



THE EU
AMAZON
PLAYBOOK
2020

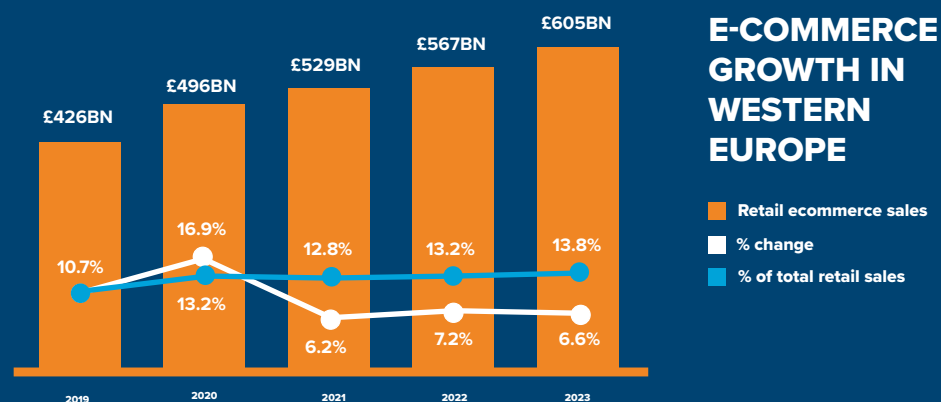
MERKLE

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INTRODUCTION

In our 2019 Amazon Advertising Playbook we conservatively made the claim that “dominance over the search space is changing”.¹ In the ever-shifting landscape of 2020, this has proven accurate. Given the context of restricted movement and closing brick-and-mortar stores, shopping online has never been more popular; and the natural choice for many browsers and buyers in this case is, of course, Amazon. In May 2020, it’s reported that over 2.5 billion users visited Amazon.com, an increase of 19% since February alone.² Moreover, given Amazon’s quarterly profit growth, it’s clear that while we reported an increase in consideration phase behaviour on the platform last year, these visitors are buying in droves too.³



¹eMarketer <https://www.emarketer.com/content/western-europe-see-10-83-billion-more-e-commerce-sales-than-expected>

Interestingly, although Amazon has typically championed product categories like toys and electronics (which often still rule the roost on Prime Day), consumer interest within the platform is altering to match external need. In January 2020, an analysis of the most searched products on Amazon revealed electronic items taking six of the places on the top ten list. By March this had reduced to zero, with health, household and baby care securing eight of the top ten spots.⁴ Grocery sales also reportedly tripled, with Amazon increasing its delivery capacity for groceries by 160%.⁵ If the argument for advertising on Amazon was compelling for retailers in these categories before, it’s overwhelming now.

However, this surge in category demand had a tangible impact on others within the platform. With warehouses scrambling to fulfil orders of hand sanitiser and face masks, shipments of other “low demand” or “non-essential” items were effectively halted in March and Prime delivery periods were extended. This also matched the broader market trend, with 45% of eMarketer respondents indicating that they’d stopped spending on categories such as electronics and clothing by 27th March.⁶ With most countries now seeing a resumption of normal Amazon service, the benefits to these categories may not have been as apparent in the short-term but will instead appear in the long-term. Prime membership is on the increase as a result of initially essential purchases (predicted to be leaping up to 25.8 million members in Germany this year, equal to over 30% of the population).

This boosts the number of loyalty-driven consumers that are more likely to purchase from Amazon in the future, even in those categories that are considered non-essential.⁷ Given that 14% of survey respondents said that their spending had grown on electronics and similar categories since 6th May, this all makes for a profitable collaboration for Amazon.⁸

MONTHLY UNIQUE VISITORS (IN MILLIONS)⁹



While the halo impact of increasing Prime membership and consumer loyalty is a clear win for retailers that choose to sell through Amazon, there are still benefits to be had for those who are not retail brands but are looking to leverage the Amazon's rich datasets to reach their customers elsewhere. The pairing of growing website visitors with increasingly intelligent audience segmentation is developing into a stronger proposition each month, which we explore in more detail throughout this Playbook.

In a world where diversification of strategy and advertising channels is paramount in meeting unpredictable consumer behaviours, the opportunities that Amazon offers are worthy of consideration for almost any advertiser.

¹ Playbook

² <https://www.statista.com/statistics/623566/web-visits-to-amazoncom/>

³ Playbook; <https://www.ft.com/content/7a42b1d8-9ca7-4827-aaae-729fdb7637f5>

⁴ <https://www.digitalcommerce360.com/2020/05/05/covid-19-marketplace-analysis-u-s-amazon-search-terms/>

⁵ <https://www.digitalcommerce360.com/article/amazon-sales/>

⁶ eMarketer, How Has the Coronavirus Pandemic Affected UK Internet Users' Digital Shopping? (% of respondents, by category, March-May 2020)

⁷ <https://www.emarketer.com/content/will-big-ecommerce-players-biggest-winners-germany>

⁸ eMarketer, How Has the Coronavirus Pandemic Affected UK Internet Users' Digital Shopping? (% of respondents, by category, March-May 2020)

⁹ Data from ComScore MMX, December 2019

YOUR BRAND ON AMAZON

Telling your brand story is becoming increasingly important. Recent research found that brands in customers' initial consideration set may be up to three times more likely to be purchased than brands that aren't.¹⁰ Brands must therefore work on their discoverability, to build consideration and a loyal customer base. Channels such as Google, Facebook and Instagram have long developed tools to facilitate this process, whereas Amazon Advertising until recently heavily focused on a direct response offering.

However, today Amazon's ad offerings require that we consider its platform as a tool to build brand awareness and loyalty across both search and display¹¹ as well as driving purchases. An ever-evolving range of ad formats and tools allow for advertisers to elevate their brands through Amazon, whether they're selling on the platform or not. Given that Amazon has recently surpassed 150 million Prime subscribers globally, with 50 million subscribers being added in the last two years alone¹², capitalising on loyal, purchase-ready customers is key. Amazon's insight into customer behaviour makes it one of the richest advertising opportunities available.

