We have selected Horizons Restaurant, an upscale vegan restaurant in Philadelphia. It was originally founded as Horizon’s Café in 1994 in Willow Grove, Pennsylvania but has been operating out of its current location since 2006. With only 18 employees, Horizons reaches out to vegetarians while still pushing the envelope with upscale, sophisticated cuisine. The restaurant is very accommodative to special diets and allergies, and as a result has garnered an extremely loyal customer base, of which 65% is estimated to be vegetarian and 10% strict vegan. Moving forward, Horizons is eager to be recognized as a major player in the general upscale restaurant scene. It also wants to reach out to gain a bigger share of the younger, upper-middle class demographic. Many of their current non-vegetarian customers are older, which we suspect is because of health reasons. However, Philadelphia also has a large population of young professionals who eat out often at high-end restaurants. They could be attracted to Horizons as well, if not for health reasons than for its sophisticated modern cuisine.

Aside from the few ads placed in local publications, Horizons does not engage in any print or online advertising campaigns. They do keep an active website at horizonsphiladelphia.com, but do not sponsor any ads on search engines. This is one of the main reasons that we picked Horizons - they are a small business serving a clear market whose business is promoted mostly by word of mouth. This will be very helpful when it is time to assess the efficacy of our campaign, and it will allow us to attribute any significant increase in reservations over this time period in previous years to our AdWords campaign.

Vegetarians in Philadelphia are a large and active group, though more casual than in other cities in that they mostly consider themselves a tight-knit family rather than an activist community. Restaurants in Philadelphia are one of the city’s strengths, and the city is often considered to have a restaurant scene comparable to New York City in terms of variety of cuisines and concentration of high-profile restaurateurs. Horizons has carved out a niche for itself as an upscale vegan restaurant, an area that is all but crowded. There are very few other restaurants in Philadelphia that can claim to be both vegan and upscale. A handful of vegetarian cafes are scattered throughout the city, like Gianna’s which sells vegetarian and vegan pizza, cheese steaks, sandwiches, and desserts. In addition, as part of the locavore movement, which supports the use of local farmers to produce healthy meals, many restaurants boasting sustainability-conscious menus have opened in the past few years. Though most of these restaurants do not claim to be vegetarian, they do have a healthy, comforting image and tend to be relatively expensive. Because a significant portion of Horizons customers are not vegan or vegetarian, combined with the fact that many offer vegetarian options, these restaurants should actually be considered a major competitor for Horizons’ health-conscious customers.

Their website, horizonsphiladelphia.com, utilizes a sophisticated design in warm hues, accurately representing the modern yet homey environment that the restaurant exudes. This appealing design, combined with the organized information and press reviews, make the website a great landing page. Since Horizons mainly takes reservations over the phone, and because Horizons does little advertising, the website is very important to their business. One major weakness is that there is no online reservation option. The visibility of the website can be summarized by its Google PageRank of 5. Google Analytics gives detailed information about the number of visits, absolute unique visitors, traffic information and keywords. One key piece of information it provides is what keyword searches lead to visits to the Horizons website. Because of this, we were able to learn that many of the top searches that lead to visits include the name of the restaurant, and we have concluded that most of the people visiting the website already know about the restaurant.

Since many people who visit Horizons for the first time become repeat customers, we want to target those who are not already aware of the restaurant. They can be further divided into four groups for which we will create four respective Ad Groups: Vegetarians in the greater Philadelphia area, Vegans in the greater Philadelphia area, anyone looking for fine-dining experience near South Street, and Philadelphians looking for a healthy meal. After using the AdWords Keyword Tool as well as some external keyword tools, we have compiled a list of keywords that include: “vegetarian”, “vegan”, “restaurant”, “fine-dining”, “South Street”, “healthy”, and “romantic”. These keywords will be distributed among the four Ad Groups, and some, such as “restaurant”, will be placed in multiple Ad Groups. Our negative keywords are “cheap” and “fast”, as Horizons is neither of those. We have chosen not to include “Philadelphia” as a keyword because it is relatively expensive with a current average CPC of 80 cents. Instead, we will utilize the option to display ads only next to searches in the Greater Philadelphia Area.

