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## Blackhawk Case Study



### Company Background

Blackhawk Network is the leading global provider of stored value and payments products, including gift cards, telecom, and financial services products offered online and offline. Blackhawk's digital platform enables the management of stored value products, promotions, and loyalty programs across a network of digital distribution partners including retailers, financial service providers, and mobile wallets.

### Challenge

Blackhawk is a longstanding True Interactive client. Our work has traditionally focused on managing paid search for one of Blackhawk's online gift card sites, giftcardmall.com. In 2016, Blackhawk acquired another online gift card site, giftcards.com. The acquisition meant that Blackhawk owned the two most dominant online gift card brands — and also the top two buyers of paid search. Blackhawk now had a challenge: the top two buyers of

paid search were bidding against each other for the same keywords. Blackhawk wanted to continue to own the top two positions for paid search but not artificially inflate paid search prices. And the risk of driving up keyword prices excessively was very real with giftcardmall.com and giftcards.com potentially trying to outbid each other in Google's open auction system.

## Solution

Controlled keyword costs by managing the bidding process. We realized that the two properties were at risk for overbidding and overpaying for keywords. So we experimented with scaling back keyword bidding in a very methodical way. We slowly reduced keyword bids in tandem in order to decrease bids without causing the two sites to lose their Number One and Two ranking for keyword buying. We moderated bid prices over a period of about five months before settling into a consistent pattern of bidding into the holiday season.

Combined manual and automated bidding. We had been using a popular bid management tool. Because the tool manages bids for single sites in isolation, we ran the risk of unwittingly running up keyword prices with the software pitting giftcardmall.com and giftcards.com against each other. So periodically we turned off the bidding tool and manually bid on keywords in order to prevent an open auction from occurring.

Reallocated budgeting. Our analysis revealed that giftcards.com was outperforming giftcardmall.com. So we reallocated the paid search budget accordingly, thus spending more efficiently.

Expanded online advertising for more products. Both sites make most of their revenue off Visa gift cards. We saw an opportunity to improve traffic and volume by raising awareness for other branded gift cards available on the sites, such as Best Buy and Target cards. So we tested offers and adjusted bid strategies for different demographic markets that were more likely to purchase the different gift cards.

## Results

Blackhawk decreased the keyword cost per click (CPC) by 33 percent while maintaining the dominant top two positions for paid search. The reduction in CPC coupled with the budget reallocation and improved targeting led to an increase in click through rates, doubling of revenues, and quadrupling of orders. Blackhawk continues to lead its market and in a more profitable way.