



## Using Enhanced CPC to complement their automated bidding tool, W3i increased conversions by 19.7% and reduced CPA by 9.7%



About W3i

- <http://www.w3i.com>
- St. Cloud, MN
- Distributes & monetizes desktop & mobile apps

Goals:

- Increase conversions
- Reduce cost per conversion
- Cut manual effort in managing bids
- Incorporate Google's knowledge of auctions to automatically adjust bids

Approach:

- Used Enhanced CPC to automatically modify bids for each auction based on user attributes (such as browser, location, and operating system), and other auction-level attributes (such as time of day, historical performance, and more.)

Results:

- Increased conversions 19.7%
- Reduced CPA 9.7%
- Saved hours previously spent analyzing data to make bid changes
- Spent more time fostering growing markets

### About Enhanced CPC

Enhanced CPC is an AdWords feature that intelligently raises and lowers your Max CPC bids based on the predicted likelihood that your ad will convert. Over time, this leads to more conversions without increasing your cost per conversion.

Enhanced CPC can bid up to 30% over your actual Max CPC bid in a given auction or reduce your bids in auctions that are less likely to convert.

Enhanced CPC initially adjusts bids on a portion of your traffic to ensure that the impact is neutral or positive. If results are strong, Enhanced CPC will adjust bids on a larger portion of traffic. To learn more, visit:

<http://adwords.google.com/support/>

### The dawn of apps

W3i was marketing consumer apps before apps were cool. In 2000, Rob, Ryan, and Aaron Weber launched Freeze.com, offering free, easy downloads of everything from music and screensavers to videos and toolbars. Entrepreneur magazine ranked Freeze.com the 31st fastest-growing new business in the United States in 2004. Today, under a variety of domains, the parent company W3i continues to grow at a rapid clip based on consumers' unending appetite for new apps.

"Early on, W3i understood the value of using free content to spark demand and capitalize on it," says Peter Novotny, Manager of Marketing for W3i. "While people are downloading free software on our site, we recommend apps from our advertisers. In addition to licensing content and apps from others, we also create our own in some cases. Our culture, people, and focus on innovation keep us all engaged."

### A captive, engaged audience

Today, the W3i team has developed a proprietary installation manager, InstallIQ, which manages app recommendations. They also provide a wide array of content and software, especially in verticals like casual gaming, entertainment, and utility software on both desktop and mobile devices.

"We offer a chance for advertisers to get in front of users who are already engaged and recommend other apps that might be of interest to them," explains Michael Liebelt, Sr. Marketing Manager for W3i. "The central goal of our Search Engine Marketing program is user acquisition on the business-to-consumer side, but we also work on the business-to-business front to find companies wanting to distribute or monetize their apps with W3i."

Since the beginning, Google AdWords has been a company staple. "A large portion of our marketing budget is spent on AdWords search and display campaigns," says Mitchell Bain, Marketing Manager for Display Advertising. "We also have an affiliate program, leverage social media, and utilize mobile in-app marketing to reach new users. It really depends on the product we're offering and the platform we're focused on."



### All about ROI

Regardless of the marketing strategy, ROI is always a top priority. W3i continually seeks out ways to increase conversions without increasing its cost-per-conversion—and that requires fine-tuned bid adjustments.

"We have a sophisticated bid management strategy in place using a 3<sup>rd</sup> party automated bid optimization tool," Novotny explains. "Each day, this tool automatically adjusts our bids based on daily conversion and revenue reports that we provide. To complement the service that the bid management tool was providing, we used to spend hours on our own analyzing data to make bid changes based on time of day, day of week, or traffic fluctuations. We were doing a good job but we knew it wasn't perfect."

### Bringing a new level of intelligence to bidding

Then the marketing team learned about Google's Enhanced CPC, a new automatic bidding feature that intelligently raises and lowers an advertiser's existing Max CPC bids for each auction depending on the likelihood that a click will lead to a conversion.

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## About Google AdWords

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Google AdWords™ is a performance-based advertising program that enables businesses large and small to advertise on Google and its network of partner websites. Hundreds of thousands of businesses worldwide use AdWords for text, image, and video ads priced on a cost-per-click (CPC) and cost-per-impression (CPM) basis. Built on an auction-based system, AdWords is a highly quantifiable and cost-effective way to reach potential customers.

For more information, visit <http://adwords.google.com>

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As Google Product Manager Ardan Arac explains, “Enhanced CPC is designed to supplement your current bidding strategy. Whether you manually set bids for individual keywords or use 3<sup>rd</sup> party software to manage your bids, Enhanced CPC slightly modifies bids for each auction to ensure that you’re investing your budget in clicks that are likely to convert.”

Enhanced CPC can bid up to 30% above a max CPC bid in a given auction if the likelihood of a conversion is high. Similarly, the product will also reduce bids in auctions that are less likely to convert. To predict whether a conversion is likely to occur, Enhanced CPC looks at a number of factors: user attributes such as browser, location, and operating system, as well as other information Google has about that auction such as time of day, an ad’s historical performance on a site in the Google Network, and more.

“Enhanced CPC is a great complement to our bid optimization tool. It brings another level of intelligence to our strategy,” says Liebelt. “While the 3<sup>rd</sup> party tool is smart about setting bids based on our daily conversion feeds, Enhanced CPC then modifies bids automatically based on auction-level data. Enhanced CPC does a better job making the bid changes that we were spending hours manually calculating. It gives us the power of Google’s data and really saves us time.”

## New rule: No campaign without Enhanced CPC

Initially, the team launched Enhanced CPC for its largest campaign. The team was comfortable with this move since Enhanced CPC has built-in safeguards to ensure that the impact it’s having is positive or neutral. Initially Enhanced CPC only modifies bid for a portion of clicks. If performance is strong, the system begins to adjust bids for a larger percentage of clicks.

“After a couple weeks, it was clear that Enhanced CPC was a big win,” says Bain. “We saw double-digit conversion rate increases resulting in nearly a 10% lower CPA.”

W3i has since started using Enhanced CPC for all of its campaigns. “Enhanced CPC makes it easy for us to accomplish our goals and spend time on more meaningful things than analyzing time of day and day of week bid changes. Enhanced CPC does a good job of managing this for us,” says Novotny. “With the insight that Google has into each auction and the ability to predict whether a click will be profitable for us, Enhanced CPC is an obvious win.”

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The team now has more time to identify and source new content and focus more effort on the rapidly growing mobile space. “We’re a pretty scrappy, lean team,” says Liebelt. “With Enhanced CPC, we’re getting more done and forging faster into new markets.”

Adds Arac, “Enhanced CPC was designed to help advertisers increase their profits. It’s been rewarding to see Enhanced CPC not only improve W3i’s bottom line, but save them hours that they’re using to grow their business.

Liebelt concludes, “We’ve found some gems by trying new tools from Google, and Enhanced CPC is definitely one of them.”