

CASE STUDY



Travelodge uses Keyword Bidding to drive Cost of Sale down 10%

BACKGROUND

Travelodge is the UK's largest independent value hotel brand with more than 500 hotels and 37,000 guest bedrooms. In 2013 Travelodge selected Spark Foundry - one of the largest media networks in the world - to run its Paid Search advertising.

As a long-standing user of Kenshoo, Spark Foundry quickly onboarded Travelodge onto the platform as part of its strategy to enhance performance and have been working with us ever since.

CHALLENGE

For almost four years, Travelodge had been using **Kenshoo Portfolio Optimization (KPO)** to drive better performance and enhanced results.

Although the team was hitting its overall Cost of Sales target on KPO, Travelodge wanted to place additional emphasis on individual generic keywords to drive incremental bookings where possible. The challenge was set for Kenshoo and Spark Foundry to increase Travelodge's competitiveness around these generic industry terms.

SOLUTION

Travelodge became the first Kenshoo client to switch all of its generic keywords across Google and Bing from Portfolio to Keyword Bidding using Kenshoo's **Bid to Value** solution. Therefore, rather than working to one overall target across the portfolio, the team now drives improved performance through individual keyword optimisation of Generic terms.

At the same time, all of its branding activity continues to run on KPO. The ability to have this flexibility and control over the account is a real differentiator for Travelodge and one that drives great competitive advantage for the business.

“In a highly competitive industry, the sum of marginal gains are the key to driving successful performance growth brands. In order to achieve these gains, the Travelodge team has moved from a standard bidding strategy to a hybrid bidding strategy composed of behavioral portfolio bidding and pure performance bidding. This unique approach has provided the team with much greater visibility and control of performance, in order to maximise the value of investment against client's objectives.”

Oscar Romero - Head of Performance - Spark Foundry

RESULTS

In the two months since making the change, the results have been very positive.

↑ 4%

Increase in Generic Bookings

↑ 12.5%

Increase in Revenue

↓ 8%

Cost Per Click

↓ 10%

Cost Per Sale

What's more, it took less than a day to switch everything over in Kenshoo!