

CASE STUDY

Cost Reduction Through Effective Retargeting

SEARCH INNOVATION



When You Think of

DEMAND

ACCELERATION

Think of Us.

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**EXECUTIVE
SUMMARY**

Position² partnered with a fintech company that was facing challenges in customer acquisition while connecting small businesses with capital. This case study discusses Position²'s plan to resolve client's challenges and make the company's search channel profitable.

As a result, the client's cost per acquisition reduced by 41% and the cost per conversion decreased by 30%, allowing more efficient use of the brand's budget

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CHALLENGE

As a brand grows and becomes more of a household name, the number of online searches for the brand increases over time. While this is good for brands, paid search advertising can be adversely affected. A brand's growth story is usually accompanied by an increase in the number of competitors bidding on their brand keywords. This can cause brand cost per clicks (CPCs) to increase substantially due to competitor-induced CPC inflation. As our client established itself as a market leader, we found that several direct competitors in the space were competing with them and causing CPCs to double.

Besides dealing with costs due to competitors, brands also incur heavy expenses from brand keywords attracting repeat traffic from existing customers clicking on ads to navigate to the website.

Controlling or reducing a brand's CPCs is challenging, but not impossible. Improving quality score can potentially lower CPC's, but brand keywords usually have quality scores of 10. With a click-through rate (CTR) that's already close to 50%, there was not much room for improvement on that front either.



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SOLUTION

The first step was to analyze the client's traffic by audience. Since we created audiences for past visitors who hadn't converted and those who had converted, we were able to add these audiences to all brand campaigns. After a month, we determined the split of traffic from these audiences and in turn, for new clients.

We then went on to triple our client's campaigns and modify the targeting. One set of campaigns excluded all past visitors, therefore exclusively targeting new visitors. The second set of campaigns targeted past visitors and excluded those who've converted, therefore showing ads to past visitors who hadn't converted. The third set of campaigns targeted only those who converted or existing customers.

Having separate campaigns helped us modify bids. We were able to bid down on keywords existing customers searched for to position 3, thereby maintaining our presence but paying a smaller amount for customers who were looking to sign in to their accounts.

In addition to cutting costs, we were able to implement a more relevant messaging strategy. Since we had separate campaigns for each audience type (instead of bid modifiers for audiences within one campaign), we were able to try out different messaging and landing pages as well. In the campaigns targeting those who hadn't converted, we experimented with messaging around the credibility of the brand, third-party reviews, and customers statistics. Since these users had visited the website before, they were aware of the brand but essentially needed a push to convert.

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OUTCOME

A comparison of H1 2016 and H1 2017 yielded the following results:

- Impressions were down by 6% - this was a result of bidding lower on keywords that converted visitors were using. It's hard to maintain an average position of 3 with 100% impression share.
- Clicks were down by only 5% - this was possible because of an increase in the CTR by 2%



- CPC was down by 38%
- Cost reduced by 41% and cost per qualified conversion decreased by 30%. That's 41% of the brand budget that could be allocated to non-brand keywords.

Clicks	CTR	CPC	Cost	Cost/Conv
-4.6%	2.0%	-38.4%	-41.2%	-30.1%

5 Conclusion

In a nutshell, Position² was not only able to help our client overcome their challenges in customer acquisition, but also made their search channel profitable. With Position²'s help in scaling the website, cost per acquisition and cost per conversion decreased considerably, which led to client being able to save a lot from their brand budget.

