

Experiment with Google Ads: Generic search terms drive incremental sales

Hypothesis

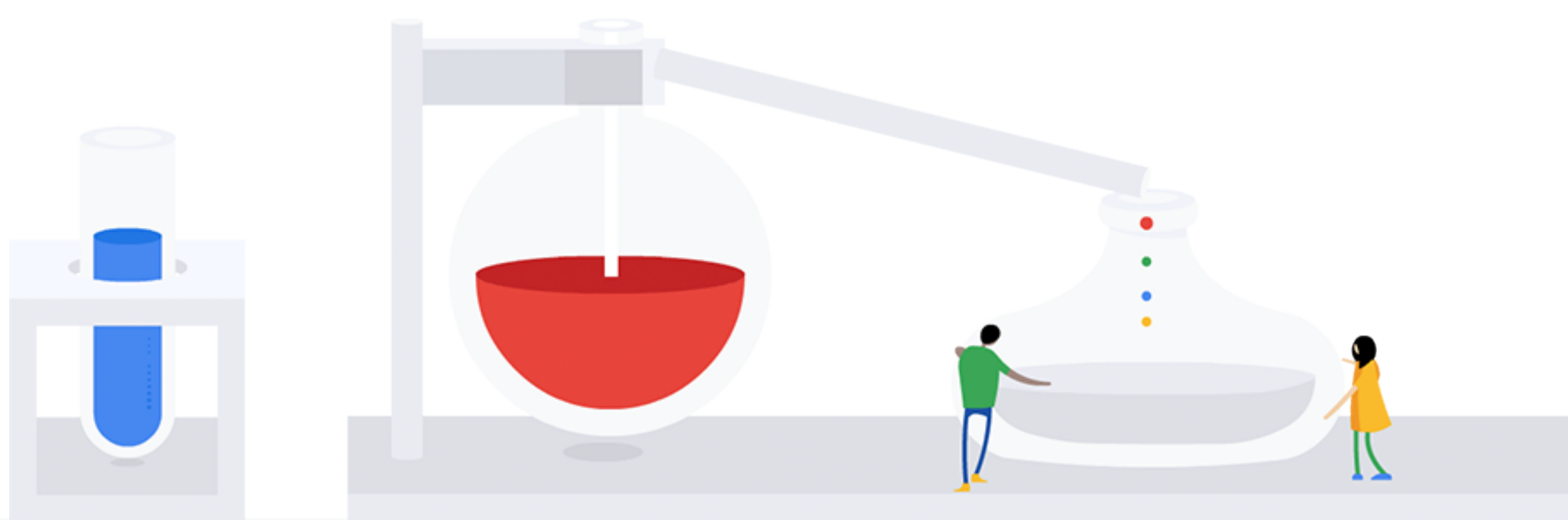
Generic search terms can drive incremental sales, even for highly competitive industries like beauty.



Challenge

Nykaa.com is an India-based online shopping destination that offers products from the biggest beauty and wellness brands. Constantly on the lookout for ways to reach new relevant online audiences and drive incremental sales, Nykaa’s e-commerce team wanted to see if there were ways to reach audiences other than focusing on branded keywords for their search campaigns.

Generic Search terms such as “lipstick” or “eyeshadow,” often perceived by brands as too broad and upper funnel, and hence too costly to be worth the investment, were put to the test.



Experiment

The experiment focused on mobile only, and the target groups — all Tier 2 cities except Mumbai — were split into control and test groups based on geography with the Geo Experiments tool. The cities were determined through matched markets analysis based on three months of pre-test data to ensure that the test and control groups were comparable.

Test geographies:

- Set up across all Nykaa beauty categories like makeup, haircare, and skincare, using best practices for maximizing conversions

Control geographies:

- Excluded from all mobile generic search campaigns

The experiment ran in India for five weeks with a two-week cooldown period to capture delayed conversions.

Tools

- Geographic Experiment
- Search ad campaigns

Takeaways

“Using Geo Experiments helped us prove beyond a doubt that generic search drives incremental conversions online and in-app. It also helped us realize the value of using a non-last-click-attribution model.”

— Hitesh Malhotra, Chief Marketing Officer, Nykaa

Results

+1.6

Incremental app conversions
for each mobile conversion

1/4

True CPA for generic search
was 1/4 of last-click CPA