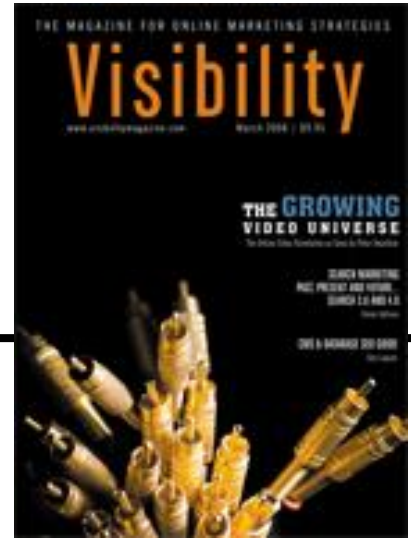


Visibility

THE MAGAZINE FOR ONLINE MARKETING STRATEGIES



E-COMMERCE by Miguel Salcido, eVisibility Inc.

The Holy Grail of E-Commerce ROI

The world of Comparison Shopping Engines, or CSE, is a fairly unnoticed one when it comes to Search Marketing. Every client that I speak to about this has no idea of what it is and I always end up having to give my CSE data feeds 101 spiel. The fact that CSE data feeds are still such an untapped resource is really good for me and not so good for the hundreds of thousands of e-commerce merchants out there who still do not know how profitable of a marketing channel it is.

I have been a search marketing professional for many years now and have primarily focused on organic search engine optimization, or SEO (the acronyms will continue to fly!). But a few years back I stumbled across comparison shopping engines and since then have feverishly studied, researched, and used them to create hundreds of thousands of dollars in revenue for many small to medium sized e-commerce merchants. In fact I am about to make a VERY bold statement: CSE data feeds have been THE most successful online marketing solution that I have ever implemented, other than organic SEO of course. One important thing to note is the differences between SEO and CSE data feeds, but I will get to that later.

How It All Works

Comparison Shopping Engines are sites like Shopzilla, Shopping.com, NexTag, PriceGrabber, Google Product Search (formerly Froogle), Yahoo! Shopping, Pronto, etc. What they do is attract search traffic through either organic rankings or PPC. Once a visitor gets to the CSE they can compare products across many merchants. Once the visitor has clicked on a merchant's listing for a product they are taken directly to the product detail page on that merchant's site, where they can get more info on the product and make a purchase. Landing this visitor directly on the product detail page increases conversion rates because you circumvent the rest of the site. So even if the layout or navigation is on a site is terrible, that visitor will most likely not be exposed to that.

Meanwhile, in the background, what happens is that merchants send their product data including product names, descriptions, page URLs, and image URLs, to the shopping engine(s) (typically in an excel .csv format and via an ftp feed). The shopping sites then place the products in the proper categories based on the feed information given. The shopping sites then charge a flat rate cost-per-click (CPC) to merchants whenever someone clicks on one of their products. In essence, the merchant is paying for the traffic. The CPC is usually pretty low compared to PPC keyword prices and many of the CSE offer programs that allow you to enhance your listings by paying a premium CPC. Some of them will simply rank you higher in their index the higher you are willing to bid on the CPC. Depending on your margins and conversion rates bidding in the CSE can be an extremely effective strategy.

Why It Works

It is no secret that a majority of Internet users still use the Web to do research on products or services well before they make a purchase. This majority will either make a purchase in the store after performing the research or will purchase online, typically at a later date. This is the kind of traffic that organic listings and paid search listings typically attract. But the kind of user that is surfing a CSE site is usually further down the sales funnel and is ready to make a purchase. The fact that they are comparing merchants and products shows that they are close to buying. So the traffic received from shopping sites converts at a much higher rate!

CSE typically make their money from charging merchants a CPC and through advertising. They typically generate the bulk of their traffic through PPC ads. Then, that one visitor that they get from a PPC click will now typically click on many merchants' products from within the CSE. Therefore, a visitor that cost the CSE maybe one dollar will click on five or more merchants' products, generating \$1.25+ profit for them. Multiply that across millions of visitors and thousands of merchants and you have a very successful business model! Although this is blatant arbitrage none of the big three, Google, Yahoo!, or MSN seem to care because they all profit from this as well.

