Where and how should we invest our next Search euro?

1. Introduction
2. The Dilemma
3. The Insight
4. The Execution
5. The Results
6. Next steps

Introduction

The Team

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Lead Digital Marketing

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Performance Marketing

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Channels:
Paid Search via Google and Microsoft
Display Retargeting via Meta and RTB
Comparison Engines: e.g. Beslist & Kieskeurig
Affiliate Marketing: e.g. Kleding.nl & Tweakers
App install campaigns

WGR

wehkamp

For over 70 years, Wehkamp is the department store for families in the Netherlands.

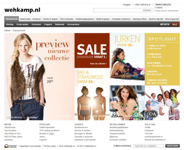
1952

First advertisement as catalog business

1995

Wehkamp is first department store in NL with online shop

2008



From catalog business to fully online.

2021

Acquisition of kleertjes.com

2023

Introduction paid returns

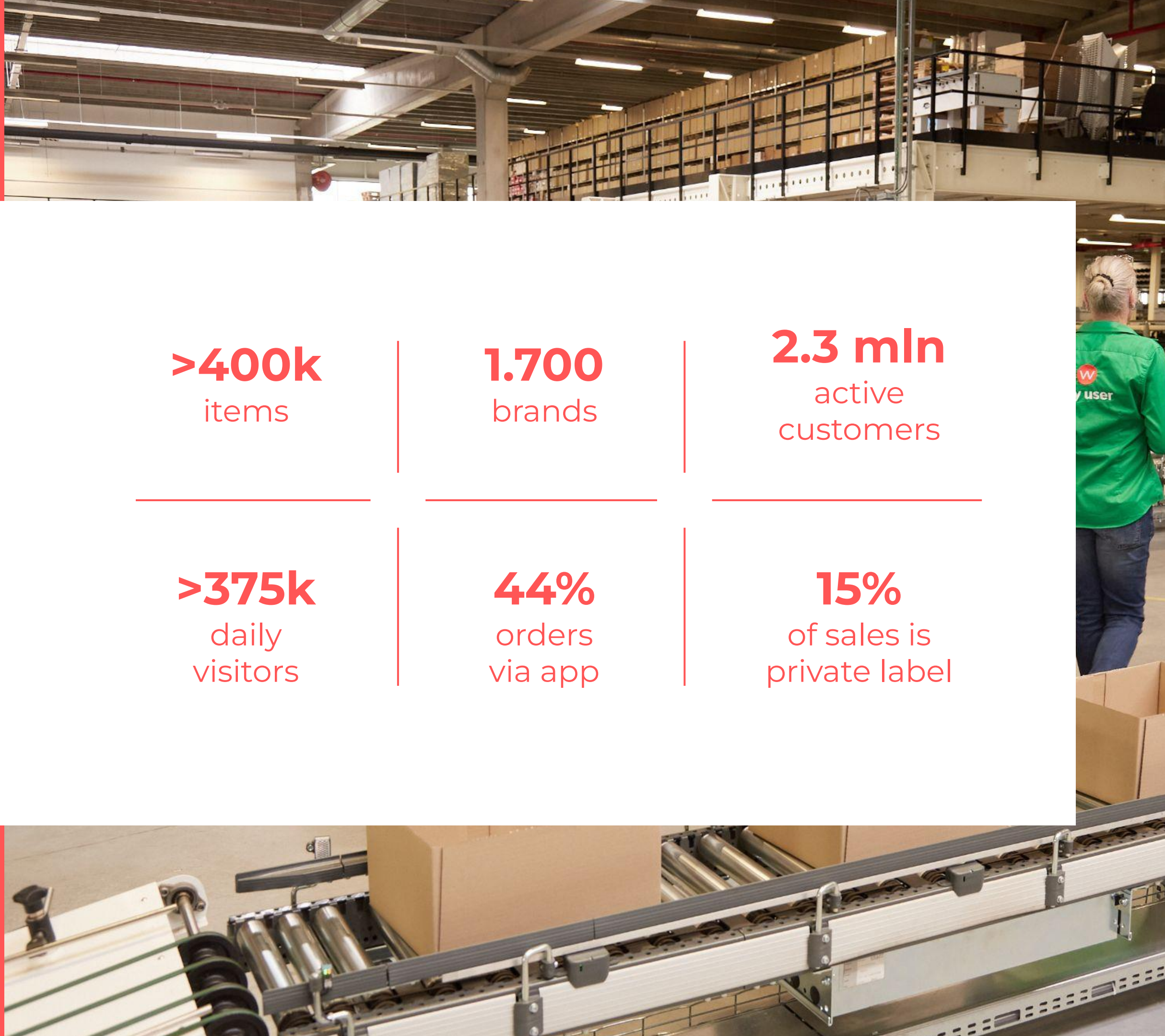
2025

altijd wehkamp sinds 1952

Building towards a bright future!

Wehkamp in short

>400k items	**1.700** brands	**2.3 mln** active customers
>375k daily visitors	**44%** orders via app	**15%** of sales is private label



