

YAMAHA CASE STUDY

Longread • Amazon Growth

The Holistic Approach
that Helped Yamaha
Achieve +345% YoY
Growth on Amazon

FACTOR-A/DEPT® has the expertise, knowledge and manpower to exponentially drive consumer electronics sales on Amazon.

In 2018, Yamaha re-entered the Amazon world after a short break, seeking a partner who would help them start out on top. We at FACTOR-A/DEPT® became that partner and used our wide range of expertise, Amazon experience and know-how through a holistic approach that maximized Yamaha's performance.

In this case study, we will outline the strategy and steps that led to the impressive figures depicting Yamaha's growth from 2018 to 2020 with the help of FACTOR-A/DEPT®. From 2018-2019 alone, Yamaha experienced a 345% year-over-year growth rate, which only continued the following year, despite COVID-19 challenges throughout 2020.

Our team of experts implemented content and advertising strategies and used our former software solution the factor-a suite, all of which led to this exponential growth.

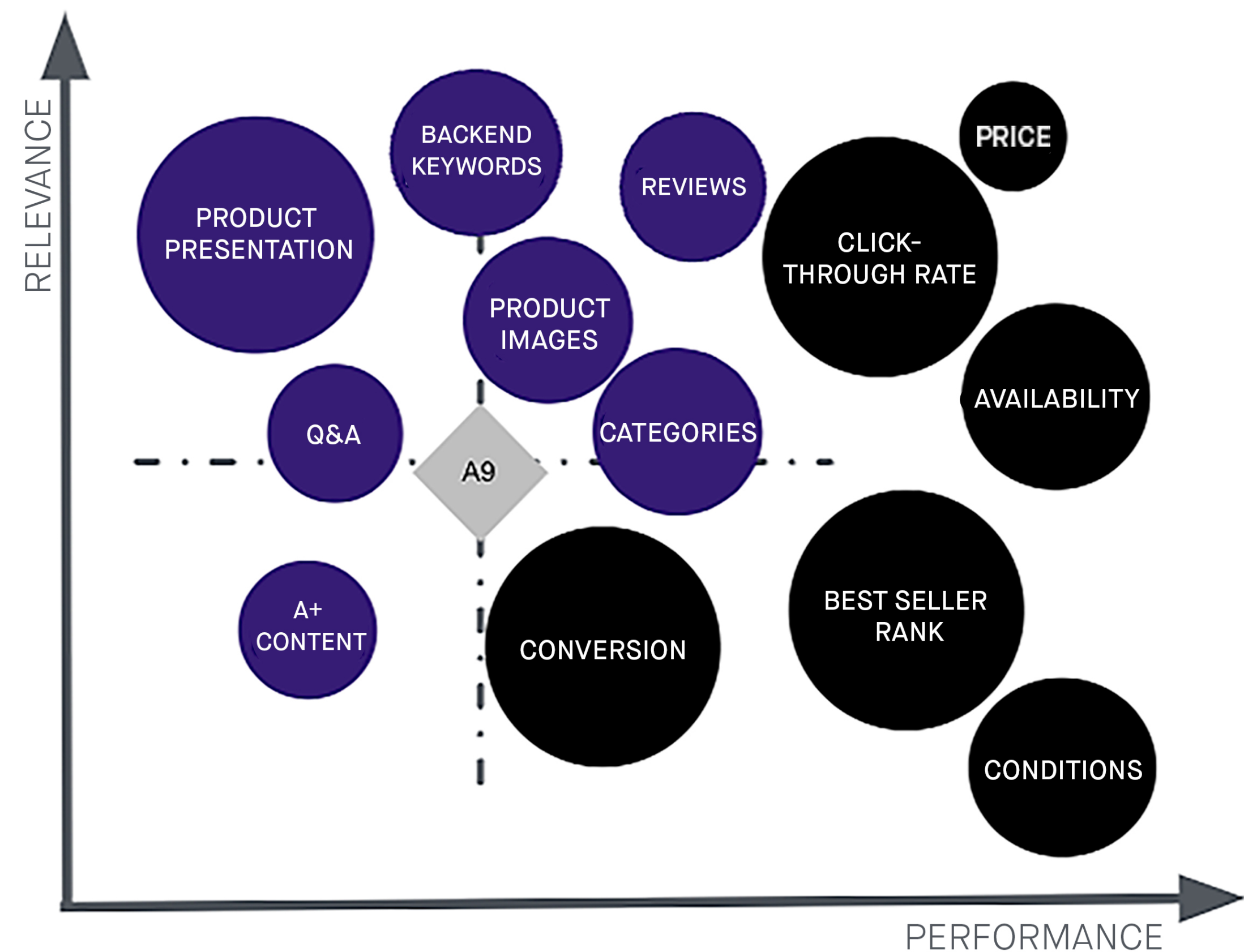
Content Creation

Optimizing Amazon content is beneficial for many reasons, but first and foremost, it improves ranking. Using data-proven keywords and terms that shoppers are using to search will help your target audience easily find your products.

Once shoppers find the products, optimized content will improve the overall user experience. It ensures you are telling your target group exactly what they want and need to know. You can also optimize your content for mobile shopping, which will make shopping on a mobile device much easier and can improve conversion, especially now that mobile shopping is becoming more and more popular.

The Amazon A9 algorithm differs from any other algorithm in that it considers a wide range of factors from product presentation to backend keywords, product images, categories, reviews, A+ content, Questions & Answers and more.

With our content creation, we take into account all factors that contribute to ranking and visibility throughout our entire content creation process in order to create best-in-class content.



⦿ Contributors to the Amazon A9 Algorithm

+345%

YoY Growth
2018-2019

+109%

Previous Year Sell-
Out Achieved

Our Content Process

Our content creation process begins with a content relevance analysis (CRA) during which we become experts on the product. For Yamaha, we reviewed every manufacturer product manual, explored the Yamaha website and explored competitor products in the same category.

We read through the reviews, noting both positive and negative remarks from customers as well as the Questions & Answers on Amazon. What is not clearly explained in the content? What is working well and what needs to be improved? Are there enough photos? Should we include an instructional video? We used the shoppers' feedback on existing products to determine what needs to be present in the content we created.

