



*"The implementation of Target ROAS has reduced the time needed for campaign optimization by 30%."*

*Natalia Ryvkin, Junior Online Marketing Manager, Tchibo GmbH.*



Target ROAS increased  
Tchibo's return on ad  
spend

7X



Conversion rates improved by  
using Target ROAS

4X



### Reducing manual optimization to increase scalability

German coffee company Tchibo was founded in 1949 by Max Herz in Hamburg. The company operates around 900 stores in eight countries, more than 24,300 retail depots and national online stores. "Before we looked into Target ROAS, there were a lot of manual optimization steps that were necessary to make our campaigns efficient," said Hanna Maria Brauer, Lead SEA & PSM Tchibo GmbH.

To achieve the ROAS targets, the Tchibo digital marketing team was investing a lot of time in campaign management for limited scalability. It meant that there was no time for a more focused development and expansion of the existing campaigns and account.

### Improving efficiency with Target ROAS

Tchibo quickly realized the use of Target ROAS could drastically reduce the time spent on campaign optimization. In cooperation with Microsoft Advertising, Target ROAS was subsequently implemented as an automated bidding strategy. After an initial learning phase, the use of Target ROAS significantly increased the efficiency of the campaigns. Consequently, this functionality was rolled out in every campaign in the shopping area. In addition, this feature began to be used successively in high-conversion search campaigns as well.

The results of the automated bidding strategies really paid off for Tchibo. Between July and October 2020, Tchibo saw a 7X increase in the return on advertising spend. Conversion rates were also four times higher and through the use of Target ROAS, the time required for campaign optimization was reduced by 30%.

Tchibo Internal Data, July to October 2020.



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