zalandopartner

Marketing Services

# Ad Manager Partner Guide

January 2025

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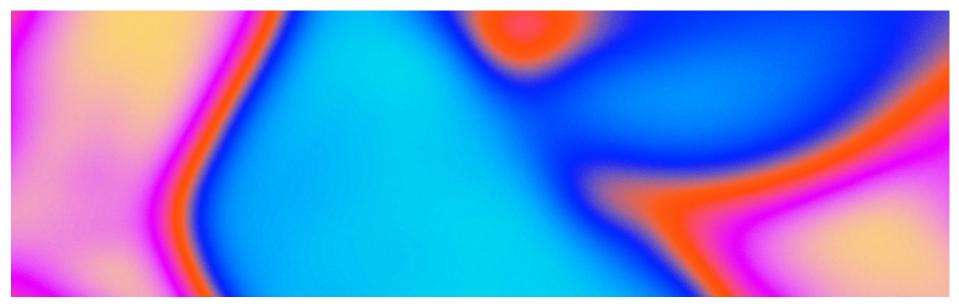
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#### zalando **PARTNER**

SECTION 01

# Ad Manager Introduction



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Conversion campaigns Sponsored Products Consideration campaigns Sponsored Collections

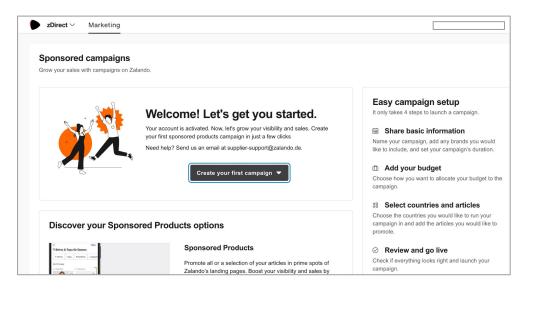
## Ad Manager introduction What is the Ad Manager?

Boost your sales and marketing impact with Zalando's self-service advertising tool

#### Take the driver's seat

The Ad Manager is designed to empower brand partners by putting advanced advertising tools directly into your hands. With a user-friendly interface, real-time data insights, and flexible campaign formats, Ad Manager enables you to reach new customers, deepen engagement, and drive conversions across all Zalando markets.

You benefit from in-depth reporting which you can tailor to your needs, both for your self-service campaigns via the Ad Manager, as well as for managed campaigns set up by the ZMS team.



General information

## Ad Manager introduction Benefits at a glance

How to drive your marketing and sales impact with the Ad Manager

#### Effective ad formats & tangible results

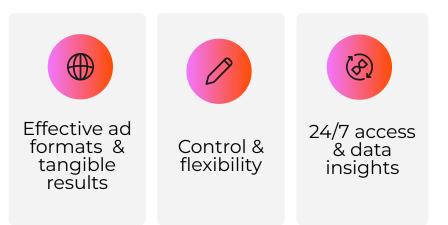
Place your brand and assortment in front of shoppers primed to buy. Extend your brand's presence on one of Europe's leading fashion platform, reaching millions of customers who are ready to convert. Choose dedicated ad formats to drive your consideration and conversions with tangible results.

#### • Control & flexibility

Ad Manager gives you the ability to set budgets, choose campaign formats, allowing you to manage and refine your brand's presence and business impact. Tailor your campaign set up according to your goals, and benefit from automated campaign optimization, as well as control levers to boost your campaign impact continuously.

#### • 24/7 access & data insights

With in-depth insights and reporting, monitor what works best and adapt your campaigns as you go, ensuring each investment supports your brand's objectives effectively. Gain a clear understanding of your campaign impact, both for your self-service campaigns managed by you on zDirect, as well as your managed campaigns set up by the ZMS team.



Ad Manager introduction Overview/campaign types



## Reporting

#### Data-driven Campaign Tracking & Performance

accessible 24/7, updated daily, easily customizable. Also for managed campaigns incl. offsite (set up via the ZMS team).

## Ad Manager introduction Overview/campaign types

With the Ad Manager, you can set up consideration and conversion campaigns

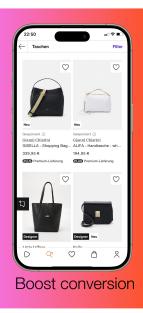
## Sponsored Collections

- Boost your consideration and foster engagement with your assortment.
- Substantially increase PDP views, add-to-wishlist, add-to-cart and brand followers.
- Available for brands with a Brand Home.

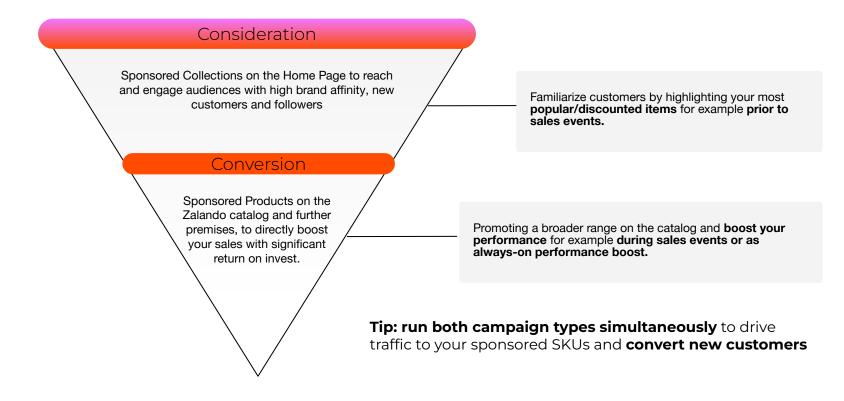


## Sponsored Products

- Increase your assortment sales and customer acquisition, and achieve significant RoAS (Return on Ad Spend).
- Either boost your overall assortment with Dynamic Sponsored Products or boost specific assortment with Selected Sponsored Products.



## Ad Manager introduction Maximize impact with holistic campaign planning

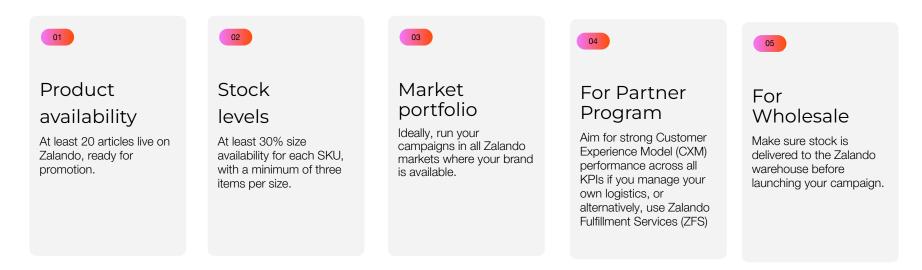


Conversion campaigns Sponsored Products Consideration campaigns Sponsored Collections

## Ad Manager introduction How to get started - requirements

Access to the zDirect partner portal is required to use ZMS Ad Manager.

For optimal campaign performance, we recommend ensuring your account meets the following criteria:



Conversion campaigns Sponsored Products Consideration campaigns Sponsored Collections

Reporting

General information

# Ad Manager introduction How to get started - first steps

01

Visit zdirect.zalando.com (Zalando partner login—feel free to bookmark this link).

**Partner Program:** Click on "Activate" in the Marketing Module and await confirmation

**Wholesale:** If you already use Retail Center, you can access Ad Manager with your existing credentials (without further activation). If you can't access the Ad Manager, please get in touch with your Zalando support contact.

Once logged in, you find the Ad Manager in the Marketing module.

If you require support to get started:

- Partner Program Partners: partner-care@zalando.de
- Wholesale Partners: supplier-support@zalando.de

How to add users to zDirect? Please find <u>here</u> a step-by-step guide for user management.

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|---|---------------------|---------------|----------------|-------------------------------------|--------------------|--|--|--|--|--|
| Me Du ph degearpicon Annow Europh Sed   | Jser Management     |               |                |                                     |                    |  |  |  |  |  |
|   | tatus               | Merchant      | Role           | Enail                               | Full Name          |  |  |  |  |  |
|   | ACTIVE              | Example Brand | Administrator  | john.doe@example.com                | lohn Doe           |  |  |  |  |  |
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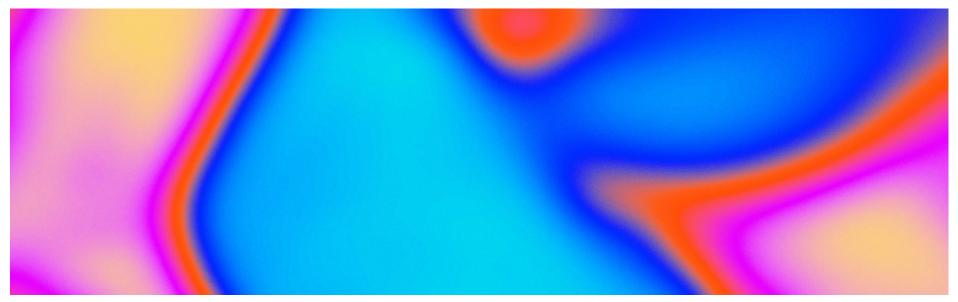
| zalando | Home | Articles | Orders | Marketing | Sales | Advertising Fulfilment  |                     | Example Partner   🛞 🐯 🎗 |
|---------|------|----------|--------|-----------|-------|---|---------------------|-------------------------|
|         |      |          |        |           |       | Add user to your organization<br>Care are an end with a ready get to the access to your access.<br>and accessed get or can<br>an examinant get or can<br>be ready and accessed accessed accessed accessed<br>for a set of the accessed accessed accessed accessed<br>accessed | Confirm<br>Add User |                         |
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Marketing Services

SECTION 02

# Conversion campaigns: Sponsored Products



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## Sponsored Products Boost your conversions

### What are Sponsored Products campaigns?

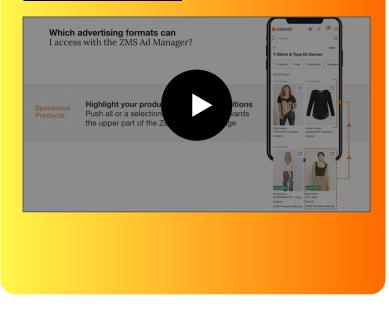
Sponsored Products are an ad format on Zalando that helps partners boost visibility for their assortment across Zalando catalog pages and key placements like Product Detail Pages (PDP).

