



Amazon – The Opportunity & Maximising your sales

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11am - 12 noon

7th December 2016





Amazon – The Opportunity, & making the most of it......

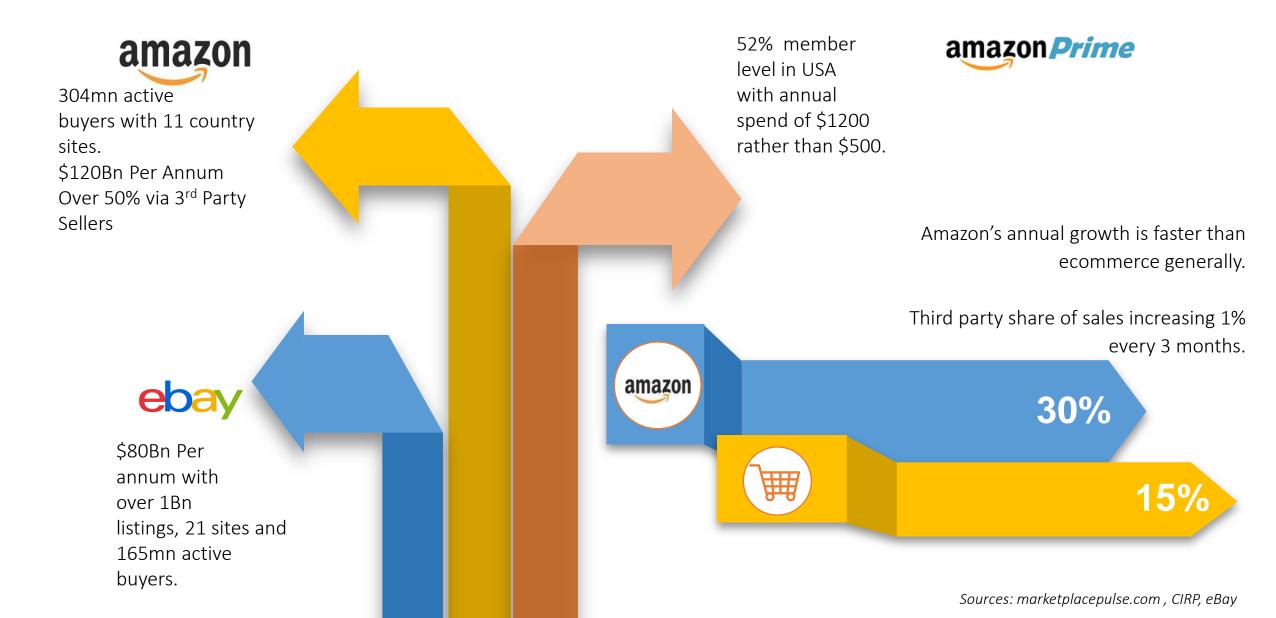
- 1. Amazon Introduction, Sales & The Opportunity
- 2. Amazon Fees, costs and calculating profitable minimum selling price
- 3. Creating listings
 - Amazon Catalogue items
 - New listings
- 4. Amazon Search How does it work
- 5. The Buy Box
- **6.** Listing Optimisation
- 7. Amazon Metrics
- 8. Amazon Prime
- 9. FBA

- 10. Seller Fulfilled Prime
- 11. Amazon Product Review
- 12. Repricing and Margin Control
- 13. PPC / Sponsored Products
- 14. Amazon EU accounts
- 15. Research / Inventory Analysis
- Pitfalls to Avoid
- 17. Summary



