Case Study

Popfunk transforms its company DNA with the help of Amazon Advertising

Popfunk changed the entire business model for the pop culture licensing industry when it became the first US company to print on-demand apparel in 2007. It changed the industry again when it started selling directly to customers on Amazon in 2016. But for Popfunk, the real game-changer for its business was when it began advertising on Amazon.

With licenses from major studios and brands to officially sell their merchandise, Popfunk was already a trusted brand when it started selling its T-shirts, stickers, and wall art on Amazon. But as it pivoted from its traditional business model to e-commerce, the company wanted to increase visibility and discoverability on Amazon, and it wanted to do it quickly.

"Realizing we were a bit late to the game of selling on Amazon, we knew sponsored ads could give us the opportunity for our ads to quickly begin appearing in search results and to help consumers find our products," said Popfunk President Trevor George.

Since launching its first campaigns, Popfunk has discovered how advertising on Amazon can influence both its brand and bottom line.

"In six months, we were able to increase monthly sales on Amazon by 550%. We would have never been able to achieve that scale without sponsored ads," Trevor said. "By the time we made it to our first holiday sales season, the impact of Amazon Advertising on our business goals was clear."

Sponsored ⓘ
Popfunk Superman Classic Logo T Shirt
$18.99 ✓prime
★★★★½ ▾ 133

Sponsored ⓘ
Popfunk Jurassic Park Logo Adult T Shirt & Exclusive Stickers
$18.99 ✓prime
★★★★½ ▾ 124

Popfunk's sales

5/1/16 6/4/16 7/8/16 8/11/16 9/14/16 10/18/16 11/21/16

Since then, Popfunk has seen a lifetime return on ad spend (ROAS) of over 700%.

One of the company's other key advertising goals was to keep its advertising cost of sales (ACOS) at 25% or lower. After working with its sister company, Blue Wheel Media, to manage its Amazon Advertising campaigns and develop advanced strategies to optimize its campaigns, the brand's lifetime ACOS is 14%.

But the impact of Popfunk's ad campaigns goes even further—it has had an effect on the DNA of the company itself.
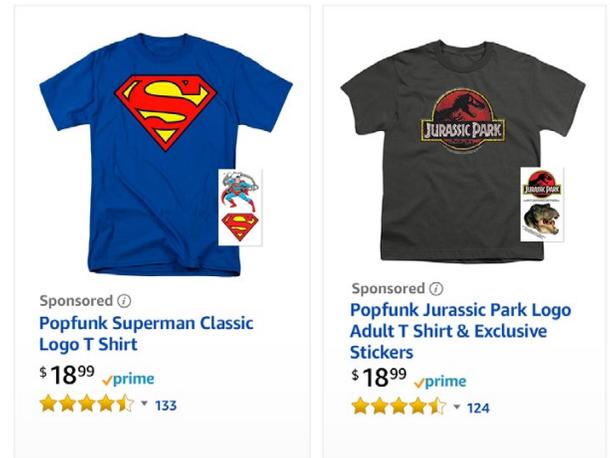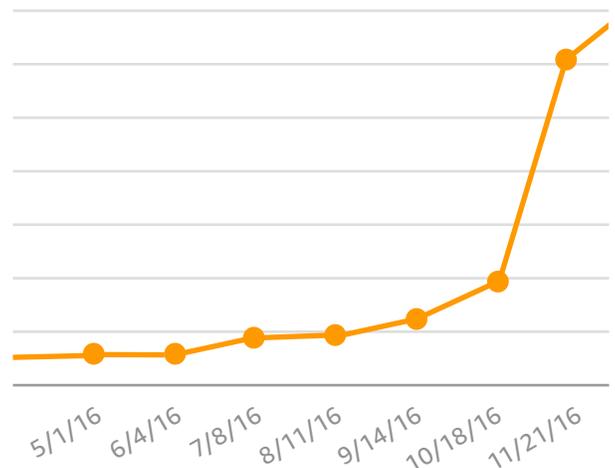
"Thanks to our business on Amazon, we more than doubled the size of our facility in Detroit from 30,000 square feet to 70,000, and I can confidently say we added around 25 new jobs specifically for our Amazon business. Our move to Amazon and our Amazon Advertising campaigns were a big piece of the success we've had."

Learn more about Popfunk's top strategies that helped the brand achieve a 700%+ lifetime ROAS.