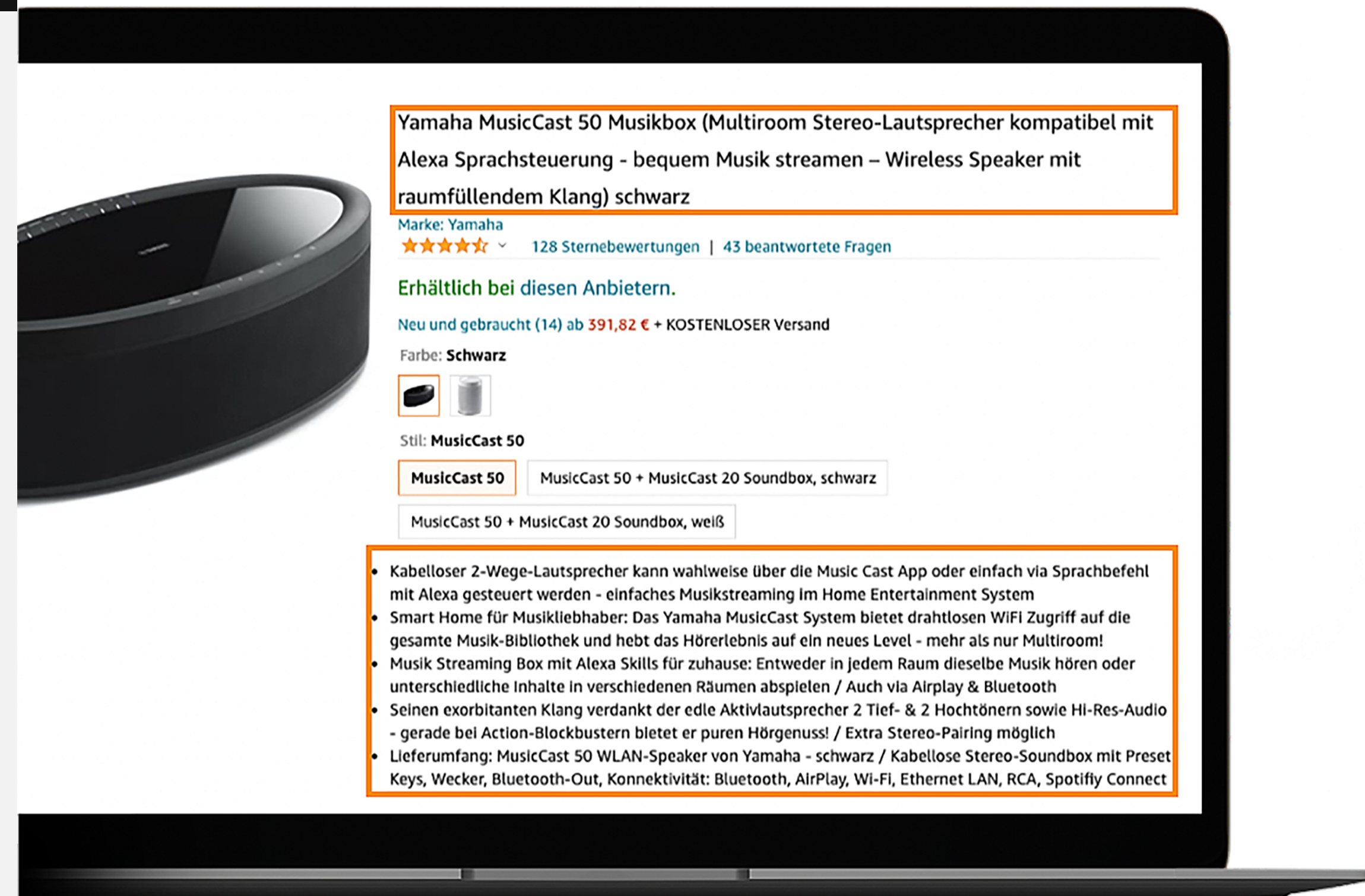
After we conducted a thorough CRA, we carried out our data-driven SEO process in which we determined the most relevant and highly trafficked keywords, with the help of our software solution, the factor-a Suite*.

*The factor-a Suite is our former in-house, all-in-one Vendor Software solution

Once we established a list of suitable keywords, we incorporated them into each part of the frontend content. We put the highest ranking keywords into the title and throughout the bullet points, the product description and in the backend.

The product description is not only a place to incorporate keywords, but also a larger space to inform the shopper about your product by including details that did not fit in the text limitations of the bullet points. This is where we included specific dimensions as well as the electric and audio specifications for the Yamaha products we optimized.

Once we optimize the content, the process is only about half way done. Content monitoring and review management are also key parts of the content process that takes an Amazon portfolio from good to great. We will come back to these a bit later in relation to the Yamaha case.



Amazon Advertising

The potential of optimized content can only be truly realized when accompanied by Amazon advertising. Creating a strategic advertising approach that is specific to the brand's needs and goals can improve ranking and increase product visibility.

There are generally 5 goals that can be achieved with Amazon advertising: awareness, consideration, purchase, retention and up- & cross-selling. As far as Yamaha is concerned, we focused primarily on the goals of consideration (detail page views, search engine ranking, average rating and customer reviews) and purchase (Add to Cart, Add to List, price, purchase advice, ROAS and total ROAS).

The actions to achieve these goals and sales maximization also vary by the brand. In Yamaha's case, we conducted the following process:

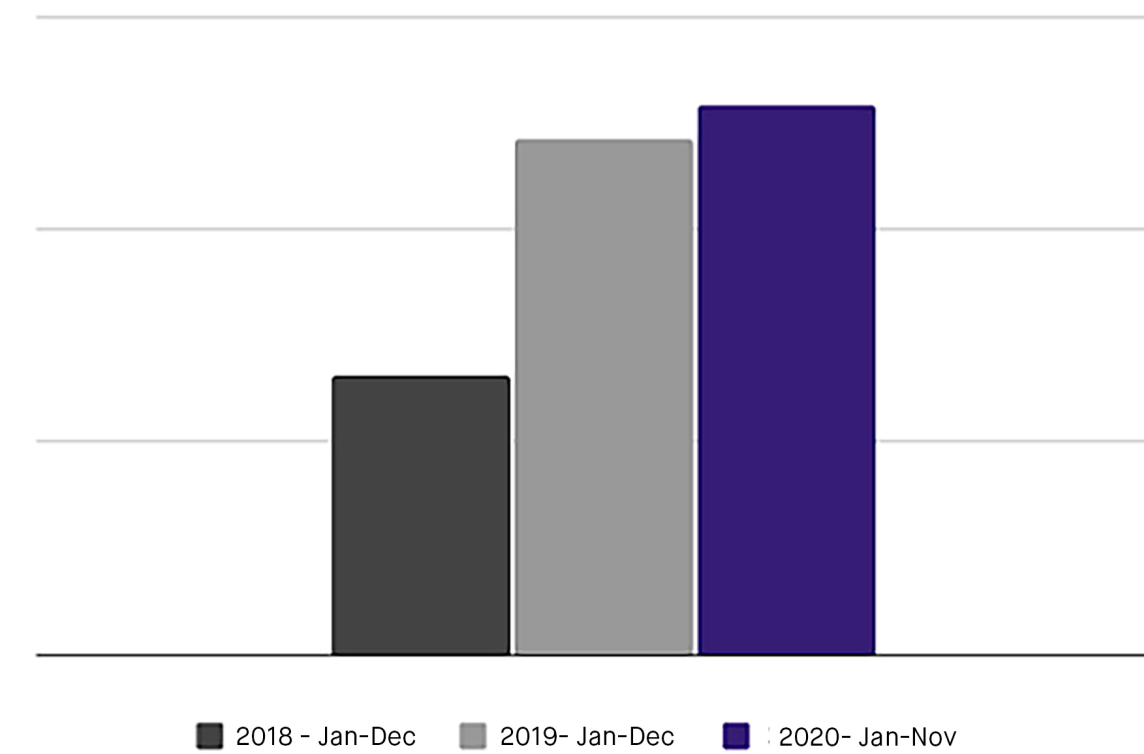


Figure 4. Traditional vs. CDN

+84%

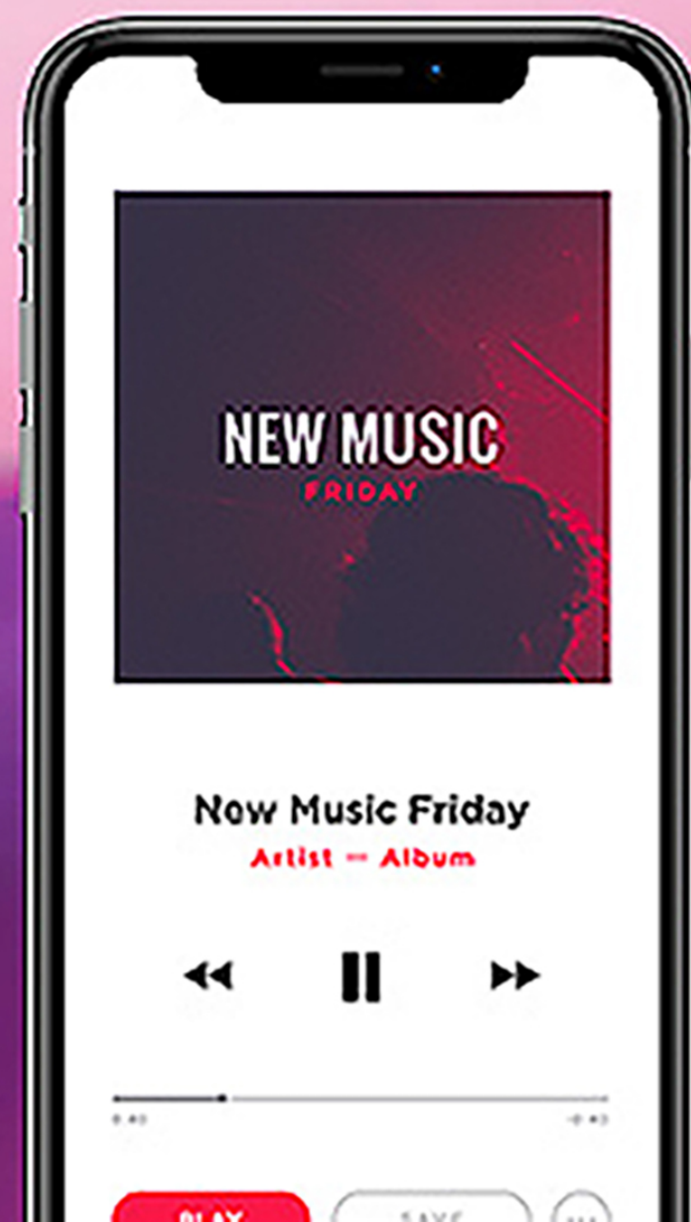
YoY Growth 2018-2019

+44%

YoY ROAS 2018-2019

- 1) Achieve complete defensive coverage - with this Yamaha becomes as present as possible on own brand keywords
- 2) Increase incremental sales and build up organic ranking- use non-brand keywords
- 3) Win market shares from competitors- target the shoppers that are browsing direct competitors on Amazon

Note: Each of these actions contributes to the overall goal of maximizing profit and each individual action can influence the others. Each can also have a different weight depending on the individual client strategy. The incremental impact of different kinds of keywords is pretty consistent from one client to the next, but they each play a different role and should, therefore, be used together to create a well-rounded advertising strategy.



Advertising Keyword Strategies

Defensive keywords- These have the lowest incremental impact, but the highest ROAS level and protect brands by increasing cart sizes, building the brand, cross- and up-selling and are especially useful for product launches

Generic keywords- The ranking improvement is high while the ROAS level is just a bit lower than that of defensive keywords. The goal of these keywords is primarily to increase sales in the long-term. Especially useful in pushing organic rankings and gaining visibility in the search process

Competitor keywords- The incremental impact of competitor keywords is greater than the two previous types but ROAS are lower. Very helpful for gaining market share and ideal for helping to target products by USPs and acquire new customers

Out-of-category keywords- These not only have the highest incremental impact of all keywords, but are also most useful in attracting new customer groups. Help increase sales and promote discounts. For example, if a customer is shopping for a TV, they could also be interested in a soundbar or a speaker set. Therefore, targeting shoppers of related products can direct them to your detail pages

We recommend primarily using a combination of **branded**, **generic** and **competitor keywords** for product launches or new-to-Amazon businesses to kickstart brand awareness and visibility.