¹⁰ <https://www.mckinsey.com/business-functions/marketing-and-sales/our-insights/the-consumer-decision-journey#>

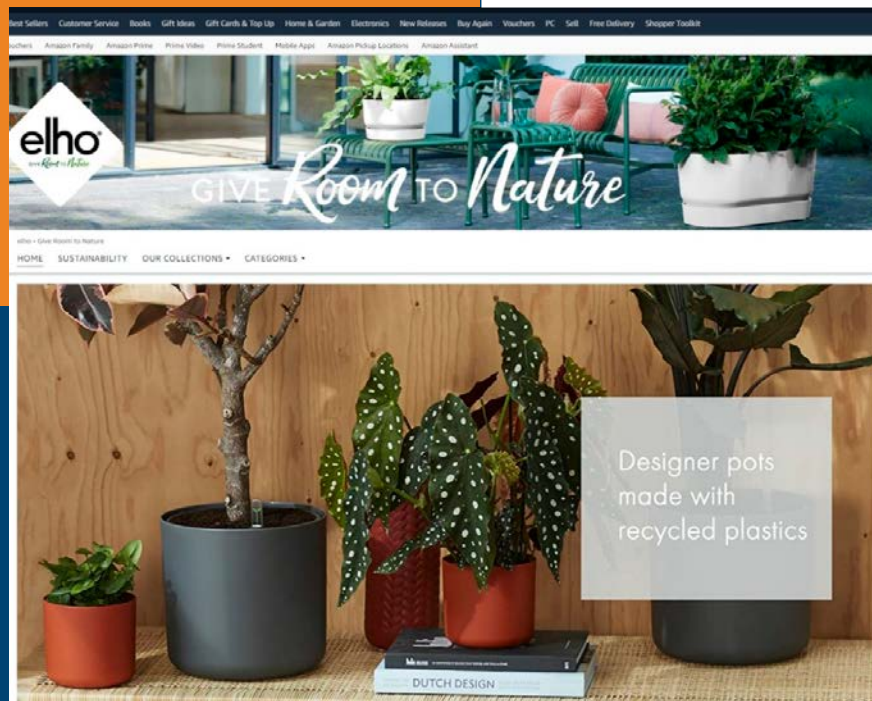
¹¹ <https://searchengineland.com/the-importance-of-building-brand-awareness-through-amazon-advertising-328791>

¹² <https://www.businessinsider.com/amazon-surpasses-150-million-prime-subscribers-2020-2?r=US&IR=T>

¹³ <https://www.merkleinc.com/emea/thought-leadership/white-papers/amazon-advertising-playbook>

STORES

Amazon Stores, which are free to build and available to Vendors and brand-registered Sellers, are fundamental to introducing the customer to your brand and immersing them in your offering. Like an owned website, advertisers can fully customise and build an immersive branded shopping experience on their own owned domain to showcase the brand and value proposition through image formats, videos and product content. Further details will be explored throughout this playbook.



VIDEO & DISPLAY ADS



Display advertising is a key brand awareness tool as it reaches customers earlier in the purchase journey than other offerings. Unlike Amazon search activity, display has a wide range of targeting available using Amazon's unique dataset. Advertisers can leverage these audiences and serve multiple branding formats on display, including:

- **High impact banners**
- **Video**
- **Home page takeovers**
- **Interactive formats with third-party providers**
- **Native display**

These are amongst the most immersive digital formats, designed to increase brand awareness.

Display also integrates with top-quality publishers, media partners, the open exchange and Amazon's owned and operated inventory. Retailers can access this inventory across mobile, desktop, connected TV and Kindle Fire ensuring huge domestic and global reach whilst serving engaging creative to the audience.

Greater sophistication on the platform means that the impact of branding activity is becoming increasingly measurable:

New-to-brand metrics on Amazon measure ad attributed purchases and sales of your products generated from first-time customers of your brand.

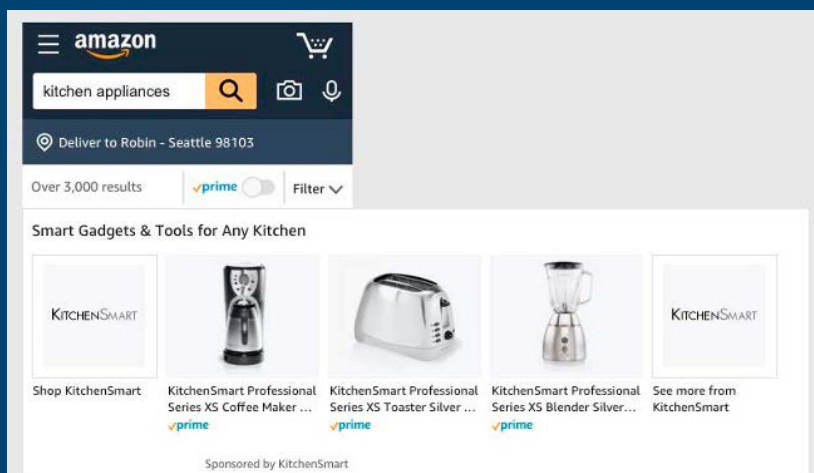
The Retail Insights report measures this effect by showing retail data 30 days prior to a campaign's start date, during a campaign's flight, and 30 days after a campaign ends.

With numerous branding formats, impressive scale, access to exclusive inventory and unique measurement capabilities, display advertising is a great fit for any brand looking to increase their online footprint.

SEARCH ADS

Alongside Stores, Display and Video a range of Search ad formats can support your brand, by driving traffic to products and/or the Store, thus creating a more seamless customer experience overall.

Since their inception, Sponsored Brand Ads (SBAs) have assisted in the discovery of brands and subsequently driven traffic to products through simplistic personalisation (logo and copy, as below). However, SBAs are increasingly changing to support more general branding efforts, for instance by pairing product focus with more creative, flexible imagery and landing pages. Recent improvements have included increasing the image height of the ad (to create a more branded feel) and according to Amazon's research, this has helped increase CTR by 20%¹³ on desktop and 13% on mobile¹⁴ on average. This suggests that customers are looking for a greater brand experience, rather than just browsing products.

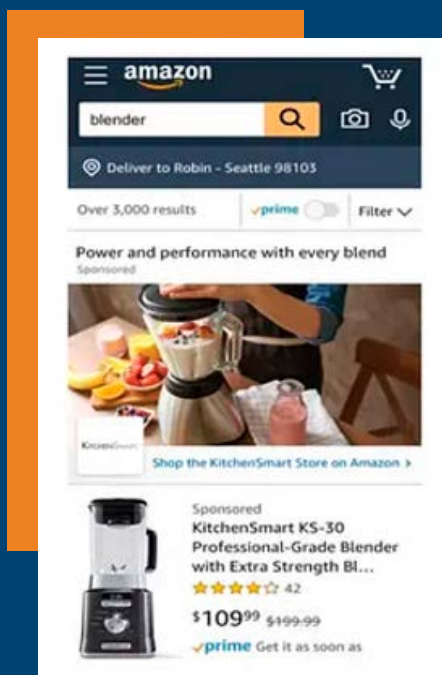


- New-to-brand metrics on Amazon measure ad-attributed purchases and sales of your products generated from first-time customers of your brand.
- The Retail Insights report measures this effect by showing retail data 30 days prior to a campaign's start date, during a campaign's flight, and 30 days after a campaign ends.

SEARCH ADS

With SBAs, advertisers can choose to send customers to their store page, thus prompting customers to better get to know the brand, or if a store is not present, a more product-focused option. When it comes to targeting, advertisers are then also able to choose between keyword targeting and product targeting which they can leverage to help customers discover the brand whilst browsing detail pages and categories or searching for products on Amazon.

In the quest for new customer acquisition and perhaps more generally creating a more branded feel to enhance brand discovery and immersion, advertisers are now also able to leverage custom images (in beta, example below). Advertisers can feature an image of their choosing in the SBA ad creative, which does not need to be product-related¹⁵. This development underpins Amazon's desire to allow advertisers to reach and engage customers in a more visual and engaging way.



