

We boosted an online tool store's profit 10 times in just 2 years.

 roman.ua/en/case/molotok/



Niche

E-commerce
Products for home, office and repair

Business type

B2B
B2C

Geo

Ukraine

Kulibin is an online store of the Molotok group, whose primary focus is on selling tools and providing system solutions for entrepreneurs.

The group includes a 450m² retail store in Vinnytsia, a service center, and a B2B department that cooperates with more than 7,000 legal entities and sells 300 brands throughout Ukraine.

Kulibin is an authorized Hoegert dealer and distributor of Bosch, Makita, Metabo, Stihl, DeWALT, Stanley, and others.

SERVICES

PPC ads

Search Engine Marketing

Dynamic remarketing

PMax/Shopping campaigns

Social media PPC

Email marketing

Email collection

Regular mailing

Email automation

Triggered emails

Web analytics

Web analytics audit

End-to-end analytics and BI

Ecommerce module setup

Tools:

Google Ads • Facebook Ads • Google Analytics/GA4 • Google Looker Studio •
Espotnik • Recreativ • Viber

TASKS

Client's initial request was to increase sales for the B2B segment. In the course of the work, the task was transformed into a comprehensive growth of online store sales.

When searching for a product it is difficult to understand whether a user is from the B2C or B2B segment. Hence, we decided to scale the sales of an online store as a whole, which leads to an increase in B2B sales for the Client by broadcasting B2B benefits on product pages.

Key challenges

- Scaling online sales
- Increased profitability on investment in advertising
- Attracting new B2B customers

FEATURES AND CHALLENGES

- Client's desire is to attract B2B buyers, as Kulibin has services to fully provide enterprises with all the necessary equipment
- Intense competition in the tools, equipment, and household goods niche, with price undercutting by major players
- An influx of counterfeit goods imitating popular brands
- A product catalog with a wide range of prices (from \$0.5 to \$30,000)

- Decreased demand compared to previous years (small and medium-sized businesses closure, reduced consumer opportunities since the beginning of full-scale invasion of Ukraine)

SOLUTIONS

The Client had long used an ABC/XYZ Analysis to segment their products. In this system, ABC tracks product turnover, while XYZ measures sales stability and seasonality (how many months of the year a product is in demand).

The ABC/XYZ Analysis is useful for purchase planning by managers and for managing the product assortment both online and offline, but it has weak correlation with search demand, competition, and the market offerings of the business. Additionally, these metrics are often lagging indicators and face a chicken-and-egg problem (no product sales, so no advertising for it).

As a result, this structure doesn't account for the nuances of online demand and the rapid growth of specific categories (for instance, electric generators and heat guns in 2022).

In order to increase profitability and sales, we have identified our main point of growth - finding the optimal structure of product feed and PMax campaigns.

For PMax campaigns it is important to group similar products by their parameters (price, margin, demand, availability, category) on the one hand, with a sufficient number of conversions on the other. And the structure of feeds and campaigns should be highly customizable for a particular business.

We revamped the entire Google Ads structure and developed a new approach to organizing the Client's product catalog, focusing on product value and profitability. We disabled the old campaigns and launched new PMax campaigns aligned with the new catalog segmentation logic. This allowed for a significant increase in store revenue while staying within the same budget.

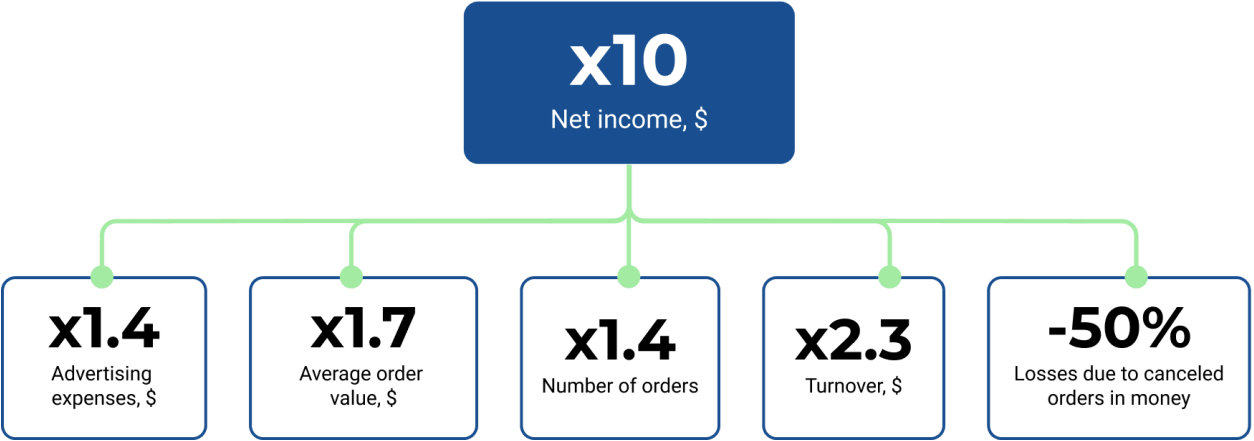
A similar growth was later observed in Facebook advertising, where we applied the same catalog structure as we did in Google.