Marketplaces a ready customer base

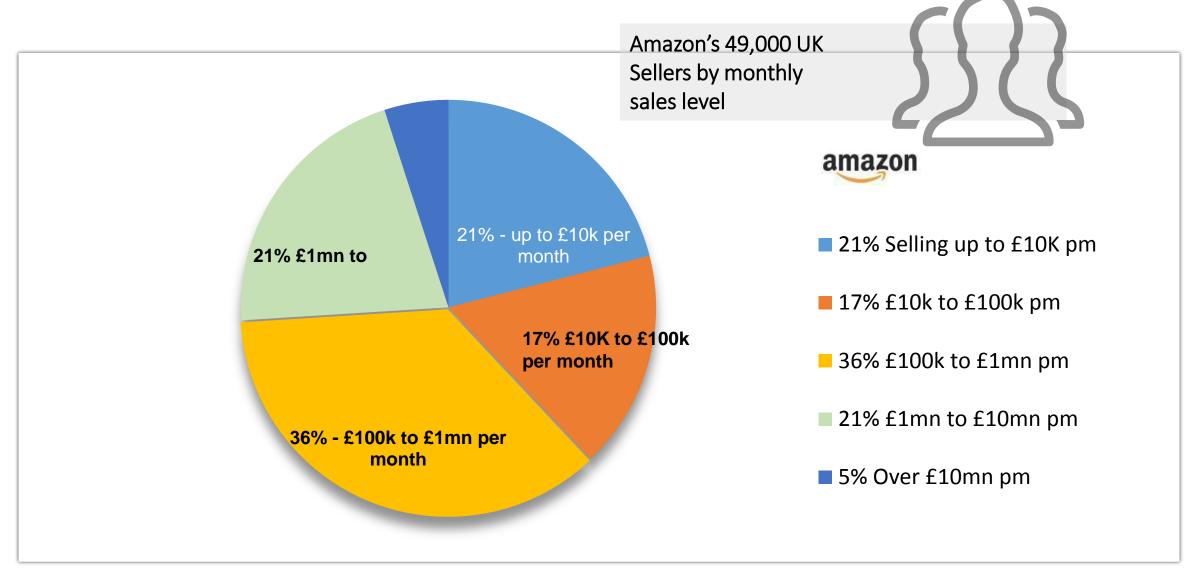






Amazon for large and small sellers

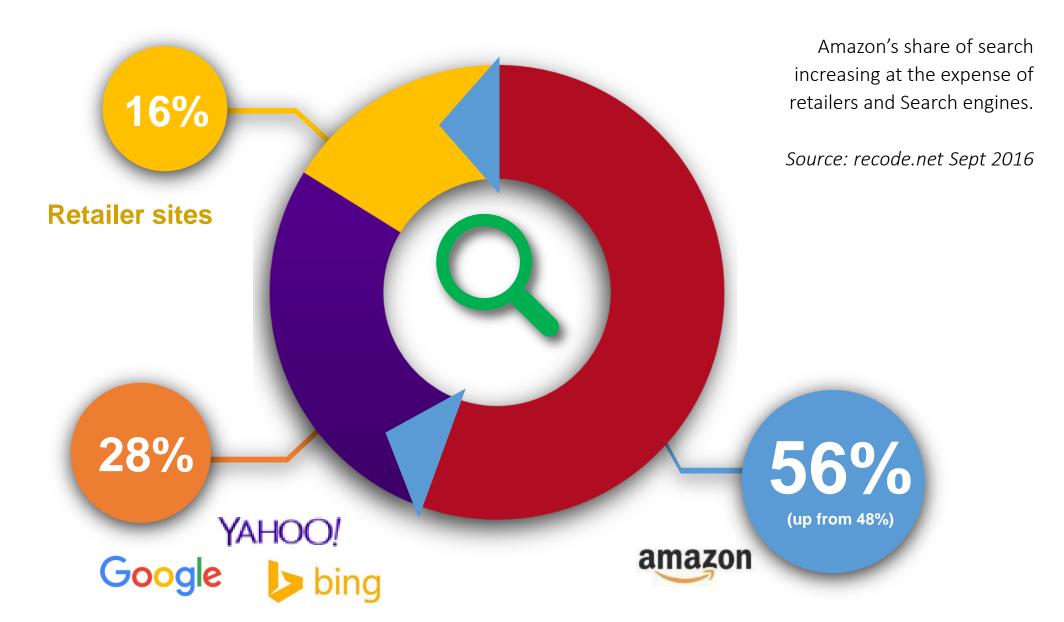






Where product searches start.....







Fees, costs & calculating *Profitable* Amazon Retails....



Selling Fees

- £25 a month fixed fee
- No listings fees just % on successful sales
- No fee on returned items
- 12 15% on most categories (14.4% 18% due to VAT)
- No Fraud

Other Costs

- **S**hipping
- Packaging
- Returns
- Cost of goods
- Contribution to fixed costs

Category	Referral Fee on amazon.co.uk							
Additive Manufacturing	12%							
Amazon Device Accessories	45%							
Books, Videos, DVDs	15%							
Business, Industrial & Scientific Supplies	15%							
Car & Motorbike	15%							
Computers	7%							
Computer Accessories ¹	12% *							
Consumer Electronics	7%							
DIY & Tools	12%							
Electronic Accessories ¹	12% *							
Food Service	15%							
Industrial Electrical Supplies	12%							
Industrial Tools & Instruments	12%							
Large Appliances ²	7%							
Material Handling	12%							
Metalworking	12%							
Musical Instruments & DJ	12%							
Software	15%							
Sports & Outdoors	15%							
Tyres	10%							
Video Games Consoles	8%							
Everything else	15%							

Profitable Amazon Listing Pricing....

