

# SILVIA CARTER

## GETTING CLIENTS OVERSEAS, BY ADVERTISING:

SEA, SMA and other  
acquisition channels

BOOK 3 OF 7



Excerpt from:

# **GETTING CLIENTS OVERSEAS, BY ADVERTISING: SEA, SMA and Other Acquisition Channels**

# **SILVIA CARTER**

## **GETTING CLIENTS OVERSEAS, BY ADVERTISING: SEA, SMA and Other Acquisition Channels**



[The Digital Exporter Series](#) consists of seven independent books with more than 100 international case studies, each sharing the best tools, actionable solutions, and step-by-step explanations on how to sell online across channels and borders.

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ISBN: 9798404350272

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# CHAPTER 4

## GOOGLE SHOPPING & GOOGLE SHOPPING ADS FOR EXPORT SALES

“

*Google is one of the first places people go to find products online, whether they want to buy them, or compare prices, or watch a video on how to use them, etc. And that is the case all over the world.*

*So, it is crucial that you know how to grab their attention in the countries you target for your digital export project. Google Shopping and Google Shopping Ads are among the most effective of all paid levers, and in the next pages you can find why.*

# GOOGLE SHOPPING VS. GOOGLE SHOPPING ADS VS. GOOGLE ADS: WHAT'S THE DIFFERENCE?

Google Shopping and Google Shopping Ads can be very effective for your digital export project. Since they work differently from international Google Ads, and the features differ from one country to another, you need to understand the differences.

Google Shopping, the one without the word *Ads* next to it, is not about advertising. It is a specific search engine tab that you can see on Google and that is fully dedicated to people that want to search, browse, and compare products.

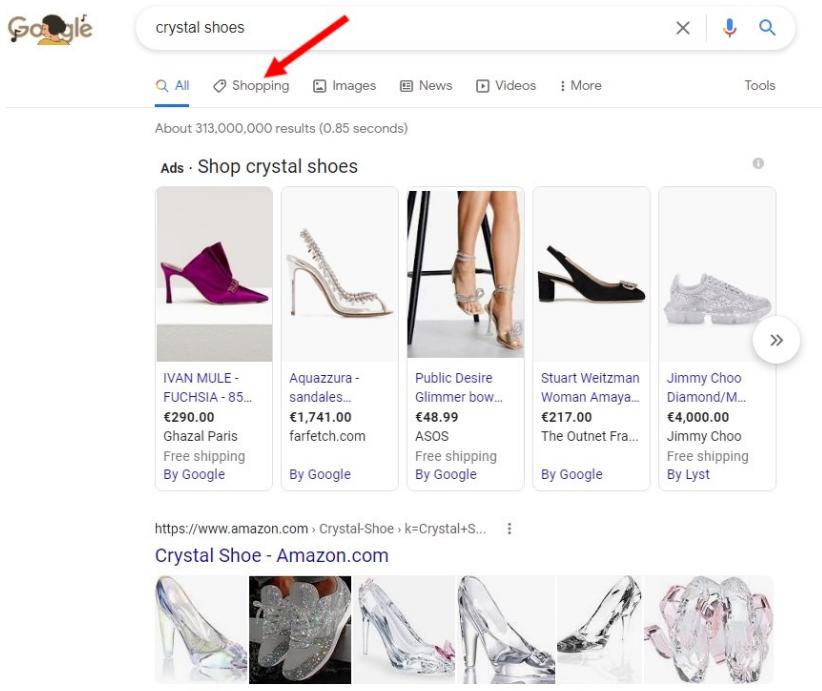


Figure 5: Google Shopping tab on Google.

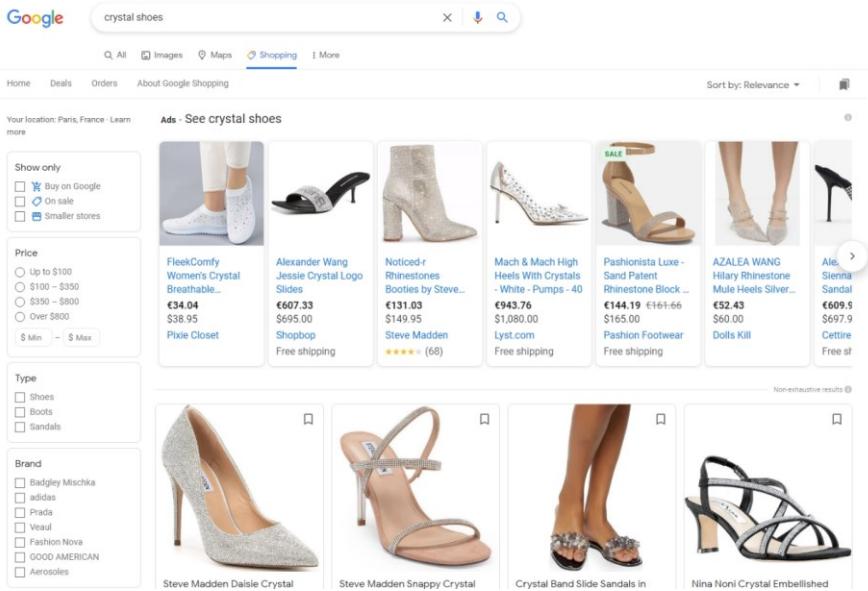


Figure 6: Google Shopping.