Underpinning a greater brand-awareness focus is the ability to view New-To-Brand metrics in Search too, which coupled with purchases and sales made by these customers allows visibility over the percentage of new orders and revenue. This level of insight is valuable to advertisers in understanding the cost of acquiring new customers as well as informing optimisation strategies, such as keyword targeting across other activity¹⁶ in seeking to drive new customer acquisition.

The overarching trend is to change SBAs to incorporate product and brand focus into one ad format. Customers clicking on a product are taken to the product detail page, whereas clicking on a logo will take customers to a store. Amazon is thus providing a key ad format in driving brand awareness whilst simultaneously improving customer experience of brands on its platform.

¹³ https://advertising.amazon.com/en-gb/blog/whats-new-with-sponsored-ads-and-stores-march-2020/?ref_=a20m_us_bglbr

¹⁴ https://advertising.amazon.com/en-gb/blog/whats-new-with-sponsored-ads-and-stores-february-2020/?ref_=a20m_us_bglbr

¹⁵ https://advertising.amazon.com/en-gb/blog/whats-new-with-sponsored-ads-and-stores-april-2020/?ref_=a20m_us_bglbr

¹⁶ <https://www.ppchero.com/amazon-new-to-brand-metrics-what-they-can-do-for-you/>



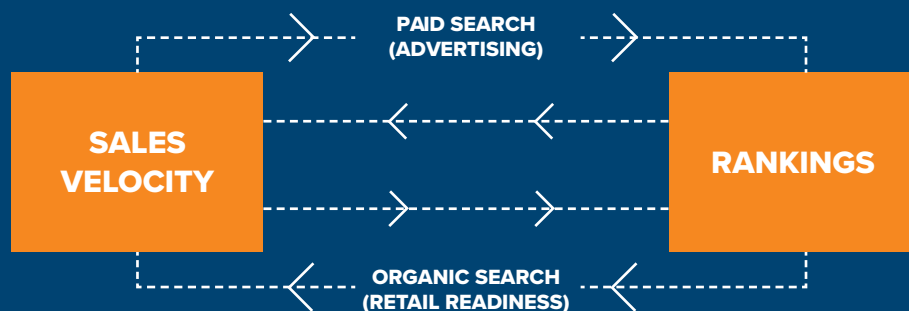
HOLISTIC SEARCH RANKING

Amazon and Google, although vastly different in many ways, share the similarity that they are both search engines functioning with the help of an algorithm. Whilst Google uses its algorithm to rank trillions of webpages, Amazon has developed its own proprietary algorithm, the A9 algorithm, to rank the millions of products available on the platform.

Although consideration behaviour is growing on Amazon, predominantly users come to Amazon to do one thing – buy. Amazon wants to cater for this commercial intent, as well as its own goal of revenue generation, by making the buying process as easy to progress through as possible. Therefore, the A9 algorithm is built in a way that will ensure users are shown the products that they are most likely to buy, to satisfy the needs of both Amazon and the customer.

The key factors that the A9 algorithm considers when ranking products are therefore commercially focused. Do users have access to all the information that they need to make a purchase? Is the product well-stocked and competitively priced? Have others had positive experiences with the product/brand?

While all of these increase the probability of a purchase, the biggest predictor of whether a user will purchase a product is the product's previous sales success: its sales velocity. Therefore, for a product to rank well it needs to sell well. But, to sell well, a product must be discoverable to users.



This is where organic and paid search on Amazon come together. Utilising Amazon's paid advertising capabilities to allow products to appear in prominent positions in the search results will attract customers and increase CTR. Ensuring that the product meets all aspects of retail readiness will increase likelihood of a purchase, which will consequently feed into sales velocity. This sales velocity will then contribute to future organic rankings.

Taking a holistic approach to search on Amazon is key for both short-term and long-term success. Building up the initial visibility of a new product or brand through paid search will help to generate sales, subsequently contributing to the build-up of organic rank. In the long-term, paid search can be used to maintain traffic, allowing for the continued and consistent build-up of sales velocity as well as bolstering other key ranking factors such as ratings and reviews. This will all feed into organic authority and rank, key for long-term success.

WHAT'S NEW IN 2020

PAID SEARCH

Sponsored Brands Video Campaigns

Tell your brand story with a product focused video within your Paid Search campaigns

Sponsored Display Campaigns

Product Display Ads have rebranded to become Sponsored Display, an ideal introduction to the world of display advertising

Sponsored Ads Product Targeting

Explore the possibilities of targeting other brands and products through product targeting on selected Paid Search campaign types

DISPLAY ADVERTISING

Prime Video (PV) Attributes in Audience Builder

Build audiences based on movies, TV series and Video on Demand content

Amazon Marketing Cloud

Enrich your measurement through customizable reporting on event-level data. Marketers can access Amazon Marketing Cloud's flexible and privacy-friendly cloud-based environment, powered by Amazon Web Services, to start making more informed marketing decisions

Fire Tablet

Access Fire Tablet inventory through the DSP and serve full length video ads on Owned & Operated inventory

Amazon Attribution

Start to unify your measurement and discover how non-Amazon channels help to drive purchases on Amazon

Amazon Brand Analytics

Access a range of reports and data invaluable to Brand Owners detailing basket size, repeat purchasers, search terms and ASIN comparison

SELLING ON AMAZON

Before investing in paid media, it's crucial to optimise the real estate you already own on Amazon.co.uk – that is, the information and services you currently offer on your product pages.

Amazon's A9 algorithm helps its customers find the best, most relevant products for their search query at the most reasonable price. At the end of the day, Amazon wants to get people to find the product they want and purchase it, thus the A9 algorithm cares about sales and success depends on how quickly you can convert ("sales velocity"). Therefore, as alluded to in this playbook, paid advertising and SEO must work together to increase visibility and subsequent sales velocity. 70% of users will not explore beyond the first page of search results but, with effective SEO practice, brands can optimise their product listings to secure a spot there organically.⁶

⁶ <https://www.adweek.com/digital/why-its-so-hard-brands-get-noticed-amazon-161429/>

RETAIL READINESS

Retail readiness describes being in an optimal position to start effectively selling products on Amazon. The general aim is to ensure that a customer can find the information they need to fully understand the product before making a purchase. There is no shortage of criteria to consider when optimising product listings – so for those new to selling on Amazon preparations should begin no less than a couple of months before any key sales events. The most crucial aspects can broadly be grouped into three broad sections – page optimisations, ASIN readiness, and logistics. The resources available for developing retail readiness elements are influenced by the choice between selling wholesale to Amazon (as a vendor) or acting as a third party on their marketplace (as a seller).