#### The primary goal is to increase product visibility on Zalando and drive sales.

#### Key points:

- **Automatic placement**: ads appear in high-visibility spots on Zalando's website and app.
- Effortless setup: use existing product feeds—no additional creatives needed.
- **Conversion-driven**: drives performance by reaching customers actively browsing for products.

### Watch the tool demo



## Sponsored Products Ad format

## Where Sponsored Products appear on Zalando

#### **Catalog Pages:**

• Sponsored Products are displayed prominently on Zalando catalog pages. On the app, the catalog layout features typically up to 15 rows (2 products per row) and on the website, up to 5 rows per page (with 3 slots per row).

#### Product Detail Pages (PDPs):

• Positioned on PDPs for higher relevance and visibility, ensuring products gain attention in spots likely to drive clicks and conversions.

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|---|---------------|-------|--|--|--------------------|
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| $\sim$  |               | , Git | SELLA - Handtasch                      | EUFORIA - Shopping                       | DUA SE             |
|   | ~             |       | 9,95 €                                 | 344,95 €                                 | 329,95             |
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| -   |               |       | ,95 €                                  | 94,95 €                                  | 64,95 €            |
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|   |               | Caro  | usel                                   | On Pro                                   | bd                 |
|   |               |       |  | il Page                                  |                    |

## Sponsored Products Benefits at a glance

### Why choose Sponsored Products for your campaign?

- **Broad reach and visibility:** Place your products where customers are already browsing, ensuring they see your brand's items within relevant search results and pages.
- Flexible targeting and budget options: Select global or country-specific budgets and tailor your approach for SKU promotion to boost your sales effectively.
- **Conversion-focused:** This ad format is optimized for maximum product views and conversions, making it ideal for driving immediate sales and attracting new customers. Leverage either smart automation, or control levers to increase your impact.



# Sponsored Products Choosing Dynamic or Selected Sponsored Products?

Choose the right campaign set up

You can create advertising campaigns based on your objectives. You can either promote the full assortment of your chosen brand(s) or promote specific articles.

- Dynamic Sponsored Products allows you to promote your entire brand assortment of the selected brand(s). This means our advertising algorithm automatically promotes the articles which drive an optimum performance for you. For Global budget campaigns, you can also promote selected categories.
- Selected Sponsored Products allows you to choose specific articles, for example your key styles and bestsellers, or articles with high stock levels. You can also mix your selection across different brands which you supply.

Either promote your entire assortment or specific articles

## Articles (i)

Watch the demo

 $\odot$ 

"Dynamic sponsored products" allows Ad Manager to dynamically select your best performing articles and optimise your performance. "Custom selection" allows you to manually select articles by uploading a .csv file.

Dynamic selection Custom selection Upload .csv file Selected sponsored products

Selected sponsored products



Contents

## Dynamic Sponsored Products

- Dynamic Sponsored Products lets you promote the entire assortment of one or more brands which you supply. Our machine-learning advertising technology automatically selects the best articles for your campaign based on Zalando data.
- Our systems monitors article performance, availability and further factors in near real-time, making sure that articles with the best chance of driving your performance and sales are promoted in your campaign.
- If you run a Global budget campaign: next to promoting your full assortment, you can also focus on certain categories such as Clothing, Shoes, Accessories, Underwear, Sports, and Beauty.

We promote the SKUs from your chosen brands (and categories) with the highest predicted performance based on an automated, smart article selection.

## Selected Sponsored Products

- By using Selected Sponsored Products, you can promote specific articles in your campaign based on your preferences. For example you can choose to promote fresh key styles, bestsellers or articles with high stock level.
- When setting up the Selected Sponsored Products campaign, you can filter by Brand, Country and Article Type (Category) in order to discover the article you are looking for and then add them to campaign.
- Read more about
   <u>how to choose products for your campaign</u>

You select specific articles for promotion based on your objectives and preferences.

## Sponsored Products, campaign creation Start a new campaign & budget tips



You can create a ZMS advertising campaign directly from your zDirect account. On the top right corner of the Marketing Module you will see the 'New Campaign' button.

| Direct V Marketing  | · ×                                   |
|---|---------------------------------------|
| Welcome to Ad Manager   | New campaign 🔻                        |
| Create, monitor and manage your Zalando campaigns.  | Conversion                            |
| Overview  | Global budget<br>Sponsored Products   |
| Campaigns breakdown<br>Monitor your campaigns through the metrics breakdown. To learn more about the metrics, <u>elick here</u> | Country budgets<br>Sponsored Products |

#### General tips for budget decisions:

- There is no fixed maximum budget.
- For **Partner Program Partners**, we recommend investing minimum 7% of your sales target (in NMV) or 12% for high growth targets/stock pressure/during sales events\*.
- For **Wholesale Partners**, we recommend investing minimum of 7 to 10% of your Zalando Order Budget per season.
- In addition, we recommend that the daily budget is more than 20 EUR per market.

# Sponsored Products, campaign creation Global or Country budget

2. Choose the right option for your Sponsored Products campaign:

## Global budget campaign

Benefit from an automated distribution of the budget in your selected markets

- We recommend to choose Global Budget. Here you define a total budget for all markets. The algorithm automatically distributes the budget along the runtime across markets based on the performance, for optimised results.
- You can flexibly choose in which markets your campaign will run. Campaigns have the same start and end dates across selected markets.

## Country budget campaign

Define specific budgets per country

- With Country Budgets, you are defining maximum budgets for each market.
- Country Budgets campaigns help you, if you want to set certain budget limits on a country level. For example if you have defined maximum budgets per country.
- With Country Budget campaigns, you can set different campaign start and end dates for different markets.

here)

# Sponsored Products, campaign creation Global budget

|   | Global budget campaign set up   |  |
|---|---|--|
| Sponsored product campaign   Global budget Campaign set up Chose a name and set the duration for your campaign. Campaign name Holiday Campaign 2022 Duration D1 26/11/2022 - 29/12/2022 | Article promotion () <ul> <li>Full-price and discounted articles</li> <li>Full-price articles</li> <li>Discounted articles</li> </ul> <ul> <li>Full-price and discounted articles</li> <li>Full-price articles</li> <li>Discounted articles</li> </ul> <ul> <li>Articles</li> <li>Traine is expected products' allows Ad Manager to dynamically select articles by uploading and optimised your performance. "Custom selection" allows you to manually select articles by uploading a cus file             <ul> <li>Brands</li> <li>Brands</li> <li>Brands</li> <li>Brands</li> </ul></li></ul> | <ol> <li>Choose a campaign name</li> <li>Choose the campaign duration. Hereby you define<br/>general runtime across all markets (which you select<br/>afterwards). The campaign will start at 00:00 and end<br/>23:59 Berlin time. We recommend a campaign runtim<br/>of minimum 2 weeks.</li> <li>Define a total budget for all markets. This budget weeks.</li> </ol>          |
| Total budget ①<br>Enter a total campaign budget for all the countries in the campaign.<br>Campaign budget<br>€ 12000  | Seties we reveal<br>(3) a obstr244-48864-4bcf-8a30-675bd86083a0, Hien V<br>Optimise dynamic selection<br>Enables our algorithm to filter and select articles for the campaign with a particular focus.<br>Article types<br>Optimie  | <ul> <li>be automatically distributed across the selected markets</li> <li>4. Choose in which markets your campaign will run</li> <li>5. Choose if you want to promote full price / discount articles</li> <li>6. Choose if you want to run a <u>Dynamic Sponsored</u></li> </ul>  |
| Countries ①<br>Select which countries you want the ads to be shown in.<br>Add Countries   |   | <ul> <li><u>Products</u> campaign or a <u>Selected Sponsored Product</u> campaign</li> <li>7. If you choose "<b>Dynamic selection</b>" you can optionally choose to promote your assortment with focus on certain categories such as Clothing, Shoes, Accessories, Underwear, Sports, and Beauty.</li> <li>If you choose "<b>Custom selection</b>", you can define th</li> </ul> |

Conversion campaigns Sponsored Products Consideration campaigns Sponsored Collections

# Sponsored Products, campaign creation Country budget (1/2)

#### Country budgets: general campaign set up

|             | Sponsored p   | product campaign   Cou   | ntry budgets |         |
|-------------|---|--|--------------|---------|
| 0           | 2   | 3  | 4            | 5       |
| Get Started | Assortment  | Articles overview  | Budget       | Summary |
|             | Selected sponsored products   | ed brand(s). Giving you ful data-driven cystemicat<br>hybes and bestsellers, or articles with high slock I |              |         |
|             | Campaign name<br>Campaign name<br>Notes<br>Capture your thoughts  |  |              |         |
|             | Enter your text<br>Maximum words 500  |  |              |         |
|             | Article promotion ()<br>What do you want to promote?<br>() Discounted and full-priced and in<br>Promote with direct prior discounted<br>() Discounted articles<br>Premete enty discounted |  |              |         |

#### 1. Choose Dynamic or Selected Sponsored Products

2. Choose a campaign name to identify your campaign. Tip: use a naming convention such as brandname\_date to differentiate campaigns easily.