Google Shopping has been around for a while. It was born in 2002 as Froogle, then became Google Product Search, Google Express, and eventually Google Shopping in 2012<sup>20</sup>.

Originally available in a few countries, and with a business model that required companies to pay to use the service, it is now available in 121 countries, and it has been completely free since 2020. When people click the Shopping tag on Google, they can search for products, compare prices from different sellers, and buy what they like.

Google Shopping can look like other marketplaces but has additional features:

- Any business can list products on Google Shopping, not only small sellers, but also retailers and other marketplaces.
- The checkout can be on Google Shopping, by selecting the 'Buy-on-Google' option<sup>21</sup>, or on the seller's e-commerce.

<sup>20</sup> [https://en.wikipedia.org/wiki/Google\\_Shopping](https://en.wikipedia.org/wiki/Google_Shopping).

<sup>21</sup> Only available in the U.S. and France in 2021.

- For the listing, you must use Google Merchant Center. Previously conditioned to the payment of fixed fees, this listing is now free.
- Since Google Shopping's algorithm doesn't work with keywords but with products' features, the listing on Google Merchant Center must be done particularly carefully, especially when it is done in multiple countries.
- In Google Merchant Center settings, you can choose the countries to target for your digital export project.

Unlike Google Shopping, Google Shopping Ads, now the one with the word *Ads*, are about advertising. Also known as Product Listing Ads (PLAs), they are special ads that allow people to view products in a better visual way and to compare them directly from the SERPs.

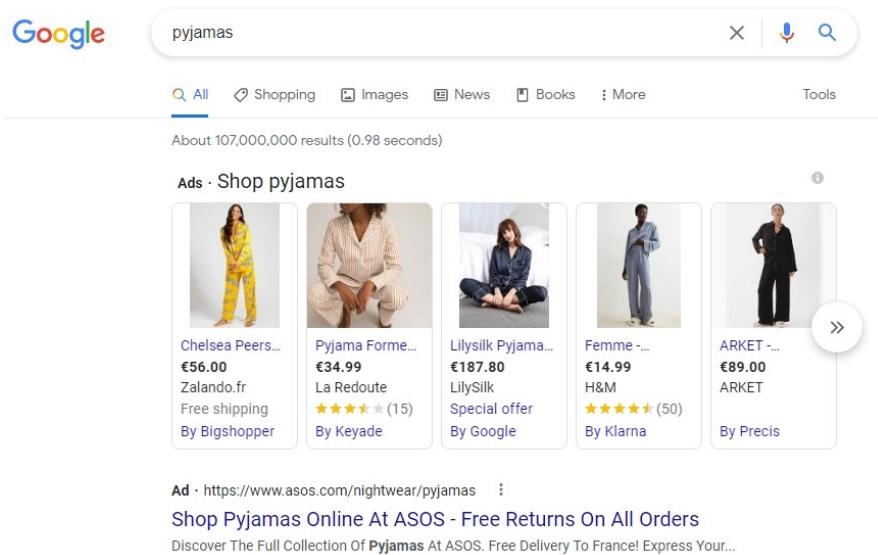


Figure 7: the difference between Google Shopping Ads and Google Ads.

As you see in the figure above, a simple query on Google can provide Shopping Ads in the first row of the SERPs that are directly comparable, since they are next to each other, and their key elements, i.e., price, picture, description, are clearly visible before people click on them. This is the major advantage of Google Shopping Ads that makes them

different from normal text ads: although both Google Ads and Google Shopping Ads are intent-based, meaning that they only appear to people that are actively searching for the advertised item, with Google Ads text format, people need to click on it to see picture, price, and more information, while with Google Shopping Ads they don't.

As a result, people that click on Google Shopping Ads are generally in a more advanced stage of the purchasing funnel than those clicking on text ads. Also, since the key elements of Google Shopping Ads are visible without clicking, they are directly comparable, while Google Ads are not.

Because of this feature, Google Shopping Ads have higher conversion rates than Google Ads.