We are taking a different approach to determining the content of our actual ads. We will use a Python script that takes a Google search, reports the title and text for each ad displayed on the page, its ranking, and the total number of ads on the page. We will run the script on a few hundred searches, all of which will be a combination of terms that yield restaurant results of various cuisines. We will then cut out any data that is not helpful or applicable to our use. We expect a large portion of the ads to be from aggregators such as CitySearch and Zagat; since these ads are not comparable to the ads we are looking for, we will cut them out. After cleaning the data in this manner, we will use data mining tools to determine what combinations of words tend to be present in the higher-ranked ads. We will then use these words in our own ads. There are a few things we will need to watch out for when using this method of writing Ad Groups. We will not be limiting our searches to vegetarian and vegan cuisine in an attempt to compile more data. As a result, the models may suggest combinations of words may be very useful to a steakhouse, but not to a vegan restaurant.

Google Analytics shows that current traffic on the website is highest during the week, often peaking on Wednesday or Thursday. In order to capture more clickers, we have decided to allocate relatively more money to those days and allocate the least amount to Saturday and Sunday. We also expect to refine our campaign during and after Week 1, which means that Week 2 and Week 3 should be more successful. Accordingly, we have allocated comparably more money to Week 2 and Week 3. The resulting allocation is as follows:

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **WEEK 1** |  |  | **WEEK 2** |  |  | **WEEK 3** |  |
| Wednesday | $ 7 |  | Wednesday | $ 14 |  | Wednesday | $ 14 |
| Thursday | 7 |  | Thursday | 14 |  | Thursday | 14 |
| Friday | 6 |  | Friday | 12 |  | Friday | 12 |
| Saturday | 4 |  | Saturday | 8 |  | Saturday | 8 |
| Sunday | 4 |  | Sunday | 8 |  | Sunday | 8 |
| Monday | 6 |  | Monday | 12 |  | Monday | 12 |
| Tuesday | 6 |  | Tuesday | 12 |  | Tuesday | 12 |
| Total | $ 40 |  | Total | $ 80 |  | Total | $ 80 |

We plan on targeting our campaign primarily to an English-speaking audience with IP addresses in the Greater Philadelphia Area, including suburbs. We will also opt in to both the Search Network and Content Network in order to have our ads displayed on dining blogs, such as philafoodie.com, and specialized search sites, such as vegguide.org and happycow.net. In terms of internet devices, we do not want to limit the reach of our ads, so will set our campaign to appear on all devices with internet capabilities.

Because we want the ads with the highest click-through rates (CTRs) to show the most frequently, we are setting our campaign to optimize ad serving by default. This will ensure that ads with the highest Quality Scores will be displayed the most often, maximizing ROI. We will utilize the AdWords Keyword Tool, which suggests an average of 70 cents per click, with the most expensive keywords priced at 85 cents. One of our highest priorities is our Ad Ranking, calculated as Cost-Per-Click (CPC) and Quality Score. Since CTR is a significant portion of the Quality Score, and because we would like to maximize the number of click-throughs given our budget, we will try to maximize the most number of clicks per ad with the lowest possible CPC.

A major focus of our time will be spent on refining characteristics of our campaign throughout the three week time period. We believe the best to assess this maximization given our budget constraint is to calculate the ratio CTR/CPC, where a higher ratio implies a greater bang for buck. The highest performing keywords will be determined using this ratio. We plan to start with a large number of Ad Groups and related keywords, but after the first week we will compare the CTR/CPC ratio for each group cut out any groups or keywords that are drastically underperforming the rest. Since we have a goal CTR of 3%, and because we expect our CPC to range from 60 to 80 cents, a very strong ratio is a CTR/CPC ratio of 0.05.

We will assess the success of our campaign based on this ratio, the pure CTR, total CTRs, and the number visitors to Horizons in April 2010. In years past, Horizons had 1644 customers in April 2007, 1601 in April 2008, and 1506 in April 2009. In summary, our goals are as follows:

|  |  |
| --- | --- |
| CTR | 3% |
| CTR/CPC | 3% / 65 cents = .04615 |
| Total Click-Throughs | $300 / 65 cents = 461 |
| Customers in April 2010 | 1650 |

Utilizing data mining tools to help us determine what ads may generate the highest CTRs and continually refining our campaign to maximizing CTRs given our budget will allow us to broaden Horizons exposure to its target demographic.