at the campaign level. These are the 10% margin products. These are the 10 to 20, 20 to 30, 30 to 40. And I'm going to have different targets, then, that I give the machine for these different buckets.

Query-Based Example



No-Brand Campaign

This picks up general, low converting queries.

- E.g. [best widget]

Campaign Name: Shopping – Widgets – NB – US

Priority Level: High

Bidding: Low bids, say \$0.50

Negative Keywords: All brand and SKU keywords

Budget: One shared budget between each campaign in this strategy

Let's look at the query-based example. So, I could have a campaign that goes after my generic search query. So, if someone's searching for a fairly generic term like “widget”, then that query's going to flow through, into this campaign.

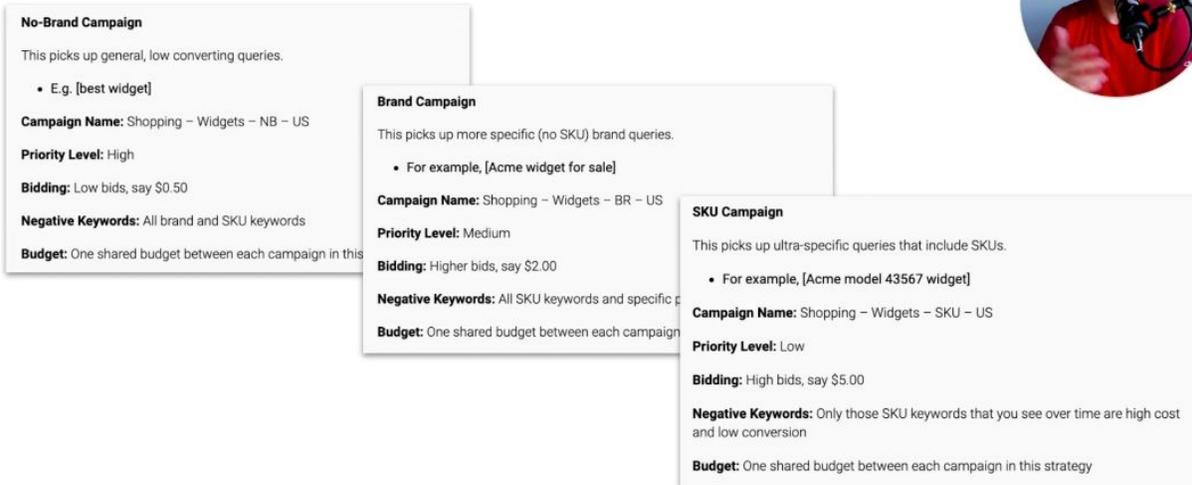
Query-Based Example



No-Brand Campaign	Brand Campaign
This picks up general, low converting queries.	This picks up more specific (no SKU) brand queries.
<ul style="list-style-type: none">E.g. [best widget]	<ul style="list-style-type: none">For example, [Acme widget for sale]
Campaign Name: Shopping – Widgets – NB – US	Campaign Name: Shopping – Widgets – BR – US
Priority Level: High	Priority Level: Medium
Bidding: Low bids, say \$0.50	Bidding: Higher bids, say \$2.00
Negative Keywords: All brand and SKU keywords	Negative Keywords: All SKU keywords and specific product name keywords
Budget: One shared budget between each campaign in this strategy	Budget: One shared budget between each campaign in this strategy

If I've got a slightly, let's say better, I slightly more likely to be profitable search query like "Acme widget for sale", it's got the brand Acme in there. Then the query's going to flow through here because it couldn't get into that first campaign because I had a negative keyword of that brand Acme, so it tried their first because it was a high priority, couldn't get in there so it flowed through into this brand campaign.

