

COMMERCE LAB

7 MISCONCEPTIONS ABOUT amazon E-COMMERCE

Ogilvy



7 MISCONCEPTIONS ABOUT AMAZON E-COMMERCE

01.

Amazon is only a sales channel

02.

Amazon is made for low-priced products

03.

Only 'best sellers' are worth optimising

04.

A good product pack shot is all you need

05.

Amazon's search algorithm is the same as Google

06.

Success depends on a great product listing

07.

Amazon is a set-up and step back type of platform



AMAZON IS ONLY A
SALES CHANNEL



Amazon is often seen as just a marketplace. But it's become much more than that – it's now a key platform for product discovery.

The way shoppers use Amazon is changing:

- ✦ 50% of online shoppers start their search on Amazon.
- ✦ Shoppers use the platform to compare products, check price and rating, and find information about a brand.

Amazon is a storefront for your brand online, and offers an array of features and functions to allow brands to tailor content to inspire shoppers in their brand discovery:

- ✦ Shoppers can now use AR functionality to design their own home with your products (if you've added a 3D version of the product).
- ✦ Amazon Inspire allows shoppers to highlight their favorite products and share their UGC.
- ✦ The A+ content space offers a space for brand content and now allows interactive content or video.

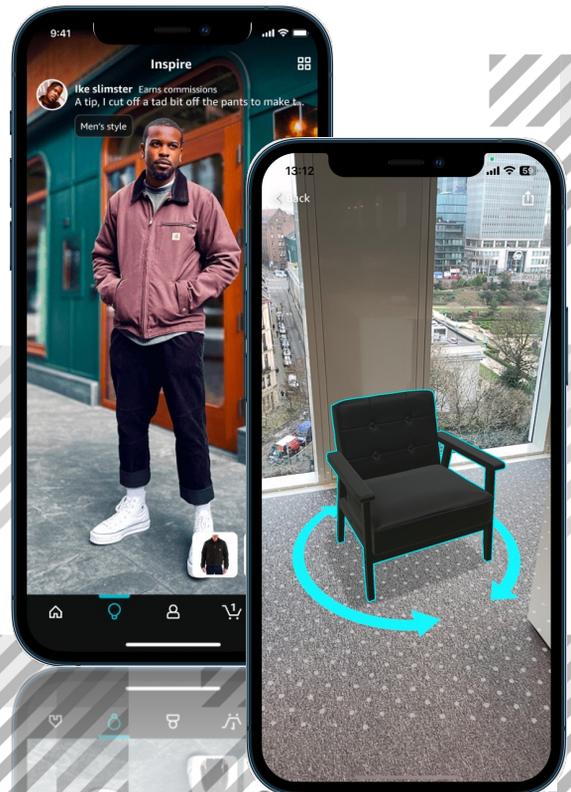
Amazon is also a media platform: with native formats and exclusive targeting based on customers shopping habits.

Boost your sales by...

Ensuring your content helps create a connection with customers.

Integrating Amazon into your omni-channel marketing strategy and using the full potential of the platform to boost sales.

Building a brand display as part of your advertising strategy - visible on all the products - showcasing wider information and upcoming events.





1.06%	532.01	02.05	4
0.01%	343.05	09.15	0
0.27%	452.61	12.05	0
3.03%	122.01	14.89	1
0.17%	562.43	93.15	3
2.09%	122.85	53.05	1
2.14%	345.07	71.23	1
0.12%	032.67	44.07	0
0.99%	109.73	33.74	0
1.34%	107.45	38.1	1
4.23%	786.06	30.06	4
0.32%	622.66	04.11	6
0.15%	211.06	02.01	1
1.34%	233.01	72.96	1
3.12%	155.45	06.54	3
5.04%	172.83	32.01	2
1.12%	023.03	01.11	0
0.55%	034.56	02.34	0
0.99%	662.09	0.06	1
1.04%	033.21	7.32	3
4.24%	144.75	2.72	6
0.33%	144.76	3.3	2
1.11%	067.76	0.38	0
0.32%	56	0.9	9
3.9%	56	7.17	11
1.2%	56	1.66	6
0.5%	56	1.48	7
0.5%	56	1.74	36
0.5%	56	1.74	74
0.5%	56	2.3	23
0.5%	56	2.6	26
0.5%	56	1.4	14

AMAZON IS MADE
FOR LOW-PRICED
PRODUCTS



Many sellers perceive that low prices are the key to success. But being able to get a lower price on products on Amazon doesn't mean consumers only ever look for entry price products.