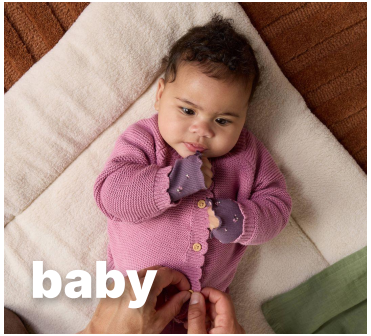

home


beauty
BOSS


garden


fashion


toys

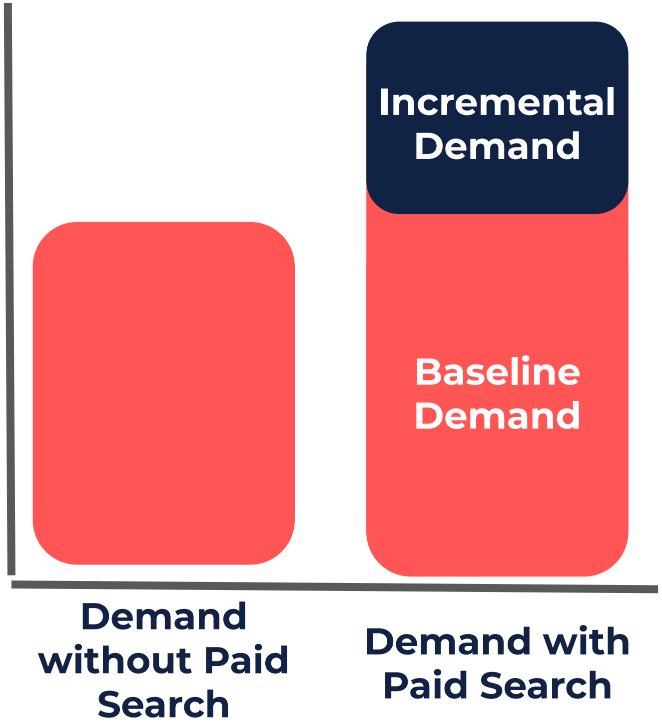

baby


sports

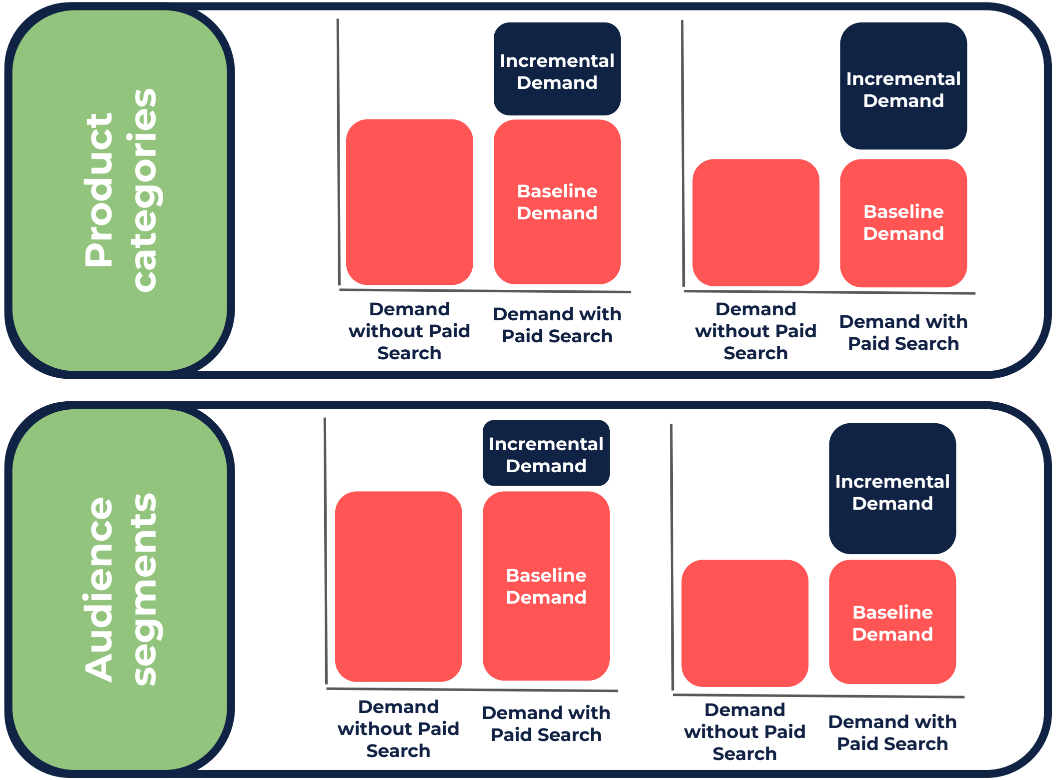
The Dilemma

“Half the money I spend on advertising is **wasted**; the trouble is I don't know **which half.**”

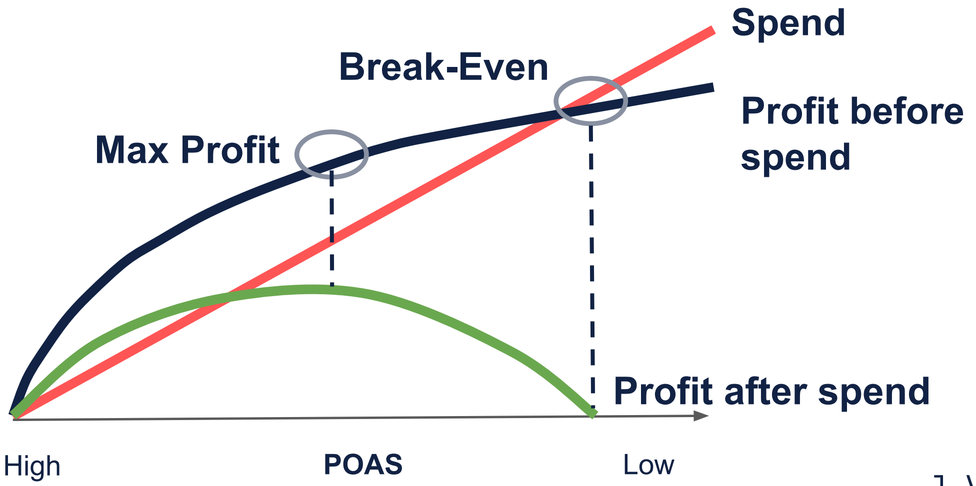
There's baseline demand and there's demand driven by Paid Search



Across categories and audience segments this can differ heavily



Result diminishes with spend increment



1. Where are we on this graph across our categories and customer segments?

2. And what is the additional value of last spend Euro?

So, where should we invest this next Search Euro?