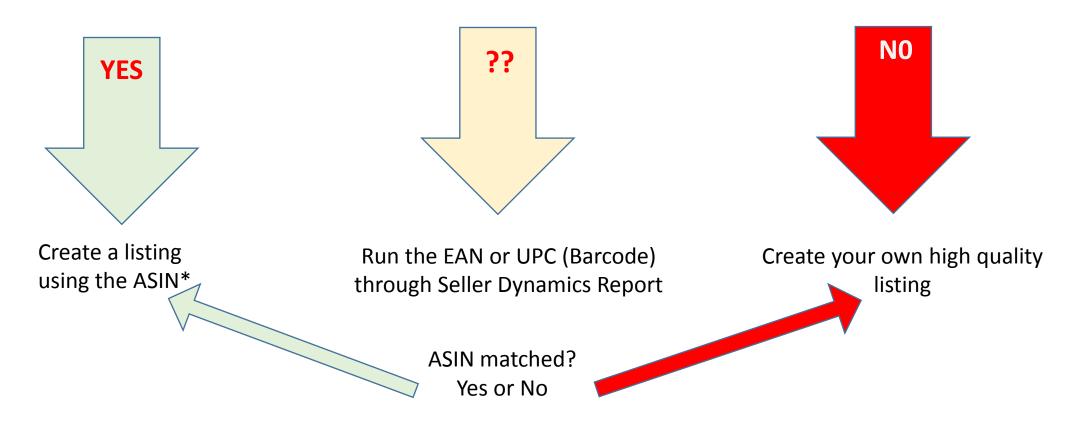
Listing Price (Gross)	£	24.99	
Postage Charged	£	-	
Total Income	£	24.99	
Amazon Commision	£	3.75	
Net of Amazon Comission	£	21.24	
Net of VAT	£	20.83	
Vat	£	4.17	
Net of VAT & Comms	£	17.08	
Cost price	£	11.00	
Postage out	£	2.60	
Packaging Out	£	0.25	
Other Cost	£	0.50	
Net Profit	£	2.98	
Listing Fees (%)	15%		



Creating Listings



Is the item already on Amazon's Catalogue?



- ✓ Very quick to create
- ✓ No Images needed
- If ASIN quality high, strong £ opp.
- X If ASIN poor, limited content optimisation

- X Slower to create
- X Images needed
- X No Sales history / review history
- ✓✓✓✓ Optimisation fully in your control



Amazon Search – How does it work?



Amazon currently has:-

- Over 304 million active users
- 49,000 active business sellers in UK alone
- 300 million live UK listings It's now very hard to stand out

By "optimising" your listings, the listings get more traffic and higher conversations

But what does Optimising mean?

- Making your listings more "findable" to a larger number of "relevant" searches (customers)
- And by ensuring Amazons BUY BOX algorithm promotes your products.....
- This in turns means increased sales

Amazon Prime Members

Key buyers to target

BUT what you can influence for Amazon Catalogue items v Listings you create is different.....







The Buy Box

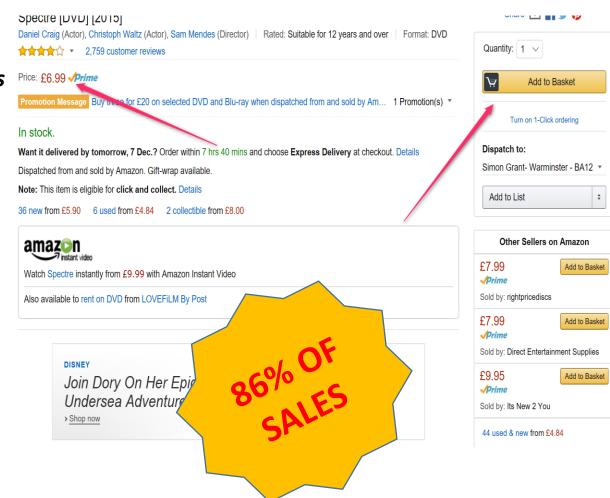


"The Buy Box on Amazon is one of the most fiercely fought over pieces of ecommerce real estate on the planet. Winning it, and winning it regularly will increase your sales significantly"

But what are the characteristics you'll need to have to make winning it possible?

- Basically the seller with the best chance of hitting the most customer satisfaction tick boxes...
 - Price
 - Product matching expectations
 - Delivery time
 - Customer service levels
 - Inventory levels (?)
 - Visibility (for new listings and old listings)

How can you optimise your listings to give you the best chance...