3. Choose if you want to promote full price / discounted articles

4. For Selected Sponsored Products, continue with the <u>article selection</u>. For Dynamic Sponsored Products, the algorithm automatically promotes eligible articles from the brand(s) which you promote for maximum performance

5. Continue with the market specific budget / campaign runtime settings

| See how your campaign                | i is taking shape            |                   |                 |   |                 |
|--------------------------------------|------------------------------|-------------------|-----------------|---|-----------------|
| Period (1)                           | Budget (j)                   |                   |                 |   |                 |
| 01 Jun - 15 Jul                      | €6,000                       |                   |                 |   |                 |
|                                      |                              |                   |                 |   |                 |
|                                      |                              |                   |                 |   |                 |
|                                      |                              |                   |                 |   |                 |
| Countries<br>Add countries, spend an | nd campaign time frame for e | ach               |                 |   | Add Countries 🖨 |
|                                      | nd campaign time frame for e | ach               | - Select period |   | Add Countries 🚯 |
|                                      |                              |                   | Select period   | ~ | Add Countries 🔮 |
| Add countries, spend an              |                              | - Allocate budget |                 | ~ | <u> </u>        |

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Conversion campaigns Sponsored Products Consideration campaigns Sponsored Collections

# Sponsored Products, campaign creation Country budget (2/2)

Budget and campaign runtime settings

a) Define budget per country: Add the countries in which you wish to run the campaign. For each country, add the campaign budget (in Euro). You can remove countries and re-add them while you structure your campaign.

b) Choose start and end date: Define the duration of your campaign by entering the start and end date for each market. The campaign will start at 00:00 and end at 23:59 Berlin time. Tip: We recommend a campaign runtime of ideally at least 4 weeks.

c) Click 'Continue' to proceed or 'Previous to go back (or click 'X' on top right to cancel campaign creation).

| ×   | c                           | reate new Dynamic Spons | ored Products campaig | n      |                        |               |  |   |                          |      |                             |
|---|-----------------------------|-------------------------|-----------------------|--------|------------------------|---------------|--|---|--------------------------|------|-----------------------------|
| Campaign overvie<br>See how your campaign |                             |                         |                       |        |                        | 1 In t        | he final step,<br>go to save 8                         |   |                          |      |                             |
| Period (1)                                | Budget (1)                  |                         |                       |        |                        |               |  |   |                          |      |                             |
| 01 Jun - 15 Jul                           | €6,000                      |                         |                       |        |                        | ×             | Create   | e new Dynamic Sponsored Pr                    | oducts campaign          |      |                             |
|   |                             |                         |                       |        |                        |               | Summary<br>Review the details and confirm cam          | paign creation                                |                          |      |                             |
| Countries<br>Add countries, spend an      | d campaign time frame for e | ach                     |                       |        | Add Countries          |               | Campaign Name<br>BrandName_FirstCampaign               | Brands  | Budget<br>66,000         |      |                             |
| -   |                             | Allocate budget         | Select period         |        |                        |               | Period<br>01 Jun - 15 Jul                              | Days<br>45 Days                               | Countries<br>2 Countries |      |                             |
| Germany – DE                              |                             | € 4000                  | 01 Jun - 15 Jui       | $\sim$ | Ū                      | pack          | Country breakdown<br>Observe how you defined your mark | ust strategies                                |                          |      |                             |
|   |                             | Allocate budget         | - Select period -     |        |                        | Feed          |  | Budget  | Period                   | D    |                             |
| France – FR                               |                             | € 2000                  | 01 Jun – 22 Jun       | $\sim$ | Ū                      |               | Germany  | 64,000  | 01 Jun - 15 Jul          | 45 D |                             |
|   |                             |                         |                       |        |                        | *             | France   | 62,000  | 01 Jun - 22 Jun          | 22.0 |                             |
| < Previous: Get started                   |                             |                         |                       |        | Continue $\rightarrow$ | < Previous: B | udget By c   | licking Save & Create you agree with ZMS's Ti | erms & Conditions        |      | Save & Create $\rightarrow$ |

#### zalando **PARTNER**

#### Marketing Services

Reporting

## Selected Sponsored Products, campaign creation How to choose SKUs?

#### **Option 1: Select articles & review**

- During the campaign set up process, you will see your entire assortment
- You can filter based on brands, article type (category) and country.
- You can select relevant articles by using the checkbox next to each article (or bulk select all).
- When you have selected one or more articles you want to promote, click 'Add articles' to add them to the campaign. You can modify your choice until you have your optimum selection.
- In the final step, you can review all the articles which you selected. If necessary, you can remove articles from the campaign in this step.

|   | Get Started |     | Assortment  | Artick    | 3 as overview      | Bud     | get      | Summ         |
|---|-------------|-----|-------------|-----------|--------------------|---------|----------|--------------|
| Q. Search article Brands                          | Genders     | ✓ A | rticle Type | ✓ Country | · · ·              | Seasons | ~ [      | ∀ More Filte |
| Zalando Article Variant<br>2694 matching articles |             |     | Gender      |           | Article Type       |         | Age Grou | qu           |
|   |             |     |             |           |                    |         |          |              |
| 2 articles selected                               |             |     |             |           |                    |         |          |              |
| 2 articles selected                               |             |     | Female      |           | Trouser            |         |          |              |
|   |             |     | Female      |           | Trouser<br>Trouser |         |          |              |

#### Option 2: SKU list upload (only for global budget campaigns)

- Specifically for <u>global budget campaigns</u> you have the option to easily upload a SKU list of your selected items for promotion, without the need to manually select products in the tool.
- It is important your upload will be a \*.csv file with Zalando article IDs, separated by comma
- In the tool, you find also an exemplary csv-file which you can download as a reference.

#### Articles (i)

File upload

Choose "Dynamic sponsored products" to let our algorithm select your articles dynamically. If you prefer to select articles manually, opt for "Custom selection".

Select File

Dynamic selection
 Custom selection
 Selected sponsored products

Requirements: .csv file format, Zalando article IDs separated by comma

Upload .csv file Selected sponsored products

## selection

 Filters: all eligible, best sellers, newly added, longest online

Consider our article filters & KPIs when

choosing SKUs for an optimum article

Available for Partner Program

- KPIs: Expected return rate, size availability, conversion rate, days online
- → A new Sustainability filter, which simplifies the identification and the selection of sustainable products.
- → Data points are refreshed every two hours, leading to improvements of your campaign planning and partner experience.

.↓ Download an example file

# Sponsored Products How to edit a running campaign?

#### How to edit a running Campaign

If your campaigns are not in 'Finished' state, you can go to the campaign list view and start to edit them by clicking on the 'pencil' icon next to the campaign – or alternatively click on the 'Edit Campaign' button in the campaign details view.

Pause/unpause: Campaigns can be paused/unpaused at any time during their runtime.

- Global budget campaigns can be paused and unpaused across markets, or per market.
- For **Country budgets campaigns** you can pause a campaign individually for each country.

In general, If a campaign is paused beyond its end date, you cannot unpause it.

| S25 - BLOC TEST<br>N3027422   Conversion            | Ø | LIVE | You |
|---|---|------|-----|
| New Arrivals Ladies<br>N:SSCB:00808   Consideration |   | LIVE | You |
| CIS - CCP<br>N3026894   Conversion                  | 0 | LIVE | You |

## Sponsored Products How to optimize a running campaign?

#### What you can adjust during the Campaign Runtime

Name: Update / change the name of your campaign

#### Budget:

- You can decrease or increase your budget. You cannot reduce the budget below the amount that is already shown as spent. The spent budget is shown on the campaign edit page in near-real time.
- Because your campaign is spending budget while you edit it in real time, we add some buffer to the spent value. This offers you greater flexibility to manage campaign performance.
- For <u>Country Budgets campaigns</u>, you can shift budget between countries based on the performance of the campaign or your priorities.
- For Global budget campaigns, the budget spent per market is automatically optimized based on your overall budget, to
  maximize your campaign outcome.
- By adjusting the campaign runtime, you can increase or decrease budget pressure

**Countries:** add new countries to your already scheduled or running campaigns. For Country Budget campaigns, you will be able to set an associated budget, start and end dates, for each market.

Articles: for Selected Sponsored Products campaigns, you can add/remove SKUs also during the campaign runtime. If you run a Dynamic Sponsored Products campaign and promote specific categories, you can adjust the categories during the campaign.

**Budget pacing:** is accessible when editing a running campaign. It enables you to optimize the daily spent budget. You can increase or decrease the daily budgets with the pacing factor (more details)



To learn more about campaign optimization best practices, <u>download the Ad Manager Checklist</u> for Sponsored Products.

## Sponsored Products Campaign optimization: Budget Pacing

Choose the right campaign set up

**Budget pacing** is a control option for Sponsored Product campaigns, enabling you to optimize the daily spent budget. Based on your campaign's ongoing performance, you can increase or decrease the daily budgets with the **pacing factor** to achieve the right balance between budget spending and results.

#### **Benefits:**

✓ Greater control over your campaign, optimize towards your objectives

✓ Enhanced investment steering to respond to changing market conditions/KPIs.

 $\checkmark$  Optimise budget spending across campaign lifetime.

Example: if a campaign typically spends 100 Euros daily, applying a pacing of +50% will aim to spend 150 Euros daily in the following days, while a -20% input will reduce the daily expenditure to 80 Euros.

# Total budget ① Enter a total campaign budget for all the countries in the campaign. Campaign budget € 1000 Budget pacing ①

Accelerate or slow down your spending while your campaign is live to meet your campaign goals

| % 0  | Estimated daily spend with pacing |         |
|--|-----------------------------------|---------|
| -  | +200%                             |         |
|  | +150%                             |         |
| -50% Avg. daily +50% +100% +150% +200%                       | +100%                             |         |
|  | +50%                              |         |
| Keep spending evenly throughout your<br>campaign's duration. | Avg daily spend                   |         |
| The default pacing is 0%. This means that your               | -50%                              |         |
| budget is evenly spent throughout your campaign's            | 0                                 |         |
| duration.  | Today Half time                   | End dat |

The feature is visible, when you edit your Sponsored Product campaign.

#### Budget pacing, step by step:

#### 1. Your goals:

How it works

Define if your key goal is visibility, conversions, or a specific RoAS.

