



About USAutoinsurancenow.com and EverQuote

- USAutoinsurancenow.com is a car insurance comparison marketplace owned and managed by marketing firm EverQuote
- www.USAutoinsurancenow.com is operated by www.everquote.com

Goals

- Make USAutoinsurancenow.com the online destination for car insurance
- Increase conversions and profits from AdWords

Approach

- Aligned search campaigns and the USAutoinsurancenow.com experience with customer needs
- Set total gross margin dollars instead of efficiency targets as the KPI for bidding
- Increased bids by up to 30% when targeting at the DMA level

Results

- Boosted conversion volume by 60%
- Increased profits 170% year over year

EverQuote Grows Profits for USAutoinsurancenow.com 170% Annually With a Profit-Driven Approach to Paid Search

"Search is core to our business. With a profit-driven approach, we get the best of both worlds—more happy drivers and better business results."

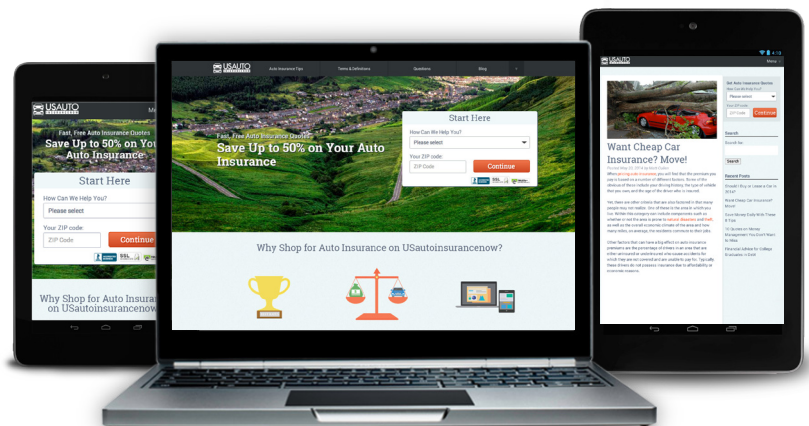
— Seth Birnbaum, CEO, EverQuote

USAutoinsurancenow.com is a car insurance comparison marketplace owned and managed by marketing firm EverQuote. The website helps users to quickly and easily request competitive quotes. EverQuote works directly with a vast network of agencies, brokers and carriers to match consumers with the best auto insurance options on USAutoinsurancenow.com.

AdWords has been an integral part of EverQuote's marketing strategy from day one. "USAutoinsurancenow.com was born on AdWords," says Tomas Revesz, CTO of EverQuote. "The site's very first click was a Google-paid search click, and it's increased substantially to more than ten thousand clicks a day, and growing." Executives at EverQuote believe in the importance of paid search to their business, and they actively empower their team to pursue advanced strategies to maintain a best-in-class search program.

The profit-driven approach

EverQuote believes that customers are in the driver's seat when they reach out and search. They can choose to look for car insurance at any time, in any place and on any device—and it's EverQuote's responsibility to be ready. EverQuote also believes that a traditional media approach to bids, budgets and measurement won't drive optimal results for its business. Instead, it aligns its search strategy directly to its business objectives, specifically, maximizing profits.



"We'll sacrifice unit margin if we can make up for it with the profits from extra conversions. For us, this means more happy drivers and better business results."

— Seth Birnbaum, CEO, EverQuote

Aligning spend to reach every profitable customer

The EverQuote team uncaps its daily budgets in AdWords so that team members are present to connect with a consumer on his or her terms. Empowered with a flexible budget, the SEM team is constantly experimenting to find new profitable opportunities to reach more consumers. "We will spend as long as we can make a certain profit," says Revesz. "I think it's worth it to put the right measure of resources behind scaling AdWords using meaningful signals from testing."

Aligning incentives to maximize total profits

The EverQuote management team carefully recognizes the difference between targeting for gross margin dollars versus margin percentages. The management team doesn't set an efficiency target, such as an ROI percentage or max CPA, that can often overlook the actual number of consumers reached. Instead, they test various bid targets and observe which ones will result in maximum profit volume.

"A lot of people are worried about gross margin percentage targets, but we have always focused on increasing our gross margin dollars. This strategy can sometimes have us spending more, but we make up for it with the profits from extra conversions," explains Birnbaum.

Aligning investments with customer value

By segmenting customer value by geography, the EverQuote team is able to make smarter bids that maximize profit. For example, since auto insurance regulations vary considerably by state, the team has moved from measuring customer value at the national level to measuring it at the designated market area, or DMA level. The team then uses AdWords location targeting to connect consumers in these DMAs with the appropriate carriers to meet their needs

What's more, using robust AdWords features like ValueTrack, the EverQuote team is able to optimize CPC bids for maximum profits. Specifically, the team has bid up to 30% in certain areas, resulting in a 60% increase in conversion volume. "Everything about our business has to be measurable," explains Revesz. "The core of everything we do is understanding the cost and value associated with the entire life cycle of a consumer."

More happy drivers, better business results

By aligning budgets and bids with customer value, EverQuote has seen stellar results. For example, the company has grown its profit at a compounded rate of 170% year over year with no slowdown in sight.

"We see an opportunity in this business to best align consumers with the providers that will offer them the best value and long-term experience," says Birnbaum. "Any marketer looking to align resources and goals with long-term customer value and profits should be going to AdWords first."