Amazon Advertising Case Study

Strategic Advertising Insights That Boosted Growth and Enhanced Market Reach

The Company

Founded in 1990, Alcohol Controls is dedicated to helping establishments optimize their bar profits and revenue. The company offers a wide range of everyday-use products designed to maximize potential earnings and improve operational efficiency.its expertise in bar industry products, the company had little to no experience with safety-focused products in this specific category.

Challenges

Loss of Product Line

One of the most significant challenges was preparing for the discontinuation of a product line that previously generated thousands of dollars in annual revenue.

Lack of Awareness

Some products failed to gain traction on the Amazon platform, resulting in underperformance despite their potential.

Solution

Research

The process began with extensive research. I reviewed previous notes on advertising strategies and analyzed how other businesses successfully utilized Amazon advertisements. The research emphasized avoiding common pitfalls such as:

- Setting unrealistic daily budgets.
- Poor organization of ad groups.
- Inadequate monitoring of ad performance.

Foundation & Planning

I curated a list of high-performing products that would benefit most from advertising. These products were prioritized to maximize returns. The planning phase included:

- Establishing aggressive advertising campaigns to offset revenue losses from the discontinued product line.
- Strategizing for the first few months with clear, measurable goals.

The Background

For the past decade, Alcohol Controls has leveraged Amazon as a key sales platform, achieving consistent success. Despite this, challenges have arisen, threatening continued growth and profitability.

The Problem

Alcohol Controls faced the challenge of potential disruptions to product supply and the discontinuation of a high-performing product line, necessitating a strategic focus on generating additional revenue across other product categories

Decline in Product Sales

Economic factors, including inflation, led to a slowdown in sales, raising concerns about a potential decrease in total yearly revenue.

Implementation

The plan was executed with precision, employing best practices for Amazon advertising, including strategic budget allocation, optimized keyword selection, and performance tracking.

Data Analysis

Monthly reports were generated to evaluate campaign performance. These reports detailed key metrics such as sales, clicks, and impressions. Insights from these analyses informed adjustments for future campaigns. At year-end, a comprehensive visualization highlighted performance metrics, including sales, spend, clicks, orders, and impressions.

OUTCOME

The strategic implementation of Amazon ads delivered transformative results:
- Total Advertising Revenue: Nearly $100,000 in sales generated from advertising alone.
- Advertising Spend: Less than $15,000.
- Highest Sales Month: Over $20,000 in sales attributed solely to advertising.
- Return on Ad Spend (ROAS): A robust 181%.

Initially, management anticipated a decline in annual revenue due to the challenges faced. However, the success of the advertising campaigns not only mitigated losses but also resulted in the highest sales year to date.
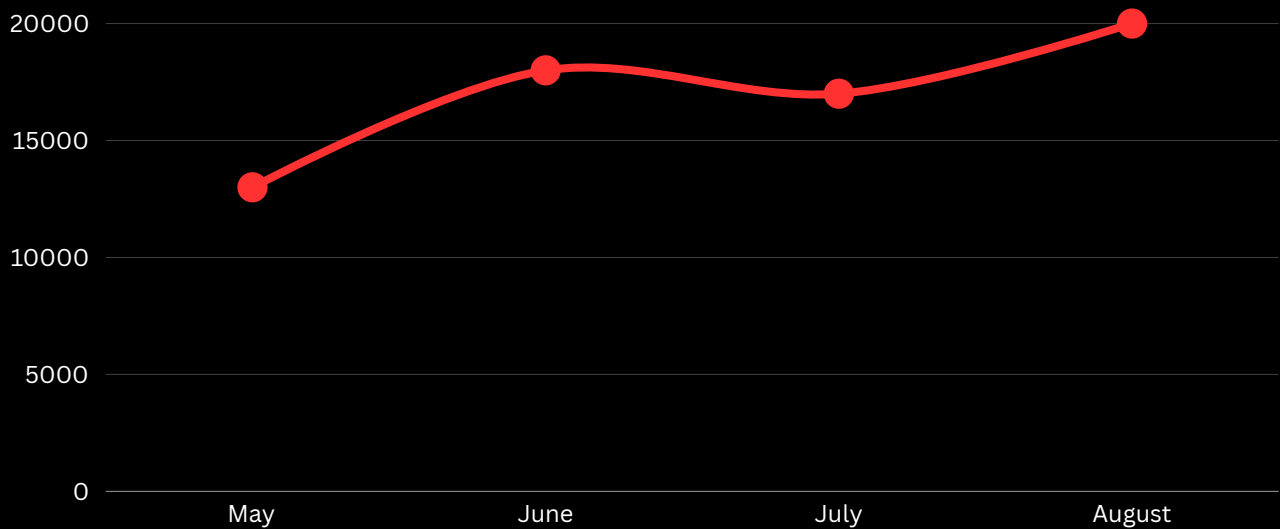
Documentation
- Monthly Reports: Detailed insights on campaign performance and next steps.
- Year-End Visualization Report: A comprehensive overview of the year's major metrics and trends.