There are generally 5 goals that can be achieved with Amazon advertising: awareness, consideration, purchase, retention and up- & cross-selling.



Ad Formats

There are a variety of Sponsored Ads options available on Amazon- all of which have different roles and functions within an advertising strategy. Available options include Sponsored Products, Sponsored Brands and Sponsored Display Ads.

Sponsored Products- Keyword-based and best when used to boost sales

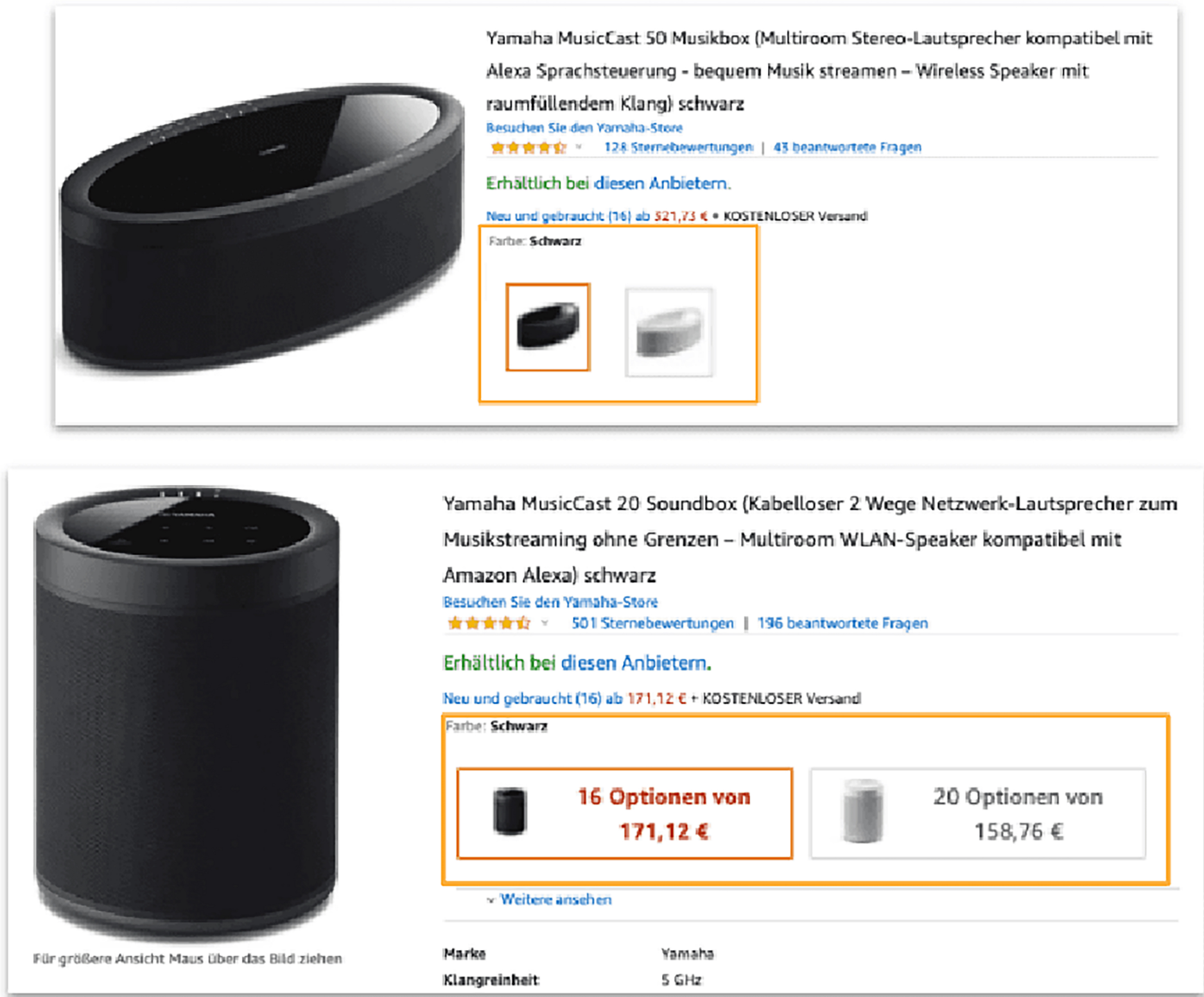
Sponsored Brands- Keyword-based and useful to boost brand awareness as they can include up to three products from a brand

Sponsored Display Ads- ASIN-based and function a little further down the funnel. This ad format is best for targeting shoppers that are already looking at a specific product. Can also be useful for cross- and up-selling and targeting competitors

With our Search Advertising strategy for Yamaha, we managed an incredible **YOY sales growth** of over **84%** from 2018 to 2019 and a **+44% YOY ROAS** trend in the same year. We then saw **+45% sales growth** and **+10% ROAS** from 2019 to 2020 even during the challenges that accompanied the COVID-19 pandemic.

Yamaha Retail Excellence

With our Search Advertising strategy for Yamaha, we achieved a **YOY sales growth of over 84%** from 2018 to 2019 and a **+44% YOY ROAS** trend in the same year. For the Yamaha Soundbox, we decided to combine the black and white and large and small variants into one twister. This increased the visibility of all of the products and in the two years since we built the twister, there have been hundreds of reviews and a very high average rating.