Getting found – the basics (Creating listings)







- Use all 250 Amazon Title Characters.
- Use all 3 search term fields
- Don't repeat words.
- Don't keyword spam or abuse brand names





Getting Found – New Items (cont)



















Roll over image to zoom in

TOMY 3-in-1 Booster Seat

by TOMY

食食食食食 ·

78 customer reviews

RRP: £26.99

Price: £21.95 **/Prime**You Save: £5.04 (19%)

Note: Available at a lower price without Prime delivery from other sellers.

In stock.

Want it delivered by tomorrow, 7 Dec.? Order within 3 hrs 18 mins and choose One-Day Delivery at checkout. Details Dispatched and sold by Amazon in certified Frustration-Free Packaging. Gift-wrap available.

Disputshed and sold by Amazon in Solution Plasticular Floor actinging. One map

Note: This item is eligible for click and collect. Details

17 new from £19.75

- Multi-function three-in-one booster seat with feeding and changing features
- · Stylish bag with bottle and nappy storage and cushioned changing mat
- · Flexible strap allows the seat to be safely attached to any kind of chair
- · Simple bag to seat transformation makes it easy and convenient to use
- · Wipe-clean booster seat and changing mat are ideal when on the move
- > See more product details

This item's packaging will indicate what is inside. To cover it, select Dispatch in Amazon box on the checkout page.



20% Off nappy subscriptions

Prime Members save 20% when they subscribe to nappies, compliments of Amazon Family. Learn more







Have one to sell?

Sell on Amazon



Getting Found – Amazon Catalogue Items

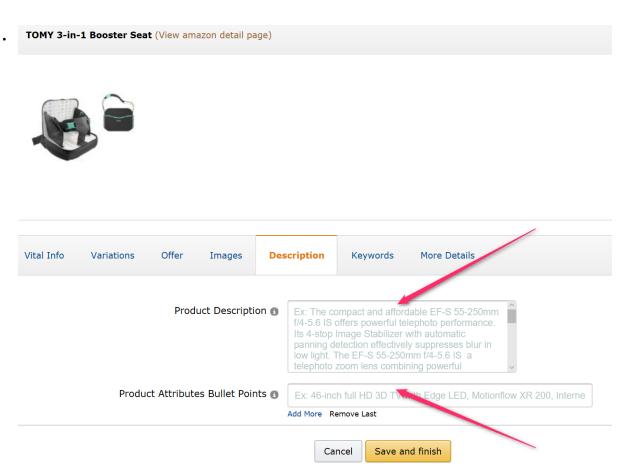


Amending Existing Amazon Catalogue Items ...

- It is possible to add / amend existing items
- Amazon will add new / additional info

The product page you see on Amazon.co.uk may reflect details you provide as well as those of others who contribute to that product's information. Your contributions, as shown in the editing page view within your seller account, may not always appear or buyers."

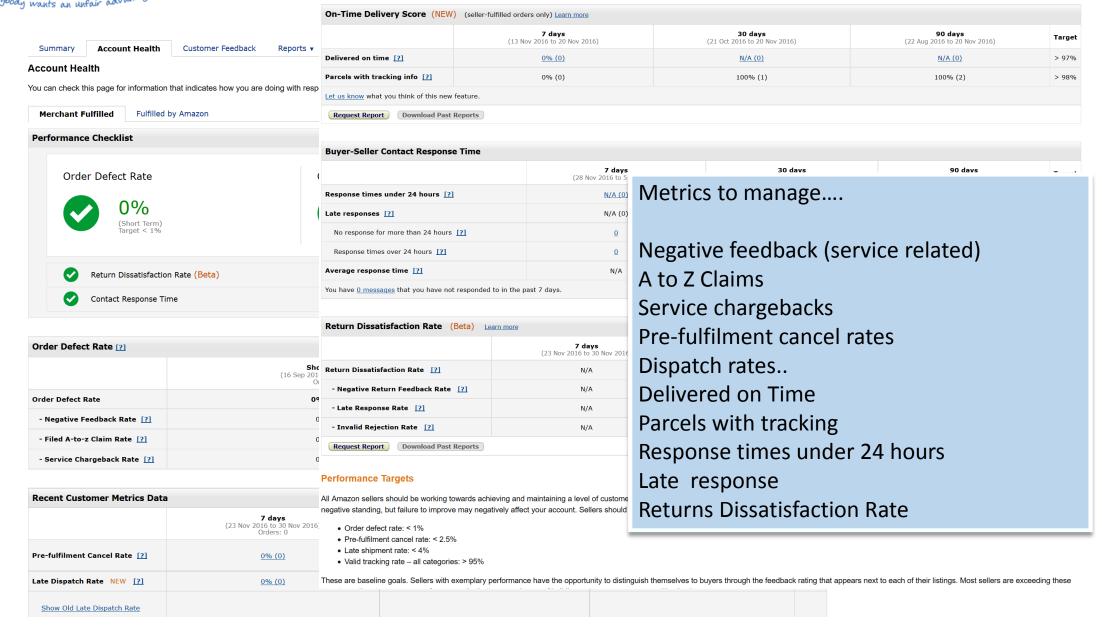
• But look at Buy Box Price – who are your improvements going to benefit...





