



Shopee

Shopee Ads Advanced

Edited: 24/09/2020

OBJECTIVES

Gain a deeper understanding of the do's and don'ts of Shopee Ads and adopt a personalised strategy to maximise your Shopee Ads

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1. The Essential Guide to Shopee Ads
2. Identify Your Goals & Objectives
3. Ads Budget & Duration
4. My Ads Metrics
5. Best Practices

1. The Essential Guide to Shopee Ads

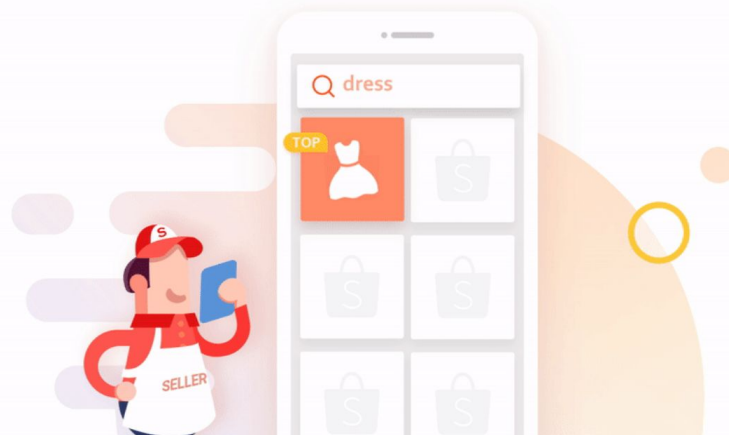


What is Ads? What are the benefits?

- To **advertise your products in high traffic areas** on Shopee such as the homepage, search results page, and product details page
- **Boost your product or shop visibility** to relevant customers who are more likely to make a purchase
- Free impression! **Pay when they click on your ad**

To login successfully into Ads, please make sure the ad blocker on your web browser is turned off.

Use **My Ads** to boost your sales!



Click [HERE](#) to learn more about My Ads

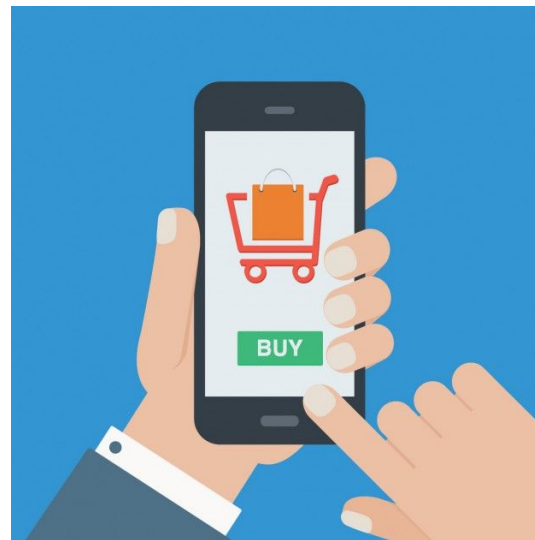
Considerations for your Ads

Setup your ads with your buyers in mind

Before ads setup, think about what matters to your buyers and what they'd like to see.

Some aspects to consider:

- Who is your ideal customer or audience?
- Why might they be visiting your store?
- How can you provide value to them?



When to run Ads on Shopee?

One of the many questions is “**When to run Ads on Shopee, and why?**”

While the final decision depends on you, it is worth taking note of 2 factors.

Organic Reach

When you list your products, any buyer coming across your store or browsing through direct search can see your product listing. It is then up to the buyer to make a purchase if the product suits their requirements. This type of reach is identified as organic reach, which is another way to say that it’s **free**. You list products and it is then seen and purchased organically. Though it is free, it may **not grow your audience as quickly** as you’d like.

Paid Reach

By leveraging ads, your product listings can be **boosted** to locations where it is easy to capture the eyeballs and interest of your potential buyers, directly **increasing the opportunity for conversion**.

Why run Ads on Shopee?

- **Expand Your Reach**

Promote your store or product listings to reach more people and boost engagement

- **Promote Your Shop**

If you have invested in promotions and interesting deals, use Shopee Ads to increase traffic to it

- **Drive Customers to Your Shop**

Make it easier for buyers browsing the Shopee app or website to find your electronic storefront

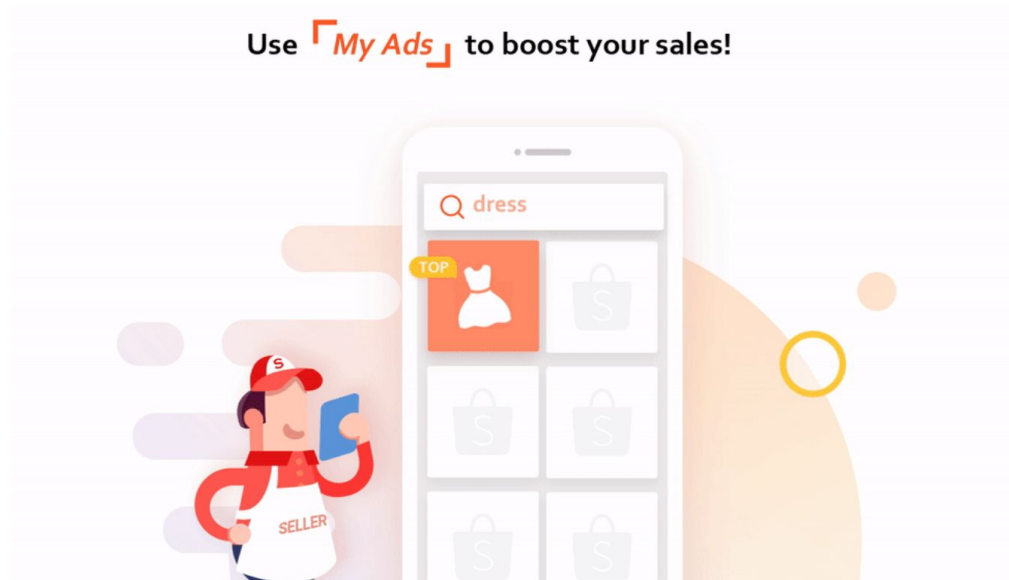
- **Increasing Opportunity for Conversion**

While your products are showcased to potential buyers through an expanded reach, this in turn directly raises the opportunities to convert them into your customers

What are the different types of Ads?