The Insight

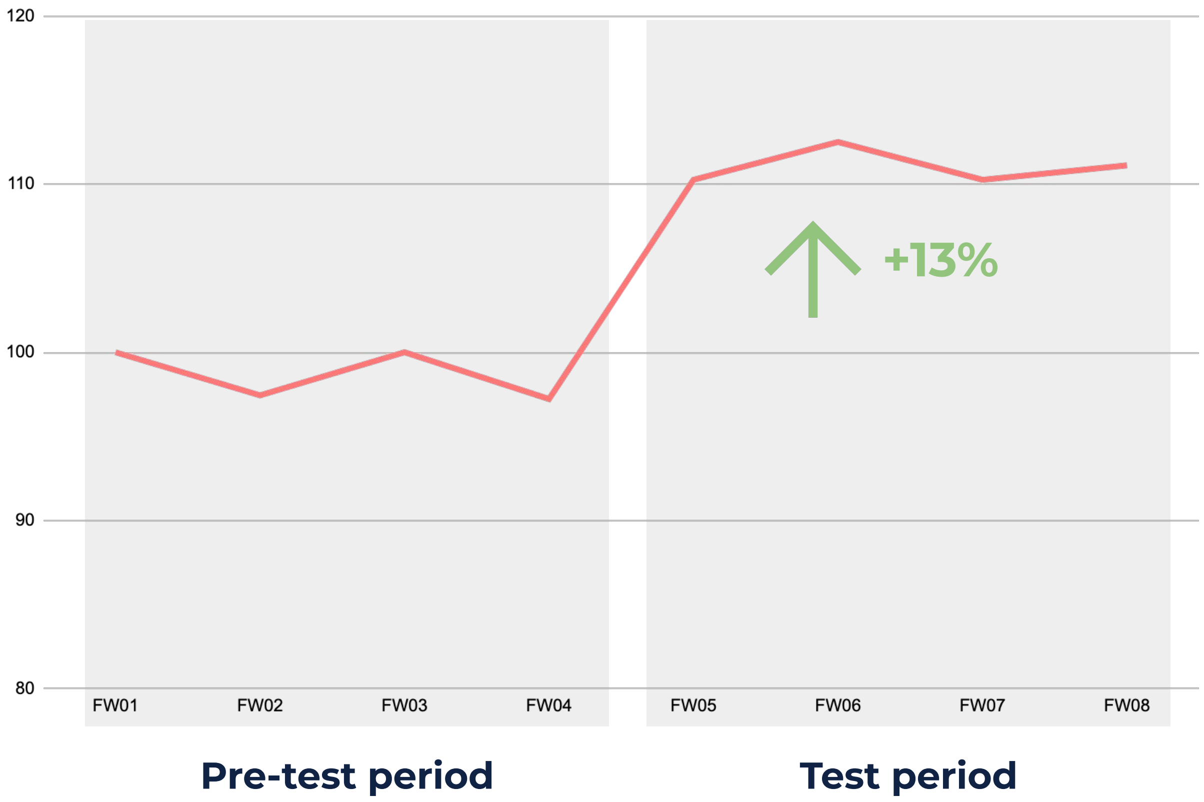
“**Meten** is **weten**”

