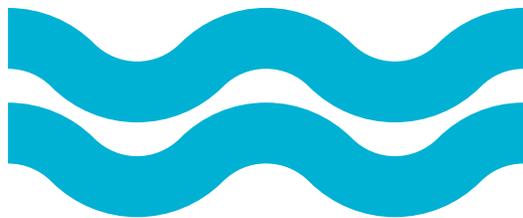


WordStream Gives a 1-800-Mattress Sales Team a Good Night's Sleep with Powerful PPC Tools

How the WordStream engine and an interactive web page helped to nearly double the percentage of online sales leads and increase the return on advertising spend from 3:1 to 10:1.

Challenge: In a competitive industry where keyword clicks can cost up to \$25/click, a 1-800-Mattress franchise needed help uncovering less competitive and less costly long-tail keywords. The VP of Marketing also needed help organizing ad groups and navigating through the vast amount of data and limitless possibilities.

Solution: WordStream's ability to quickly discover and organize long-tail search terms allowed the New England franchise to bid lower on highly relevant keywords, based on proprietary data from real prospects, versus bidding on more expensive, highly competitive keywords. The results were increased ROI and a jump in online sales leads from 12% to 22%.



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WordStream Industry Success

A case study in how a local 1-800-Mattress franchise with a modest pay-per-click (PPC) advertising budget was able to open an entirely new sales channel and outperform the online sales leads previously generated by its parent company, with WordStream as the engine powering traffic.

About 1-800-Mattress

1-800-Mattress is a franchise organization offering a large selection of mattresses, box springs and bedding accessories via phone and Internet sales, 24 hours a day, seven days a week. The company offers products from multiple major manufacturers including Sealy, Serta, Simmons, King Koil and Tempur-Pedic as well as a private-label collection.

Background & Goals

Evan Saks, VP of marketing for 1-800-Mattress' New England region, needed to find an innovative way to make up for a decline in sales leads referred to his franchise from the parent company website.

Prior to the decline, the parent website had represented approximately 12% of the New England franchise's business. However, several unfortunate cutbacks and a harsh economy caused the parent company to cut all online advertising. Suddenly, the New England franchise witnessed a 15% to 18% drop in sales.

To make matters worse, not only had the parent company ceased its Google AdWords campaign alongside all other SEO efforts, a legal contract prevented Saks' franchise from creating a website of its own. The New England franchise was limited to one deep landing page as the only acceptable alternative.

Saks was faced with the challenge of creating a single landing page as well as developing his own PPC campaign. To make the most of his allotted page, Saks developed an interactive landing page that allowed 1-800-Mattress representatives to communicate, via chat software, with potential clients in real time, as they were looking to make a purchase.

"We opened an entirely new sales channel that didn't exist before, with WordStream as the engine that was really powering the traffic."

Larry Kim, Founder
WordStream

Next, he launched a Google AdWords PPC campaign to replace the campaign that the parent company had cut. His primary goal was to leverage AdWords to drive traffic to his interactive landing page, making up for the steady decline in online leads from the 1-800-Mattress parent website.

Challenges

Saks quickly discovered several challenges in creating his AdWords campaign. First, the mattress category is extremely competitive in search. Some of the more competitive keyword terms, such as “memory foam,” can cost at least \$15 per click and sometimes \$20 or \$25. In order to effectively compete on a modest budget, Saks needed to uncover the long tail of search—keywords that are known to produce higher conversion rates than more common keywords (or “head” terms) and offer higher return on investment, because they cost less in the absence of greater competition bidding on the same terms.

Saks also needed an effective way to organize his keywords. Although he found AdWords to have many setup options, he remained disorganized and spent a great deal of time prioritizing workflow. According to Saks, “I had limited PPC experience but I forced myself to figure it out by playing with different variations of keywords. I had a sophisticated setup within AdWords, but there was still a great deal of time involved with experimenting with different keywords and ad groups. The various combinations seemed limitless. I knew I needed a better solution to help me not only with best practices in organizing my keyword groups but also to help me to navigate through the data.”

The WordStream Solution: Personalized Keyword Research Based on Real Data

Shortly after launching his PPC campaign, Saks contacted WordStream for help researching, organizing and managing his list of approximately 2,000 keywords. In such a competitive category, Saks knew he had to “play the long-tail game.” He already had a list of basic keywords that seemed logical to include, such as the 1-800-Mattress brand name and variations using different punctuation (with and without hyphens, spaces, and so on). He also included mattress manufacturers alongside their brand-name terms.

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Evan Saks, VP of Marketing
1-800-Mattress

Beyond these “head” search terms, Saks was able to discover many more long-tail keywords using WordStream. For example, WordStream uncovered keyword phrases using the term “compare,” such as “compare Sealy Posturepedic to Serta PerfectSleeper” or “compare memory foam to latex.” WordStream also uncovered keyword phrases around the term “ratings”—the software helped Saks discover that prospects searching for mattresses were often looking for editor’s ratings or user ratings on various mattresses. Additional long-tail terms included “made in the USA” and various misspellings of the brands and manufacturers that had not occurred to Saks prior to using WordStream.

By identifying these long-tail search terms, the New England franchise was able to bid lower on highly relevant keywords, based on proprietary data from real prospects, versus bidding on more expensive, highly competitive keywords.

“Quality Score is a grade applied to your PPC campaigns by the search engines. The higher your grade, the less money you have to pay per click and the more prevalent your ads are in the sponsored links.”

