

# GUIDE TO DATA FEED OPTIMIZATION





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# Introduction

### INTRODUCTION

### Sell more.

That is what each merchant and paid search manager has in mind when he gets up in the morning. The role of paid channels, like Google Shopping, Facebook or Amazon, are at a point where they're the number one source of sales for online stores. It is the fastest way for retailers to sell more.

The only way to list your products on these channels is to provide them with a feed file that contains all your product data. To improve your performance on paid channels, you need to optimize your PPC-campaigns continuously. You should also optimize your data feed continuously.

# The data feed is the foundation on which a successful PPC-campaign is built.

#### The Feed is the Foundation

There are three ways in which data feed optimization is able to contribute to campaign performance.

### 1. Meet the requirements

Your data feed file must fit the feed specifications of each channel you want to advertise on. That is the only way to get your products uploaded and have the channel approve your feed.

### INTRODUCTION

#### 2. Improve feed quality

If your product ads contain better information than your competitors', you are more likely to make the sale. Better data = more sales.

#### 3. Increase ROI

You improve campaign performance by focusing on profitable products and by bidding on the most important attributes. A feed that contains the right products and includes data on margin, season, product type, etc., will enable the campaign manager to boost his ROI significantly.

#### Data feed optimization is a Marketing task

Data feeds used to be a technical task that marketers were happy to leave to the IT-department. Optimizing campaigns goes hand-inhand with data feed optimization. It should be done by the same person.

Data feed optimization should be instant and continuous. You want to adapt your feeds to the reality of today and tomorrow.

### INTRODUCTION

### The Complete Guide To Data Feed Optimization

This is the comprehensive guide to data feed management and optimization.

This eBook will tell you how to optimize your data feeds for better ROI. Step-by-step and with practical examples. I hope it will help you achieve your goals.

If you have questions, please let us know. We are here to help!

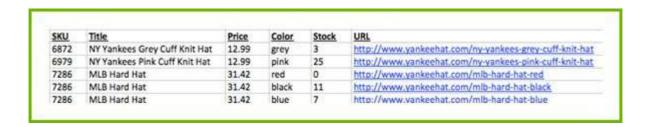


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### OO, WHAT IS A DATA FEED?

A data feed is a file that contains all your products and shows all attributes for each product. It is like exporting all product data from your store.

"Feed" may sound technical, so think of it as your product catalogue in an Excel file.



Every row contains 1 product. The headers of each row show the attributes. These headers are also called the "fields' of the data feed.

If things were that simple a merchant could export a file like this from his shopping cart. Then, upload it directly from his desktop to any given channel.

It's a bit more complicated, for several reasons:

### 1. Different formats

Every shopping channel has different feed formats. The merchant needs to create a different file for each channel

### 2. Daily refresh

Every day the retailer is making changes to their online store to:

- Add new products and remove others
- Change prices and put products on sale
- Products go out of stock

### OO.WHAT IS A DATA FEED?

These changes need to be reflected in their data feeds- Every day they should create a new feed and upload the latest version to their preferred shopping channels.

#### 3. Manual labor

Creating a new feed for each channel and manually updating and uploading it several times a day is nonsense work for a retailer. They are better off automating the process and putting time and resources elsewhere.

# CHAPTER 1

# Meet Feed Requirements

Every channel has its own feed specification. This means you need to create a separate data feed for each channel you want to advertise on. Creating data feeds that meets the channels requirements is step 1.

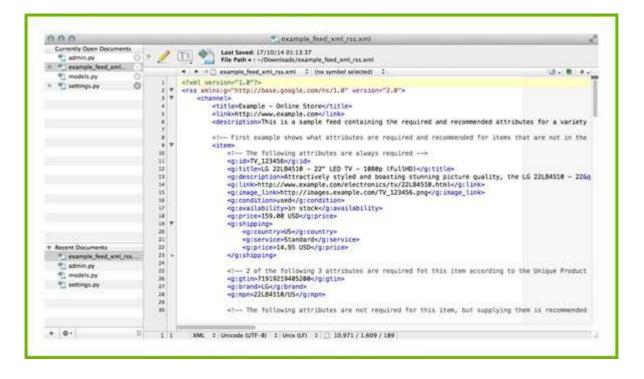
There are three types of requirements:

1.1 File formats	The type of file: xml, csv, etc.
1.2 Required fields	The fields that you must include
1.3 Field requirements	Values or formats that are required for specific fields

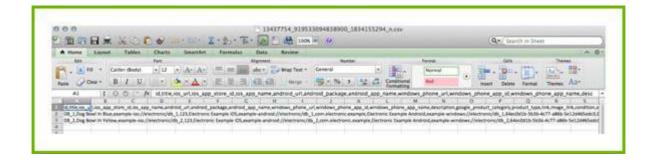
### 1.1 Data Feed File Format

The file format refers to the type of file that a channel wants. XML and CSV are the most common file types. There are four feed formats you'll come across in paid campaigns.

Extensive markup language (XML) - suitable for tech savvy merchants and usually submitted in an RSS or Atom format



Comma Separated Values (CSV) – much like an excel-file. CSV is a format where the first row specifies the column header (field names) and each product is listed in a separate row.



*Tab delimited (TXT)* – a text file is similar to the CSV, but more difficult to read.



JavaScript Object Notification (.json) - is considered to be a lowoverhead alternative to XML

Before creating your feed, you need to check with the shopping channel for which format they require. Some channels accept multiple formats.

Alternatively, if you use a data feed tool like **DataFeedWatch**, all channel requirements are pre-loaded. Your data feeds will automatically be generated in the right format.

