Amazon Hackathon: WOOF Score

amazon ads

Team: M.I.T Agency

Overview

amazon ads

Amazon Ads Clients are complaining and quitting

I feel risky to pay for Ads because I don't know if my campaign is efficient or not

I am always confused how to buy sponsored ads because I can't define my target audience
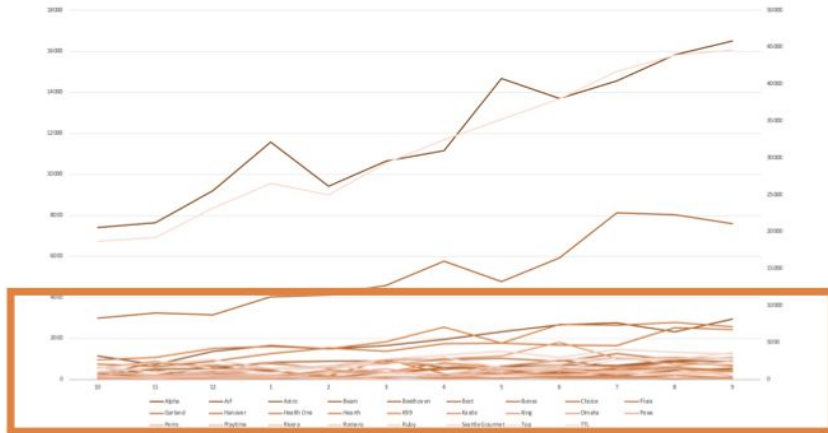
From the Industry report, Walmart has better ROAS than Amazon, we decide to move on to new platform!
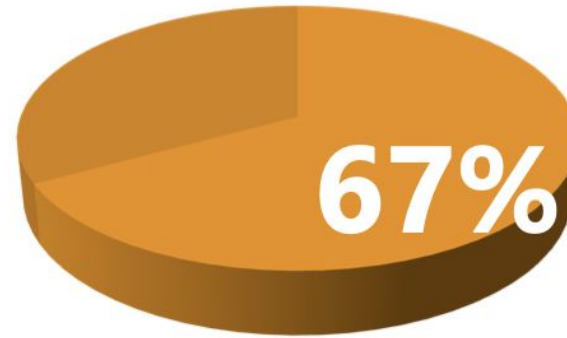
The ads take away all my budgets

However, Ads bring Sales

Take a growing market, dog food market for example.