Types of Ads:

1. **Keyword Ads** - Generate sales from search results
2. **Discovery Ads** - Capture shoppers interested in products like yours
3. **Shop Ads** - Increase visibility of your shop and build your brand

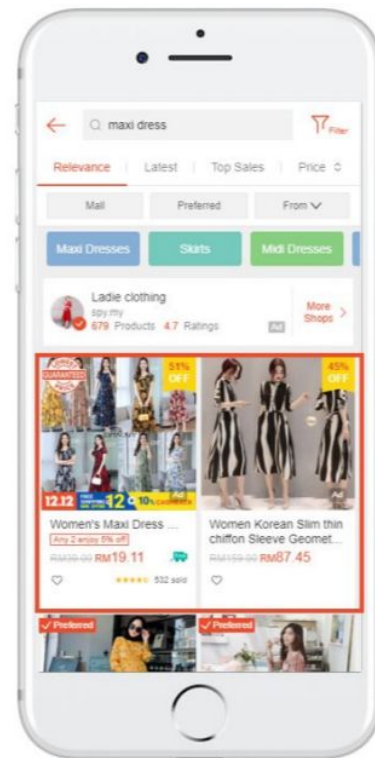


Types of Ads – Keyword Ads

Keyword Ads appear on the **search results page** when shoppers search using keywords that match your ads

Why use Keyword Ads?

1. Boost exposure: Push your product to the **top of the search results page**
2. Increase sales: **Reach shoppers** searching using keywords relevant to your product
3. Have full control: **Set your budget** and how much you pay per click



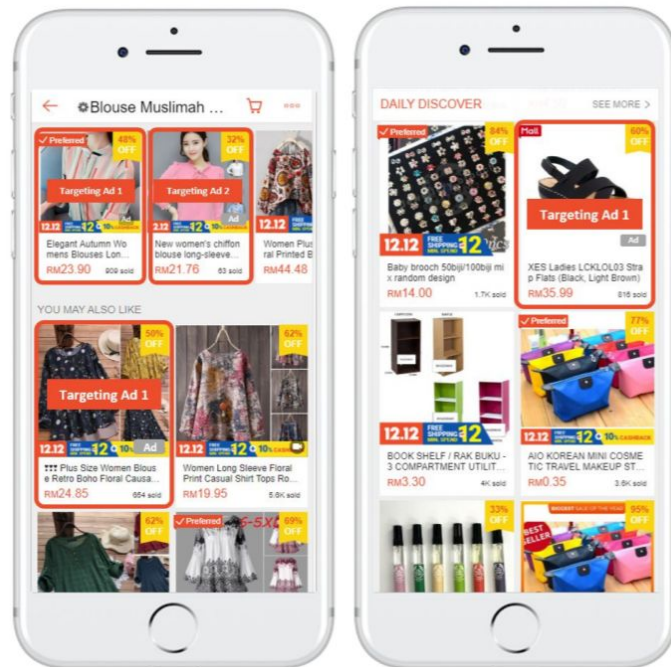
Types of Ads – Discovery Ads

Discovery Ads appear in **Shopee homepage's Daily Discover section to shoppers who have shown interest** in similar products in the past 30 days.

Discovery Ads also appear in the product detail pages of similar or complementary products (**Similar Products & You May Also Like**) to capture a highly relevant audience.

Why use Discovery Ads?

1. **Enhance exposure:** Show your product in Shopee's recommendation sections
2. Increase sales: **Reach shoppers** with interest in your products
3. Have full control: **Set your budget** and how much you pay per click



Types of Ads – Shop Ads

Shop Ads, showcasing your shop name and logo, will appear at the **top of the search results** page when shoppers search using keywords that match your ads.

Why use Shop Ads?

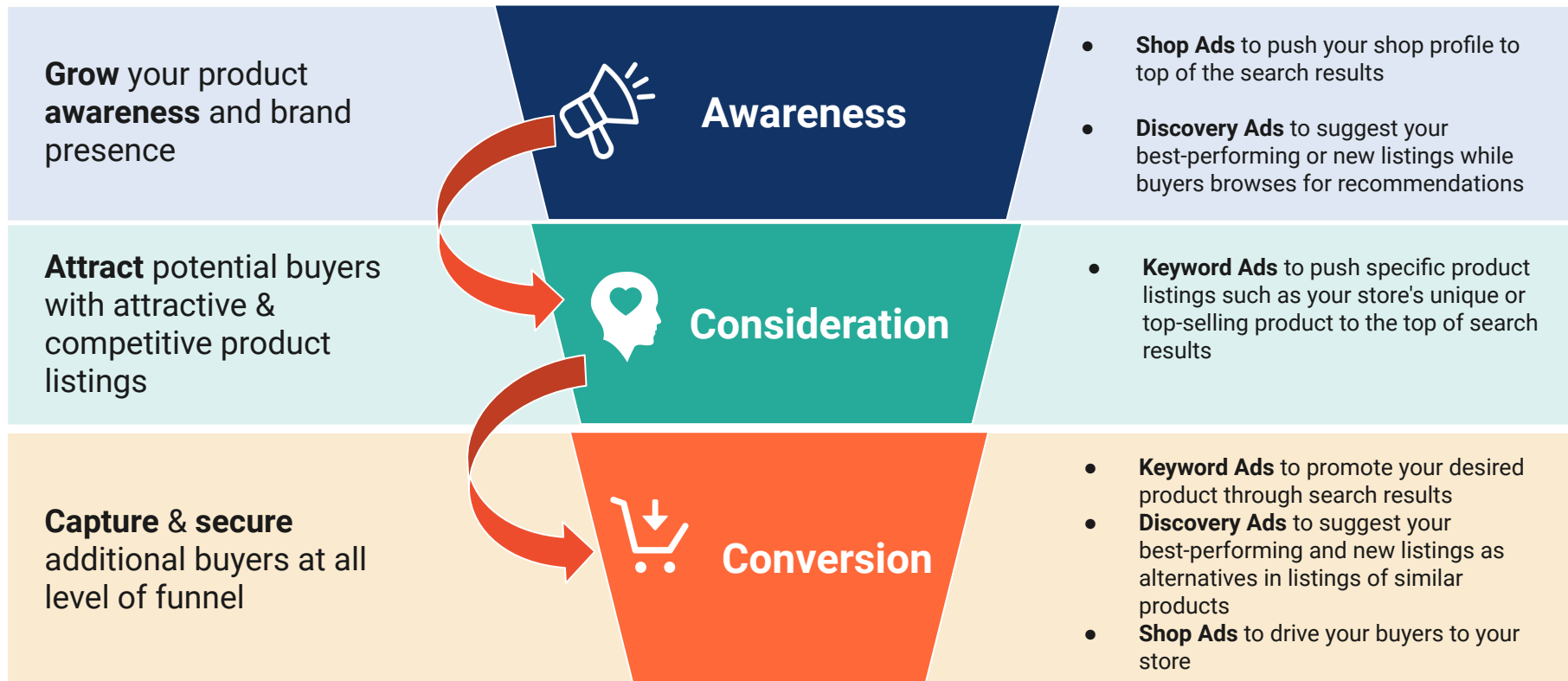
1. Increase sales: **Direct shoppers to your shop** for purchase after clicking your ad
2. **Grow awareness**: Show your shop at the top of the search results page
3. Have full control: **Set your budget** and how much you pay per click

