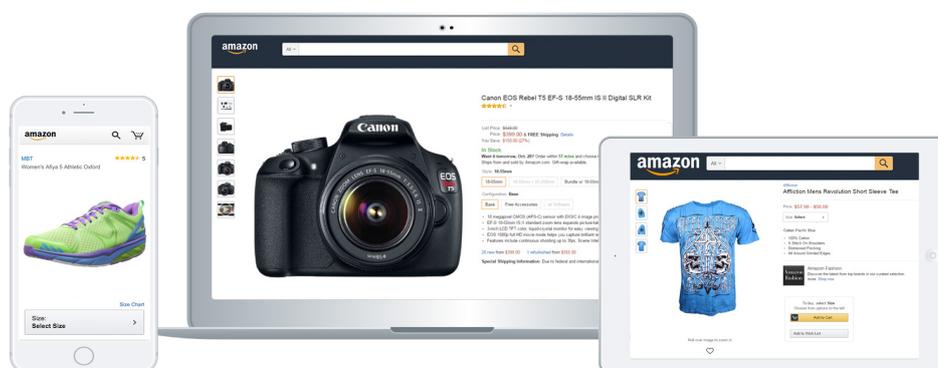


AMAZON BEST PRACTICES

Selling on Amazon is an extension of your existing e-commerce store. The data requirements and performance standards are similar to product advertising on comparison shopping engines like Google. However, you're not exactly driving traffic to your own shopping cart. You are renting shelf space at the world's largest virtual department store.

A truly effective strategy means understanding and playing by the shopping giant's very specific rules. If you play by their rules and surpass their standards, then you may be rewarded with a higher likelihood of sales than your competition. You must pay attention to inventory management, fulfillment, customer service, and performance metrics.

Some sellers list on Amazon to increase sales revenue, while others aim to increase brand awareness in an attempt to drive repeat sales to their own store. In Amazon terms, this means focusing on either likelihood of purchase or product discovery. Your particular strategy will largely depend on whether you're the brand owner, a retailer selling a product, or both. There may, of course, be some overlap for many sellers, but in general, retailers would do better to focus on likelihood of purchase, while brand owners must also concentrate on discovery of the Amazon catalog pages they own.



BEST PRACTICES FOR RETAILERS

Likelihood of purchase and competitiveness means influencing customers to buy once they land on the listing. Sellers should focus on improving likelihood of purchase for the products that are most important to their business, including:

- The products that are ordered most
- The products with the most sessions
- The products that earn you the most money

When you come across products that have a lot of overlap on all three of these things, make sure that you prioritize them.

Below we have highlighted best practices for retailers in regards to your fulfillment method, Buy Box strategy, inventory, promotions, and seller performance.

FULFILLMENT METHOD

You have two options as a seller on Amazon. You can choose:

- **Fulfillment by Merchant (FBM):** You will handle fulfillment yourself.
- **Fulfillment by Amazon (FBA):** Amazon will handle fulfillment for you. Your inventory will be stored at an Amazon Fulfillment Center, and picking, packing, shipping, and customer service will all be handled by Amazon.

FULFILLMENT BY MERCHANT (FBM) BEST PRACTICES

- **Use “Free Shipping.”** Consider incorporating shipping prices into the regular price of the product and making shipping “free.” Research has shown that the perception of free shipping makes customers feel like they are getting a better value – even if that’s not really the case.
- **Ship on time.** Sellers who ship late tend to anger customers, which can hurt your seller performance.
- **Provide accurate lead time.** Don’t forget to account for how long it takes to process an order and get it shipped.
- **Include tracking.** This gives customers confidence their order won’t get lost and allows them to feel like they are a part of the process.

FULFILLMENT BY AMAZON (FBA) BEST PRACTICES

- **Ship to Amazon in bulk.** Amazon requires you to send your products to them in bulk, so make sure you have enough inventory on hand.
- **Keep inventory high.** We’ll cover this further in the inventory section.

Many retailers choose to use a mix of both fulfillment types based on margins, Buy Box ownership share, and competition for each product.

Use FBA for products...

- With low Buy Box share since it can significantly increase your share.
- Where competitors are already using it to cut into your sales.

FBA BENEFITS

- ✓ Product is eligible for Prime (2-day shipping) and Super Saver Shipping.
- ✓ There are 20+ million Prime members.
- ✓ Prime is the most prominently placed filter on Amazon.
- ✓ You can price a product higher because customers save on shipping.
- ✓ Lower total fulfillment cost = increased profit margins.
- ✓ Last-minute holiday shoppers are more likely to choose your product.
- ✓ You can easily access international customers.
- ✓ Multi-channel FBA (your site, eBay, etc.)
- ✗ Drawback: FBA fees

HOW TO WIN THE BUY BOX

The Buy Box is the box on a product detail page where customers can click to add the item to their shopping carts.