#### 2. Analyze:

past campaigns in terms of your desired performance

#### 3. Adjust "budget pacing":

a) if you are satisfied with RoAS & wish to expand your outcome, increase budget pacing, so more budget is allocated in the coming days

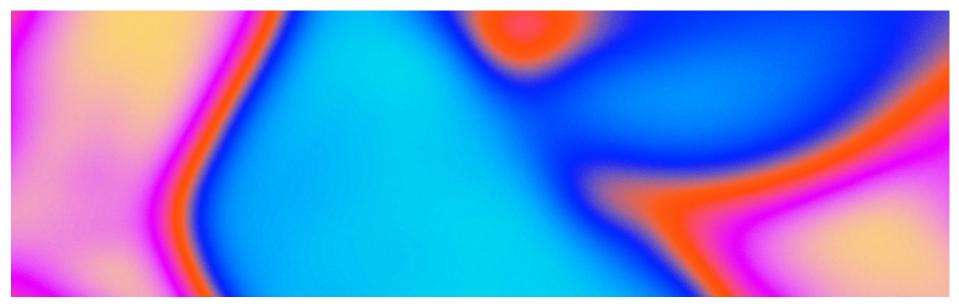
b) if you are experiencing a period of low sales/low ROAS, and you want to keep budget, reduce the budget pacing to allocate less budget in the coming days.

#### 4. Continuously monitor:

Check your performance and adjust if necessary

SECTION 03

# Consideration campaigns: Sponsored Collections



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Marketing Services

## Sponsored Collections Start with your Brand Home

## Brand Home

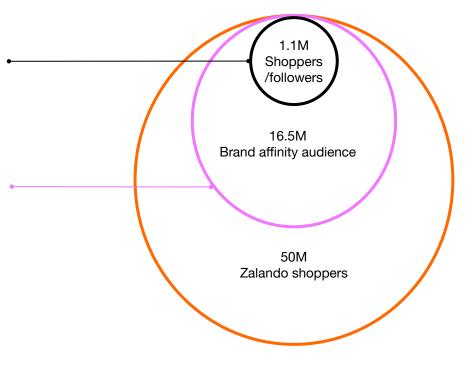
Never heard of Brand Home? Discover the free self-service platform that allows you to create brand spaces and showcase your stories, mission, and products.

Learn more about Brand Home

### Sponsored Collection

Boost your Brand Home to build reach and engagement towards your brand affinity audience via Sponsored Collections

- **Get discovered:** Attract new customers, followers, and strengthen your Brand Home presence on Zalando.
- **Build trust and loyalty:** Introduce new collections to a wider audience and maximize the potential of your organic collections.
- **Optimize your Brand Home performance:** Leverage Sponsored Collections to maximize Brand Home impact, increase visibility, engagement, and drive collection performance.



## Sponsored Collections Boost your consideration

What are Sponsored Collections Campaigns?

# The primary goal is to drive engagement and consideration with your brand and product

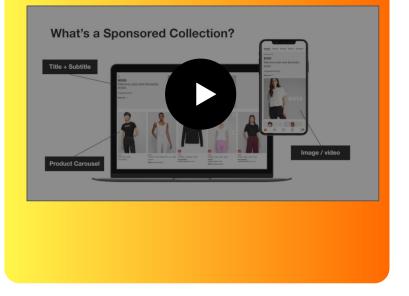
Sponsored Collections is a powerful ad format on Zalando designed to boost the visibility of your collections right on the Zalando Home Page. Its main purpose is to help customers make informed decisions by showcasing your collections through engaging and influential content. **Partners with a Brand Home** can set up a Sponsored Collections campaign directly on the Ad Manager.

### Why this matters?

On average, partners who are running Sponsored Collections campaigns benefit from

+255% uplift in brand followers, +12% uplift in PDP views, +17% uplift in Add-to-Cart +24% uplift in add-to-wishlist.<sup>1</sup>

### Watch the tool demo



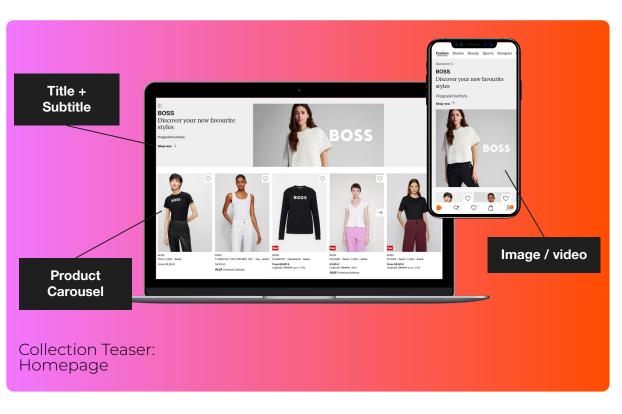
Conversion campaigns Sponsored Products Consideration campaigns Sponsored Collections

## Sponsored Collections Ad format

Clicking the Collection banner will take the customer to the collection page set up by the partner.

When clicking on an article in the Carousel, the customer will arrive directly on the PDP page of the article





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## Sponsored Collections Benefits at a glance

#### Drive consideration and engagement

Boost your PDP traffic, your add to wishlist and cart, by showcasing your product assortment

Reach new customers

Your Ad will be shown to an audience beyond converted and considering shoppers

• Benefit from smart data-driven optimization

leveraging dynamic SKU selection in the Collection Carousel on the Zalando Homepage typically increases CTR by 30-40% based on our Al-powered algorithms

Benefit from effective audience targeting

Sponsored Collections campaigns leverage brand affinity targeting which can increase add-to-wishlist actions by +96% and add-to-cart actions by +82%, compared to campaigns without targeting<sup>1</sup>

Gain new followers

Track new followers and follower growth on the brand home CXM

• Increased impact

On top of the campaign visibility, each time you publish a collection, we will send an email and app push notification to your acquired brand followers with a link to your Collection page.

1 2024 ZMS Campaign experiment with targeted and non-targeted ads

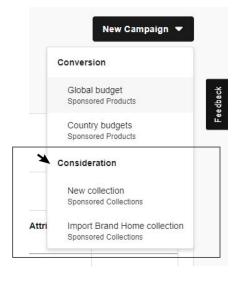
# Sponsored Collections How to get started - requirements

#### Requirements to get started

- 1. You need to have at least 20 SKUs available in the Zalando shop in order to be eligible for a Brand Homes account.
- 2. For a Brand Homes page to go live, you will need to publish: 1) A Brand Homes header (including category links) and 2) At least one Collection through the Brand Homes CMS.
- 3. A Collection can hold from 9 to 999 articles (Zalando SKUs).

If you don't see the option to start a Consideration campaign on zDirect, please contact your Zalando or ZMS support contact.

On the new campaign tab drop down, where you can run your sponsored product campaigns, you will find the new consideration campaigns tab where you will be able to set up your Sponsored Collection campaign.



## Sponsored Collections, campaign creation Two ways to onboard your campaign content

After selecting the consideration campaign tab in zDirect, you can click on the button "New campaign" where you have two options to start your campaign:

**Option1: Import an existing collection from Brand Homes** 

 You can easily import your existing Brand Home Collection to create your campaign

Manager and not to Brand Home. You cannot change the target groups or format.

Brand Home Collection Any changes you make to an imported collection's country and budgets, will only apply to Ad

+ Import Collection

Option 2: Create a new campaign in zDirect

· Set up a new campaign in zDirect in just a few clicks

| Campaign     Targeting      | Campaign Name 0/44  |
|-----------------------------|---|
| <ul> <li>Content</li> </ul> | Duration  |
| O Summary                   | This date range is in Central European Summer Time (CEST)<br>The launch date needs to be at least 7 days later than the date you submit your campaign for a review. |
|                             | Set Duration  |
|                             | Notes<br>Your notes will only be visible to you.  |
|                             | Description   |
|                             | Optional 0/500  |
|                             |   |
|                             |   |

Demo video on campaign creation Contents

# Sponsored Collections, campaign creation Option 1: import from Brand Home (1/2)

#### **Detailed Instructions for BH Import**

You can easily import your existing Brand Home Collection to create your campaign:

- 1. Go to the Ad Manager tab, select the consideration campaign tab, and click on "import existing collection"
  - a. Here you will see all your Brand Home Collections sorted by publish date, Gender, Country, and articles.
- 2. After selecting the different Collections to be added to your campaign, you will be asked to select a campaign name and duration. Since your Brand Home collection has already been approved, you are able to schedule your campaign start date immediately.
- 3. On the next page, you will notice that a set of input fields have already been selected based on your existing Brand Home fields.
- 4. Please keep in mind that you will not be able to modify the collection in the Ad manager. If you wish to make modifications you will need to do so in your Brand Home.

#### **Important Notes**

- ★ The Collection must already be published on Brand Home (meaning it has already been approved in the Brand Home quality assurance process). Your Campaign however needs to go through an additional 2-day ZMS approval process.
- $\star$  All changes to the collection need to be made in the Brand Home
  - CMS: You will not be able to change anything in the Ad Manager (Gender, articles, countries where collection is live, copy, assets)
  - You will not be able to modify the Images, colors and copies as these are pre-defined by your brand home.
  - Only the copies in the languages of the selected markets for your campaign will be visible.

|       | Brand Home collection      | ÷    | Published date | ÷ | Gender     | ÷ | Country      | ÷                    | Article 🍦  |
|-------|----------------------------|------|----------------|---|------------|---|--------------|----------------------|------------|
|       | Summer 2022                |      | 01.05.2022     |   | Men        |   | 12 countries | 1 country<br>Germany | 120        |
|       | Winter 2022                |      | 11.12.2021     |   | Men, Women |   | 1 country    | ۲.                   | 212        |
|       | Best sellers KIDS 2021     |      | 01.12.2021     |   | Kids       |   | 10 countries | 0                    | 55         |
| vs pe | r page: 3 V Results 1 to 3 | of 3 |                |   |            |   |              | Page 1 🗸             | ′ of 1 ← · |



Demo video on campaign creation Contents

Ad Manager Introduction Conversion campaigns Sponsored Products Consideration campaigns Sponsored Collections

