



Case Study //

SEARCH ENGINE MARKETING

Hello Direct Doubles Return on Ad Spend Using Coremetrics Search™

Paid search is a high-performing channel for most online businesses. With its effectiveness at driving traffic to a site, paid search often consumes a big portion of the online marketing budget. This is precisely the case for Hello Direct, a leader in desktop telephony.



Insight Provides the Key

The turbulent economic environment has put intense pressure on Hello Direct to ensure that every marketing program delivers superior results. Consequently, the staff sought to increase the efficiency of its search programs with the goal of reducing spend without a proportional drop in revenue.

As in many organizations, marketers were gauging success using metrics from search engine vendors and inferences to the impact on topline revenues. Unfortunately, the staff didn't have insight into vital after-the-click metrics, not the least of which was return on ad spend (ROAS). To get this information, they turned to Coremetrics Search, an innovative solution that provides a comprehensive view of key metrics from multiple sources, including:

- Click-through rates, keyword costs, and position from search engine vendors
- Web site behavior, conversion, and visitor keyword searches over time from Coremetrics analytics tools
- Product margins and other data from business intelligence systems

By consolidating this data in a single interface, Coremetrics Search helps Hello Direct manage keyword inventories more effectively, make better purchase decisions, and, ultimately, increase ROAS.

Targeted Spending Doubles ROAS

When the economy softened, Hello Direct slashed paid search spending. Without solid performance data, however, there was no way to target the cuts. Analysis showed that the across-the-board cuts seriously impacted the business—eliminating revenue at a higher rate than cost.

Coremetrics Search gave the staff clear visibility into which keywords were influencing and closing sales. An analysis of performance, for example, showed that 350 of the company's 86,000 keywords were extraordinary performers. They also determined that a large number of terms were not meeting even bare minimum goals for ROAS. The staff began shifting spend away from the under-performing terms to the "superstars."

Additionally, marketers found that while keywords for some of their high-end products drove major revenue, the cost of advertising was too high relative to the margins on these products. Moreover, by using a combination of first and last click attribution, they proved that several high-cost generic keywords that were previously considered essential were not, in fact, contributing significantly to acquiring or converting visitors. Again, the staff shifted spend to keywords that demonstrated better returns and margins.

"Some of the things we discovered through Coremetrics Search came as a huge surprise. For example, we learned that we were actually losing money on the keyword 'headset.' It's a high-demand term, and we can see now that the ROAS is too low to make it a worthwhile investment for us. This type of insight shows the value of Coremetrics Search. It makes people say, 'Aha!'"

—Manager, Web and E-Commerce
Hello Direct

The new strategy is delivering gratifying results. Despite another severe cut of 47%, search ROAS rose dramatically over the previous quarter, from 157% to 263%.

The staff attributes the improved ROAS to the rich insight into performance that Coremetrics Search provides. Marketers are just beginning to scratch the surface of data-driven optimization. Future plans include landing page optimization and keyword discovery, both of which are facilitated by Coremetrics Search. By continuing to increase the efficiency of their search programs, the staff is positioning the company to increase revenues significantly when budgets start to increase.

Graphical Views Provide Clear Insight

Coremetrics Search is paying for itself in many ways. In particular, the ability to present data in a variety of graphical formats helps management immediately understand how paid search ties into other programs. For example, managers now have data that helps them identify customers who are good candidates to receive catalogs or targeted email. Managers can also easily compare the impact of various offers such as free shipping versus a discount.

Consolidation Boosts Productivity

Marketers also report that they now spend much less time collecting and analyzing data about keywords because Coremetrics Search consolidates data from Google, Yahoo!, and MSN. For example, creating the weekly revenue forecast and report is significantly faster because the staff no longer has to log into three different search engines, download reports, and rationalize data across disparate formats. In addition, bulk editing features enable the staff to make changes across multiple search engines in a single operation. As a result of these capabilities, marketers have more time to devote to analysis and refinement of programs.

About Hello Direct

Hello Direct has been the leading developer and direct marketer of desktop telephony products since 1987. The company has grown from a small handful of visionaries to a well-recognized business-to-business leader in telecommunications solutions. In November, 2000, Hello Direct merged with and became a cooperating unit of GN Netcom (a world leader in hands-free communication technologies), a unit of GN Great Nordic Ltd., a public company traded on the Copenhagen and London Stock Exchanges.

To learn more about Coremetrics or to schedule a demo, please contact your account representative. Call 1.866.493.2673 or visit coremetrics.com



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