

Podium Advertising Technologies Ltd.
adCore™



Fashion Retailer Case Study

2/19/2008

1. adCore™ V3.0 Overview

adCore™ is a web based advertising technology used to fully automate paid search activity in Google AdWords™, Yahoo! Search™ and Microsoft adCenter™.

The system provides businesses the ability to automate the entire SEM process by offering complete integration between their ecommerce sites and their online campaigns, enabling advertisers to show real-time prices within text ads and automatically update campaigns based on inventory changes.

adCore™ is divided into three modules:

Integration – offering a complete integration and synchronization between website data and online campaigns, and between any two cross advertising channels.

Maximization – designed to optimize a campaign's performance through the use of adCore's™ advanced algorithms including: bid management based on ROI goals and ads optimization.

Reporting – cross advertising channels data and activity reports sent directly to email, and advanced online analytics reports helping ecommerce companies better monitor and manage paid search activity.

2. Case Study Background

adCore™'s client is an online reseller of designer clothing focused on men's jeans and apparel. The goals of the online marketing efforts were to increase the conversion rate, total number of conversions and the overall return on investment compared to the client's old account with a cost per conversion goal of \$100 USD in the United States and \$70 in international markets.

3. Solution

To achieve the set out goals, across the United States and international markets, the online marketing team set up a strategy based on two types of campaigns; generic campaigns and product specific campaigns.

1. *Generic Campaigns* – Campaigns were divided up according to the target regions; United States, Canada, UK and International and focused on generic keywords based on the brands our client sold on the company's ecommerce site.
2. *Product Specific Campaigns* – Campaigns were separated into two distinct categories; jeans and non jeans apparel and focused on the product models in order to develop campaigns based on the client's entire and current inventory level. The online marketing team leveraged the adCore™ system to automatically generate the product specific campaigns for Google and Yahoo!.

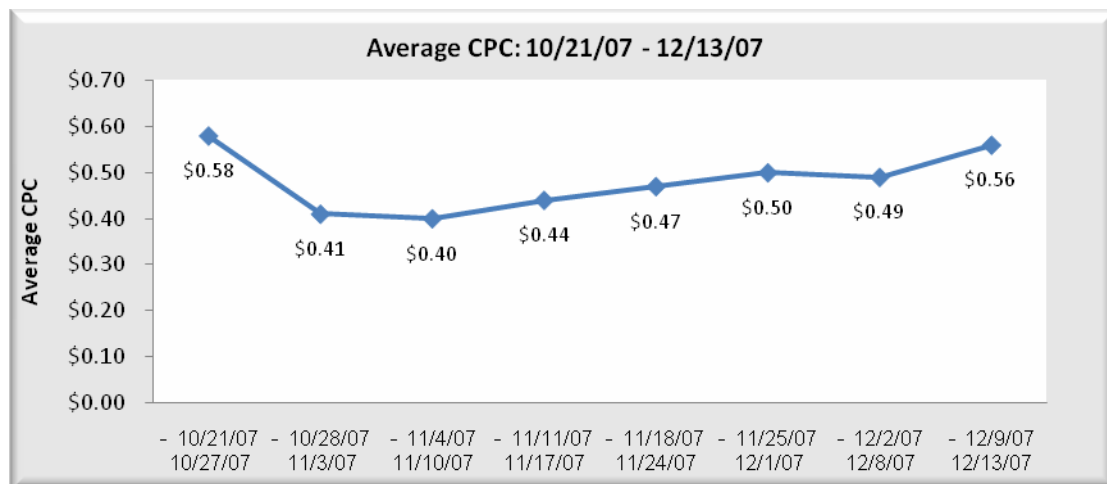
4. Results¹

Within two months of managing the campaigns through our PPC automation system adCore™ V3.0, the average cost per click decreased from \$0.89 to \$0.56, total conversion rate increased from 0.37% to 1.71%, and the cost/conversion decreased from \$237.72 to \$32.56.