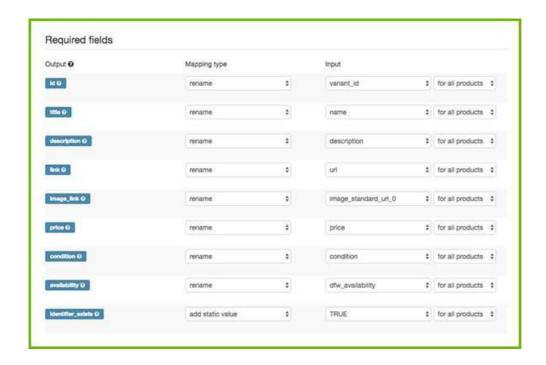
### 1.2 Required Fields

Each channel needs a minimum amount of information to be able to list your products. These are the required fields. If you do not have these fields in your feed, the channel will disapprove your feed.

Although requirements vary from channel to channel, most of them will always need:

• ID	a unique identifier
• Title	key element of any product ad
• Price	key element of any product ad
• Image	key element of any product ad
• URL	to click straight to your site

In addition, channels will often ask for a lot more information. For example, these are the minimum requirements for Google Shopping:



### 1.3 Field Specifications

Channels sometimes have very specific requirements for individual fields. These are the most common examples:

#### Character limitation:

Certain fields cannot have more than a number of maximum characters.

For example, Google does not accept more than 150 characters in the Title. In most cases, 70 or fewer characters will be displayed. Facebook limits the title to 100 characters, while Bing is being the most generous with a 255-character limit.

#### Predefined values:

Some fields only have a few predefined values. For example:

- Availability: preorder, in stock, out of stock, available for order
- Gender: male, female, unisex
- Age Group: newborn, infant, toddler, kids, adults
- Condition: new, used, refurbished



### Numerical fields.

Price, UPC or ISBN codes, shipping weight and shipping cost are fields for which only numerical values are allowed.

### Text fields.

Most attributes require an alpha-numerical format. Titles, descriptions, product types and many others need a text format.

### Category Fields.

Categories are usually predefined values from a channel's taxonomy. For example, the Google Shopping category can be expressed as an ID or as the full path of a certain product. Such as, 2271 or Apparel & Accessories > Clothing > Dresses.

### 1.4 Feed Specifications per Channel

You can find more information about the exact feed specifications for approximately 40 channels **here**. Some of the channels will not give you the list of required fields unless you are registered with them.

# 1.5 The Most Common Problems with Required Fields

#### 1.5.1 Product ID

It is important that the ID for each product is unique. Each **Variant** should have its own unique ID, not just the parent-IDs but for all variants.

#### 1.5.2 GTIN

Some channels require the Global Trade Identification Number (GTIN).

This is the numerical version of the bar code. It is called UPC in the US and EAN in Europe. GTIN is an identifier that is created by GS1, an international non-profit organization. It's a unique ID according to international standards.

Google and other channels have a database with most of the world's GTINs to identify each product and all product specs exactly. Also, if you provide the wrong GTIN, Google will know instantly and they will disapprove that product.

More info about how to find GTINs here.

How to validate your GTINs here.

More info about all unique identifiers here.

#### 1.5.3 Product Title

There are two Title-requirements that often lead to disapprovals by Google and several other channels.

#### CAPITALS!! in your Titles

Many channels do not accept SHOUTING!! A good data feed tool automatically removes capitals and exclamation marks for you. Still, you want to make sure that Capitals are present wherever they are needed so you "Recapitalize" for maximum effect. Ex: change your title from 'GPS TRACKER' to 'GPS Tracker'.



### Character length

Most channels have a limit for the number of characters in the Title. A data feed tool should cut off your Title to make sure this limit is not exceeded. If that is not the case, crop the Title with a simple rule.

#### 1.5.4 URL

There are several things that can go wrong with your product-URLs:

### Wrong domain

When you set up your Google Merchant Center (GMC), one of the first things you need to do is claim a domain. The domain of the product URLs in your feed must match exactly the domain claimed in the GMC.

Many websites use alternative domain names. Shopify stores, for example, have a Shopify subdomain. 'mydomain.myshopify.com'.

If the product URLs in the data feed includes the Shopify subdomain (mydomain.myshopify.com), all products in that feed will be disapproved. This is caused by the mismatch between a domain claimed in the GMC and a domain of product URLs imported in the data feed.

#### Solution

To avoid this problem make sure that the products URLs in the feed contain the same domain name as the one claimed in the GMC. If that is not the case you will need to replace the domain in the feed using mapping rules or claim a different domain in the GMC.

Link: rename "ProductURL" for all products and replace "mydomain.myshopify.com" with "mydomain.com" for all products.



In DataFeedWatch this replacement is done automatically if the GMC domain (as entered in DataFeedWatch) is different from the domain in product URLs.

### https

Sometimes the data feed contains regular http-URLs, but the product pages are actually on a https-URL. That will lead to disapproval, yet can be quickly fixed by a 'replace' rule. Rename "url" for all products and replace "http" with "https"



#### Variant-URLs and different prices for variants

Many merchants with variants have just one product page (1 URL) with a pull-down for sizes, colors or other variant-options. If all variants of a product have the same price, that is no problem.

If the price is different for variants of the same product, that may lead to disapproval of these products by Google or other channels. The price for a variant that is listed in the data feed, is not equal to the price that is listed on the corresponding product-URL (because that price only shows if that variant is selected from the pull-down).



#### Solution

Most ecommerce platforms will export a unique URL for each variant. If you include that URL in your data feed, the issue is resolved.

If you do not have unique URLs in your source feed, you can create URLs by combining your 'parent-URL' with a unique attribute (like variant ID).



