



Amazon Advertising 101

Everything You Need
to Know on

How to Sell on Amazon

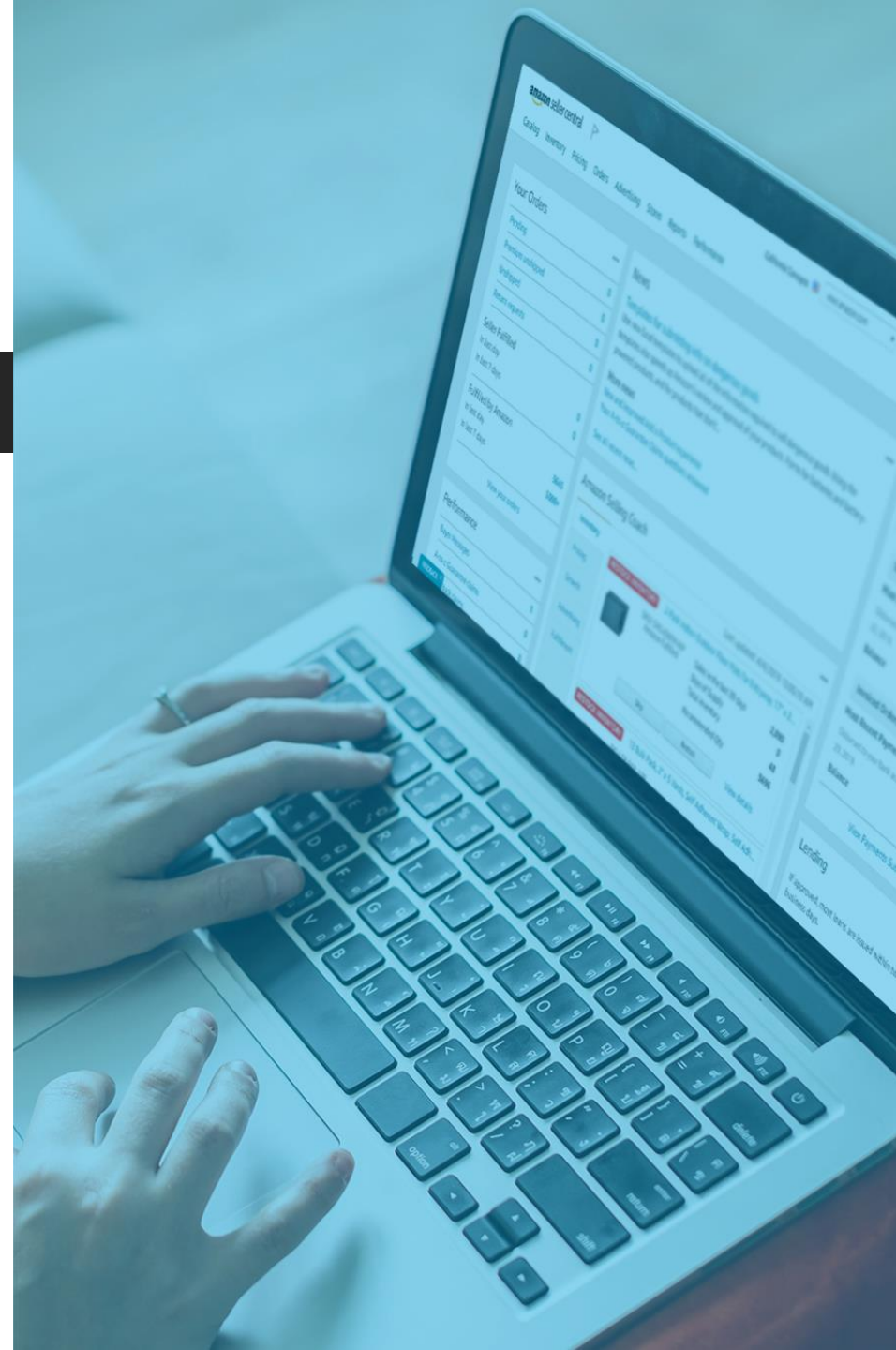


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Introduction

Since its launch in 1994, Amazon has been a major player in the eCommerce field not only in the US but also around the globe. There are over 300 million Amazon users and around 80 million of those are Prime Members, *only from the US*. As these numbers continue to grow and as Amazon's revenue growth rate is at 37.1%, more and more sellers worldwide try their best to take advantage of the opportunities that lie ahead by leveraging their business on Amazon.

