

About Comparison Shopping Engine Bidding

Overview

It is important to recognize that bidding on CSEs is not like bidding in Paid Search. Bidding can influence the visibility of an offer but in most cases is not as powerful as bidding is in Google AdWords or Yahoo Search Marketing. The impact one's bid level has on the visibility of one's listing varies by site, but also varies whether or not the offering is displayed on a product specific page. However, bidding higher is not a substitute for high quality data or strong reviews.

Non-catalog Products

Bids can play a big role in order of display on browse/category pages, but most products are found via the search function. When this occurs, the relevance of the offering data to the search query and historical traffic are the typically the dominant factors that dictate order of display. Therefore, improving data quality and keyword density should have a better impact on visibility than increasing bids. When relevance is similar, bids can play more of a role, but in many cases, other elements such as survey ratings/trusted store status can play an even bigger role than bid level.

Catalog Products (when multiple sellers of an identical item are listed together)

Since these pages display the same product data for all merchants, title and description quality are not significant ranking factors. Most sites sort merchant offerings for the product by a combination of bid level, price, survey ratings/trusted store status, and click-through rate. The degree to which bid influences rank varies, but for this type of product, bidding can directly impact rank. An increase in rank/visibility does not necessarily result in an increase of sales. Costs, however, definitely will, so increasing bids should be done carefully.

Evaluating Bids

We generally recommend bidding just a penny or two above the category minimum. This allows the merchant to be above the majority of the field at a minor additional cost. Our experience is that bidding more usually results in higher costs, but not higher sales, especially for non-catalog products. There are certainly exceptions, however. For example, if you have a product that sells regularly and efficiently, but where visibility could be better, increasing the bid on that product might result in a higher level of still profitable activity.

Many sites allow the merchant to see the level at which all merchants are bidding within a category. If a bid increase is being considered, it's a good idea to check the current level as compared to the other bids. If a five cent bid will only put you ahead of only a few merchants, it is probably not worth doing. But if a small increase can leapfrog many merchants it may be worthwhile, especially if reviews are poor or product prices are high. However, be careful not to draw too much attention to yourself with higher bidding until you are confident that you are effectively communicating your value proposition.

The same is true in the opposite direction. If the bid is already relatively high, but dropping it down would only move the merchant down a few spots, money could be saved and ERS improved with little impact on sales.

Bid change tests

If you decide to change bids, it is best to do so in a structured way to determine what impact the change has on sales and profitability. Ideally, you will want to monitor visibility as well, but since this aspect is a manual effort it can be challenging. You can do so relatively easily for product specific bid

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changes, but for category changes, you can get an idea of the visibility impact by running some searches for a subset of products to see where the your products appear in the results before and after the bid changes are made.

During the test, it is best to:

- * Avoid making other changes, such as changing how fields are populated or adding text to titles/descriptions
- * Avoid testing during time of seasonal fluctuations in demand for the client's products.
- * Monitor costs closely to ensure any increase is not out of control

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