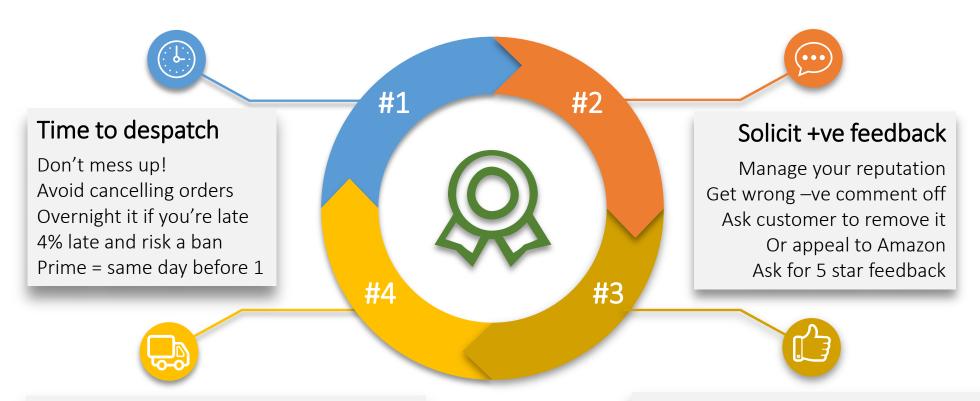
Amazon Metrics







Metrics - The real secret to visibility....



Use preferred fulfilment

FBA can be essential to win the Buy Box Amazons FBA both ease Cross Border Trade

Keep Order Defect Rate down

Handle disputes fast – don't hide!

Refund quickly when required

Communicate well

Keep ODR to less than 1% or risk suspension

Handle returns well – be pragmatic



Amazon Prime Members



Why are they important?

Prime members pay an annual fee for unlimited free next day deliveries (plus free Video, TV, streaming & Photo Storage)

In UK Prime Members spend on average £1,200 pa v the £400 Amazon customer average (UK & EU similar)

There are 3 - 4M estimated Prime Buyers in UK (60M world wide – up 35%)

"Available via Prime" – is a search selection on Amazon to filter relevant products

Pro-buyers that you want sell to...50% of US amazon accounts are Prime (perhaps accounting for 75% of sales?)









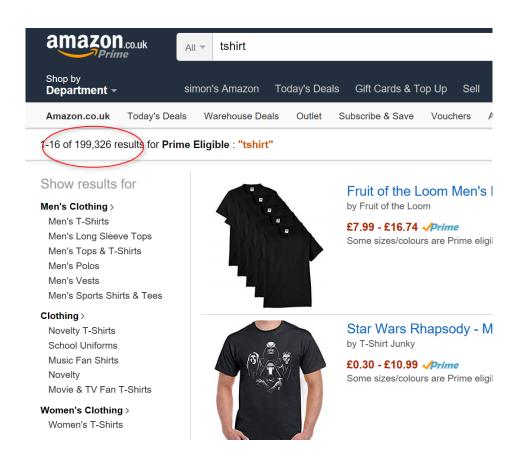
Amazon Prime Members

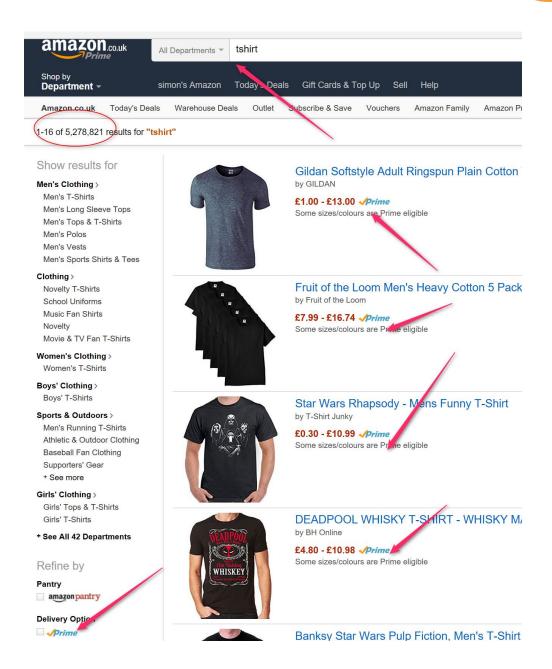
amazon

Search Tshirt on Amazon.co.uk – 5,278,821 results

Tick "Prime" to refine the search....