Table 1 - Metrics

Campaign	Old Account	adCore™ Account	% Change
Average CPC	\$0.89	\$0.50	↑ 43.8%
Conversion Rate	0.37%	1.71%	↑ 362%
Cost/ Conversion	\$237.12	\$32.56	↑ 86.3%

4.1 Average CPC: Oct. 21/2007 – Dec. 13/2007

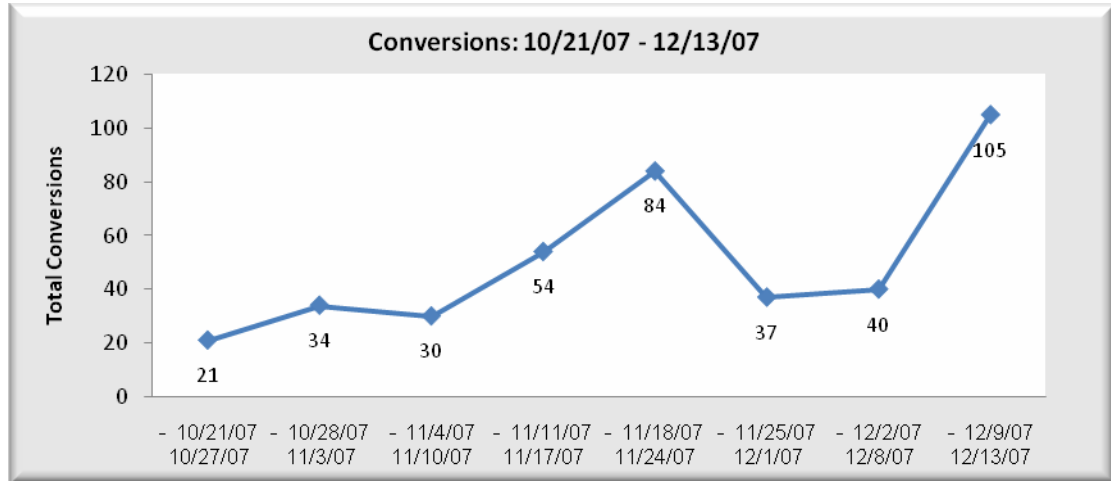


- Average CPC ranged from \$0.40 to \$0.58 after the initial decrease from the old average CPC level of \$0.89.

¹ Analysis is based on the comparison of two time periods: Aug. 07 - Sept. 07 compared to Oct. 21/07 to Dec. 13/07.

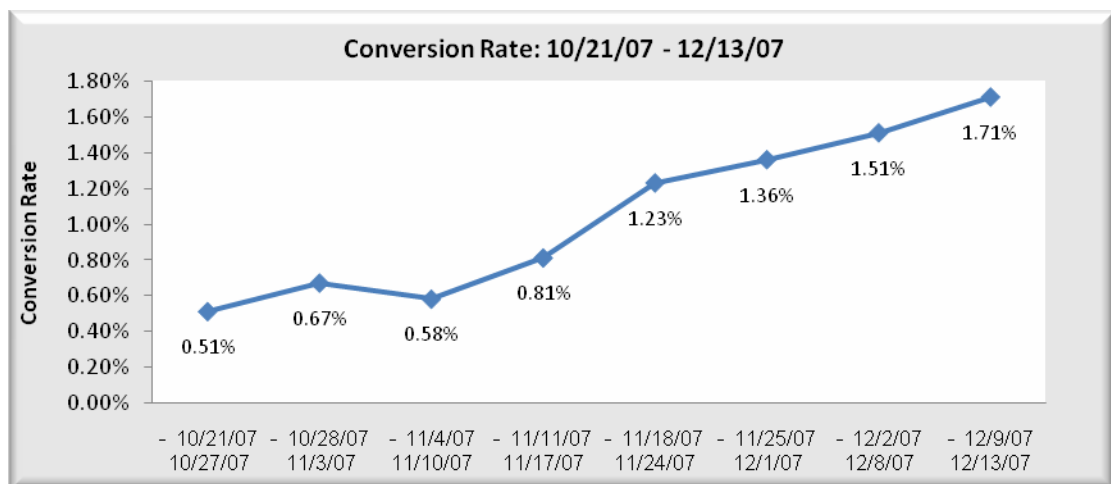
4.2 Conversions: Oct. 21/2007 – Dec. 13/2007

