Kaz USA: Integrated Approach to SEM

Few agencies can demonstrate the concrete effects that a fully integrated search marketing program delivers for a client's business and overall revenue contribution. Working hand-in-hand with our client, Kaz USA, we were able to create a highly successful, proactive campaign leveraging the synergy between Pay Per Click (PPC), Comparison Shopping Engines (CSE), and Search Engine Optimization (SEO). Data/learnings were passed from the CSE and SEO teams to the PPC team and the client. Close monitoring, good cross-team communication, flexibility, and quick action on identified opportunities are essential for maximizing revenue and return. The improved visibility across all three channels led to an increase in sales from both the CSEs and organic search.

**Situation**

Kaz USA is a global leader in healthcare devices and home comfort products with a brand portfolio that includes Vicks, Honeywell, Braun, and more. They distribute products via major retail brick-and-mortar and online partners, including CVS, Walgreens, Rite Aid, Home Depot, Lowes, and Amazon. They had no significant Direct-to-Consumer (DTC) online business prior to FY09. Their Web manager expressed his mission, “I'm running a relatively new business within a larger business that expects big things from me.”

**Challenge**

With a relatively limited budget, the goal is to launch, test, and develop the new DTC online program. It covers roughly 100 products across various categories, including air purifiers, fans, humidifiers, blood pressure monitors, and insect control. The CPCs for general keywords within their nine categories are high (average of $0.75). In order to meet their efficiency goal of a 4x return, we are limited in the number of products that can be tested and promoted within PPC at any given time. Although we are running thousands of keywords, the initial budget does not allow us to effectively target every unique product.

**Solution**

Managing search campaigns focused on e-commerce with a tight budget requires an integrated approach that leverages the unique strengths of PPC, CSE, and SEO. For example, we use CSE as a proving ground for less popular or more obscure products. CSE programs are generally less costly than PPC campaigns and deliver a higher ROI. In this case, we allocated 30% of the client's overall monthly media budget to CSE and the rest to PPC.

We capitalize on market changes to obtain the most efficient results. Our proprietary tool monitors CSE activity and alerts the entire account team of "hot products" and inventory status. If we see a product pick up significantly in traffic and sales in organic results and/or CSEs, we build product-specific PPC campaigns and then expand them based on performance. Launching a targeted PPC campaign often increases the number of sales for that same product in the CSEs.

The daily CSE product feeds also help the account team keep tabs on products that are out of stock. During the period that any product remains unavailable, we pause all PPC bidding and CSE listings so that the media budget is not wasted on non-converting clicks.

We used a multi-channel approach to promote the $49.95 HW-628 Honeywell Dual Window Fan in paid search between June 1, 2010 and August 31, 2010 on Google, NexTag, Shopping.com, Shopzilla, and PriceGrabber. During this time, we also provided recommendations for improving organic results in Google, Yahoo, and Bing.
**Campaign Execution**

*Last week of May 2010:*

In the midst of the first heat wave of the season, we saw a jump in CSE sales of fans, particularly the HW-628. This model’s sales increased 1900% in a single week. At the same time we also saw a large increase in organic traffic from fan-related terms.

*First week of June 2010:*

Based on the volume we saw in both organic search and the CSEs, we built a HW-628 Google campaign and launched 55 keywords focused on product-specific terms. All keywords were launched with the target of top three positions and a max CPC of $1.50. The ad copy was product specific and referenced price along with low-cost shipping and handling. The intent of this copy was to convince the busy, uncomfortably hot searcher that this was a good buy so there was no need for comparison shopping.

*End of July 2010:*

Based on the positive PPC search performance, a test of the Google Content program was launched with the same copy that was used in the successful search network campaigns. In tandem with the paid campaigns, we provided specific SEO recommendations related to technical roadblocks, navigation, information architecture, metadata, and linking strategy. Kaz USA’s timely implementation of these items increased organic visibility for the entire site. With first-page organic rankings for the product terms, a top three ranked PPC ad, and strong placements within the CSEs, we were in a leading position across all types of campaigns.

**Results**

While the HW-628 campaign was small in terms of the overall scope of this client’s business (only 6% of the total spend), we proved that a truly integrated search campaign delivers results. Our site-wide results demonstrate that we can quickly apply this same approach to other seasonal and market opportunities as they are identified. The success of this sample campaign continues to be duplicated for other products according to the seasonal sales trends and opportunities that arise.

**HW-628 results:** Results were well above Kaz USA’s expectations. The product campaign was so successful that the client’s product ran out of stock for a few weeks. The HW-628 SKU earned the second-highest percent of sales during the 2010 summer season; no other fan has ever been within the top 20 for Kaz USA. In addition, this campaign delivered over a 9x ROI in sales from PPC and CSEs. When comparing 2010 results to the same period in 2009, we delivered the following:

- More than 3000% increase in unit sales (client estimates it would have increased 5,000% or more if they had been fully stocked)
- Category "Fans" more than doubled the percent of revenue contribution
- Organic traffic was up 600% and delivered a 35% conversion rate
- After the PPC campaign was launched, we saw a 36% increase in average weekly sales of the unit in the CSEs

**Site wide results:**

- Sales are up 60%+ YTD
- For the month of August 2010, ROI was 4.6X and conversion rate 5.2%
- YTD ROI meets the goal of 4x and is expected to be significantly higher through the 2010 winter and holiday season
- Significant organic growth year over year. Google visits are up 246% and revenue increased 1,805%. Visits on Bing grew 1,218% with a 2,749% growth in revenue
Our company has been in business since 1926, and we have locations in 67 countries around the world. Our headquarters is just west of Boston in Southborough, Massachusetts. We do conception, manufacturing, and sales of products for Vicks, Honeywell, and Braun.

We’ve been working with Inceptor℠, a search marketing service from SuperMedia, for about 18 months. Inceptor built our accounts from scratch, and manages our Search Engine Optimization, Pay Per Click, and Comparison Shopping Engine feeds. We selected them because they seemed to be knowledgeable, honorable, personable, and intelligent. All of these assumptions have turned out to be correct.

“We track our ROI, and while it varies from month to month, it’s typically 4 to 5 times our investment.”

Prior to 2009, we didn’t really have a direct-to-consumer business to speak of. Since we hired Inceptor, they’ve been an integral part of our journey from nothing to exciting. There has been significant growth in our business, and Inceptor has played a major role in that.

The most important thing to me personally has been Inceptor’s ability to anticipate the next thing and remain flexible. I’m running a relatively new business within a larger business that expects big things from me. This makes me have to do things quickly and with more agility than is usually necessary, and Inceptor has been able to accommodate that.

Inceptor is incredibly attentive to my needs. Many vendors send you a few emails and an invoice every month, but I’m in contact with Inceptor three to five times a week, depending on what is going on. Deadlines don’t constantly slide and fly by unmentioned like with many other vendors. They can accommodate my schedule and are always around for meetings when I need them.

I would definitely select Inceptor again, and in fact, I have. We’ve signed four contracts with them at this point. I can tell other business owners that you’ll do better with SuperMedia and Inceptor, and that they really have your best interests at heart.

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