PAGE OPTIMISATION

Page optimisation is an important ranking factor in Amazon and more importantly, one that you can influence by optimising your own content. Simply put – higher position translates into more visibility and more visibility leads to higher sales and revenue. To determine search position, Amazon's A9 algorithm uses direct factors such as text relevancy, price, product availability, and even some indirect factors such as sales velocity to influence where the product listing ranks. To improve the robustness of your product page, you should consider the following:

1 RELEVANCE

Relevant content ranks well for specific keyword searches within Amazon, which in turn increases the chance of purchasing a product. More focused sales mean better page rankings and more conversions. Ensure you add relevant keywords to your title, description, bullet points, enhanced content, and product images

2 COMPETITION

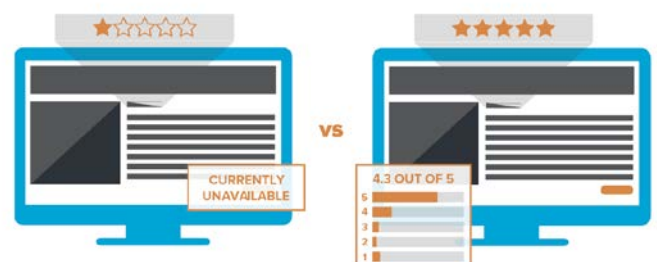
Sales velocity among other factors can influence ranks. Amazon's algorithm looks at how well a specific product is selling compared to competitors. Consider analysing your competitors' pricing strategy product information, and reviews to understand your competitive advantage.

3 AMAZON'S CHOICE

A badge added to certain products that are highly rated, well priced, and have low return rates. Badges are a great way to increase engagement, credibility, and CTR to your product pages.

4 BEST-SELLER CATEGORY

Like Amazon's choice but based on sales only (not reviews or price). If you offer the best deal and that's backed up by your sales, Amazon's algorithm will rank your pages higher.



AMAZON ASIN READINESS

Each product listed on Amazon is assigned an ASIN (Amazon Standard Identification Number). Consider the following points for ASIN optimisation:

PRODUCT TITLE

Product titles should be within 50-100 characters, address main product features and details concisely, in addition to prioritising the most relevant keywords at the front of the title.

BULLET POINTS

Each bullet should be between 10-255 characters, mentioning the features and benefits by order of importance. Include secondary keywords here where relevant in a clear, uncluttered sentence structure.

PRODUCT DESCRIPTION

Try to connect to the buyer's needs by creating a captivating description. Describe major product features such as style, size, and product use, and include accurate dimensions, care instructions, and warranty information.

IMAGES

- Ensure the product is on pure white background (RGB = 255,255,255)
- 1000-pixel image quality minimum
- Ensure the product fills 85% or more of the image frame
- Include a minimum of 5 different images that display the product in different angles, outside the packaging, and in use.

REVIEWS & RATINGS

In order to qualify for retail readiness, an ASIN needs to have at least 15 customer reviews with an average rating of 3.5 stars minimum.

AVAILABILITY

Ensure that your products are in stock as often as possible. Out of stock products can have a negative impact on organic rankings in addition to affecting your chances of “winning the Buy Box”. Amazon Marketing Services campaigns also require you to have stock for at least the last 30 days before launching a campaign.

ENHANCED BRAND CONTENT

Enhanced content can be leveraged to add images and rich text to the product description to highlight the value proposition and brand story of the product. Additionally, any supplemental information not included in the product page can be input here.

<https://tinuiti.com/blog/amazon/amazon-retail-readiness/>
<https://www.sellerapp.com/blog/amazon-retail-readiness-checklist/>

LOGISTICS

Logistical elements also factor into retail readiness:

INVENTORY ISSUES

Products running out of stock can affect campaign performance and customer experience, negatively impacting organic ranking.

FINANCIAL THRESHOLD

Whether a product is profitable to advertise is decided by Amazon's retail team and is reviewed every week

KEY TAKEAWAY

Retail readiness ensures that your product gains the greatest amount of exposure to potential customers and that your paid and organic activity is going to well-optimised product pages, by helping customers find all necessary information they need to make a purchase.

Building your expertise across all three elements is therefore crucial to both organic and paid media success.

WHAT IS IT?

The featured offer area of the detail page is where you'll find the 'Add to Cart' button. Otherwise referred to as "winning the Buy Box", it displays the brand a product is bought from at the point of sale. Only one party can be 'winning' the featured offer asset at any one time – a vendor can lose it to a third-party seller if they're offering a more competitive proposition.

WHY IS IT IMPORTANT?

Over 90% of sales on Amazon come from interactions within the featured offer area. "Winning the Buy Box" is therefore crucial to a brand's growth. From a paid advertising point of view, winning the featured offer area allows you to make the most out of your investment. If the featured offer space is lost, paid ads will either automatically pause or worse, remain live but support sales for another brand.

HOW DO YOU WIN IT?

There are various factors that Amazon take into consideration when choosing who wins the featured offer area:

SHIPPING FULFILMENT

How efficiently can you fulfil orders?

PRICE

Aim to offer competitive pricing to your customers and if possible, include shipping and handling costs in the listed price.

POSITIVE CUSTOMER FEEDBACK

Amazon favours brands who receive positive customer reviews and have a high customer response rate.

STOCK AVAILABILITY

Consistently stocked products help to avoid customer disappointment.

KEY TAKEAWAY

Winning the featured offer area is imperative to sales – keep on top of price and fulfilment options to encourage positive customer feedback.

⁷<https://www.cpcstrategy.com/blog/2018/08/win-amazon-buy-box/>

AMAZON PAID SEARCH

With your owned media in fighting shape you should begin to see an uplift in traffic and sales, but to really establish presence and scale the next step is to invest in Amazon Sponsored Ads.

Canon

“Advertising on Amazon through search ads helped us reach customers who were closer to purchase while simultaneously showcasing our brand benefits. The platform has proven to deliver cost effective & high return campaigns - with the help of carefully chosen keywords, the right bid strategies and granular budget management.”

SPONSORED PRODUCT ADS

Sponsored Product Ads (SPAs) are the most commonly used campaign type. They can appear in various locations: on the search results page at the top, middle and bottom; the last row of the browse results for category-specific pages; the detail pages under product information; and within the Amazon app.

Targeting options:

AUTOMATIC TARGETING

MANUAL KEYWORD TARGETING

PRODUCT TARGETING

Typically, SPAs command 65% of spend, and achieve a £0.57 CPC with a 0.4% CTR, varying by placement and industry.



At Merkle, our approach is to construct comprehensive manual keyword lists as this gives a higher degree of control, and therefore grants greater efficiency. However, other options are available:

Automatic targeting: let Amazon decide which keywords to bid on. You can select the match types that you want to utilise including close match, loose match, substitutes and complements.

Product targeting: target products or categories (defined by Amazon) which can be refined by brand, price or star rating. Both of these options can help you improve reach and specificity beyond keyword targeting.

Bidding Features - Exclusive to SPAs:

- 1 CAMPAIGN BIDDING STRATEGIES**
Allows you to decide whether Amazon automatically bids up (to 100%), down or makes no % adjustment based on the likelihood of conversion.
- 2 PLACEMENT ADJUSTMENTS**
Allow you to bid up by up to 900% on Top of Search or Product Page placements to boost visibility in top-performing placements. This can combine with bidding strategy adjustments for the theoretical optimum bid.

New Features in 2020:

- Sponsored Product targeting available in AU and UAE
- Ability to create ad groups within campaigns
- Ability to add negative keywords for auto-targeted campaigns at the campaign and ad group level

KEY TAKEAWAY

Use manual targeting to achieve more control and efficient results, if there's an appropriately granular keyword list.

