CASE STUDY



About

Centauro is a Brazilian sporting goods retailer with almost 200 store locations, founded in 1981 by Sebastião Bomfim Filho.

Headquarters: São Paulo, Brazil https://www.centauro.com.br/

Goals

- Increase online return-on-ad-spend (ROAS) and revenue from Shopping campaigns without sacrificing in-store sales.
- Decrease time spent on managing campaigns during Black Friday.

Approach

- Implemented Target ROAS Smart Bidding on smallest Shopping Campaigns in a pre/post test.
- Ran an A/B test that split traffic evenly between Google's Target ROAS Smart Bidding strategy and its previous bidding strategy.
- Implemented Target ROAS Smart Bidding on all Shopping campaigns on Black Friday 2018.

Results

- +14% return-on-ad-spend (ROAS)
- +9% ROAS on Black Friday
- +11% conversion value (online revenue)
- +100% conversion value (online revenue) on Black Friday

Centauro increases online revenue by 100% on Black Friday with Target ROAS

Reaching online shoppers and sports fans through automation

For nearly 40 years, Brazil-based <u>Centauro</u> has offered athletes and enthusiasts an array of sports products through its online store and at almost 200 brick-and-mortar locations. After Centauro saw impressive results from using Target Return-on-Ad-Spend (ROAS) Smart Bidding across its Search ads, the brand decided to test the same strategy on its Shopping campaigns for Black Friday. By shifting away from its original cost-per-click (CPC) goals and focusing on driving ROAS, the brand hoped to see better results from its online ads.

In the past, Centauro used an automated bidding platform to manage its Shopping campaigns. However, the brand's marketing team still manually controlled bids during periods of peak seasonality (like Black Friday) because it wasn't sure whether the platform could optimize quickly enough. To streamline the process and drive more efficient sales, Centauro set up a test to see if Target ROAS Smart Bidding could be a viable solution for fully relying on automation during the holiday.

"We wanted to free up more of our team's resources to focus on strategy, but were unsure if we could fully rely on automation to manage our bids during big seasonal events. Target ROAS Smart Bidding turned out to be the answer we were looking for."

- Daniel Vidotti, E-commerce Director

Testing the impact of Target ROAS Smart Bidding

In July 2018, Centauro started to implement Target ROAS Smart Bidding on its smaller campaigns to compare their performance. To ensure the results weren't influenced by seasonality before expanding the strategy across its largest campaigns, the brand participated in the new 1-click Target ROAS experiment beta in September 2018.

Google

About Google for Retail

From smarter ads to easier transactions, Google for Retail helps build better retail experiences that help you sell your products to shoppers around the corner and around the globe.

To learn more, visit: https://www.google.com/retail/ This enabled Centauro to set up an A/B test that split traffic evenly between Google's Target ROAS Smart Bidding strategy and its previous bidding strategy. After the test was completed, the brand saw that Target ROAS Smart Bidding helped drive 11% higher online revenue. Centauro already knew from its Search campaigns that Target ROAS Smart Bidding could lead to higher revenue, but the brand was especially impressed to see it also increased ROAS by 14%.

"Even though we already knew the power of Target ROAS Smart Bidding, we were completely surprised by its ability to increase ROAS significantly. This highlighted the potential for using this strategy across future campaigns."

-Guilherme Croce, Google Ads Expert

Ramping up online revenue on Black Friday

Impressed by the A/B test results, Centauro decided to implement Target ROAS Smart Bidding on all its Shopping campaigns for Black Friday 2018. When the brand compared its 2018 Shopping campaigns to the previous year's performance on these same campaigns, it saw 100% higher online revenue and 9% higher ROAS.

The impressive Black Friday results alleviated any concerns Centauro had about machine learning's ability to respond and optimize quickly to seasonal changes. Notably, Target ROAS Smart Bidding helped Centauro drive more efficient online results without sacrificing its in-store sales. Moving forward, Centauro plans to implement Target ROAS Smart Bidding across future campaigns. It also plans to tweak its ROAS goals for each campaign based on its products' profitability.

"Target ROAS Smart Bidding enabled us to make quick changes during a fast-paced seasonality event, and was very responsive to our needs."

-Renan Santos, Marketing Manager