

#### **CASE STUDY**

# The Honest Company Trusts Campaign Experiments to Drive More Qualified Traffic

Retailer <u>The Honest Company</u> operates on a direct-to-consumer membership and e-commerce model committed to offering safe, affordable, and effective products for homes and babies. It focuses its digital advertising on U.S. markets and has relied on <u>AdWords cost-per-click campaigns</u> and <u>conversion tracking</u> to help drive its online sales since December 2011.

To increase its cost efficiency while also increasing its ROI, the brand relies on testing for three areas of its online campaigns: bidding, landing pages, and ad text. Because The Honest Company tracks multiple conversion types with varying ROIs, it needed to measure whether a new bidding strategy for specific landing pages would increase the conversion rate for higher-frequency but lower-value conversion types. The business also wanted to test whether new ad text and landing pages would increase conversion rates for its key category pages.

# AdWords drafts and experiments help The Honest Company adjust campaigns on the fly

In October 2015, the company turned to <u>campaign drafts and experiments</u> to explore these new campaign strategies because they required less time to complete than previous manual tests.

Drafts and experiments let businesses easily prepare and test multiple changes to their campaigns, and quickly gain insights into how those tests are performing. The drafts feature lets businesses prepare multiple changes to campaigns before implementing them, while experiments allow them to test changes against their original campaign settings using a portion of each campaign's traffic and budget. After the experiments have run for a few days, the reporting scorecard lets them easily measure the test results so they can decide how to move forward with those changes.



#### **About The Honest Company**

- Founded in 2011 in Santa Monica, CA, The Honest Company makes stylish, sustainable, and affordable home and baby products for families.
- Headquarters: Los Angeles, CA
- www.honest.com

#### Goals

- Attract more qualified traffic to increase return on ad spend (ROAS)
- Save time with more efficient campaign testing methods

#### Approach

- Ran conversion bid experiments for new landing pages
- Implemented ad text experiments
- Launched additional category-specific landing page experiments

#### Results

- 47% increase in ROAS
- 50% time savings compared to prior manual testing



## "Campaign drafts and experiments more than cut setup and measurement time in half."

### Josh Franklin, Manager of Search Marketing at The Honest Company

The Honest Company began running experiments to increase the lifetime value of its customers and drive better return on ad spend (ROAS) in its AdWords campaigns. After initial tests with bid settings and ad text, the brand decided to experiment with sending shoppers to either specific product pages or special offer landing pages for "bath" and "body" keywords in March 2016.

"Campaign drafts and experiments more than cut setup and measurement time in half. They take testing, one of the most important aspects of managing an AdWords program, and make it simpler and more streamlined without cluttering the account," said Josh Franklin, manager of search marketing at The Honest Company.

#### Optimized campaigns save time, increase ROAS

As a result of the test, the Honest Company saw a 47% increase in ROAS when sending shoppers to unique offer landing pages. With help from these key metrics and the ability to easily set up future tests 50% faster than before, the company looks forward to running more regular experiments to keep its advertising cost-efficient as the business grows.

"Campaign drafts and experiments let us test new bidding strategies with a quarter of our campaign traffic, and we can easily measure the impact on the different types of conversion values. In the past, a test like this would require massive changes to the account. The new streamlined process lets us quickly test new bidding strategies until we find the one that best fits our complex business model," Franklin concluded.