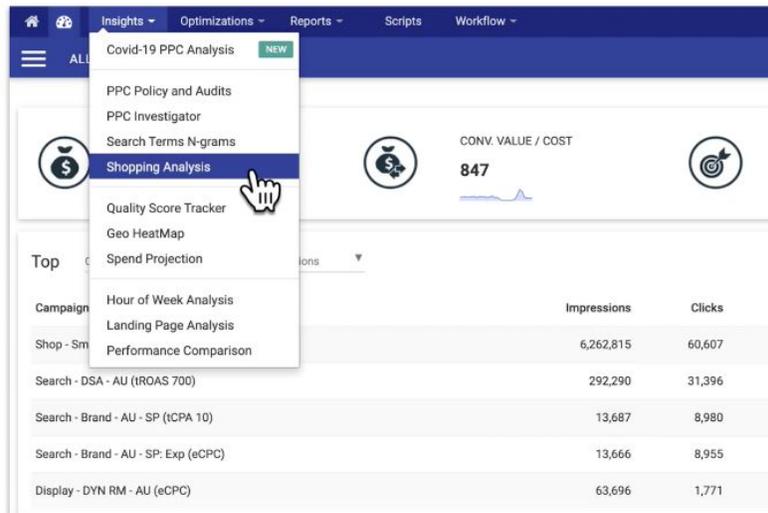
Query-Based Example



And then, if someone's searching for a specific SKU, so here we've got 43567, in that search term. It couldn't get into the brand campaign because the SKU keywords were negged out of there, and so it flows through into the SKU campaign.

Our lowest priority, a little bit counter-intuitive, which is why Martin's system was so surprising when this came out in 2014. Lowest priority but the highest bid, because, again, this is much more likely to be profitable, and we want our profitable terms flowing through into here. We want to bid more for those because we want a bid much more for Acme model 43567 widget than we'd do for the best widget. Which is somebody that doesn't really know what they're trying to buy yet, they're still researching, they're still fumbling around looking at a whole bunch of websites. So, this has worked really, really well for a long time. Can't do this with Smart Shopping because we have no control over negative keywords. We can't do this. We're not going to find out what the search queries are, and we can't add those negative terms to our campaigns, so this goes out the window. But you can have margin-based targets. You need custom labels, though, to use that.

Understand your Feed



Now, here, I'll say that if you're going to set up multiple campaigns, you really need to understand what it is that you're playing with, and you can do that in a bunch of ways. You can dump that feed into a spreadsheet and do some pivot tables and play around with that. Depending on how well you know spreadsheets, that might take five minutes or a couple of hours of banging your head against the wall. This is the tool that we use a lot inside of our agency. It's by my mate, Fred Valets, who was employee number 400 and something at Google, worked for Google on the Adwords team for 10 years, and he's created this wonderful tool called Optmyzr. So, just search for it. It's got a weird spelling. Optmyzr.com.au if you want my kids to buy a little bit of extra Lego, if you go through that link, I get paid a couple of bucks a month. Optmyzr.com.au. Otherwise, you just go straight to Optmyzr.com and go buy this from Fred. It's ridiculously priced for the power that it gives you.

Optmyzr - Shopping Analysis



SHOPPING CAMPAIGN ANALYSIS Swimwear Galore (741-519-8088) ▼

Search campaigns

Select All Show Paused
0 out of 1 selected.

Shop - Smart - AU (Max CV: 1ROAS 725)
Feed 7272675 Synced 162 days ago 

Date Range
Last 30 Days ▼

[Link and Resync Merchant Feeds](#)

⚠ Your merchant feed was synced 162 days ago.
We recommend re-syncing your feed with Optmyzr before using the Shopping Campaign Analysis tool. [Click here to manage merchant feeds](#)
Using an old feed may result in inconsistent results.

Aggregate Data By:
ATTRIBUTE ▼
All Products × Price

RESET SEE DATA AGGREGATED BY PRICE

There's this wonderful tool in here called Shopping Analysis, so you go into there, and if you see something that looks like this, you need to re-sync your feed. But that little thing where I've got my mouse there, that little chart that, teeny, teeny, tiny chart icon that's over there next to the shopping campaign name, if you click on that, then it gives you detail about what's in the feed.

Optmyzr - Shopping Analysis



Shopping Feed Analysis

The feed analysis informs you about the variation of attributes and the share of products with missing attributes in your merchant feed. This helps you decide a reasonable split for your ad groups so that few or no products end up in Everything Else nodes. 60644 out of 67820 (89.4%) products are approved for Merchant ID 7272675

Attribute name	Variations of attribute	Products having this attribute	Products missing this attribute
Brand	140	67,820	0
Color	351	67,820	0
Condition	1	67,820	0
Custom Attribute 0	4	67,820	0
Custom Attribute 1	1	6,515	61,305
Custom Attribute 2	1	6,275	61,545
Custom Attribute 3	0	0	67,820
Custom Attribute 4	0	0	67,820
Gender	2	67,820	0
Google Category 0	3	67,820	0

So, you can see now our attribute names, the number of variations of each, so you can see color. I've got 351 different types of color in this particular feed. Now, that suggests to me, we should probably simplify that because people aren't searching for tequila sunrise swimmers as a color. That might be what it's called in your feed, but maybe they're searching for orange. So, we might want to change the color. We don't want to change that on the product itself because the product is the product. Right? We've got that data from a manufacturer.