For any eCommerce business to get a fair share of the growing population of consumers who prefer shopping in online marketplaces and retail sites, it is but essential that your brand and your products be seen despite the large pool of competitors. That's where advertising comes in.

MarketplaceOps, an Amazon and Management Strategy Firm, curated this guide to walk you through the basics of Amazon Advertising--to know how vital advertising on Amazon is, which Amazon Ad to spend and focus on, and basically how to get started on getting more eyes on your products, boost brand awareness and therefore eventually get higher returns.



Case Studies

Founded in 2014, **MarketplaceOps** has become one of Los Angeles' fastest growing online retail distribution companies. With fully-integrated technology and proprietary ranking techniques, **MarketplaceOps** continually work with local and international brands to sell and distribute their products across North America. With great pride, **MarketplaceOps** has experienced rapid 300% year over year growth, making it the perfect place for A-players looking to reap the benefits of having a growing bootstrapped business.



Two companies that have successfully worked with MarketplaceOps are Neurogum and a leading food coloring brand in the US:

Neurogum

Neurogum is a food and beverage company that sells a specialized gum designed to boost focus, mental performance, and cognition. In 2017, Neurogum decided to work with MarketplaceOps with the intent of generating brand awareness and building their non-existent Amazon marketplace channel.

MarketplaceOps has helped Neurogum through brand audit, brand strategy development, competitive analysis, complete listing optimization, product research and recommendation, catalog development, inventory planning, Amazon-specific promotions, and brand protection, among others.

Within the first 10 months of working together, Neurogum has experienced:

- 583% increase in sales
- \$2.1 million in revenue
- 421+ positive reviews
- 4 new products launched



Leading US Food Coloring Brand

This leading food coloring brand is one of the oldest and largest food coloring manufacturers in North America. By producing superior professional-quality baking supplies that help drive value for bakeries, food service operators, and baked goods retailers, they have earned for themselves a peerless reputation for delivering products with unmatched quality and service.

Since early 2018, the leading food coloring brand has joint forces with MarketplaceOps to build out a direct-to-customer Amazon sales channel, increase multi-channel revenue, and intensify brand awareness.

In just 8 months of working with Marketplace Ops, this food coloring brand has already experienced:

- 623% increase in sales
- \$425,000 generated revenue
- 458 positive reviews
- 15 products launched



Overview

Amazon is now the **3rd largest online advertising platform**, with Google and Facebook in 1st and 2nd, respectively. US advertisers spent \$4.61 billion on Amazon's advertising platform (a 144.5% increase from the previous year). These numbers show that growth for the coming years is ensured.

If Google has its search data and Facebook perceives user interest, Amazon on the other hand gives greater importance to consumer experience and thus now has the power to know what people like to buy and how they like to do it. Amazon continually develops more opportunities for sellers; just like **creating more advertising features** to help their revenue growth and profitability.



Why Advertise on Amazon

Actually, the real question is, **why not?** If you're selling a tangible (or sometimes even intangible) product that customers can get online, then advertising on Amazon should be a no-brainer. With Amazon's vast (not to mention worldwide) clientele, meaning more potential customers, who wouldn't want to be seen and recognized more? Here are more compelling reasons why sellers should advertise on Amazon:

- Gain more brand exposure and online real estate
- Amazon Prime Day being a huge opportunity for sellers and vendors who advertise with Amazon
- Get higher conversion rates as you compete head on with those sellers who benefit from advertising on Amazon
- Lower bid and ad costs as compared to other channels
- More efficient and better optimization of ad results
- Organic Amazon rankings will improve considerably (if you're doing Amazon PPC)
- Reap the benefits as Amazon continually looks for more ways to improve their advertising platforms

Amazon sellers and advertisers who are looking to gain more visibility to their products and to increase brand awareness pay for online real estate by bidding on specific keywords, leading to a higher visibility in the Amazon Search Engine Results Pages. In addition, sellers may also purchase advertising products from Amazon to appear on other sites and platforms.

