

8X ROI Using Google Shopping!

PPC Case Study

E-commerce Industry

BLACK POWDER
MARKETING

The owners of small to medium-sized home improvement stores face stiff competition.

Even when they persuade potential shoppers from going to megaretailers like Home Depot or Lowe's, they're still up against dozens of other smaller stores offering similar products in their community.

How are smaller businesses supposed to level the playing field? The answer is pay-per-click or PPC advertising.

Keep reading below to learn how we helped an online home improvement store to reach more customers and increase their revenue with an 8x return on investment by utilizing Google Shopping!

Background

This client reached out to us in March 2020. They're located in Pittsburgh, Pennsylvania, and have been selling saloon and cafe doors online for over 40 years.

The home improvement store capitalized on the power of the internet in its early days. They had a nicely managed website but they needed help with paid ads.

They attribute 70% of their business to their e-commerce operation. The additional 30% is from foot traffic in Pittsburgh.

They were looking to increase revenue by reaching more potential customers. Specifically, their goal was to get a 5X return on investment by having the cost of ads be 20% or less of total revenue.


The PPC Strategy

Our main challenge was that the client felt they **HAD** to be on Google using shopping ads, search ads, and display ads to compete with the "big boy" competitors like Lowe's, Home Depot, Wayfair, or Amazon.

The problem was they weren't seeing an ROI when internally running Google Ads. And their budget was also a fraction of what the megaretailers spent.

Our team audited their live campaigns in March 2020 and found a solution. We discovered that the client had a high-performing Standard Campaign, delivering a 6X return.

We found that our client had a well-performing standard campaign that was producing a 6X return.

| <input type="checkbox"/> ● Campaign | ↓ Cost | Conversions | Cost / conv. | Conv. value | Conv. value / cost | Conv. rate |
|--|-------------|-------------|--------------|-------------|--------------------|------------|
| <input type="checkbox"/> ●  Google Shopping | \$19,161.41 | 691.00 | \$27.73 | 114,894.54 | 6.00 | 1.15% |

We immediately switched this to a Smart Shopping Campaign because it allowed for more targeted placements across Google Shopping and the Google Display Network.

The next step was to examine the data from their Standard Shopping campaign. We went down the list and only kept the high-performing products. Anything that was not being clicked on was removed from the new campaign.

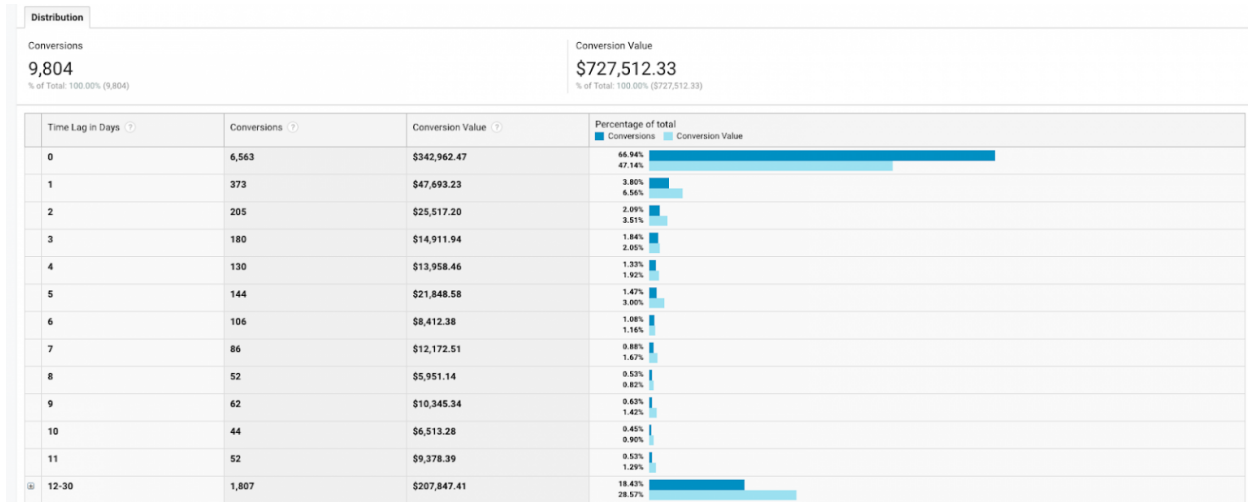
| | | | |
|--------------------------|----------------------------------|------------------------------|---|
| <input type="checkbox"/> | <input checked="" type="radio"/> | Product group ↑ | |
| <input type="checkbox"/> | <input checked="" type="radio"/> | ^ <u>All products</u> | |
| <input type="checkbox"/> | <input checked="" type="radio"/> | ∨ <u>bommer hinges</u> | |
| <input type="checkbox"/> | <input checked="" type="radio"/> | ⊖ ∨ <u>national hardware</u> | + |
| <input type="checkbox"/> | <input checked="" type="radio"/> | ∨ <u>swinging cafe doors</u> | |