But this is where our feed rules come in. We might use a feed rule to say, "Hey, if you see a color like tequila bloody sunset," or whatever it was I said before, "then change that color to orange because that's a better match to how people actually search." And you can see the number of products that have that particular attribute and the number missing. So, you can say, "Great, everything's got a brand. I've got 140 different brands in this feed. Everything's got a color. I got one condition, new, nothing used in here." Custom attribute zero, I've got four versions of that, and every product has that. Pretty sure that's going to be a price bucket. And then I've got a little bit of custom attribute one and two, and on down the page. And all of your different attribute names are listed here.

Optmyzr - Shopping Analysis



Shopping Feed Analysis

The feed analysis informs you about the variation of attributes and the share of products with missing attributes in your merchant feed. This helps you decide a reasonable split for your ad groups so that few or no products end up in Everything Else nodes. 60644 out of 67820 (89.4%) products are approved for Merchant ID 7272675

Attribute name	Variations of attribute	Products having this attribute	Products missing this attribute
Brand	140 ▾	67,820	0
Color	351 ▾	67,820	0
Condition	1 ▾	67,820	0
Custom Attribute 0	4 ▾	67,820	0
Custom Attribute 1	1 ▾	6,515	61,305
Custom Attribute 2	1 ▾	6,275	61,545
Custom Attribute 3	0 ▾	0	67,820
Custom Attribute 4	0 ▾	0	67,820
Gender	2 ▾	67,820	0
Google Category 0	3 ▾	67,820	0

Then, if you want to know what's in there, you click on that little dropdown arrow, and then it shows you.

Optmyzr - Shopping Analysis



Attribute name	Variations of attribute	Products having this attribute	Products missing this attribute
Custom Attribute 0	4 ▾	67,820	0
Custom Attribute 0		No. of Products	
	20 to 50	16,220	
	Under 20	1,490	
	50 to 100	30,020	
	Over 100	20,090	
Custom Attribute 1	1 ▾	6,515	61,305
Custom Attribute 2	1 ▾	6,275	61,545

In this case, yes, price bucket. Under 20, 20 to 50, 50 to 100, over 100. And then I can visually see how many products have each of these attributes. If I went and clicked in underneath color, do I have 20% of my products with a color like tequila bloody sunset? Or is that just one product? In which case, don't worry about it. It's not worth changing. So, this is a wonderful, wonderful tool. There's the spelling of Optmyzr for you. You need to use Optmyzr in order to get access to this tool, but it's way faster for most people than playing around in a spreadsheet and trying to discover this information.

Smart or Not?



How well do you know how people search?

How 'good' is the feed?

ROAS is an average

Reasons to push particular stock
(old stock, new items, a certain brand)

So, you need to understand your feed, then you can make the decision, "Do I use Smart Shopping or not?" Well, that could... Again, it's going to come down to how well do you know your market and your verticals? Do you know how people are searching yet? Or does it make sense to run on Legacy for a month or three, get that data, and then consider Smart Shopping? How good is your feed? In other words, how well does it match what people are searching for? And has it been enriched? Have we thought about rules? Have we thought about improving our feed? Remember, too, I said that it's going to go after a ROAS target. If you forget the target, it's going to go after a ROAS of two. You can tell it to go after a ROAS of five.

And I will admit, these days, it does do a pretty decent job of hitting that target. It's in Google's best interest to hit the target that you give it. However, that target is just an average, and so if you're hitting that average at five, that means that some of your products are probably getting a ROAS of nine, which is fantastic. But every time Google is able to get a ROAS of nine, it can also go get a ROAS of one. So, on average, it's going to hit your target, but that means there's a whole bunch of the sales that you got a whole bunch of the ads that you ran, are probably losing you money. And with more control, maybe you can stop that waste and spend more money on the good stuff now.

