

Google Shopping showing exponential growth for early adopters



By [Adriaan Strydom](#)

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As it approaches its first anniversary in the South African market, Google Shopping is making its mark, with some retailers showing a return on investment percentages measured in the thousands. However, as more businesses enter the fray, companies who try go it alone will find it increasingly difficult to ensure their products stand out.



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Google Shopping made a low-key entrance into the South African market late last year, with many people still not even aware of its existence. The product ads appear either directly above the regular Adwords adverts or to the right of search results, and most people would not have noticed a significant difference in their browsing experience.

The attraction of Google shopping for any company that sells goods online, however, is obvious. The feature-rich ads, including pictures, descriptions, price and ratings works for consumers looking for everything in one place. It allows them to click through to your website and buy the goods directly from you, without any third parties involved.

Google Shopping delivering in SA

As local companies look hard for more measurable ways to spend their marketing money, focus on targeted digital campaigns is picking up sharply. Digital leaders at some of the more forward-thinking retailers now see Google Shopping as a strategic addition to the digital marketing bouquet.



Google Shopping expected to significantly shift the e-commerce landscape in SA

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Clients which are running Shopping campaigns have seen immediate benefits. Although an early entrant into the Shopping game, one local e-commerce retailer saw a 4,000% return on ad spend (ROAS) since they signed up in March.

Another large retailer is seeing Shopping delivering 70% of its impressions week-on-week. At the moment, the conversion rate is a little lower than Search, but I believe this will improve as local consumers become more familiar with the offering.

These results are in line with what I'm seeing with my Australian clients. The Australian office benchmarked results of six clients and found that year-on-year return on investment was up 9% and revenue had jumped a significant 68% since they had initiated Shopping campaigns.

The holy grail of Shopping is the quality of the feed. Product feed optimisation requires you to input as many data fields about the product as possible. Descriptions, prices, and most especially product titles, mean your product will be seen and clicked on ahead of your competitors. What's more, the better the quality of the feed, the smarter you can be when refining your strategies.

With growth come more competition

One of the biggest challenges faced in South Africa is that companies are still reticent about handing over any part of what they see as their core business. They would rather try handle all digital marketing in-house which often results in poor delivery and, ultimately, in companies dropping Shopping as part of their digital offering. Evidence from international clients, meanwhile, shows that global retailers are much happier to outsource their feed management, allowing the technical experts to work according to an agreed strategy, taking care of the finer nuances of this complex delivery and seeing results far faster.

Looking forward, I believe Google Shopping will grow quickly in South Africa. In fact, I believe that the efficacy of Shopping will be so significant that online retailers will soon change the way they build their websites – optimising data and designing sites with a Shopping-first strategy.

But with that growth will come more and more competition. There is no doubt that the early adopters will reap the rewards. There is also no doubt that companies which want to get up and running quickly, and which want to outmanoeuvre their competition, will need to know how to use data to their advantage. This will require technical expertise and insight into how to manipulate their offering on the fly.

ABOUT ADRIAAN STRYDOM

Adriaan Strydom is Managing Director of NMI South Africa. He joined the executive team at NMI parent company, incuBeta Holdings, in December 2005. He has been instrumental in managing the growth strategy of the Cape Town office, which serves as the global operational hub for NMI's seven international offices. Adriaan has multiple post graduate qualifications including an MBA specialising in ecommerce from Stellenbosch University.

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