

Netshoes Sees 2x ROI and More Than 30% Revenue Bump From Remarketing Campaigns



About Netshoes

- www.netshoes.com.br
- São Paulo, Brazil
- Sporting goods

Goals

- Increase conversions from visitors and customers
- Boost revenue and ROI

Approach

- Added Dynamic Remarketing in 2012
- Extended to Remarketing Lists for Search Ads
- Target users by age, gender, birthday, favorite soccer team

Results

- Dynamic Remarketing: 30–40% growth in overall revenue, 2x lift in CTR, 61% higher conversion volume during Christmas season
- Remarketing Lists for Search Ads: 30% increase in CTR, 15% lower CPA, and overall ROI up 20%

Dynamic Remarketing consistently turns in gold-medal performance for Netshoes, the largest sporting goods e-retailer in the world¹. Netshoes started selling sports shoes in a downtown São Paulo parking lot in 2000. Today the company sells online only, offering all kinds of sporting equipment and apparel for men, women and children in Brazil, Mexico and Argentina.

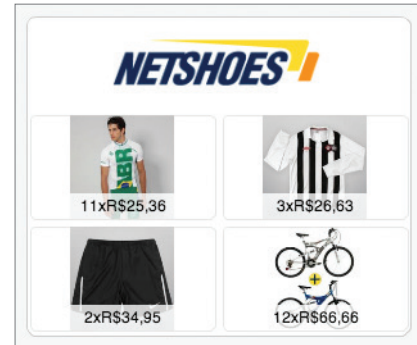
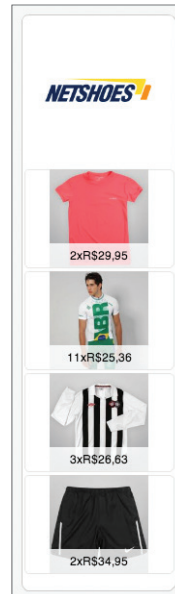
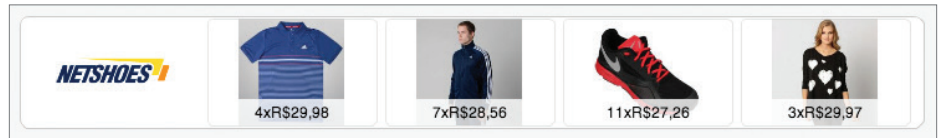
Netshoes' use of search and display advertising has driven excellent results since 2007. Netshoes had particular success with display advertising on Orkut, Google's pioneering social network, more than half of whose members are in Brazil. However, as other social networks rose in popularity in Latin America and Orkut's Brazilian audience began to shrink, Netshoes looked for additional outlets for display advertising within the Google universe. In the past few years, the company has increasingly focused on remarketing, starting with static remarketing in 2011, adding dynamic creative to its remarketing campaigns at the beginning of 2012 and, more recently, incorporating Remarketing Lists for Search Ads (RLSAs) to bring the granular targeting of remarketing to Netshoes' search campaigns. It is also the first to use Google's mobile remarketing solution.

Sky-high conversions: the key to increasing ROI

Netshoes has seen dramatic results from Dynamic Remarketing. The company's static remarketing campaigns from 2011 doubled the ROI of the company's traditional display ads. Once Netshoes switched to Dynamic Remarketing, the company's ROI from remarketing doubled, and Netshoes' overall revenue grew 30–40%. Netshoes' external media marketing manager, Priscilla Erthal, notes that Dynamic Remarketing didn't grow Netshoes' total number of customers, but because conversion is so high, it still had a significant impact on ROI.

"Our overall goals for our remarketing campaigns are increasing ROI and customer volume," says Erthal. With Dynamic Remarketing, Netshoes can build campaigns around very specific customer behaviors that affect conversion rate. These specific behaviors include everything from age, gender and how many items the customer had in his or her shopping cart before leaving the site to which soccer team he or she roots for.

The company began with Dynamic Remarketing by focusing on existing customers who had visited the Netshoes website without completing a purchase. "We started with this group because, as existing customers, we assumed they would be the most likely to convert when exposed to our ads via remarketing," says Erthal. Today Netshoes also builds Dynamic Remarketing campaigns that offer users birthday discounts once a year, as well as campaigns that target users based on shopping cart data, such as the number of products in their cart or total cart value.



The secret ingredient: Google's remarketing tag

Erthal considers Dynamic Remarketing an advanced form of business intelligence. "Display advertising is the leading edge of our marketing," she says. "We've increased our investment in display over the past year because dynamic ads bring us much better results and make it easier for us to segment our customer base."

Erthal sees Google's remarketing tag as the secret ingredient in Netshoes' success with Dynamic Remarketing. The remarketing tag, a single tag that's placed once and published across an entire website, makes building new lists quick and painless. Placing this tag throughout the Netshoes site made managing Dynamic Remarketing campaigns much less resource-intensive. As a result, Erthal's team has the freedom to experiment with flexible lists to target different groups.

Because the remarketing tag is implemented site-wide, it collects more non-personally identifiable information and delivers superior business intelligence. "We're able to get a lot more information about our users from Google than from other vendors," explains Erthal. "Google can give us information about revenue, but also about users' gender, age, favorite soccer team and birthday. This lets us create better and highly targeted campaigns."

Extending the opportunity to search ads: the synergy between remarketing and search

Always willing to experiment with new ad technology, Erthal oversaw participation in the beta and started incorporating RLSAs into its search campaigns in mid 2012. Netshoes used the remarketing lists it had already built for its Google Display Network campaigns to strategically bid and deliver targeted search ads to past website visitors when they conduct a new search for terms related to Netshoes products.

For example, Netshoes used RLSAs to bid on generic and expensive keywords, such as “Mother’s Day gifts.” Netshoes was willing to raise its bids for those keywords when targeting people who’d already visited the Netshoes website and thus were assumed to be more likely to make a purchase. As a result, it found that conversion rates on non-branded keywords went up 25% thanks to RLSAs.

Netshoes has also used RLSAs to deliver search ads with exclusive offers to customers on its remarketing list. RLSA is delivering strong results for Netshoes: CTRs went up 30%, its CPA was lowered by 15%, and overall ROI was up 20% (compared with standard search campaigns).

“It’s so much more profitable than other forms of display”

Netshoes sees Google not just as a vendor but as a true strategic partner. Google’s account team meets with Netshoes monthly to review campaign results, recommend shifts in budget allocations and introduce new Dynamic Remarketing features for Netshoes to test. “Our Google account managers are always looking at the big picture and making sure our campaigns are achieving or exceeding our ROI goals,” Erthal notes. “They are a key strategic partner for us as we work to grow our business.” Netshoes has an aggressive target of growth, and Erthal sees Google as a key partner to driving that growth.

Netshoes currently makes a huge investment in search as compared with display, but Erthal says that ratio will likely shift next year to invest even more toward Dynamic Remarketing. “We can’t see ourselves not using Dynamic Remarketing,” Erthal explains. “It’s one of the most profitable strategies we have. As we learn more about our customers and refine our campaigns even further, we’ll invest even more heavily in Dynamic Remarketing ads.”

1. Source: Internet Retailer: Top500guide.com Database. Search applied filters: all guides, web only, sporting goods

