Kenshoo and Lab Sharpen Paid Search for Razors4U

BACKGROUND

Razors4U (R4U) is a startup e-commerce company selling popular brands of razor blades and shaving products throughout the UK and Europe, both as single purchases and via a subscription model with blades automatically arriving through letterboxes every 4, 8 or 12 weeks.

CHALLENGE

To many UK shoppers, buying razor blades online is an unfamiliar concept, so R4U needed to raise awareness and educate the market in order to build a customer base. Initial trials with paid search successfully achieved a 3% conversion rate, which is around the industry average. However, Cost per Acquisition (CPA) was very high at £12. The company needed to bring this down and improve on the conversion rate if possible. It set the following objectives for search:

- ▶ Increase conversion rates by at least 50%
- ▶ Reduce CPA by 33% to £8 per customer
- ▶ Grow the customer base by 70%

As a young company with little brand awareness, R4U was less likely to persuade people to convert on their first visit, meaning search would be required to support remarketing.

SOLUTION

R4U chose to work with Kenshoo partner agency, Lab, to roll out a search-based digital marketing campaign. Headquartered in London, Lab designs, develops and markets award winning digital experiences incorporating a blend of neuromarketing, psychology and behavioural economics.

Lab implemented a unique approach using psychological modelling and linguistics to inform campaign strategy and ad copy. This was coupled with sophisticated campaign optimisation, automation, tracking and reporting via the Kenshoo Infinity Suite.

> "Working with the team at Lab, coupled with the power of Kenshoo, we've managed to boost our conversion rate through paid search to nearly three times the industry average. At the same time we halved our cost per acquisition per month. Together they have helped us transform our business."
>
> — Christian Boletta, MD and Co-Founder of Razors4U

Kenshoo Portfolio Optimization optimised the campaign in real-time, analysing and selecting the best possible bids across multiple attributes to maximise campaign results.

Kenshoo's Campaign Mirroring enabled effortless creation and syncing across Google and Bing campaigns to optimise budget across publishers.

Kenshoo's Halogen predictive modelling engine predicted the marginal return from each successive increase in spend, achieving optimal results while minimising CPA.

Kenshoo's Infinity Pixel accurately gathered conversion and attribution insights to improve optimisation and supported remarketing via the Google Display Network.

Kenshoo's Reporting Suite saved several person-hours each week with automatically scheduled, customised reports for key campaign insights.

RESULTS

Within five months R4U had already surpassed all its set objectives:

▶ Average conversion rate grew to 8% - a 267% increase over its previous 3% level
▶ Cost Per Acquisition reduced by 50% to £6, boosting profitability
▶ The customer base increased by 300%, with subscription orders more than doubling.

This success has continued: more than 12 months later conversion rates hover around 9% with a CPA of less than £4, down from £12 when the campaign began.

More importantly the combination of Kenshoo and Lab has helped shape future marketing strategy. R4U has increased its search budget and diversified spend to include new markets, new channels, and new geographical territories. R4U is not only meeting its current sales objectives, but it has gained a scalable platform for long-term growth.

267% increase in Average conversion rate	**300%** increase in customer base	**50%** decrease in Cost Per Acquisition