Google would argue that the machine's really, really good. It can work much faster than you can, and that's true. And so, it is a balancing act. We've got some clients that Smart does work better on, so we keep them running on Smart. We've got some clients that we've tried on Smart, it worked for a bit, and then it didn't. Or it just didn't work at all, in which case we took them back off Smart and ran back on Legacy. Now, I'm not a luddite. I'm not going to stick my head in the sand and say, "We will always beat the machine," because I know that Gary Kasparov said that before that chess game, I know that that's what Lee Sedol said before his game of Go against DeepMind and Alpha Zero. We will not always beat the machine. The machine is getting faster and better and smarter by the day. So, test, test for you. I can't make that decision for you, should you use Smart or not? That's up to you. But test, and then use data to make your decision.

(Legacy) Optimisation



Negative (& positive) Queries (not in Smart!)

Bid Adjustments & Audiences (not in Smart)

ROAS targets (look at IS%)

Expand to new Channels (partners, youtube, gdn)

Showcase Ads

Best sellers -> Search

In terms of optimizing campaigns, for Legacy Campaigns, where you do have a bit more control, then looking at those search queries and thinking about, "Do I need to add this as a negative keyword?" Remember, you can't have positive keywords in a shopping campaign, but you can add negative keywords. So, that's a huge thing that a lot of people miss. Because you can't have positive keywords, they assume, therefore, you can't have negatives, but you can, so use them. And what I mean by positive here is take those winning search queries and take them over to a search campaign and add them as a keyword in your search campaign so you start to show text ads for those queries that you know make you money. Again, can't do that in Smart Campaigns.

Make sure you're thinking about your bid adjustments. So, you can set bid adjustments for a few different things like for devices. Maybe you want to bid down mobile phones. Again, I recognize that some of this is maybe jargon if you've never ever played with Google Ads, so again, please go watch my Google Ads Fundamentals course. All of this is explained in those 40-odd videos there. So, I'm not starting at absolute ground zero with this stuff. I hope you're okay with that.

Set bid adjustments for devices for your various audiences, maybe for different geos, maybe even for different times of day, if you have the data to back up that decision. Add different audiences in here. Again, in-market for shopping, which butchered the explanation of earlier, but a wonderful option that's very new at this point. I think that was released in August or September of 2020, the ability to layer in-market audiences over the top of your shopping campaigns. Please use that option.

Change your ROAS targets. If you've set a target of five and the machine is delivering you a ROAS of nine, then lower your target, make it a bit easier for the machine, see if you can bring the actual ROAS target down a little bit. You will almost certainly get more volume and probably more profit by doing that.

I mentioned this before, but get your shopping ads set up first and then thinking about expanding to the other channels, so onto search partners, onto YouTube, and so on.

A little bit more advanced, Shopping Showcase Ads. These are more top of funnel searches, so some of those broader, less intent, generally speaking, search terms. A slightly different style of ad. Generally not as profitable, so I'm not going to go deep into those here. I'm not going to go into them at all, frankly. But again, if you're getting to the advanced stage and you're just trying to squeeze a little bit more out of your shopping, have a look at showcase ads. And again, take those bestsellers over to search and run ads there.

If we're talking in Smart Campaigns, there's not a whole lot you can do. Again, look at those ROAS targets and you can look at changing the target that you give the machine to see if you can improve your total profit. And instead of just having one Smart Shopping campaign, have multiple campaigns and think about the different ways that you might do that. But I would suggest you use custom labels and think about your margins and have different campaigns for different margin targets.

Audience Options (Legacy)



Remarketing

Customer Match

Youtube

In Market

Similar

Audience options, again, only for Legacy, because can't do anything with audiences for Smart Shopping. You got a whole bunch of different audiences that you can layer over the top of shopping campaigns. Remarketing, again, going to assume you're familiar with remarketing. Customer Match, which is Google's bizarre name for its email list, so you can take your first-party data, your email list maybe of buyers or people similar to buyers or your prospect list, layer that over shopping. If you're running ads on YouTube, people that have viewed your videos on YouTube as an ad, that's a list that you can build and then use that to affect your bids. In market, we've talked about quite a bit. And similar audiences, people that are similar to my buyers. Hey, maybe I want to bid more for those.



Great Data -> Great Decisions

In the next video, I'll come back and we'll talk about data and how you can use data to change your decisions.