Yamaha Sound Box Twisters

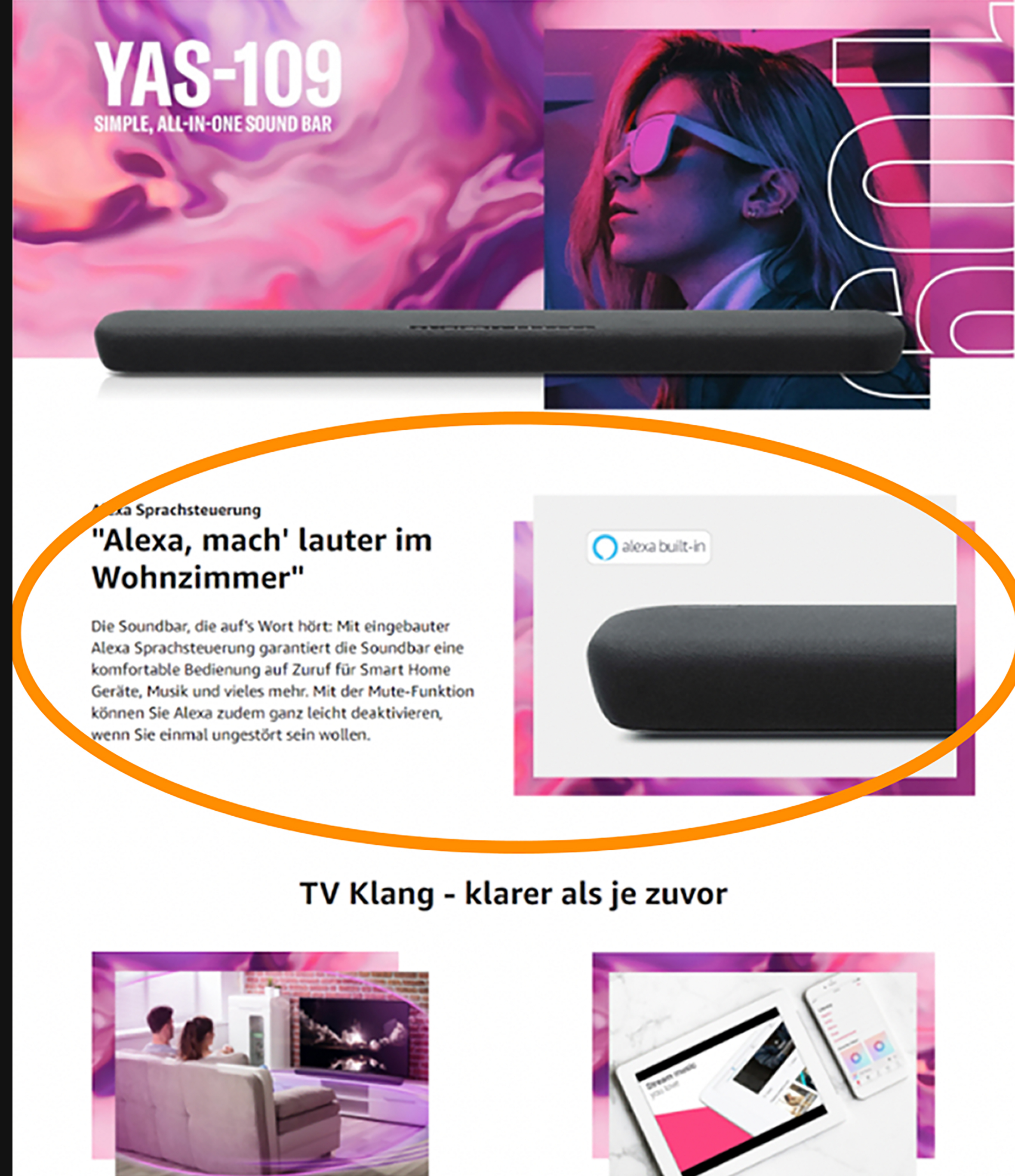
After a few years of success however, we saw an opportunity for even further optimization. We decided to separate the products into two separate twisters: one for the large size and one for the small. Our reasoning? In generic searches, only one product from a twister appears in the search results. Therefore, splitting it into two twisters gave Yamaha more visibility in the search results.

Another aspect of portfolio monitoring is ensuring that our content is always the highest possible quality, which then goes hand-in-hand with ongoing optimization. We used our factor-a suite to help us maintain an overview of the content for every product. The software served to alert our account managers of any divergences that occur and included tools that allow them to easily make changes immediately.

The factor-a suite also included a Review Management dashboard. Recently, Amazon changed the way in which clients can handle reviews, unfortunately eliminating the ability to respond directly to the customers. However, our managers keep an eye on the incoming customer reviews and have a new system of organizing them based on subject. This allows us to determine what is being communicated well or maybe not so well within the content. Reviews offer brands direct feedback from their shoppers and we at FACTOR-A/DEPT® use this feedback to optimize the content we create so that shoppers are getting exactly the information they need.

Introducing New Soundbars

A variety of challenges accompanies the launch of new-to-market products and we faced three distinct challenges in the launch of the new Yamaha Soundbars in Autumn of 2019. We were able to solve each of these challenges through our holistic account management approach, which resulted in a successful product launch.



YAS-109
SIMPLE, ALL-IN-ONE SOUND BAR

Alexa Sprachsteuerung
"Alexa, mach' lauter im Wohnzimmer"

Die Soundbar, die auf's Wort hört: Mit eingebauter Alexa Sprachsteuerung garantiert die Soundbar eine komfortable Bedienung auf Zuruf für Smart Home Geräte, Musik und vieles mehr. Mit der Mute-Funktion können Sie Alexa zudem ganz leicht deaktivieren, wenn Sie einmal ungestört sein wollen.

alexabuilt-in

TV Klang - klarer als je zuvor

The image shows an Amazon A+ Content layout for the Yamaha YAS-109 soundbar. At the top, the product name 'YAS-109' and tagline 'SIMPLE, ALL-IN-ONE SOUND BAR' are displayed against a background of a woman wearing sunglasses. Below this, the soundbar is shown in a black, sleek design. A large orange oval highlights a section titled 'Alexa Sprachsteuerung' with the headline '"Alexa, mach' lauter im Wohnzimmer"'. The text describes the soundbar's built-in Alexa voice control, highlighting its ease of use for smart home devices, music, and more, and mentions a mute function. To the right of this text is an image of the soundbar with the 'alexabuilt-in' logo. Below the highlighted section, the heading 'TV Klang - klarer als je zuvor' is shown. At the bottom, there are two images: one showing a couple sitting on a sofa watching TV, and another showing a tablet and smartphone displaying music streaming apps.

Product Launch: Challenges & Solutions

Challenge 1 Creating organic visibility in a very competitive environment

Solution: The soundbar category is very competitive. Firstly, we thoroughly evaluated the landscape by looking at the strongest brands in the soundbar category and determined the right competitors to target. While it is highly competitive among the top 100 products, there are also many brands that make up the highly fragmented competitive field on the lower end. We had to make sure we were looking out for smaller sellers and setting our products apart from those as well.

