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3 Strategies for Deciding Which Listings to Promote

Determine which listings in your shop inventory are the best candidates for Etsy Ads based on your performance budget, and goals.



Want to open your own Etsy shop? Create your shop today!

Learn more

One of the benefits of letting your <u>Etsy Ads</u> campaign run for at least 30 days is to determine which products provide the best return on your advertising investment. Because buyers may not complete the purchase immediately after clicking on your ad, we recommend running your campaign for at least 30 days to ensure you're catching all the data available for shoppers who've come back to complete their purchase over time.

Your return is how much money you make (all those cha-chings!) for every dollar you invest in advertising. You want to focus your advertising on the products that get clicks and have a high conversion rate (the percentage of visits that lead to a sale). Turning a high percentage of those visits into sales means you'll be maximizing the revenue you earn from your advertising investment.

In this article, we'll cover three strategies for promoting your listings effectively over time.

Promote your entire inventory to get started

When you first start running an Etsy Ads campaign, we recommend promoting all of your active listings. This approach helps provide the responsive Ads algorithm with the most accurate data on how shoppers are engaging with your shop. Over time, the Etsy Ads tool can optimize when to show your ads and which searches your ads appear in to help bring your shop the most visits possible, providing even more opportunities to boost your visibility and increase sales. You might even be surprised at which listings perform best!

The budget and length of your campaign are important factors for this approach to be effective. Letting your campaign run for at least 30 days provides enough time for the Etsy Ads tool to collect and optimize based on how each ad placement performs. If you have a large item inventory, your initial advertising budget might need to be higher in order to ensure exposure across your listings. Remember, you're only charged when shoppers click on a listing that's being advertised, so the higher your budget, the more opportunities you'll have to collect performance data across your listings.

If you have a limited advertising budget, promoting just your best selling items or item category can be a good place to start. Since these products are already bringing people to your shop, there's a good chance they'll perform well when you advertise them to a whole new group of potential customers. If you sell vintage or one of a kind items, choose listings that best represent the types of items you sell most frequently.

Promote your top performers to increase revenue

Once your Etsy Ads campaign has run for at least a month, you can optimize your paid advertising by refining which listings you promote based on performance. A popular way to determine your strongest performers is by looking at which listings are driving the highest return on advertising spend (also known as "ROAS"). Calculating ROAS answers an important question: For every \$1 spent on advertising, how many dollars in revenue are being generated?

To calculate your ROAS on the listing or campaign level, divide your revenue generated by your advertising budget spent:

Revenue/Budget spent = Return on advertising spend

ROAS varies greatly by industry, but a common benchmark used is 2.8 ROAS. Review <u>Understanding Your Ads Performance</u> to learn more about performance metric calculations.

For listings with high views but low clicks or revenue, check out <u>Creating Listings</u> <u>That Convert</u> for optimization tips. If you're still not seeing conversion for those listings, consider turning off advertising for those listings to refocus your budget on the ones that are driving strong ROAS.

Promote your new inventory to get a head start

Launching a new product line? Promoting your new inventory is a great way to improve their organic search placement on Etsy, since views and orders are both factors in your search relevancy. You can also use an advertising test to more quickly learn which items are most enticing to shoppers and which items convert at the best rate, rather than relying solely on organic traffic.

Be sure to <u>subscribe to our seller email list</u> for important updates about your Etsy shop, new features, and personalized tips to help grow your business.

Return to the <u>Ultimate Guide to Advertising</u>

If you have feedback about Etsy Ads, let us know.



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