Make sure to check SQRs in the interface day-to-day to improve targeting and performance.

Test out the available bidding, targeting and placement features to find out which works best.

SPONSORED BRAND ADS

Sponsored Brand Ads (SBAs) are the most prominent campaign type on Amazon Advertising. To use these, you'll need to be a vendor or third-party brand registered seller. They appear as banner ads in a variety of placements including: the top of search results page (above all other organic and paid results); below the fold on the results page and on the left-hand rail on desktop.



These appear with a 50-character headline, featured image (often a logo) and three other product image slots. This means SBAs now only need at least one ASIN to run, although we recommend running with at least three where possible to maximise product visibility. The headline and images are provided by the advertiser, so there is a longer approval process of up to 72 hours. When clicked on, traffic will be directed to either an Amazon-made page list of the ASINs in the campaign, a Store page, or a custom URL – if you have one available.

In addition, the recent launch of custom images (beta) allow advertisers to further customise their ads beyond the basic logo and product images, ultimately commanding more retail space on Amazon and drawing customers' eyes to your brand with the view to increase engagement and ultimately sales.

SPONSORED BRAND ADS

SBAs only use manual keyword lists, so it is important to be as granular as possible with the support of SQR reports. Despite this, it is possible to add negative keywords to SBAs to control search queries. Keywords are capped at 1000 per campaign, so it's also worth leveraging any existing keyword data you have from other channels. Broad Match Modified keywords can help get around this limit, but a level of control is relinquished when using these.

Options to optimise have increased, including various bidding options such as Automated Bidding. It is also possible to view, and therefore optimise towards, New-to-Brand metrics which represent orders and revenue from customers who haven't bought from your brand on Amazon in the last year.

SBAs often command 25% of the budget with their benchmark CTR of 0.7% and £1.20 CPC, which of course may vary according to the activity you are running.

New Features in 2020:

- Product targeting (individual or categories) that you can refine by brand, price or star reviews
- "Suggested bids" replace "win rate", providing insight into the auction and suggests bids accordingly
- Search term reports are now available
- Taller mobile carousel to feature all three products, a headline and brand logo
- Sponsored brands video (beta) to help advertisers stand out on desktop and mobile shopping pages and aid in brand discovery
- Creative editing (change the products, headline and logo)
- Sponsored Brands can now show on product detail pages
- Custom images (beta) to highlight the brand profile

BENEFITS

Increase reach and visibility in the most commanding ad slot on a results page. Advertise multiple products at once for cross-selling and upselling potential.

KEY TAKEAWAY

Make the most of customisable copy and the ability to advertise multiple products. Experiment with different upselling, cross-selling, brand and competitive strategies. Drive traffic to your Amazon Store or another landing page to maximize return.

SPONSORED DISPLAY

Sponsored Display Ads (SDAs) are the least optimisable ad formats, but still should not be omitted from consideration. They appear underneath the featured offer on product detail pages, at the left or bottom of search results, on the customer review pages, or on top of the offer listing page. Like SBAs, these include a 50-character headline, but only one brand image together with an automatic image of the chosen ASIN. One click will direct customers straight to the product detail page.

Targeting options:

PRODUCT
TARGETING

CATEGORY
TARGETING

INTEREST
TARGETING



Each targeting method has benefits due to the inverse relationship between reach and control. SDAs can be utilised for competitive campaigns, for instance by targeting competitor ASINs to divert traffic away from their product pages. They're also useful in defensive strategies to prevent competitors from doing the same. In this vein, SDAs hold strong cross-selling and upselling opportunities.

SPONSORED DISPLAY

There are a few things to consider with SDAs. Firstly, only one ASIN can be selected to advertise per campaign so this should meet Retail Readiness requirements. It's also worth noting that your SDA campaigns are paused when your ASIN goes out of stock. The approvals process can take between one and three days too, so make sure to stick to Amazon's specifications to minimise disapprovals:

1 HEADLINES OF 50 CHARACTERS OR LESS

Cannot include certain standard terms or specific % discounts. All claims made here must be substantiated on the product page.

2 THE BRAND NAME

The brand name should be kept consistent across ads.

3 THE LOGO

The logo chosen should be clear and up to date, ideally at 100x100 pixels.

CPC benchmark of £0.84 and usually command the smallest portion of budget at 10%.

KEY TAKEAWAY

Experiment with targeting options to find the right balance of reach and efficiency.

Make sure the ASIN chosen in each campaign is 'Retail Ready'.

Stick to Amazon's Advertising policies to minimise approval wait times.

AMAZON STORES

Storefronts are a highly valuable and distinctly underused aspect of Amazon's retail strategies. They highlight a brand's product range and provide a brand-centric shopping experience for consumers as they journey through store pages – much like they would on a traditional retail site. Because of this, Amazon states that store pages can help foster brand loyalty and boost sales. Owning a properly maintained store equips advertisers with a much more engaging alternative to the typical Sponsored Brands landing page – usually a bare bones 'search result' style page. In fact, if you link SBA campaigns to a store page, Amazon estimates a 22% uplift in ROAS. A second noteworthy benefit is an improved ability to communicate specific promotions. The deals widget will automatically populate with all ASINs under offer, and store pages offer ample space to explain more complex promotions. Beyond promotions, continuous expansion of creative building blocks allows advertisers to fully present their brand, including Shoppable images, Galleries featuring a mixture of images, text and video and many more.

REQUIREMENTS

To be eligible to set up an Amazon store page, you need to be a listed vendor or third-party seller who has registered at least one brand on Amazon Brand Registry.

A FEW OTHER KEY BENEFITS

- MULTI-PAGE EXPERIENCE
- OPTIMISED FOR MOBILE
- ALWAYS-ON BRAND EXPERIENCE
- FREE & EASY TO USE
- CUSTOM REPORTING DASHBOARD
- INTEGRATION OF DEALS

WHERE CAN TRAFFIC BE DIRECTED TO STORES FROM?

Sponsored Display Ads (SDAs) are the least optimisable ad formats, but still should not be omitted from consideration. They appear underneath the featured offer on product detail pages, at the left or bottom of search results, on the customer review pages, or on top of the offer listing page.

Like SBAs, these include a 50-character headline, but only one brand image together with an automatic image of the chosen ASIN. One click will direct customers straight to the product detail page.



As alluded to above, the ad formats chosen to direct to the Store, and where to within this, will depend on the campaign strategy. If, for instance, the main focus is visibility, Display and Video ads may be directed to a more general page, whilst product focused SBAs may direct to a product specific page. Further, testing which Store page is most effective in driving traffic and sales should be a key focus across all ad formats, in particular as part of any competitor strategy. The building process relies heavily on templates which makes for a relatively painless experience. For more adventurous designs, some advertisers look to outside creative teams for support, such as ours at Merkle.

KEY TAKEAWAY

Amazon Stores provide the user with a custom branded experience without leaving Amazon.co.uk, showcasing full product ranges and spotlighting specific promotions.