4.2.1 Total Conversions

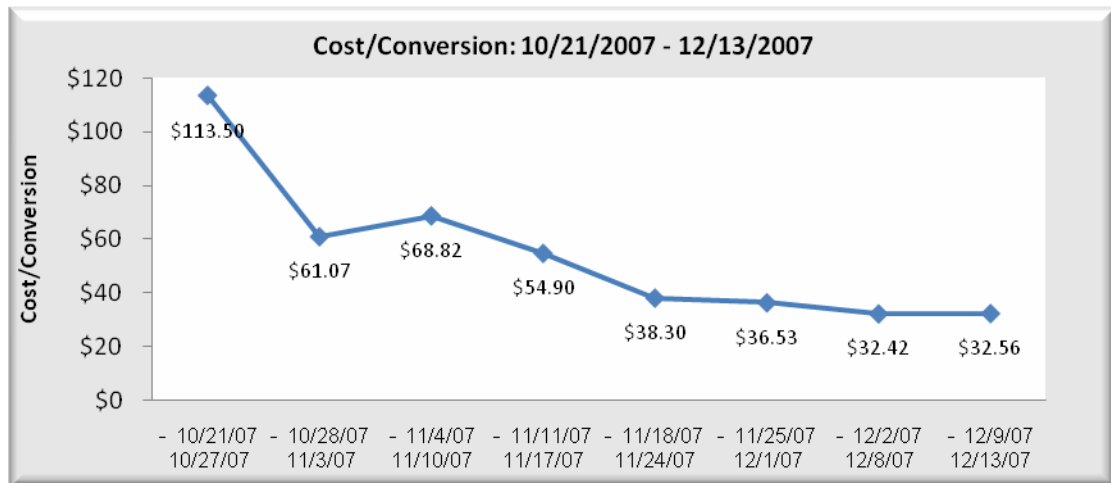


- Total conversions increased on a week to week base; achieving a 300% increase in total conversions in mid November before the holiday season began.

4.2.2 Conversion Rate



4.2.3 Cost per Conversion



- Cost/conversion continued to decrease on a week to week bases; achieving a cost/conversion of \$38.30 before the beginning of the holiday season.

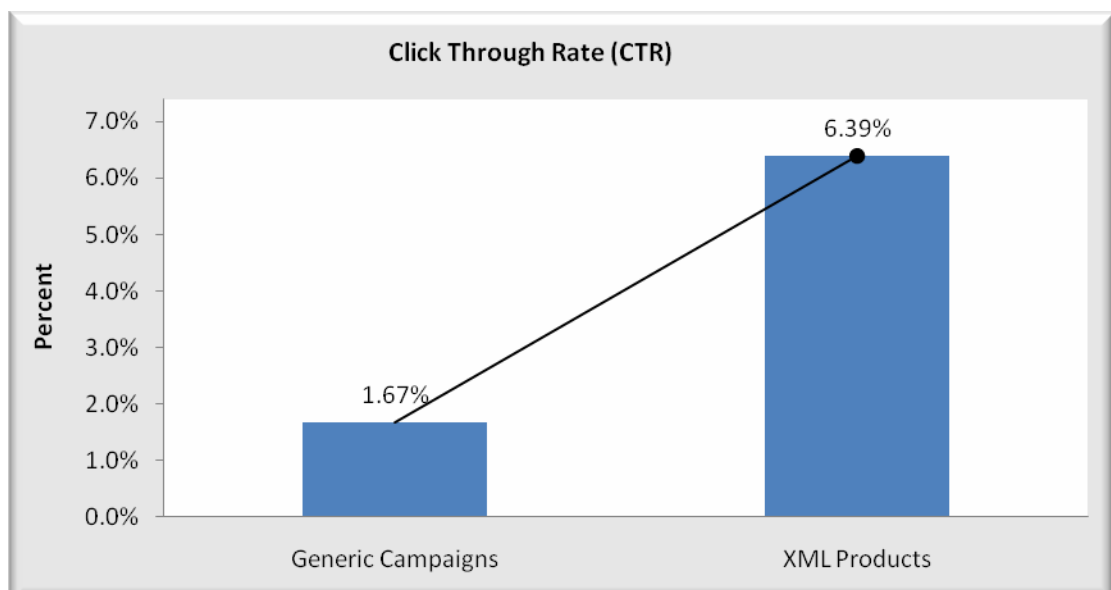
5. Specific product models vs. Generic campaigns

