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XYZ Electronics' Google Ads Campaign

Background:

XYZ Electronics is a leading e-commerce store headquartered in San Francisco, specialising in consumer electronics with a diverse product line ranging from smartphones, smartwatches, laptops, and more. With a customer base spread across North America and Europe, XYZ Electronics is known for its affordable prices and quality products. The company prides itself on staying ahead of market trends and continuously aims to enhance customer experience and satisfaction.

Scenario:

In response to the release of their exclusive range of smartphones and smartwatches, XYZ Electronics decided to invest \$10,000 in a one-month Google Ads campaign to boost sales and brand recognition. Given the competitive market, the company's marketing team is keen on ensuring every dollar spent yields maximum returns.

Campaign Objectives:

The main objectives include increasing website traffic by 30%, boosting the sales of smartphones and smartwatches by 20%, and achieving a CTR of at least 3%.

Budget Allocation:

The budget of \$10,000 was initially allocated as follows:

1. Search Ads: \$6,000
2. Display Ads: \$3,000
3. Video Ads: \$1,000

Pre-Campaign Data and E-commerce Trend:

The pre-campaign test showed high interest in the new smartphone range, with particular keywords showing high search volumes. Additionally, the growing trend of health and fitness showed a potential market for smartwatches with health tracking

features.

1. Search Ads:

- Spent: \$6,000
- Results: 45,000 clicks, 2% conversion rate
- Analysis: The CPC was relatively low, but the conversion rate was below the objective. The ads drove traffic but did not convert as expected.
- ROAS: Moderate

2. Display Ads:

- Spent: \$3,000
- Results: 1 million impressions, 0.5% CTR, 1.5% conversion rate
- Analysis: Display ads were effective in creating awareness and had a decent CTR for the cost but had an average conversion rate.
- ROAS: Moderate

3. Video Ads:

- Spent: \$1,000
- Results: 200,000 views, 1% CTR, 3% conversion rate
- Analysis: Video ads had a higher conversion rate compared to the cost, making them highly cost-effective.
- ROAS: High

Based on your understanding of the case study, you are required to provide answers to the following questions:

Question 1

Complete

Marked out of
3.00

- a) How did XYZ electronics incorporate Google ads into their strategic marketing plan?
 - b) How did it complement other marketing activities?
 - c) Describe the product range and target market of XYZ Electronics.
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- a) XYZ Electronics strategically incorporated Google Ads into their marketing plan to **Boost Sales and Brand Recognition**.
 - b) Google Ads complemented XYZ Electronics' other marketing activities with **Display and Video Advertising** to drive awareness and conversion.
 - c) XYZ Electronics specializes in consumer electronics with a diverse product line ranging from **smartphones, smartwatches, laptops**, and more. Their target market is **North America and Europe**.

Question 2

Complete

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1.00

What were the main objectives of XYZ Electronics' Google Ads campaign?

1. **Increase Website Traffic by 30%:** The campaign aimed to drive a significant increase in the number of visitors to XYZ Electronics' website.
2. **Boost Sales of Smartphones and Smartwatches by 20%:** The goal was to achieve a 20% increase in sales for their newly released range of smartphones and smartwatches.
3. **Achieve a CTR of at least 3%:** The campaign sought to achieve a click-through rate (CTR) of at least 3%, indicating effective engagement and interest in the ads.

Question 3

Complete

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1.00

How did XYZ Electronics allocate its \$10,000 budget across different media options?

XYZ Electronics allocated its \$10,000 budget across different media options as follows:

1. **Search Ads:** \$6,000
2. **Display Ads:** \$3,000
3. **Video Ads:** \$1,000

Question 4

Complete

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1.00

Which e-commerce trend did XYZ Electronics identify that could impact their Google Ads campaign?

XYZ Electronics identified the **growing trend of health and fitness**, which showed a potential market for smartwatches with health tracking features. This trend could significantly impact their Google Ads campaign by targeting consumers interested in health and fitness technology.

Question 5

Complete

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1.00

How did the Search Ads perform in terms of cost-effectiveness and Return on Ad Spend (ROAS) for XYZ Electronics?

The Search Ads for XYZ Electronics had the following performance:

- **Spent:** \$6,000
- **Results:** 45,000 clicks, 2% conversion rate

Cost-Effectiveness:

- The Cost-Per-Click (CPC) was relatively low, which indicates that the Search Ads were cost-effective in terms of driving traffic.