In our analysis of several categories and markets we found that categories are often dominated, measured based on sales, by brands with a higher average selling price than the category benchmark.

A good example is the vacuum cleaner market. Most of the traditional brands focus on entry level vacuum cleaners on Amazon and keep their more advanced models (e.g. robotic vacuum cleaners) for other retailers.

However, our study found that the robotic vacuum cleaner sub-category was responsible for 40% of the overall sales value of the category. And the product driving most revenue? An 850€ vacuum cleaner - far above the category average of 186€.

During promotional events, our study showed average selling prices increased, in many cases they doubled. During these events consumers are looking for high-end products where the promotions are more enticing, making these events a great opportunity for brands to push their star products.

Boost your sales by...

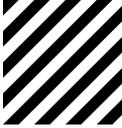
Reviewing which products you have listed on Amazon and considering expanding your product set.

Building a sophisticated market study and in-depth view of your performance versus key competitors to understand where your products rank. Leveraging data to improve key listings and building a strategy for long term growth of high-end products.



ONLY 'BEST
SELLERS' ARE
WORTH
OPTIMISING





Amazon's cross-sell solutions present a great opportunity to increase sales across your product portfolio, so avoid focusing on just your 'best sellers'.

Because a few products often generate a majority of sales, it can be tempting to focus your efforts solely on those. But Amazon's cross-sell solutions present a great opportunity to increase sales across your product portfolio by pushing products with good potential on your top performing product pages. Those products which generate a good conversion rate but lack visibility - possibly because they aren't generating enough sales to be pushed by Amazon - will benefit from this organic traffic and start to become more visible.

Boost your sales by...

Investing in creating a product page for every product to ensure maximum sales growth.

- ✦ This cross-sell strategy can increase a product ranking by 25% in less than 3 months.
- ✦ In a recent client example: Instead of focusing only on 20% of their products as they were doing, we optimised 70% of their catalogue, helping them double their revenue during the first year.

Metal Detox



Soins Série Expert		
Tout type de cheveux	Type de cheveux	Cheveux longs
Protection	Besoins	Pointes affinées
Anti-casse	Bénéfices	Combleur de pointes
Glicamine	Ingrédient star	Filler A-100
<input checked="" type="checkbox"/>	Usage quotidien	<input type="checkbox"/>

Pro Longer



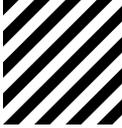
En savoir plus



EU 28/01/2018



A GOOD PRODUCT
PACK SHOT IS ALL
YOU NEED



One clean pack shot of your product is not enough. Brands need to engage consumers creatively to really build engagement and conversation.

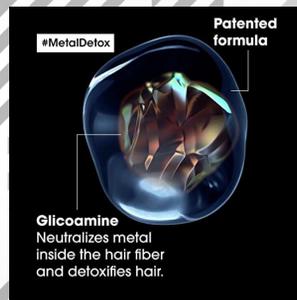
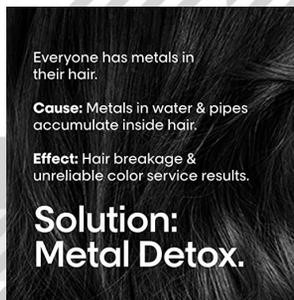
When it comes to Amazon, brands often think that the best way to highlight their product is to use a good pack shot with six pictures from six different angles. This is a missed opportunity to promote extra information about your product at the first stage of shopper discovery.

- ✦ The product image carousel is the first thing that people look at, especially on mobile as it takes up most of the screen.
- ✦ The information that you are pushing in your visuals should speak to potential user barriers to make them even more relevant.
- ✦ This strategy can increase conversion by 30% against the average rate.

Boost your sales by...

Creating conversion-oriented visuals, including conducting listening reviews to identify potential customer barriers that can inspire great visuals.

Using one clean pack shot of your product alongside five visuals that each bring new information about your product to light.





95

AMAZON'S
SEARCH ALGORITHM
IS THE SAME AS
GOOGLE



Amazon's algorithm differs significantly from the likes of Google and others. It's focus is almost entirely on generating revenue.

Because Amazon ads and Google ads are two search-based advertising solutions it's easy to assume the two are similar. However, each algorithm is unique and has a different goal.