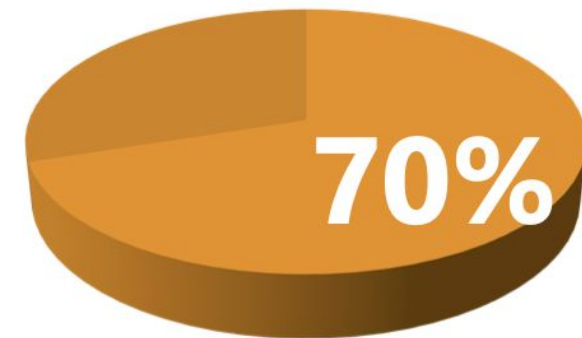## Dog food market is competitive

Consumer saw Ads and buy

67%

■ Recall Ads   ■ Don't Recall Ads

Most Ads are not helpful

70%

■ Ads are not helpful   ■ Ads are helpful

We need a Smarter Advertising strategy

Data:
2021Oct-2022Sep Amazon dog food sales data, Statista
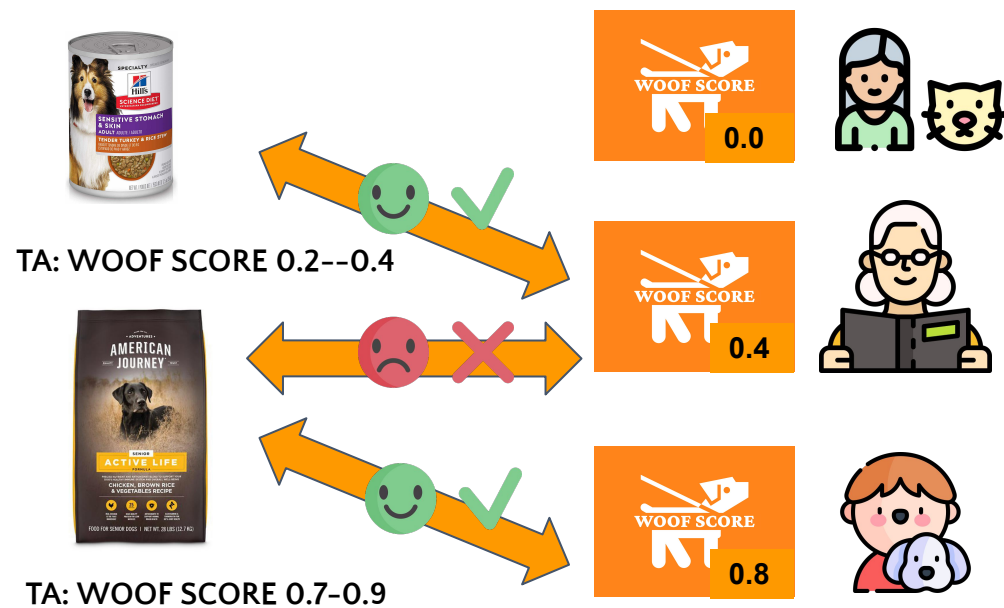
Introducing: WOOF Score

Every customer has their own WOOF score that will generate by our proposed customer behavior algorithm. In addition, every brand will has their own appropriate WOOF score we suggested them to target.

WOOF Score, a machine learning algorithm that aimed to use predictor variables that were gathered from customer behaviors and Amazon shopping records to predict our target variable – willingness to buy certain dog food brand. The purpose of this model is to
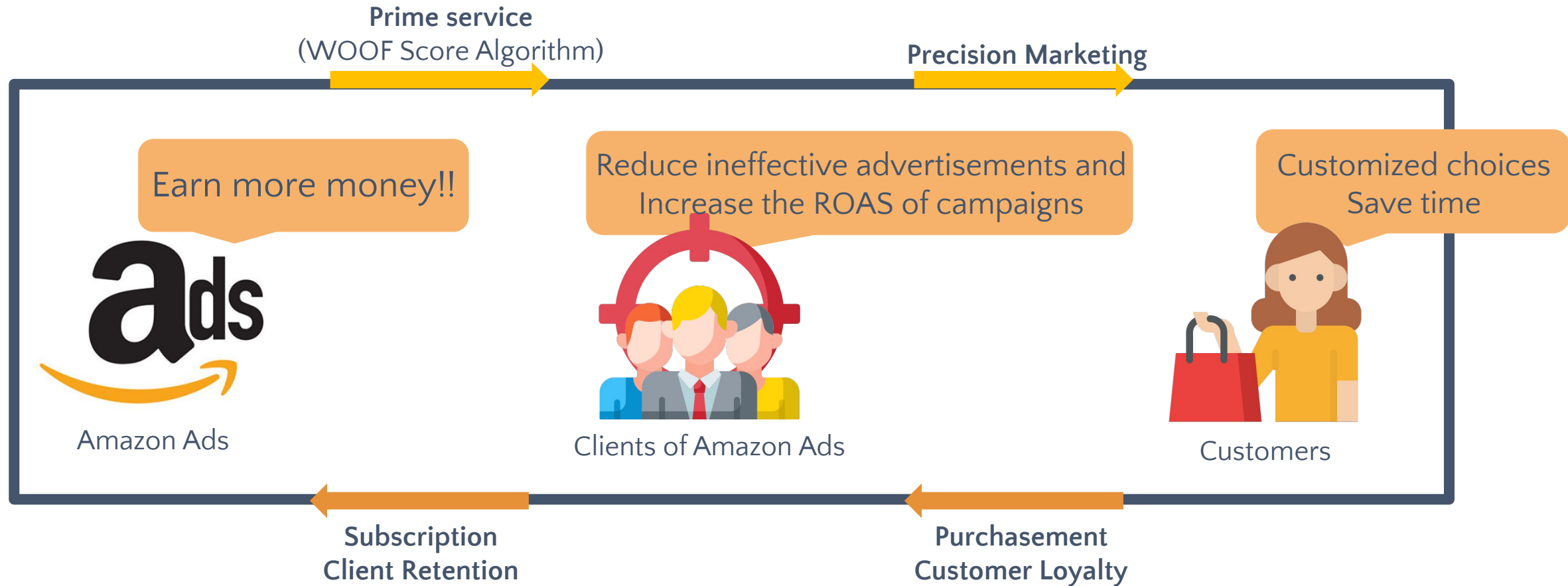
- Improve marketing efficiency to save our advertisers' media budget
- Gain client retention for Amazon Ads
- Enhance Amazon Shopper's customer satisfaction

Ex. Combining our model and its previous sales record, we will assign Brand AAA 's suggested audience an appropriate target woof score is 0.2–0.4. We will advertise their products to who are assigned as the appropriate WOOF score and avoid the wrong range.

