

CASE STUDY



Mercado Livre Grows Mobile Revenue with Search Optimization

BACKGROUND

Mercado Livre is the largest e-commerce ecosystem in Latin America, with nearly 160M users and more than 80M transactions processed since their inception in 1999. They provide buyers and sellers with a robust online trading environment that fosters the development of a large and growing e-commerce community.

To achieve continued growth, Mercado Livre knows they need to be leaders in mobile, expanding their presence precisely where most of their buyers and sellers are engaging. While Mercado Livre already has a sophisticated digital marketing strategy in place, they knew that key to this effort was **cost-effectively scaling their mobile search and product listings** to drive traffic, revenue, market share and in-app sales. They also wanted to increase mobile click share on their most strategic product categories.

CHALLENGE

While Mercado Livre's search and shopping campaigns had already shown some success, scaling these programs to achieve their goals and feature all the key categories (and the thousands of products within each) proved to be challenging, especially given the complexity of mobile attribution and their last click attribution model. **They knew that ensuring mobile is given the credit it deserves in driving purchase behavior would be key to successful campaign optimization.**

SOLUTION

Mercado Livre had already automated the optimization of their search program with Kenshoo's Portfolio Optimizer, a solution that relies on advanced algorithms to tap into historical data and build hundreds of thousands of statistical models in order to understand the impact of each bid change on their entire keyword portfolio.

To take their mobile presence to the next level, they then tapped into Kenshoo's mobile revenue multiplier. With an extensive cross-channel performance history with Kenshoo under their belt, and also by using Google's mobile share analysis, they understood the true value of mobile search on the path to purchase and knew they could bid more aggressively and still hit their ROI goals.

Although they started out conservatively with a small increase to the multiplier to gauge performance, they ultimately increased the multiplier up to 4x or 5x in some portfolios enabling them to profitably drive scale in key categories. Regular QBRs between Kenshoo, Mercado Livre and Google were also key to evaluate performance and also further increase the multipliers after initial results.

RESULTS

The results so far have been impressive. They were able to increase mobile revenue by 680% and, while scaling spend, they were also able to increase mobile ROI by 68% YOY. They also increased their mobile market share on Shopping + Text by 151%, Text by 91% and Shopping by 230% YOY, according to Google figures.

+680%
Mobile Revenue

+68%
Mobile ROI

+117%
Shopping Market Share

+91%
Text Market Share

Click share also grew across all categories as well. They saw increases of 40% YOY in auto parts, 160% YOY in home, 117% YOY in electronics and 367% YOY in fashion.

"Being able to incorporate the true value of mobile into our bidding strategy and optimization with KPO and Kenshoo's revenue multiplier has been key to our success."

-Daniel Aguiar, Digital Marketing Director, Mercado Livre