Since multiple sellers can offer the same item, sometimes you must compete to appear there. The two things that influence Buy Box ownership the most are Landed Price (the cost of the product plus shipping) and Fulfillment.

LANDED PRICE BEST PRACTICES

- **Keep it competitive.** You want your prices to be close to those of your competitors. Too high and you'll miss out on sales. Too low and you may sell more but lose out on profit margins.
- **Use a product repricer.** This is software that automatically changes the price of your products based on competition. It can price items both up and down, and you can set both upper and lower limits to avoid huge automatic changes. A repricer may decrease your profit margins, so you have to decide if the increased sales are worth the tradeoff.

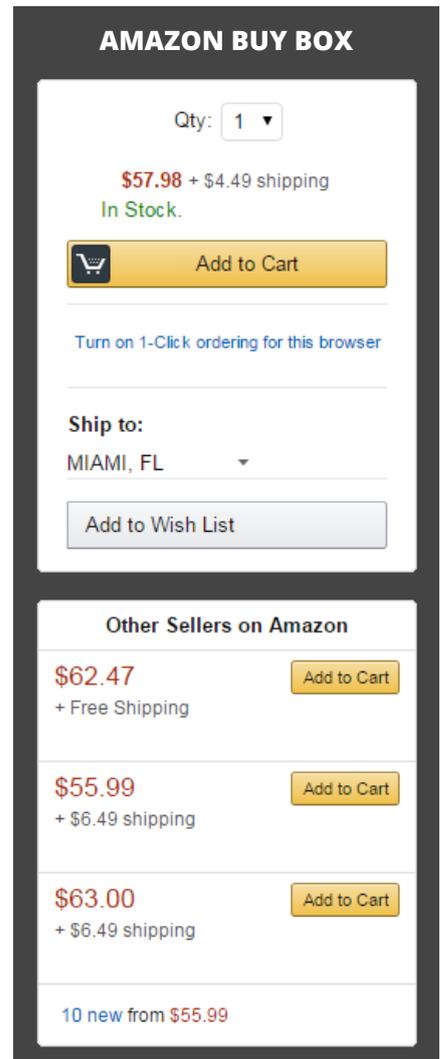
FULFILLMENT BEST PRACTICES

- **Fast, efficient delivery.** Customers tend to choose sellers who can offer the fastest, cheapest delivery. If you can offer free shipping, do so.
- **Inventory volume.** Keep track of your inventory volume. You don't want a customer to order a product that you don't have.

Other factors that influence Buy Box ownership include your customer feedback metric and refund and return rates.

The higher your feedback and seller rating, the more likely customers are to choose you over other seller. The inverse is true for refund and return rates, which you want to be as low as possible.

For more information, see Amazon's documentation on how to "[Increase Your Chances of Winning the Buy Box](#)".



INVENTORY MANAGEMENT

Don't let your inventory become depleted. If you do, Amazon will bump your product down on search rankings, and you will lose out on sales.

- **Stay on top of inventory count.** Keep it relatively high, because Amazon may default to sellers with higher inventory counts.
- **Plan in advance.** If you are using FBA, make sure to prepare several days (or weeks) in advance to get your inventory to Amazon on time.

You also want to take advantage of the opportunity to sell around the world. Studies say that cross-border selling will be worth \$307 billion by 2018, and Amazon has Global Marketplaces, Global Selling, and FBA Export.

You can find more about managing an [international feed here](#).

- Know your markets.
 - Canada offers Prime, as well as the ability to choose FBM or FBA. Additionally, Amazon is the 16th most trafficked site in the country.
 - Europe had 164 million active Amazon customers as of 2013, and 30% of total Amazon units were sold by 3rd party sellers. Individually, Amazon.co.uk receives about 20 million unique visitors monthly, Amazon.de has 24 million, and Amazon.fr has 13 million.
- **Utilize FBA Export.** Amazon's international export service requires no additional fees besides the standard FBA fees.

PROMOTIONS

Amazon offers the opportunity for sellers to create promotions for products, but you need to know how to use them effectively. While promotions can be useful in specific situations, in general, the best strategy is still to directly lower the price on your product feed.

- They can be scheduled in advance.
- They can be limited to specific products.
- There are options for promo codes.