RESULTS

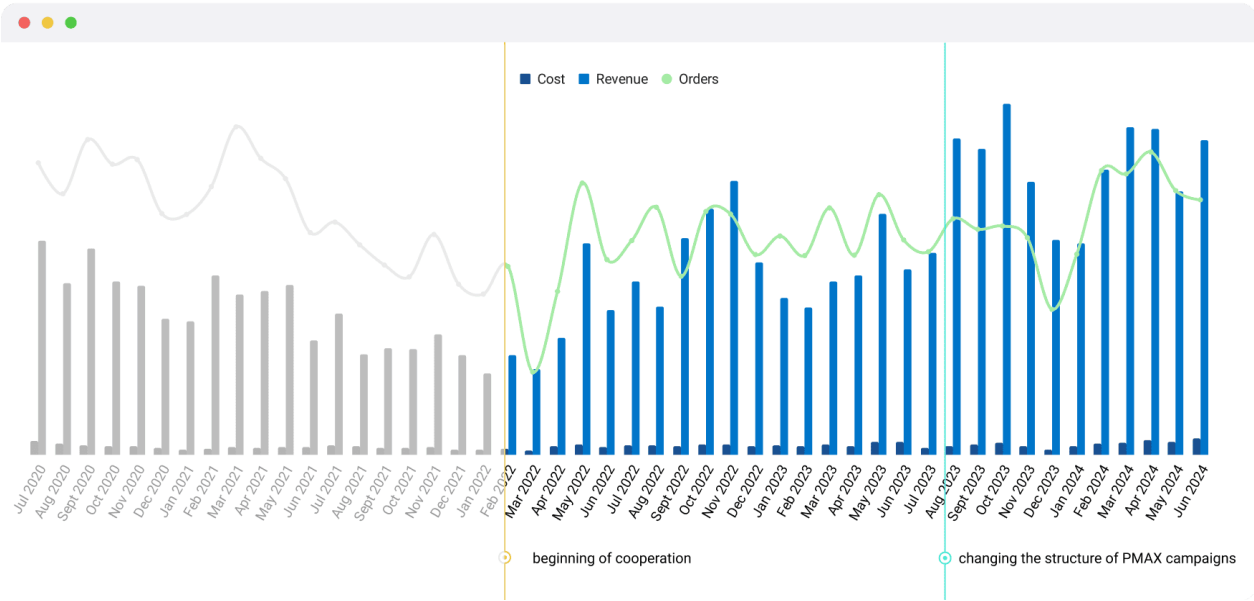
As part of our sales and profitability analysis, we identified and highlighted for the Client the issue of a high order cancellation rate. The Client reorganized their sales department and conducted internal audits, resulting in a 38% reduction in order cancellations, with

an upper trend toward further improvement. The financial losses due to cancellations were also cut in half.

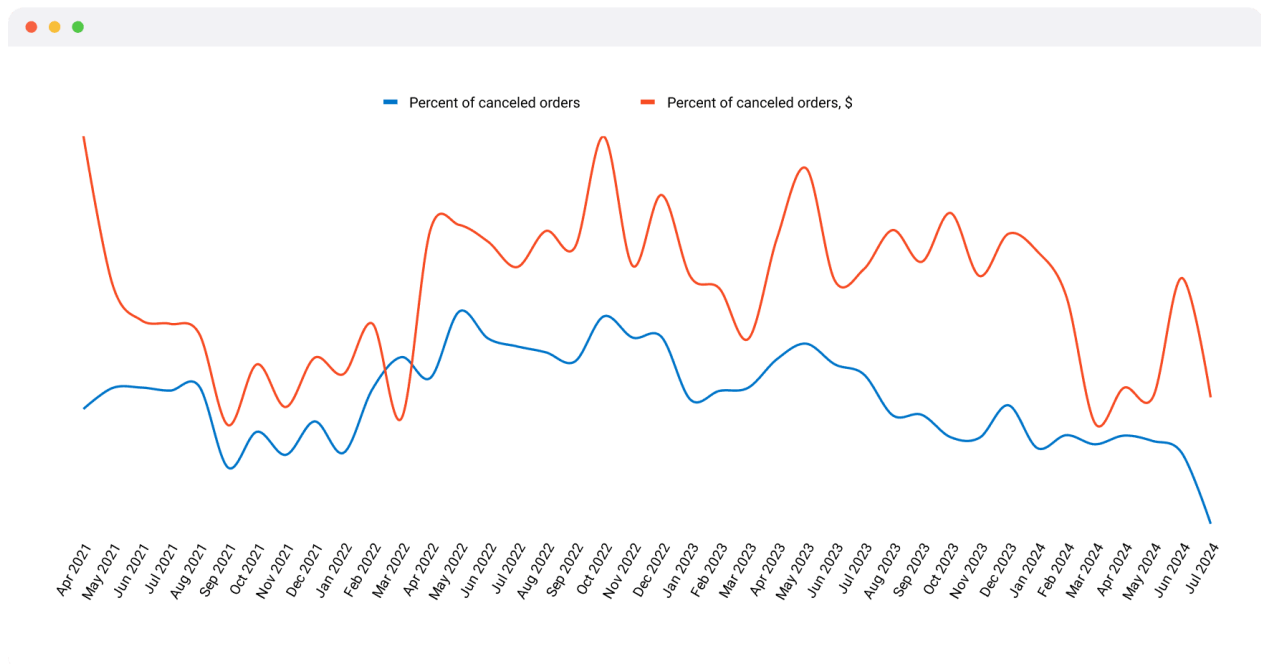
The average order value increased 1.7 times, the number of orders grew by 36%, and net profit in dollars surged tenfold, all while maintaining nearly the same marketing expenses and with only a slight increase in workload for the sales department.



Comparison: February 2022 vs. April 2024



Order volume, turnover, and expenses in USD



Canceled orders in both quantity and monetary value.

As a result of implementing the new structure, we were able to exceed the targets set by the Client. In terms of turnover, average order value, and net profit, we achieved record-breaking figures for the entire history of the online store's operation.