Note: Open only to selected Mall sellers, Preferred sellers, and selected sellers with good track record in sales and shop ratings



LIVE DEMO

Use My Ads for each level of the funnel



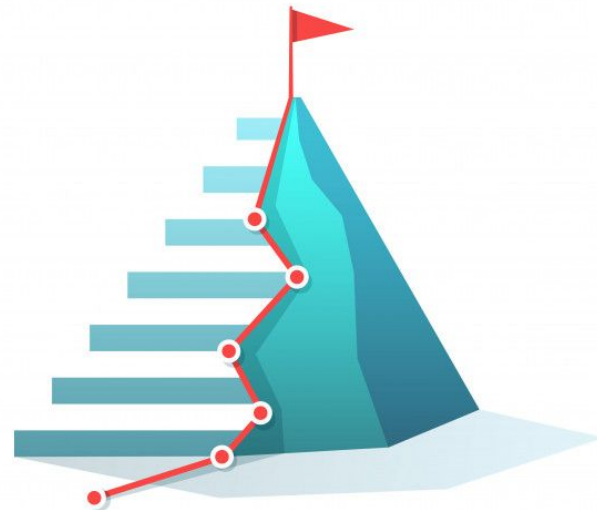
2. Identify Your Goals & Objectives

How to select the right goal

Reach the right people

The main goal of advertising is to **reach people who are more likely to become your customers**. With Shopee Ads, you can get your message out to just those people who may have an interest in your product. You can spend as little or as much as you like, depending on your goals and budget.

Now that you've learned how advertising on Shopee can help you reach more people than you do through organic listing, let's look in more depth at the types of ads you can run to reach different business goals.



Business Goals & Ads Objective

Now that you've thought about what your business goal is, you're better equipped to determine the right Ads objective. Depending on the ad objective you choose, your approach to set up your different type of Ads in terms of bid price, budget and duration will vary. Thereafter, your Ads optimisation method will vary accordingly too. Below are some examples of how ads vary depending on the ad objective you choose.

Business Goal	Ad Objective
To increase exposure To increase sales of specific products	<ul style="list-style-type: none">● Higher Impression● Promote your new products
To increase shop traffic To increase brand awareness	<ul style="list-style-type: none">● Get a higher ROI● Boost your top skus

Types of Business Goals

Business Goal	Ad Type	Ad Objective	Ad Strategic Tips
To increase exposure or sales of specific products	Keyword Ads	Show your ad on the search results page	You decide which keywords will show your ad by bidding for them. Of all the ad types, keyword ads will give you the most exposure.
	Discovery Ads	Show your products in multiple sections of the Shopee platform to shoppers interested in products similar or complementary to yours.	Use this together with Keyword Ads to gain even more exposure of your product in more high traffic areas on Shopee
To increase shop traffic and/or brand awareness	Shop Ads	Show your shop at the top of the search results page	<p>If your shop sells hair care products, you may wish to bid for "shampoo", so that shoppers searching for "shampoo" they see your Shop Ad and are directed to your shop after clicking your ad.</p> <p>Currently, you can customise the design of your Shop Ads!</p>

2.1 Keyword Ads Strategy

How to select the right keywords?

Your ad ranking is determined by your ad rank score. A higher rank score means a better ad ranking (i.e. closer to the top of the search results page). Your rank score is influenced by 2 factors:



1. **Cost-per-click bid price** is the highest price you are willing to pay when a shopper clicks on your ad.
 - a. **The higher the bid price, the higher the rank score**
 - b. **The actual price charged is often less than your bid price**, as the system calculates and charges the minimum amount you need to pay to hold your ad position
2. **Quality score** is determined by:
 - a. **Relevance** of your chosen keywords to your product
 - b. Your ad's **click-through-rate**: the percentage of times users clicked on your ad after viewing it. It's higher for ads with attractive pictures, relevant titles and good product ratings

Keyword Ads Optimisation Strategy

Business Goal	Optimisation Strategy
To increase exposure	<ul style="list-style-type: none"> - For products that have not met the desired impressions level, <ul style="list-style-type: none"> - Switch to broad match if you are using exact match - Add new keywords with broad match - Increase bid price for keywords with both good impressions and CTR, if there is room to improve their ad rankings - If you are on a limited budget, stop or lower bid price for keywords with both low impressions and CTR
To increase sales	<ul style="list-style-type: none"> - Increase bid price for keywords with good GMV if there is room to improve their ad rankings - Switch from exact to broad match for keywords with good GMV - If you are on a limited budget, stop keywords with low ROI which bring less revenue per advertising ringgit spent
To increase profit	<ul style="list-style-type: none"> - For keywords with lower CIR <ul style="list-style-type: none"> - Consider increasing bid price for these keywords if there is room to improve their ad rankings - For keywords with higher CIR <ul style="list-style-type: none"> - Lower bid price carefully to reduce cost-per-click while monitoring impression and clicks to make sure that they remain stable - Consider switching from broad to exact match for keywords, while lowering bid price

2.2 Discovery Ads Strategy

How to determine your Discovery Ads exposure?