TA: WOOF SCORE 0.2--0.4

TA: WOOF SCORE 0.7–0.9

WOOF Score: Business Model

Prime service
(WOOF Score Algorithm)

Precision Marketing

Earn more money!!

Reduce ineffective advertisements and
Increase the ROAS of campaigns

Customized choices
Save time

Amazon Ads

Clients of Amazon Ads

Customers

Subscription
Client Retention
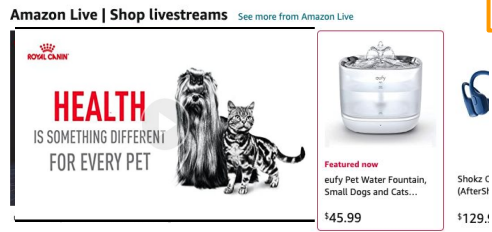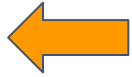
Purchasement
Customer Loyalty

amazon

WOOF Score: Journey Mapping

Gabbie is considering to buy some new dog food for her favorite dog friend, Jack
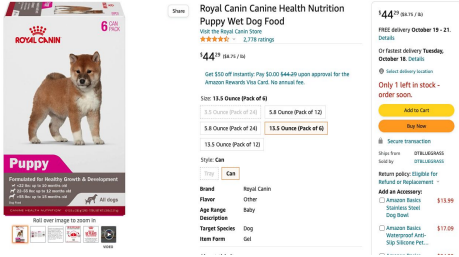
She made the purchase on the Amazon Website

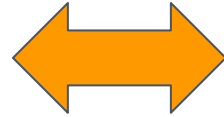A WOOF score has been calculated for Gabbie

Gabbie saw it and decided it is relevant to her and Jack, so make another new purchase

A brand that is aimed for Gabbie's WOOF score put out an video advertisement on her main page

Match

Customer: WOOF Score Assignment

Data Collection: Customer Behavior

Data Cleaning and Storage

Analyze: Segmentation and Feature Selection

Collaboration with Engineer Team: Model Building

Train and Test the Model

WOOF SCORE

Brand: WOOF Score Assignment

Product Level

Scale by price & other factors

Products of the brand

amazon

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WOOF Score: Feature Selection

Based on the nature of the dataset we are given, we decided to run the given features with Tableau to identify important customer features. We successfully identify seven important features that should be considered as predictor variables as part of the model building for WOOF score.
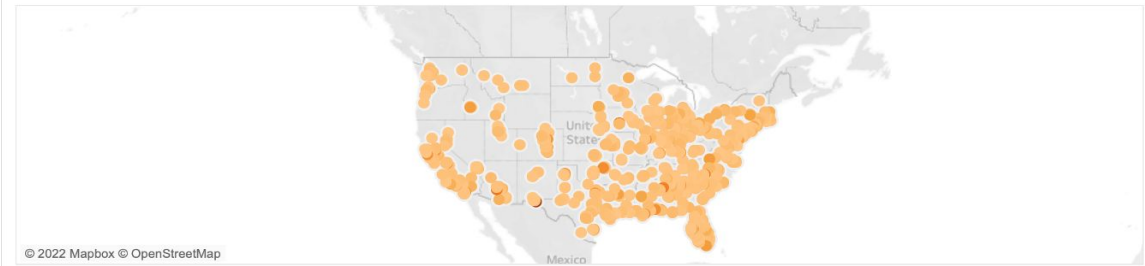
Insights Takeaway:

- East and South of the States
- Education level: College Graduate
- Income level between $100,000 and more
- Married people
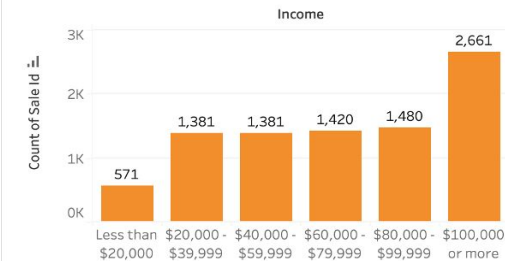- Prime Users (85.09%)
- Age between 35-44 (25.33%)