# Sponsored Collections, campaign creation Option 1: import from Brand Home (2/2)

#### **Detailed Instructions for BH Import (continued)** Important Notes Define the budget you would like to allocate to each market between App 5. You can select a smaller number of countries than the organic \* and Web. collection (ex: Your Brand Home collection is live in 10 countries You will then be able to preview your Collection based on the information 6. but you only want to boost it in the top 3 countries) added in Brand Home. 7. On the summary page, you can review your campaign one last time before publishing it. Once the campaign has been published, it will be visible in your Countries and budget campaign dashboard. + Add Countries Add countries and allocate budget between the website and the app Web budge Belgium – BE € 10000 - Web budge France - FR € € Sponsored Brand Collection Demo O Campaign Status Total budget Duration Solution Center View your collection(s) here - Web budge Targeting €0 24 Aug 2023 to 15 Sept 2023 DRAFT € Germany - DE € O Content O Summary Target groups German (Germany) Female Preview landing page Target groups Selected articles If you are only targeting one gender, select the appropriate target group. To create a unisex campaign Desktop website App & mobile web select multiple options ✓ Women \$ Countries Budget \$ Belgium € 10.000.00 301 articles France € 0.00 Germany € 0.00

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#### Marketing Services

# Sponsored Collections, campaign creation Option 2: create in zDirect (1/2)

#### **Detailed Instructions for zDirect**

Set up a new collection in zDirect:

- In the Ad Manager campaign overview tab, you can click on the button "New campaign" and opt for the consideration campaign type where you can choose whether you would like to start a new campaign, or import an existing collection.
- 2. On the first page of the campaign creation, you need to enter the name of your campaign. Choose something recognizable so that you can easily find your campaign. Such as your brand or your collection name and the season or date.
- You can add notes to the campaign in case you would like to include any background information, such as brands or article categories.
- In the next window, you can select the targeting for your campaign (you can choose one option, or multiple e.g. for unisex collections)
- After selecting the different markets where you would like to publish your collection, you can now allocate your desired budget between the different countries, as well as between App and Web. (See best practices for more information)
  - a. Please note that you can only create a collection in the markets where your brand is already live.

#### **Important Notes**

- ★ Your Campaign can only start 7 days after the creation as it first needs to go through the <u>Quality Assurance process</u> (Q&A) before being published
- New collections will be published on the Zalando Gender Home Page of the selected gender + on the partner's Brand Home
- ★ After the campaign, the Collection will remain organically visible and will remain on your Brand Home Page. To unpublish the collections, you need to log into the Brand Home CMS to unpublish your collections.

| 40 / 44   | Campaign  |                     |  |  |  |  |  |
|---|---|---------------------|--|--|--|--|--|
| Duration  | Name<br>Sponsored Brand Collection Demo - Season  |                     |  |  |  |  |  |
| This date range is in Central European Summer Time (CEST)<br>The launch date needs to be at least 7 days later than the date you submit your campaign for a review. | 427.44<br>Duration  |                     |  |  |  |  |  |
| 19 01/09/2023 - 22/09/2023  | This date range is in Central European Summer Time (CEST)<br>The launch date needs to be at least 7 days later than the date you submit your campaign for a revie | ĸ                   |  |  |  |  |  |
| Notes   | Set Duration  |                     |  |  |  |  |  |
| Your notes will only be visible to you.   |   | - Start date        |  |  |  |  |  |
| Description   | ← July 2023 August 2023 →   | dd/mm/yyy dd/mm/yyy |  |  |  |  |  |
|   | Mo Tu We Th Fr Sa Su Mo Tu We Th Fr Sa Su<br>26 1 2 21 1 2 3 4 5 5  |                     |  |  |  |  |  |
| Octional 0 / 500  | 27 3 4 5 6 7 8 9 32 7 8 9 10 11 12 13   |                     |  |  |  |  |  |
|   | 28 10 11 12 13 14 15 16 33 14 15 16 17 18 19 20   |                     |  |  |  |  |  |
|   | 29 17 18 19 20 21 22 23 34 21 22 23 24 25 26 27   |                     |  |  |  |  |  |
|   | 20 24 25 26 27 28 29 30 25 28 29 30 31  |                     |  |  |  |  |  |
|   | 31 31   | Cancel Apply        |  |  |  |  |  |

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### Sponsored Collections, campaign creation Option 2: create in zDirect (2/2)

#### **Detailed Instructions for zDirect (continued)**

- 6. Next, you can select the assortment of articles you'd like to show alongside your image and copy. There are two options when selecting the SKUs for your collection:
- → Custom selection: Pick your SKUs manually.
  - You can use filters to help you select the articles, or paste the SKU code in the search bar.
- → Bulk upload: Easily drag or upload your file containing your SKU selection.
  - Please keep in mind that the upload will only be accepted if it is in the format of a CSV file and if all the articles are separated by a comma.
- → Our smart algorithm ranks your SKUs in the Collection Teaser on the Zalando Homepage to ensure maximum performance.
- 7. After validating your SKU range, you can confirm and visualize your chosen selection.
- 8. On the next page, you can finalize your Collection by adding an image or a video that will be shown on top of your collection.
- 9. You can then select the perfect background color and add the title, subtitle, and descriptive text for the different markets, to convey your brand and collection story.
- 10. You'll then be able to preview your collection.

#### **Important Notes**

- ★ Treat your product carousel as your virtual window display this is where you have a chance to create a great first impression of the Collection and attract customers to see what you have to offer!
- ★ Having short but exciting copy will make your Collection stand out, the attractive visuals will make it more memorable. To make your story stick, we recommend using bold, bright images and videos that represent the collection well.





### Sponsored Collections Quality assurance

#### Quality assurance for content set up in zDirect

The content submitted via zDirect goes through Assets review: Our Quality Assurance experts examine if the content meets all Zalando requirements. A preliminary copy-check is made.

#### **Pre-approved copy**

If the copy was taken from our list of pre-approved copy suggestions, the content will be approved (if it meets all other requirements).

#### Review of content with existing or pre-approved copy

After the assets review is completed, if the copy wasn't changed, or pre-approved copy suggestions were used, the content will be approved (if it meets all other requirements). In any rejection cases or mistakes are found, feedback will be sent to one person (the linked user account in the CMS that submitted the content for review), with an explanation of what has to be amended. This type of content will be reviewed within 3 business days

#### Own copy provided

If you provide your own copy, the content will be reviewed within 7 business days

#### Review of content with new copy

After the assets review is completed, the content is forwarded to the copywriters for copy review.

If mistakes are found in the copy, the copywriters will amend it. Then the content can be approved and you will receive an automatic email notification. This type of content will be reviewed within 7 business days

### Sponsored Collections - Best practice

#### Recommendations

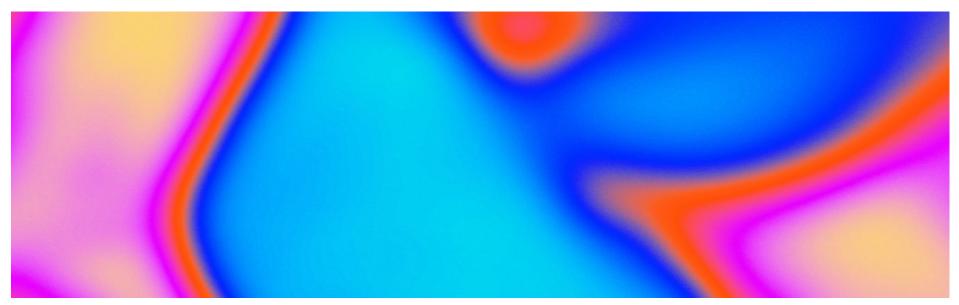
- → Campaign Duration: run for at least 2-3 weeks for optimal data collection and algorithm optimization.
- -> Planning: ideally start campaigns 2-4 weeks before sales events (e.g., End-of-Season Sale) to boost engagement (e.g. add-to-wishlist) already beforehand
- → Data-driven Optimization: to ensure optimum performance, a smart algorithm ranks your SKUs in the Collection Teaser on the Zalando Homepage. This way, SKUs are automatically personalized based on user preferences (which typically leads to 30-40% increase in CTR).
- Leverage your collection: highlighting your SKUs in a collection ahead of a conversion campaign boosts the outcome of your conversion campaign.
  Familiarizing Zalando customers with your assortment before directly advertising on catalog to them is a great way to increase your performance.

#### → SKU eligibility & requirements:

- You need to have at least 20 SKUs available in the Zalando shop in order to be eligible for a Brand Homes account. Please note, a Collection can hold from 9 to 999 articles (Zalando SKUs).
- For a Brand Homes page to go live, you will need to publish:
  - A Brand Homes header (including category links)
  - At least one Collection through the Brand Homes CMS.
- → Budget: based on an analysis of successful campaigns, we recommend an ad spend of at least €5k per market per week to maximise performance and create significant impact from your home campaign. Running campaigns below 100 euro budget per day / per market is not recommended.
- → Budget allocation: we recommend allocating 70% in App vs web for a higher Click through rate and a lower Cost per click.



# Reporting



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Ad Manager Introduction Conversion campaigns Sponsored Products Consideration campaigns Sponsored Collections

### Reporting Data-driven & holistic campaign insights

### Data-driven campaign tracking & performance

our new reporting interface provides you with enhanced, customer-centric data that offers greater granularity, ensuring you have the insights needed to align your KPIs with your campaign objectives and ad products.

# Daily updates and customizable reports

accessible 24/7, the reports are updated daily, reflecting the most current data and allowing you to analyze your campaign's performance and giving you the confidence to make informed decisions. zDirect ~ Marketing

#### Welcome to Ad Manager

Create, monitor and manage your Zalando campaigns.

