

Case Study by a PPC Manager (FPPCM Member)

Initially, the background of this case study revolves around the advertising strategy focused on promoting the lowest price point for a particular product or service. There has been a shift to advertising a higher price point instead.

Objectives:

The primary objective is to enhance sales performance and overall profitability by adjusting the advertising strategy. The aim is to optimize ad spend, increase sales, and potentially improve product ranking.

Strategies/Actions Taken:

1. Inventory Management: When the product with the specific identifier (B0xxxxxxx) was out of stock, the strategy was to pause the campaign to avoid advertising unavailable items.
2. Price Point Adjustment: The focus shifted to advertising a higher-priced variation, aiming for better margins or ranking.
3. Advertising Bundle: There was an emphasis on advertising the pricier variation in a bundle context, likely to promote perceived value or premium offerings.
4. Campaign Adjustments:
 - Observed an improvement in overall sales, with a significant increase of 231.45% during the week of Nov. 6 and 25.43% during the week of Nov. 13.
 - Managed advertising cost efficiency by keeping both ACoS (Advertising Cost of Sales) and TACoS (Total Advertising Cost of Sales) under 100%, indicating positive performance.
 - Paused ranking campaigns temporarily to allocate the budget more strategically.
 - Launched a Modified Broad campaign specifically targeting the selected higher-priced variation.

Results:

- Achieved a notable improvement in sales performance, with significant increases during specific weeks.
- ACoS & TACoS remained under 100%, signaling efficient advertising spend and positive returns on investment.
- The introduction of the Modified Broad campaign and the strategic pause in ranking campaigns likely contributed to the observed improvements in sales and efficiency metrics.

Conclusion:

The case study suggests that adjusting the advertising strategy from promoting the lowest price point to emphasizing a higher price point resulted in positive results. The strategic actions taken, such as pausing specific campaigns, reallocating budgets, and launching targeted campaigns, effectively contributed to increased sales and improved advertising efficiency. The findings indicate that adapting advertising approaches based on product availability, pricing strategies, and campaign optimizations can lead to enhanced performance metrics and profitability.