But how can Sellers (you) get access to prime...







Amazon FBA



What is FBA?

"Fulfilment by Amazon" – your inventory stored at Amazon's warehouses. Amazon manages pick, pack, despatch & customer service

What are the benefits?

- Eligible for Prime Customers
- "State of the art" logistics
- Pay as you go model
- Localised customer service
- No negative metrics
- Buy Box Benefits

Price examples....

T-Shirt (185g)

£1.70 to UK

£3.39 to EU

(Postage, Picking & packaging)

How does it work...

1



Send your inventory to Amazon 2



Amazon stores your products (from a single unit to your entire inventory) 3



FBA helps your offers to become more visible and competitive on Amazon 4



Amazon picks, packs and ships your products to customers in the UK and across the EU 5



Amazon provides customer service in the local language and handles returns



Amazon Seller Fulfilled Prime



What is Seller Fulfilled Prime?

- New Service from Amazon
- Seller Use Amazon's delivery logistics
- Gain access to the most valuable Amazon customers Prime Member (previously only accessible via FBA)

3 – 4 million prime members in UK with high spend

Pros	Cons
- Access to Amazon Prime Customers	- 50 orders a day (palletised)
- Enhance Buy Box win %	- Increased Costs
- Reduced Costs	- Inflexible pricing weight bands
- Increased Sales (40 – 60%)	- Loss of control / flexibility
- Access to "high quality" logistics	- Not supported by all Marketplace Software
- Improved metrics	





Amazon Product Reviews



Why are they important?

They increase sales (positive reviews of course...)

Why do they increase sales?

- Customers love them
- Customers trust amazon reviews
- The number of positive reviews impacts your search position
- Use product reviews as new product research tool

Showing the results in **Home & Kitchen**. Show instead the results in All Departments.



ANSIO® Latte Coffee Glass Cups - 235ml (8oz) - Gift Box of 6 Latte Glasses - Perfect Gift for this Christmas by ANSIO

£5.59 £12.00 **/Prime**Get it by **Tomorrow**, **Dec 7**★★★★ ▼ 255



Maxwell & Williams 260 ml Glass Blend Latte Glass in Gift Box, Set of 2. Transparent

by Maxwell Williams

£6.95 **/Prime**

Get it by Tomorrow, Dec 7

More buying choices £5.76 new (6 offers) £10.99 used (1 offer)

★★★★★ ▼ 24





Rink Drink Latte Coffee Glasses - 250ml (8.8oz) - Gift Box of 6 by Rink Drink

£5.99 £14.99

★★★★ ▼ 2,406



Express Trading ® SET OF 6 LATTE GLASSES TEA COFFEE CAPPUCCINO GLASS CUPS HOT DRINK MUGS FREE SPOONS

by Express trading

£8.15 **/Prime**

Get it by Tomorrow, Dec 7

More buying choices £6.90 new (13 offers)

★★★☆☆ ▼ 142



UnoWall 6x Conic Latte Coffee Glasses - 250ml (8.8Oz) (Gift Box of 6)

by Unowall

£5.95 £11.95

★★★★ ▼ 68



Bodum Double Wall Glasses - Transparent, Pack of 4 by Bodum

£12.99 £35.00 **Prime**Exclusively for Prime Members

Get it by **Tomorrow**, **Dec 7**More buying choices
£12.99 new (2 offers)

★★★★★ ▼ 18



Re-pricing & Pricing Control



Repricing in the correct manner is "priceless" with the potential to increase sales from 50 – 145%

Automatically Reprice v **Competitors**

Hold the buy box as much as possible (86% of sales are from Buy Box)