Please note that you need to know how the URLs in your store are 'structured'; it will only work if the new, unique URLs that you create, do lead to the product page for each variant.

#### **1.5.5 Price**

Price is another field that is under heavy scrutiny: Google and other channels will check if the price in the feed is equal to the price on the product page. If it is not, it will disapprove that product. These are the most common fixes that retailers need to make to their price.

#### **Outdated Price**

If the price on your site changes, your feed needs to be updated. With a data feed tool, daily updates will happen automatically.

If you change price several times per day, you definitely want to update your data feeds accordingly. Same goes for products that are on sale.

Read **more info** about the benefits of doing multiple updates per day.

#### **VAT**

If your online store exports prices excluding VAT but your product pages list the price including VAT, you can apply a simple fix. 'recalculate' your prices to include VAT (multiply by 1.21 to add 21%) and enter the new price in your channel feed.



### Too many decimals

Imagine you create a price field for a channel that accepts 2 decimals (e.g. 12.45) and your prices have 4 (12.4500). You need to cut off the last 2 digits to make sure that your products will not be disapproved.

Rules with **Regular Expressions** (RegExp) will do that for you. In your data feed tool, you can create a rule like this:



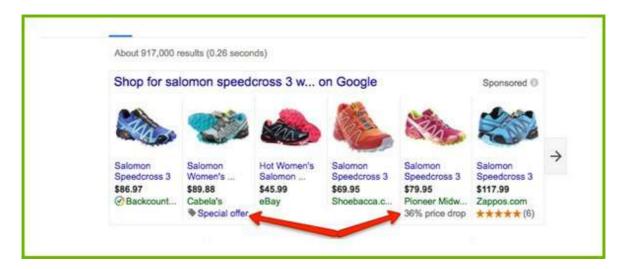
That is complicated isn't it? If you are not familiar with RegExp, just ping the support staff of your data feed tool – they will get you any regular expression you need.

#### Sales Price

If you have products on sale, you need to make sure that this *sales price* is shown in your feed. If that is not the case:

- Google and other channels will disapprove your feed.
- You do not benefit from the sale if you don't communicate the lower price

Defining your *sale\_price* and the timeframe for that, gives Google Shopping the ability to show your product ads as 'On Sale' making them more attractive for potential buyers.



If you have a separate field for *sale\_price*, you won't have a problem on Google (they also have a separate field for *sale\_price*). But some channels only have one field for price. That needs to contain the regular price or the discounted price if there is any.

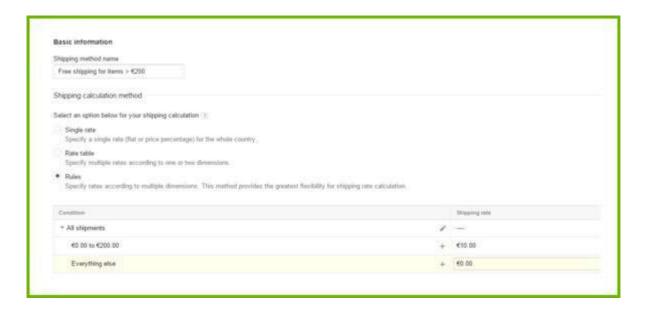
This is how you can do that: rename price field if *sale\_price* is blank OR have *sale\_price* for other products.



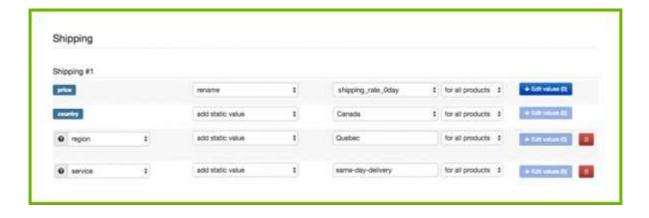
Usually, the input field for the sales price only contains a value for the products that are on sale; for the other products it is empty.

### 1.5.6 Shipping & Tax

For Google Shopping, the **Google Merchant Center** is the best place to create settings for Shipping and Tax.



If you have a shipping cost structure that is too complex for the Merchant Center, you need to create it in your feed. For most *other channels*, you also need to add shipping cost to your feed.



Please note that the rates set in your feed will **overwrite** the rates set in your Google Merchant Center!

### CHAPTER 2

# Improve Feed Quality

After meeting all requirements, your feed is good to go. You can start advertising on the shopping channels of your choice. This is where things get interesting. This is what separates amateurs from pros. Meaning, if the feed is properly optimized it will catch better-qualified traffic with a higher likelihood to buy.

There is a simple rationale to it:

- The more information you provide to the channel, the better the channel can match your products to what the consumer is searching for.
- The more detailed the information in the product ad, the more likely the consumer is to click and buy.

### Better information leads to a higher CTR and conversion rate.

This chapter will show you the following ways to improve the quality of your data feed:

- 2.1 Create better TITLES
- 2.2 Develop your DESCRIPTIONS
- 2.3 Improve your IMAGES
- 2.4 Set AVAILABILITY
- 2.5 Add MISSING FIELDS
- 2.6 Create CATEGORIES
- 2.7 Choose VARIANTS or PARENTS
- 2.8 Schedule MULTIPLE UPDATES per day

### 2.1 Create better TITLES

The *title* is one of the most important items in your data feed because it shows in the Product Ad. Optimizing the title is important because both the consumer and the channel's algorithms are looking at the (key)words in your title.

#### 2.1.1. Include Brand, Color and Other Relevant Attributes

The title should be relevant and compelling so that it convinces shoppers to click your PLA instead of the one next to it.

If you sell watches, you don't want the title to be JR 1436. That does not mean anything. You want it to show the most important information: Fossil Men's watch JR1436. So make sure you include Brand (Fossil) and Product type (Men's watch) in your Title.