Your ad exposure is determined by 2 factors:

1. **Cost-per-click bid** price refers to the highest price you are willing to pay when a shopper clicks on your ad.
 - The higher your bid price, the higher your ad exposure.
 - The actual price charged is often less than your bid price. Shopee ads' auction system calculates the minimum amount required to show your ad.
2. **Product relevance** measures how relevant your product is to the shopper. The higher your product relevance, the higher your ad exposure.
 - Your ad will have high relevance in **Similar Products** if your product is very similar to the product in the product detail page. To assess similarity, Shopee system analyses your *product category, title and description* to see how closely it matches other products.
 - Your ad will have high relevance in **You May Also Like** if your product is *highly related or complementary to the product* in the product detail page.
 - Your ad will have high relevance in **Daily Discover** if a shopper has *viewed, added to cart, liked or rated a product similar to yours in the past 30 days*.

Discovery Ads Optimisation Strategy

As a rule of thumb, these products work best for Discovery Ads:

- Product with a **lower price** but equal quality, compared to similar products by competitors.
- Product with **more and higher ratings**, compared to similar products by competitors.

How should I review and optimise my Discovery Ads?

- Run your ads for at least **2 weeks** to ensure that you have enough data for analysis.
 - If your ad has **50-100 clicks but no orders**, consider improving the product detail page with more attractive pictures, title and description, while ensuring a competitive price. If your ad still does not have any order after these changes, consider stopping the ad.
 - If your ad **has orders**, you can increase the bid price if you want more traffic. If you are aiming to maximise profit, make sure your Cost Income Ratio (CIR) does not exceed your product profit margin.
 - CIR measures the percentage of your ad spend relative to the revenue generated by your ad
 - Check that your advertised product's CIR is lower than your product's profit margin to ensure that you are profiting from ads
 - For example, if product A is sold at RM10 and your product cost is RM4, your profit margin is 60%, your product's CIR should be lower than 60%
- Lower your bid price if your CIR has exceeded your product profit margin.
- Find your product's CIR in the Product Statistics section of the Discovery Ads homepage.

2.3 Shop Ads Strategy

Shop Ads Optimisation Strategy

Business Goal	Strategy
To increase exposure	<ul style="list-style-type: none"> - If you have low Shop Impressions, if you have less than 10 active keywords, add more keywords with high search volume and high relevance to your shop. Switch keyword match type to Broad Match to show on more search results - Identify keywords with no Shop Impressions, increase the bid price by increments and monitor if the keyword's Shop Impressions improve - If Shop Clicks are low for all or most of the keywords, review your shop ad's picture and tagline. Make sure that they are relevant to the keywords you've bid for - If only a few keywords have low Shop Clicks, they may be irrelevant to your shop ad; consider deleting the keywords or lowering your bid price by increments, especially if the keywords also bring low Shop Impressions
To increase profit	<ul style="list-style-type: none"> - Keywords with high ROI, maintain competitive bid price. If your Shop Ads isn't showing, increase bid price and monitor if impressions improve - Keywords with low ROI, switch keyword match type to Exact Match. Lower the bid price by increments to decrease your costs - Keywords with no ROI, check their ad display rate by looking at the trend of Shop Impressions over the last 7 days. If there are no Shop Impressions, your Shop Ad is likely not displaying in search results. If there are Shop Impressions but no Shop Clicks, consider deleting the keyword to save cost - If ROI is low across all or most of your keywords, review your landing page

3. Ads Budget & Duration



How to set your budget

1. How will I be charged?

You only pay when shoppers click on your ads. Exposure is free.

2. I have a small advertising budget, can I use Shopee Ads?

Absolutely. Prioritise your advertising spend on selected products that have great conversion potential (e.g. your best sellers, products with competitive price and great ratings) to see the best results.

3. How much should I invest in Shopee Ads when I first start?

We recommend that you set advertising budget of at least RM25 per advertised product.

4. Will I be charged for persistent manual clicks by the same user or automated clicking tools?

Shopee's system filters out such invalid clicks, which you will not be charged for.

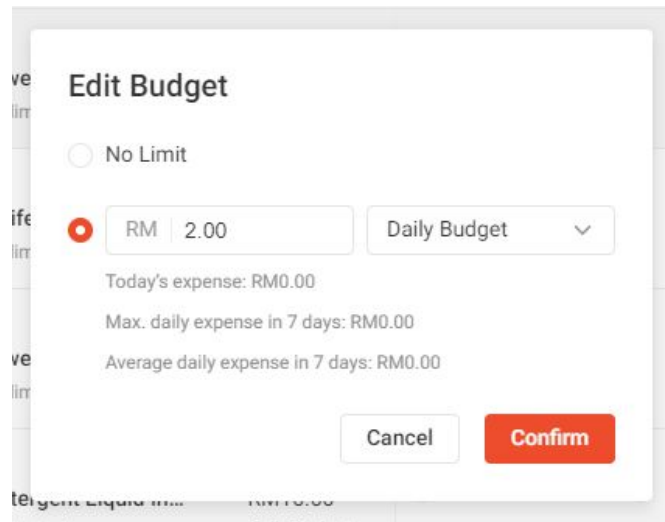


How to set your budget

Budget indicates the maximum ad expense you are willing to pay. Once the budget amount is reached, your ad will stop showing.

You can choose not to set a budget limit, or to set a daily budget or total budget.

1. Set **No Limit** if you want your ad to have sustained exposure, or if you are not sure how many clicks you must get to yield an order.
2. Set **Daily Budget** or **Total Budget** if you want to cap your ad expenses.



The screenshot shows a modal dialog titled "Edit Budget". It contains the following elements:

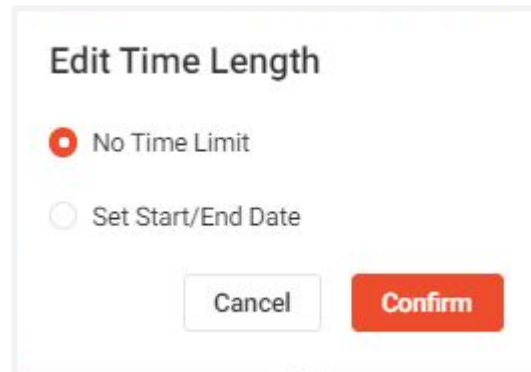
- A radio button labeled "No Limit" which is currently unselected.
- A selected radio button next to a text input field containing "RM 2.00".
- A dropdown menu labeled "Daily Budget" with a downward arrow.
- Summary text: "Today's expense: RM0.00", "Max. daily expense in 7 days: RM0.00", and "Average daily expense in 7 days: RM0.00".
- Two buttons at the bottom: "Cancel" and "Confirm".

