E-COMMERCE SITE TRIPLES AMAZON PROFITS

OMNITAIL
The Profit-Driven Online Marketing Agency

HEADLIGHTSDEPOT.COM CASE STUDY

BACKGROUND

HeadlightsDepot.com, a family-owned online-retailer started in 2002, has a thriving ecommerce site and boasts an average customer review of 4.8 on Google Reviews.

They successfully managed some Amazon Advertising campaigns in-house, but knew that they would need to outsource their Amazon management to grow profit. They came to Omnitail to improve overall performance and maximize visibility by advertising all relevant products on Amazon.

HEADLIGHTSDEPOT™

HOME

RECOMMENDED FOR YOU
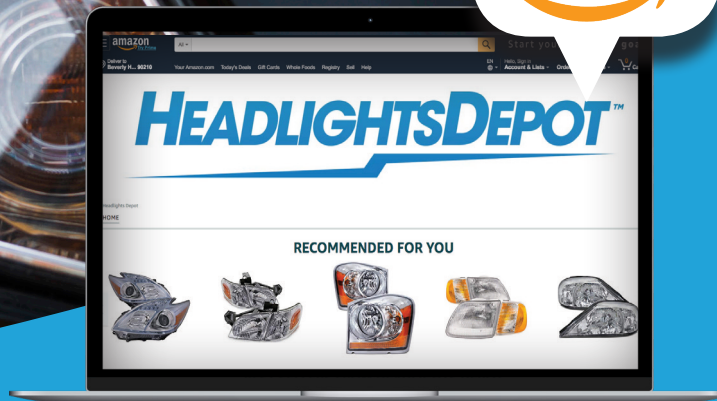
INVESTIGATING THE ACCOUNT

Since Amazon Advertising is still a young and evolving platform, it can be tricky to navigate, even for seasoned e-commerce owners such as HeadlightsDepot.com. We discovered 3 common pitfalls in the HeadlightsDepot.com Amazon account.

HeadlightsDepot.com wasn't showing up in common searches on Amazon, but their competitors were. (Image Below)

SINGLE AD GROUP CAMPAIGN STRUCTURES

Using this structure, there was no way to separate profitable items from unprofitable items, as everything was being bid upon using the same strategy. Because of this, unsuccessful products were cannibalizing spend from better-performing products.

2 UNADVERTISED PRODUCTS

HeadlightsDepot.com lacked the resources in-house to promptly update campaigns with new products, or even to advertise all existing products. Amazon makes it time-consuming to add hundreds of products without proprietary tools—and leaving products unadvertised meant leaving money on the table.

3 MISMANAGED KEYWORDS

Broad and Phrase keywords cost too much and attracted irrelevant traffic, with little return. Meanwhile, exact match keywords that were attracting the most purchases were underbid.

Sponsored products related to this item

For Black Bezel 99-06 Sierra 00-06 Yukon Headlights Replacement + Bumper Signal Lig...	For GMC Sierra 1500 2500 3500 Yukon XL OE Replacement Headlights Driver/Passenger H...	For 99-06 GMC Sierra 1500 2500 3500/00-06 GMC Yukon Headlight Assembly + Park/Signa...	For GMC Sierra Pickup Truck Bumper Driving Smoked Fog Lights Driver/Passenger Lamps...	For GMC Sierra Yukon XL LED Front Bumper Signal Lights Parking Lamps Chrome	For Black Bezel 99-06 Sierra 00-06 Yukon Headlights Replacement + LED Bumper Signal...	For 99-06 Sierra	99-02 Silverado Pickup Truck Black Bezel LED Tail Lights Rear Br...	For 2003-2006 GMC Sierra Pickup Truck Hyper White Full LED Fog Lights Lamp w/Switch...
★★★☆☆ 3	★★★★☆ 26	★★★☆☆ 53	★★★★½ 6	★★★★★ 11	★★☆☆☆ 2	★★★★☆	★★★½☆ 2

OMNITAIL'S ADVERTISING STRATEGY

Omnitail's two-fold strategy streamlined the process of managing HeadlightsDepot.com's Amazon Advertising account, with the goal of increasing revenue and maximizing visibility on Amazon.

