

Lowe's Improves More Than Homes with 5X Growth in Facebook Investments



BACKGROUND

Lowe's is a global leader in home improvement and hardware with over 2.3K stores across the US, Canada and Mexico. They manage an impressive e-commerce site that was ranked no. 27 in the Internet Retailer 500, and needed a partner to scale their e-commerce business with Facebook advertising.

CHALLENGE

Lowe's and their digital marketing agency, Resolution Media, sought to utilize [Facebook's Dynamic Ads](#) to connect their large product catalog to each unique online shopper with relevant and timely product ads. Resolution Media started with a small test budget and saw immediate success!

The team then set a goal to scale their [Facebook Dynamic Ads](#) program spend by five times the initial investment. However, without additional resources on the team, this goal could prove to be a challenge.

SOLUTION

Resolution Media decided to leverage [Kenshoo's Portfolio Optimization \(KPO\)](#), which uses sophisticated algorithms built on top of Facebook's technology to [automate bid and budget optimizations](#) on an hourly basis. The ability to efficiently scale the campaigns allowed Resolution Media to spend more time strategizing, and better personalize the shopper journey.

Additionally, the team leveraged [Kenshoo's custom metrics](#) to calculate the [true return on investment \(ROI\)](#) goal for their campaigns. For Lowe's, ROI is a blend of 100% click-through-revenue and 50% view-through-revenue, over cost. By using this calculation, they are considering the value of impressions over basic conversions without stealing value from click-through-conversions. The team relied on the [Facebook Pixel](#) to track conversions (completed purchased) and revenue (cart total).

“*Kenshoo's automation capabilities have contributed to our client's campaign's success. And, the fact that we can optimize to our own custom ROI calculation has enabled us to scale significantly. Both the client and our team is very happy with how it's worked out.*”

— Seth Lytton, Group Account Director, Resolution Media

RESULTS

As a result, Resolution Media was able to add **6X more campaigns** with **zero additional time spent** on optimization and **grew daily budget 5X**. Using Kenshoo features, Resolution Media drove **\$6M in revenue for Lowe's**, and an **11% increase in retargeting reach** during a 6-week heavy up test! Quarterly revenue grew by 31% on average in 2016, and the Dynamic Ads Program in Kenshoo drove **\$7.1M in revenue** during Cyber Monday weekend alone.

Most recently, Lowe's had set a goal to significantly increase site traffic. Since then Resolution Media has **boosted clicks by 8.7% QoQ**, while **decreasing CPC by 2.8%**. As agile marketers, Lowe's and Resolution Media are constantly evolving and improving their digital marketing strategy.

5X

Growth in Daily
Budget

6X

More Campaigns

\$6M

in Revenue