How to schedule your ad

Time Length indicates the length of time your ad is active. Once the end date is reached, your ad will not show anymore.

You can choose no **time limit** or impose a start and end date.

1. Set **No Time Limit** if you would like your ad to have sustained exposure.
2. Set a time schedule if you only want to push your listings on certain days of the year, e.g. sale periods.



The screenshot shows a dialog box titled "Edit Time Length". It contains two radio button options: "No Time Limit" (which is selected) and "Set Start/End Date". At the bottom right of the dialog, there are two buttons: "Cancel" and "Confirm".

How do I manage my ad spend?

You can manage your ad spend in two ways:

1. Setting your Ad's Cost-Per-Click (CPC) bid price

- Use the minimum bid price if you're unsure how well your advertised products will sell.
- Check your ad's ROI (return on investment) and rank after a week. If the rank is poor (the higher the number, the poorer the rank) and the ROI is good, **increase your bid price**.
- Use the suggested bid price when you want to maximise ad exposure.

Bid price refers to the highest amount that you are willing to pay for each click.

<input type="checkbox"/> Keywords	Match Type ⓘ ⇅	Per Click ⓘ ⇅
Auto Selected <input checked="" type="checkbox"/> ⓘ	-	-
Manually Selected	-	-
baby shark soft toy	Broad match ▾	RM0.22 Suggested RM0.12

How do I manage my ad spend?

You can manage your ad spend in two ways:

2. Setting Ad Budget

- Set **No Limit** for your ad budget to **maximise your ad exposure**, but if you're concerned with ad cost when your first start using Shopee Ads, you can set a daily or total budget cap.
- Your ad spend will **never** exceed your set budget.
 - e.g. RM5 Daily Budget means the ad stops once RM5 has been spent within a day
 - e.g. RM10 Total Budget means the ad stops once RM10 has been spent within your ad campaign period

How to determine the right budget?

Expenses / GMV = Gross Margin (CIR)

RM 10 / RM 100 = 10%

Profit margin 50% - 10% = 40%

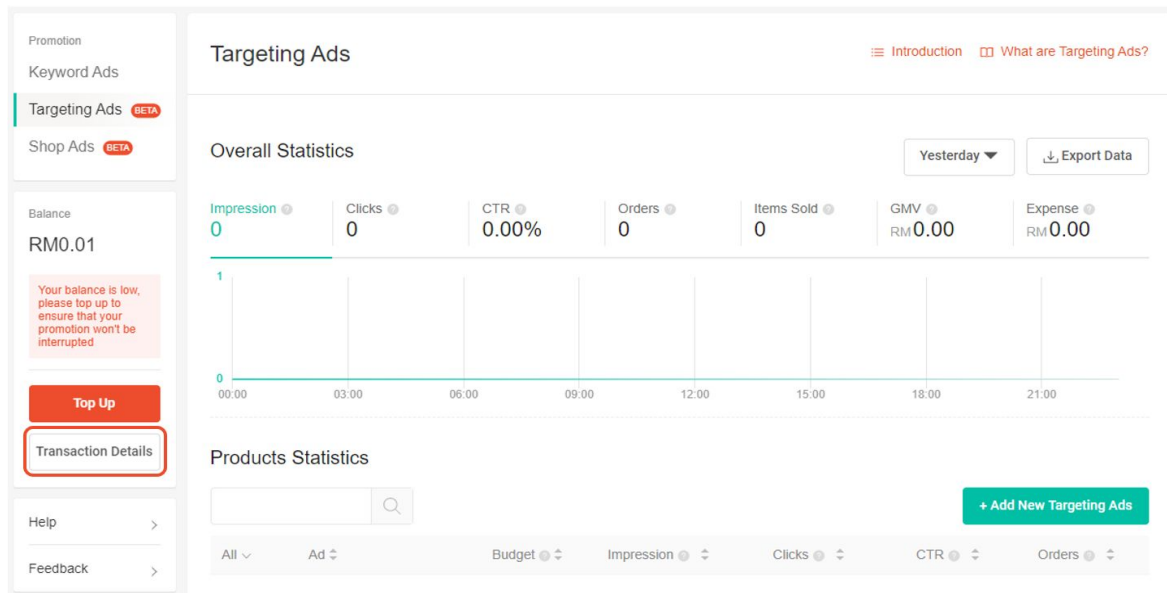
If your **profit margin is higher than gross margin**, you are profiting (net profit) from My Ads

For example, if product A is sold at RM10 and your product cost is RM4, your profit margin is 60%, your product's CIR should be lower than 60%

How to track your Ads expenses?

Shopee Ads works on a **prepaid basis**.

- Top up your ads credit before you start advertising
- **Your ads will not be shown if your ads credit is zero**
- You can view the charges debited from your ads credit in the Transaction Details section of Ads (in the Shopee Seller Centre)



The screenshot displays the Shopee Ads interface. On the left sidebar, there are navigation options: 'Promotion', 'Keyword Ads', 'Targeting Ads (BETA)', and 'Shop Ads (BETA)'. Below these is a 'Balance' section showing 'RM0.01' and a warning message: 'Your balance is low, please top up to ensure that your promotion won't be interrupted'. There is a 'Top Up' button and a 'Transaction Details' link. At the bottom of the sidebar are 'Help' and 'Feedback' links.

The main content area is titled 'Targeting Ads' and includes links for 'Introduction' and 'What are Targeting Ads?'. Under 'Overall Statistics', the date is set to 'Yesterday' and there is an 'Export Data' button. The statistics table shows:

Impression	Clicks	CTR	Orders	Items Sold	GMV	Expense
0	0	0.00%	0	0	RM0.00	RM0.00

Below the table is a line chart showing zero activity over a 24-hour period from 00:00 to 21:00. The 'Products Statistics' section includes a search bar and a '+ Add New Targeting Ads' button. At the bottom, there are filters for 'All', 'Ad', 'Budget', 'Impression', 'Clicks', 'CTR', and 'Orders'.