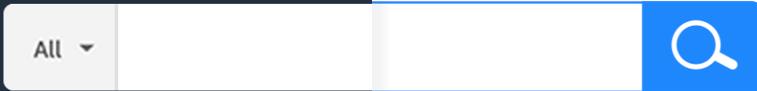
The goal of the Google algorithm is to give the best answer to a specific question asked.

The goal of Amazon is to push the best-selling products, so it uses parameters such as rating, product stock, return rate, and ease of delivery to prioritise results. So, you need to adapt what you do.

- ✦ Amazon pushes your products based on sales, so the more you sell, the more Amazon will push your product.
- ✦ The algorithm is seeking a steady increase in your sales, and not a one-time increase potentially generated by a random factor. This means it could take 3 months to see the results of your actions, but from that point the improvement is likely to be exponential.

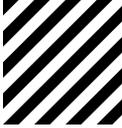
Boost your sales by...

Understanding your share of voice and the organic and paid visibility for each keyword and adapting your strategy accordingly.



SUCCESS DEPENDS
ON A GREAT
PRODUCT LISTING





Having a good product listing on Amazon is essential, but it isn't enough.

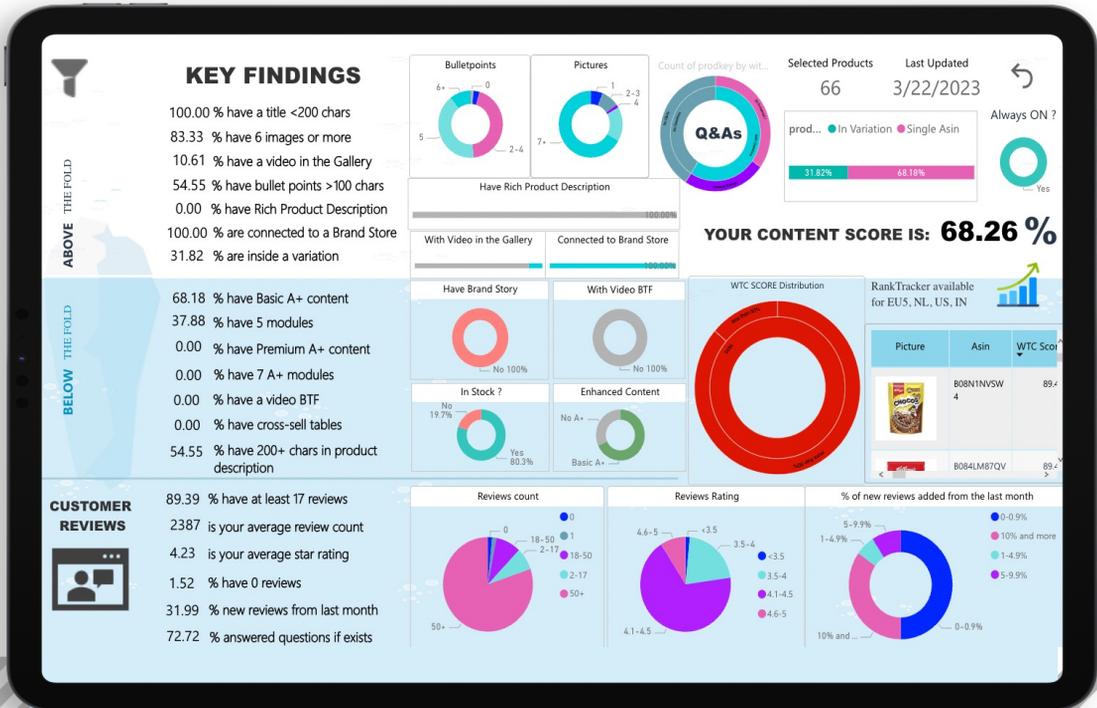
Based on our research, there are many other parameters taken into consideration by the Amazon algorithm when it selects the products to push.

Finally, the A+ content that will help you to increase your conversion rate: address potential customer barriers, include branding elements, and push cross-sell tables.

- Images - six static images and one video is the optimum when showcasing your product.
- Reviews - more than 16 reviews with an average score above 4 stars.
- SEO – the right keywords in the title of your product and in the bullet points that describe your product.
- Title and description length - follow the Amazon recommendation in terms of length.

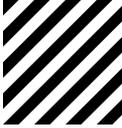
Boost your sales by...

