WEB SPROUT

CASE STUDY

Background/Challenge

On the heels of the "Best Year Ever" for Sport Clips, Web Sprout was tasked with driving YoY appointment growth by 10% while keeping CPA stable (below $25 goal), despite pandemic-related category headwinds and already substantial category market share. Optimizing leads was no longer as effective, as lead to appointment rate sharply declined due to glass and labor shortages reducing operational capacity.

Strategy

The operational challenges like glass and labor shortage were locally nuanced, and the capability to fulfil leads to actual appointments can vary drastically from week to week. Sport Clips & Web Sprout needed to react to the constant shift in marketplace demands and operational challenges per location to minimize wasted spend and maximize opportunities. Our approach was to dynamically incorporate market-level fluctuations and create a bidding strategy that goes beyond leads to focus on driving appointment growth.

Web Sprout and Sport Clips made a feed that categorized zips into high to low service capacity and synced them directly into the search campaign daily to calibrate the TCPA algorithm better. The capacity data allowed us to throttle investment and bids per location based on the local salons' capacity to convert leads to appointments. For example, any areas where lead volume was substantial but stylists were limited saw a significant decrease in investment.

For example, if holiday demand overwhelmed a salon, this would allow us to control demand by lowering traffic with a lower CPA target. And the flip side, if a salon needs traffic, we could increase our target CPA to meet the need.

Challenges

For our approach to be successful, we needed to account for two things:

1. Campaigns are structured in a manner to take advantage of the local capacity data
2. Campaigns provide enough data to automate bidding strategy for optimal optimization

Our first step was to segment our campaigns into specific locations, which closely mirrored Sport Clips' local footprint. Second, we grouped the location-specific campaigns into seven separate bid portfolios that ranged from low to high capacity, which was informed by the daily local capacity feeds. Districts with high capacity saw their CPA target increase by 20%+ to drive more jobs, average capacity targets were left as-is, and low-capacity targets saw their CPA target lowered by 20%+. Finally, campaigns were automatically moved across the different bid portfolios based on the data received from the capacity feed.

Results

YoY CPA:
+11% ($12.53 > $13.93)

YoY Appts:
+37% (+342K appts)

Year CPA vs. Goal:
On target a just below $12

Year Appt vs Goal:
+27% above goal at 1,267,741

The target adjustments made for each capacity segment were very successful. Within high-capacity districts, jobs increased 7%, while CPA was 4% more efficient than the goal. In the average-capacity markets, appointment volume remained steady. Finally, in the low-capacity markets, appointments decreased by 15%, which provided relief and cost savings of $1.5M.

While automated bidding provided by Google and Microsoft has gotten smarter and offers better results with each iteration, our approach shows that relying solely on it does not always result in actual business results and growth. Our method went beyond by incorporating downstream business data to better calibrate automated bidding and structured campaigns in a way that would make the most effective use of the data available to achieve tremendous growth.