

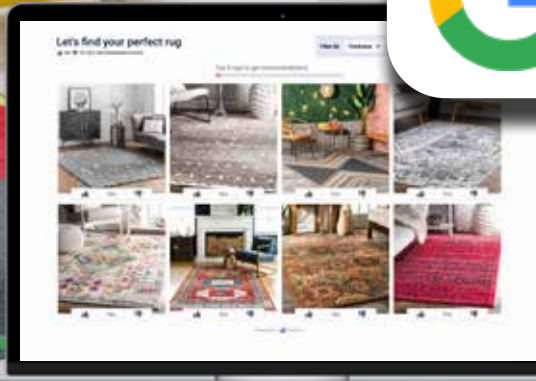
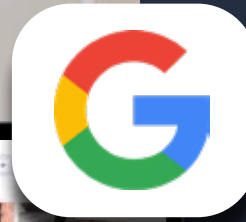
RUGS USA GROWS PROFIT 20X

RUGS USA CASE STUDY

BACKGROUND

Rugs USA is an enterprise retailer of on-trend, high-end rugs at wholesale prices. Despite their size, they struggled to grow with their previous campaign strategy. That's when they decided to partner with Omnitail to turn their Google Shopping ads around.

Within a year, Omnitail completely revitalized their digital marketing strategy. Our analysts used a method known as margin reconciliation to grow Rugs USA's campaigns exponentially in just one year.

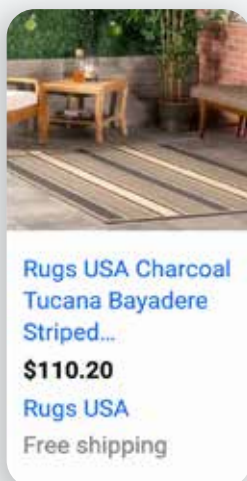


INVESTIGATING THE ACCOUNT

First, we found that Rugs USA was not using a profit-driven strategy. This meant there were many opportunities to improve the efficiency of their campaigns.

Next, we worked with Rugs USA to set up a process for transferring real-time margin data for customer transactions.

Example of a Google Shopping ad from Rugs USA (Image Below).



1 Lack of Profit-Based Management

We started by looking at Rugs USA's current campaign structure, and found they were not segmenting products into ad groups according to available margin.

Segmenting according to margin is key, since it allows our analysts to adjust bids accurately based on the profit produced by each segment.

The lack of segmentation in Rugs USA's account meant they were effectively unable to track profit or maximize campaign efficiency.

2 Inefficient Use of Data

In addition to restructuring Rugs USA's campaigns, we wanted to utilize key transaction data to make their system even more profitable. By encouraging them to track real-time margin data, we could use that data to dial in bids more precisely than with a typical campaign structure.

Many agencies overlook the importance of real-time data in maximizing profit, but we knew we could leverage it to put Rugs USA on the path to success.

OMNITAIL'S ADVERTISING STRATEGY

We went to work implementing a profit-driven strategy. It was instantly clear that margin reconciliation would be the key to unlocking the potential hidden within Rugs USA's Google Shopping Ads.

Margin Reconciliation

At Omnitail we segment campaigns into ad groups according to margin. We then direct spend to ad groups according to the profitability of each segment—limiting wasted spend. Accurate, timely data is the key to directing spend profitably.

With this in mind, we worked with Rugs USA to reconcile real-time margin data into the program. This means for each transaction, we now are able to view the revenue associated with that order, and the profit generated (outside of media costs).

We then use Google Analytics to map each transaction back to the ad group that generated it. Once we have that data at the ad group level, we can reconcile the actual cost of goods—and then use that to adjust bids.

Essentially, we're adjusting bids based on the actual profit driven by each transaction, not relying on assumptions or aggregation. This creates an extreme degree of precision in campaign management, ensuring every dollar works to maximize profit!

Building Custom Software

At Omnitail, we rely on a wide variety of in-house tools to help our analysts make profitable advertising decisions and execute those strategies flawlessly. If the specific tool we need doesn't exist—we build it! We don't try to shoehorn our clients' campaigns into a one-size-fits-all strategy. Instead, we regularly craft custom software solutions to fit their exact use case.

That's how we were able to reconcile real-time margin data so successfully: with software that was custom-built for RugsUSA.com. We were able to integrate our tools perfectly to the internal database the client maintains, not only ensuring excellent data quality but leaving room to scale efficiently to meet the future needs of our client.



Since Rugs USA records margin data at the transaction-level, we can use that data to adjust bids with extreme accuracy (Above).

RESULTS

Rugs USA's exponential growth since they started working with Omnitail, year over year:

53%

INCREASE IN
TOTAL ORDERS

20X

INCREASE
IN PROFIT

84%

INCREASE
IN REVENUE

FROM UNPROFITABLE SHOPPING ADS TO EXPONENTIAL GROWTH

Rugs USA has seen incredible growth! The key to success in their campaigns was margin reconciliation.

By building custom software specifically to match real-time cost of goods data to revenue and sales, we maximized Rugs USA's potential and completely turned around their digital marketing efforts.



THE PROFIT-DRIVEN
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