DRAKO ANALYTICS + evolve AGENCY GROUP + TOYOTA

SHIFTING INTO HIGH GEAR.

How Drako conducted a nationwide analysis and help optimize a large-scale auto campaign in the midst of its delivery.

ABOUT TOYOTA

Toyota is one of the most recognized auto brands on the planet, whose reputation of quality and ingenuity has kept drivers in its seats after all these years. For this particular campaign, Evolve was tasked with targeting Toyota owners and driving conversions to service centres.

DRAKO DATA + ANALYTICS

The Drako team conducted an in-house analysis to identify over- and under-indexed FSAs across Canada. We then used the results from this analysis to build out an interactive map, making it easy to visualize and interact with the campaign geo, and adjust bids on the fly.

THE ASK

Evolve noticed a higher concentration of impressions being delivered to certain FSAs, postal codes or regions during their previous year campaign and wanted a solution to help optimize their delivery across different geos. Due to this being a complex problem within the programmatic industry, we decided to take an innovative approach and build out a bespoke analysis.

RESULTS

Our analysis allowed for campaign statification into different bid optimization tiers that resulted in a **8.6%** CPM decrease in over-indexed areas, as well as a **6.5%** reduction in overall cost per conversion.

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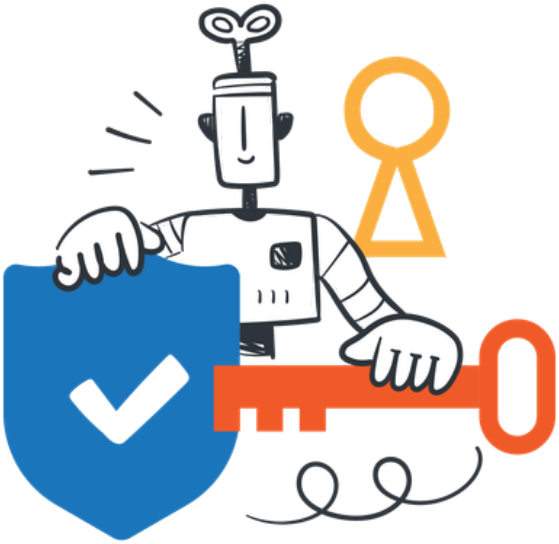
THE ASK

- In national programmatic campaigns, bidding algorithms remain biased towards low-cost inventory and less competitive environments. As a result, these algorithms over-deliver impressions in low-density, low-competition geographies resulting in pigeonholed campaigns where rural often non-core FSAS impressions are over-saturated.

- As a national campaign, this issue was impacting Toyota, resulting in campaign metrics (CPM/CTR) that were misaligned with their business objective (to drive increased footfall to Toyota service centres).

- Since this was a bid optimization issue, many common agency responses like raising the national bids or implementing geo-exclusions wouldn't work efficently.



THE SOLUTION

- Since we couldn't adjust the campaign's audiences or ad groups, we decided to reshape the auction terrain through geotargeting instead.

- We used a non-traditional approach based in geo-optimization that didn't rely on historical CPMs or CTR optimizations. Instead, it explicitly modelled the offline competitive landscape and human travel behaviour. Most importantly, our approach treated programmatic delivery as part of an economic system, not a media plan.

- This resulted in a more efficient spend with less waste in low-value geographies. Rather than just bidding higher across the board, we decided where bids should be higher, and guided the DSPs auction-algorithm towards economically rational outcomes they would never realize on their own.

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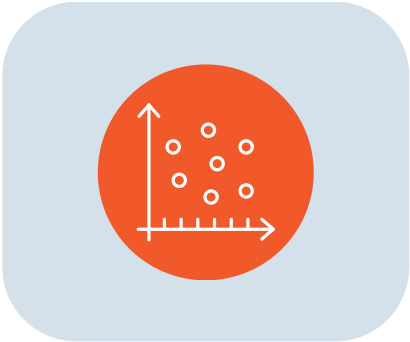
METHODOLOGY

We analyzed the competitive landscape in order to find which FSAs and regions contained the most or least competition, which helped Toyota choose where to manually bid higher and lower:

1. Using Drako's Home Location technology and POI database, we mapped out the distance travelled by FSA of visitors to non-banner specific, competitor auto repair shops.

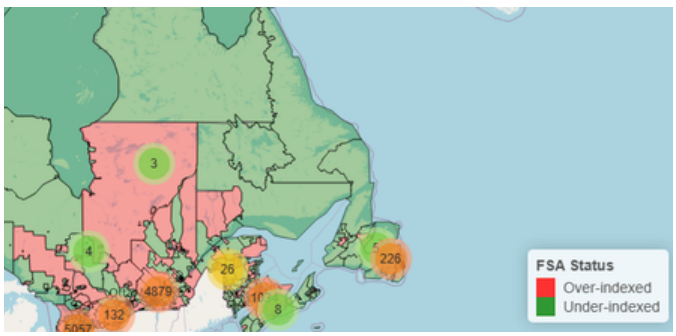
2. Per FSA, these distances were then combined with the median concentrations of Toyota vs competitor shop on a buffered provincial basis (this ensured that we accounted for cross-border servicing options).

3. To group over- vs under- indexed FSAs into in-market clusters, where each cluster represents a unioned set of FSAs willingness to travel to an auto shop, we conducted a Density-Based Spatial Clustering of Applications with Noise (DBSCAN).



ANALYTICS OUTPUT

Following the analysis, we built out an interactive map that highlighted the over- and under- indexed FSAs visually. From there, we built out two lists of FSAs: Over-indexed FSAs, where competition for both bids and auto repair are higher, lending itself to a higher bidding adjustment; and Under-indexed FSAs where competition for both bids and auto repair are lower, lending itself to lower bidding adjustment and waste reduction.



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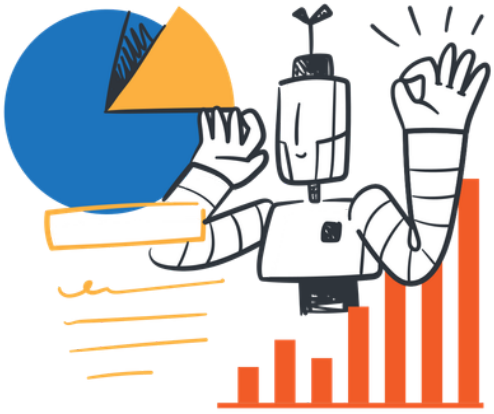
RESULTS

Due to our findings, we were able to make significant enhancements to the campaign's media spend strategy, increasing ad presence in relevant FSAs and reducing it in areas with less competition. We successfully increased media spend in high-competition areas, while decreasing CPM in those areas, and ultimately drove a drop in overall cost per visit.



CAMPAIGN PERFORMANCE

83%

Increase in Media Spend in high-competition areas

8.6%

CPM Decrease in over-indexed areas

6.5%

Overall Cost Per Visit Reduction

TL;DR

Our work for Evolve and Toyota highlighted unique solutions from Drako that you won't find elsewhere. Not only did we build a one-of-a-kind analysis to better understand the region, but we also helped directly influence consumer habits within said region. Without Drako, the campaign would have continued to advertise disproportionately across lower competition areas, instead of ramping up advertising where Toyota needed it most.