REPORTING & ATTRIBUTION

MERKLE

REPORTING

The ability to pull certain reports in Amazon Advertising is still in its infancy. However, there are several exportable interface reports that can be useful. SPAs have five reports showing data from the last 90 days, unless otherwise stated:



SEARCH
TERMS



TARGETING



ADVERTISED
PRODUCTS



PLACEMENTS



PERFORMANCE
OVER TIME

SPAs can also now pull campaign reports. SBAs only have reports available with a reporting period of up to 90 days:



KEYWORDS



KEYWORD
PLACEMENT



CAMPAIGN



CAMPAIGN
PLACEMENT

SBAs can also now pull search term reports. Reporting for SDAs is the least advanced with just a summary available that can only be downloaded for individual campaigns.

ATTRIBUTION

Amazon Attribution is complex due to the nature of the marketplace and the fact that multiple sellers/vendors can appear for the same ASIN. However, all sales are attributed on a last-click basis e.g. if a customer clicks an SBA and then converts through an SDA, the SDA receives the credit. The standard attribution window is 14 days for all campaign types and all media channels (AMG, Amazon Advertising, Amazon DSP) are de-duplicated. The complications occur due to differences between SPAs, SBAs and SDAs campaigns:

FOR SPAS

a sale is attributed when a customer who clicks on your ad buys any of your brand's products within the same category. It will only count sales when Amazon was the seller, and will not count sales of your product by any third-party merchant. SPA sales will also exclude order cancellations or payment failures.

FOR SBAS AND PDAS

the same applies, except both Amazon-sold and third-party products are included. It's also possible to view sales attributed to different time windows through an API connection or a third-party tool. This, however, is the extent of the manipulation of Amazon attribution for now. In the future we're hoping to see a range of pre-made models that factor in more data-driven attribution, as well as the functionality to create models to create models yourself, that don't undersell the impact of top-of-funnel ad types such as SBAs or even display activity. Greater visibility of the interaction between Amazon and other channels would also be a vital addition.

	SELLER CENTRAL	VENDOR CENTRAL
Sponsored Product Ads	7 day/last click	14 day/last click †
Sponsored Brand Ads	14 day/last click †	14 day/last click * †
Sponsored Display Ads	14 day/last click †	14 day/last click * †

† Halo attribution - if a user clicks on the ad and buys any product under your brand name, it will attribute a sale
 *sale attributed when the product is bought from you or **another seller**

INCREMENTALITY

Although Amazon's attribution offering is limited in showing the true incrementality of sales on Amazon Advertising compared to Organic, there's clear incremental gain when looking at Amazon as an expansion of retail activity more generally. Google Shopping is quickly becoming an overcrowded marketplace with high competition and, as a result, higher CPCs that diminish profitability and yet it enjoys continued prominence in e-commerce retail strategies. Amazon's marketplace, on the other hand, offers an opportunity to convert incremental sales in a channel that is still on the rise. For many advertisers using both in tandem will result in continued revenue on a well-established channel coupled with sales growth from a hitherto untapped source.

ANALYTICS

The newly branded Amazon Brand Analytics is an exciting update for brands selling on Amazon who didn't previously have access to ARA Premium, with a new portfolio of metrics available:



**SEARCH
TERMS**



TARGETING



**ADVERTISED
PRODUCTS**



PLACEMENTS



**PERFORMANCE
OVER TIME**

This new data will provide brands with an additional layer of data and insights to feed into their Amazon strategy. Despite this data being aggregated at account level and unable to be broken down by channel, it still acts as a new and valuable source of both Amazon and general marketing insights. In order for brands to unlock ABA they need to ensure they are a registered brand.

There haven't been any updates with regards to new metrics that ARA Premium users are able to see, however, we hope that ABA is the start of a shift towards more visibility of key metrics on Amazon.

KEY TAKEAWAY

Amazon Brand Analytics is the most comprehensive Amazon analytics package. These insights can form the basis of a strategy, to be fed back into Amazon marketing channels to increase overall performance.

PLATFORM LIMITATIONS

MERKLE

Relatively speaking, the Amazon advertising platform is still in its infancy, and as such there are still quite a few features that are yet to become available. Below are a few to be aware of, along with some solutions that we suggest:

CAMPAIGN CREATION

The Amazon marketing platform is still quite rigid, meaning often it is hard to make campaign changes once something has been set live. Since it isn't possible to change SDA campaign names once live, we recommend clear and consistent naming conventions.

REPORTING & BUDGET LIMITATIONS

At present, there is not yet an ability to create a weekly reporting dashboard within the Amazon platform. Additionally, most sales data is only available from three days prior to the day of pull. For example, to pull performance figures from Monday, you would need to wait until Thursday for the data to be complete. The same is true for budgeting features – no tools are yet available within the advertising platform, meaning we have to look to third party solutions for a workaround.

AUDIENCE VISIBILITY LIMITATIONS

Currently, audience targeting is not available through Search advertising, meaning it is harder to tailor strategy around audience segments. Similarly, there is no visibility over performance split by device, location or demographic.

THIRD-PARTY TOOLS

Overcoming these limitations requires some exploration of third-party tools and the possibilities opened up by Amazon's API. These can provide integrated budgeting and reporting solutions that factor in SPAs and SBAs. In addition to this, historical data can be stored for longer than the Amazon interface allows; indefinitely in some cases. They can also make routine optimisation tasks more efficient through the use of custom automated rules and more UX-friendly campaign creation interfaces with adaptable start dates. Finally, they offer the capability for notifications and alerts, particularly around featured offer eligibility and budgeting.

AMAZON DSP

Amazon's display offering presents another paid tool for reaching potential customers at scale – often building on a search strategy by directing users to retail-ready product content.



“Since using Amazon display we’ve seen overall cost per quote improve by 16%. We believe this improvement in performance is due to the relevant audiences we have been able to target through Amazon display.”

TARGETING & AUDIENCES

Amazon's DSP offers a number of varied targeting and audience options for advertisers. These range from fairly standard DSP targeting, such as supply source, to refined audience solutions leveraged through Amazon-owned data and those created, uploaded and utilised by the advertiser themselves. In keeping with a people-based marketing strategy, Merkle's activations on Amazon's DSP work to leverage the addressable media opportunities available via people-based IDs. Integrations via our proprietary platform are available to effectively sync media activations across multiple platforms, whilst delivering media across Amazon's exclusive inventory. Through this, Merkle is placed to drive better media reach and performance against the users who matter to the advertiser.

PARAMETERS

These non-audience targeting elements allow advertisers to govern the cut and dried elements of their campaign, such as reaching users within the United Kingdom, advertising on Amazon.co.uk only or activating only on weekdays. Within the platform you can now access Double Verify, IAS and Oracle for increased brand safety.

SOLUTIONS - LEVERAGING PROPRIETARY DATA

Amazon has an abundance of proprietary audience data which is gathered from retail transactions, IMDb, prime video and users' account details.

IN MARKET

These segments consist of users who have completed actions to show they are in market for certain product sets. Examples include Action and Adventure Books, Blu-ray Players, and Coffee Machines.