Queries that include the brand, product type, color, size, gender and other attributes indicate that the shopper is already advanced in the buying process. Longer searches are very likely to convert compared to shorter searches that include brand and product type only.

#### What to include?

The attributes you will want to include depend on the vertical you're in. Here's a chart with the best practices on how to structure your titles based on category:

Category	<b>Recommended Structure</b>	Example
Apparel	Brand + Gender + Product Type + Attributes (color, size, material)	Lucky Brand Men's 361 Vintage Straight Fit Whispering Pines Jeans – Blue 31×32
Consumables	Brand + Product Type + Attributes (weight, count)	BPI Sports B4 Fat Burner Pre-Training Supplement – 30 capsules
Hard Goods	Brand + Product + Attributes (size, weight, quantity)	Frontgate Wicker Patio Chair Set, Brown, 4-Piece
Electronics	Brand + Attributes + Product Type + Model #	Samsung 45" Smart LED TV with 4k 3D Curved Screen (UN40KU7000F)
Seasonal	Occasion + Product Type + Attributes	Mother's Day Personalized Storage Box, Silver
Books	Title + Type + Format (hardcover, eBook) + Author	1,000 Italian Recipe Cookbook, Hardcover by Michele Scicolone

### 2.1.2 Include Keywords

Ensure that important keywords are included. Use the search term report to see which queries have converted and use them in your titles. Also, you should be mirroring product information from the website, so when users click the ad, they will find the same information on the site.

### 2.1.3 Put the Most Important Information First

Google will show as much of your product title as they can. It will often be cropped, and only 70 or fewer characters will be displayed. Therefore make sure you front-load the most important information.



### 2.2 Develop your DESCRIPTIONS

People that clicked your product ad are interested in learning more about your product. The Description will get them more detailed information and hopefully convince them to buy your product.

### Clean up your Descriptions

Make sure that your descriptions are well written and make corrections if necessary.



### Add the relevant information

Make sure that the description contains all the details that a customer may be looking for. If it doesn't, append extra information by combining your Description with other attributes.

For example, combine description with *free shipping* and *color* and *size* and *material* for all products.



What if you do not have a description?

If your products do not have a description (or it was not exported from your store), you can create one by combining regular text, product type, title and all relevant attributes.

### 2.3 Improve your IMAGES

The product image is the single most important part of any product ad. The image dominates the ad and people focus more on images, and less on text. It is crucial that your feed contains the best image and if possible multiple images per product.

#### 2.3.1 Select the BEST IMAGE

These are the three most common image problems that merchants experience.

### The Wrong Color / Variant

A product often has color variants. For each color there is an image associated in the feed. If you cannot match the blue product to the blue image, any other color may show up in the search results.



### Disapproved. Images with Text Overlay

Sometimes images contain text, like Free Shipping or On sale. Google and other channels disapprove products with these text overlays. Make sure that the image with the overlay doesn't not show up in your feed.



### The worst picture shows

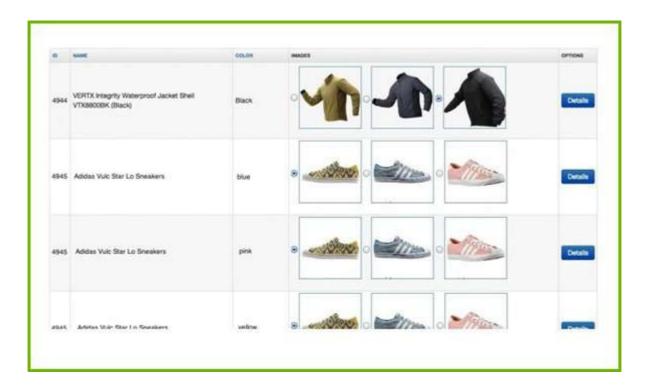
You have several images on your site, showing the product from different angles or in different situations. But in the feed you want the primary image, the one that does the best job selling it. Without any control over your images, your feed may contain the picture that shows the bottom or the backside of your product.



#### The Solutions

You can create an input field that has all the best images for each product, so it is easy to always map the image from this field. If that is not the case, you may need to change all images in the back end of your online store. That can be a pretty big task, so you are better off using a data feed tool that enables you to pick the best image per product for your feed.

At DataFeedWatch we offer the **Default Image Selector**:



You can manually select the best image for an average of 1,500 products per hour. It is still a tedious job, but it has proven to be a worthwhile investment, resulting in higher CTRs and more sales.

#### 2.3.2 Add MULTIPLE IMAGES

Shopping channels are often showing multiple images of a product. They'll display the main image with clickable thumbnails on the side:



That is a compelling view, so it is worthwhile to add all your images to a feed.

### 2.4 Set AVAILABILITY

It is crucial to advertise only products that are available (in stock), so that you will not

- advertise products that you cannot deliver (and thus not waste your advertising money).
- lose sales by not advertising products that you have ready to ship.

Google wants you to include all products in your feed and indicate for each product if it is available. The 'Availability' field indicates whether your product is 'in stock' or 'out of stock'. If it is set to 'out of stock', Google will not show an ad for that particular item.

You can create one simple rule in a data feed tool, to set Availability automatically, based on a field like Quantity or Stock status.



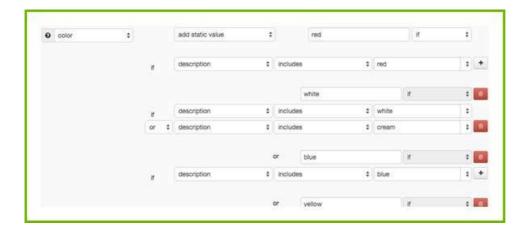
For other channels, exclude all products from your data feed (with a similar rule), for which you have 1 or less in stock.