How to Spend Wisely on Amazon Ads

Before diving in and setting up your ad campaigns on your Amazon dashboard, you need to determine first how much you can afford to spend on advertising. In all cases, it is best that you set a fixed daily budget for your entire advertising campaign. This umbrella budget essentially puts a cap on how much you can spend on advertising daily, for each type of Amazon Ad/s you choose.

Amazon Ads are essentially more cost-effective on a CPC basis as compared to the likes of Search Ads on Adwords or Bing Ads. As a matter of fact, according to Rob Sieracki of Practical Ecommerce, the average cost per click on Amazon is rarely more than \$0.35.

Now in order to closely monitor your budget and help you determine which Amazon Ads you need to focus on more, Amazon has **Portfolios**. This new management feature enables the seller to group and organize Sponsored Products and Sponsored Brands campaigns, into a chart that you can easily monitor. This portfolio feature helps you control your costs automatically using **Portfolio Budgets**. While removing the need for manual monitoring, this feature provides you full control over your spends across all ad campaigns, saving you time, effort, and money.

All you have to do is set your target budget (for each campaign) and then let the automated tool alert you when you've already reached your budget caps or deadlines. Once your portfolio budget is exhausted, all the campaigns in that particular portfolio will automatically pause until you reactivate them. This simply facilitates a more efficient ad campaign planning and management.

Different Types of Amazon Ads

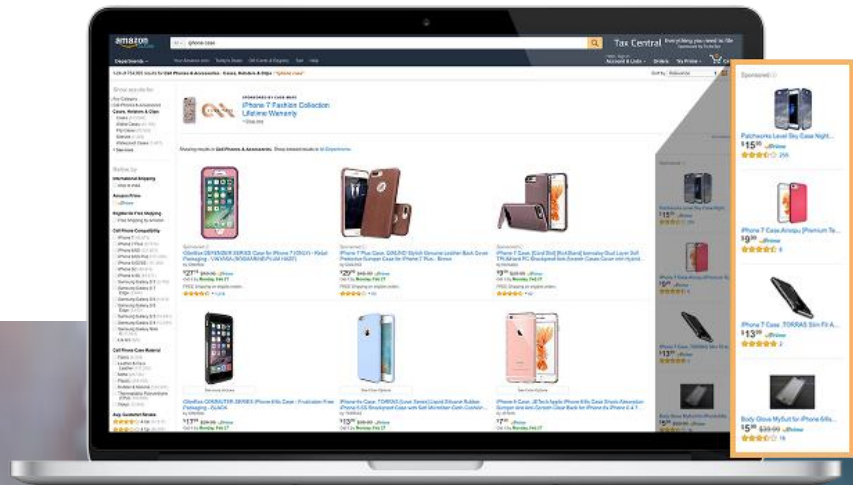
More than just pretty and attractive web banners like those Google shopping ads, Amazon provides its sellers with a wide variety of options to suit their needs and budget. So if you're determined to drive more eCommerce sales aside from promoting your brand on Amazon, then it's time to take a closer look on the advertising products Amazon has to offer.



Sponsored Product Ads

Sponsored Product Ads are ads that directs users straight to a product's main detail page on Amazon. Just like how ads run through the Google Shopping Network, when shoppers search for a product or type in words (keywords) to find what they're looking for, the Sponsored Product ads are displayed typically above or below the search results page, and even on other products' detail pages. These are usually targeted based on keyword - manually chosen by the seller or automatically chosen by Amazon.

When you want to control your daily spend and campaign duration, it's best to go with Sponsored Product Ads. Although the campaign can be paused at any time, it must run for at least 1 day. With this, you can also create multiple ad groups and campaigns, which you can organize in Portfolios for your advertising strategy.