LIFESTYLE

These segments consist of those whose shopping patterns indicate they are in a particular stage of life or whom have an interest in a particular category or product. Examples include Career Seekers, Parents with Babies and Audiobook Listeners.

DEMOGRAPHIC SEGMENTS

Allows advertisers to reach users based on their age, gender, number of children, income, homeowner status, property value, marital status and more.

SOLUTIONS - LEVERAGING PROPRIETARY DATA

IMDB

These audience segments are now available for remarketing of users based on visits to, or engagements with, IMDb Film Pages, specific genres and people. These interest-based audiences are extremely valuable for entertainment clients needing the reach for the correct fan base.

AMAZON GARAGE

Allows advertisers to reach audiences comprised of specific car brand owners (e.g. Ford, Mercedes-Benz, Audi etc.) based on car parts purchases through Amazon.

CATEGORY-BASED NODE SEGMENTS

Consist of users whose interactions with the browser nodes on the left hand side of the Amazon Search Bar signal that they are in-market for a particular category as well as targeting websites based on IAB content categories and keywords appearing on the webpage.

ADVERTISER AUDIENCE SOLUTIONS

PIXEL BASED AUDIENCES

These are created from pixels on the advertiser site. These pixel-based audiences allow advertisers to reach past site visitors and engagers and often represent an effective strategy of any campaign. Amazon smart pixel allows advertisers to have greater granularity to onsite measurement by measuring multiple components of onsite measurement

ADVERTISER HASHED AUDIENCES (USUALLY OWNED CRM DATA)

These are created from advertiser-owned mobile IDs or customer email addresses. The user information will be anonymously matched to the Amazon database and allow an advertiser to drive ad exposure from the DSP.

DMP AUDIENCES

These are available to advertisers working with data management platforms (DMP) and can be transferred to the Amazon DSP. Changes to audiences within the DMP will be updated automatically in the DSP on a daily basis.

ADVERTISER AUDIENCE SOLUTIONS

LOOKALIKE AUDIENCES

These are modelled from advertiser-level segments (pixel, DMP, CRM) and use Amazon’s matching algorithm. Lookalike audiences extend reach to new users who share attributes and interests with an existing advertiser audience.

ASIN AND BRAND AUDIENCES

These are custom built based on user views, searches and purchases of any products on Amazon.

AD FORMATS

Creatives can be served either through Amazon or via an ad server. The decision on which to run will largely depend on the creative resources available, client (Amazon retail or not) and line item inventory type. There are six creative groups as follows:



IMAGE

Standard image file uploaded to the DSP.



THIRD-PARTY

Display or Video assets trafficked from a separate ad server via third party tags.



VIDEO

Video file uploaded to the DSP.



DYNAMIC ECOMMERCE

Native format creative linked to and based on a specific ASIN.



NATIVE

Image uploaded and served in-feed to complement user experience.



AUDIO

Audio file uploaded to the DSP.

KEY TAKEAWAY

Unrivalled data - Using Amazon’s robust transactional data and your own first-party data you can be really targeted in how you build audiences

AMAZON DYNAMIC ECOMMERCE ADS

These are a popular and well-recommended choice for advertisers selling products through Amazon. The creatives have a native element and can be created in just a few clicks at no cost to the advertiser, including various product elements from Prime eligibility to customer reviews. Advertisers can include a custom-designed image or the pack-shot image from the product's page, and ads automatically optimise variations to better achieve campaign goals.

MANAGED SERVICES - ACCESSING EXCLUSIVE INVENTORY AND FORMATS

Amazon provides managed-service media through the part of their advertising business formerly known as Amazon Media Group (AMG), now rebranded under Amazon Advertising. Although here at Merkle we champion the self-serve management of campaigns for our clients, there are select formats and inventory sources that are only available via managed services. These include, amongst others, placements on audio through Amazon Music and high-impact skins on IMDb. While most Amazon products can be managed to a return on ad spend (ROAS) efficiency benchmark, these high-impact units are great for driving brand awareness and product page views as part of a comprehensive paid media plan.

MEASUREMENT CONTINUITY

Tracking functionality via both pixel and product code is maintained when running managed-service media. This provides the benefit of conversion focused-optimisations for both endemic retail and non-Amazon retail advertisers. Clients are thus able to effectively measure the direct impact of these media buys on their business.

TARGETING AVAILABLE

Managed-service formats offer the same audience-rich data available through the Amazon DSP to reach the desired audience for your campaign. Additionally, an impression-based pixel can be set up campaign-wide to populate an audience segment available for any additional activations on the DSP. This can also be implemented at the creative level to support the development of a sequential message.

NON-RETAIL ADVERTISERS

These exclusive high-impact products offer powerful branding opportunities for non-retail clients too, leveraging proprietary audiences and conversion tracking to support a comprehensive paid media plan.

REPORTING ON AMAZON DSP

Reporting on Amazon DSP is simple and reports are readily available through the interface. There are six available to cover the various requirements of advertisers looking to understand the delivery and performance of their campaign. Most commonly used is the Performance Report which reports campaign metrics to a specified level (e.g. advertiser or insertion order) for a campaign. A full list of available reports can be found [here](#).

ATTRIBUTION REPORTING

Amazon DSP supports **cross-device attribution** via its logged-in user base. This means conversions across devices can be reliably attributed to any paid media activity. Within this, Amazon uses an attribution window of 14 days for each conversion event. The approach to attribution in the platform is dynamic, with Amazon recently adopting **MRC viewability standards** for conversion attribution as a case in point. This means Amazon now measure a viewable ad when at least 50% of the pixels are in view for at least one second. Only impressions deemed viewable are eligible for view-through conversions. However, in Amazon's attribution model, clicks are always prioritised over viewable

impressions. Whilst Amazon move to improve the reliability of their display attribution, we've yet to see a cross-channel attribution solution be supplied. As a result, customer journeys to purchase that are resultant from interactions and/or impressions across both display and search are not able to apportion credit. For non-endemic advertisers, however, our diligence in setting up robust attribution models via **Campaign Manager** and **Google Analytics Premium** offers a strong solution to understanding how Amazon media interacts with other channels in the consumer journey.



MULTI- CHANNEL STRATEGY

MAJOR SALES EVENTS

As a retail-first platform hitting key dates in the calendar can significantly bolster Amazon product sales. Consider Prime Day with Amazon seeing over \$7.1 billion in sales, which was a 71% increase from 2018.⁸ In order to capitalise on surges in demand it's important to have a robust, multi-channel strategy in place to drive consideration and product selection.

⁸ <https://content-na1.emarketer.com/the-amazon-prime-day-2019-halo-effect>.

PREPARATION

Preparation for sales peaks should begin months in advance. Of primary concern is adherence to 'retail readiness' and confirmation of stock levels in the lead up to high volume periods. Beyond that there are a few further important considerations:

AS THESE PERIODS HAVE THE HIGHEST CUSTOMER CONVERSION INTENT, OTHER BRANDS WILL BE INCREASING THEIR ACTIVITY

Maintaining current levels of visibility will therefore require higher bids, and targeting an increased share of impressions will necessitate higher bids still – with campaign budgets also relaxed to accommodate a more aggressive bidding strategy. If you are planning to run display over these periods as part of a comprehensive brand strategy, it's a good idea to book in any direct media as early as possible to avoid missing the inventory.