### 2.5 Add MISSING FIELDS

Sometimes your product feed does not contain certain attributes (fields) that are mandatory or that you need in order to optimize the quality of your feed. The most obvious examples are:

- Color: Google requires color as a separate field for merchants that sell apparel. On most other channels it is not mandatory, but a color-field will still help to match your product with search queries
- **Product type:** never mandatory, but much better for your bid strategy. (see also 3.3)
- **Brand:** another attribute that enables shopping channels to compare products.

These type of attributes are usually mentioned in other fields (like Description or Title). With a data feed tool, you can extract these attributes easily and add them as a separate field.



### Add as many attributes as you can

In general, the quality of your data feed increases with every bit of information you add. More information enables the shopping channel to better match your product with a search query (and thus increase conversion rate) and to compare your products with the offerings of other merchants.

### **Optional fields**

Although not required, Optional Fields can be a gold mine. Fields such as the shipping cost, sale price, product types and others can be real ROI boosters, since the products will not only show up more often in search queries but will also convert better.

### Custom fields

Some channels will even allow you to submit information in a field that you can name yourself. That is a good solution if you would like to include an attribute in your data feed, where the channels do not have a field.

#### 2.6 Create CATEGORIES

Most of the channels require advertisers to provide categories for their products.

The taxonomy is crucial for the product ads as it helps channels identify if the products in a feed are a good match for a given shopper query.

Some channels do not require a category or accept your own product types or follow the Google taxonomy. That is easy enough!

Nonetheless, the taxonomy is important on all channels, but in particular to Google Shopping because:

- The right category increases the chance that your products will show up for the right search queries and your CTRs will improve
- By having better CTRs your product ads will have a better chance when competing with similar products
- If your ads become more relevant, the costs of your PLAs will go down
- Other channels use Google's Product Category: Bing Shopping, Facebook Dynamic Product Ads, Criteo, and once you're done with selecting the right categories for Google you can proceed and expand your multi-channel strategy
- If you are selling in more than one country and you have mapped your categories in English, you can use the categorization for all the other countries where Google Shopping has a presence.

If category mapping is your Achilles heel than we suggest you read this guide on how to **map the categories for Google Shopping** without going crazy.

#### 2.7 Choose VARIANTS or PARENTS

Should you include all variants in your data feed to Google and other shopping channels, or only the parent products? There are pros and cons to each decision so lets see which option you should go for.

#### 2.7.1 When to include Variants?

#### What are Variants?

Variants are a group of identical products that only differ by attributes like 'color', 'material', 'pattern', or 'size'. A T-shirt (parent product) in 3 sizes and 5 colors may have a total of 15 Variants.



#### Why include Variants in your feed?

#### Mandatory for certain channels

Some channels require you to include all variants as a unique product.

#### More clicks

People may be looking for a red T-shirt. If you are not showing the red variant, your T-shirt will not show up in the search results. Same goes for size or material. If people enter a very specific search query (that includes attributes like the above), they are probably ready to buy.

#### **Availability**

Channels like Google will not show products that are out of stock. The information about availability / quantity in your source feed is on variant level, so you have no data on parent level. Since you must add a value for each product, you have no other choice but to set it to 'in stock'. This means that you will spend your advertising dollars on out-of-stock-products.

#### Avoid Wrong product data

Fields like color, size, age group and gender are not available on parent level. But Google and other channels require you to enter this data for every product. That means that you need to enter fixed values for all products.

Prospective buyers may still make it to your product pages, but they will be quick to leave your page when they find out that you don't offer what they were searching for.

#### 2.7.2 When to include Parent products?

#### What are Parents?

A parent product is "the main product" with all attributes in 1 field instead of having each variant as a separate product.

#### Why include Parents-only in your feed?

#### Mandatory for certain channels

Some channels only want to receive a feed with parent products. They need the variants-information as well, but they want to receive that with all colors (or all sizes, etc.) in a single field.

#### **Different Variant Prices**

Some variants cost more than others. That T-shirt may be \$10 for all colors, but the XXXL is \$12. Google compares all prices in the feed with the prices on the Product pages. If that is not the same, Google will reject that product.

Many shopping carts have one URL for all variants. On that page there is only one price. The other prices will only show if you select another color or size from the pull-down on that page.

So Google will end up disapproving all variants with a price that is different from the price of the 'default-variant'. So downloading parents will only prevent mass-disapproval if you do not have a unique URL for each variant.

#### Cost

You have fewer products in your source feed which makes it cheaper and easier to handle. Some retailers may have 1 million variants, but only 25,000 parent products. The cost of data feed optimization for 1 million products is often too high. But for 25,000 it's affordable.

#### 2.7.3 Variants or Parents?

In most cases, we think that including Variants is better. Go for Parents-only if you have so many variants that data feed optimization is unaffordable. The cost of presenting the wrong data about color, availability, and other variant-data will often outweigh the savings on your data feed.

Most shopping carts have a way to export all variants from your store. A good data feed tool is able to adapt your feed to each channel's requirements.

If only parents are exported it will generate a new feed with all variants, based on the information in the parents-only feed. Or, 'merge' all variant-options into a parents-feed.

#### 2.8 Schedule MULTIPLE UPDATES per day

Accurate data is crucial to feed quality. Prices and quantities change throughout the day. Updating your data feeds several times per day helps you to keep your data as accurate as possible. It will also increase your campaign performance.

#### 2.8.1 Benefits of multiple daily feed updates

#### Adjust the quantities of your stock

Advertising products that are out of stock means your ad spend is completely wasted. If your customer clicks on a product that you no longer have in stock, it creates a bad customer experience and may negatively affect your campaign.