OPTIMIZING AUTO CAMPAIGN STRUCTURE

When we investigated the account, we realized everything was grouped into a single ad group making it impossible to determine the performance of individual products. To remedy this, we gave each product its own ad group.

Next, we calculated Cost of Goods into each ad group. Using Cost of Goods allows us to see how much margin is available on a per-item basis. Now, we could adjust and track bids to see where and how much spending made sense for each product.

Finally, we added a number of previously unadvertised products. Normally, this process would take hours on end, but with our tools, analysts are able to add thousands of product groups in a fraction of the time.

OPTIMIZING MANUAL CAMPAIGN STRUCTURE

The biggest issue in the account was a lack of keyword segmentation. Broad keywords were wasting spend with little payoff, so the first step was to turn them off entirely.

Next, we separated exact match and phrase queries, and chose to bid higher for exact match keywords. While exact costs more, it is much more likely to convert compared to phrase—making it the better investment over time. Finally, we added back in any relatively successful broad match queries as exact match, expanding the account while preserving efficiency. This strategy directed spend to hard-hitting keywords that earned the most clicks and conversions.
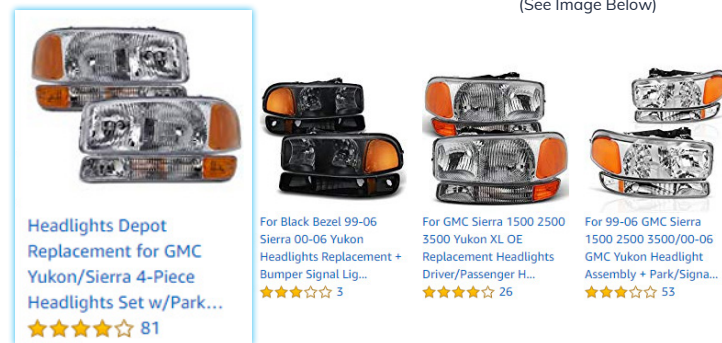
Following initial updates to the account, we continued to monitor and add relevant keywords. Using our in-house tools, we updated the account with hundreds of keywords in minutes, maximizing visibility effortlessly.

MANAGING PRIOR CAMPAIGNS TO PROFIT

HeadlightsDepot.com had a number of campaigns running prior to our assuming control of the account. Rather than risk major volatility in turning off the old campaigns and re-introducing new ones, we left these campaigns running side by side, making optimizations and applying our bidding strategy where appropriate.

Over time, the older campaigns reached a point of some profitability, while the newer campaigns grew in both revenue and profit. This approach allowed for a smooth transition that minimized the risk of lost revenue while the new campaigns gathered enough data to operate efficiently.

HeadlightsDepot.com was now showing up in high-ranking positions on Amazon, ahead of their competitors. (See Image Below)

Headlights Depot Replacement for GMC Yukon/Sierra 4-Piece Headlights Set w/Park... ★★★★☆ 81

For Black Bezel 99-06 Sierra 00-06 Yukon Headlights Replacement + Bumper Signal Lig... ★★★☆☆ 3

For GMC Sierra 1500 2500 3500 Yukon XL OE Replacement Headlights Driver/Passenger H... ★★★★☆ 26

For 99-06 GMC Sierra 1500 2500 3500/00-06 GMC Yukon Headlight Assembly + Park/Signa... ★★★☆☆ 53

RESULTS

HeadlightsDepot.com was managing their Amazon Advertising accounts in-house before partnering with Omnitail. After taking over their accounts, Omnitail:

3X
TRIPLED PROFIT RUN RATE YEAR/YEAR

10X
TARGETED 10X THE PRODUCTS IN CAMPAIGNS

2X
DOUBLED MONTHLY REVENUE RUN RATE

"COMPLETE TRANSPARENCY, NO SMOKE AND MIRRORS"

"Omnitail has provided us with record sales numbers month over month. What's most refreshing is the way they present results to us. Complete transparency, no smoke and mirrors. Everything is profit based, they show us where we're making money and where we're not. Hands down, Omnitail was the best decision we made in 2018!"

★★★★★

HeadlightsDepot.com