adCore™ v3.0 provided us the ability to long tail keywords based on the client's current inventory levels. The system in an automatic fashion generated the campaigns' ad groups, ad variations and keywords based on that current inventory level.

As our client's inventory changed, adCore™ paused keywords and ad groups that were no longer in stock and updated campaigns with new keywords based on the new product models being introduced to the market.

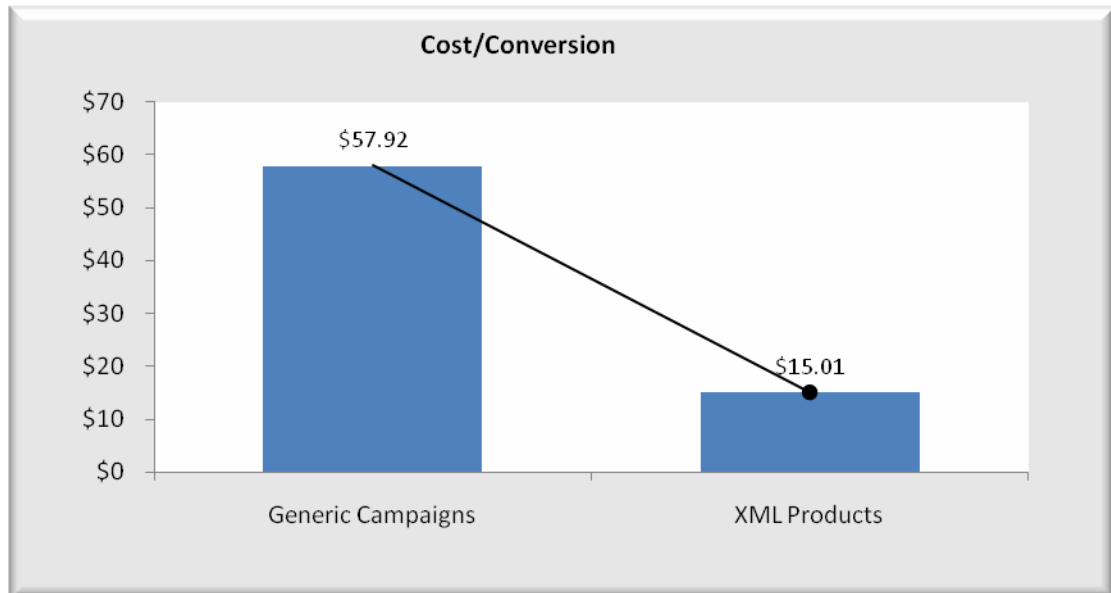
In our case, the generic campaigns were developed and managed outside of the system's framework. The differences between the results of the generic campaigns and the campaigns managed via adCore™ through XML feeds are further outlined.

5.1 Click through Rate (CTR)



- Campaigns developed through adCore™, focused on the specific products contained a 6.39% CTR compared to 1.67% seen from the generic campaigns.

