ITS HOT
CASE STUDY

BACKGROUND

ItsHot.com, a leading retailer of exquisite diamonds, fine jewelry and diamond watches, struggled to drive profit through Google Shopping and paid search ads. A large number of fraudulent purchases skewed conversion data, making management of the program a unique challenge. They came to Omnitail to develop a more accurate, profitable process for tracking revenue and managing their advertising.

ITS HOT GROWS PROFIT WITH OMNITAIL

Mens 14K Yellow Gold Miami Cuban Link Curb Chain 8mm Wide 22in-40in Long

$1,425.00

ItsHot.com

★★★★★ (11)

Free shipping, no tax

Its Hot's ads, such as this, were unlikely to appear on highly relevant terms.

INVESTIGATING THE ACCOUNT

We investigated the account and discovered four main issues to address in our Google Shopping strategy: fraud, offline orders, inefficiency in the paid search program, and a long sales cycle.

1 FRAUDULENT PURCHASES

Fraud accounted for a large portion of daily purchases from ItsHot.com. This made reporting a nightmare: how do we account for the false revenue generated by fraudulent transactions? We needed to remove these values in as close to real-time as possible, to ensure the bogus dollars don't affect bidding and other strategy decisions.

2 MANUAL ORDERS

Like other retailers of high-ticket or luxury items, ItsHot.com also recorded a large number of transactions manually (from orders made over the phone, for example.) The problem was the inverse of the fraud issue. We needed to include these orders in a timely manner, so they could be included as factors for bidding.

3 PAID SEARCH PROFITABILITY

The client's paid search program was running in the red every month. The goal was to increase spend to bring in additional revenue and profit, but we needed first to fix the issues present in existing campaigns.

4 LONG SALES CYCLE

The high-dollar value of ItsHot.com's product line also meant a much longer sales cycle than many other ecommerce retailers. Because Google usually operates on a shorter attribution cycle (30 days), this can make it difficult to attribute sales to campaigns. We needed to use an attribution model that would better represent the business.
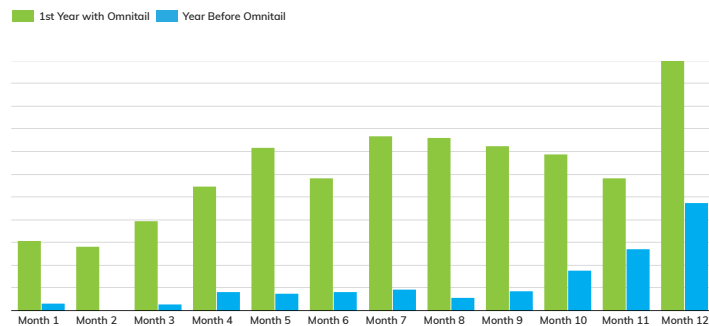
SOLUTION

TRACKING AND REMOVING FRAUD

We worked with the client to automate fraud reporting for use in our reporting and bidding systems. Any fraudulent orders were removed from the bidding process, so products with a high fraud rate wouldn't receive huge bumps in spend improperly. We also include fraudulent order and revenue metrics in our KPI reporting, to track the rate of fraud over time.

A NEW ATTRIBUTION MODEL

There was often a long research or consideration phase for ItsHot.com's products. As a result, we pivoted from a 30-day attribution model, in which sales were only attributed to an ad if a customer clicked on an ad and completed a transaction within 30 days, to a 60-day model. This allowed twice as much time for the customer to purchase as the previous model, and offered much more actionable data than the previous model.
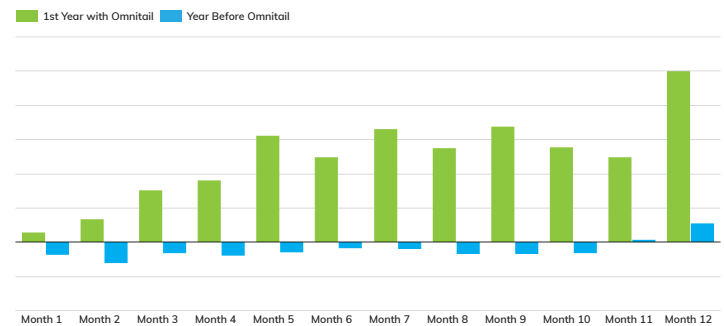
MAKING PAID SEARCH PROFITABLE

We identified a number of keywords that were drawing a lot of spend with little or no revenue to show for it, and either cut that spend or redirected it to keywords that were driving sales. Within the first few months, the paid search program not only cut spend significantly, but achieved profitability with massive increases in valid revenue attributable to the program. We were then able to increase spend, which made higher-ticket items much more competitive in the marketplace.

INCLUDING MANUAL ORDERS

The client also provided us with a daily count of manual orders and revenue attributable to those orders. We automatically synced this information with our bidding and reporting systems so those orders could be accounted for when adjusting bids or running ad hoc analyses (like gap analyses.) We could also then track manual orders over time, to establish trends.

Year over Year Revenue Growth

■ 1st Year with Omnitail ■ Year Before Omnitail

Month 1 · Month 2 · Month 3 · Month 4 · Month 5 · Month 6 · Month 7 · Month 8 · Month 9 · Month 10 · Month 11 · Month 12

Year over Year Profit Growth

■ 1st Year with Omnitail ■ Year Before Omnitail

Month 1 · Month 2 · Month 3 · Month 4 · Month 5 · Month 6 · Month 7 · Month 8 · Month 9 · Month 10 · Month 11 · Month 12

BY THE NUMBERS

230%
Increase In Valid Revenue

255%
Increase In Valid Orders

16%
Increase In Average Order Value

METRICS

In the first year after signing on with Omnitail, ItsHot.com saw a major improvement in profit and revenue. Identifying and removing fraudulent orders from their PPC analytics before they could impact bidding resulted in a 255% increase in valid orders, and a 230% increase in revenue. Furthermore, average order value during this time grew 16%. The SEM program achieved profitability, and we were able to increase investment in the program to continue to grow sales.