EMPOWERING THE VISIONARIES WHO POWER OTHERS

Managed Services Case Study

CLIENT SITUATION AND CHALLENGE

A leading designer and manufacturer of solar power panels, lights, and electric power stations, found itself in a quandary regarding its Amazon advertising. The company sells its products through multiple channels, including its own ecommerce website, camping/outdoor stores, and Amazon. The company's Amazon presence is that of a hybrid merchant: a 1P-vendor (a brand-owning wholesaler that sells directly to Amazon) as well as a brand-registered 3P-seller that sells its products on the Amazon Marketplace.

Because the Amazon Advertising program is tailored to 1P-vendors and 3P-sellers but not brands that are both, the company discovered that it was competing against itself in PPC. Further, the manufacturer also faced complications like bid inflation and sales cannibalization.

The brand had been steadily handling its Amazon Advertising in-house, but was seeing a dramatic increase in costs and an alarming decrease in advertising profitability.

The team knew that its situation was complex and it turned to Seller Labs Managed Services to address the complexities to increase profitability.

AT A GLANCE

A leading designer and manufacturer of solar power panels, lights, and electric power was successfully running its Amazon advertising in house, but over time discovered a dramatic increase in costs and an alarming decrease in advertising profitability. The company selected Seller Labs Managed Services to drive improvements to the advertising program.

Along with using our Ignite product for advertising, Seller Labs Managed Services performed a comprehensive account audit, campaign restructuring and campaign optimization.

Results

• Increased conversion rate by 95%.
• Reduced ACoS by 42%.
• Increased ad revenue by 180%.

"Our revenue jumped $400,000 between our first and second months with Seller Labs Managed Services—and $225,000 of that was ad revenue!"

HOW SELLER LABS MANAGED SERVICES DELIVERED

Seller Labs Managed Services experts met with the brand's Amazon team and did a complete in-depth assessment of the brand's situation and existing ad campaigns. After taking the time to understand the brand's business and challenges, then performing a full account audit, we restructured the company's campaigns to eliminate costly keyword overlap and improper placements.

"Within two months using Seller Labs Managed Services, we increased our ad revenue 180% through Sponsored Products targeting."

The results were immediate. We found and eliminated $2,500 in wasted ad spend just by fixing terms that were set to incorrect match types. With that quick win, Seller Labs and the brand agreed to a quarterly goal of achieving and maintaining an ACoS under 10%.

By focusing on the new campaigns and continually making adjustments and optimizations based on the data provided by the Ignite advertising software, Seller Labs was able to help the brand quickly meet the ACoS goal, sell more during its slow season, and reduce overstock products.

During our biweekly updates, Seller Labs experts were able to show the brand increasing profitability and lower costs. As the original problems were now solved, the Seller Labs Managed Services team developed an ambitious strategy for the brand. With the company's go-ahead, we implemented upsell and cross-sell ad campaigns, which generated sales far exceeding what the company expected. With this expansion, clean data, and effective reporting, the brand was not only winning more ads and selling more product at lower CPS, the company was able to more accurately forecast and prepare inventory and future ad efforts.

RESULTS

	Month 1	Month 2	% Change
Impressions	3,719,491	7,753,281	+108%
Clicks	17,518	31,402	+79%
CPC	$0.77	$0.70	-9%
Conversions	273	955	+250%
Conversion Rate	1.56%	3.04%	+95%
ACoS	10.85%	6.26%	-42%
CPS	$49.65	$22.96	-54%
Ad Revenue	$124,928.50	$350,073.59	+180%

To learn more about Seller Labs Managed Services, visit http://www.sellerlabs.com/slms.