Exploring the elasticity of Paid Search by increasing spend in a test region

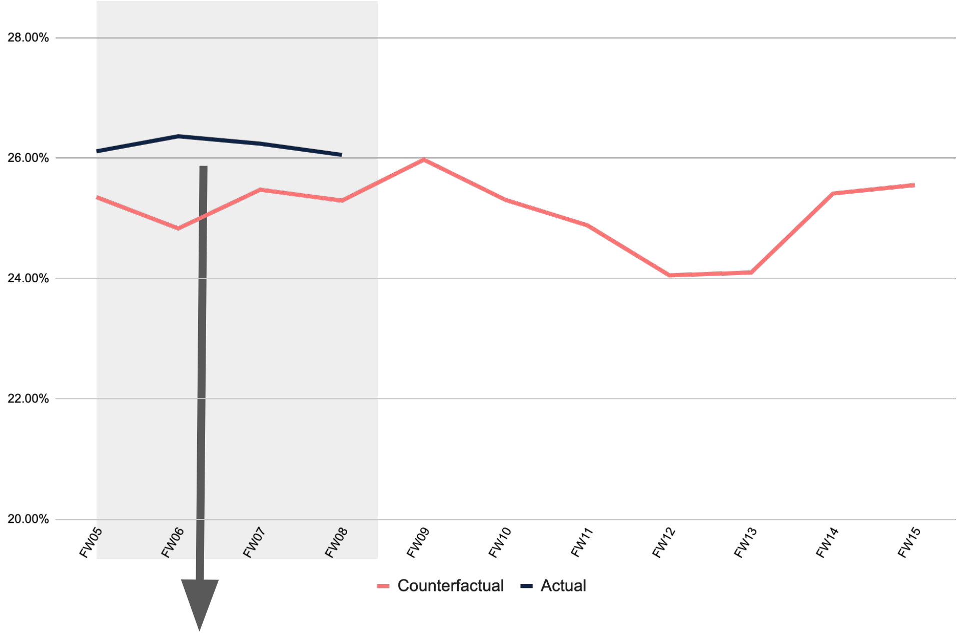
Control Region
Business as usual

Test Region
Spend x 1.5

Immediate impact on avg. CPC in test region vs. control region



Increased spend let to a rise in demand share test region vs. counterfactual



Incremental uplift

+7.7%

+4.5%

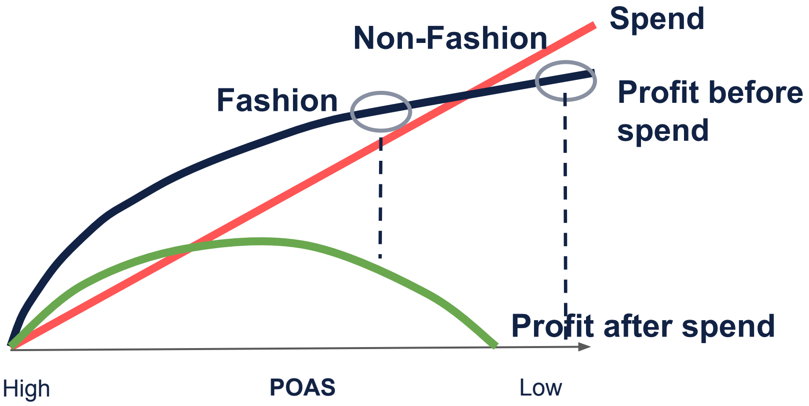
Incremental results from increased spend differ from attributed results

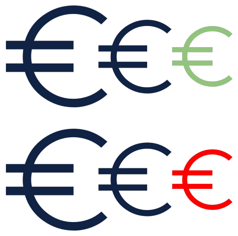
Test vs. Control	Clicks	Costs	Profit	Add. POAS
Attributed Results	+41%	+59%	+56%	1.58
Incremental Results			+4.5%	0.87

Attribution counts **every touchpoint**;
Incrementality only counts **the 'Lift'**.

Increased spend was still profitable on fashion, but wasn’t on non-fashion

Incremental results	Add. POAS
Fashion	1.45
Non-Fashion	0.6





The audience segments showed different responsiveness to the spend increasement

Test vs. Control	Demand	Profit
Loyal customers	+3%	+1.7%
Not-so-loyal customers	+9%	+10.5%
Inactive customers	+8.6%	+9.4%

Also, paid search drives customer inflow →

+15% in new customers

Key takeaways

Incremental lift

Spend increasement showed incremental lift; orders **+2.5%**, demand and profit **+4.5%**.

Map elasticity across categories

Discovery of under-investment in almost all fashion categories (with the exception of seasonal beachwear). Relative impact on Non-Fashion is higher, but wasn't profitable.

Map elasticity across audiences

Validation of the 'loyalty paradox' with significantly lower responsiveness to paid search (**+3%**) vs. not-so-loyal and inactive segments (**+9%**). Also paid search drives customer inflow (**+15%**)

Actions

- Incorporate category elasticity insights into steering.
- Incorporate audience elasticity insights into steering.