Overview

#### Campaigns breakdown

Monitor your campaigns through the metrics breakdown. To learn more about the metrics, click here

| Campaign details                                   |   | Status 🗘  | Managed by | Campaign type      | Duration 🗘              | R | Offsite Onsite |             | Viewable<br>impressions | CPMV \$            | Unique<br>users<br>reached |
|--|---|-----------|------------|--------------------|-------------------------|---|----------------|-------------|-------------------------|--------------------|----------------------------|
| Overview<br>From 2279 campaigns                    |   |           |            |                    |                         |   | Clear all      | Apply       | 1.55B<br>Total          | € 39.81<br>Average | N<br>T                     |
| e2e CLS upload csv file<br>N3018630   Conversion   | 0 | SCHEDULED | You        | Offsite<br>Offsite | 15 Nov - 21 Nov<br>2024 |   | 1.57<br>ROAS   | € 59.17     | 4,540                   | € 13.03            | 3,                         |
| e2e CLS custom selection<br>N3018629   Conversion  | 0 | SCHEDULED | You        | Offsite<br>Offsite | 15 Nov - 21 Nov<br>2024 |   | 0.58<br>ROAS   | € 68.94     | 3,295                   | € 20.92            | 2,                         |
| e2e CLS dynamic selection<br>N3018628   Conversion | 0 | SCHEDULED | You        | Offsite<br>Offsite | 15 Nov - 21 Nov<br>2024 |   | 0.61<br>ROAS   | € 65.80     | 3,148                   | € 20.90            | 2,                         |
| new name<br>N3018627   Conversion                  | 0 | SCHEDULED | You        | Offsite<br>Offsite | 15 Nov - 21 Nov<br>2024 |   | 0.20<br>ROAS   | € 99.37     | 5,003                   | € 19.86            | 3,6                        |
| e2e CLS upload csv file<br>N3018626   Conversion   | 0 | SCHEDULED | You        | Offsite<br>Offsite | 15 Nov - 21 Nov<br>2024 |   | 18.56<br>ROAS  | € 51,994.00 | 3,885,877               | € 13.38            | 1,233,                     |

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Ad Manager Introduction Conversion campaigns Sponsored Products Consideration campaigns Sponsored Collections

### Reporting How to access your reports

### logging into zDirect

 $\rightarrow$  visit zDirect: Open your web browser and navigate to the <u>zDirect</u> login page.

 $\rightarrow$  log in to your account: Enter your credentials and select whether you're using the Partner Program (PP) or Wholesale (WHS) account. If you have a hybrid setup, remember:

WHS Account: Only the 'Marketing' tab will be visible.

PP Account: You will see additional tabs beyond 'Marketing'.

 $\rightarrow$  access Ad Manager: After logging in, click on the 'Marketing' tab and select 'Ad Manager'.

#### zDirect ~ Marketing

#### Welcome to Ad Manager

Create, monitor and manage your Zalando campaigns.

Overview

#### Campaigns breakdown

Monitor your campaigns through the metrics breakdown. To learn more about the metrics, click here

| Campaign details                                   |   | Status 🗘  | Managed by | Campaign type  | Duration 💲              | Re Offsite    |             | Viewable<br>impressions |
|--|---|-----------|------------|--|-------------------------|---------------|-------------|-------------------------|
| Overview<br>From 2279 campaigns                    |   |           |            |  |                         | Clear all     | Apply       | 1.55<br>Tot             |
| e2e CLS upload csv file<br>N3018630   Conversion   | 0 | SCHEDULED | You        | Sponsored Products<br>Global budget, Custom<br>articles    | 15 Nov - 21 Nov<br>2024 | 1.57<br>ROAS  | € 59.17     | 4,54                    |
| e2e CLS custom selection<br>N3018629   Conversion  | 0 | SCHEDULED | You        | Sponsored Products<br>Global budget, Custom<br>articles    | 15 Nov - 21 Nov<br>2024 | 0.58<br>ROAS  | € 68.94     | 3,29                    |
| eZe CLS dynamic selection<br>N3018628   Conversion | 0 | SCHEDULED | You        | Sponsored Products<br>Global budget, Dynamic<br>articles   | 15 Nov - 21 Nov<br>2024 | 0.61<br>ROAS  | € 65.80     | 3,14                    |
| new name<br>N3018627   Conversion                  | 0 | SCHEDULED | You        | Sponsored Products<br>Country budgets, Dynamic<br>articles | 15 Nov - 21 Nov<br>2024 | 0.20<br>ROAS  | € 99.37     | 5,00                    |
| e2e CLS upload csv file<br>N3018626   Conversion   | 0 | SCHEDULED | You        | Sponsored Products<br>Global budget, Custom<br>articles    | 15 Nov - 21 Nov<br>2024 | 18.56<br>ROAS | € 51,994.00 | 3,885,87                |

Consideration campaigns Sponsored Collections

### Reporting How to access your reports for Self-service, and Managed campaigns

### your campaigns dashboard

01 once in the Ad Manager tab, you'll land on the Campaign Overview page. Here, you'll see all your campaigns listed.

02

identify campaigns: •······

→ use filters: Utilise the filters to search by Campaign Name, Campaign Objective, or the newly introduced 'Managed By' column to distinguish between Managed (by 'ZMS') and Self-Service campaigns (managed by 'You').

 $\rightarrow$  direct click: Click on any campaign directly from the list.

| Campaign 🗸                      | Status    | ✓ Objective | ✓ Managed  | by 🗸 Cam                | Vou       |             |                      | 🕾 Adjus | t columns                  |
|---------------------------------|-----------|-------------|--|-------------------------|-----------|-------------|----------------------|---------|----------------------------|
| Campaign details                | Status    | Managed by  | Campaign type  | g<br>Duration 🗘         | ZMS       |             | Viewable<br>impres ‡ | CPMv ‡  | Unique<br>users<br>reached |
| Overview<br>From 1248 campaigns |           |             |  |                         | Clear all | Apply       | Total                | Average | т                          |
| campaign name<br>  Conversion   | LIVE      | You         | Sponsored Products<br>Global budget, Dynamic<br>articles   | 05 Aug - 29 Aug<br>2024 | ROAS      | 63.0110     | 452,148              | 42.07   | 300.0                      |
| sscb<br>  Consideration         | ENDED     | You         | Sponsored Collections                                      | 03 Aug - 04 Aug<br>2024 | Ad clicks | 61.00       |                      | 41.00   |                            |
| campaign name<br>  Conversion   | LIVE      | ZMS         | Sponsored Products<br>Country budgets, Custom<br>articles  | 04 Aug - 23 Aug<br>2024 | ROAS      | 6755.00     | 81,089               | 43.03   | 10.1                       |
| sscb<br>Consideration           | SCHEDULED | You         | Sponsored Collections                                      | 07 Aug - 31 Aug<br>2024 | Ad clicks | 41.00       |                      |         |                            |
| campaign name<br>  Conversion   | LIVE      | ZMS         | Sponsored Products<br>Country budgets, Dynamic<br>articles | 31 Jul - 31 Aug<br>2024 | ROAS      | 6170145     | 100                  | 4121    | - 11.0                     |
| campaign name<br>  Conversion   | LIVE      | ZMS         | Sponsored Products<br>Global budget, Custom<br>articles    | 30 Jul - 31 Aug<br>2024 | ROAS      | 6.38,135.00 | 1,112,448            | 612.01  | 1.000                      |
| sscb<br>Consideration           | SCHEDULED | You         | Sponsored Collections                                      | 02 Aug - 23 Aug<br>2024 | Ad clicks | 61.00       |                      | 4.1.20  |                            |
| campaign name<br>Conversion     | ENDED     | You         | Sponsored Products<br>Global budget, Dynamic<br>articles   | 29 Jul - 31 Jul<br>2024 | ROAS      | 41.00       | 3.                   | 41.00   |                            |
| sscb Consideration              | DELAYED   | You         | Sponsored Collections                                      | 02 Aug - 25 Aug<br>2024 | Ad clicks | 100         |                      | 11.00   |                            |
| sscb<br>Consideration           | DRAFT     | You         | Sponsored Collections                                      |                         | Ad clicks | 41.00       |                      | 61.00   |                            |

Ad Manager Introduction Conversion campaigns Sponsored Products Consideration campaigns Sponsored Collections

### Reporting Customization

### customizing your report

 $\rightarrow$  default KPIs: Each campaign objective comes with a default set of KPIs relevant to your goals.

→ customize KPIs: Adjust the KPI columns according to your needs by selecting from the dropdown menu on the tab 'Adjust columns'. ●

|                                 |                 |              |  | Select which columns are shown in | the data table.  |      |           |                              |
|---------------------------------|-----------------|--------------|--|-----------------------------------|------------------|------|-----------|------------------------------|
| ampaigns breakdowr              | 1 <sup></sup> . |              |  | Scrolling Columns                 |                  |      | C         | All time                     |
| Campaign                        | Status          | ✓ Cobjective | V ) ( Managed b  | y Partner invest                  |                  |      | র≌ Adjust | t columns                    |
| Campaign details                | Status 🗘        | Managed by   | Campaign type  | Viewable impressions              |                  | 0    | CPMv ‡    | Unique<br>users ‡<br>reached |
| Overview<br>From 1248 campaigns |                 |              |  |                                   |                  |      | Average   | Total                        |
| campaign name<br>  Conversion   | LIVE            | You          | Sponsored Products<br>Global budget, Dynamic<br>articles   |                                   |                  |      | exer      | 306,004                      |
| sscb<br>  Consideration         | ENDED           | You          | Sponsored Collections                                      | СРС                               |                  |      |           | 0                            |
| campaign name                   | LIVE            | ZMS          | Sponsored Products<br>Country budgets, Custom<br>articles  | PDP views                         |                  |      | (880)     | 36,254                       |
| sscb<br>  Consideration         | SCHEDULED       | You          | Sponsored Collections                                      |                                   |                  |      | 1415.00   |                              |
| campaign name                   | LIVE            | ZMS          | Sponsored Products<br>Country budgets, Dynamic<br>articles | Reset to default values           | Cancel Save      | į    | 410       | 10.002                       |
| campaign name                   | LIVE            | ZMS          | Sponsored Products<br>Global budget, Custom<br>articles    | 30 Jul - 31 Aug<br>2024 ROAS      | C10.715-02 5.014 | in l | \$12.01   | 1.011.032                    |

Conversion campaigns Sponsored Products Consideration campaigns Sponsored Collections

### Reporting Glossary for definitions and guidance

## All KPIs and their definitions can be found on the <u>Glossary page</u>

#### Glossary X Quick summary of the different metrics Campaigns overview Managed by Indicates whether the campaign was created by you in Ad Manager, or created by a ZMS Partner Consultant as part of a managed service campaign. Budget spent Your total campaign budget, including discounts, vouchers and free media. Partner invest The amount you invest in your campaign, excluding discounts, vouchers. and free media. Viewable impressions Ad impressions when 50% (30% for homepage takeover format) of pixels are in view for at least one second. CPMv Cost Per Mille (Viewable): The amount you pay for every 1,000 viewable impressions of your ads.