TYPES OF PROMOTIONS

- a. Free shipping
- b. Money off
- c. Buy one, get one
- d. External benefits: discount or benefit on future purchase



SELLER PERFORMANCE

Your reputation matters to buyers since they often have the option of selecting other sellers for the same product. Below we've detailed the best practices to help maintain a good reputation.

LATE SHIP RATE BEST PRACTICES

- Keep late ship rate below 4%.
 - Make sure to fill out the Fulfillment Latency Field in the feed. Otherwise it defaults to "Ships in 1-2 business days."
 - If this is slower than you can do it, sales may be hurt
 - If this is faster, you will likely suffer negative reviews and a lower Seller Rating
 - GoOrderSync can help prevent late shipments because it automatically updates both your shopping cart platform and Amazon, eliminating issues such as data entry errors and accidental overselling.
- Keep order defect rate below 1%.
 - Deal with negative feedback swiftly.
 - Avoid service chargebacks.
 - Include clear product details and use only high-quality products.
 - Avoid A-to-Z Guarantee claims.
- Keep pre-fulfillment cancel rate below 2.5%.
- Respond to customer messages quickly.
 - Orders receive 50% less negative feedback when sellers respond to messages within 24 hours.

BEST PRACTICES FOR BRAND OWNERS

Discovery and brand awareness involves catalog page ownership and driving shoppers to your product page. In other words, you are attempting to optimize page elements in an attempt to get more people to see it.

This is something that you should focus on when:

- The products that are ordered most
- The products with the most sessions
- The products that earn you the most money

There are a number of elements that influence your discoverability and brand awareness as a brand owner. Below we have highlighted best practices in regards to images, titles, descriptions, keywords, bullet points, category-specific attributes, variations, product reviews, and sponsored products.

IMAGES

- Make sure all images you use represent the product accurately.
- Include additional views. (This is not recommended if you don't have a high share of the Buy Box).
- Up to 10 images are allowed: 1 main, 1 swatch and 8 other images.
- Do not use pictures with watermarks or text.
- Use a pure white background for the main image. (RGB: 255,255,255; Hex: #ffffff)
- Backgrounds and environments are allowed for additional views.
- Images must NOT include any accessories or items not included with the purchase.

APPAREL & SHOES CATEGORY-SPECIFIC REQUIREMENTS

- Apparel must include a front-facing view of the product.
- Images of shoes must be of a single shoe photographed at ¾ view from slightly above the toe of shoe, facing left.
- Images of apparel and shoes must NOT have mannequins.

TITLES

- **Use bulk upload.** Manual upload only gives you 250 characters per product, while bulk upload offers 500 characters – the extra space is a big advantage.
- **Know the right order.** Generally speaking, your brand and description should be first. Other elements vary quite a bit depending on the type of product. For example, the MPN should appear early on for electronics, but not at all for most other products.
- **Be clear.** Titles must be clearly written and should assist the customer in understanding the product. Titles should comply with the category-specific style guide recommendations.

IMAGE FILE RECOMMENDATIONS

- At least 1001px or bigger on largest side (enables zoom feature)
- Maximum file size is 3000px
- sRGB or CMYK color mode
- JPEG preferred

WHAT TO INCLUDE IN YOUR TITLE

- ✓ Brand
- ✓ Product Type (ie. Sandal Wedge, Long Sleeve Shirt, Necklace, and so on.)
- ✓ Product line
- ✓ Material/key ingredient
- ✓ Color/size (Do not include in titles for variations.)
- ✓ Item Package Quantity
- ✓ Manufacturer Part Number (MPN) (Particularly important if selling parts or electronics.)



DESCRIPTIONS

Descriptions are heavily weighted in search, so you want to make sure that you are putting together the best possible description you can to optimize likelihood of product discovery.

- **Include all relevant product details.** This means everything listed under “title” above as well as additional info about the feel, usage, and benefits of the product.
- **Don’t include special characters.** For example, *, \$, & and + will not appear correctly.
- **Make sure it’s a true description.** It’s not an advertisement, so don’t use empty descriptors, such as “best shoe ever.” Instead, explain very specifically the benefits, such as “ergonomically designed sole.”
- **Always include your brand.** This is key for building brand awareness.

KEYWORDS

Amazon lets sellers include keywords to enhance discoverability, so it is vital that you spend some time thinking about what terms are most likely to bring people to your page. Here are a few tips for effective keyword brainstorming:

- Think about how a customer would search.
- Experiment (e.g., “nerd” glasses for “horn-rimmed” glasses).
- Use single keywords, not phrases.
- Avoid keywords that are already in the title.
- Don’t list third party brands or trademarks – you could be suspended.
- Use alternate spellings. (e.g., “bookcases” and “book cases”)
- Use related search terms. (e.g., for Xbox, you might include “game console” or “video game”)

Understand the limit. You can use up to 5 terms per product – make sure you provide them in 5 separate fields. Character limits may be found in the category-specific inventory template file.

