



Marketing to Marketers

Internet marketing company slashes CPC 75% while boosting conversion rates 433% with help from Google Conversion Optimizer

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Dane Christensen,
SEM Manager, Lyris



Simplify. Unify. ROI.

Who they are

- Lyris, Inc.
- Internet marketing company
- www.lyris.com
- Emeryville, California

What they needed to do

- Reduce cost-per-acquisition (CPA)
- Increase conversions
- Boost overall return on ad spend (ROAS)
- Expand volume of high-quality leads
- Free up time for strategic marketing

What they did

- Adopted Conversion Optimizer for AdWords campaigns
- Rolled out Conversion Optimizer to set maximum CPA bids
- Used Google Content Network for ad distribution

What they accomplished

- **Decreased average CPC:** Lowered average CPC 75% in six months
- **Grew conversions:** Conversion rate soared 433%
- **Increased ROAS:** Garnered nine times more quality leads on Content Network at same price as Search Network
- **Applied time more effectively:** Focused on strategy versus tactics

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

Entertaining a tough crowd

If your company targets marketing departments or directors of marketing, how do you persuade them to do business with your company? Presumably, they already know the tricks of the trade.

The truth is that marketers have strengths and weaknesses, and they often need help in areas such as pay-per-click (PPC) campaign management, web analytics, and especially email marketing. This is where Lyris shines. The company provides a streamlined Internet marketing toolkit, Lyris HQ, designed to help marketers perform their most critical online marketing tasks and determine ROI for virtually any campaign.

The marketing team at Lyris uses Google AdWords performance-based marketing as the staple of its online marketing efforts. And, as good marketers, they track everything using source IDs to accurately gauge the effectiveness of every campaign

Cleaning house

When Dane Christensen took over the Search Marketing Manager position in July 2008, he saw there was ample room for improvement in terms of cost per acquisition (CPA) from AdWords. “We were paying way too much per lead,” recalls Christensen. “And the campaigns were very disorganized.”

For Lyris, an acquisition is someone who fills out an online lead capture form. Christensen’s goal from the beginning was to cut cost per acquisition. At the same time, he needed to increase the volume of high-quality leads. While these two aims may seem contradictory, Christensen ultimately proved that they both could be achieved using a smarter approach. As a first step, he began organizing dozens of campaigns and hundreds of ad groups, and seeking ways to further reduce CPA and increase the flow of qualified leads.

Bidding made easy

In February 2009, Christensen came to an impasse. In seeking to drive down CPA, he was hitting an immovable floor. Then he learned about Google Conversion Optimizer, an AdWords feature that would allow him to specify his desired cost-per-acquisition (CPA). Based on past conversion data, AdWords would dynamically display search and content network ads in the most efficient places at the best times and to just the right audiences.

At first, he was skeptical. “As Manager of SEM, I hesitated to take myself out of the loop when it came to optimizing campaigns,” he says. “But, based on the advice of our Google account representative, I decided to give Conversion Optimizer a try.”

According to Christensen, setting up Conversion Optimizer was very simple. After the initial implementation, he created some additional ad groups to extend the reach of the company’s ads in particular content campaigns.



Dane Christensen, SEM Manager, Lyris, with daughter, Sasha

About Conversion Optimizer

The Conversion Optimizer is an AdWords feature that helps advertisers manage advertising costs. Advertisers simply specify their maximum cost-per-acquisition (CPA) bid, and the Conversion Optimizer sets all their keywords' cost-per-click (CPC) bids automatically. The Conversion Optimizer makes adjustments in CPC bids based on the likelihood that a conversion will result from each ad auction. In addition to decreasing the time advertisers spend monitoring and managing CPC bids, the Conversion Optimizer can help improve AdWords campaign performance.

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

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://www.google.com/adwords>

On Google's advice, Christensen initially went with the recommended CPA bid, avoiding the natural temptation to immediately push the bid lower. Then he began to experiment with different bids and kept an eye on the position ads achieved across campaigns. "What we found was that the recommended CPA bid started giving us better performance. But if we put too much downward pressure on the bids, then our lead volumes would plummet and our conversion rates would drop. Higher quality placements were being squeezed out," says Christensen.

Big-head versus long-tail

Then Christensen made another invaluable discovery. When he tried to laser-target the market with the most popular keywords, he got a higher percentage of quality leads, but the cost of obtaining each lead was much higher. So he began focusing on "long-tail" keywords instead and discovered that the long-tail keywords produced a significantly lower CPA, and that the quality of the leads was better.

Conversion Optimizer then gave Christensen another important insight. By watching key metrics like CPA and conversion rates, he saw that the company's best returns were coming from the Google Content Network. Naturally, that is where he began funneling ad dollars.

"Conversion Optimizer can look at thousands of content sites and bid on this one now, and that one later," says Christensen. "I couldn't possibly look at performance on all of the thousands of individual placement websites, let alone do it in real-time – only Conversion Optimizer can do that. That was what it took for us to figure out how to get bids in the right places at the right times in the Content Network. We knew that's where we should let our budget flow."

A marketing staple

Although CPAs seemed to be moving in the wrong direction for the first few weeks, Christensen left Conversion Optimizer enabled to give it a chance to work. By the end of the first month, he could see that Conversion Optimizer had begun moving the metrics in the right direction. He continued to observe CPAs and over time, the positive results became more and more obvious. Within six months, CPC dropped 75% while conversion rates soared 433%. The average position of ads settled into a sweet spot for Lyris that is not too expensive but remains highly effective. The company also began garnering nine times more qualified leads on the Content Network for the same cost as one lead on the Search Network.

Today, Christensen can apply his time more effectively. Instead of focusing on bids, he can watch placement reports or work on strategic activities like excluding under-performing sites. The time he has freed up has made all the difference in the results of the company's campaigns.

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