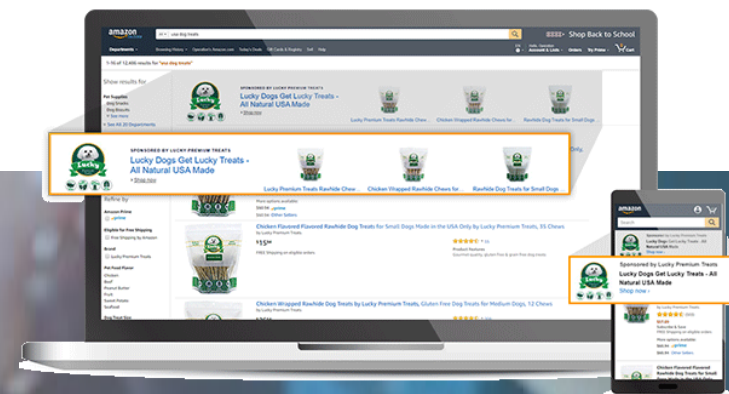


Sponsored Brands (a.k.a. Headline Search Ads)

Sponsored Brand Ads are only available to sellers that are registered brand owners. While using keyword targeting as well, these ads usually take up the most real estate at the beginning or on top on the search results page.

Sponsored Brand Ads can be customized a tad bit more heavily as compared to Sponsored Product Ads. You can choose the brand logo, a unique headline, and up to three products that you'd like to feature. And because shoppers can click on your headline or logo, your ad would have more than one landing page--in addition to when they click on one of the items on your ad that will go straight to that item's product detail page.

Choose Sponsored Brand Ads if you want to have greater control over your brand's creative and content. This is a great option if you want to quickly generate recognition for your brand and your product portfolio. Best part is, you only pay when customers click your ads. So you can control how much you spend by setting a budget and choosing how much to bid per click.



Product Display Ads

Instead of targeted keyword searches, Amazon Product Display Ads appear on pages based on user interests or of related or targeted items. They use customizable creatives, actionable insights, and relevant audiences to deliver your message or ads to the right customers not only on Amazon.com but also on Amazon apps, devices, owned & operated third-party sites, and more.

Display Ads can be bought by sellers whether or not they sell products on Amazon, and are sold on a cost-per-thousand impressions (CPM). Prices vary depending on the format and placement.

If you want your brand to have ads that do not really ‘blend in’ as much and would appear in many different places even if they’re off Amazon so it’ll reach the most relevant audience, choose Display Ads. Here, you can customize your brand message, choose any custom landing page, and even choose from a wide variety of inspiring formats .

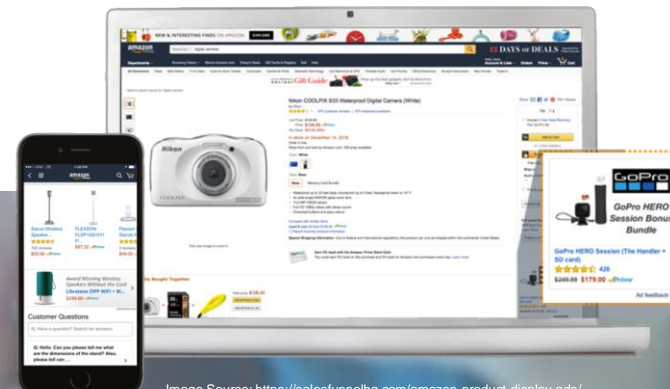


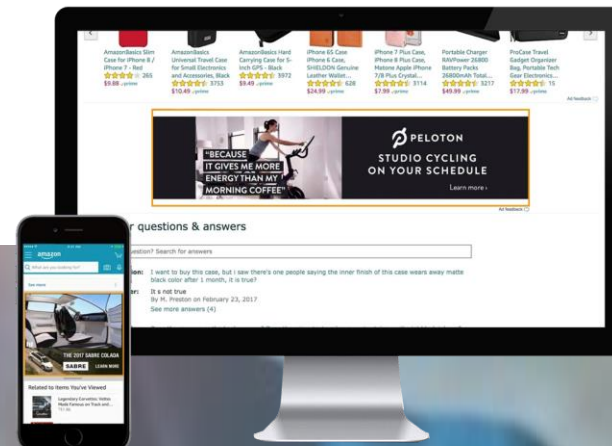
Image Source: <https://salesfunnelhq.com/amazon-product-display-ads/>

Video Ads

Video marketing is rising into power across every marketing channel possible. Now, take advantage of this skyrocketing marketing effort and do it through Amazon. Amazon's Video Ads simply enable you to reach your customers on a more emotional level. With videos, you can tell stories and make more personal connections while you promote your brand and your products at the same time.