Set a min price based on min acceptable margin

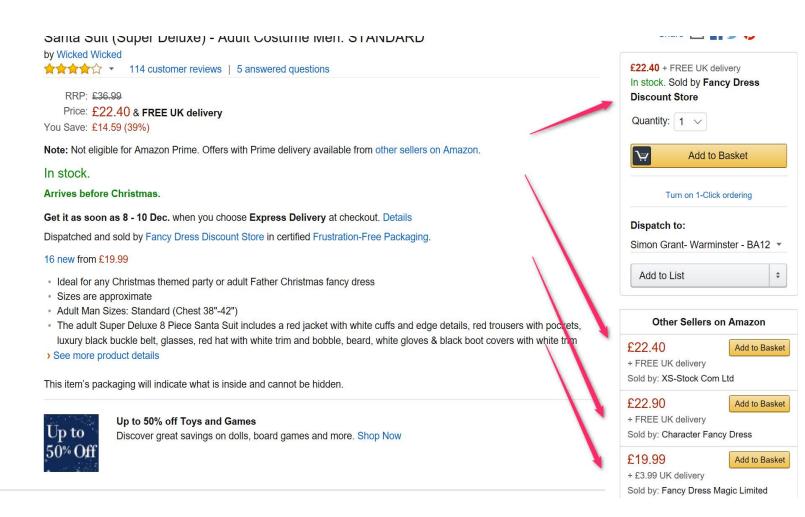
Use a re-pricer that pushes up

Set a max price close to

RRP

Worry about what price works for you

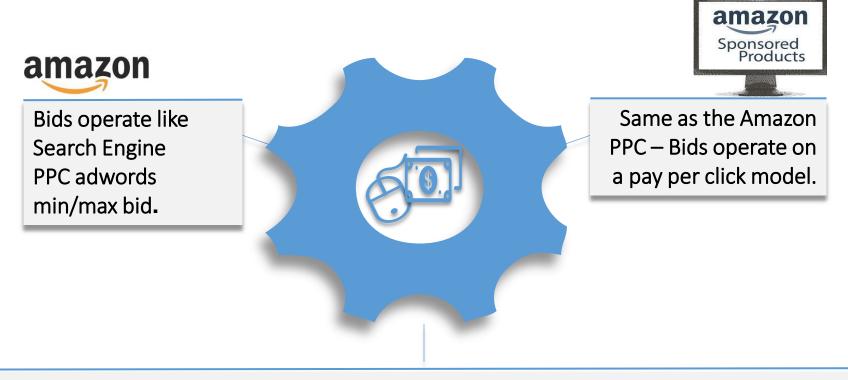






Buying visibility – paying for the clicks





Promoting listings on Amazon can be a good way to get visibility – using either Amazon PPC or Amazon Sponsored products.

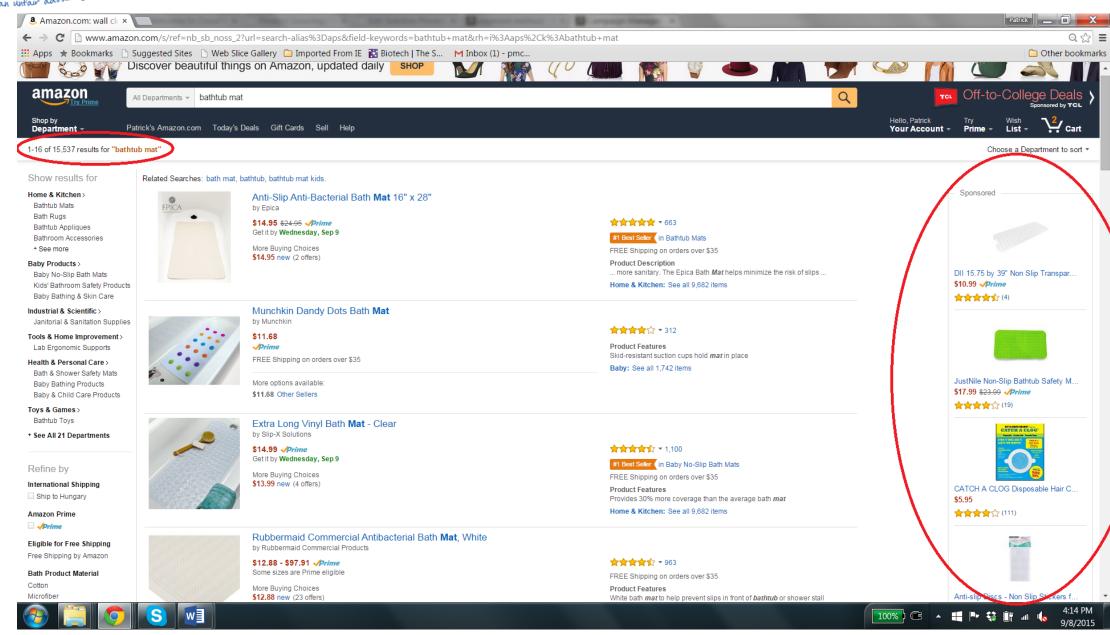
They typically appear at the bottom of the page (PPC) or as alternatives on the right side when customers land on competitor listings. You pay each time someone clicks on them.

