



DIGITAL
A Harte Hanks Company

WowWee

Maximizing Scale and Reducing CPA for eCommerce

CLIENT

WowWee Group, a manufacturer of robotic toys and consumer electronics products.

CHALLENGE

Maximize sales of the top-priority SKU for the 2016 holiday season.
Decrease CPA to meet goal (approximately 10% of product list price).

SOLUTION

2016 was the client's first year investing significantly into digital marketing. Going into Q4, the 3Q Accelerate team identified native retail platforms and search as the most important channels for the holiday season.

Amazon Marketing Services

The Amazon Marketing Services (AMS) platform reaches Amazon shoppers in product searches and on product detail pages. To push the top-priority product in Q4, we strategically leveraged all three AMS ad types in their strongest-performing keyword categories.

- Sponsored Products have the greatest reach; we applied these for brand, category non-brand, and competitive keywords.
- Headline Search Ads take up the most screen real estate, making it vital to utilize this ad type for category non-brand terms.
- Product Display Ads were leveraged for an additional awareness push on competitive product detail pages, segmented into different categories by how similar they are to WowWee's product.
- Within each of these ad types, we segmented campaigns according to these keyword categories for maximum control over budget allocation.

By applying all three ad types cohesively and selecting keywords according to each ad type's strengths, we were able to maximize impression volume. By segmenting campaigns by keyword categories, we could closely control spend for optimal CPA.

SOLUTION CONT.

Criteo Sponsored Products

Criteo Sponsored Products (formerly HookLogic) takes the intent of search advertising and increases the importance by appearing directly where consumers are trying to purchase: retail websites. The platform is integrated with major retailers such as Walmart.com, Target.com, ToysRUs.com, BestBuy.com, and many others, showing ads in the native search results.

At the beginning of Q4, we faced high CPAs as the competition prepared for holiday shopping traffic. To combat this conversion inefficiency, we began a series of optimizations, working to meet this intent where it was most impactful.

Incoming data was continually leveraged to perform fine-tuned bid adjustments and grow out keyword lists.

Adjusting budget allocation by retailer helped push sales volume in top-performing retailers, improving overall efficiency for the channel.

Dayparting Criteo Sponsored Products ads to align with the flighting of WowWee's TV ads had the greatest CPA impact. By focusing our budget on peak interest times, we were able to drive notable increases in sales at even greater efficiency than before.

Search

Given WowWee's focus on native retail channels for Q4, search channels were considered slightly higher up the funnel than previously, and we needed to adjust strategy accordingly.

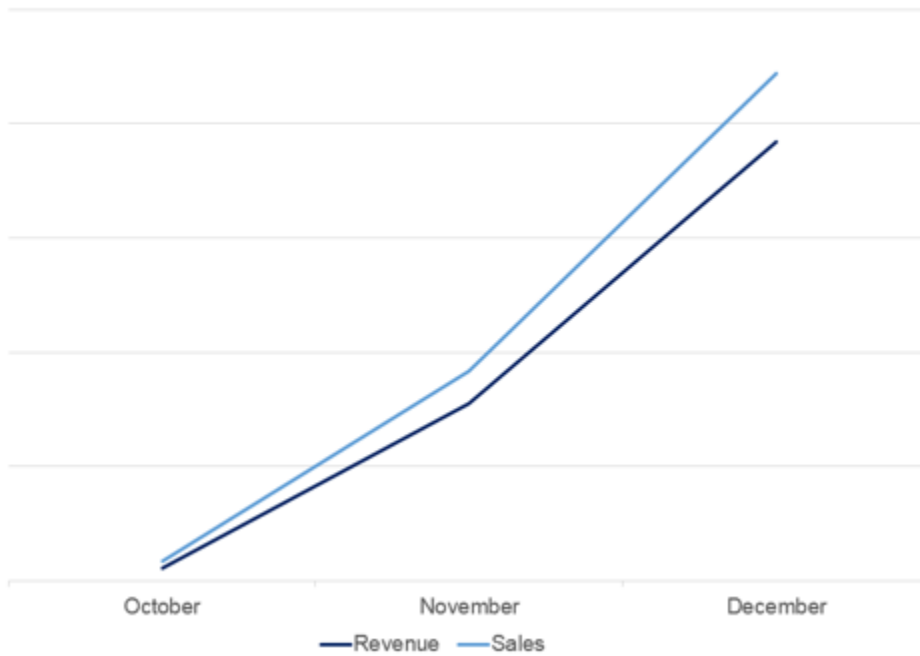
Because we had implemented the Alpha-Beta Structure, we had the ability to control spending on a dime. In addition to giving us maximum control over in-channel CPAs, improving efficiency as holiday data flowed in, we leveraged this setup to decrease our multichannel CPA. Based on performance ebbs and flows in lower-funnel channels, we could increase or decrease spend in Alpha or Beta campaigns, adjusting budget where it was most efficient while always knowing that our top-performing queries would be captured.