Amazon Video Ads are displayed not only on the Amazon marketplace but also in sites like Amazon Echo, devices like Fire TV, and more.

If you want your brand to influence, engage, and connect with your audience more, using Video Ads is a great option. Here you could go beyond traditional ads by presenting your creative and content in an effortless yet more personal way.



Custom Ads

As its name implies, Amazon Custom Ads provide sellers total control over the advertising program in order to help them quickly fulfill their objectives. These ads are tested and proven not only to catch the audience's attention but to surprise and delight their relevant customers using innovative, engaging, digital placements.

Custom Ads reach and engage your customers wherever they are. Sellers can even tailor ads for mobile use. Planning these require working with an Amazon Ad consultant in order to come up with the most compelling and most innovative advertisement that'll motivate purchase.

If you think your brand calls for something a more aggressive advertising campaign, a Custom Ad is your best bet. These ads will give your potential clients a better vision of what you can offer as a brand, and eventually reaching out to them more instead of the traditional hard-sell approach.

Amazon DSP

Amazon DSP stands for Demand-Side Platform. This programmatic advertising platform provides sellers and advertisers to buy display, video, mobile, and search ads through a self-service or a managed-service option. It's rapidly gaining traction, keeping up with Google as the search giant, by letting advertisers purchase data that they ultimately need *at low fees*. Simply put, Amazon DSP is just like Google's Invite Media or Facebook Ads Manager.

Advertisers who opt for the self-service Amazon DSP have full control over their campaigns and enjoy the perks of not having to pay for management fees. On the other hand, the managed-service option is perfect for bigger companies that want access to Amazon's DSP inventory and have very limited programmatic experience.

Whether or not you're an Amazon seller, if you do have a big brand that needs to have a bigger (brand or product) awareness campaign, the Amazon DSP is your best option. Regardless if you're opting for the self-service or managed-service option, choose this advertising platform if you want to gain access to Amazon's owned and operated inventory, reach your ideal market including exclusive Amazon audiences on and off Amazon, and then make use of an Amazon-specific reporting.

Key Takeaways:

Take on the World of Amazon Advertising

- Amazon has got to be one of the biggest reasons why the world of shopping has changed. That's why, brand owners can no longer ignore Amazon's power when it comes to marketing and advertising to consumers, even on sites outside the Amazon marketplace.
- According to a study done by Jumpshot in 2018: "Across all categories, Amazon search averages 25.9 days from search to purchase. Google search averages just 19.6 days." Reducing the time and steps to initial purchase, Amazon is an obvious choice for you to present your product to new audiences and potential customers in an easier and more effective way.
- Because more and more product searches are now done initially on Amazon instead of Google, by using Amazon's Advertising Platforms will help you gain more market share, increase brand awareness, and better utilize the Amazon sites for new customer acquisition.
- Not only do Amazon has a pool of data on product searches and consumer preferences, but also on actual purchases. And as a brand owner who would want to gain access to that kind of vital information to reach the right kind of audiences, advertising on Amazon is the best way to get to it.



- Amazon Advertising Platforms have changed over the years, and that doesn't only refer to renaming the most-availed services. They now offer a wide array of advertising products and services to help you get your product more eyes without the high costs. Amazon Ads can even be of great help in determining which ads work in driving consumers to make purchases.
- Sellers, brand owners, and advertisers can choose one or combine different products from Amazon's menu of advertising services. But it is best to start off with a product that sells well and will easily measure your ROI, before you can jump in advertising more items.
- As Amazon is increasing focus on search and advertising platforms, it'll do your eCommerce business good if you'll start investing on their advertising and marketing services as well.
- Budgeting and monitoring your ad campaigns won't be easy, especially for the first time. But with Amazon Portfolios, you will be able to closely monitor and have a bird's eye view of all your campaigns.



is one of the leading Amazon Management & Strategy Firms in the US.
We work with brands from different industries looking to sell
and distribute products on Amazon.

[**CONTACT US**](#)

We can guide you so you can fully utilize Amazon's Advertising Platforms and Services. We're here to help accelerate your brand growth through Amazon.

Our free initial consultation includes an evaluation of your product distribution, marketing program(s), and profitability metrics.