5.3 Cost per Conversion

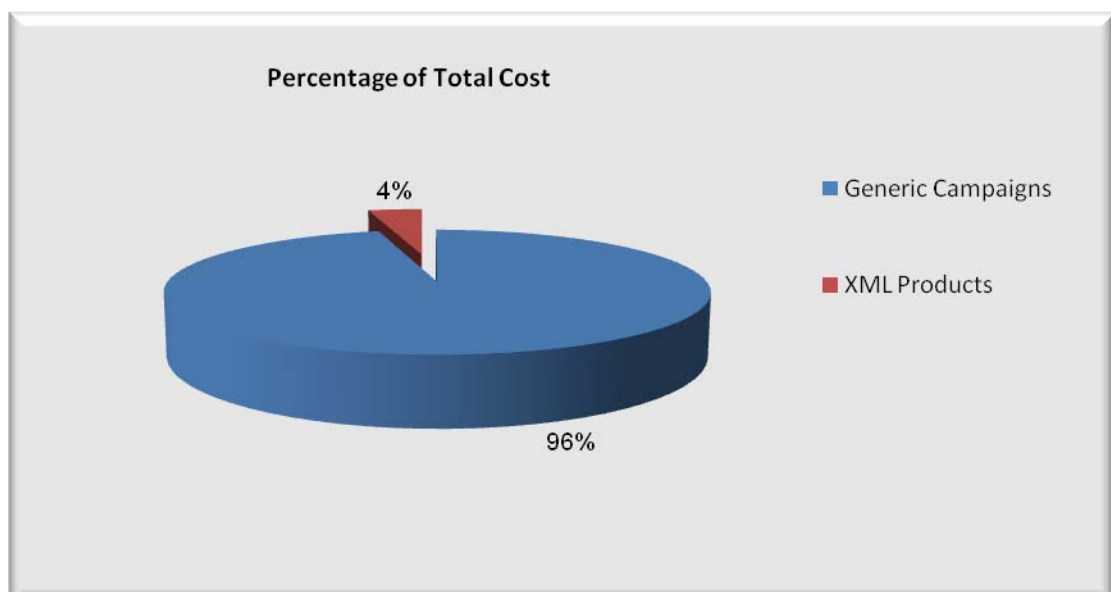


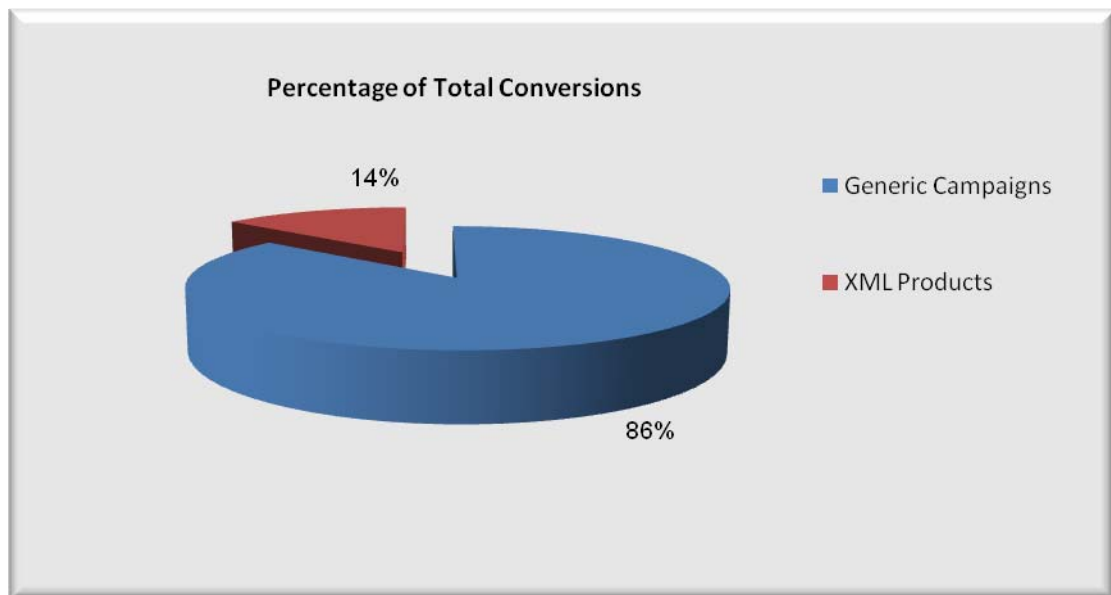
- Campaigns developed through adCore™, focused on the specific products, contained a \$15.01 US cost/conversion compared to \$57.92 US seen from the generic campaigns.