The Execution

Elasticity insights strategic framework

	Fashion (High Elasticity)	**Non-Fashion** (Profitable baseline)
Spend baseline	Increase baseline (ERS)	Continue deep baseline (ERS)
Loyal customers	Reduce spend	Minimum spend
Not-so-loyal / Inactive	Increase spend	Maintain spend

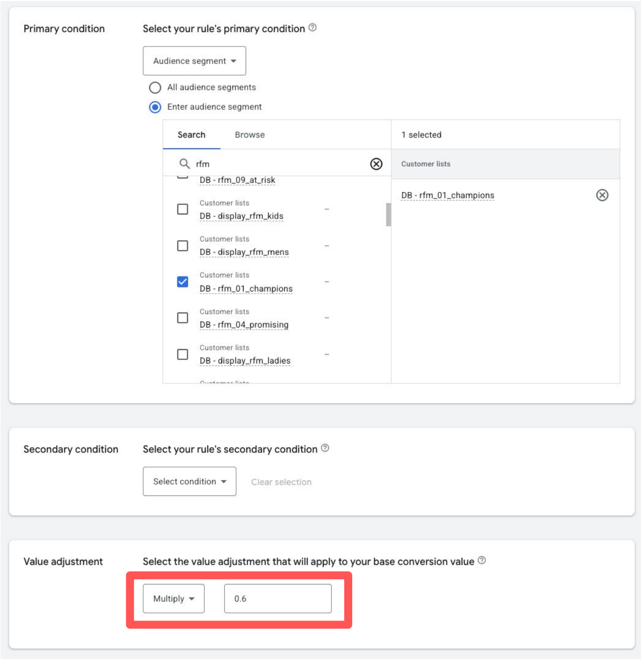
+

New customers:
As audience segmentation is done on recency and frequency; we want to use lifetime value per category to steer on new customers.

Scaling Fashion, sustaining Non-Fashion: the audience strategy →

	Fashion (High Elasticity)	**Non-Fashion** (Profitable baseline)
Loyal customers weight	**x0.6** (Reduce spend)	**x0.75** (Minimum spend)
Not-so-loyal / Inactive weight	**x2.0** Increase spend	**x1.75** Maintain budget

We started by using Google's value rules adjustments



Perk: adjusted value at the moment of auction.

Downside: just the coverage of Google's matching **~20% of auctions**

A more sustainable approach was to leverage our steering structure

No attribution finds place in GAds

Consented GCLID's via server-logging

OCI

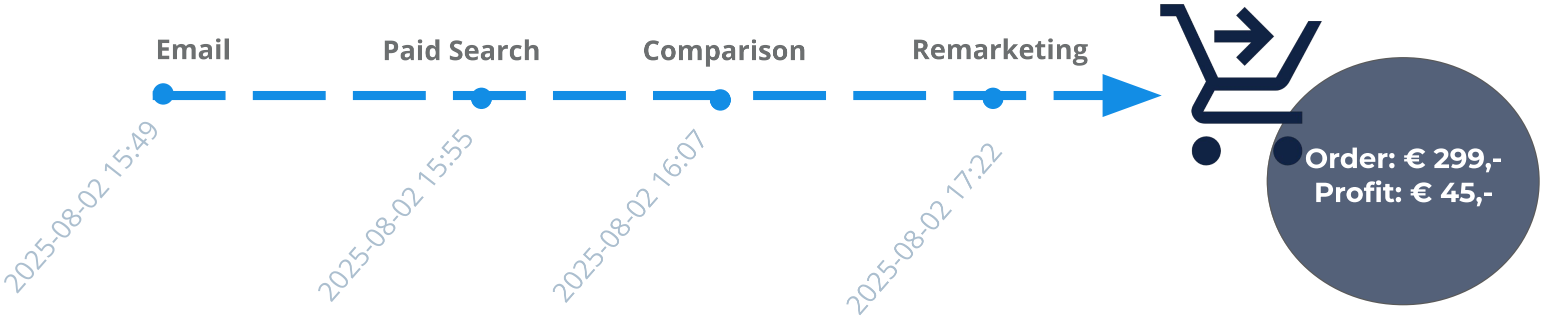
Proprietary **Multi Touch Attribution Profit** model