#### Special offers

You may be offering hourly special offers to your customers. Having frequent daily feed update capabilities allows you to manage this process more effectively.

#### More effective re-pricing

After reviewing competitor prices for the same products, you may decide that your prices need to be adjusted so that they are more competitive than other online shopping deals.

#### 2.8.2 How to Update Multiple Times per Day?

You need your shop to export your feed multiple times per day or schedule multiple downloads in your data feed tool. Please note that downloading your product data from your store multiple times per day, only makes sense if your channels also accept uploading frequently.

#### **Update to Google Merchant Center**

Google only allows you to upload your feed once per day, but they also accept an update of prices and quantities once per day. You need to create a separate feed called Google Inventory Update feed that contains only 5 fields:

- id
- price
- availability
- sale price
- sale price effective date

#### **Update to Google FTP**

If you have an FTP-account with Google, it is possible to upload your feed (via FTP) many times per day. Here's **more info** on how to do that.

#### Update to other shopping channels

Other channels also work with 'fetching' (from http) or uploading (via FTP) and they all have their own specifications. The most important thing is to make sure that you know how often you are allowed to update on a channel and make sure that the download-frequency is in line with that.

# CHAPTER 3

# Improve ROI

When your feed is meeting all channel requirements and is as optimized as can be, it is time for the last round: Make modifications to your feeds that will have a direct impact on your campaign-ROI.

This chapter explains how the data feeds and the campaigns are completely interlinked: You can optimize your campaigns by adding and removing products and data to your feeds:

- 3.1 Do not advertise all your products
- 3.2 Remove unprofitable products
- 3.3 Bid on product type
- 3.4 Add gross margin to your feed
- 3.5 Use price rank
- 3.6 Bid on your best sellers
- 3.7 Lower the bids on your losers
- 3.8 Use custom labels
- 3.9 Promotions

#### 3.1 Do Not Advertise All Your Products

Why would you advertise all your products? There are many good reasons to exclude all kinds of products from your data feeds. Consider these examples as inspiration to make your own selection.

#### Your cheapest products

The gross margin on a \$10 product maybe as low as \$2.50. If your CPA exceeds that number, you will lose money every time you sell one of these items.

#### Summer coats in the winter

Why advertise products for when it's not the right season? People may click those ads, but they won't end up buying the product.

#### **Competitive Categories**

If you know that 'clickers' usually never become 'buyers' for a certain category or brand, because your competitors are always undercutting your prices, why advertise them at all?

In a feed tool you can create rules that allow you to exclude products based on more than one criterion.



#### 3.2 Remove Unprofitable Products

There are many products that generate a loss instead of a profit. The trick to optimizing your spending is to identify your "Losers" and remove them from your campaign.

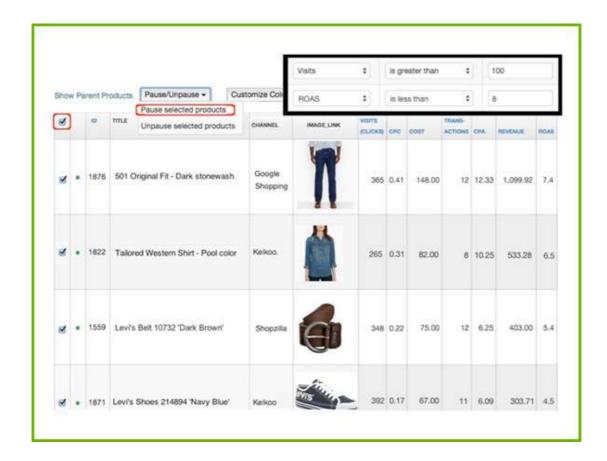
Examples of unprofitable products are:

- many clicks and no conversions
- many conversions at a very high CPA

## Removing unprofitable products is the single most important step to increasing your ROI.

If you are not using a data feed tool, you need to go on each channel and create filters to identify the unprofitable products. After you've identified the products you can proceed and exclude them from the feed. Since many channels do not offer tracking, you will never know which products (sold on which channels) are profitable and which are not.

A good data feed tool tracks all your sales and makes it very easy to identify and remove unprofitable products with just a few clicks.



#### Added benefits:

- If you have 'variants' you can also **review** (and filter) the **products on 'parent level':** aggregating all visits and transactions for the parent product in addition to seeing the performance stats for each variant. If the 5 colors of a T-shirt got 200 clicks and no transactions, it is not working out. Why wait until each color received 100 clicks?
- Removing products from your feed keeps your Shopping campaign 'clean'. **Your campaign view won't be 'polluted'** by a separate product group for each excluded product.

#### 3.3 Bid on Product Type

Most shopping channels enable you to make bids based on their categories. Some channels, especially Google Shopping, also let you bid on your own product types.

Product type is how *you* categorize your products in your online store. It is often equal to the navigation on your site. Don't confuse it with Google Product Category: that is *their* categorization.

Google Product Categories are often used to set bids in Shopping Campaigns, but in most cases they are too generic. If you sell rings, you probably have silver, gold and diamond rings in your store. Separate bids for each of these three ring-types is not possible if your bids are based on Google categories, because there is only one suitable category: "Apparel & Accessories > Jewelry > Rings".

