



Case Study

How adidas discovered the incremental value of Paid Search Campaigns



About adidas

adidas makes sportswear and sneakers. It's the largest sportswear manufacturer in Europe, and the second largest in the world, after Nike. The company does all marketing activities, including paid search, in-house. This case study is created about adidas in the United States market.

The challenge

How to discover the incremental value of Paid Search Campaigns

The paid search activities of adidas are managed and optimized based on last-click data from Google Ads and Google Analytics. The company was struggling to identify campaigns that were outperforming competitors. The E-commerce team wanted more than the last-click revenue data, they needed incrementality insights to optimize the ad spend.



The Data

High and low performers

By implementing Odyssey Attribution, adidas was quickly able to identify campaigns with a high incrementality and a low incrementality. Odyssey calculates this incrementality for each source based on three (transparent) KPIs.

By looking at the incrementality insights for the Paid Search channel it came out clearly that 'generic' campaigns were performing very well. The incrementality of these campaigns was about 25% higher compared to other paid search campaigns and the attributed revenue was 23% higher in Odyssey than it was in Google Analytics.

Paid Search

100 %

+ 25 %

High and low performers

But, the incrementality insights also showed that the 'DSA' campaigns weren't performing so well. Odyssey Attribution was implemented to discover these insights. On average Odyssey Attribution attributed 38% less revenue to the DSA campaigns than Google Analytics did based on last non-direct click attribution. Some campaigns even got 58% less revenue attributed than Google Analytics.

Results

12% ROI Increase

Because the DSA campaigns were driving a lot less incremental revenue than expected, adidas decided to decrease the budget on the current DSA campaigns. Because the incrementality of the DSA campaigns was so low, adidas could save costs on the campaigns without having to worry about losing revenue. adidas was able to save about 35% of the ad spend on DSA campaigns. This revenue could be re-invested in incremental campaigns, like generic paid search campaigns.

On the generic campaigns adidas decided to increase the ad spend with 5% because the incrementality insights showed that adidas could spend more. After increasing the spend on these campaigns, adidas saw an increase in ROI of 8% on average.



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