Return on Ad Spend (ROAS):

- The conversion rate was 2%, which is below the desired objective. While the ads successfully drove a significant amount of traffic, the lower conversion rate meant that the overall return on ad spend was moderate, not reaching the full potential of the investment.

Question 6

Complete

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1.00

Evaluate the effectiveness of Video Ads against their cost in XYZ Electronics' campaign.

The Video Ads in XYZ Electronics' campaign were evaluated based on the following performance metrics:

- **Spent:** \$1,000
- **Results:** 200,000 views, 1% CTR, 3% conversion rate

Effectiveness Analysis:

- **Views and CTR:** The video ads achieved 200,000 views with a 1% click-through rate (CTR). Although the CTR was below the campaign's overall objective of 3%, it was reasonable for video content.
- **Conversion Rate:** The video ads had a 3% conversion rate, which was higher than both search and display ads. This indicates that the video ads were more effective at converting viewers into customers.

Cost-Effectiveness:

- With a spend of \$1,000, the video ads generated a high number of views and a good conversion rate, making them highly cost-effective. The cost per conversion was likely lower compared to other ad formats given the high conversion rate.

Return on Ad Spend (ROAS):

- The high conversion rate relative to the low spend indicates that the ROAS for video ads was high. The video ads provided a significant return on investment by effectively converting viewers into customers at a relatively low cost.

Conclusion: The video ads were highly cost-effective and achieved a high ROAS, making them a valuable component of XYZ Electronics' Google Ads campaign. They effectively complemented the overall strategy by converting views into sales more efficiently than other ad formats.

Question 7

Complete

Marked out of
1.00

Based on the media effectiveness and cost evaluation, what recommendations can be made for optimising XYZ Electronics' Google Ads campaign?

1. Increase Investment in Video Ads:

- Given the high conversion rate and cost-effectiveness of video ads, XYZ Electronics should consider allocating more budget towards video advertising. This can help capitalize on the strong performance of video ads and further enhance their impact on driving conversions.

2. Optimize and Improve Ad Copies of Search Ads:

- Although search ads drove a significant amount of traffic, their conversion rate was below the desired objective. XYZ Electronics should focus on optimizing ad copies for search ads by refining keywords, ad messaging, and landing pages to better align with user intent. This optimization can help improve the effectiveness of search ads and increase the conversion rate.

3. Focus on Health Tracking Features in Smartwatch Ads:

- Considering the identified trend of health and fitness, XYZ Electronics should emphasize the health tracking features of their smartwatches in ad campaigns. By highlighting these features and targeting health-conscious consumers, XYZ Electronics can effectively capitalize on the growing demand for health-related products and potentially increase the conversion rate of smartwatch ads.

Question 8

Complete

Marked out of
1.00

How can XYZ Electronics ensure that their Google Ads campaign continuously meets objectives and provides a substantial return on investment?

1. Optimize Content:

- Continuously optimize ad creatives, landing pages, and website content to enhance relevance, user experience, and conversion rates. Conduct A/B testing to identify high-performing ad variations and continuously refine messaging to resonate with the target audience.

2. Stay Updated on Industry Trends:

- Keep abreast of industry trends, consumer preferences, and technological advancements relevant to consumer electronics and e-commerce. By staying informed, XYZ Electronics can anticipate changes in the market landscape and adapt their Google Ads strategy accordingly to remain competitive and capitalize on emerging opportunities.

Question 9

Complete

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1.00

How can XYZ Electronics measure the effectiveness of Display Ads in terms of brand awareness and engagement, and how does this compare to the allocated cost?

It can be measured by tracking the impression (1 million) and CTR (0.5%) which is successfully creating brand awareness, but the conversion rate of 1.5% suggests that engagement needs to be increased. With the allocated \$3000, the ROAS is moderate.

Question 10

Complete

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1.00

Considering the ROAS and conversion rates of each media option, how should XYZ Electronics adjust its budget allocation to maximise cost-effectiveness?

Video Ads show high ROAS, so XYZ could consider increasing the budget.

Search Ads shows high traffic but low conversion, suggesting that ad copies need improvement. Budget for Search Ads can be lowered to improve cost-effectiveness.

Display Ads had good awareness but average conversion rate, so budget needs to be reduced.

Overall, relocating budget to Video Ads would be beneficial for XYZ.