PORTMANTOS TAKES FLIGHT ON AMAZON

PORTMANTOS CASE STUDY

BACKGROUND

Portmantos is an online retailer of premium luggage and travel products. They sell on their own site in addition to Amazon.

Previously, they were working with an agency to grow sales on Amazon—but they couldn't seem to get their sales off the ground.

When they turned to Omnitail, their sales—and profit—took flight (just in time for the holiday season!)

INVESTIGATING THE ACCOUNT

When they came to Omnitail, Portmantos had an existing campaign structure—one that failed to drive significant growth.

Since sales volume was low, they kept ad spend too low—limiting potential for profit. On top of that, unprofitable items were being advertised.

Examples of products sold by Portmantos on Amazon (Image Below)

STRUCTURE FAILED TO DRIVE GROWTH

The existing campaign structure made it difficult to see which products were performing well and which weren't. Even when it was obvious which items were outperforming the others, Portmantos couldn't direct spend to those items. Because bids couldn't be adjusted effectively or efficiently to prioritize high-performing items—sales volume took a hit.

2 THE SNOWBALL EFFECT OF CAPPED SPEND

The problems didn't stop there. Since sales volume was low, their agency decided to limit spend. On the surface, this made sense —why increase spend to unprofitable campaigns? However, spend wasn't the problem—it was the lack of campaign structure. Because of this, capping budget also put a ceiling on profit. With no room to grow, their sales and profit remained stagnant.

3 ADVERTISING UNPROFITABLE PRODUCTS

Since their previous agency wasn't tracking costs like Amazon commission or cost of goods, unprofitable items were being advertised. Costs were too high for these items to actually generate profit—so they were advertising these items at a loss.

Best Seller

Samsor
$99.99 $
FREE Ship

American
Carry-O
$79.99 $
FREE Ship

Best Seller

Solo New York Ludlow Universal Tablet Sling Bag, Grey
★★★★½ ˅ 996
$25.49 $32.99
FREE Shipping
Only 3 left in stock - order soon.

OMNITAIL'S ADVERTISING STRATEGY

Right away, we saw dormant potential in Portmantos' account. Like other accounts, we started with a product profitability analysis to identify items that shouldn't be advertised. We then improved the campaign structure for more efficient spend and more accurate data when advertising these products.

Finally, we applied a profit-driven strategy to the entire account. Where their agency saw fit to cap spend—we saw the benefits of an uncapped budget for Portmantos.

CONSIDERING COSTS LED TO EFFECTIVE ADS

First, we ran a product profitability analysis. Since we took costs into consideration, we could see where commissions, cost of goods, shipping, or other factors nullified potential for profit. Once we knew which products couldn't be profitable, we could remove them and focus on the products that could drive profit!

Product 1
Price: $150
COGS: $120 (80%)
Commission: $22.50 (15%)
FBA Fee: $15 (10%)
Profit: -$7.50

Product 2
Price: $75
COGS: $30 (40%)
Commission: $11.25 (15%)
FBA Fee: $3.75 (5%)
Profit: $30.00

In this profitability analysis, Product 2 has the potential to be profitable, where Product 1 does not. (Image left)

GRANULAR CAMPAIGNS GAVE GREATER CONTROL

First, we migrated campaigns to a much more granular structure. Our in-house automation made it possible to effectively manage this kind of structure and enabled us to make much more precise adjustments to bids and overall strategy.

Additionally, because the new campaign structure is so granular, we can closely monitor each product's pricing and costs and adjust strategy to ensure anything we advertise maintains the potential to be profitable.

Now we could see which items had competitive pricing and which didn't, and act on our findings! If a product wasn't winning the buy box because it couldn't meet the price requirements to win, we could cut ad spend. This was especially useful since Portmantos utilizes dynamic pricing.

UNCAPPED BUDGETS UNLOCKED POTENTIAL

Since we knew the low sales volume was due in part to the campaign structure—we knew there was room to drive profit. The key wasn't to take away the tools to help the account grow, it was to increase resources to boost success for Portmantos' Amazon account.

When we increased budgets, sales volume also increased. While we usually aim to increase efficiency, efficiency decreased in this case—but whole-dollar profit improved significantly.

Finally, we tracked trends daily and made regular adjustments to ensure changes had the desired impact (and that we were pacing to meet their goals.)

RESULTS

Portmantos results for the first 90 days working with Omnitail over the previous 90 days:

4.25X INCREASE IN ORDERS

4X INCREASE IN REVENUE

2.7X INCREASE IN PROFIT DOLLARS

PORTMANTOS' PROFIT CONTINUES TO SOAR LIKE NEVER BEFORE

Portmantos saw immediate improvements as a result of a better campaign structure, increased account oversight, and profit-driven management. In the first 30 days of management, they saw a 4X-5X growth in sales volume—which helped them optimize campaigns just in time for the holiday season.

With the solid foundation of an updated campaign structure and our tried-and-true profit-driven strategy, revenue and profit soared like never before.

Contact us for a FREE Analysis of your Amazon Advertising account at sales@omnitail.net