



Increasing reliance on Google AdWords drives impressive returns for Capital One's media mix

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Arjan Dijk
Director of Marketing
for Europe

www.capitalone.co.uk

In just over 10 years, Capital One has grown its UK business from a small start up to one of the country's leading financial services companies, with 5 million customers and more than 2500 employees. With no physical presence on the high street, Capital One has had to rely heavily on marketing to raise awareness and grow its business. Being fast to react to consumer and technology trends – and using AdWords as a key part of this strategy – has been crucial to their success.

Shift to Online

Over the past few years, the consumer landscape has changed dramatically, and Capital One has had to respond. As Arjan Dijk, Director of Marketing for Europe, explains, “The world has changed significantly. As technology has changed, so has consumer behaviour. Customers now want to research financial services products online to allow them to make their own choices. Therefore we have had to switch from a push to a pull marketing approach.

“Five years ago more than 90% of our account bookings were coming from direct mail. Now more than 50% of new accounts come from online marketing.

“Search engine marketing, and specifically Google AdWords, is now a key and crucial element of our marketing mix. Around a quarter of our internet bookings come from Adwords with the rest coming from display and affiliate marketing.”



5 KEY BENEFITS OF ADWORDS FOR CAPITAL ONE:

- High ROI
- Easy set up and reporting
- Transparent tracking and complete control
- Pull not push – reach consumers when they are looking
- Works in conjunction with natural search listings, increasing overall effectiveness

Advantages of AdWords

Capital One's increasing use of AdWords is testament to the outstanding ROI that they have experienced. Dijk attributes these results to some key advantages that AdWords offers over other platforms.

With AdWords' simple and easy to use set-up and reporting tools, they get complete transparency so that they can control precisely how their budget is being spent. As Dijk explains, “100% transparency around what does and doesn't work is key to our success. This has become more and more crucial as our campaigns have become more complex. For example, we are now bidding on more than 2500 keywords.”

The “pull” rather than “push” nature of the search medium is also an important driver to their success. “The key advantage of AdWords is that we reach people when they are actually looking for credit cards or loans and send them directly to our website in the most efficient way possible. It is all about pull marketing nowadays. Direct mail still has a place but this has changed significantly to much more of a supporting role in the overall mix.”

Dijk also works hard to rank well in the natural search listings, but is clear that it is not a substitute for paid search. “When we rank highly on natural search and run an AdWords campaign, the overall value becomes much higher. We have not seen any cannibalisation.”

DIJK'S TIPS FOR SUCCESS:

- Optimisation – the right ad copy is crucial
- Use AdWords to test messages for use in offline campaigns
- Link offline and search campaigns

“Google has been a very big strategic partner of ours and will remain so going forward. With Google’s help I hope that search marketing will become a larger and larger part of our media mix.”

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ABOUT GOOGLE ADWORDS

Google AdWords is the world’s largest search advertising programme, currently used by thousands of businesses to gain new customers cost-effectively. AdWords uses keywords to precisely target ad delivery to web users seeking information about a particular product or service. The programme is based on cost-per-click (CPC) pricing, so advertisers only pay when an ad is clicked on. Advertisers can take advantage of an extremely broad distribution network, and choose the level of support and spending appropriate for their business.

For more information visit
www.google.co.uk/ads



He also values the speed with which an AdWords campaign can have impact, which is especially important for new campaigns and product launches; “AdWords is instantaneous. We can decide to bid on a word and within 2 hours we are online. Natural search changes take time to implement and become effective.”

Tips for Success

With over 4 years of experience using AdWords at Capital One, Dijk can offer several tips for success.

Firstly, there is a lot of value in testing. The team at Capital One test ads with different creatives and compare click-through rates. This allows them to choose the best copy for their AdWords ads, but also to test messaging for use in offline campaigns. “One of the great things that AdWords can do is to test messages to be used in other media. If you know a message works really well in the AdWords environment you can be pretty sure that it will also work well in direct marketing or TV. Rather than AdWords being the last part of the media planning process, it should become the front piece.”

On the link between search and offline marketing Dijk has more advice, suggesting that you must run a consistent campaign across all offline and online media. “We always link our offline campaign with what we do with search.

“I think different media really have to work hand in hand nowadays. In the past, you would look at campaign ROI for each separate channel, but now you need to look across channels and ask what is the effectiveness of the whole mix.

“You really can see the link between offline and search. When we have a big TV ad campaign running we see dramatic spikes in search activity; people see the ads and then go online to search and this is where having an AdWords campaign really pays off.”

The Future of Search

So what’s next for online marketing at Capital One? Dijk sees branding as the next big thing. “We’ve used AdWords as a performance marketing tool to deliver a certain ROI and we’ve been happy with that. But now we need to look at how to use text ads and other media such as video ads to really drive our brand equities, which will in turn drive business results.”

And there is a lot of potential: “Google has been a very big strategic partner of ours and will remain so going forward. Without their help our campaigns would not have been as effective. I think there is increasing value to be had from search in the future, and therefore, with Google’s help, I hope that search marketing will become a larger and larger part of our media mix.”

