Otrium

Multi-market PPC strategy
Introduction

Philip Sonneveldt - Lead Paid Search at Otrium

- 10+ years online marketing experience
- Strong background in performance marketing
- Padel, kitesurfing and cycling

“Fun” fact:
Friends of Search 2021 awards: finalist (Albert Heijn omnichannel case)
All clothing should be worn
The state of fashion

12% of fashion stays unsold

These unworn items end up at stock buyers for cents on the dollar, in landfills or get burned. An unacceptable waste for the resources that went in and for the people who miss out.

*Source: Fashion Impact Report '20 & Business of Fashion
Our northstar

Otrium is set to become the gateway for off-price fashion

For customers

Most personalised off-price fashion shopping experience
Physical outlet stores replaced with a bespoke digital outlet in everyone’s pocket.

For designers

Leading marketplace for managing unsold inventory B2C
Fewer resources wasted because every item produced finds an owner.

The premier destination for buying “Data Made Fashion”
Hit & miss trend-forecasted production superseded by data & demand-driven production.
We are growing rapidly

B2C USAGE

B2B USAGE

TRUSTPILOT
4.6/5
42k+ reviews

4.6/5
42k+ reviews
Active in 9 core markets

- The Netherlands
- Belgium
- Luxembourg
- Germany
- United States
- France
- UK
- Denmark
- Spain
- Italy
- Poland
- Austria
- Sweden
Let’s talk about PPC
Paid Search is challenging at Otrium

Each designer (400+) has their own set of rules and promotion settings (per market): *we have to play by the book*

<table>
<thead>
<tr>
<th>Designers are demanding</th>
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<tbody>
<tr>
<td>Marketplace dynamics</td>
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<tr>
<td>Business objectives</td>
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<tr>
<td>Way of working</td>
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Paid Search is challenging at Otrium

Designers are demanding

Marketplace dynamics

Business objectives

Way of working

Constant battle between product availability and stock

- 200,000+ SKU’s
- 400+ designers
- Rapidly changing stock + low stock depth
- 9 core markets
Paid Search is challenging at Otrium

- Designers are demanding
- Marketplace dynamics
- Business objectives
- Way of working

1. Maximize GMV
2. Improve sell-through %
3. Growing new customer base
Paid Search is challenging at Otrium

- **Designers are demanding**
- **Marketplace dynamics**
- **Business objectives**

Because of the complexity, the required control and a **low quality feed** a lot of work was done manually
Because of the high level of required control we can’t leverage Smart Shopping and Performance Max campaigns
Our 2.0 strategy
Key pillars for our multi-market strategy: automation, control & data-activation

- **Automation (!)**
  - Text campaigns
  - Shopping campaigns
  - Page feed DSA
  - Negative lists
  - Quality checks

- **Full control**
  - Tight control over search term visibility and ad-copy for each individual designer, per market

- **Data-activation**
  - Steering our campaigns on the right data to align with our business objectives
The ecosystem we had in mind: using our product feed, Channable and custom scripts

Channable

Automated campaigns

Automated negatives

- hilfiger
- one step
- ikks
- etc.

Productfeed

Ad - https://www.otrium.co.uk/dresses/outlet

Otrium.co.uk - Dresses Sale: up to 75% off - Otrium fashion outlet

Shop dresses with up to 75% off. Take advantage of the best deals at Otrium! We have 250+ designer and cult brands, all in one place, at the lowest prices! Top designer fashion. Member discounts. Search conscious brands. Exclusive fashion outlet. Free returns.

New in - Women'swear - Otrium's Conscious Brands - New in - Menswear - Kids Clothing
Because there were so many exceptions per designer: this would lead to hundreds of rules which had to be adjusted frequently

- Excluding too much (missed opportunities)
- Excluding too little (unhappy designers)
- Very time costly + prone to errors
We introduced the O-view

Channable

Automated campaigns

Automated negatives

- hilfiger
- one step
- ikks
- etc.

Productfeed
O-view provides us granular control over 400+ designers

Automatically loaded into O-view with custom scripts, updated multiple times per day

Filled in to transform and specify visibility: pushed live after each new crawl
O-view also gives us the possibility to enrich and map missing variables

- Mapping missing variables (!)
- Transform variables
- Overwrite ad-copy if necessary
- Enrich individual Shopping feed items
For Shopping we use the O-view to enrich and overwrite SKU’s to increase relevancy

Title: Adidas Crazychaos Shoes Black - Women - Size: 40

Description: Otrium is a fashion outlet platform up to 75% off. We’ve got hundreds of designer labels and cult brands all in one place. So enjoy exclusive access to premium and luxury brands with the best deals and unbeatable prices. Otrium offers free returns within 60 days of receiving your order. We give end-of-season fashion a new start. Lots of fashion stays unsold. For the resources that went in and for the people who miss out, it’s such a shame. We’re here to fix this, together with our partner brands.

