Frigidaire   •   Case Study

Turning up the heat on Amazon Ads

A Full-Funnel Approach to Consumer
Electronics Sales on Amazon

FACTOR-A/DEPT.

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Overview

Frigidaire is a subsidiary of Electrolux and has served as a renowned consumer and commercial home appliances company for over 100 years. Loyal customers rely on Frigidaire for their high quality refrigerators, freezers, washers, dryers, air conditioners and dehumidifiers among other home appliances.

When Frigidaire brought their Amazon business in-house, Electrolux wanted to make a big bang in the Room & Air category in the US. FACTOR-A/DEPT® developed a full-funnel advertising approach to help Frigidaire achieve sell-through among other goals.

FACTOR-A/DEPT® X Frigidaire

Since the beginning of our collaboration in 2019, Electrolux has put their full trust in FACTOR-A/DEPT® to manage their large product portfolio and develop an effective full-funnel approach that helps them not only gain customers on Amazon, but also maintain a strong relationship with those customers.

Electrolux is already an internationally known brand with an established presence on some more traditional retail channels. Frigidaire aimed to continue building and strengthening brand awareness when they brought their Amazon business in-house, so they elected to sell their inventory to Amazon from the beginning. This posed a unique challenge that led us to pursue sell-through as the primary performance indicator.

With our advertising and consulting services, we have applied a holistic approach to help Electrolux go from performing well on Amazon, to excelling above and beyond.

Objectives

Our primary objective of this campaign was to build brand awareness, as Frigidaire brought their Amazon buisness in-house. We also aimed to position them at the top of the market from the start.

We focused on building a strategy to help reach our goal of sell-through by positioning them to reach many shoppers that were likely to make a purchase.

Finally, we aimed for a high category ranking, to take Frigidaire to the top of the Room & Air category with our advertising efforts.

The Challenge

The Solution

Electrolux brought their Amazon buisness in-house and sold their inventory to the e-commerce platform from the beginning. Having not utilized Amazon ads for the Room & Air category before, they turned to us as the experts.

We then needed to develop a strategy to help them achieve the main goal of sell-through and conduct continuous monitoring to optimize the strategy based on real data.

Our full-funnel advertising strategy, including sponsored advertising and DSP, in combination with analyses and insights from our consulting team helped us to follow the user journey and accrue exact leads.

We also worked to understand exactly where and which customers were converting and pinpoint the places in the funnel where any issues were arising that were preventing us from achieving sell-through.

Full-funnel

Our full-funnel advertising strategy allowed us to follow the user journey and accrue exact leads. The analyses and insights from our consulting team also helped us track the current performance with the current advertising strategy and determine what adjustments were needed to move forward.

We used exact lead through the entire user journey, including use of videos and banners for upper funnel campaigns, and responsive e-commerce ads for competitor and retargeting campaigns. We experienced high traffic and engagement in the upper funnel campaigns thanks to our location targeting and audience research. We also benefited from high ROAS in the lower funnel, thanks to the generation of relevant traffic on the product detail pages through upper funnel activity.

Location Targeting

In the upper funnel, we used location targeting rather than audience targeting in order to focus on hot climate areas as the shoppers in these areas would be more likely to purchase air conditioners and dehumidifiers. This allowed us to generate extremely high levels of relevant traffic on the product detail pages and high engagement rates as well.

02
Our Approach

Electrolux wanted to make a "big bang" in the Room & Air category and sold their inventory to Amazon. As a result, our approach focused primarily on sell-through as our main key performance indicator.

Incorporating Strategy Consulting

Our advertising team worked very closely with our consulting team to build a strategy based on data in order to help us accomplish the goal of sell-through. This in itself is a great challenge and we needed to fully understand where the sell-through comes from determine exactly where any issues were arising.