Know how to enter them. Though there are technically three ways to enter keywords (manually, via .csv, and via an .xml file), the feed overrides manually entered data. Your best bet is to bulk upload keywords via an .xml file and automatic submission by a data feed platform like GoDataFeed.

BULLET POINTS

Amazon allows you to add up to 5 bullet points, each of which has a 50-character limit. These should be used to pull out important information you really want visitors to know.

The best bullet points:

- Have brief, descriptive text
- Highlight the 5 key features you want customers to know
- Begin with a capital letter
- Use sentence fragments without end punctuation
- Reiterate the most important info from the title and description
- Are consistent in regards to order (if your first bullet for one product is country of origin, keep that order for all products)
- Character limits may be found in the [category-specific inventory template file](#)

VARIATIONS

- Know what variations are allowed.
 - Go to the Valid Values tab in the [Inventory File Template](#) workbook to see accepted variation themes by product type.
 - Some product categories do not allow for variations, while some product types do not support certain variation themes.
- Include all options on one listing. For example:
 - Size
 - Color
 - MetalType
 - Item Package Quantity
- Use only Amazon valid variations.

INVALID VARIATIONS

- ✗ Short and long-sleeved shirts from the same manufacturer.
- ✗ Unique bath products (separate SKUs) that have the same scent.
- ✗ Unique dinnerware items that share the same pattern.



PRODUCT REVIEWS

You want a high score on product reviews both because customers can search by product rating/review score on Amazon and because people are more likely to purchase items with better ratings. Additionally, positive reviews reflect positively on your brand overall, helping you to build customer loyalty.

How to get more positive reviews:

- Sell high-quality products.
- Make sure the details page accurately reflects the product.
- Provide realistic shipping information.
- Respond quickly to questions and issues.
- Invest in acquiring feedback (if you are one of just a few sellers for a certain product.)

SPONSORED PRODUCTS

Amazon's new inter-Marketplace PPC program can only be used for available product categories and only by sellers who currently own a Buy Box.

Sponsored Products are best for:

- New products
- Products with high conversions and low sessions

CATEGORY-SPECIFIC ATTRIBUTES

Are category-specific attributes worth the using? Yes, especially if you own the product page on the Amazon catalog. Include category-specific attributes even for categories that don't require them. Attributes may be found in the category-specific inventory template file.

- They enhance both discovery and likelihood of purchase.
- People can use them as search filters. If you don't include the information, your product may not be as easily found.
- For many items, such as electronics, they appear as additional information on the product detail page as "Technical Details".

RETAILER CHECKLIST: MAXIMIZING AMAZON SALES

- ✓ Focus on likelihood of purchase and competitiveness.
- ✓ Use a mix of fulfillment types (FBM and FBA) based on the margins, Buy Box ownership share, and competition for each product.
- ✓ Win the Buy Box by:
 - * Keeping your prices competitive
 - * Offering fast and cheap delivery
 - * Paying attention to your customer feedback metric
 - * Minimizing refund and return rates
- ✓ Keep your inventory high by planning in advance.
- ✓ Use Amazon to sell internationally.
- ✓ “Promote” your product by lowering the price on the product feed.
- ✓ Protect your seller rating by:
 - * Keeping your late ship rate below 4%
 - * Keeping your order defect rate below 1%
 - * Keeping your pre-fulfillment cancel rate below 2.5%
 - * Promptly answering customer messages

BRAND CHECKLIST: MAXIMIZING AMAZON PRODUCT VIEWS

- ✓ Use multiple clean and accurate images that are large enough to enable the zoom feature.
- ✓ Use bulk upload to gain access to a higher character limit in your product title.
- ✓ Include the most relevant information first in the product title.
- ✓ Write descriptions that are true and include all relevant information – especially your brand.
- ✓ When coming up with keywords, avoid words in the title, use single words, include alternate spellings, and think of related terms.
- ✓ Bullet points should be brief and descriptive, highlighting the 5 most important features.
- ✓ Make sure you include all options for a product variation on the same listing.
- ✓ For positive product reviews, provide true information and excellent customer service.
- ✓ Only invest in feedback if there are only a few other sellers.
- ✓ Use Sponsored Products for new products and those that sell well but get few sessions.
- ✓ Always include category-specific attributes.