

CASE STUDY

Putting It to the Test: Experiment Proves Display Media Is Twice as Effective as Last-Click Measurement Suggests

HomeAway is a marketplace where homeowners and property managers list their vacation homes for rent by travelers. To increase its supply of rental properties, HomeAway worked with Google to develop a strong display media plan to drive additional homeowner registrations on HomeAway.com.

HomeAway wanted to determine the true incremental contribution of its increased display spend. The company suspected that display ads had a significant impact early in the customer decision process. However, digital media is typically evaluated using a last-click attribution model, which credits 100% of the value of a conversion to the last click, causing mid- and upper-funnel media, such as many types of display*, to be undervalued.

HomeAway worked with Google to conduct a controlled and randomized marketing experiment to move beyond last-click attribution and understand the real impact of display. Using this approach to accurately value all touchpoints, it discovered that display advertising is much more valuable than last-click measurement indicates.

Implementation

HomeAway and the Google account team began by looking at previous spend and conversion behavior. Google's unique geo-based approach helped to establish a viable test design, including the test length, test fraction, and experiment budget to be used. These parameters ensured a clear evaluation of the marketing opportunity and actionable results from the experiment.

*To learn more about the role that display and other channels play in the purchase path, see [The Customer Journey to Online Purchase aggregate study](#).



About HomeAway

- HomeAway is the world's leading online marketplace for vacation rental homes, with over one million listings across 190 countries.
- www.homeaway.com

Goals

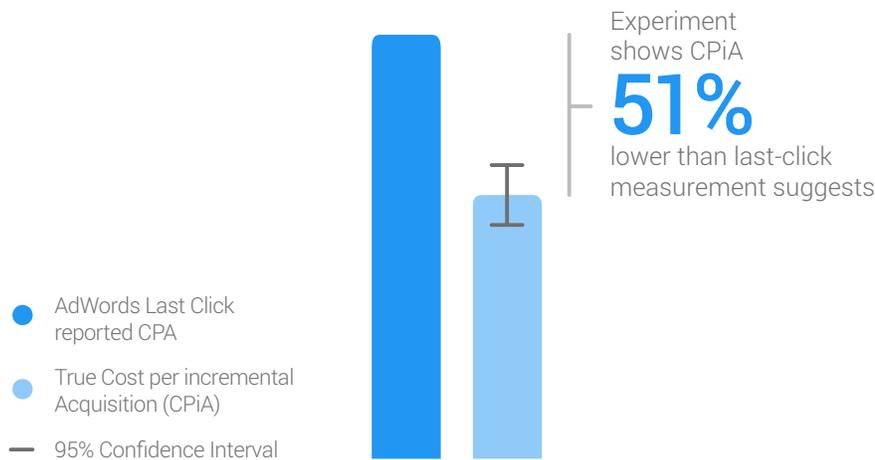
- Understand the direct and indirect impact of HomeAway's Google Display Network spend
- Drive new owner registrations to create valuable inventory for HomeAway.com
- Measure the *incremental* effects of digital media on HomeAway's bottom line

Approach

- Developed a media plan to drive owner registrations with ads on the Google Display Network
- Tested that media plan using a marketing experiment conducted with AdWords, a statistically robust framework to understand the true (causal) cost per incremental acquisition (CPiA)
- Monitored and analyzed outcomes during and after the test
- Applied the newly measured CPiAs to develop future budgeting and bidding strategy

Results

- More accurate CPA was revealed using a four-week experiment across 50% of the U.S. market
- HomeAway found that its true CPA is *less than half* the value indicated by last-click attribution
- CPiA was confirmed with a 95%



Results

The marketing experiment conducted with AdWords, in combination with Google Analytics Premium, establishes a more comprehensive CPA number—the cost per *incremental* acquisition (CPiA). This robust number, reported at a 95% confidence interval, informs other attributed CPA numbers, such as last-click CPA. HomeAway’s test revealed a 51% undervaluation of its display marketing by last-click attribution models. The actual CPA number for HomeAway is lower than indicated through last-click measurement, revealing the true profitability of the display media under test. This discovery enabled HomeAway to properly value its display ads and budget accordingly. The company has absolute confidence in these conclusions because Google’s method uses a statistically valid, controlled, and randomized experiment to generate results.

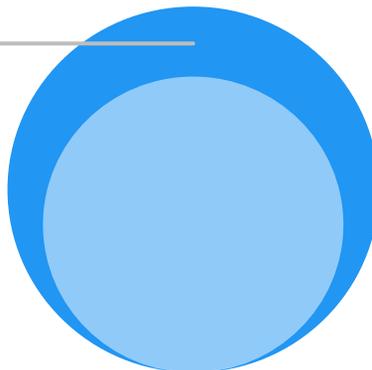
“Using controlled incrementality measurement provides a competitive edge for HomeAway to evaluate marketing effectiveness. Not only do we know what works and what doesn’t, but we can also apply the measurement knowledge over and over, comfortably extending our business footprint using more and more channels.”

—Will Lin, VP Global Online Marketing, HomeAway

49%

more click-related website traffic coming from Google.com

- Incremental clicks—paid plus organic
- AdWords reported paid clicks



The test also revealed that increased display investments resulted in incremental clicks from search. In this case, paid and organic clicks coming from Google.com rose 49%, relative to the control, in test markets with increased display investment. This measurement of incremental clicks shows the extent to which additional media spend can drive paid and organic click traffic. This incremental view is more informative than the reported volume of paid click traffic alone.

The bottom line: The marketing experiment that HomeAway conducted with its AdWords account team shows the extent to which its digital advertising creates awareness throughout the funnel and contributes to sales beyond the last click.

“Having a robust test backing up the solid performance of Display media beyond last-click opportunities is key for HomeAway to grow its business.”

—Brittany Heisler, Digital Analyst,
HomeAway

About Marketing Experiments

A marketing experiment conducted with AdWords measures incremental conversions and other incremental metrics that are created by a given AdWords marketing investment. Google’s method includes a randomized geo-based split of test and control regions, which is the best method for guarding against potential hidden differences between the regions and how they respond to the marketing spend. It fits a simple linear model to establish the true incremental impact created by the change in spend. This counterfactual approach is less susceptible to regional and factor selection biases than matched-market testing or geo-based econometric approaches. For more information on this unique geo-based approach, read the [whitepaper](#). To run a marketing experiment, please reach out to your AdWords account team.