Present Key Features:

- Customer income level
- Geographical area
- Purchase Quantity
- Education
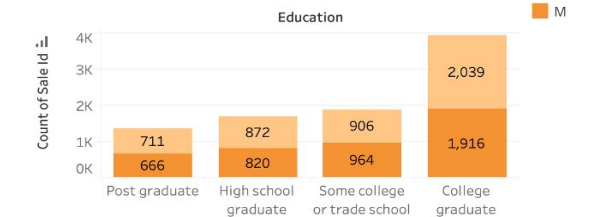- Prime Membership
- Age
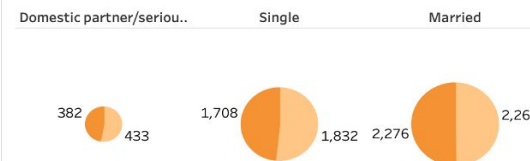- Marital Status

Geographical Distribution
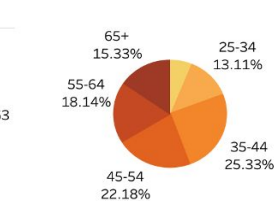
© 2022 Mapbox © OpenStreetMap

Income

	Count of Sale Id
Less than $20,000	571
$20,000 - $39,999	1,381
$40,000 - $59,999	1,381
$60,000 - $79,999	1,420
$80,000 - $99,999	1,480
$100,000 or more	2,661

Gender/Education

Gender: F, M

Education:
	Post graduate	High school graduate	Some college or trade school	College graduate
F	711	872	906	2,039
M	666	820	964	1,916

Marital

Domestic partner/seriou..	Single	Married
382 / 433	1,708 / 1,832	2,276 / 2,263

Age Distribution

- 65+ 15.33%
- 25-34 13.11%
- 55-64 18.14%
- 35-44 25.33%
- 45-54 22.18%

Prime Users

1 : 85.09%
0

amazon

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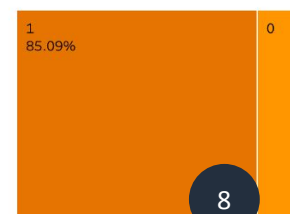
Together, We Make Sales Bigger

Improving WOOF score

Complete the tiering model

–Product key words(e.g. ingredient)