Auditing and optimising your content to meet these guidelines.





AMAZON IS A SET-
UP AND STEP BACK
TYPE OF PLATFORM



Set-up is time consuming, so once it's done, it's easy to step back and assume you'll naturally climb the rankings.

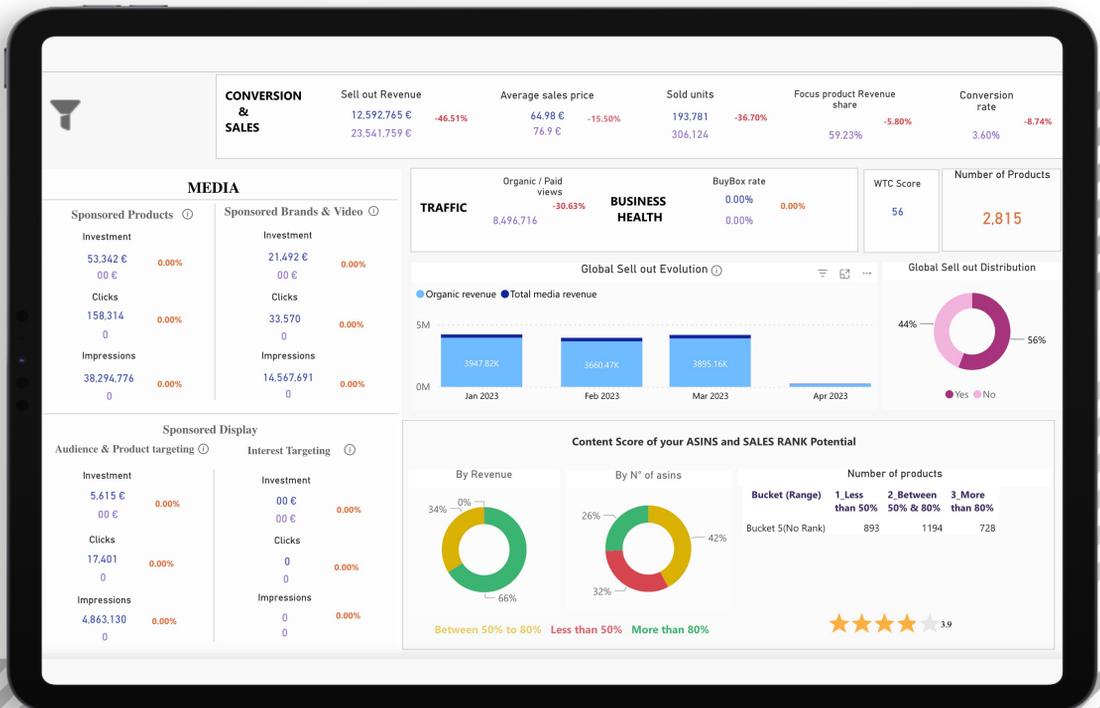
But Amazon is a live platform and your products are in constant evolution in terms of price, stock, rating, etc. which can have an important impact on your results.

For example, just one day out-of-stock and your product will take one week to climb back up the organic results. And if it's out-of-stock for more than a day the effect is exponential.

It's essential to closely monitor key parameters weekly including buy-box win rate, review level, the return rate of your products, and paid results, to identify any problems in the customer experience and improve your performance.

Boost your sales by...

Ensuring daily monitoring of product listings to manage and optimise rankings.





NEED HELP?

HOW OGILVY'S
COMMERCE.LAB
CAN HELP YOU
ACHIEVE RESULTS





How can we help?

Amazon accounts for 37.8% of all e-commerce sales, the highest market share of all e-commerce brands. It is crucial for your brand to be ready for e-retail success and rapidly increase your market share in this highly competitive landscape.

At Ogilvy we have developed Commerce.Lab, an e-retail business accelerator for brands based on proprietary automation, optimisation and measurement tools, primarily focused on Amazon.

We work with leading corporations like L’Oreal, Mondelez, Samsung, Salomon, Columbia and many others. On average we’ve doubled their revenue on the platform after the first year of partnership.

By working with us we can guarantee an increase in conversion rate of +30% in 6 months, which will lead to an increase in product ranking by 25%.

As an Amazon preferred partner, we understand how to help brands reach the next level on the platform, helping you gain competitive advantage and achieve sales growth in 2023.

Get in touch.



GET IN TOUCH



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