ASINS NEED TIME TO BUILD UP PERFORMANCE HISTORY

They also won't perform efficiently if just introduced to the account on the day of the sale without historical data.

AD COPY IS AN EFFECTIVE TOOL FOR SBA AND SDA CAMPAIGNS

Ensure that these have calls to action related to the current sale, in keeping with Amazon's advertising policies.

CONSIDER TEMPORARY COMPETITIVE EXPANSION OR BRAND PROTECTION DURING HIGH-INTENT TIMES

Having your ad in the right place at the right time could make the difference in whether the customer chooses your product or not.

ON THE DAY

As well as the preparation, there are a few things to remember on the day of the sale:

SPEND AGILITY IS KEY

Amazon's reporting limitations can be an obstacle to seeing live levels of spend, which is where third-party solutions come into their own.

HARD BUDGET CAPS ARE USEFUL

These ensure that bids aren't scaled to a level that risks channel overspend.

BID CHANGES CAN BE INEFFICIENT TO IMPLEMENT

This is especially true in sale periods where timing is imperative. Bulk sheets allow for agile bid edits at scale.

AFTER THE SALE

Once the sale concludes, a third set of considerations ensures a seamless transition back to BAU:

- 1 PAUSE ANY SALE-SPECIFIC ACTIVITY EFFICIENTLY**
by leveraging bulk tools.
- 2 REVERT ALL BIDS AND CAMPAIGN BUDGETS**
back to BAU levels, again with the help of exported bulk sheets.
- 3 ENSURE THAT SBAS & PDAS WITH SALE AD COPY ARE REVERTED**
to avoid disapprovals.

KEY TAKEAWAY

Black Friday and Prime Day are the two biggest annual sale days on Amazon, so a thorough strategy is essential for these days and surrounding periods.

Preparation is key – this process should start well in advance of the high-intent period to ensure retail readiness.

Leverage Amazon's bulk tools in advance to ensure seamless performance.

Book in direct media buys via the Amazon Advertising service line as far in advance as possible to ensure campaign objectives and spends can be fulfilled.

MULTI- CHANNEL STRATEGY

ALWAYS ON

Keeping a multi-channel perspective yields benefits outside of key sales periods too. Advertisers can use insight from existing channels to hit the ground running on Amazon, as well as take advantage of Amazon's improving array of softer engagement metrics to prove value across the funnel.

LEVERAGING EXISTING CHANNEL INSIGHTS

Most retailers should be considering a paid always-on strategy on Amazon, but this doesn't have to exist in silo from the wider digital mix. As previously mentioned, the new portfolio of metrics available through Amazon Brand Analytics (ABA) bolsters Amazon's growing value as a source of insight to supplement other marketing channels. Through the following metrics:

Search Terms

Repeat Purchase

Behaviour Market basket Analysis

Item Comparison & Alternate Purchase Behaviour

Demographics

This uncovers a new wealth of data to analyse and strategise with. Despite this data being aggregated at account level and unable to be broken down by channel, it still acts as a new and valuable source of for both Amazon and general marketing insights.

SEARCH

Product-level performance data from search or shopping campaigns can be used to inform which ASINs to prioritise in paid Amazon activity. For example, promoting best-selling products through paid activity, or upselling different products based on which products tend to be bought together. And more broadly, search data can form the basis for mapping out a campaign keyword structure on Amazon, led by which elements of search coverage drive the most volume on other platforms. Once in place this presents an opportunity to move budgets more fluidly between channels for any given product category based on performance, although, as we've covered, there are clear limitations around making like for like performance comparisons between platforms.

DISPLAY

Insights from social or other display campaigns can be utilised to good effect when starting out on Amazon DSP. For example, interest-based audiences and demographics that perform well elsewhere can be a powerful starting point for testing on Amazon. Of course, this is not just limited to targeting considerations – creative and inventory learnings should also be adopted as a baseline best practice in the short term, before insights can be gathered from larger Amazon-specific creative tests.

MULTI-CHANNEL REPORTING

THE 'SEARCHES' METRIC

Identifying, developing and capturing user consideration throughout the funnel.

Searches, a reporting metric within Amazon DSP, offers advertisers insight into which advertising tactics are driving key search terms. This ad-attributed metric allows advertisers to accurately tie display campaign exposure to search queries on the Amazon marketplace, providing insight into which tactics are driving consumers into the consideration phase of the customer journey.

RETAIL INSIGHTS (BETA)

Measuring the wider brand impact of Amazon media.

The Retail Insights report (currently in Beta) is an effective tool for assessing the impact of media on a brand. Reporting on retail data 30 days prior to a campaign's start date, during a campaign's flight, and 30 days after a campaign ends, the Retail Insights report includes information on detailed page views, sales, search impressions and other metrics about products' overall retail health.

NEW-TO-BRAND REPORTING

Developing an informed strategy to drive new customer acquisition.

New-to-brand reporting metrics enable advertisers to measure ad-attributed purchases generated from first-time customers to your brand on Amazon. Working to a one-year lookback window, the report covers new-to-brand product sales, new-to-brand ROAS and total new-to-brand purchase rate, with this final metric giving the number of new-to-brand purchases for both promoted and brand halo products relative to the number of ad impressions. Such insights into the customer base generated from advertising offers an invaluable measurement tool for advertisers looking to grow their market share and develop new customer acquisition. With this, strategies can be better designed to meet business goals that might be tied to driving net market share, whilst being able to measure this worth using the brand's customer lifetime value.



WHERE NEXT?

In terms of functionality and sophistication Amazon's platforms still have some ground to make up on other advertising platforms; features such as retargeting for search, device bidding and visibility on intraday performance remain to be seen. But they have been investing heavily in their advertising infrastructure over the past two years - and the result is a fast-improving set of capabilities to target Amazon users and manage ad spend effectively.

Among the growing tools on offer are a much-improved user interface, metrics and tools to measure on-site behaviour, and the facility to run video ads through the DSP. Planning and insight tools are also becoming more of a focus which will be of most benefit to advertisers who have already built up a strong arsenal of owned and earned media. As a data-driven marketing agency our hope is that alongside this we'll see investment in Amazon's measurement systems. This will begin to empower advertisers to build a case for directing their media spend where its effect is most strongly felt – not only between Amazon search and display activity, but also as part of a wider channel mix.



PARTNER WITH US

Growing a business in the Amazon ecosystem requires an understanding of the interconnected nature of merchandising, marketing channels and logistical elements that underpin the full operation. Achieving a baseline of retail readiness prepares the ground for paid media uplift, creating the momentum required to start maximising commercial opportunities on Amazon. At Merkle we have a rich background in paid and organic media, and a proven record of optimising these interrelated components for marketers and brands. To learn more about making a success of your Amazon business visit our website at <https://www.merkleinc.com/emea/> or get in touch at amazon-uk@merkleinc.com.