#### **How to Add Product Types to your Feed?**

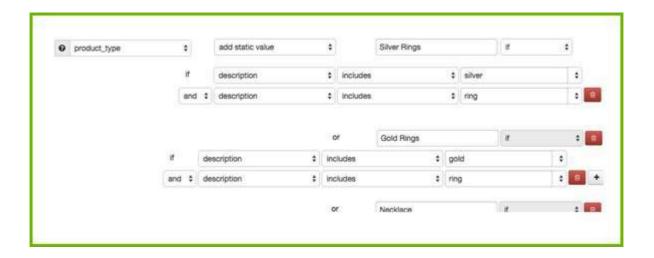
#### 1. Rename from Category

You can simply rename your Categories to Product Types with a single rule.



#### 2. Create Product Type from Description

If your shopping cart does not output any category data, you can still create a field for product type, based on keywords in your descriptions (or other fields).

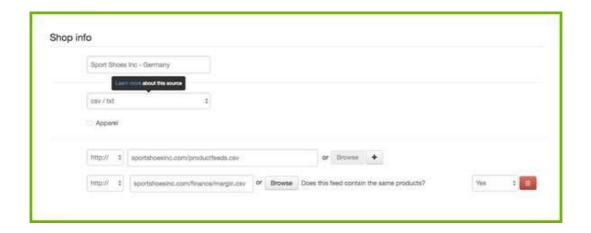


#### 3.4 Add Gross Margin to your Feed

If you know what the gross margin (or margin category) for each product is you can optimize your bids based on that. What could be more effective? Instead of bidding the same amount on all football shoes, you can bid more on the ones with a high margin (and vice versa).

Most retailers do not store gross margins in their shopping cart product data, so it cannot be exported. Margin-data is usually available in the financial systems. So the trick is to export the data and merge it with the source feed from your store.

Merging the two feeds: your source feed and financial data, is easy to do with a good data feed tool.



#### 3.5 Use Price Rank

Price rank is how your product-prices rank among your competitors. The product with the lowest price has a price rank of 1. If one of your products has a price rank of 4, that means that there are 3 competitors offering the same product at a lower price.

#### Use a repricing tool to create automated rules

With a price ranking tool you can create rules and criteria for the automated re-pricing, based on competitor's prices, product types, shopping channels or marketplaces:

- for a certain product type or brand you always want to have the best price so you set up a rule that automatically makes your product 1-10% cheaper
- you want to be number one for some products, but the price should never less than X
- you can select which competitors you want to re-price against. Let's say you always want to be the cheapest but never cheaper than Company A and B since they'll always be cheaper than you

#### Set up feed updates

When your prices change in the online store you need to make sure that the prices in the feed have the same information. You don't advertise for products that have different prices from your shop price, because shopping engines will disapprove those products.

#### Optimize your feeds with re pricing data

Automatically export to your data feed tool the price rank of your products in a CSV file that contains 2 columns: Unique ID and price rank.

With the price rank information, you can create additional rules like:

1. I want to exclude the products with the price rank more than 3. Even if you've repriced it, advertising a product with a price rank more than 3 is not going to bring a lot of sales. You can exclude it from the channels where it ranks 4th. Then if the price rank changes from 4 to 3 the products are included again.



2. The repricing app knows if a product from the competition is out of stock

Maybe for that out of stock product, you were ranking 4th on Google, but since it's out of stock you want to start advertising again.

#### 3.6 Bid on your Best Sellers

There is usually a small number of products that generates the biggest part of your revenue. Bidding on individual products is too much work. Creating separate bids for a small number of best sellers is doable and puts your focus where it should be.

Use a filter to see which products are generating the most revenue or the most conversions with a great CPA, etc.



In a Google Shopping campaign, it would make sense to put every product in a separate ad group. Make sure the bids for your winners are higher than the bids in the original ad group.

#### 3.7 Lower the Bids on your Losers

If you have identified the products that are underperforming, you can also assign a much lower bid to them instead of removing them from your campaign (as explained in 3.2). You should tag these products in the feed that you send to your channels or bidding software. In a Google field you use a Custom Label for that.

#### 3.8 Use Custom Labels

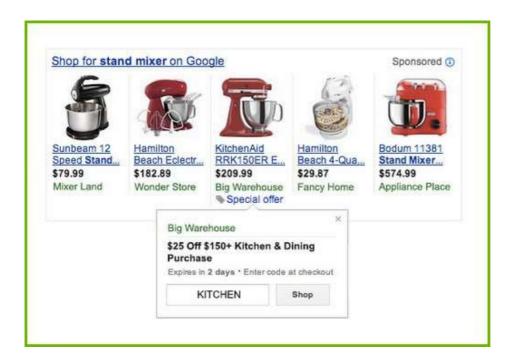
Custom labels are, according to Google, "a way to tag your products in your data feed with attributes that matter to you, such as 'margin', to separate your high- and low-margin products". In other words, you can set a separate bid for all products that are 'labeled' high margin. Or 'Winners' or 'Losers' Or 'low price rank'. Most of the examples in this chapter require a custom label and so do other attributes that you want to use for bidding (color or size, or seasonal products or products on sale, etc.)
First you need to add the custom labels to your feed. That is best done with a data feed tool.

Then you can adjust your bids in your Google shopping campaign by sub-dividing your product groups with custom labels:

#### 3.9 Promotions

Google Promotions is a program for merchants using Google Shopping. It enables them to add a Promotions to their product ads on Google Shopping.

A Promotion looks like this:

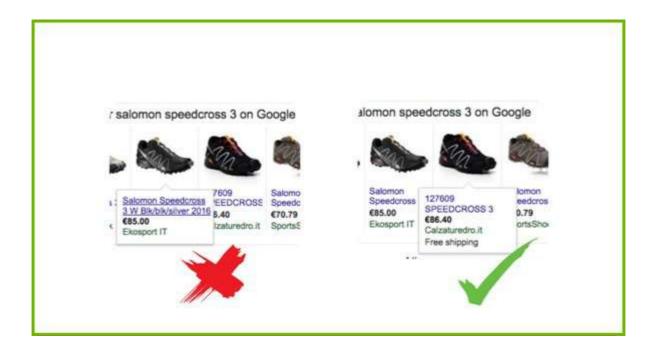


For example, let's look at the product ads below. Which ones do you think are going to get the most clicks? Probably the first one that contains a special offer and the last one that clearly states that there has been a 22% price drop.



