

Adorama increases traffic and conversions, controls costs with PLAs on Google Shopping



At a Glance

Goals

- Market all relevant inventory to consumers
- Leverage key value items through bidding control
- Become the category leader on Google Shopping

Approach

- Launched a PLA campaign on Google Shopping

Results

- Increased CTR by 176 percent
- Increased conversion rate by 100 percent
- Held CPC to just a 73 percent increase

"We are really excited to be capitalizing on PLAs and hope to translate the success and experience over to Google Shopping early in their lifecycle. We're ensuring that our ads are exceptionally targeted and relevant in order to maintain continuous CTR and CVR growth ahead of CPC increases."

—Brian Green, vice president of marketing, Adorama

Adorama is one of America's largest photo retailers and mail-order suppliers. Located in New York City, it has served both professionals and amateurs in the photographic, video, digital-imaging, and telescope fields since 1978. Forbes.com has listed the multichannel retailer among the "Best of the Web."

Shifts PLA campaign to Google Shopping

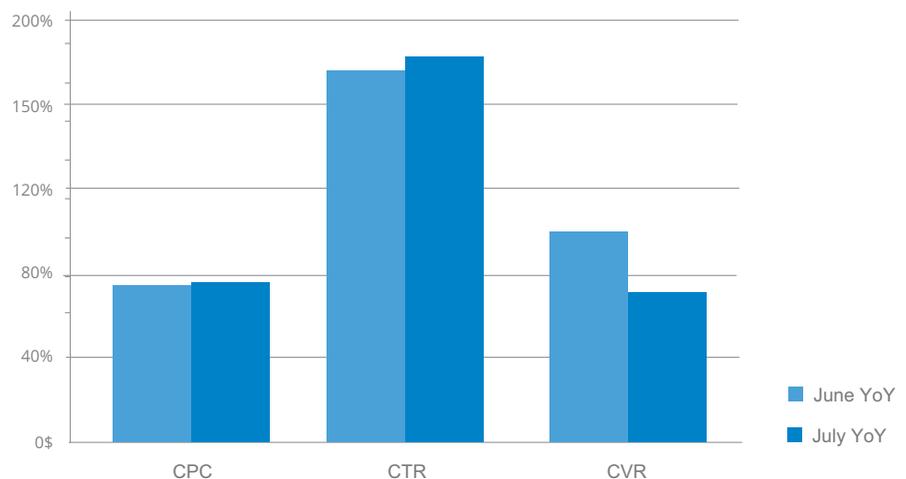
Adorama began investing in pay-per-click (PPC) advertising in 2003, and added Google Product Listing Ads (PLAs) in mid-2011. The company's strategy for long-term investment in PLAs depended on the ad format being at least as effective and efficient as PPC text ads.

Working with digital agency Adlucent, the photographic company quickly and confidently launched a PLA campaign on Google Shopping in 2012. The campaign included targets for every product in the Adorama catalog, with bids tied directly to proven customer intent. The company was able to identify high-performing products, adjust bids at the product level, and optimize ad text (product title, description, etc.) for top performers.

Efficiency and performance rise

The PLA campaign on Google Shopping delivered the performance Adorama was seeking. In June 2012, the click-through rate (CTR) jumped 176 percent and the conversion rate rose 100 percent from a year earlier. Over the same period, CPC rates held to just a 73 percent increase. The company also saw similar year-over-year increases the following month.

"Adorama needed to see performance and efficiency from PLAs on par with PPC to justify their continued investment in this medium, and they have surpassed their goals," says Michael Griffin, Adlucent founder and chief technology officer.



CTR and Conversion (CVR) Growth Outpaces CPC

About Google Shopping

Google Shopping is a new experience for finding, researching, and discovering where to buy products online and nearby. Google Shopping includes new features designed to make shopping even more intuitive, beautiful, and useful on google.com and google.com/shopping.

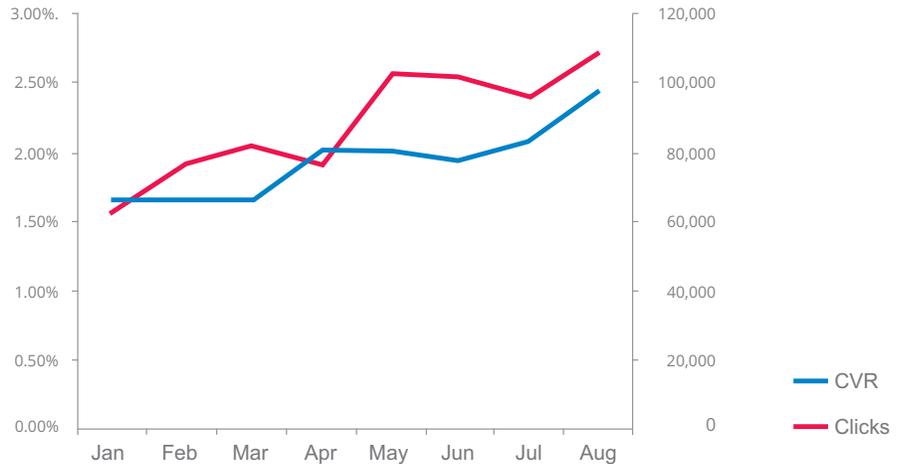
For more information, visit www.google.com/ads/shopping

About Google AdWords

Google AdWords is a performance-based advertising program that enables businesses large and small to advertise on Google and its network of partner websites. Hundreds of thousands of businesses worldwide use AdWords for text, image, and video ads priced on a cost-per-click (CPC) and cost-per-impression (CPM) basis. Built on an auction-based system, AdWords is a highly quantifiable and cost-effective way to reach potential customers.

For more information, visit <http://adwords.google.com>

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—Michael Griffin, founder and CTO, Adlucent*



Clicks and Conversion (CVR) Growth, 2012

Since launching its program in June 2011, Adorama has seen the month-over-month trend for PLA conversion rates slightly out-pace costs (7.2 percent versus 7.1 percent), while the CTR has increased an average of 10 percent per month. As for sales (measured by the last click to purchase), PLA-driven revenues through Google Shopping have spiked dramatically – up 63 percent from the first quarter to the second quarter in 2012. Plus, PLA clicks impacted almost half of Adorama’s non-brand revenue in July.

In August 2012, Adorama saw a 34-percent increase in clicks and a 7.5-percent increase in conversion rates, compared with Q2 highs, plus an 18-percent drop in total ad costs from July.

'Exceptionally targeted and relevant'

As Google Shopping grows in popularity, Adorama must keep its PLA campaigns exceptionally targeted and relevant, so that click-through and conversion rates stay ahead of CPC increases. Having the power to quickly scrutinize and optimize the performance of each product at a micro-segmented level gives Adorama the control to stay both competitive and cost-effective.

"We are really excited to be capitalizing on PLAs and hope to translate the success and experience over to Google Shopping early in their lifecycle, says Brian Green, Adorama's vice president of marketing. "We're ensuring that our ads are exceptionally targeted and relevant in order to maintain continuous CTR and CVR growth ahead of CPC increases."

About Adorama

Adorama is one of the nation's largest photo retail and mail order suppliers, serving professional and amateur photographers for more than 30 years. For more information, visit www.adorama.com

About Adlucent

Based in Austin, Texas, Adlucent is a marketing technology and analytics agency focusing solely on retail and e-commerce companies, including more than 130 retail brands. For more information, visit www.adlucent.com