Ryan Beale, Sales Executive
WordStream

Keyword Grouping & Organization for Long-Term PPC and SEO Success

As his keyword count climbed from 2,000 to over 15,000, Saks needed additional assistance with organizing his keyword groups to maintain relevancy and keep up his Quality Scores. As Ryan Beale, Saks’ WordStream account representative, explained, “Quality Score is a grade applied to your PPC campaigns by the search engines. The higher your grade, the less money you have to pay per click and the more prevalent your ads are in the sponsored links.”

Saks assumed that he should organize his groups by geographical location, such as “mattress Boston MA.” Next he grouped manufacturers and manufacturer terms, each with their respective brands and model names. Within each line there could be up to 12 specific models, with each retailer having different names for the same product. Saks thought it was logical to group competitors along with their model names as separate groups. He also organized several categories by general terms such as king size, queen size and bunk beds, as well as by varying materials such as latex and memory foam.

These initial groupings worked relatively well; however, WordStream was able to help him to discover more effective combinations and entire groups that he wouldn’t have thought of otherwise.

For instance, WordStream helped Saks organize his comparison groups for better results. Saks explained, "Take, for example, 'compare Sealy to Simmons,' an actual search query that resulted in a click to our landing page. Does that belong in the Sealy ad group or the Simmons ad group? The reality was, it didn't belong in either group. WordStream calculated that it belonged in a separate 'comparison' ad group."

The most surprising data that WordStream uncovered was mixed up brand names. Customers were often confused by the many different brand names and would search for Sealy Beauty Rest or Simmons Posturepedic instead of Simmons Beauty Rest and Sealy Posturepedic. This wouldn't have occurred to Saks without WordStream—as someone in the business, he knew all of the exact brand names for each manufacturer, so he assumed everyone would be able to keep it straight!

"Who would have thought that a little franchise serving New England on a very modest PPC budget and no website, only an interactive landing page, would outperform sales from a company spending \$3.6 million annually in PPC advertising? It was beyond what we ever imagined possible."

Evan Saks, VP of Marketing
1-800-Mattress

WordStream Results

Evan Saks and the New England franchise set out to make up for the decline in sales leads after a drastic cut in online advertising by the 1-800-Mattress parent company. Prior to cutbacks, the parent company was spending \$300,000 per month on PPC advertising, equating to approximately \$3.6 million per year, in order to drive traffic to the site. Leads from the parent website accounted for 12% of sales, yielding a 3:1 or 2:1 return on advertising spend.

The franchise couldn't have ever predicted the results it would see using WordStream in conjunction with Google AdWords and one simple landing page. Saks mused, "Who would have thought that a little franchise serving New England on a very modest PPC budget and no website, only an interactive landing page, would outperform sales from a company spending \$3.6 million annually in PPC advertising? It was beyond what we ever imagined possible."

At its peak, leads from the franchise's landing page accounted for 22% of business, with a 10:1 return on advertising spend. Compared to 3:1, the return on investment proved to be extremely valuable. And click traffic also grew considerably—thanks to the growth in keywords, the volume of impressions grew from 8,000 to 9,000 clicks per month to 14,000 to 15,000 clicks per month.



WordStream Results

▶ Increased Return on Advertising Spend

Ratio of return jumped from 3:1 to 10:1

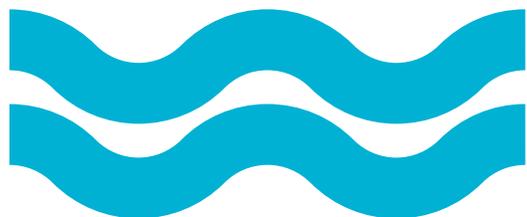
▶ Increased Click Through Rate

Rose from 1.5% in February to 2.19% by July

▶ Decreased Cost per Click

Down from \$1.73 to as low as \$1.10

End Result: Real ROI - dramatic improvement in traffic that ultimately enabled the franchise to outperform sales from the parent company.



WordStream

Additionally, the New England franchise was able to increase click-through rate (CTR) from 1.5% in February to 2.19% by July. Improved CTRs eventually prompted cost per click (CPC) to drop from \$1.73 to under \$1.30, with some CPCs as low as \$1.10. As the franchise's keyword universe expanded from 2,000 keywords to over 15,000, the ad spend was more but CPC went down. They were also able to keep CPC low with long-tail search terms. Where some companies were paying up to \$25 per click, the 1-800-Mattress franchise would pay only \$1.33 to \$2.00.

Saks concluded, "We were restricted by contracts with our parent company. But we used WordStream to come up with something really innovative and as a result, we saw dramatic improvement in the traffic that ultimately enabled us to outperform sales from our parent company. We also saw dramatic improvement in the cost per click, and most importantly, we opened an entirely new sales channel that didn't exist before, with WordStream as the engine that was really powering the traffic."

About WordStream

WordStream is a provider of innovative, integrated keyword management solutions that simplify complex search marketing processes. Our patented software provides search marketers with a private, scalable online workbench for efficiently and continuously conducting PPC and SEO tasks including keyword research and negative keyword discovery; search query analytics; keyword grouping and organization; search marketing workflow and prioritization; and relevant ad copy and Web content creation.

WordStream believes that organizing, prioritizing, coordinating and executing PPC and SEO efforts around a comprehensive, well-researched and up-to-date taxonomy is the key to achieving search marketing success. The benefits of using WordStream solutions include increased productivity and greater relevance, enhancing the value of both paid and natural search marketing efforts. For more information about WordStream keyword management solutions and to sign up for a free trial, visit <http://www.wordstream.com>.

For more information on WordStream's innovative PPC tools, please call us at (617) 209-4597 or email us at info@wordstream.com.