

Case Study – Addue / Lotus Candles – Jan 2022



Lotus Candles®
<https://LotusCandles.com>



Business description:

Lotus Candles sell a range of popular novelty birthday candles at their online store LotusCandles.com since 2011. When lit, Lotus Candles open like flowers and light up, rotate, and play the Happy Birthday tune. They are popular with many birthday party organizers and have established a dedicated following.

Problem and motivation for using Addue:

Lotus Candles use various online advertising channels, including Google Ads, Microsoft Ads (formerly Bing Ads), Yahoo! Native Ads, and Twitter Ads to drive conversions on their website.

They started noticing in the 2020 - 2021 timeframe that the results from the tracking systems in question no longer seemed to capture all the conversions they were driving. As a result, it was unclear to them what the actual ROI on their ad spends on these channels was, and it was therefore no longer possible to correctly set ad bids and budgets. This inability to spend ad budgets where they would be most effective resulted in significant lost business.

They therefore started using Addue's conversion tracking to track their conversions, in addition to the tracking systems provided by these platforms themselves. Operating both methods simultaneously on the same traffic over extended periods allowed them to meaningfully compare results.

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Results:

Over a number of 30-day study periods, the following average results for Conversion Rate (CR) were obtained:

Ad platform	Platform CR	Addue CR	Platform Miss Rate
Google Ads	1.73%	3.11%	44.00%
Yahoo!	0.13%	0.68%	80.00%
Microsoft Ads	1.01%	2.66%	62.00%
Twitter Ads	0.16%	0.87%	82.00%

Platform Miss Rate is a measure of how many conversions the platform's in-built conversion tracking is missing.

After first checking that the number of ad clicks reported in the study period in question matches between the reports provided from the platform and from Addue, to ensure that the same amount of traffic has been monitored during this period by both, Platform Miss Rate can be calculated using the conversion rate from the platform which tracked most conversions (Addue in all cases) as the best estimate available for the actual number of conversions that occurred:

$$\text{Platform Miss Rate} = 100 \times (\text{Addue CR} - \text{Platform CR}) / \text{Addue CR}$$

Conclusions:

A large number of conversions were being missed by the conversion tracking systems built into major ad platforms, with the amount of conversions missed ranging from approximately 44% to 82%, depending on platform. Addue's sophisticated conversion tracking however successfully tracked these conversions, reflecting far more accurately the actual conversion rates, and hence ad ROIs.

Using this information, Lotus Candles was able to accurately determine its optimal ad bids and budget levels for these ad platforms and hence optimize its ad spend and ad ROI.

Lotus Candles would have had to bid much lower (by amounts proportionate to the miss rates above) on these ad platforms if this information were not available, resulting in significant lost business without Addue.