Challenge 2 Driving conversion through USP communication

Solution: Because there are so many soundbars out there, we need to communicate the key USPs that set these apart from the rest. **Conversion rate (CR)** is a measure of how successful a product detail page is at converting a potential customer into a purchasing customer. We know that CR is a key driver of boosting both ranking and organic visibility and the key ways to improve it are through detail page optimization, Amazon deals, average rating and number of reviews.

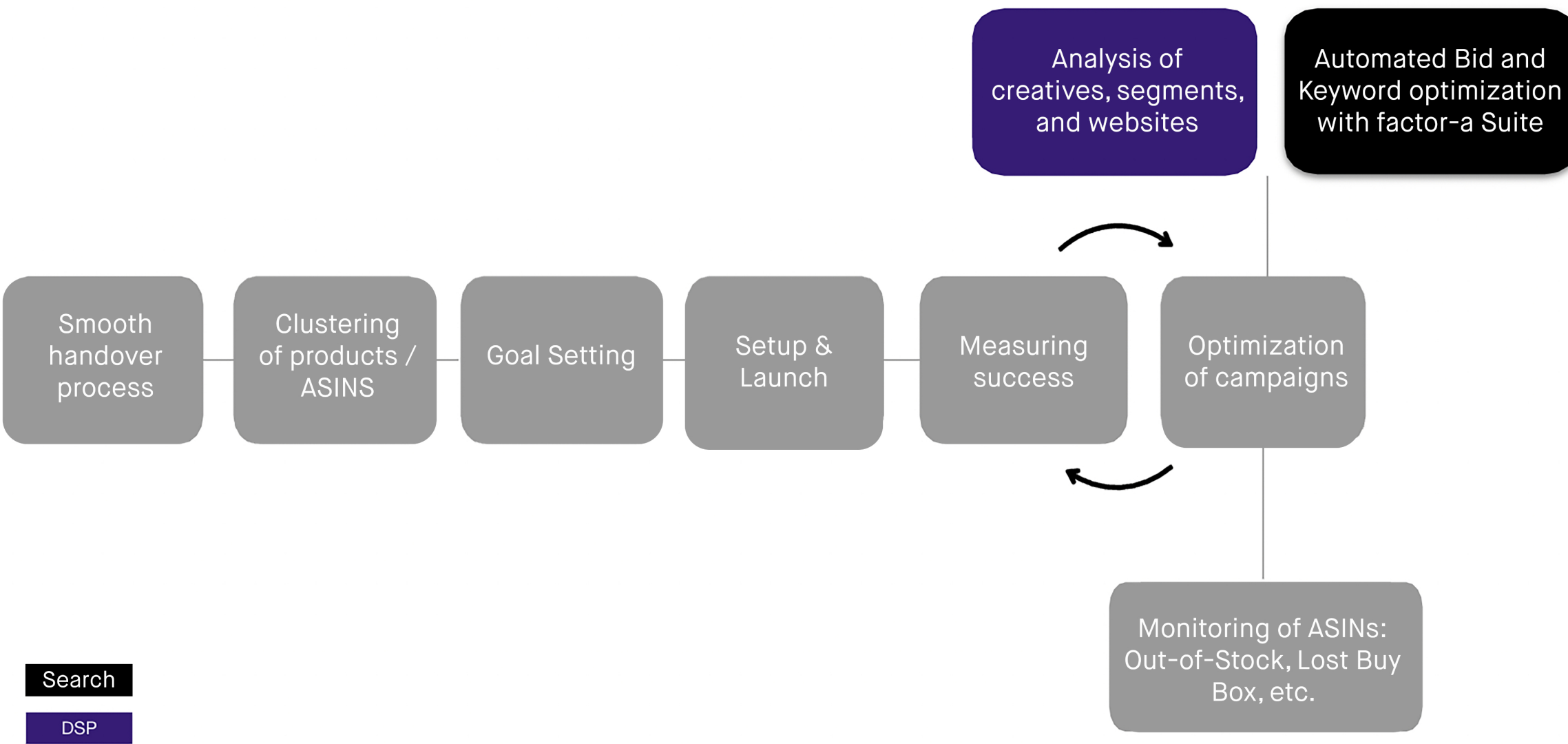
Since the easiest aspect to influence is detail page optimization, this was our main solution for this challenge. Not only did we maximize the product title, bullet point highlights and descriptions as explained above, but we also built Premium A+ content for Yamaha Soundbars. Premium A+ allows us to introduce the brand to the shopper in a way that builds trust and loyalty, and provides additional product details and incorporate eye-catching images and interactive graphics to best demonstrate the product.

For these specific products, we highlighted Alexa as the main unique selling point (USP). The A+ Premium content allowed us to make a visually appealing page that has the feel of a brand website within the product detail page. It also gave us a chance to demonstrate the unique product features. Of course, everything we included in this content was also guided by our Content Relevance Analysis, so we were sure to include exactly what the customer is interested in so he or she can make an informed purchase decision.

Challenge 3 Using advertising to drive product awareness and sales by utilizing the available options in the best way possible for a launch

Solution: Before we even consider increasing the conversion rate, however, we need to take a step back and look at how to bring shoppers to our detail pages. Traffic is measured through **glance views (GV)**, which is the number of visits our detail pages are receiving. GV can be improved through keyword optimization and twister set-up (explained above) as well as advertising methods.

After the content has been optimized, we ensure higher GV's by developing a holistic advertising strategy. In the beginning of the launch, we ran a combination of Sponsored Products, Sponsored Brands and Sponsored Display Ads in order to maximize product visibility.



factor-a Paid Advertising Workflow

When running so many campaigns, it is crucial to maintain a structure that ensures every move you make is working towards the same goal, so we developed an ideal paid advertising workflow (pictured above).

We begin by taking a look at the products and determining how to best advertise them (how are the ASINs best clustered?). Next, we define a goal: on which KPI we should focus. This goal should reflect the goal of the entire portfolio on Amazon rather than just in advertising. Next, we begin working on the campaigns.

We set up all of the campaigns with the different targeting strategies, and then we work to optimize those campaigns. To do so, we take a look at the best keywords and bidding strategies, with the help of our factor-a Suite software and determine if we still have some untapped potential. Finally, we monitor the ASINs as the campaigns are running to keep an eye on any stock issues or lost Buy Boxes as well as other issues that may arise.

Focusing on just one aspect (for example, defensive keywords) is not enough to drive conversion for a new product launch.