4. My Ads Metrics



Understanding your ads better

Shopee has provided 10 different ad metrics for you to manage your Ads performance:

1. **Impression** (a.k.a. Shop Impression for Shop Ads)
 - a. Measures the number of times your ads are seen by logged-in shoppers
 - b. The higher the impression, the wider the reach of your ads to potential shoppers

2. **Clicks** (a.k.a. Shop Clicks for Shop Ads) - Measure the number of times logged-in shoppers click on your ads after seeing them. For Shop Ads, this metric is also called Shop Clicks

3. **Click-Through-Rate** (CTR; a.k.a. Shop CTR for Shop Ads)
 - a. Measures the percentage of times shoppers click on your ads after seeing them. For Shop Ads, this metric is also called Shop CTR
 - b. *For example, if there are 100 impressions for your ads and 20 clicks, your CTR is 20%. A higher CTR reflects higher shopper's interest in your ad*

Understanding your ads better

Shopee has provided 10 different ad metrics for you to manage your Ads performance:

4. **Orders** - Number of orders made by shoppers within 7 days of clicking on your ad
5. **Items Sold**
 - a. Measures the total quantity purchased by shoppers within 7 days of clicking on your ad
 - b. For example, if you are advertising a shirt and a shopper buys 3 shirts at once, the Order will be 1 and Items Sold will be 3
6. **Gross Merchandise Value (GMV)** - Measures the total amount of money generated by shopper's purchase within 7 days of clicking on your ad
7. **Expense**
 - a. Measures the total amount of money spent on your ads
 - b. Make sure your expense is within your advertising budget

Understanding your ads better

Shopee has provided 10 different ad metrics for you to manage your Ads performance:

8. Return on Investment (ROI)

- a. indicates the return from your ad spend, by measuring the revenue generated from your ads against every dollar spent on the ads
- b. $ROI = GMV \div Expense$
- c. *For example, if the GMV brought in by your ads is RM3000 and your ads' expense is RM600, your ROI is 5*

9. Cost-Income-Ratio (CIR)

- a. CIR measures the percentage of your ad spend relative to the revenue generated by your ads. The lower the CIR, the more profit your ads are making
- b. $CIR = Expense \div GMV \times 100\%$
- c. *For example, if your ad expense is RM600 and the GMV brought in by your ads is RM3000, your CIR is 20%*

Understanding your ads better

Shopee has provided 10 different ad metrics for you to manage your Ads performance:

10. Average Ranking

- a. Refers to the average ad ranking amongst other ads for the chosen keyword in the search results page, not the average ranking amongst all search results
- b. If your ad ranking is 8, your ad will appear at the 8th ad position from the top of the search results page, not at the 8th search result position
- c. A smaller number ranking means that your ad will get better placement, closer to the top of the search results. For example, ranking of 1 is better than ranking of 2, 3 and so on

LIVE DEMO

Which metrics are important?

Business Goal	Important Metrics
To increase exposure	<ul style="list-style-type: none"> - Impressions and Clicks rather than actual orders from shoppers - Click-Through-Rate (CTR) which measures your ads' effectiveness in driving shoppers to click on your ads and view your product detail pages <ul style="list-style-type: none"> - Keyword/Ads with high CTR are more likely to have a higher ad quality score and better ad ranking which can enhance impressions - Keywords that are relevant to the advertised product tend to have higher CTR
To increase sales	<ul style="list-style-type: none"> - GMV to see the sales revenue from your ads - ROI to understand which keywords are bringing revenue effectively per ringgit spent on advertising
To increase profit	<ul style="list-style-type: none"> - Cost-Income-Ratio (CIR) at keyword level to understand the percentage of cost that comes from advertising for each keyword <ul style="list-style-type: none"> - Check that your CIR is lower than your product's profit margin to ensure that you are profiting from advertising - For example, if product A is sold at RM10 and your product cost is RM4, your profit margin is 60%, your CIR should be lower than 60%

5. Best Practices



Ads Optimisation Best Practices

Best practices for managing your Shopee Ads:

1. Review your **bid price** consistently
2. Review your **ROI**
3. Review your **CIR**

When and how often should I review my ad data?

1. When running your ads for the first time, **wait for at least 2 weeks** before downloading the report to get sufficient and robust data. **Minimal adjustment** is advised for the first 2 weeks for new ads.
2. **Check your ad performance at least once a day after 2 weeks.** You can check more frequently if your ads are not performing to your expectations and optimise your ads.
3. Download and save your data regularly. The Export Data function allows you to access data up to the last 90 days.

Maximise Conversion Best Practices

If your advertising goal is to increase sales, follow the tips below to maximise your ads conversion.

1. Optimise your product page

Improve your product detail pages to maximise ad conversion, read the articles below for tips:

[Improve your product's images and description](#)

[Improve your product's naming and category](#)

2. Improve your shop page

If you're using Shop Ads, showcase your best selling products prominently in your shop page using high-quality and relevant images.

