Shoppers Choice Final Presentation

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Project Background

- ShoppersChoice.com offers the Internet sales of appliances, kitchen accessories, camping equipment, indoor & outdoor furniture
- This project will analyze the profitability of certain keywords and product items

Objectives

- **Increase profitability**
  - Eliminate *keywords* that are unproductive and fail to meet expectations of desired goals
  - Eliminate *products* that do not have adequate profit margins

Methods & Data Sources

- **We worked with three Excel files:**
  1. AdWords Keywords – 8/6/12 through 9/5/12
     (4,781 observations and 8 variables)

  2. Keywords-Jan-Sep – 1/1/12 through 9/6/12
     (48,828 observations and 18 variables)

  3. Sales_Cost
     (5,119 observations and 6 variables)

Overall Approach

1) Reduce costs by eliminating keywords that have low quality scores

2) Reduce product costs by eliminating unproductive items

3) Reduce costs by evaluating bounce and conversion rates

Rule #1: Reduce costs by eliminating keywords that have low quality scores

- **Remove keywords with…**
  - Quality scores less than or equal to 4
  - Impressions less than or equal to 50
  - Click through rates less than or equal to 1.5%
- **Output of Analysis**

	Before	After	Difference
Number of keywords	260,167	12,661	247,506
Total Costs	$834,873.80	$504,407.88	$330,465.92

Rule #2: Reduce product costs by eliminating unproductive items

- **Remove products with…**
  - Selling prices less than $5.00
  - Gross margins less than 35%
  - Product costs greater than $3,000 with zero conversion values
- **Output of Analysis**

	Number of Items Deleted	Savings
Total	823	$208,161.41

Rule #3: Reduce costs by evaluating bounce and conversion rates

- **Remove keywords with…**
  - Bounce rates greater than 80%
  - Conversion rates equal to 0
- **Output of Analysis**

	Before	After	Difference
Number of keywords	260,167	1,736	258,431
Total Costs	$834,873.78	$545,560.61	$289,313.17

Summary of Results

Rule	Total Savings
Rule 1	$330,465.92
Rule 2	$208,161.41
Rule 3	$289,313.17
Total	$733,976.71

**Each rule will produce the above amounts mutually exclusive of each other. Once combined, some rules will overlap which produces the total amount listed above.*