Search Advertising Results

With the October launch date, we were able to ride the wave of the holiday season and maximize the wintertime traffic around Black Friday and Christmas to generate some nice sales. We used the competitive nature of the Christmas season to immediately launch a lot of promotions and then the calmer January and February months to dive deeply into our strategy - going more for market share competitors to steadily increase performance.

With these campaigns, we learned how useful it is to take advantage of seasonal effects, even with more unexpected events like COVID-19. During March and April of 2020, we used the lull of the lockdown to optimize our campaign and push the products. It also turned out to be a great time to use promotions to push product visibility.

Even though the spring months don't usually see a lot of traffic, we were pleased that our promotion usage increased organic visibility and drove sales even during typically slow months.

However, it is important to keep in mind that search advertising only targets those customers that are already shopping on Amazon. When using search advertising, you remain in the lowest part of the funnel since the customer likely found your product by searching for something similar. It is important, especially for a product launch, to consider other advertising options which enable you to reach the customer at a higher point in the funnel, for example, through the use of the **Amazon Demand Side Platform (DSP)**.

Search Advertising Trends 2018-2019

+84%

YoY Growth

+44%

YoY ROAS

Search Advertising Trends 2019-2020

+45%

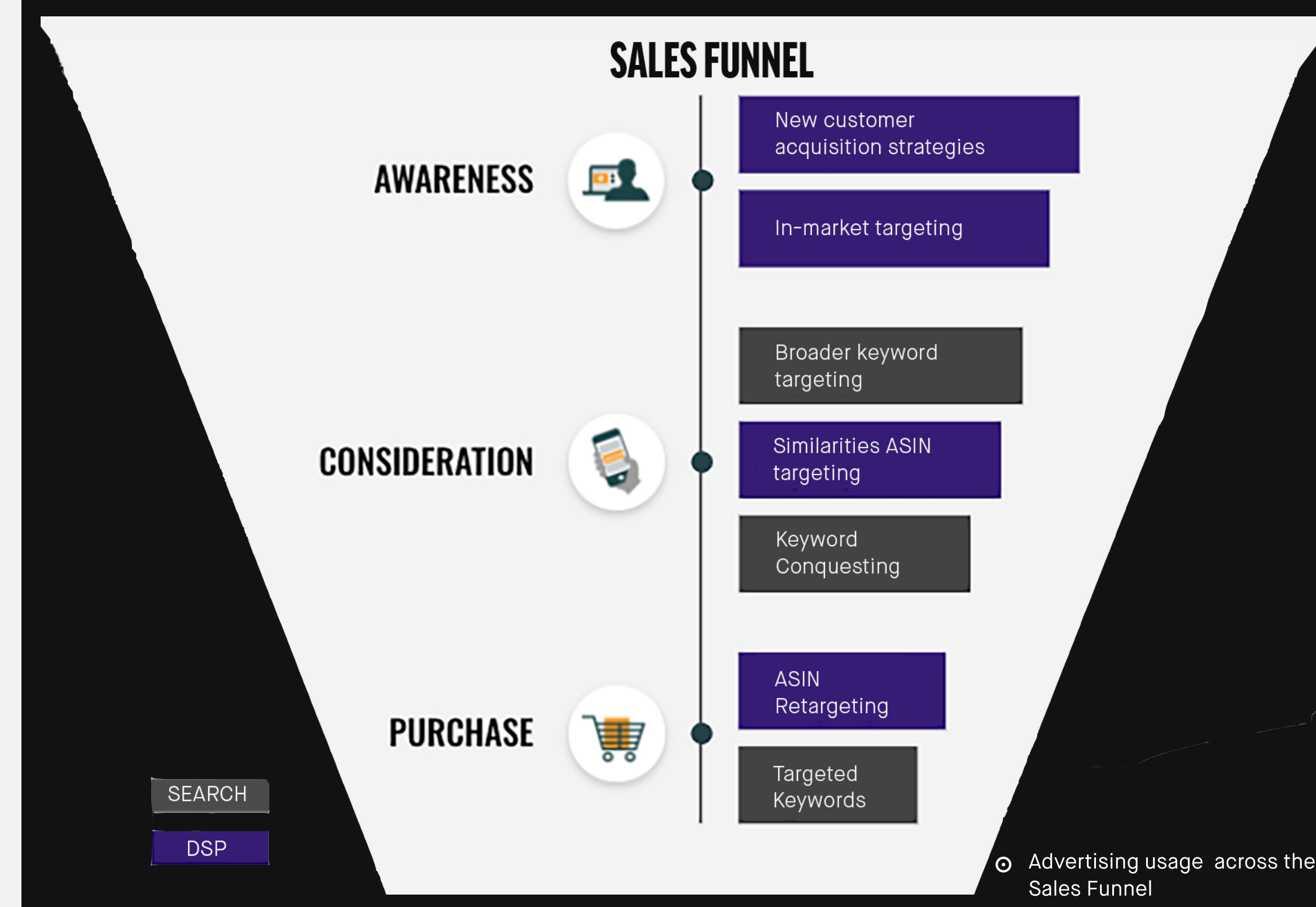
YoY Growth

+10%

YoY ROAS

Using DSP for Product Launches

For a product launch, the use of search advertising is good, the use of DSP is better and the combination of both is the ultimate approach. The use of both with the Yamaha Soundbars is what allowed us to gain precision in addressing the right audience for data-driven market development across the entire sales funnel.



DSP gives us access to those shoppers at the top of the funnel - so, maybe they are browsing within the category, but haven't yet made their way to our product yet. Another benefit of DSP for the soundbars case is the **retargeting ability**.

Soundbars, along with many more expensive electronics, do not necessarily lend themselves well to impulse buying. The shopping decision process for most consumer electronics items is relatively standard: browse multiple brands, compare features, discuss with friends and family, wait a bit and then maybe come back to a few products after some time.

The decision process can last many weeks and it is therefore important to use DSP to retarget those shoppers that did not yet make a purchase. DSP can be the trigger to push a shopper towards purchase, which is why we decided to use this strategy for the Yamaha Soundbars.