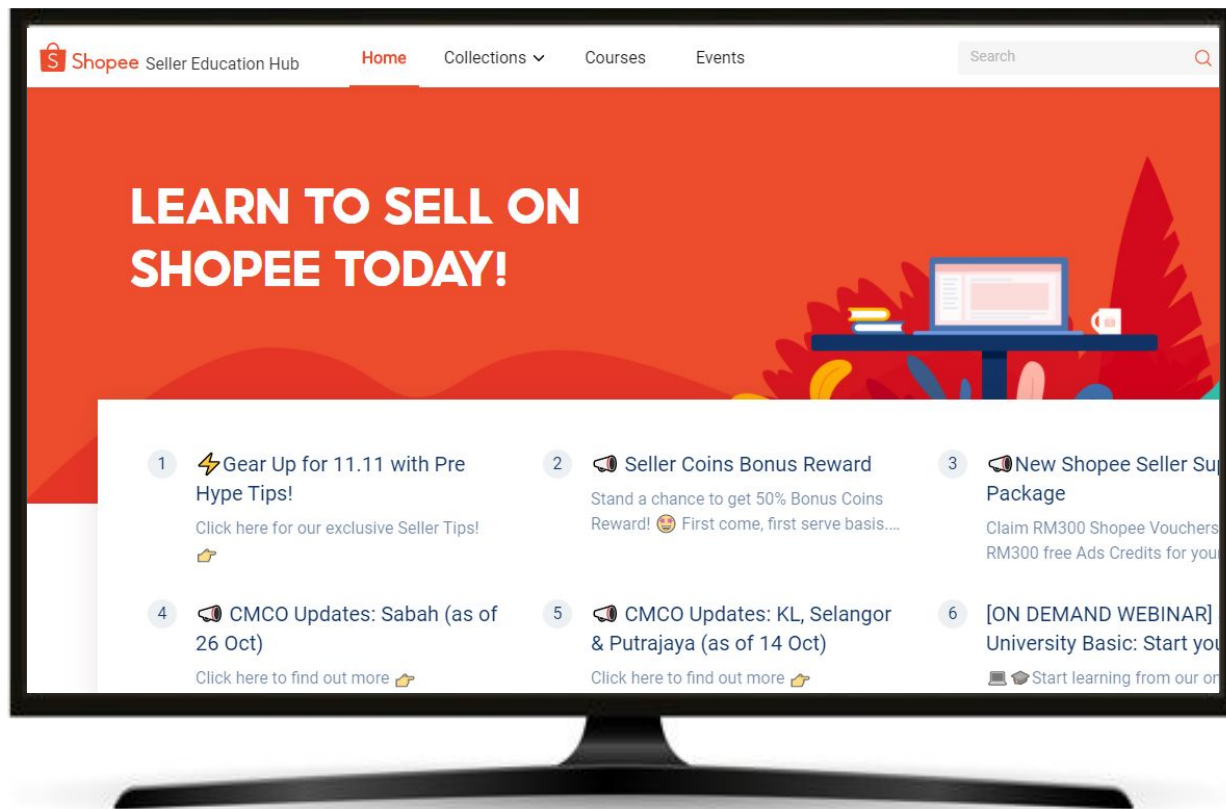
3. Keep price competitive

Check and update the prices of your products to make sure they are competitive.

4. Stay in stock

Stock up your best-sellers as well as popular seasonal items to accommodate the increased demand during peak shopping periods. For example, during the Christmas season, clothing items in red, green or white tend to sell better. If you're a fashion shop, make sure you increase stocks of these items.

Seller Education Hub: Shopee Encyclopedia



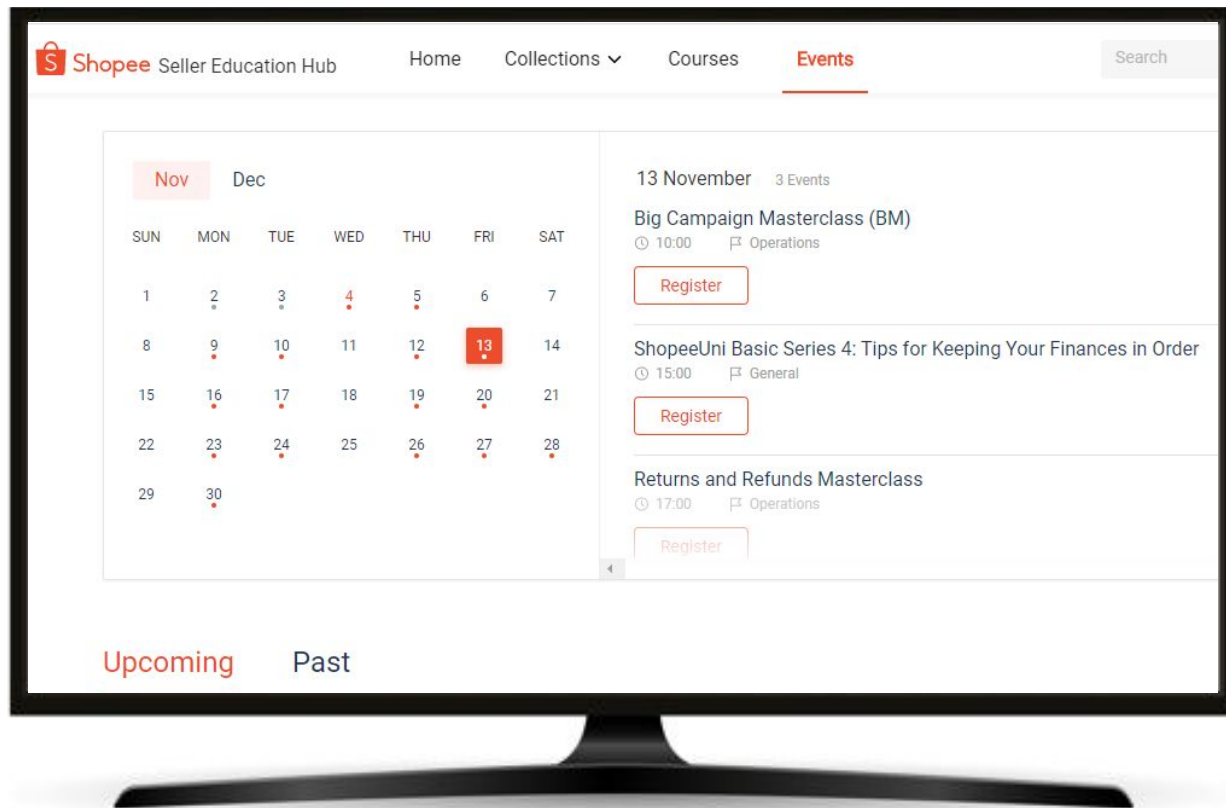
Step 1
[Go to SEH!](#)



SCAN ME

Step 2
Type at Search Bar to
find the latest
information

Seller Education Hub: Check Out the Calendar For Live Webinars!