Google Shopping Ads are also managed via Google Merchant Center, and these are the key points:

- You need to connect your Google Merchant Center to your Google Ads to run Google Shopping Ads. These ads are not only displayed on Google Shopping, but also at the top or on the right side of Google's search results pages and include the picture, the price, and the description of your products.
- The cost of Google Shopping Ads is based on the same cost-per-click (CPC) model as for normal Google Ads.
- Once clicked on, Google Shopping Ads direct people to the product's landing page either on your e-commerce or on Google Shopping if you have set it up and if you are selling in one of the eligible countries.
- Through the same Google Merchant Center, you can also choose to use the Comparison Shopping Services (CSSs), which can place Google Shopping Ads and free listings on Google for your products as well.
- When you set up your Google Merchant Center and your Google Shopping Ads, you can choose the countries where you want your ads to run according to the target of your digital export project.

# WHAT DO YOU NEED TO RUN GOOGLE SHOPPING ADS INTERNATIONALLY?

To run Google Shopping Ads, you need to have an account on three Google tools: Google Merchant Center, Google Ads, and Google Analytics. You might think that Google Analytics is not really needed because it does not actually do anything at all in the creation and management of Google Shopping Ads.

However, to measure the performance of all your acquisition channels, whether organic or paid, on the international scale by country, Google Analytics is the only way to go.

Before you start with Google Shopping Ads, make sure you meet these requirements:

- Your accounts on Google Merchant Center, Google Ads and Google Analytics are operational under the same Google user and linked together.
- You comply with the specific Shopping Ads policies, which are different from Google Ads. To comply with Google Shopping Ads policies, there are four points you need to check:
  - 1) Your ads must not include prohibited content, such as counterfeit or dangerous items.
  - 2) You must not run prohibited practices, for example, inappropriate data collection.
  - 3) Your ad content must comply with some specific restrictions, such as those for alcohol or adult items.
  - 4) Your ads and website must meet the editorial and technical standards that Google requires, such as providing high-quality and professional-looking content.

- Your product data must comply with Google Merchant Center specifications, the most important of which for a digital export project are the following<sup>22</sup>:
  - 1) All your landing pages must clearly show your products and the key elements, i.e., title, description, image, price, currency, availability, buy button, in a way that perfectly matches the rest of the product data you submitted in Google Merchant Center.
  - 2) Google Shopping Ads must be consistent with the landing page's content, i.e., the content people see after clicking the ads. You indicate your landing pages in the product data you submit in Google Merchant Center. If these landing pages are on your international e-commerce, they must be stable and clearly targeting by location or by language, which means that the URL structure of your e-commerce must be fixed for each location and language and not adapting on the fly based on the user's location or language. You can read [book 2 of The Digital Exporter Series](#) to find out the best practices on URL structure for international websites and cross-border e-commerce.
  - 3) The product you want to show in your ad must be the most important on the landing page. For example, if your landing page presents many products because of color variants, then the product for your ads must be the most important of all. If you use a landing page that is for a category of items, your ads will not run.
  - 4) The price you want to show in your ad must be clearly visible on the landing page and match the price in the product data you submitted to Google Merchant Center.
  - 5) Based on your foreign target country, your price must include VAT, or other taxes, in all your ads, your landing page, and your product data<sup>23</sup>.
  - 6) You need to show information about the shipping cost and delivery time<sup>24</sup>.

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<sup>22</sup> You can find all the details about all the requirements here:

<https://support.google.com/google-ads/answer/6275312>.

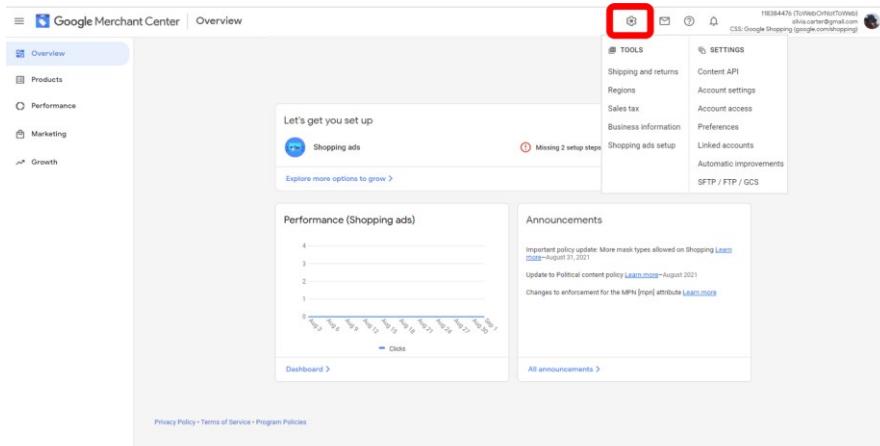
<sup>23</sup> Find out more here: <https://support.google.com/merchants/answer/7052209>.

<sup>24</sup> Find out more here: <https://support.google.com/merchants/answer/7050921>.

- 7) You must provide an effective checkout and payment system on your landing pages for the countries and in the languages that you target<sup>25</sup>.
- 8) Your product data must be updated frequently and at least once per month, always following Google Merchant Center specifications.

