

Implementing Affiliate Policies, Multivariate Testing, and Forecasting Models to Increase Productivity

CASE STUDY: FINANCIAL

Dissatisfied with their previous Paid Search vendor, one of the top credit card firms solicited IMPAQT to improve campaign performance. The company had worked with their previous vendor for three years and felt that there was a lack of reporting and growth with their Search initiatives. Additionally, the company did not have an adequate affiliate policy in place which was driving up bids on branded terms.

QUESTION:

How could IMPAQT decrease the company's cost per action (CPA) and cost per click (CPC) while jump-starting the campaign's productivity?

REVELATION:

First, IMPAQT set out to implement an effective affiliate policy. By collaborating with our client's legal team, we drew up a customized policy that required all affiliates to bid a set amount below our client's bids. This would decrease our client's CPA and increase the volume of traffic from branded terms. We also put software into place that monitored the bidding actions of the firm's affiliates.

Second, in order to increase the productivity of our client's campaigns, we thoroughly analyzed the historical data. Using SAS, we conducted a month-long test of a similar offer with 54 different variations to determine which ad produced the most conversions. We also developed forecasting models to identify realistic expectations for budgeting and application approvals. To identify a target CPA, our forecasting model provided the company with knowledge on how an incremental increase in CPA would affect the number of approved applications. Our client handed us the reigns on their account projections. We also provided the client with budgeting projections, on a rolling historical average of past performances. This model took into account days of the week and holidays in order to set a targeted budget amount.

The IMPAQT:

Since enlisting our expertise, our client:

- Currently reports over 4,000 approved applications, in comparison with previous projections of only 1,800
- Achieves a CPA of only \$173.00, as opposed to their previous target of \$196.00
- Decreased CPC from \$4.16 to \$2.16 due to the affiliate policy
- Increased click-through rate from 3.57% to 4.47% in just two months after multivariate testing
- Increased Paid Search spending from just \$70,000 per month to almost \$1 million for one division

Approved Application Increase with Paid Search

