

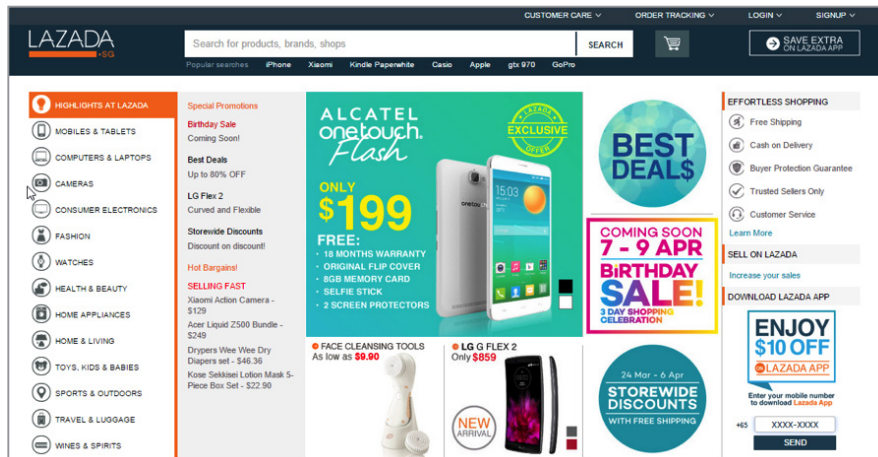
CASE STUDY

How Lazada Outranked the Rest

Lazada.com is part of the Lazada Group, which operates Southeast Asia's leading online shopping and selling destination. With a presence in Indonesia, Malaysia, the Philippines, Singapore, Thailand, and Vietnam, the company has been pioneering e-commerce in the region since 2012 and currently offers an extensive list of products ranging from consumer electronics to household goods and fashion. In addition to providing customers with an effortless shopping experience via mobile and web access, its service allows multiple payment methods, including cash on delivery, as well as extensive customer care and free returns. The company is providing simple and direct access to 550 million consumers through one retail channel.

An edge on the competition

Lazada targets consumers accessing the internet via desktop, smartphone, or tablet, and the goal of its performance marketing activity is to acquire new customers and generate revenue while defending its position as a market leader. To achieve these goals, Lazada embraced Google AdWords' flexible bid strategies.



These flexible bid strategies present options that allow businesses to automate their cost-per-click bids to achieve specific goals such as ROI maximization, conversion maximization, cost per acquisition, and visibility.



About Lazada

- Launched in 2012, Lazada.com is part of the Lazada Group, a pioneering e-commerce across Southeast Asia.
- Singapore
- www.lazada.com

Goals

- Acquire new customers while competing more effectively in key product categories

Approach

- Employed programmatic AdWords flexible bid strategies
- Used the target outranking share bid strategy to automate cost-per-click bids with the goal of outranking competitors on strategic search terms

Results

- Increased traffic by more than 30%
- Multiplied position above rate threefold
- Improved target outranking share against specific competitor domains by up to 280% in four weeks
- Grew ad impression share by 50%

Lazada used a strategy called target outranking share, which enabled the online retailer to outrank its competitors on strategic keywords. The target outranking share bid strategy allows companies to raise or lower their bids up to a specified maximum cost per click to help their ads “outrank” those of others. In other words, their ads show above other domains’ ads on search results pages or show when others’ ads do not.

The team used this technique to position Lazada’s keywords in new categories. The strategy also conveniently offered the team the opportunity to bid against strategic competitors, securing visibility and traffic among a new set of customers by targeting their competitors’ keywords. This strategy enabled Lazada to specify the maximum cost per click it was willing to pay, thereby controlling the cost necessary to outrank competitors’ domains.

Winning through outranking

This automated approach saved Lazada about two hours per week, but more important, it made it possible to closely monitor and make automated adjustments to auction dynamics. Lazada quickly increased its market share within the new categories; ad impression share rose by 50%, and traffic increased by more than 30%.

“By setting the right target outranking share strategy, we were able to outbid our competitors on strategic keywords, triple our position above rate, and increase our outranking share by more than 280%,” says Baptiste Le Gal, Lazada Group’s senior vice president of search and display marketing. “This allowed us to position our brand and grow our traffic steadily within our ROI targets.”

After seeing these types of results, what future strategies does Lazada intend to employ? “We will not hesitate to rely on Google solutions when launching new product categories or markets because Google’s bidding solutions offer great possibilities to automate and optimize campaign management to meet our performance goals.”