Step 1
Go to SEH

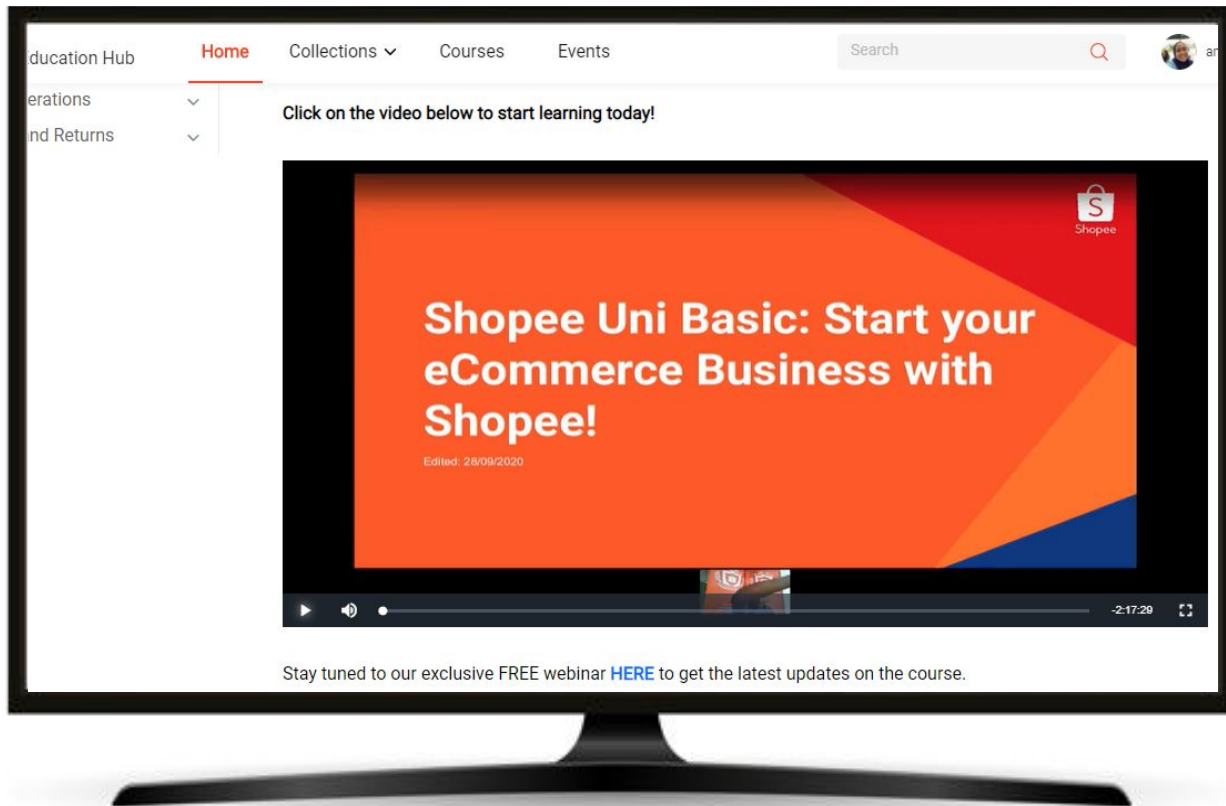
Step 2
Click "Events"

Step 3
Register for desired Live
Webinars!

[Register Now!](#)



Seller Education Hub: Watch On Demand Webinars!



Step 1
Go to SEH and scroll
down to bottom

Step 2
Click "Maximise Sales"

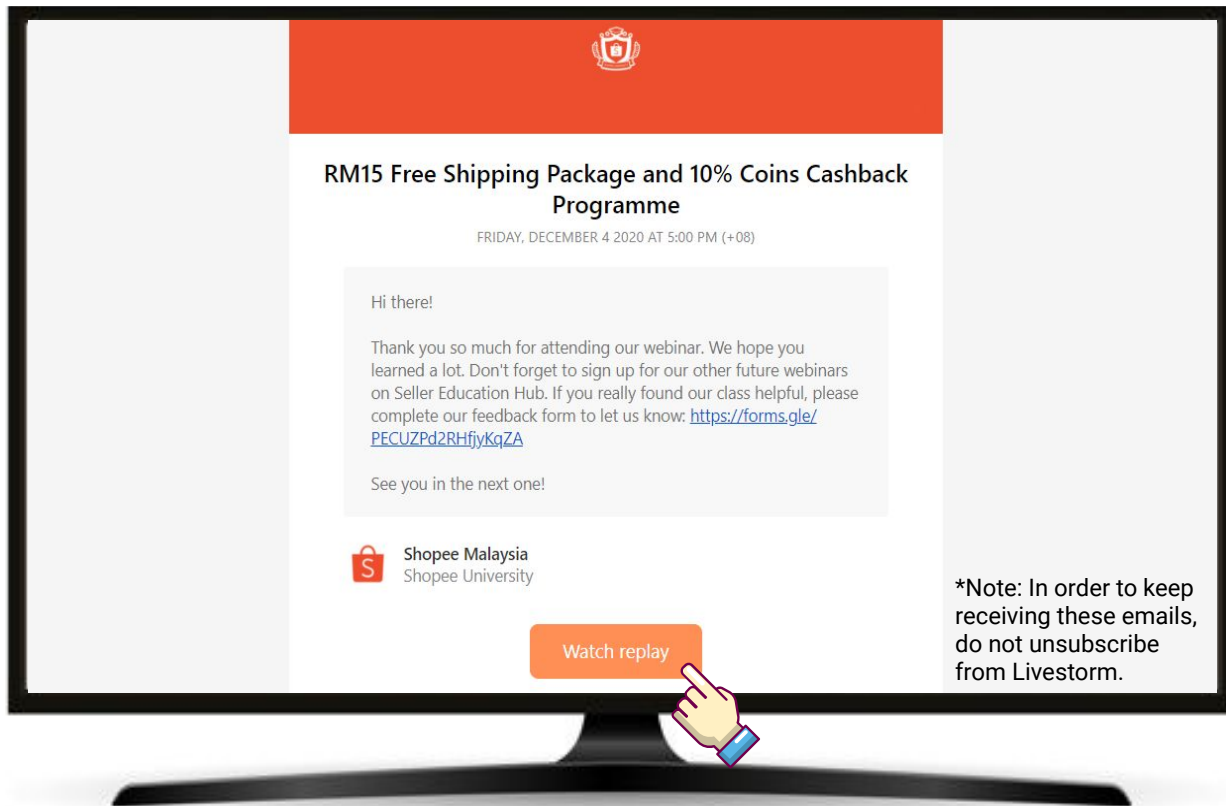
Step 3
Select the desired
webinar

Step 4
Start watching!

[Watch Now!](#)



Watch a replay of this webinar!



Step 1

Check your inbox for a post-webinar email from Shopee Malaysia

Email Subjects:
Thanks for showing up



or

Shopee University missed you 😞

Step 2

Click **Watch Replay**

Step 3

Start watching!



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THANK YOU

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