



Improving Efficiencies through Top Keyword Isolation

[Case Study]

Summary

By using eSearchVision's Top Keyword isolation methodology, this leading PC gaming e-tailer saw a drop in CPA of over 40%. After five months, the average CPA dropped over 60%.

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Client Profile

Leading PC Gaming E-tailer

Objective

Due to budget constraints, CPA needed to drop from average of \$9.77 to below \$5.00 while not lowering the average number of monthly orders.

Challenge

Given the industry, there is instability in which games are hot and which are not. This proved to be challenging when optimizing since little could be assumed from past performance and campaigns were structured by game.

Initial Analysis

eSearchVision performed an analysis of the search campaigns to identify areas of improvement.

Despite the volatility of the industry, it was determined that there were a group of 26 stable keywords that performed consistently and took up 42.30% of the total cost (see **Figure 1**).

The campaigns were considered mature and an extensive keyword list already existed, however there was significant opportunity to improve performance in Top Keywords. CPA for the Top Keywords was 25% (see **Figure 1**) more than the rest of the campaigns. While it can be expected that Top Keywords would have a higher CPC due to the high competition, CPA should still perform above average, because of a good conversion rate. On these Top Keywords, the advertiser has to be legitimate and thus, a click on these keywords should lead to a conversion. This only works if traffic is well qualified through exercising control on editorial via strong match type management and a comprehensive negative keyword listing.

| KW Type | % of Imp | % of Clicks | % of Cost | % of Orders | CPC | CPA |
|------------------|----------|-------------|-----------|-------------|--------|---------|
| Top KWs | 40.40% | 41.15% | 42.30% | 37.04% | \$0.26 | \$11.15 |
| Other KWs | 59.60% | 58.85% | 57.70% | 62.96% | \$0.24 | \$8.95 |

Figure 1: Pre-Optimization Value Analysis

The campaigns were structured according to the game they were advertising. Due to the extensive keyword list per adgroup, ad copy did not contain the keywords in it, but instead focused on the game.

Solution

As it was essential that orders did not drop, it was apparent that cost reducing methods would have to be implemented. With the high potential to improve relevancy and control over these campaigns, eSearchVision created a new Top Keyword campaign to create dedicated ads for these keywords. Optimizing the Top Keywords and the corresponding ads will improve Quality Score/Index, resulting in lower CPCs for the same ad rank. Additionally, this allowed for a more controlled budget to be put in place for the Top Keyword campaign, as well as freeing up budget in the remaining campaigns.

Results

Using eSearchVision’s Top Keyword isolation methodology to create highly targeted ads and improve Quality Score/Index, there was a drop in overall CPA by 44% (see **Figure 2A**) in one month. Performance continued to improve in the subsequent five months, with average CPA dropping to \$3.83 (see **Figure 2A**).

Performance of the keywords identified as Top Keywords improved tremendously. Only one month after the initial restructuring, CPA dropped over 57% (see **Figure 2B**). An overall drop of 68% was observed after reviewing the aggregated stats of the five months following the optimizations (see **Figure 2B**).

| | Before* | Month 1 | After ** |
|-----------------|---------|---------|----------|
| Avg. CPA | \$9.77 | \$4.93 | \$3.83 |
| Avg. CPC | \$0.25 | \$0.23 | \$0.22 |

Figure 2A: Pre/Post Optimization Overall Metrics

| | Before* | Month 1 | After ** |
|-----------------|---------|---------|----------|
| Avg. CPA | \$11.15 | \$4.76 | \$3.48 |
| Avg. CPC | \$0.26 | \$0.25 | \$0.24 |

Figure 2B: Pre/Post Optimization Top KW Metrics

*Before statistics are the aggregated stats of 5 months prior to optimization

**After statistics are the aggregated stats of 5 months after optimization

It was critical for the CPA to drop but for the number of orders to remain stable. Orders continued to steadily climb after the restructuring took place (see **Figure 3**). Each month following the optimization saw a greater number of orders completed than prior to the changes.