Once you are ready with the above requirements, the next step is to start Google Merchant Center. If you are setting up your account from scratch, click on the button highlighted in red in the next figure and fill out everything with your business data.

By clicking on ‘Linked accounts’, you can link your Google Merchant Center with your Google Ads. You need to pay special attention when filling out the ‘Shipping and returns’, ‘Regions’, and ‘Sales tax’ fields, because they need to be consistent with your digital export project and with your Google Ads landing pages.



*Figure 8: the account settings in Google Merchant Center.*

When your account on Google Merchant Center is ready, you can start uploading your products, and, to do that, you have several options:

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<sup>25</sup> Find out more here: <https://support.google.com/merchants/answer/9158778>.

- **Manually**, one by one, by clicking on the + in the following figure. This is the ideal way if you have up to 30 items. If you have more than 30 items, you should use the following method.

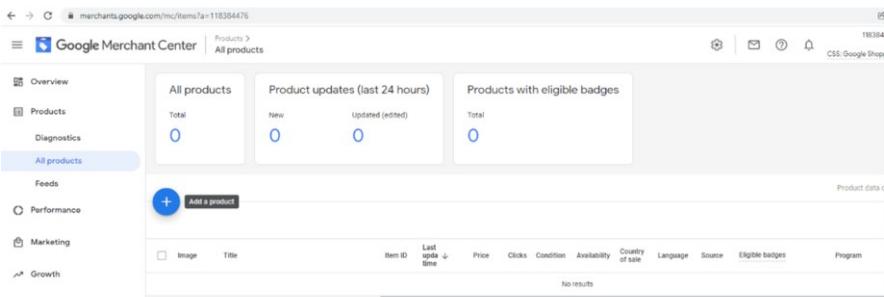


Figure 9: adding products to Google Merchant Center one by one.

- With a **product feed**, which is like an Excel sheet where the rows are your products, and the columns are the attributes Google needs, such as price, description, size, color, weight, etc.<sup>26</sup> There are several ways to send a product feed to Google Merchant Center, for example:
  - Google Sheets, which you can update any time you need, and which automatically synchronizes with Google Merchant Center.
  - Excel files, which you can upload to Google Merchant Center whenever there is a change in your products.
  - A feed application, which you can add if your products are on Shopify, Prestashop, WooCommerce, or another e-commerce platform. This is the method you should use if you have several hundred items.
  - Some e-commerce platforms offer a native sales channel for Google Merchant Center, like Shopify. That can make the product integration easier but only if your product data on Shopify, or on any other platform providing this feature, perfectly match the attributes and template of Google Merchant Center. If they don't, you will have problems in the way the ads

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<sup>26</sup> You can check the full list of Google's attributes, needed and optional on this page: <https://support.google.com/merchants/answer/7052112>.

will appear, or Google will not show them. In that case, you will first need to correct all the possible problems.



### TIP

*Whether you add your products manually, one by one, or you use another system to upload several products, your product data are strategic. Why? Because your Google Shopping Ads are not based on keywords, like the ones you choose when you run a Google Ads campaign, but on these product data: it is based on these data that Google will match internet users' queries with the Shopping Ads to show.*

For your digital export project, you can use the same feed in several countries that speak the same language, such as a Spanish feed for Spain, Argentina, Mexico, etc., but also for Spanish-speaking people in the U.S. If you also want to run Google Shopping Ads in French, for example, you need to translate your feed into French.

Of all the product data, the following are those to which you must pay more attention for the translation into the languages you target:

- **Title:** this is the most strategic element, because it is instantly seen by your prospects and by Google's bots that decide which ads to show in the SERP. It must be made up of the product name on the landing page plus the most important information, such as color, material, size, etc. The words you put first in the string are considered more important by Google's bots, so you must build your titles accordingly. Then, the translations must be top notch.
- **Description:** some people think it is not important because the description doesn't show on Google Shopping Ads. But this text is visible when people click on a product on Google Shopping. Also, Google's bots check it. So, it is definitely key to fill in this field precisely and with relevant data. Make this relevant and mention a keyword or two. Think about what features and benefits are most important and mention them here. You'll need to keep this pretty short and to the point.