DSP Targeting Options

DSP Targeting Options

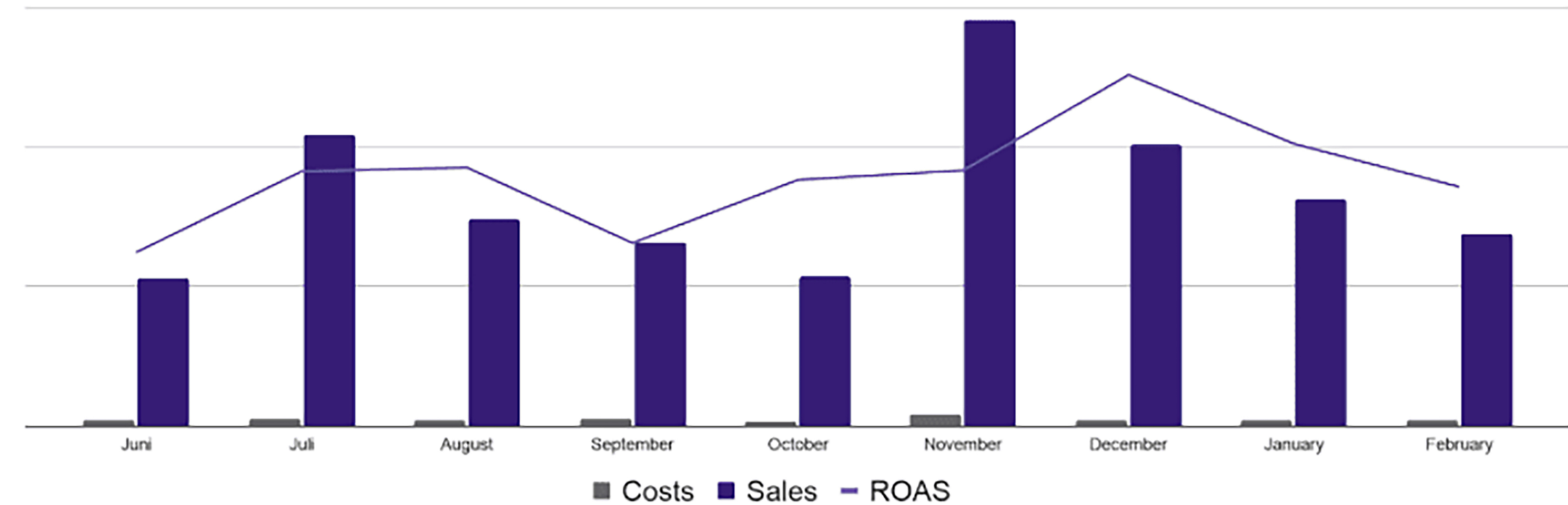
Amazon DSP allows you to target based on demographic, behavior or advertising. Amazon is not so focused on who their shoppers are (i.e. gender, age and location), but rather on what they are purchasing. As far as behavioral targeting options, Amazon offers the option to target based on lifestyle and in-market activity, using a shopper's search, browsing and purchase history. DSP also allows advertising-specific targeting, which uses pixels and customer information for remarketing and lookalike targeting and is often used along with behavioral targeting.

We can use our learnings generated from a DSP campaign (that is not in an always-on approach) for greater success in future campaigns.

API

API

API



Yamaha Annual DSP Campaign Sales

Our Approach

Our DSP approach for Yamaha consisted of monitoring, optimization and analyses. A key to our DSP strategy is to ensure that we are tracking the ASINs that are not in stock (OOS) or those that have lost the Buy Box so that only the products that are currently available will be advertised.

We update website blacklisting and segment targeting regularly through continuous optimization in order to achieve the maximum ROAS. Finally, we conduct frequent analyses and regularly offer extended reports and share our learnings. We can then use our learnings generated from a DSP campaign (that is not in an always-on approach) for greater success in future campaigns.

Our Results

Following our Yamaha DSP campaign, we achieved great ROAS values with our retargeting campaign and found that our sales were especially high in November. Our main learning from this was that the holiday season is an especially important time to keep a close eye on the budget. There is a lot of traffic and with the deals and promotions surrounding events like Black Friday, there is also quite a bit of competition. We decided to make greater investments, which turned out to be the right move as we would have lost sales if we didn't decide to increase the budget during this time.

Results

We made a comparison from the beginning of our Yamaha Soundbars advertising campaign to 12 months later and we were very pleased with the results. In summary: we found **+67% CTR**, **+407% Advertising Sales** and **+11% conversion rate**.

The soundbars have proven to be drivers for performance in the Yamaha portfolio overall. When looking at the YOY growth for both soundbars from the launch date, it is clear how successful they were from July 2019-October 2020 alone. We saw **+612% growth** for the larger soundbar and **+245% growth** for the smaller one. We are pleased with the entire launch campaign for both of these products because, thanks to our holistic approach, they turned out to be true diamonds in the product portfolio and continue to grow and support Yamaha's overall Amazon growth.

+67%

Click-Through Rate

+407%

Advertising Sales

+11%

Conversion Rate

About FACTOR-A/ DEPT®

Since 2015, FACTOR-A/DEPT® as the core of Dept Marketplaces, has been supporting leading manufacturers and brands in all operational issues on Amazon - always with the aim of generating sustainable revenue and market share growth as well as a higher degree of transparency for vendors on Amazon. This is achieved by integrating consulting, operational implementation and the use of proprietary technology solutions, building a personalized strategy for each brand.

FACTOR-A/DEPT®'s range of operational services includes product data and content, Amazon advertising and vendor account handling. The international, 130-strong FACTOR-A/DEPT® team is based in Cologne.

FACTOR-A/DEPT®

FACTOR-A/DEPT® offers brands and manufacturers a combination of intelligent software and agency services to create the decisive edge for more sales on Amazon.

Our Services: Full Control of Your Amazon Growth			
Strategic Consulting			
SEO, Content & Branding	Paid Advertising		Retail Management
Keyword Sets	Search Advertising	Demand Side Platform	Account Handling
SEO Content	Sponsored Products Improve product visibility	Drive Awareness	Case Management
Premium A+ Content	Sponsored Brands Increase brand awareness	Build Consideration	Review Management
Brand Stores	Sponsored Display Ads Drive shoppers to products	Drive Conversion	Action Plans
Image Optimization		Build Brand Loyalty	ARA & VC Analysis
BI and Tooling: (Market) Analyses, Monitoring and Reporting			

More than 350 leading brands trust FACTOR-A/DEPT®





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