### Reporting Features and filters

### campaign detail page features

 $\rightarrow$  organised drill downs: The Day Tab is now 'By Week/Day', providing KPI visibility at both weekly and daily levels.

 $\rightarrow$  filter tabs: You can also explore your data by Device (Web and App) and by Customers (New and Returning).

 $\rightarrow$  voucher visibility (applicable for Self-Service campaigns only): Easily check voucher usage status on the Campaign Detail header.

| Campaign details                                   | Objective<br>Conversion         | Campaign type Sponsored Products                    | Budget type<br>Country budget | Campaign duration 05 Feb - 15 Apr, 2024 | Voucher<br>Tailored coupon |
|--|---------------------------------|---|-------------------------------|---|----------------------------|
| Article selection                                  | Last updated on<br>15 Apr, 2024 | Budget allocated € 333,900                          | Campaign N-code               | Edits log<br>See details                |                            |
| ∧ Show less  | 10 Api, 2024                    | 000,000   |                               | See uetans                              |                            |
|  |                                 | isplayed below. Customise the device By ad location |                               | uirements.<br>By customers              | ←                          |
| Week   | Country                         |   |                               | Ad location                             |                            |
| Weeks / days<br>Click on a week<br>breakdown by da |                                 | Budget spen   | t ¢                           | CPC ‡                                   | Attributed s               |

Conversion campaigns Sponsored Products Consideration campaigns Sponsored Collections

### Reporting Offsite campaigns

Offsite campaign reports are also available in zDirect for all partners, providing a comprehensive overview of your offsite campaign performance alongside your existing onsite data.

### How to distinguish between Onsite and Offsite campaigns?

Utilize the Channel type filter to display only Offsite or Onsite campaigns Offsite campaigns are also clearly marked in the Campaign type column

#### **Combined Onsite and Offsite campaigns**

When a campaign includes both Onsite and Offsite channels, the report will show combined performance metrics and will be labeled as "Offsite + Onsite" in the Campaign Type column

#### zDirect ~ Marketing

#### Welcome to Ad Manager

Create, monitor and manage your Zalando campaigns.

Overview

#### Campaigns breakdown

Monitor your campaigns through the metrics breakdown. To learn more about the metrics, click here

| Campaign details                                   |   | Status 🗘  | Managed by | Campaign type      | Duration 🗘              | R( | Offsite<br>Onsite |             | Viewable<br>Impressions | CPMV 💲             | Unique<br>users ‡<br>reached |
|--|---|-----------|------------|--------------------|-------------------------|----|-------------------|-------------|-------------------------|--------------------|------------------------------|
| Overview<br>From 2279 campaigns                    |   |           |            |                    |                         | CI | ear all           | Apply       | 1.55B<br>Total          | € 39.81<br>Average | N/A<br>Total                 |
| e2e CLS upload csv file<br>N3018630   Conversion   | 0 | SCHEDULED | You        | Offsite<br>Offsite | 15 Nov - 21 Nov<br>2024 |    | 1.57<br>DAS       | € 59.17     | 4,540                   | € 13.03            | 3,672                        |
| e2e CLS custom selection<br>N3018629   Conversion  | 0 | SCHEDULED | You        | Offsite<br>Offsite | 15 Nov - 21 Nov<br>2024 |    | ).58<br>DAS       | € 68.94     | 3,295                   | € 20.92            | 2,538                        |
| e2e CLS dynamic selection<br>N3018628   Conversion | 0 | SCHEDULED | You        | Offsite<br>Offsite | 15 Nov - 21 Nov<br>2024 |    | 0.61<br>DAS       | € 65.80     | 3,148                   | € 20.90            | 2,464                        |
| new name<br>N3018627   Conversion                  | 0 | SCHEDULED | You        | Offsite            | 15 Nov - 21 Nov<br>2024 |    | ).20<br>DAS       | € 99.37     | 5,003                   | € 19.86            | 3,692                        |
| e2e CLS upload csv file<br>N3018626   Conversion   | 0 | SCHEDULED | You        | Offsite            | 15 Nov - 21 Nov<br>2024 |    | 3.56<br>DAS       | € 51,994.00 | 3,885,877               | € 13.38            | 1,233,900                    |



If you have not run Offsite campaigns before but start now, your campaign reports will appear automatically in zDirect once the campaign is live.



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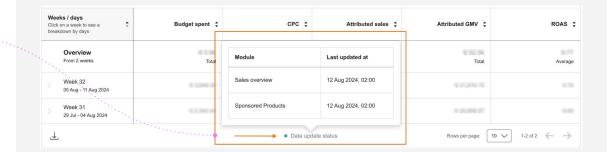
Conversion campaigns Sponsored Products Consideration campaigns Sponsored Collections

### Reporting Data update status & edits log

### Data assurance & tracking:

 $\rightarrow$  data refresh status: Hover over the 'Data update status' feature, at the bottom of the campaigns dashboard, to see when each table was last refreshed, ensuring you always work with the most current data.

→ campaign edits tracking: Keep track of any changes made while a self-service campaign was live by clicking on 'Edits log' on the campaign details page header.



|  | ^                                     |                       |                | Ealts log |           |                      | zalando-ama            | 1.1.   |
|--|---------------------------------------|-----------------------|----------------|-----------|-----------|----------------------|------------------------|--|
|  | Edits log<br>Keep track of any change | as made while a campa | ign was live.  |           |           |                      |                        |  |
| Campaign details   | Q. Search by article ID               | Edis                  | v] Country v   | Editor V  |           | E ·                  | 7/06/2024 - 30/06/2024 |  |
| 14. Sec. 19. | Date and time 💲                       | Edits                 | Country        | Old value | New value | Editor               | Articles ID            |  |
| Managed by   | 19 Jun 2024 12:05:39 pm               | Budget                | Campaign level | 60000 €   | 8000 €    |                      |                        | Campaign duration  |
| You  | 19 Jun 2024 12:05:02 pm               | Budget pacing         | Campaign level | 200 %     | 18 %      |                      |                        | 05 Feb - 15 Apr, 2024  |
| Article selection  | 19 Jun 2024 10:09:14 am               | Budget                | Campaign level | 600000 K  | 60000 E   |                      |                        | Edits log  |
| Custom selection   | 18 Jun 2024 12:13:06 pm               | Budget pacing         | Campaign level | -7 %      | 200 %     |                      |                        | See details  |
|  | 18 Jun 2024 12:13:06 pm               | Budget                | Campaign level | 5500 K    | 600000 e  | and receiption in    |                        | <u>occ ucians</u>  |
| ∧ Show less  | 17 Jun 2024 1:48:53 pm                | Budget pacing         | Campaign level | 0 %       | -7 %      |                      |                        | and the second |
|  | 17 Jun 2024 1:48:53 pm                | Budget                | Campaign level | 55 E      | 5500 E    |                      |                        |  |
|  | 17 Jun 2024 1:07:12 pm                | Campaign created      | Campaign level |           |           | gin bare Barbaria da |                        | and the second |
|  |                                       |                       |                |           |           | Rovs per page: 10    | ✓ 1848 ← →             |  |

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### Reporting Download relevant reports

### Downloading your report

 $\rightarrow$  review your data: Ensure all the relevant KPIs are visible and organized according to your preferences.

 $\rightarrow$  download the report: Click on the download icon to save a full report of your campaign data to your device.

#### Campaigns breakdown

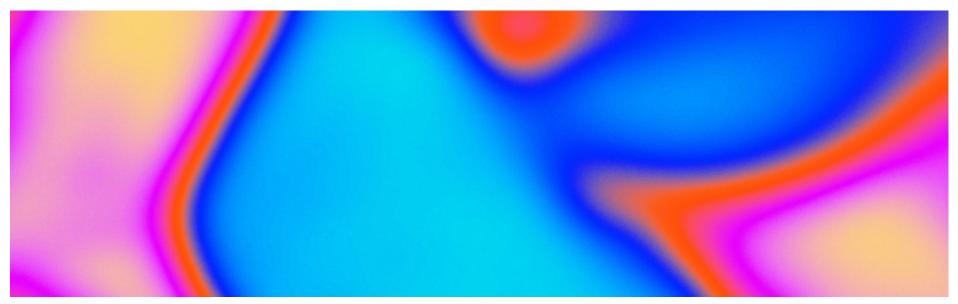
All the relevant campaign metrics are displayed below. Customise the same to your requirements.

By week/day By country By device By ad location By article By customers

| Neeks / days<br>Click on a week to se<br>preakdown by days | ee a 🌲   | Budget spent 🗘 | CPC ‡                           | Attributed sales 💲 | Attributed GMV 🛟 | ROAS   |
|--|----------|----------------|---------------------------------|--------------------|------------------|--------|
| Overview<br>From 3 weeks                                   |          | Total          | Average                         | Total              | Total            | Averag |
| Week 33<br>12 Aug - 18 A                                   | Aug 2024 |                |                                 |                    |                  |        |
|  |          |                |                                 |                    |                  |        |
| Week 32<br>05 Aug - 11 A                                   | wg 2024  | $\sim$         | eport is ready! T               | he download wi     | ll begin $	imes$ |        |
|  |          | $\sim$         | eport is ready! T<br>natically. | he download wi     | ll begin 🗙       |        |

SECTION 05

# General information



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### General information Costs and billing

#### **Conversion Campaigns**

- **Cost per click (CPC) model**: we charge based on the number of clicks generated by the campaign, every time a user clicks on your Sponsored Product Ad.
- The Cost per Click is a dynamic pricing model and varies depending on e.g. competition, category or country. In your daily campaign reporting within the ZMS Ad Manager you will see an average CPC overall, per country or on product/article level.