Produce a better ROI than Search Engine PPC but will eat into margins.



Buying visibility – paying for the clicks







Amazon EU and USA.....



Consider Non-UK Amazon marketplaces...

Use International Listing Builder in Seller Central

Localise listing

Use FBA or Seller Fulfilled to pick/pack/dispatch

Consider weight & returns rates

Research ASINs – competition & selling price varies across the markets

amazon	UK	USA	FRANCE	GERMANY		
Sellers	49,000	185,000	22,000	40,000		
No of Listings	280 million	545 million	235 million	265 million		
From country	77%	85%	51%	75%		
UK Sellers	77%	0.75%	17%	10%		
FBA Users	18%	30%	27%	18%		



Research / Finding Profitable Inventory



Analysis of Amazon Catalogue

- Using EAN / UPC or even title
- Bulk analysis of all 11 Amazon Markets
- Buy box price / Qty of Sellers

• Key: 5039036076173

1. Spectre [DVD] [2015]



ASIN: B00QS3NMNA **a**EAN: 5039036076173

Brand: TCFHE

Manufacturer: 20th Century Fox Home Entertainment

38 offer(s) from £5.62

Amazon Check Validate if this product is being sold by Amazon: · Amazon US: No Products Amazon FR: 1 Product(s) 007 - spectre EUR 6,00 Count new offers: 18 Amazon CN: No ASINs Amazon UK: 1 Product(s) Spectre [DVD] [2015] £5.62 · Amazon IN: No Products Amazon CA: 1 Product(s) 007 - spectre dvd Italian Import CDN\$ 14.14 Count new offers: 6 Amazon DE: 1 Product(s) Spectre [DVD] [2015] UK-Import, Sprache-Englisch. (EUR 6,81) · Amazon JP: No Products Amazon IT: 1 Product(s) Spectre [Edizione: Regno Unito] (EUR 7,52) Count new offers: 9 Amazon ES: 1 Product(s) Spectre [Edizione: Regno Unito] [Reino Unido] [DVD] EUR 7,05

ItemTitle	EANBarCode	Active PricingProfile	SKU	Stock Level		Bay d Price	Amazon Buy Bx as % of eBay Price	BU	Y BOX RICE	Amazon ASIN	Sales Rank	No Of Sellers
Arsenal F.C. SoccerStarz Giroud	5060220221383	EBAYUK100-30	26715	38	£	3.50	167%	£	5.83	B00A7GXNY2	431,584	2
West Ham United F.C. SoccerStarz Payet	5060385035641	EBAYUK100-30	91545	121	£	3.50	167%	£	5.83	B01EWK59T0	47,677	4
Liverpool F.C. Money Tin	5055488213034	EBAYUK250-30	76126	153	£	2.99	166%	£	4.97	B00P9RUXGK	12,243	9
Chelsea F.C. Money Tin	5055488213041	EBAYUK250-30	73359	76	£	2.99	166%	£	4.97	B00NMOARGS	265,836	8
Manchester City F.C. Socks 1 Pack Junior 12.5	5060284085457	EBAYUKLL100	31785	48	£	1.50	166%	£	2.49	B00B9UGJZU		8
Manchester United F.C. Window Sticker RD	5033998201567	EBAYUKLL100	908	274	£	1.50	163%	£	2.45	B001AO2GTS	762,567	8



Pitfalls to avoid



FULFILMENT

STOCK

Don't oversell.
It will result in
a poor defect rate
and you will
get suspended
or banned.



Dispatch on time & deliver on time.
Expedite if you are late or your defect rate will get hit.



FBA

Unsold items
held by Amazon
can be expensive
to have
returned
or disposed off.



RESTRICTIONS

Check you can sell branded items in the target country.
And make sure the local marketplace allows it.



SALES MARGIN

Take time to work out all your costs and set up a min price so you never sell at a loss (deliberately).





Summary / Optimisation Check List



Listing Related

Title

Description

Image

Browse Nodes

Bullet Points

Search Terms

ASIN Match

Price

Add details to existing listings

Settings / Service related

Metrics & Feedback

Free Postage

FBA

Returns

Sale Price

Self Fulfilled Prime

Next Day Shipping

Strategy & Other

Re-pricer

Calculate Min Acceptable Price

PPC Advertising

Paid Promotion on eBay

Research & Plan (use tools)

Product reviews

EU / USA other Marketplaces





Q&A

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