5.4 Cost vs. Conversions

By long tailing the thousands of specific products through adCore™, we were able to increase total conversions and reduce the overall cost/conversion.

The specific product models accounted for **4%** of the total cost and generated **14%** of the total conversions.





5.5 Campaign Breakdown

The chart below represents the breakdown of the Generic and Product specific campaigns by the target region. The last three campaigns ending with adCore™, represent the product specific campaigns which were automatically generated and managed via adCore.

Two key metrics that can be overlooked when developing keywords for campaigns are Impression Share (IS) and Exact Match IS. Impression share is an AdWords metric that represents the percentage of impressions where your ads were shown out of the total available impressions in the market you were targeting², while Impression Share Exact Match reports the impression share of your campaigns as if your keywords were set to Exact Match. This metric provides the ability to determine the share of the search for the exact keywords within the campaign and determine how relevant your keywords were to search results.

For the product specific campaigns we were able to achieve an Exact Match IS ranging from 92% to 100%, resulting in average positions ranging from 1.7 to 1.2 and conversion rates ranging from 1.80% to 3.48% across all markets.

² Google AdWords Impression Share (IS).
Link: <https://adwords.google.com/support/bin/answer.py?answer=52889&topic=29>

Table 2 – Search Campaigns

Campaign	Ad Distribution	Impressions	CTR	Avg. CPC	Impression Share (IS)	Exact Match IS	Avg. Position	Conversion Rate
Generic Campaigns								
Generic Canada	Search Only	280,852	0.94%	\$0.40	57%	88%	2.2	0.83%
Generic International	Search Only	187,183	0.98%	\$0.37	57%	88%	2.3	0.81%
Generic U.K	Search Only	725,814	1.20%	\$0.56	21%	55%	4.9	0.59%
Generic U.S.A	Search Only	779,438	2.53%	\$0.52	27%	75%	5.0	1.03%
Product Specific Campaigns								
Jeans International - adCore	Search Only	7,070	3.14%	\$0.33	61%	92%	1.7	1.80%
Jeans U.K - adCore	Search Only	2,787	6.96%	\$0.50	98%	100%	1.2	3.09%
Jeans U.S.A - adCore	Search Only	11,483	9.00%	\$0.52	96%	100%	1.2	3.48%

6. Podium Advertising Technologies

Podium Advertising Technologies Ltd. Company was founded in 2003 and specializes in online paid search advertising technologies.

At Podium we seek to maintain our advanced technology status and high level of professionalism in the online paid search advertising field by constantly improving our technology tools and deepening our SEM knowledge.

The company's offices are situated in the heart of Tel Aviv city known as the "Silicon Valley" of Israel. Our customers can benefit from our advanced technological know-how, wide professional knowledge and the constant drive towards innovation and creativity, characteristic of the Israeli technology.

The company caters to customers from all over the globe, including some of the Fortune 500: Microsoft, AIG, IBM, J&J, Air France, KLM and others.

Contact Us

Podium Advertising Technologies Ltd.

Tel: +972-3-566-3444
 Fax: +972-3-566-3434

31 Rothschild Ave. Suite #10,
 Tel Aviv,
 Zip code 66883, Israel

Website: www.podiumadtech.com
 Email: info@podiumadtech.com