–Past Amazon Shopping Record

–Data from Amazon's Store Analytic Tool

Utilizing to more channels

Reach more potential customers

–Customers who watch related videos

–Customers who listen to related music

–Customers who shop at Whole foods/Fresh

Reaching potential clients

Establish Scores in different category

–MEOW score, WASH score, BABY score

What's More?
A Brand New Client Experience

amazon ads prime

amazon

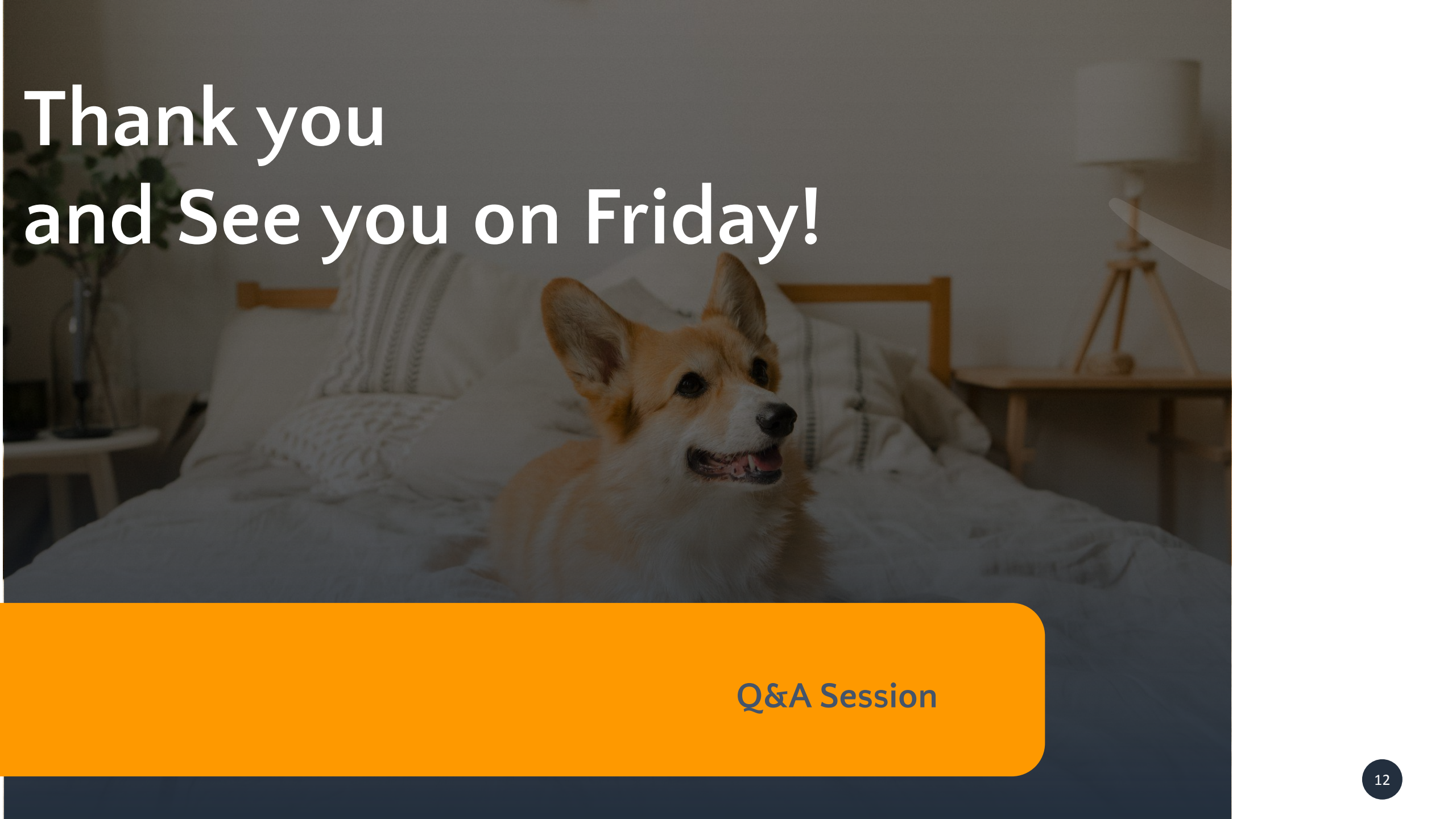# What's More?
A Brand New Client Experience

amazon ads prime

WOOF SCORE

Category Score

Potential Reach

amazon music prime video

amazon

Thank you
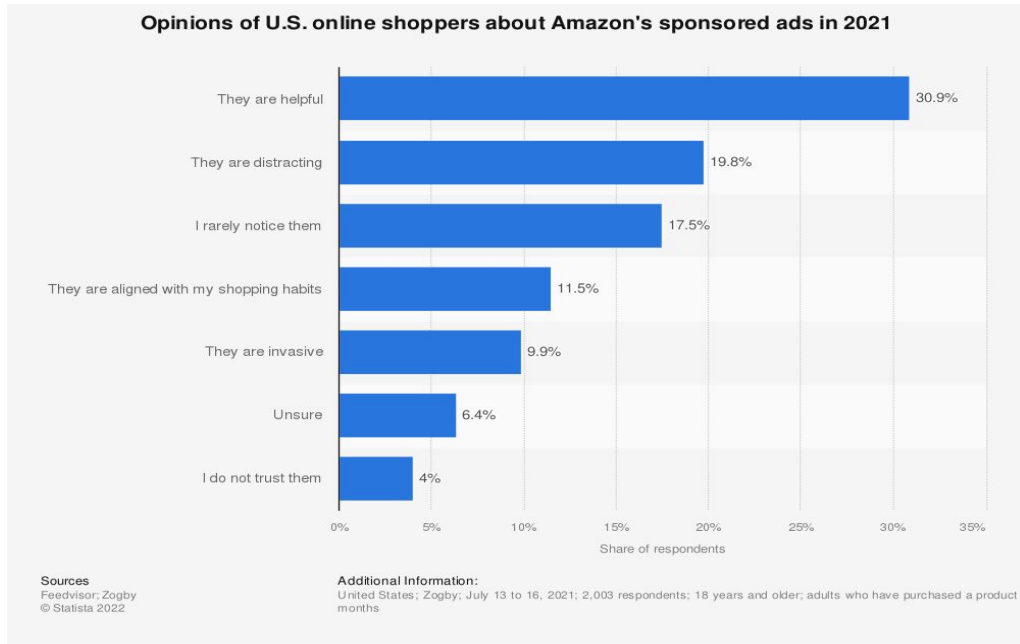# and See you on Friday!