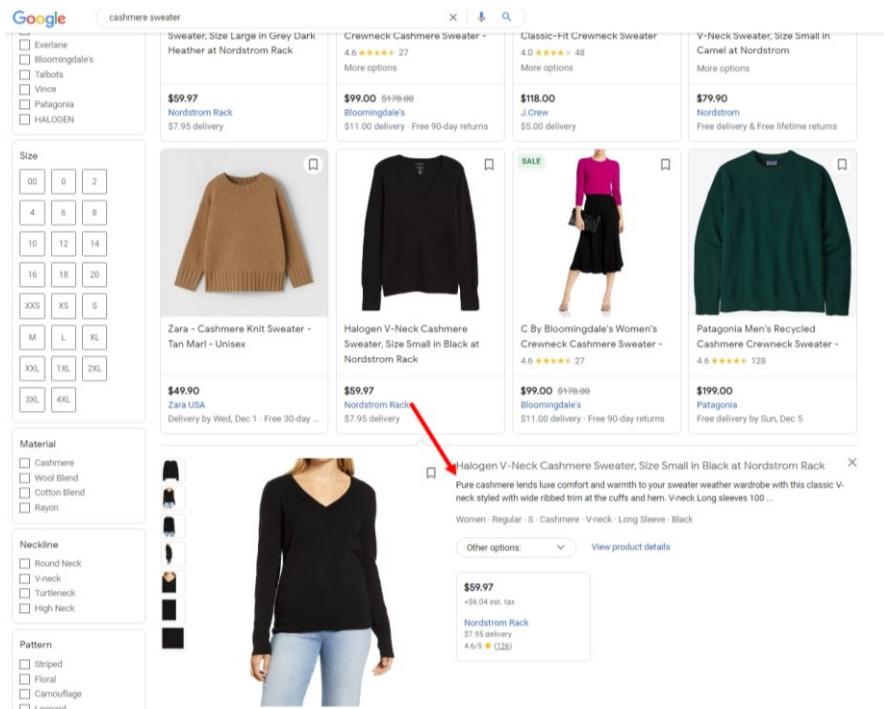


Figure 10: a product description on Google Shopping.

- Category:** it must be provided by choosing from Google's classification and it must match your products.
- Type:** this is only visible to Google's bots and not to people. The best practice is to fill it in with two or three translated keywords related to the product type.
- Pictures:** Google prefers product pictures on a white or transparent background. So, if your products meet that requirement, you don't have anything to translate in your pictures. They only need to be as beautiful as possible, because pictures can influence the purchasing decision and the clicks in the same way as prices do.
- Highlights:** they are additional product information organized in bullet points, up to ten, that will show on the right side next to the picture. They must be translated in each language of the countries you target with Google Shopping and Shopping Ads.

## Vero Moda Crew Lefile V Neck L

★★★★★ (180)



Color: Green



Size: L

- Loose Jumper
- Very soft, elastic material
- 70% Polyacrylic, 27% Polyamide, 3% Elastane
- Not specified
- Fastening: Pull On
- Casual

[Less](#)



### Product details

Women · Regular · L · Spandex · V-neck · Long Sleeve · Green

This classic knit jumper will add a cool & casual element to your winter outfit, especially tucked into your favourite pair of skinny jeans. With a V neck, long sleeves and super soft & stretchy material, it will become a go-to favourite for your winter wardrobe.

*Figure 11: product highlights on Google Shopping.*

- **Details:** any additional information about your product, such as cleaning or assembly instructions. As above, it must be translated in each language of the countries you target with Google Shopping and Shopping Ads.



**TIP**

*As mentioned, based on the foreign countries that you target for Google Shopping and Shopping Ads, your prices must include VAT or other sales taxes to comply with the tax system in each country. For more information, refer to [book 5 of The Digital Exporter Series](#).*

# HOW TO START AND RUN INTERNATIONAL GOOGLE SHOPPING ADS

Before you start, you need to make sure that all your landing pages are in the same language as your Google Shopping Ads. At the time of writing this book, these are the languages supported by Google Shopping Ads: Arabic, Brazilian Portuguese, Chinese<sup>27</sup>, Czech, Danish, Dutch, English, Finnish, French, German, Hebrew, Hungarian, Indonesian, Italian, Japanese, Korean, Modern Greek, Norwegian, Polish, Portuguese, Romanian, Russian, Slovak, Spanish, Swedish, Thai, Traditional Chinese, Turkish, Ukrainian, Vietnamese.

For the countries, you can find the precise list on this page:

<https://support.google.com/merchants/answer/160637#countrytable>.

Now that your products are on Google Merchant Center, they can be visible on Google Shopping in the country you have chosen, and you can start your Google Shopping Ads directly from your Google Ads account in the same countries.

