

Entry: Starcom MediaVest and Travelodge



Challenge

Objectives

1. Drive £15.2m Revenue
2. Achieve an ROI of £27
3. Reduce manual bid management time by 50% (to 2 working hours per day)
4. Increase revenue forecasting agility and accuracy

Challenges

1. Huge Account Scale -

At the time of the forecasting and planning implementation, Travelodge search activity equated to 969 campaigns consisting of over 2.5 million keywords. Performing daily bid optimisations and account management had become unsustainable and inefficient due to the high amount of working hours taken. This had seen strategic service levels suffer as there was simply not enough time to be able to offer added value above and beyond bid management.

2. Inaccurate Forecasts -

Due to the ever-changing landscape of the Travel industry, forecasting had become highly challenging. With fluctuations in competition, seasonality and event led demand, forecasting had become inaccurate and highly time consuming. This meant a new, accurate and agile forecasting method was needed to ensure maximum clarity and efficiency.

3. Ever-Changing KPIs & Budgets -

Budgets were historically signed off prior to each month, however, with client led changes in strategy (e.g. push for more volume or reduce ROI), re-forecasting was often required. This had become a frequent task and due to the first 2 challenges, the team were not able to act with maximum agility.

4. During 2013, competition had significantly increased. This had led to inflated CPCs across both brand and generic keywords. Because of this, ROI and revenue targets were extremely challenging and were becoming more difficult to achieve as the year progressed.

Kenshoo's forecasting solution was implemented across all location profiles. These were the profiles that were the most volatile due to competition, the most difficult to forecast and also, the most time consuming profiles to manage.



Solution

1. Granular Account Management -

Through KPO and Kenshoo's forecasting solution, the team were able to remove themselves from day to day bid management, safe in the knowledge that it would control the profiles in the most efficient and effective way, working to the combined ROI and Revenue goals of the profiles whilst removing human error and time consuming day to day management. The automation that Kenshoo's forecasting solution provided ensured that the highly complex and time consuming processes of account management and forecasting analysis were eliminated, thus significantly decreasing account management times.

2. Forecasting -

Kenshoo's forecasting solution was utilised to plan monthly budgets at profile level, driving high accuracy and helping to accurately guide the client on budgets for paid search.

3. Re-Planning –

The re-plan feature was the perfect answer to the budget forecasting challenges that had arisen. Constantly changing variables such as seasonality, and budgets could be managed with the re-plan feature quickly with high efficiency. Due to the dynamism of Kenshoo's forecasting solution, if and when KPIs changed, the team were able to switch from an efficiency model to a volumes model instantly, safe in the knowledge that Kenshoo's forecasting solution would react and outperform manual bid management changes through KPO.

4. Planning Tools –

Working closely with Kenshoo, the team were able to tackle the impact of events such as bank holidays on our hotel activity through Kenshoo's planning tools adding a further level of sophistication to our pacing and account management.

Results

1. Revenue -

After one month of implementing Kenshoo's forecasting solution, revenue increased by 6% month on month. This was despite entering the 'off-peak' season for the hotel industry. For the whole period combined, Kenshoo enabled the account to drive 42% more revenue than planned.

2. ROI -

Through the implementation of Kenshoo's forecasting solution, ROI increased by 9%. This meant that the team were able to deliver a huge 32% increase in ROI against plan.

3. Time & Resource Management -

By introducing Kenshoo's forecasting and planning solution, the target was to reduce granular account management times by 50% (to 2 hours per day). In fact, management times were cut by 91% allowing the team to focus on strategy and innovation rather than manual bid management. A fantastic achievement brought about by the efficiency and effectiveness of Kenshoo.



4. Accurate Forecasting + Strategic Planning

Prior to the implementation of Kenshoo's forecasting and planning solution, forecasting had become highly challenging due to the nature of the vertical and concerns over accuracy and time taken to forecast had been raised. Through the ability to forecast effectively, the team were able to provide agile and accurate forecasts at a moment's notice. This is a massive result as for the team and the accuracy of forecasting has led to discussions regarding a whole new management structure, expanding the use of KPO to a hotel level management scheme due to its reliability and ease of use.