Q&A Session

Appendix

Articles

Zagare, M. (2022, April 13). *The top five problems with Amazon Advertising Management*. PPC Entourage. Retrieved October 16, 2022, from https://ppcentourage.com/blog/the-top-five-problems-with-amazon-advertising-management/
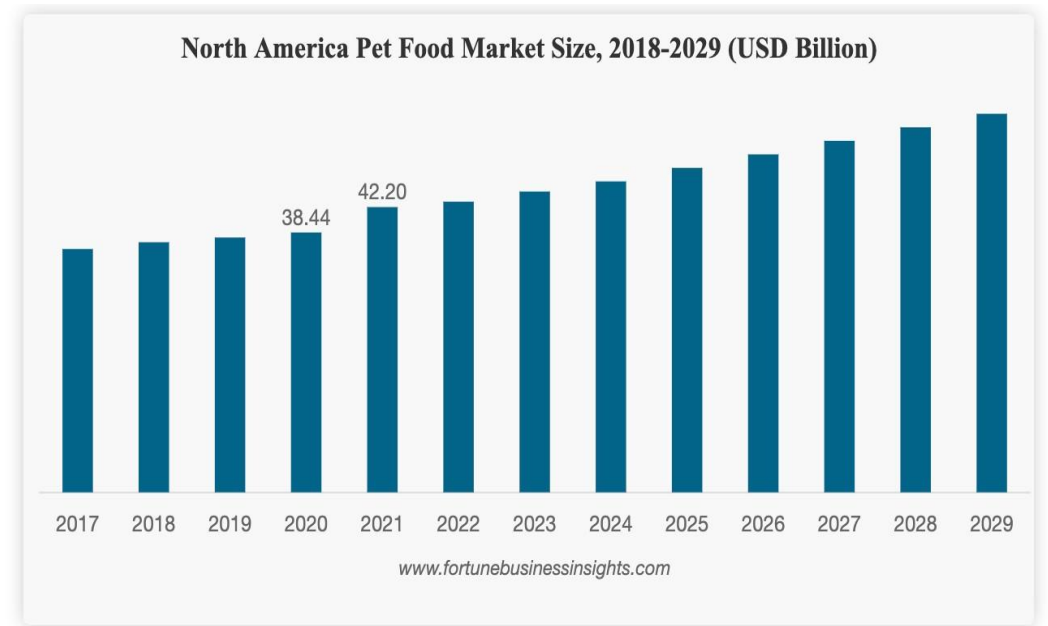
https://www.aboutamazon.com/news/retail/amazon-launches-new-physical-retail-store-analytics-service?asc_refurl=https%3A%2F%2Fwww.businessinsider.com%2F&asc_source=browser&asc_campaign=commerce-pra&tag=thebusiinsi-20

https://digiday.com/marketing/markters-see-limitations-of-amazon-marketing-services/

amazon

Graphs

Opinions of U.S. online shoppers about Amazon's sponsored ads in 2021

	Share of respondents
They are helpful	30.9%
They are distracting	19.8%
I rarely notice them	17.5%
They are aligned with my shopping habits	11.5%
They are invasive	9.9%
Unsure	6.4%
I do not trust them	4%

Sources
Feedvisor; Zogby
© Statista 2022

Additional Information:
United States; Zogby; July 13 to 16, 2021; 2,003 respondents; 18 years and older; adults who have purchased a product [...] months

North America Pet Food Market Size, 2018-2029 (USD Billion)

38.44   42.20

2017 2018 2019 2020 2021 2022 2023 2024 2025 2026 2027 2028 2029

www.fortunebusinessinsights.com

Source: Statista
Topic: Opinions of U.S online shoppers about Amazon's sponsored ads in 2021

Source: Fortunebusinessinsights.com
Topic: North America Pet Food Market Size

amazon

Graphs

US Amazon, Walmart, and Instacart Return on Ad Spend (ROAS) for Sponsored Product Ads, Q2 2021-Q2 2022

Source: eMarketer
Topic: US Amazon, Walmart, and Instacart Return on Ad Spend(ROAS) for Sponsored Product Ads Q2 2021– Q2 2022