Everyone Needs an Edge

Data feed optimization, analytics, and market knowledge are your weapons and comparison shopping sites are your battlefield. Let the games begin! So what differentiates you from the other Joe Schmoe's out there sending product data feeds to the CSE? It's all in your feed. Having a well optimized feed that describes your products in great detail, using all of the available attributes humanly possible is one of the most important things to have. Brian Smith, an industry expert and creator of LoveYourFeed.com and many other sites, will agree that utilizing every attribute possible to describe your products is fundamental. But many merchants do not even do this.

Tracking, tracking, tracking.... I cannot emphasize it enough. Online marketing allows for excellent tracking, so you should be taking advantage of that. I like to use Google Analytics and tag all of my URLs in the data feed so I can tell what engines are sending the sales and what engines are costing the most in clicks.

Having a grasp on industry trends is something that every business owner should have a handle on, no matter who you are. Knowing that during July you will need to promote beach wear instead of snowboarding clothing should be common knowledge. And your data feed has to reflect this seasonality because you will still get clicks on snowboarding clothes from looky loos, which is just wasted money.

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You need to tailor your feed to include the highest converting products depending on the time of the year.

CSE vs. SEO

The contrasts between SEO and CSE data feeds are generally similar to that between SEO and PPC. CSE offer fairly immediate results that can be easily quantified. Whereas SEO is a long term effort that will typically not provide an ROI for 6-12 month and sometimes even longer and even then it is hard to provide precise hard data on the returns. CSE also offer a very low cost barrier to entry, you can get up and running, with a budget, for a few thousand dollars. With SEO there is a significant cost incurred before you can see results. Even with PPC, you will typically need a significant budget to make an impact and will have to do a lot of testing and fine tuning.

So I like to use a CSE campaign as a way to make a merchant a good ROI right away, while their SEO is taking hold. This also really helps the client to maintain a certain level of trust and confidence in their online marketing because SEO is really a tough sell. Many people have a hard time trusting that SEO will work so providing an ROI within the first month or two with CSE data feeds really helps lessen the blow of SEO costs. I don't care how many times you explain to a client that SEO is a long term strategy, and that it could take 6-12 months to see good results, they will still call you up angry that they do not have all of their rankings in month 3!

High Level Strategy

Now that you have a good understanding of what CSE data feeds are and how they work let's talk about some higher level strategies. A new CSE data feed campaign will get better each month. This is because at first you want to throw all of your products into the feeds and you will want to send the feeds to as many CSE sites as possible. What you will find after that first month will be that some engines just send a boat load of traffic that simply does not convert, or that some sites send little traffic that does convert. You will want to weed out underperforming engines from your mix. The same goes for your products, some will attract a ton of clicks but will not convert, so you will have to remove underperforming products from you feeds as well. As I mentioned earlier you need to account for seasonality when deciding on what products to add to your feed. And during the Holiday season I always like to throw all of the products back into the mix because conversion rates go much higher at this time of year, but so do the CPC rates at all of the CSE.

Oh yeah, and CSE like Google Product Search and The Find are FREE! So always submit your entire inventory to these guys. Heck, we all love free traffic! Another data feed optimization strategy is to

resubmit your feed to each engine as much as possible. Some will allow you to resubmit your feed every day, some every few days, etc. Submitting fresh feeds will help you get your products listed higher in the CSE index. These are just a few strategies for data feed optimization (DFO), there are really many more things that you can do, you can really get down to a granular level with DFO because of the analytics and set pricing.

The Close

Utilizing the CSE is still a fairly untapped resource, so get in now! You are leaving thousands of dollars on the table by not taking advantage of this channel. But like any other form of marketing you need to take the time to learn the environment of CSE. Surprisingly it is still a very fragmented industry, with each engine requiring different specs from their feeds, and with very poor customer service for merchants. Things can get very frustrating and very expensive if you do not know what you are doing. Plus, creating data feeds using .csv files is very time consuming, boring, and monotonous work. This is why I suggest that merchants use a professional to handle their data feeds if possible. With the fairly low click costs and the highly targeted traffic, comparison shopping engines make it very easy to realize an ROI. So if you sell widgets online, you should be using the CSE to increase your sales.

About The Author:

Miguel Salcido is the Director of Product Development at eVisibility, where he is responsible for developing all of their Internet marketing solutions. His passion for SEO, e-commerce, and CSE data feeds has allowed him to help companies large and small over the years. Feel free to contact him at msalcido@evisibility.com and view his full bio at www.evisibility.com/Miguel-Salcido