

Shopello launch AI engine for Google Shopping: Now e-stores only has to pay for traffic leading to sales



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Press release

Speqta (ticker: SPEQT) launches Shopello BidBrain™, an innovative solution that, for the first time, opens up for CPO advertising on Google's shopping advertising platform. The service that was developed for about a year, means that the e-store no longer has to pay for clicks that do not lead to purchases, only for clicks that generate sales. Shopello BidBrain™ allows online stores themselves to decide how much out of the sales or profits they want to spend on traffic.

Swedens largest design and kitchenware chain, Cervera, is one of the e-stores that participated in the initial pilot project. Björn Holmkvist, who is Cervera's Digital Growth Manager, explains:

– Being able to set what percentage of sales, or in our case the profit, that traffic may cost makes it incredibly predictable. Adding Shopello BidBrain™ to our existing solution was a contributing reason for making December 2019 the best month ever for Cervera's e-commerce.

Shopello's BidBrain™ is a platform that plugs directly into Google's product search and adds a proprietary AI that learns consumer buying behavior. Thousands of online stores connected to Shopello's network provide the AI system with millions of transactions and intelligence, then continuously optimizes e-stores' specific offers to better predict which ads lead to purchases. This makes it possible to automate and optimize bidding in real-time, based on an unlimited number of parameters, which is practically impossible with manual optimization.

– By optimizing the shop's product list (feed) and adjusting the bids in real-time, Shopello BidBrain™ only forwards traffic that is very likely to convert into sales. Previously, e-stores paid for all traffic forwarded to the site, whether or not it resulted in purchases. Now they can choose to pay only a percentage of the sales or the profits generated, says Fredrik Lindros, CEO of Speqta, and continues:

– The most obvious benefit for the e-stores is that it means completely risk-free advertising. Advertising on Google and only paying for the ads leading to purchases is a bit of a holy grail for marketers. Add to this that they now also reach new customers they would not have found otherwise. I think it is an incredible competitive advantage, especially for the medium and large e-stores that already have a functioning online business and that also advertise through Google's product search.

A decisive driving force behind the development of BidBrain™ has been the strong trend towards a more digitized advertising market and the success of Google Comparison Shopping Service (CSS). In 2019, for the first time, the share of digital advertising accounted for more than 50% of the market globally, and in Sweden, the share has already surpassed 60%, according to eMarketer. Search advertising is by far the largest in digital marketing and Google dominates this segment. One of the most popular are the product ads, i.e. ads that appear when consumers are looking for products with the intention to make a purchase.

That category of ads has emerged to be one of the most effective e-commerce sales channels and accounts for 37% of all search advertising today, equivalent to \$34 billion globally, according to eMarketer.

– Search has become the most important channel for online marketing, especially Google's product ads. With BidBrain™ we can deliver new customers that dealers do not reach otherwise. Available data from more than 3 000 e-stores makes this possible and something that an individual merchant has no access to. Furthermore, the fact that they only have to pay for ads that actually lead to purchases means that we can offer something that has not been possible before, with Google's click-based payment model, says Fredrik Lindros.

The service is available for e-commerce stores on www.shopello.net

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About Shopello

Shopello is a marketing platform that helps online stores and media agencies to optimize advertising and sales through AI-based cutting-edge technology.

About Speqta

Speqta is a digital media house that owns and operates a leading international advertising network as well as a number of digital products and services in performance-based marketing. The company has two business areas, Speqta Shopping and Speqta Food & Beverage. The company is listed on the Nasdaq First North Premier Growth Market in Stockholm under the name "speqt". The company's Certified Advisor is Västra Hamnen Corporate Finance AB, telephone number: +46 40 20 02 50, e-mail: ca@vhcorp.se.