

PROFIT GROWS 63X FOR TENNIS EXPRESS

OMNITAIL
The Profit-Driven Online Marketing Agency
**TENNIS EXPRESS
CASE STUDY**

BACKGROUND

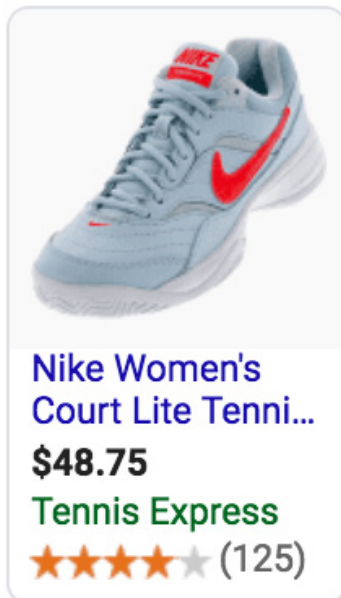
Tennis Express, a leading multi-channel retailer of tennis equipment, carries over 65,000 products through both their website and local storefront.

Although Tennis Express had a successful product listing ad (PLA) channel that had doubled revenue year over year, growth in media expense had outpaced the growth in revenue. Their search marketing agency was not monitoring the profitability of the channel, and they were left with shrinking profits from a growing channel. They contacted Omnitail for a free analysis of their PLA channel.



INVESTIGATING THE ACCOUNT

The agency managing the Tennis Express account did so around the average performance of the existing campaign. As a result Tennis Express was unable to improve impression share beyond 43% without compromising the success of the channel.



1 SINGLE AD GROUP CAMPAIGN STRUCTURES

All of Tennis Express' Google Shopping ads were restricted to a single campaign, making it impossible to effectively measure performance or distribute spend. Within the single campaign, we found the Google Shopping ads were segmented by brand, product category and SKU—ignoring the queries for the ads entirely. The strategy pushed too much spend to inefficient query segments, limiting the potential of efficient segments.

2 EXCLUDED PRODUCTS

Instead of segmenting products out to a profitable level, the previous agency used product exclusions in an effort to maintain performance. Poor-performing product categories, brands or SKUs were excluded from feed submissions entirely in order to maintain average channel performance.

3 COMPETING CHANNELS

Our evaluation also revealed multiple comparison shopping engines (CSEs) were submitting the Tennis Express product feed to Google Shopping and Bing Product Ads as their own and taking credit for sales on these platforms. When forced to stand on their own, these CSEs were unprofitable and were terminated.

4 INFLATED PERFORMANCE DATA

Finally, we discovered Google Shopping performance had been inflated by optimizing product metadata for branded terms rather than non-branded terms. This improved results on paper—but only because the ads were now eligible to serve on branded terms in addition to non-branded ones. Although Google Shopping performance improved for non-brand ads, the Tennis Express branded ads suffered due to increased competition. Beyond this, little effort was made to improve true non-branded performance and drive incremental profit.

Tennis Express' ads, such as this, were unlikely to appear on highly relevant terms. (Image Left).

SOLUTION

We approached Tennis Express with a strategy to improve the quality of their data feed and restructure their campaigns to boost Google Shopping profitability.

DATA FEED OPTIMIZATION

Our first step was to scrub the product feed to identify inaccuracies in data and improve the structure of the feed itself. From there, we implemented a combination of rule-based and manual revisions across their product catalog in order to maximize visibility on high volume, top-converting queries. Additionally, revisions were made in order to improve placement alongside competitor PLAs in the comparison shopping interface of Google Shopping.

RESTRUCTURING OF PLAS

We segmented products in the feed by brand, product family, SKU and (most importantly) query intent. By isolating high-funnel, mid-funnel, and low-funnel Google Shopping queries, we drove additional spend to more valuable queries and prevented unprofitable queries from cannibalizing spend from the rest of the program.

For example, users searching for exact products are typically the most profitable audience for Tennis Express. By isolating these queries within Google Shopping, we were able to bid more aggressively, improve impression share and generate incremental profit without compromising the performance of other query segments.

Now we no longer need to exclude unprofitable products from the feed indefinitely, since we can now simply assign those products a bid that will drive profitability.

RESULTS

In the three month period post-launch, the Google Shopping revenue growth rate accelerated to an average of nearly 2x year over year. The new PLA structure alone generated a 14x increase in operating profit over the previous year and a 63x increase in operating profit compared to the three month period prior to working with Omnitail. Where before unprofitable products were simply excluded, we were able to scale profits across all segments, revealing a massive opportunity for growth and improved efficiency.

GOOGLE SHOPPING SALES AND OPERATING PROFIT: BEFORE AND AFTER OMNITAIL



RESULTS

2X

REVENUE
RUN RATE
YEAR/YEAR

14X

OPERATING
PROFIT FROM
PREVIOUS YEAR

63X

OPERATING
PROFIT FROM
PREVIOUS 3MO

5 YEARS LATER

After five years, Tennis Express is still seeing much of the same growth and success evident in their first three months with Omnitail. In the past year, Tennis Express has continued to set new records for PLA revenue and profit, even as competition has crowded the Google Shopping space.

“WE WERE IMPRESSED WITH OMNITAIL’S APPROACH TO PLA OPTIMIZATION”

“We were impressed with Omnitail’s approach to PLA optimization and were confident they possessed the technology required to implement such a complex strategy for a business as large as ours.

Omnitail has enabled us to better capitalize on the business opportunity which PLAs provide!”



-Brad Blume, Managing Partner,
Tennis Express



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Contact us for a **FREE** Analysis of your Google Shopping account at sales@omnitail.net