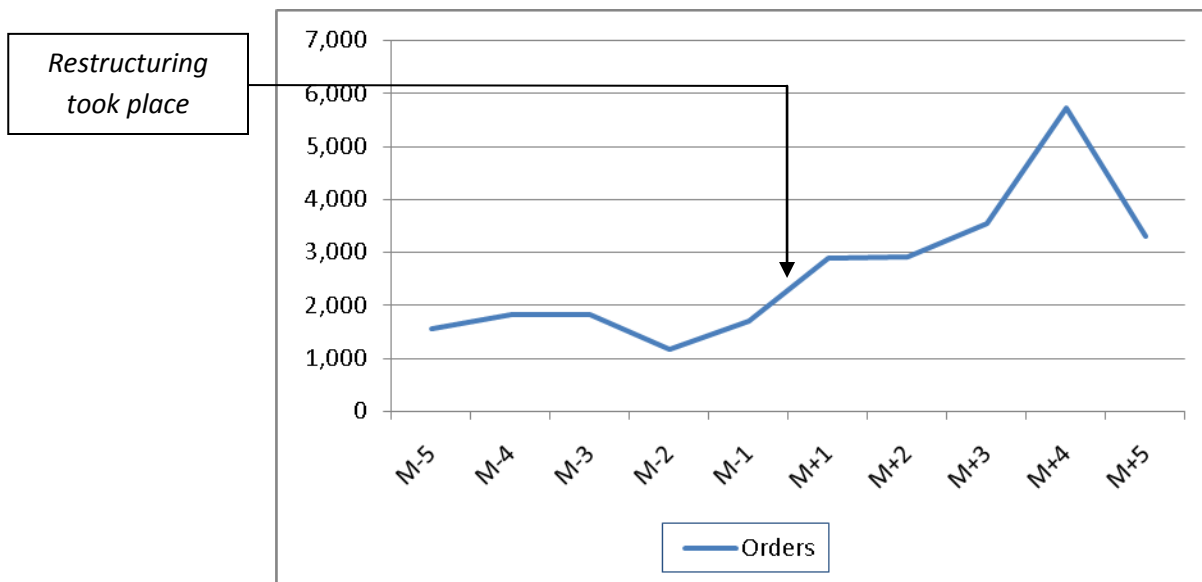


Figure 3: Pre/Post Optimization Orders

Note: Due to a product launch during Month M+4 there was a spike in orders

About eSearchVision

eSearchVision is a search engine marketing agency and global technology company used by many of the largest brands across the world. Continuously refined and improved by a team of engineers working hand-in-hand with quality-score expert account managers, the eSearchVision platform is at the forefront of paid search management technology. We offer both licensing of our platform and full agency support.

The eSearchVision platform is the most comprehensive paid search management platform currently available to marketers. It combines tracking, reporting, and bid management on one platform alongside a suite of power-tools such as automated campaign analysis, mass updates, catalog methodology, raw request, etc. eSearchVision is a vital tool for any paid search marketer trying to leverage maximum benefit from paid search.

eSearchVision's Account Management team offers world-class service with industry know-how, dedicated attention, and quality score expertise. We believe that we are an extension of our clients' team which means we can handle all the details from account structure to quality score management without ever losing the big picture.

Appendix A - Glossary

Match Type – Depending on the Search Engine, there are different keyword matching options, each specifying a how the search query triggers the keyword purchased. Some match types offer a broad audience impression while others are more targeted.

Negative Keyword – Additional Match Type preventing an ad from displaying for search queries containing this term.

Quality Index – A relative measure of your ad's performance. The quality index takes into account the click-through rate and other relevancy factors.ⁱ Quality Score is a Yahoo-specific term.

Quality Score – Quality Score is a dynamic variable calculated for each of your keywords. It combines a variety of factors and measures how relevant your keyword is to your ad text and to a user's search query.ⁱⁱ Quality Score is a Google-specific term.

Return-On-Ad-Spend (ROAS) – A success metric defined as
$$\frac{\text{Revenue}}{\text{Advertising Costs}}$$

ⁱ Yahoo! Search Marketing Glossary http://searchmarketing.yahoo.com/rc/glossary.php#quality_index

ⁱⁱ What is 'Quality Score' and how is it calculated? <http://adwords.google.com/support/bin/answer.py?hl=en&answer=10215>