RESULTS

Volume

Utilizing this multi-channel strategy, we were able to maximize our sales volume for the holiday season, achieving a year-over-year increase of 2x in units sold and of 3x in revenue. Increased average order values account for the increasing gap between revenue and sales units in the following chart.

Q4 Overall Sales & Revenue

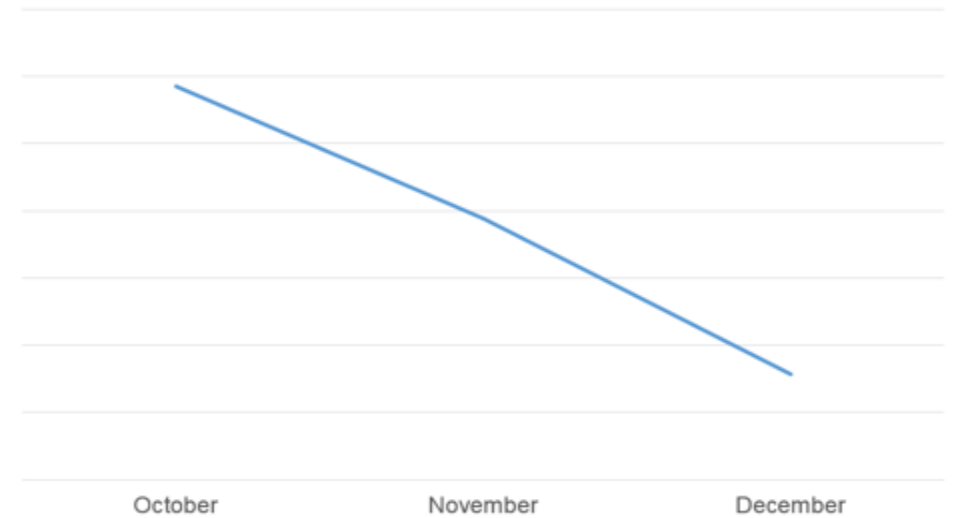


Digital efforts helped achieve very high sell-throughs across all of WowWee’s retailers. For Q4, 28% of units sold of the top-priority product were attributed to Amazon ads. In that channel, the product had an 84% sell-through rate, and the primary variation of the product was sold out by Christmas. (Other retailers whose ads were managed by Criteo Sponsored Products ranged from 70% to approximately 100% sell-throughs.)

Efficiency

In addition to increasing sales volume, our strategic adjustments helped us beat the product’s Q4 multichannel CPA goal by 7%. Overall CPA improved by 73% from the beginning of the quarter to the end.

Multichannel CPA

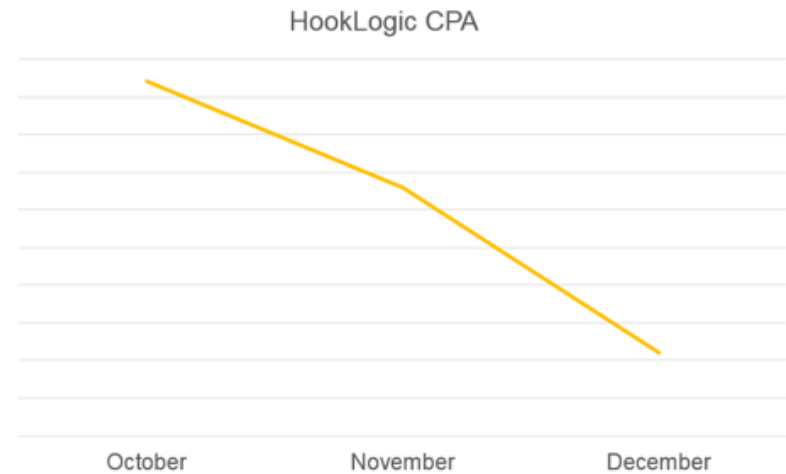


RESULTS CONT.

For search, we saw a 53% decrease over the course of the quarter because of the level of control afforded us by the Alpha-Beta Structure.



Similarly, our dayparting adjustments on Criteo Sponsored Products improved efficiency by 76% for the same time period.



Amazon's strategic application and segmentation of ad types helped us decrease CPA for this SKU by 64% from October to December.





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