	Fashion (High Elasticity)	**Non-Fashion** (Profitable baseline)
Loyal customers weight	**x0.6** (Reduce spend)	**x0.75** (Minimum spend)
Not-so-loyal / Inactive weight	**x2.0** Increase spend	**x1.75** Maintain budget

Adding dynamic weight to attribution

100% of consented orders get value adjustment

Loyal customer buys fashion
>=4 orders <180 days



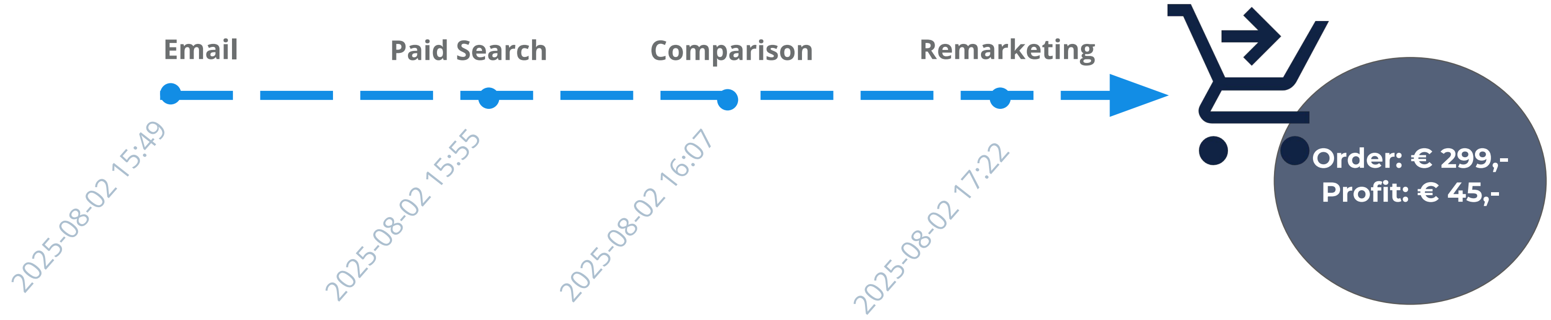
	Email	Paid Search	Comparison	Remarketing	Total
MTA	€11 (24%)	€12 (27%)	€9 (20%)	€13 (29%)	€ 45,-