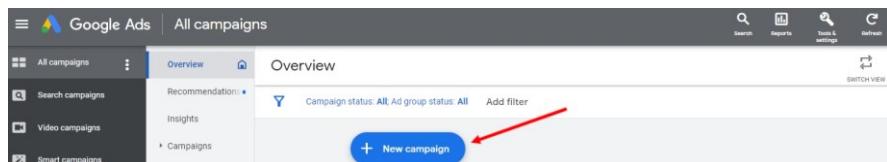
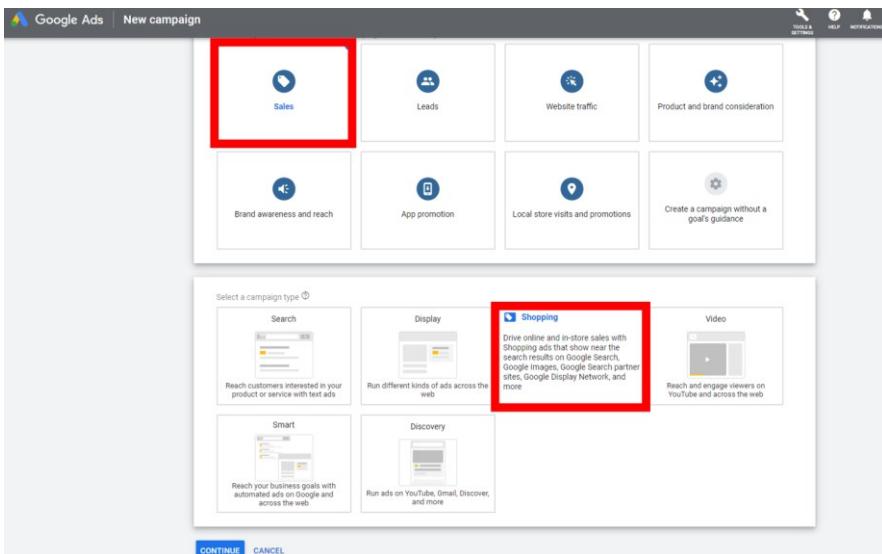


Figure 12: click on 'New Campaign' in your Google Ads account to start a Google Shopping Ads campaign.

After clicking on 'New Campaign', you need to choose the 'Sales' goal among all the options and then select 'Google Shopping Ads'.

---

<sup>27</sup> As mentioned on this page, <https://support.google.com/merchants/answer/160637>, Google will deduce the script as Simplified or Traditional, which will impact traffic to your products.



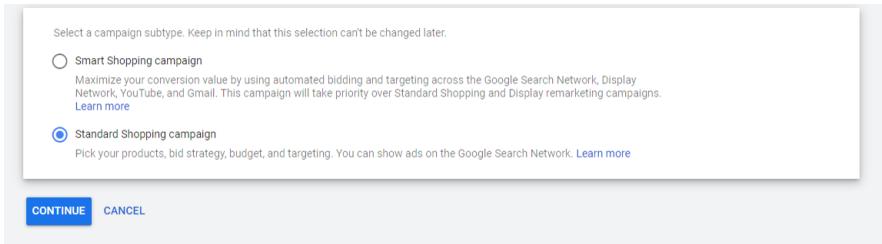
*Figure 13: click on 'Sales' among the goals and then on 'Shopping' in your Google Ads account.*

Next, you will be asked whether you want to run Standard Shopping or Smart Shopping. But what's the difference? The Standard Shopping Ads are shown on the Search network, while the Smart Shopping Ads run on the Search network plus the Display network, Search partners' websites, YouTube, and Gmail plus retargeting by default with a potential reach that is much larger than the Standard Shopping Ads.

However, since all this additional exposure with retargeting, Google Display and Google Search partners is fully automated, it would be impossible to manage the Smart Shopping Ads in foreign countries and they would easily reach people that are not relevant for your products.

That will risk lowering the performance, and consequently increasing the cost, of your advertising. That risk is very real, because you have almost no control over the bidding, which is also automated, nor do you have optimization opportunities, since there are no insights on audience and searched terms, which are fundamental to keep the budget under control when advertising in foreign countries.

To avoid these risks for your digital export project, select ‘Standard’ for your international Shopping Ads.



*Figure 14: choosing ‘Standard Shopping campaign’ to be able to optimize your Shopping Ads.*

Then, you will need to enter your business information and choose whether you want your ads to appear on the Search network only or also on YouTube, Gmail and other networks.

After that, you are asked to select the countries for your ads. You can select as many countries as you want, but if you want to run your ads in countries that speak different languages, your ads will need to be translated and must be in separate campaigns, each one for a specific language. In the country selector, therefore, only add countries that speak the same language. Otherwise, your ads might not be approved.

The last step is to set how much you want to spend, or bid, per click on your ads. If you are new to online ads, you might be asking yourself how to know how much you should bid, and then search for some data on the internet. By doing that, you will easily find websites, like the one in the following figure, showing the average CPC on Google Shopping Ads broken down by sector.

