

Wayfair Converts Customers on the Cusp of Purchasing With In-Market Audiences on the Google Display Network



About Wayfair LLC

Wayfair LLC is the leading online retailer of home furnishings and decor, with 7 million products from 12,000 brands. Its websites include:

- Wayfair.com
- Allmodern.com
- Jossandmain.com
- Dwellstudio.com
- Birchlane.com

Goals

- Grow the Wayfair brand and introduce the brand to new customers
- Drive measurable ROI at the maximum scale possible at an efficient level of spend

Approach

- Has advertised with Google since the company's inception
- Added display advertising on Google Display Network to the mix in 2010, starting with keyword contextual targeting
- Layered in other forms of targeting on Google Display Network, including interest-based, placement, demo and most recently, in-market audiences

Results

The addition of in-market audiences to the marketing mix resulted in the following:

- Increased ad response rates of up to 20%
- Increased short-term conversion behavior of audiences by 10–30%

Wayfair LLC, the leading online retailer of home furnishings and decor, has been advertising with Google since its inception. The company's marketing team loves measurable results, taking pride in testing new marketing opportunities and keeping only what works. Four years ago, the team added display advertising with Google Display Network to its marketing mix and never looked back. It started with keyword contextual targeting and then layered in other forms of targeting such as interest-based, placement and demo. Most recently, it has introduced a new source of display conversions with in-market audiences, a targeting strategy on Google Display Network that has increased its ad response rates by up to 20% and increased short-term conversion behavior by 10–30%.

Wayfair LLC, the leading online retailer of home furnishings and decor, runs a different kind of marketing department. Bob Sherwin, director of customer acquisition at Wayfair, says about the team, "These folks are not your traditional marketers. They all have very math-heavy and analytical backgrounds in fields such as engineering mathematics, economics or finance.

The team's quant DNA helps it add new tactics into its existing portfolio of strategies for growing the brand and driving measurable ROI. Ben Young, senior business analyst for display advertising at Wayfair, says, "I think one of the things that has driven our success with AdWords to date has been our voracious appetite for testing new initiatives, new technologies and new strategies."

Display veterans continue to try new things

Four years ago, the team added display advertising with Google Display Network to its marketing mix, starting with keyword contextual targeting. "When we started running display ads on the Google Display Network, we began with keyword contextual targeting. I think the reason we did that was because we had an established paid search program leveraging keywords, and it was really easy to port that over to the display network side of things. It was something we were familiar with. We understood how it worked, and it was the most seamless transition for us," says Young.

The team's numbers-driven approach has led it to integrate other forms of targeting on Google Display Network into its overall portfolio, including interest-based, placement, demo and most recently, in-market audiences. "For all of our advertising campaigns, we obsess over ROI. It's core to our marketing strategy, as it allows us to quickly identify if a campaign is working or not. If it's not working, we can dig in to figure out why and hopefully make a correction to improve the ROI, or just kill it. On the flip side, when something is performing well, it allows us to ramp up that strategy very quickly and do a lot more of it," says Sherwin.

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—Ben Young, senior business analyst, Wayfair

In-market audiences "just made sense"

In-market audiences on Google Display Network quickly proved its worth. "With the in-market segments, we find that when [the exposed audiences] come to Wayfair, they make their first purchase much sooner. We label that "activating." They'll activate as a customer within a couple weeks of their first visit. For us, getting that early signal that this campaign is working is very valuable because it allows us to focus more attention on that," says Sherwin.

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In-market audiences go straight to the heart of what the Wayfair marketing team strives to achieve. Young says, "I think the first thing that really attracted us to in-market audiences was that it so closely aligns with our performance goals: identifying consumers who are in-market for a product. Obviously that will drive ROI, and for us it just made sense."

Young adds, "With in-market audiences, we see pretty strong ad engagement to start. From there we also see really strong conversion and short-term conversion behavior. These consumers are interacting with our site, performing actions on our site and purchasing, and in some cases much faster than audiences found through other targeting techniques. Over the course of a consumer's lifetime, we do see measurable differences in customer lifetime value."

Ad response rates went up; conversions increased

As a result, in-market audiences has increased the company's ad response rates by up to 20% and increased short-term conversion behavior by 10–30%.

In-market audiences has a strong future with marketing teams such as the Wayfair team, which is adept at ramping up what works and tapering down what doesn't. "Going forward, we're hoping that we can continue to scale the in-market segment because it's performed very well for us," says Sherwin.