Establishing a remarketing campaign is another effective way to increase revenue. This type of campaign targets past visitors who showed interest in a particular product but for whatever reason didn't buy it.

We wanted to touch as many new and existing prospects as possible.

Touchpoints are crucial because the client's Google Analytics data showed us that higher-priced products take weeks to sell when compared to low-price items with a much lower commitment.

Take a look below at the conversion values generated between 12-30 days after an initial touchpoint.



The client's Google Analytics shows that products that are higher-priced take weeks to close a sale compared to low-price items which are a much lower commitment.

This remarketing campaign would be another touchpoint reminding potential customers of the item they were interested in.

Results

The results of this PPC campaign were better than any of us expected. In the end, we surpassed the client's goal by delivering an 8X return on investment.

While our original audit found the Standard Campaign earning a 6X return, we were able to bump that up to over 8X by focusing on higher-priced items.

| Campaign | Cost | Conversions | Cost / conv. | Conv. value | Conv. value / cost |
|---------------------------------------|-------------|-------------|--------------|-------------|--------------------|
| Google Ads - Shopping - Sales - Smart | \$22,983.97 | 624.00 | \$36.83 | 184,853.04 | 8.04 |
| Google Shopping | \$19,161.41 | 691.00 | \$27.73 | 114,894.54 | 6.00 |

We focused on higher-priced items and were able to focus on driving a higher ROI for our client.

After switching to a Smart Shopping Campaign, we spent \$22,682 on advertising and generated \$180,642 in revenue.

The cost of ads was only 12.6% of the overall revenue generated versus the 20% goal they set in the beginning.

Total revenue for this client increased 77.20% (\$681,591.75 vs. \$384,646.68).

| Transaction ID | Revenue | Tax | Shipping | Refund Amount | Quantity |
|----------------|--|--------------------------------|-------------------------------------|---------------------------|--------------------------|
| All Users | 77.20% \$681,591.75 vs \$384,646.68 | 7.32% \$998.87 vs \$930.73 | 103.25% \$8,621.81 vs \$4,241.91 | 0.00% \$0.00 vs \$0.00 | 62.24% 3,485 vs 2,148 |
| Paid Traffic | 78.76% \$160,080.73 vs \$89,552.79 | 24.32% \$198.57 vs \$159.72 | 161.39% \$3,351.02 vs \$1,282.00 | 0.00% \$0.00 vs \$0.00 | 70.63% 947 vs 555 |

Here are some additional statistics to demonstrate the campaign’s success:

- Unique purchases have increased 54.55%
- The average price of each purchase is up almost 10% overall (9.47%)
- Paid search revenue increased 81.25% (\$85,214.76 to \$154,448.79)

Our client was also very concerned with beating out the “big guys.” Not only did we see a large ROI, but we also beat out almost every single “big guy” on the market.

| Display URL domain | ↓ Impression share |
|-------------------------|--------------------|
| amazon.com | 26.23% |
| You | 17.52% |
| lowes.com | 15.91% |
| hardwaresource.com | 10.61% |
| restaurantdoors.com | < 10% |
| realslidinghardware.com | < 10% |
| ask.com | < 10% |
| rusticahardware.com | < 10% |
| wayfair.com | < 10% |
| homedepot.com | < 10% |
| artisanhardware.com | < 10% |
| amazon.ca | < 10% |
| etodoors.com | < 10% |

We showed this client that the right strategy can beat a bigger company and bigger budget.

Conclusion

PPC ads are an effective way for you to get more sales. Owners of e-commerce stores, regardless of what they're selling, should be setting up Google Shopping Campaigns.

While it seems like the process of creating these ads is simple, it takes hours of monitoring and tweaking to perfect a campaign. The Google Shopping platform can also be complex for beginners.

Are you interested in launching or optimizing your PPC ads but you don't know where to start?

Book a call with one of our digital marketing experts to get started.