#### **Consideration Campaigns**

- **Cost per view (CPV) model:** we charge based on the number of views generated by the campaign, every time the Ad is displayed on the Home Page
- Partners will be charged based on the campaign budget spent on a monthly basis.
- It's important to note that this discount only applies to the final monthly invoice at the account level.

#### **General Invoicing and Payment**

- **Invoicing**: Campaign invoices will be sent out automatically via email on a monthly basis (beginning of following month). The invoiced amounts will be based on the actual campaign spendings.
- **Payment**: please follow the bank instructions in the invoice details; the payment terms are negotiated in the Conditions term agreement and start running as soon as the invoice is sent by our accounting department. In case Zalando does not have updated contact details from your accounting department and legal entity master data (e.g. billing details), you will be contacted to ensure service continuity.

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### FAQs Conversion campaigns

| Question   | Answer   |
|--|--|
| Why are some of my articles not promoted when I use Dynamic Sponsored Products?              | Articles which are not eligible for promotion will not be promoted, for example articles with low stock availability   |
| What happens when articles are out of stock?   | The campaign automatically stops promoting those articles which are out of stock.  |
| If we add new articles to our assortment during the campaign runtime, will they be promoted? | If you are using Dynamic Sponsored Products and your articles are eligible, newly added articles will be also promoted. If you run a Selected Sponsored Products campaign, you need to add them to your campaign.  |
| What is the maximum budget we can invest?  | There is no specific maximum budget limit  |
| How to split the budget between different countries?   | If you set up a Global Budget campaign, the tool is automatically taking care of an optimum budget distribution based<br>on performance. For Country Budgets campaigns, you could equally distribute the budget across countries or take<br>market size as orientation, and adjust the budget according to the performance after ca. 5 days. |
| How to avoid that the budget is spent rapidly after the campaign go live?                    | The Ad Manager has an integrated control mechanism to balance the budget and avoid rapid spending.   |
| Where on Zalando will my<br>Sponsored Ads be shown?  | Either within dedicated rows on the respective Zalando catalog pages or on product-based placements such as Product Detail Pages (PDP).  |
| What if the sponsored SKU is offered by another merchant? And at another price?              | Only one SKU will appear on the first Zalando catalog page   |

Consideration campaigns Sponsored Collections

### FAQs Conversion campaigns: Global or country budget

| Question   | Answer   |
|--|--|
| What is the difference between<br>Global Budget and Country Budgets?               | With Global Budget, you define a total budget for all markets in which the campaign is running. The algorithm is automatically distributing the budget along the campaign runtime based on the performance, for optimised results. With Country Budgets, you define specific, maximum budgets for each market. |
| Can we choose for Global Budget campaigns, in which markets the campaign will run? | Yes, you have full flexibility to choose in which markets your campaign will run. Please note the feature is specifically helpful for campaigns running in several markets.  |
| When to choose Global Budget and Country Budgets?                                  | In general we recommend Global Budget. Country Budget campaigns helps you, if you want to set certain budget limits on a country level, for example if you have defined maximum budgets per country or if you want to choose market specific campaign runtimes.  |
| How can I evaluate country-level performance via the Ad<br>Manager?                | In the campaign tab, you will be able to monitor the campaign delivery and results on a country level and gain daily insights into which budget was used in which market, and what results were achieved. We recommend to constantly monitor your performance.   |
| Can we adjust the budget & campaign runtime during the campaign?                   | Yes, also for Global Budget campaigns, you can increase or decrease your budget during the campaign. You can also adjust the campaign runtime during the campaign, e.g. extending the runtime if there is budget left when the campaign ends.  |
| Will the budget be mainly distributed to bigger markets?                           | No, our algorithm is balancing market level budgets across all selected markets for optimum performance and will therefore also leverage performance opportunities in smaller markets.   |
| Can a Global Budget campaign be paused in a specific market during its runtime?    | Yes, in this case the budget is further distributed only in the other markets in which the campaign is running in.   |

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### FAQs Consideration campaigns

| Question   | Answer  |
|--|---|
| Will my collection created in zDirect appear<br>on my Brand Home Page too?   | Yes, the collections created in zDirect will also be visible on the partner's Brand Home. Even after the campaign runtime, the collection will remain organically live on Brand Home. To unpublish the collection, simply log into the Brand Home CMS in the ZMS Collection tab.  |
| Will my collection still be organically visible in Brand Home after the campaign?                                      | Yes, your collection will continue to be organically visible in your Brand Home, allowing customers and followers to see it on the Home Page. If you decide to unpublish the collection after the campaign, you can easily do so in the Brand Home CMX under ZMS Collections.   |
| Can I boost collections with Wholesale (WHS) articles via the Ad Manager?  | Yes, it is possible to enhance WHS collections in the Ad manager. While you cannot create a collection in zDirect using WHS articles directly, you can import pre-existing collections with WHS articles from Brand Home to zdirect.  |
| Do you have recommendations on how to<br>allocate my budget between the different<br>countries or between Web and App? | On average, partners split their budgets between App (70%) and Web (30%). If your campaign is over performing in a specific channel, you can choose to increase the budget in this specific channel for your next campaign. We also recommend you select multiple markets and see how your collections are performing in each market to adapt your investment strategy for your next campaign. We recommend a minimum daily investment of 150 euros per market for optimal results. Additionally, we suggest running a 3-week campaign to allow the algorithm to gather sufficient data for better optimization of your campaign over time. |
| Which articles are shown on the Homepage?  | Our smart algorithm ranks your SKUs in the Collection Teaser on the Zalando Homepage to ensure maximum performance.   |
| When is the best time to set up my sponsored collection?   | We highly recommend running collection campaigns featuring your best-selling or discounted SKUs prior to sales events. This strategy allows you to familiarize Zalando customers with your assortment before advertising it, which in turn boosts the effectiveness of your conversion campaign. Furthermore, running both campaigns simultaneously is an excellent way to drive traffic to your sponsored SKUs and convert new customers. In your consideration campaign, emphasize your most popular items to create visibility and interest, while promoting a broader range of products in your catalog.                                |

### FAQs Reporting

| Question  | Answer  |
|---|---|
| How to distinguish between Managed<br>campaigns (set up via ZMS team) and<br>self-service campaigns (set up via you)) | On the Ad Manager reporting page, please look at the 'Managed By' column. For managed campaigns set up by the ZMS team you will see managed "by ZMS" in this column, for self-service campaign set up by your organization you will see managed by 'You'.   |
| Where to find further information on the KPIs in the reports?   | All KPIs and their definitions can be found on the Glossary page, which is linked above the campaign overview. Additionally, you can hover over a KPI name in the top row in order to see how it is defined. You can also download the report, all KPIs are defined in the glossary.  |
| What are key metrics for which campaign type?   | For understanding your campaign impact, it's crucial to be aware about the relevance of different metrics for different campaign types.<br>For Awareness campaigns, it is essential to look at unique users (reached) and ad impressions. For Consideration campaigns, KPIs such as<br>Engagement (incl. PDP Views, Add to Wishlist, and Add to Cart metrics) are particularly relevant. For Conversion campaigns, Return on Ad<br>Spend (ROAS), and sold items are specifically important. |
| How do I download my report?  | You can download your reports throughout the tool by clicking on the download icon located at the bottom left of the report table. You can either download all of your campaigns on the overview page, or download detail reports on the campaign detail page, once you have clicked into a campaign. Please note, applied filters are not reflected in the downloads, except for on the overview page.   |
| Where are my offsite campaigns?   | Utilize the Channel type filter to display only Offsite or Onsite campaigns. Offsite campaigns are also clearly marked in the Campaign type column.   |
| How does ZMS attribution work?  | ZMS Attribution uses a last click, 14 days window model. All attributed metrics in our campaign reports use ZMS Attribution.  |
| How do I get my colleague access?   | The Administrator can give access to any colleagues. Access is organised on a merchant/supplier level, so the colleague must have access to the merchants that they need to see reports of (more details)   |

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Consideration campaigns Sponsored Collections

for Wholesale

### Data insights Tips for Wholesale Partners

Performance Insights

Leverage Zalando's business insights to inform your assortment performance and campaign planning

Performance Insights empowers Wholesale Partners with access to powerful insights in order to steer their business and succeed at Zalando.

#### How it works

- Performance Insights increase the transparency of assortment performance via a series of reports, graphs & customizable tables
- Wholesale brands are in the driver's seat and able to meet customer needs while maximizing the sales and profitability

#### Benefits for partners

- Analyze weekly & seasonal article performance
- Pinpoint your brand's / articles' strong & improvement areas
- Understand your brand's performance
   across different markets
- Leverage insights to plan adequately for the next seasons

#### Use the insights as the starting point for campaign planning

→ Access to Performance Insights: <u>https://performance-insights.retail.zalando.com/</u>

#### Welcome to Performance Insights

Here's how your business on Zalando has been performing.

| Download performance reports   |                        | Excel Format $\lor$ | Sales & Stocks   |
|--------------------------------|------------------------|---------------------|--|
| Download article-level data Do | wnload size-level data |                     | Check the latest performance of your articles View Details |
| Include article images ①       |                        |                     |  |
| Week-based Reports             | Season-based Reports   | 0                   | Sales by Country   |
| Sales and Stock Report         | Sales and Stock Report |                     | Check the article performance per country                  |
| 🗄 Download                     | ≟ Download             |                     | View Details   |
| Country Report                 |                        |                     |  |

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# Marketing Services

## Get in touch with us.

Any questions on how to use the Ad Manager or how to get started? Please contact us anytime:

Partner Program Partners: partner-care@zalando.de

Wholesale Partners supplier-support@zalando.de