1 Use automatic targeting to expand discoverability

Popfunk quickly got started with Amazon Advertising by launching Sponsored Products campaigns with automatic targeting to harvest new keywords. After running these campaigns for two weeks, the team used the search term report to identify customer search terms with high ROAS and added these to their campaigns. Remember: advertisers bid on keywords while shoppers type search terms into Amazon's search bar.

For example, for its officially licensed Woodstock T-shirts, Popfunk started by bidding on keywords specific to "Woodstock," until the team began reviewing their search term reports. With that data in hand, they discovered that customer search queries for popular bands from Woodstock and even musicians who didn't play at the festival in the 70s were converting and leading to significant sales. Popfunk added these search terms as keywords to their Sponsored Products campaigns with manual targeting and saw a 30% increase in sales.

"Now we're able to be discovered by all of these other customers that are interested in our products, but we didn't even know existed," Trevor said. "The best part is that you can set up Sponsored Products campaigns with automatic targeting in just a few minutes."

2 Keep campaigns always on

To ensure the brand never misses out on a potential sale, Popfunk keeps its campaigns always on by selecting "no end date" in the campaign settings.

"We always want to have the opportunity to serve up one of our ads for a customer search. It doesn't matter whether we have excess, normal, or low inventory levels–our campaigns are always on. It's the other levers we pull when we have excess inventory, like a price drop or coupon, that add fuel to the advertising fire," Trevor said.

700+
brands have granted licenses to Popfunk

550%
increase in monthly sales on Amazon

2MM
keywords in
2,000
campaigns

700%+
return on advertising spend

Popfunk ACDC Album Cover T Shirt
$6⁹⁹ – $21⁹⁹ ✓prime
★★★★⯪ ▾ 105

Star Trek Enterprise, Next Generation, Deep Space Nine, Voyager T-Shirt & Stickers
$6⁹⁹ – $26²⁵ ✓prime
★★★★⯪ ▾ 88

Popfunk Harry Potter Retro Hogwarts Logo T Shirt
$17⁵⁵ – $23⁶⁵ ✓prime
★★★★⯪ ▾ 50

Parks & Rec Mouse Rat Pawnee Band T-Shirt & Stickers
$17⁹⁹ – $21⁹⁹ ✓prime
★★★★⯪ ▾ 95

"Our company DNA has 100% changed for the better since starting to advertise on Amazon."

Trevor George,
Popfunk President

③ Create and test Sponsored Brands campaigns

Popfunk also takes advantage of Sponsored Brands, which now feature placement opportunities on the top, left side, and bottom of the search results page on desktop, as well as within search results on the Amazon mobile app.

After launching their campaigns, the team continues to test their creative, including featured products, copy, images, and links, to find their winning combinations that drive the best results.

④ Build a Store to showcase the brand

Next, Popfunk created a free, customized Store. Using Sponsored Brands ads, they drive customers here to learn more about the brand and browse the product portfolio. The team has also taken advantage of their Stores insights dashboard with a full range of metrics to better analyze overall Store performance, including daily visitors, page views, and attributed sales.

"We're really passionate about our Store," Trevor said. "It is 100% critical to our overall advertising strategy."

⑤ Monitor performance metrics to optimize campaigns

Popfunk reviews campaign data and performance reports at least once every two weeks to identify underperforming campaigns and keywords and to look for ways to improve results.

"The top ad metric we watch is ROAS. For a small business, we know our profit margins and what we're willing to spend on advertising. So the ability to have insight into ROAS is important—we know if we're making money or not," Trevor said.

He also noted that when launching a new product, his team takes a long-term view and is willing to have higher ACOS levels in order to influence their sales velocity. Once a product starts building positive reviews, they will look for ways to optimize their campaigns to increase ROAS, like pausing or lowering bids on underperforming keywords and investing more in successful keywords.

Popfunk timeline

2007
Became first US company to print on-demand apparel in pop culture licensing industry

May 2016
Launched its first Amazon Advertising campaigns

1990:
Founded

2016
Started selling directly to customers on Amazon

2017
Licensed brand portfolio grows to 600+ brands

Data from Popfunk

6 Manage campaigns in a scalable way

With over 2 million keywords in 2,000 different campaigns, the Popfunk team relies on advanced bulk operations to help them scale and manage their campaigns. They save time by creating multiple new Sponsored Products campaigns at once and by making bulk edits to existing Sponsored Products or Sponsored Brands campaigns, like updating bids, products, and keywords.

Within the advertising console, they leverage the filters to quickly sort their campaigns by ACOS, sales, click-through rate (CTR), or other metrics in order to easily see which campaigns may need to be optimized or successful campaigns where they can invest more.

To learn more, visit **advertising.amazon.com**