## GOOGLE SHOPPING ADS BENCHMARKS

### AVERAGE COST PER CLICK

The average cost per click for Google Shopping Ads is \$0.66

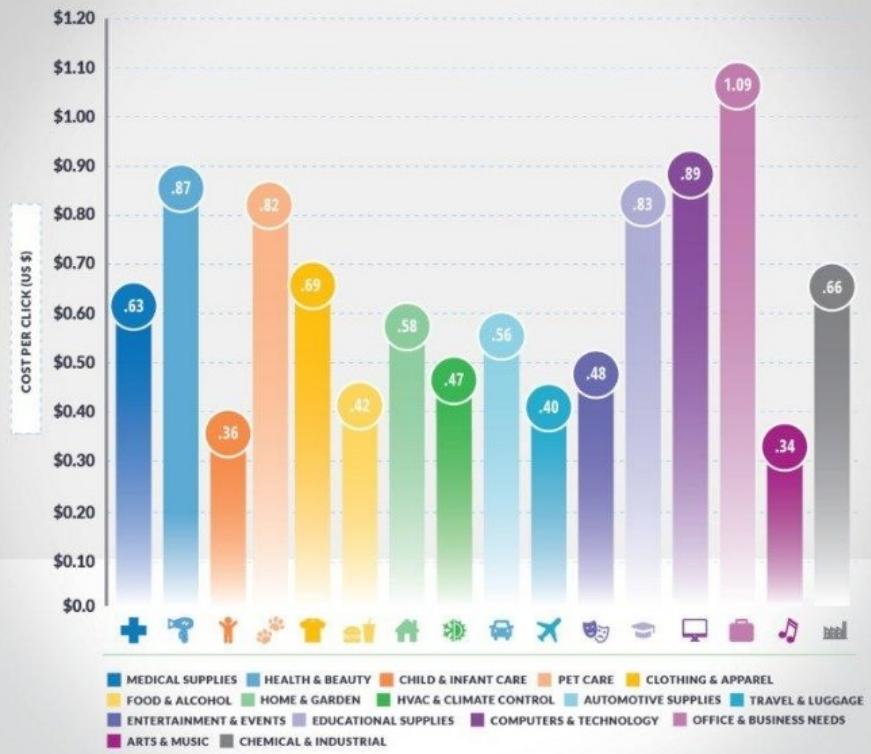


Figure 15: the average CPC on Google Shopping Ads by sector<sup>28</sup>.

However, simply deciding to set the average CPC of your sector is not the right approach. You need to have an ROI strategy. What does that mean? It means that the money you bid on the CPC of your ad is an investment that must produce a profitable return.

<sup>28</sup> <https://www.wordstream.com/blog/ws/2019/04/01/shopping-ads-benchmarks>.

You cannot determine that profitable return from the average CPC in your sector. It must be calculated through your product price, your fixed costs, and your variable costs, by applying the same formula as in the Break-Even calculation<sup>29</sup>.

Your bid CPC is part of your variable costs, so, if your product price is high and your fixed costs are low, you can afford higher bids. How much higher depends on another element, the conversion rate<sup>30</sup>, or CR.

Where do you find your CR? Well, you would have it if you were already running ads, but, if you are starting with Google Shopping Ads, you can use the average CR of your sector, which is on the same website that presents the average CPC<sup>31</sup>.

Then, for the calculation of your bid, check the case study below.

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<sup>29</sup> Find all the details of the Break-Even calculation in [book 1 of The Digital Exporter Series](#).

<sup>30</sup> It indicates the number of conversions, for example the number of people that purchased a product, divided by the number of total ad clicks or other interactions during the same time. For example, if you have 20 conversions from 1,000 clicks, your CR is 2%.

<sup>31</sup> <https://www.wordstream.com/blog/ws/2019/04/01/shopping-ads-benchmarks>.

## GOOGLE SHOPPING ADS BENCHMARKS

### AVERAGE CONVERSION RATE

The average conversion rate for Google Shopping Ads is 1.91%



Figure 16: the average CR on Google Shopping Ads by sector.



## CASE STUDY

Let's consider, for example, company A in the clothing & apparel sector:

- Product retail price at €50
- Variable cost, VC, at €30 assuming it is only for the CPC campaign on Google Shopping Ads
- Annual fixed cost, FC, at €100,000
- Contribution margin, CM, at  $(50 - 30) / 50 = 0.40$  or  $0.40 \times 100 = 40\%$
- Sector CR = conversions / clicks = 2.7%

Company A will have to achieve  $€100,000 / 0.4 = €250,000$  in sales or  $250,000 / 50 = 5,000$  in products sold in a year to break even, or, in other words, to be able to cover its costs. So, company A's ads must be able to convert 5,000 people to buy one product each at €50. To have 5,000 conversions, since CR = conversions / clicks, it means that clicks =  $5,000 / 2.7\%$  and that the company needs 185,185 clicks to get 5,000 conversions. Since its Google Shopping Ads VC is €30 per product sold, which corresponds to one conversion, the total amount would be  $5,000 \times €30 = €150,000$ , and, therefore, company A can bid up to €1.23 per product to break even. The ROI would be =  $(\text{turnover} - \text{ad spend}) / \text{ad spend} \times 100 = 60\%$ .