New attributed value

€ 12 x 0.6 = € 7.2

Inactive customer buys non-fashion

0 order >365 days

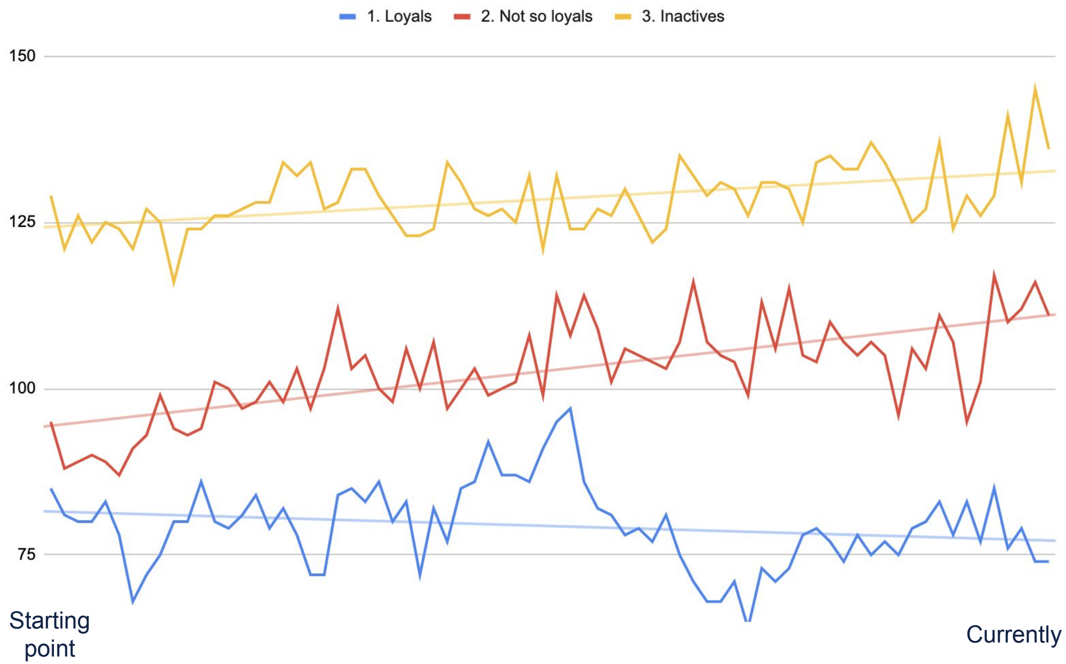


	Email	Paid Search	Comparison	Remarketing	Total
MTA	€11 (24%)	€12 (27%)	€9 (20%)	€13 (29%)	€ 45,-

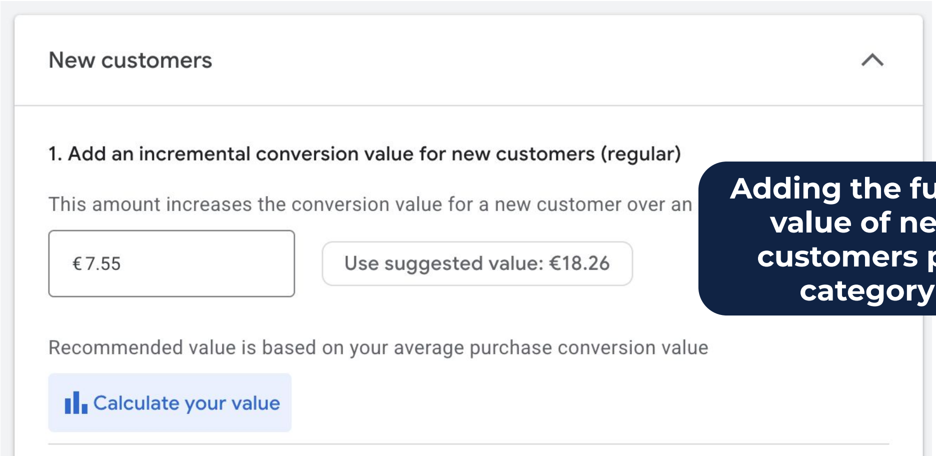
New attributed value

€ 12 x 1.75 = € 21

Desired impact on audience CPC vs. overall CPC development



For new customers we utilized Google's new customer acquisition goal



Adding the future value of new customers per category

Guardrails to prevent over- underinvestment

- Weighting creates feedback loop: Multipliers recalibrate as audience sizes evolve.
- Working with multiple campaign layers and CSS’s.
- Audiences share of clicks within categories vs. baseline.
- Own server-logging data of audience segment shares from Paid Search.
- Frequently elasticity testing.

The Results

Driving profitable growth: Delivering higher volume at increased efficiency

	Fashion (High Elasticity)	**Non-Fashion** (Profitable baseline)
Spend baseline	Increase baseline (ERS)	Continue deeper baseline (ERS)
Loyal customers	Reduce spend	Minimum spend
Not-so-Loyal / Inactive	Increase spend	Maintain budget

+

NCA

Demand YoY: **+11%**

Profit YoY: **+15%**

POAS YoY: **+2%**

Reactivation YoY: **+11%**

Next steps

Next steps

Incorporate new customer value in MTA profit upload

With decreasing match rate on customer match lists it becomes increasingly harder for Google to identify new customers.

Continue seasonal elasticity tests

Validation of spend levels is highly impacted by the season. We're aiming of making elasticity testing a quarterly, structural way-of-work. Also seasonal categories like Beachwear or Garden need to be tested in certain seasons.

Integrate stock insights into steering

Focusing marketing pressure on high-availability inventory to lower spend on high velocity items.

Expand to full funnel

Use the Search elasticity insights to inform upper-funnel budget allocation, ensuring we drive demand where we know the 'pull' is most incremental.

dankjewel
thank you