Our consulting team ran ongoing share-of-voice analyses to monitor the top of the sales funnel and measure brand visibility in the Sponsored Ads environment every month. This provided a great overview of how much visibility the brand was getting, how the visibility was evolving and who the big competitors are. Visibility is arguably the most important indicator at the top of the funnel because if the brand does not get any visibility, then they will not get any sales and will therefore not be able to accomplish the main goal of sell-through.

We also focused on sell-through by ASIN and could single out those that were not performing well through monitoring, so we could adjust the advertising strategy to increase visibility for those products.

03
Advertising Tools

Amazon Ads

This case was a perfect example of how a brand can fully utilize all of Amazon's ads products and achieve great results by implementing them in combination. We built a full-funnel advertising strategy that included all of the Sponsored Advertising products as well as the Demand Side Platform (DSP).

Leveraged products

As far as the placements that helped us accomplish our goals, we used:

- Sponsored Products
- Sponsored Brands
- Sponsored Brands videos
- Sponsored Display Ads
- DSP

Sponsored Brands allowed us to achieve visibility in the upper funnel but the majority of our budget was targeted on Sponsored Products Ads as the majority of our revenue comes from this ad type.

This shift allowed us to get the top of search placements. We have also been using generic category targeting exact which has driven Frigidaire to the number one ranking in the Room & Air category.

04
Outcome

This campaign and these efforts continue to run and the results continue to improve even more. We hit 65% sell-through - a result that still continues to increase, and occurred even before the peak summer season. Due to this success, Electrolux has already planned to send more Frigidaire inventory to Amazon in the middle-end of July.

Sponsored Ads KPIs, April 2022

65%

Sell-through

17.5

Total ROAs

84.5%

New-to-Brand
Sales

0.6%

CTR

As of April 2022, we were already reaching our Sponsored Ads and DSP KPI goals. For Sponsored Ads, we achieved 17.5 ROAS, 84.5% of sales to new-to-brand shoppers and an overall CTR of 0.6%.

For our DSP campaign, we saw up to a 3% CTR on our video campaigns and achieved a total ROAS of 16.5. In our retargeting campaigns, we saw an overall total ROAS of >100. Compared to our benchmarks of 0.3% CTR, 6 for overall ROAS and 20 for retargeting ROAS.

DSP KPIs, April 2022

3%

CTR on video campaigns

16.5

Total ROAS

>100

Total ROAS in retargeting campaigns

DSP Benchmarks

0.3%

CTR on video campaigns

6

Total ROAS

20

Total ROAS in retargeting campaigns

Key Takeaways

We learned the necessity of separating our video and banner campaigns, focusing the banner campaigns primarily on in-market targeting while the video are for the broader, location targeting.

Location targeting

The most important thing we learned from this campaign is that the location targeting on its own produced better results than targeting by audience. This targeting method allowed us to cast a broader net and gave us much more reach and generated more traffic. We therefore had the opportunity to use the budget to penetrate the market at a very high-performance level.

Video vs. Banner Ads

A surprising factor of the location targeting method was that video ads performed much better than banners.

We therefore deduced that if a shopper did not yet know the brand, the video was much more useful to engage them rather than static banners.

Full-funnel is key

Another takeaway was that our full-funnel approach was extremely worthwhile, as opposed to only retargeting. As soon as we introduced upper funnel campaigns, we noticed the lower funnel performed substantially better.

Advertising as research

Because of our decision to use location targeting for those areas that are particularly hot in order to sell air conditioner & dehumidifier products, we provided Electrolux with very valuable insights about their target audience.

Therefore, Amazon served as an audience and location research tool and provided this company with learnings about their target audience that they can also apply to different channels.

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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® 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		Drive Conversion	Action Plans
Image Optimization	Sponsored Display Ads Drive shoppers to products	Build Brand Loyalty	ARA & VC Analysis
BI and Tooling: (Market) Analyses, Monitoring and Reporting			

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

MONT BLANC   PEPSICO   YAMAHA   Johnson&Johnson

Electrolux   BiC®   TOMMY HILFIGER

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