Color: -

Images: 

Title: Adidas Crazychaos Shoes Black | Sneakers Outlet | Women | Size: UK 6.5 / EU 40 | Black-Grey

Description: Running-inspired trainers that rebel against the expected. A runner look fuelled by confidence. These shoes show off uncompromising style in a bulky, retro-inspired build. The smooth leather upper is contrasted with textured suede overlays. Plush cushioning ensures a smooth, comfortable ride. The Crazychaos is a regular fit with large closure and leather upper with suede overlays. The highlights are: superior cushioning, everyday durability and outstanding grip. Otrium is a fashion outlet platform up to 75% off. We’ve got hundreds of designer labels and cult brands all in one place. So enjoy exclusive access to premium and luxury brands with the best deals and unbeatable prices. Otrium offers free returns within 60 days of receiving your order. We give end-of-season fashion a new start. Lots of fashion stays unsold. For the resources that went in and for the people who miss out, it’s such a shame. We’re here to fix this, together with our partner brands.

Color: Black/Grey

Images: 
For Shopping we use a “waterfall” structure to guarantee control

### Generic search terms
(e.g. “running shoes”)
Priority - High

### Designer search terms
(e.g. “Adidas shoes sale”)
Priority - Normal

### Branded search terms
(e.g. “Otrium Adidas shoes”)
Priority - Normal

#### Exclude “Otrium” + Designers

#### Exclude “Otrium”
In Shopping we use a custom script to automatically add or delete negatives

1. In a Spreadsheet, we specify which negative lists have to be created
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<Insert spreadsheet image>

2. The negatives are then loaded into a separate tab; in here we specify if certain combinations have to be created.

<Insert spreadsheet image>
In Shopping we use a custom script to automatically add or delete negatives

1. In a Spreadsheet, we specify which negative lists have to be created

2. The negatives are then loaded into a separate tab; in here we specify if certain combinations have to be created

3. The negatives are then automatically pushed to Google Ads: including combinations!
It all comes down to maximizing relevancy and increasing visibility

Product-lines
Product-lines were missing in the feed → mapped in the O-view

Colors
Colors were missing in the feed → mapped in the O-view

Size
Sizes are used from the feed and synonyms added if necessary (e.g. XS - Extra Small)
Our new strategy led to very impressive results straight after implementation:

- Quick time to market for new designers
- We are in full control and increased our visibility
- Saving a lot of manual labor
- Increased relevancy (positive impact on all key-metrics: e.g. CTR, CVR, QS, CPC)

- Quality Score (non-branded): 8 > 9
- ROAS: +98%
- Required FTE: 8 > 2
Next steps in data-activation

Data-activation

Value of customers
- CLV

Value of products
- Margin
- Returns
- Stock-levels
Value of Customers: Conversion value rules are used to steer more towards new customers

Audiences are created via Customer Match and the tool Segment (CDP):

<table>
<thead>
<tr>
<th>Audiences:</th>
<th>Loyal customers</th>
<th>Entry customers</th>
<th>Dorment customers</th>
<th>New customers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Conversion Value rules:</td>
<td>0.5</td>
<td>0.7</td>
<td>0.9</td>
<td>1</td>
</tr>
</tbody>
</table>

The bidding algorithm will now push harder for new customers
Value of Products - tROAS targets determined by profitability of the stock

<table>
<thead>
<tr>
<th>Profitability</th>
<th>ROAS target</th>
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<tbody>
<tr>
<td>Margin</td>
<td>Returns</td>
</tr>
<tr>
<td>NA-KD</td>
<td>... %</td>
</tr>
<tr>
<td>Adidas</td>
<td>... %</td>
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<tr>
<td>Scotch &amp; Soda</td>
<td>... %</td>
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<tr>
<td>Daily Paper</td>
<td>... %</td>
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<tr>
<td>Karl Lagerfeld</td>
<td>... %</td>
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<tr>
<td>Reiss</td>
<td>... %</td>
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Take-away of our approach

Requiring very tight control, does not have to be in the way of automation!

Don’t be discouraged by a (really) bad feed when you want to automate, plenty of options left: **be pragmatic!**

Use the right tools for specific tasks in automation, for the remaining 20% build custom scripts!

Examine if pMax (new campaign-types) fits in your strategy; it could be that it does not fit at all.
Thank you! Questions?