

CASE STUDY

Wayfair Decreases CPA by 75% with Programmatic Bidding on the Google Display Network

Founded in 2002, Wayfair has become one of the world's largest online destinations for home furnishings and decor. With over seven million products from over 7,000 suppliers, Wayfair aims to help people find the perfect product at the right price. Over the last decade, the company saw that more and more, [customers were purchasing home furnishings and decor online and across devices](#). Not only are people starting to feel more comfortable about purchasing big-ticket items online, current customers are also spending more, making each person increasingly more valuable.

While Wayfair has used the Google Display Network to help grow its brand through traditional display campaigns, the company decided to make a strategic shift to programmatic to capitalize on changing buying behaviors and reach new customers more efficiently.



Wayfair uses a range of targeting types to reach new customers.

The shift to programmatic bidding

Understanding where potential customers are in their purchase journeys and connecting with them with the right message and the right bid is crucial to Wayfair's success. To that end, Wayfair uses a range of targeting types, including In-Market Audiences, Keyword Contextual Targeting, and Similar Audiences, to reach new customers, and it uses remarketing to reconnect with existing customers. Wayfair quickly learned that addressing all of the relevant customer signals, such as time of day or location, while manually optimizing its display campaigns could be difficult and time-consuming.



About Wayfair

- Wayfair offers one of the world's largest online selections of furniture, home furnishings, décor, and goods, including over seven million products from 7,000+ suppliers
- Boston, Massachusetts
- www.wayfair.com

Goals

- Acquire new customers as efficiently as possible

Approach

- Implemented Conversion Optimizer to programmatically bid for customers
- Used range of targeting types on Google Display network, including in-market audiences, keyword contextual targeting and similar audiences

Results

- Lowered cost-per-acquisition by 75%

“Programmatic bidding on the GDN has enabled us to find some of our highest value prospects.”

— Matt Herman, Associate Director at Wayfair

“There are all these signals you need to account for with display: slot on page, publisher, context, audience signals. It can be difficult to manually bid against the infinite variables and combinations,” says Matt Herman, Associate Director of Marketing at Wayfair.



Wayfair used Conversion Optimizer to automate bids and reach customers at the right moments.

Maximizing efficiency and scale with Conversion Optimizer

Wayfair needed a way to scale its efforts and reach high-value customers efficiently. In August 2013, the company turned to Conversion Optimizer to automate bids and reach customers at the right moments in the path to purchase. Using historical information about Wayfair’s campaigns, Conversion Optimizer optimizes performance by looking for auctions that are most likely to convert, bidding higher on those auctions and lower on less valuable auctions in real-time. Google’s bidding solution [programmatically](#) takes into account customer signals such as device, user location, or time of day to intelligently reach people where and when they’re most likely to respond and buy. This helps Wayfair reach new and high-value customers at the right moment at the right price. “Conversion Optimizer helps us programmatically choose the best bid and drive the most scale possible at our targets. That means we don’t have to worry about optimizing elements like time of day, slot on page and product value,” says Herman.

Switching to Conversion Optimizer and programmatic bidding helped Wayfair decrease cost-per-acquisition by 75%.

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Future success with the evolving online shopper

Going forward, Wayfair says it will continue using Conversion Optimizer to efficiently reach the full funnel of evolving online home decor shoppers. “Programmatic bidding on the GDN has enabled us to find some of our highest value prospects,” says Herman. “We are continuing to expand Google Display campaigns across all of our brands, investing significant resources to max out the potential scale.”