Shoebacca's 26% Higher ROAS: A Case Study in Performance Max Campaign Optimization

Background

Shoebacca is a Texas-based e-commerce company offering one of the largest assortments of footwear and apparel. Founded in 2002 on the principles of philanthropy and community, the company is committed to providing a hassle-free shopping experience with free shipping, returns, and a 110% price match guarantee.

Challenge

Shoebacca sought to expand its customer base and increase revenue from new users. However, a significant portion of revenue was dependent on retargeting existing customers, limiting the company's ability to scale effectively. The challenge was to implement a strategy that would attract new customers while maintaining cost efficiency.

Approach

AnalyticsLiv developed a data-driven approach to maximize new customer acquisitions through Performance Max campaigns:

New Customer Bidding Strategy: Implemented two distinct strategies—one that bid exclusively for new customers and another that bid higher for new customers than existing ones, allowing for comparative analysis.

Advanced Audience Targeting: Leveraged Customer Match lists, website visitors, custom intent audiences, interest-based audiences, and demographics to refine targeting and provide strong signals to Google's algorithm.

High-Quality Ad Creatives: Ensured visually appealing and engaging creatives to improve user experience and conversion rates.

Campaign Optimization: Continuously monitored and optimized the campaign to improve performance and lower acquisition costs.

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Results

Metric	Improvement
New Customer Acquisition	32% increase
Conversions	37% increase
Revenue	34% increase
ROAS	26% increase

Lower Cost Per Acquisition: Optimized targeting resulted in lower acquisition costs, driving a 26% improvement in ROAS.

Improved New Customer Acquisition: By excluding existing customers from bidding, Shoebacca significantly increased its share of new customers.

Strategic Brand Visibility: Excluded brand terms from the Performance Max campaigns while setting up dedicated Branded Shopping and Branded Search campaigns to maintain visibility for brand-related searches.

Conclusion

This case study demonstrates how a well-structured Performance Max campaign can drive significant growth in new customer acquisitions and revenue while improving cost efficiency. By leveraging Google's machine learning with the right acquisition strategy, Shoebacca successfully scaled its business and improved ROAS.

For e-commerce businesses looking to acquire new customers and optimize campaign performance, implementing a Performance Max strategy with data-driven audience targeting and bidding techniques can be a game-changer.

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