Free shipping has a huge impact on online retail sales, being the number one reason for shopping cart abandonment. Free shipping is what sometimes makes the difference between buying that product in store or buying it online.

In the example below two merchants offer the same product at a very similar price. The only difference is that one has clearly stated he's offering free shipping and the other has not. Most likely the first ad is going to get more clicks.



Promotions can be sent to the Google Merchant Center in a separate feed. The new feed needs to have the following required fields: Promotion ID, Product Applicability, Offer Type, Long Title, Promotion Effective Dates, Redemption Channel.

You will find detailed instructions in this post.

# CHAPTER 4

# Which Channel Should you Advertise On?

#### 4. Ramp up your multichannel strategy

The question is the same for all merchants, but the answer is different for each one of them.

Every channel has its own feed specification, so you need to create a different feed for each advertising channel. You need to decide on the

- Type of channel
- Which channel

#### 4.1 Which channel should you advertise on?

There are six types of advertising channels that merchants can explore:

- Search Engines
- Marketplaces
- Comparison Shopping Engines (CSE)
- Re-targeting Networks
- Social Networks
- Affiliate Networks

#### **4.1.1 Search Engines**

Reach people who are actively searching for a product.

Whenever a user is searching for a specific product on Google or Bing, the search engine matches the search query with the advertised products. Then, displays your product ad on the Search Engine Result Page (SERP).

Merchants pay per click (CPC). There is a limited number of adslots, so only ads with the highest bids are displayed.



#### 4.1.2 Marketplaces

Reach people who are actively searching for a product.

Marketplaces are like big department stores where consumers can buy all kind of products. The fundamental difference is that users are never redirected to the merchant's website. The transactions are done on the marketplace and the merchants only handle the shipping.

Amazon and eBay are the biggest marketplaces globally. In Europe, they compete with dozens of local marketplaces.

The marketplace charges a commission for each transaction: it ranges between 5 – 15 % depending on the marketplace and product category.

More info here.



#### 4.1.3 Comparison Shopping Engines (CSE)

Reach people who are looking for the best deal

There are hundreds of CSEs, from US giants like Connexity or eBay Commerce Network to European Networks like Kelkoo or Idealo to local CSEs per country like Mail.ru or Beslist.nl.

Consumers can search for a specific product on a CSE and they can instantly compare prices offered by different merchants. A click on a product takes them straight to the merchant's website.

The most common form of payment is Cost Per Click (CPC) which means merchants pay for each click to their website.



#### 4.1.4 Re-targeting Networks

Reach people who visited your online store before

Most people visit your site, check out a product and leave. Retargeting networks enable you to show your product-ads for the products that they were interested in to these people, on a later date when they are visiting a different website. This is an effective strategy for many retailers.

Google offers re-marketing and so does Facebook. There are many other networks dedicated to re-targeting, like Criteo and AdRoll. Retargeting network charges vary between CPC, CPA or CPM.



#### 4.1.5 Social Networks

Reach people who are not searching for a product

Product ads are shown when people are communicating and sharing with their friends on social networks like Facebook and Pinterest.

The advantage of these networks is that you can target very specifically, you can advertise your products to people with certain demographics (female 30-35 years old in New York state) or specific interests (hobbies, jobs) or look-alike-audiences.



#### 4.1.6 Affiliate Networks

Reach people who are not searching for a product

Affiliate networks are platforms that intermediate between publishers and advertisers. Advertisers upload their products to the platform and website owners (publishers) can then display those products on their websites. Anyone who clicks the ad is redirected to the merchant's page to make a purchase.

Merchants pay a commission for every sale or lead. This commission is collected by the affiliate network who shares it with the publisher. The most popular affiliate Networks are Rakuten Linkshare, Commission Junction and Shareasale and European counterparts like Affiliate Window, TradeDoubler and Zanox.



# 4.2 How to pick the channel that is best for you

You need to do a little research to find out which channel will perform best for you. These are steps you can take:

#### **Check the categories per Channel**

Some Channels are specialized in certain product categories. Check out a few channels and see what categories they offer. If they have a category for your products, you might want to give them a try.

#### Do they sell your competitor's products?

You can go a level deeper. Enter a few of your products in the search bar of a shopping channel and check the results. Are they selling your products? Are your competitors advertising on this channel? If few competitors are offering your type of products, it may be that they already found out that it does not work.

#### **Trial and Error**

The proof of the pudding is still in the eating. Pick a few channels (start with no more than 3) and start advertising. After a while, you can see which channels get you more sales and cost less. Then replace the worst channel by another one and see if it does better.

#### **CONCLUSION**

It is clear that data feed optimization plays a big role in the optimization of PPC campaigns. I ended up writing more pages than I planned and I applaud you for making it to the end. Do keep in mind that:

### Every optimization in this eBook can be implemented in minutes!

Most optimizations work for every merchant. You may need to tailor it to your own needs, but you can start implementing them right away.

I hope you'll put a lot of our recommendations to work. If you need advice (or if you need a tool) we'll be happy to help. Ping us on chat – we're (almost) always around ;-)

#### DataFeedWatch

http://www.datafeedwatch.com/contact-us/support@datafeedwatch.com

The data feed is the foundation to any great PPC strategy. If it's bad it will affect your budget.

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