iProspect Drives 39% Lift in Year-over-Year Revenue for Journeys Through Adoption of Kenshoo Portfolio Optimizer™

BACKGROUND

Journeys is a leader in the North American teen specialty retail scene, with a specific focus on footwear and accessories for the 13 to 22-year-old demographic and 800 stores in all 50 United States, Puerto Rico, and Canada. The brand must continually keep pace with its young, trendy, and savvy consumers. To capture the intent of potential shoppers, Journeys depends on a sophisticated search marketing program. iProspect, the global leader in digital performance marketing, knew that advanced paid search keyword optimization needed to be a huge point of focus.

CHALLENGE

Paid search keyword coverage had to properly represent Journeys’ massive inventory across its own brand name and the brands it carries, so initially, manual bid management was the labor-intensive, yet most practical approach. This plan afforded the Journeys program both a high level of control and visibility in order to meet their ROI target and increase revenue. However, a more efficient solution was needed as the program scaled.

SOLUTION

Through Kenshoo, iProspect found a more automated and intelligent way to optimize Journeys’ SEM campaigns. The Kenshoo team recommended testing through its portfolio bidding solution, Kenshoo Portfolio Optimizer (KPO). Unlike other manual or rules-based options, KPO is powered by proprietary algorithms that run predictive models and automatically cluster keywords to maximize campaign results. Additionally, with the migration to enhanced campaigns, KPO enabled the team to handle mobile bid adjustments at the ad group level, thus removing the guesswork from mobile bidding.

Kenshoo partnered with iProspect to provide recommendations, best practices and guidance in the transition to the portfolio-based bidding solution. Together, the team determined that the best approach for Journeys’ program would be the KPO Revenue Policy in order to maximize revenue while still maintaining the client’s desired ROI.
After launching KPO in September 2013, Journeys saw a 39% lift in e-commerce revenue via search year-over-year (September 2013 vs. September 2012). This resulted in average daily revenue between September and October that was 77% higher than the same period in the year prior. In turn, revenues and ROI became more consistent with the client’s target.

Although the KPO goal was focused on revenue, the positive effects of the automated optimization could be seen across other key metrics. YoY increases were achieved for clicks (up 40%), conversions (up 37%) and 33% gain in profit (calculated by subtracting cost from revenue).

The iProspect team partnered with Kenshoo to successfully reach and exceed Journeys’ goals. iProspect benefited from a more automated solution while not losing the visibility afforded by manual bidding. By providing routine sessions to check in and monitor performance, the Kenshoo and iProspect teams collaborated to ensure ongoing success for Journeys.

"iProspect ran KPO and the resulting positive effect on revenue was immediate. The Revenue Policy program enabled us to maintain scalability in a way that had a positive impact on our SEM campaigns. I believe iProspect would agree that we can now react much faster to marketplace trends. We have been very pleased with the performance of the Kenshoo Portfolio Optimizer and look forward to even greater efficiencies as the algorithm continues to gather data."

— John Tighe, SVP Direct to Consumer at The Journeys Group