Learn about e-commerce analytics tools

Monitor e-commerce stores for growth and revenue

Make updates to an e-commerce store based on data

- Video: Use data to improve the performance of an e-commerce store
  4 min
- Reading: Conversion rate optimization 20 min
- Reading: Case Study: The importance of ROI and CPC for a small business
- Reading: Understand visitor behavior with heat maps 20 min
- Practice Quiz: Activity: Use heat map data to optimize a landing page 1 question
- Reading: Activity Exemplar: Use heat map data to optimize a landing page

  10 min
- Practice Quiz: Test your knowledge:
  Data analysis
  5 questions

Identify and update listings based on data

Review: Analyze trends for an online store

# Case Study: The importance of ROI and CPC for a small business

In this case study, you will learn about how a small business acts strategically to effectively use every marketing budget dollar.

#### **Company Background**

Dr. Lyn and Terry Lam are the CEO and CFO of Kapa Nui Nails — the only 100% fume-free, toxin-free, and odor-free, vegan and cruelty free nail polish that doesn't damage your body or the planet. The innovative and environmental justice-driven minds behind Kapa Nui Nails say their mission is to keep people's nails safe, protected, and simply beautiful.



Before they started Kapa Nui, neither Terry or Lyn had experience in the beauty industry. But they both come from the industry of medicine, and they knew about the negative effects of toxic nail polishes on the body and the planet.

So, they sought out to create a product that was safe for every person to use. They also knew that nail polish is a large contributor to o-zone depletion and environmental pollution, so they created a nail polish that didn't contribute to climate change.

#### The challenge

The Kapa Nui team is small but mighty. The two owners handle everything from sales to operations to marketing. Terry has taken on the role of digital marketer, and she says it's been a journey. She's working with a relatively small budget, so she has to be incredibly thoughtful about the way they budget their marketing dollars — especially since 90% of their budget goes to marketing.

The challenge for Kapa Nui is to create successful ad campaigns on a small business' budget, ensuring their return-on-interest and cost-per-click metrics indicate they're spending their money wisely.



## The approach

Kapa Nui's approach to marketing includes the use of targeted Google and Facebook ads, robust email marketing strategies that send traffic to the website, and using targeted keywords which they find through Google analytics.

They know their target audience is people in the US within the broad age range of 21-65+. They know they need to prioritize social media marketing just as much as they prioritize the other marketing avenues.

The approach for the Kapa Nui team is to execute trial and error to figure out what marketing their target audience responds to (and how), and above all else, they know they'll need to track analytics to gain valuable insights using Google Analytics, because this will tell them if they're being smart about their marketing spending or not.

Their approach is and always will be to track which marketing strategies they see the best return on. The approach is to find out which types of marketing provide the highest return-on-interest (ROI) and cost-per-click (CPC).

## The results

Using Google Analytics, Google Search Console, Google Ads, and Google Tag Manager, Kapa Nui Nails are experts at tracking metrics and turning them into insights.

Kapa Nui has been running shopping ads which are integrated with Shopify, keyword search campaigns, and social media campaigns.

By tracking the ROI and CPC on each of these types of campaigns, they're able to see which types of digital marketing campaigns have been the most successful.

Currently, they are finding their integrated shopping ads are performing the best, based on their ROI and CPC metrics. On these types of campaigns, their ROI is 3-to-1 and their CPC is under \$1. Those numbers are more impressive than those of their keyword campaigns, which have lower ROIs and CPCs.

## Conclusion

Since Kapa Nui is a small company with a small budget, they have to use their marketing dollars wisely. Thanks to analytics and tracking tools, they now know they should be putting most of their resources into shopping ads because it has the highest ROI for their business. Focusing on ROI is a concept that is integral to every company's success.