Let's consider another example, company B, also in the clothing & apparel sector:

- Product retail price at €150
- Variable cost, VC, at €60 assuming it is only for the CPC campaign on Google Shopping Ads
- Annual fixed cost, FC, at €100,000
- Contribution margin, CM, at  $(150 - 60) / 150 = 0.6$  or  $0.6 \times 100 = 60\%$
- Sector CR = conversions / clicks = 2.7%

Company B will have to achieve  $€100,000 / 0.6 = €166,666$  in sales or  $166,666 / 150 = 1,111$  in products sold in a year to break even, or, in other words, to be able to cover its costs. So, company B's ads must be able to convert 1,111 people to buy one product each at €150. To have 1,111 conversions, since CR = conversions / clicks, it means that clicks =  $1,111 / 2.7\%$  and that the company needs 41,152 clicks to get 1,111 conversions. Since its Google Shopping Ads VC is €60 per product sold, which corresponds to one conversion, the total amount would be  $1,111 \times €60 = €66,660$ , and, therefore, company B can bid up to €1.62 per product to break even. The ROI would be =  $(\text{turnover} - \text{ad spend}) / \text{ad spend} \times 100 = 150\%$ .

# INTERNATIONAL CSS VS. GOOGLE SHOPPING ADS

CSS are Comparison Shopping Services. You can also use one or several CSS for running Google Shopping Ads. They are totally optional, and you can decide whether you want to use:

- Only Google Shopping Ads.

- Only CSS, one or several, managing your product data and campaigns by yourself.
- Only CSS, one or several, with the CSS managing your product data and campaigns on your behalf.
- Google Shopping Ads together with one or more CSS, choosing whether you want to manage the product data and campaigns by yourself.

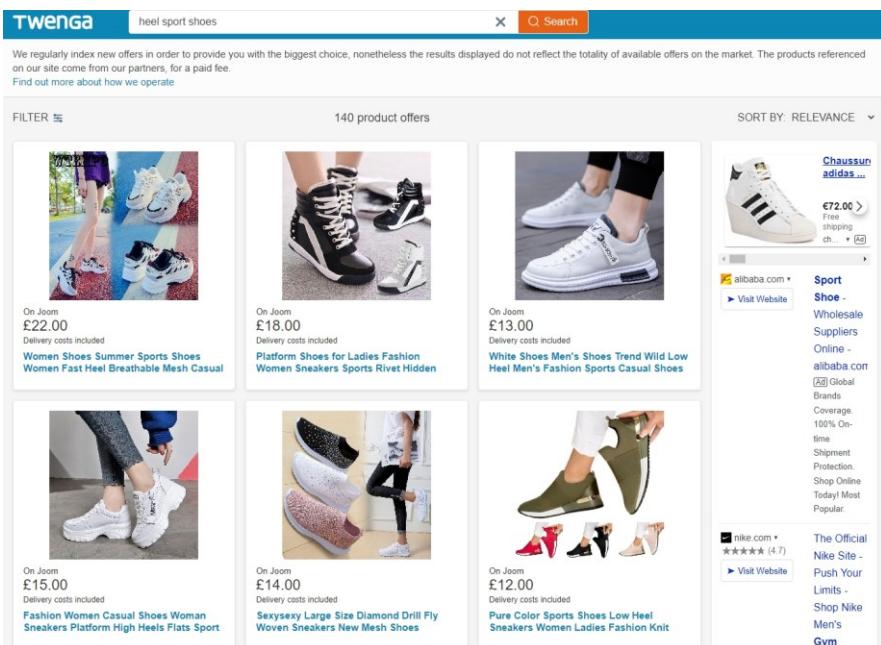


Figure 17: Twenga website, an example of CSS.

What is the advantage of using the CSS? They can allow your products to appear more times on the SERP for a given query, whether through your own Google Shopping Ads, your own Google Ads, or the CSS Shopping Ads.

On top of that, they will also appear on the CSS website. Multiplying the visibility of your products and brand through these types of Shopping Ads can increase your credibility as well as your brand awareness,

which can be fundamental to developing your sales in a foreign country where people do not know your brand well.

To use a CSS, you must upload your products to a different platform that replaces Google Merchant Center, but they must still comply with Google Shopping policies, or else the campaigns will not run.

CSS are not available everywhere. You can check the list and more information on this page:

<https://support.google.com/merchants/answer/7558973>.



### TIP

*If you use schema.org structured data on your e-commerce, don't forget to mark up all the key information related to your offers, such as price, quantity, brand, color, size, etc. Schema.org structured data helps Google and other search engines in their crawling and allows them to get all your offers' updates directly from your e-commerce. Find more about schema.org in [book 2 of The Digital Exporter Series](#).*



### KEY TAKEAWAYS

*Google Shopping Ads can help your digital export project, because they are an additional and effective way to present and sell your products online. Since Google Shopping Ads tend to have higher conversion rate, lower CPC, and higher ROI, they should be considered for your expansion in the countries you target overseas.*