

Laurea

What is Amazon and how it works?

7.5.2019



DASH

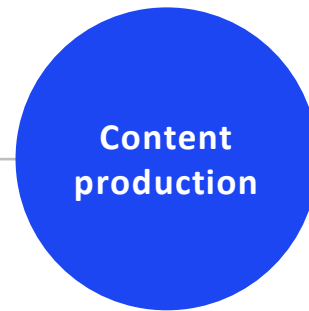
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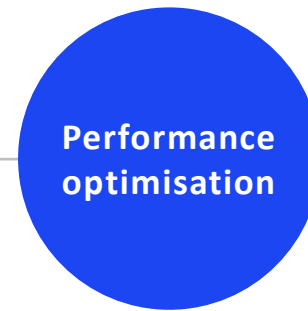
Dash Services



- THINGS TO CONSIDER BEFORE ENTERING THE PLATFORM



- THINGS TO DO WHEN ENTERING THE PLATFORM



- SELLING SUCCESSFULLY ON THE PLATFORM



- REPORTING THE SUCCESS ON THE PLATFORM

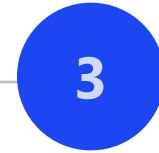
Contents



About Amazon?



How to sell on Amazon?



How Amazon works and
how to succeed?



Questions?

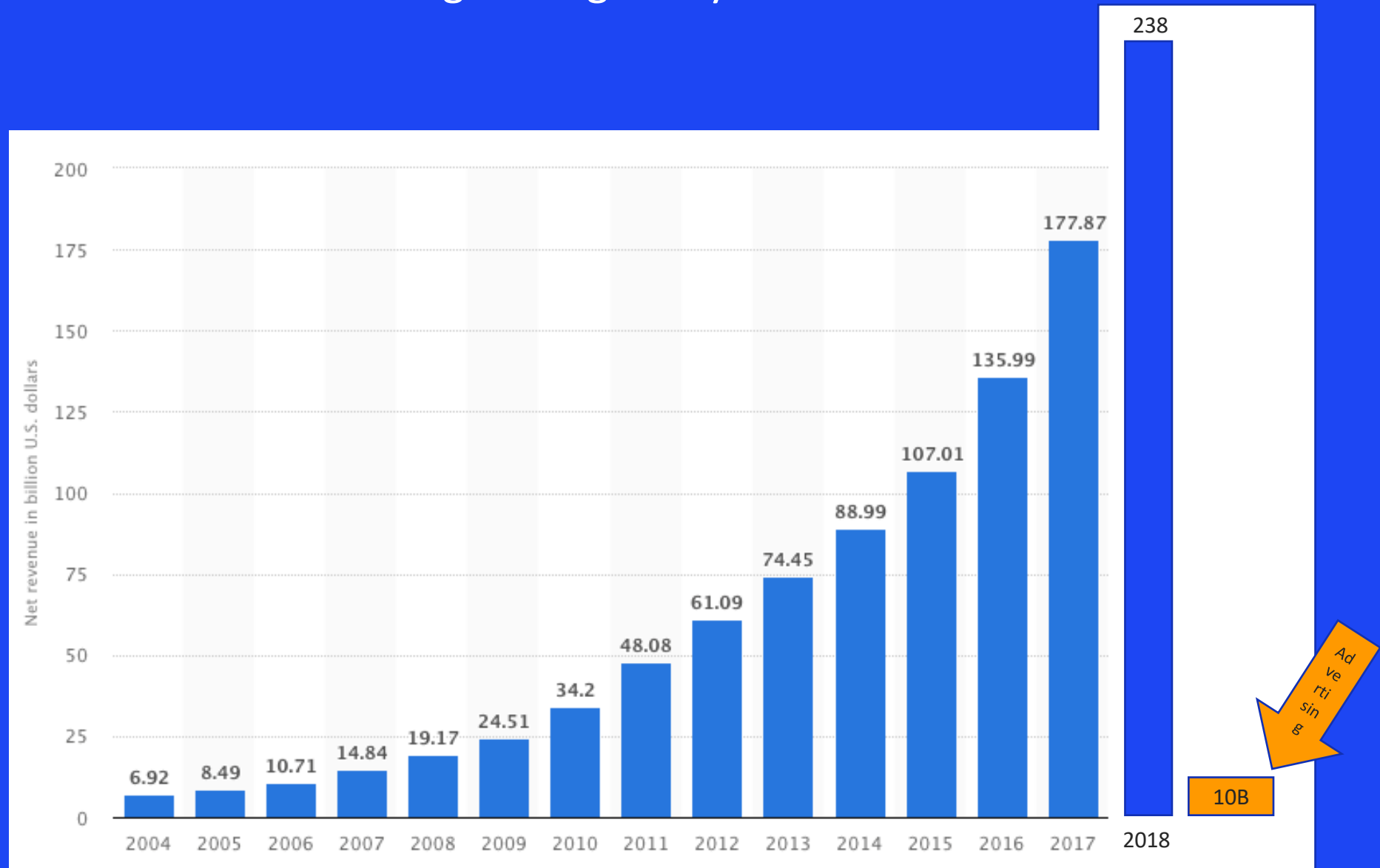
What is Amazon?

**The worlds most customer centric
company**

We are not competitor obsessed, we're customer obsessed. We start with the customer and we work backwards.

Jeff Bezos

Amazon's growing crazy fast



Gargantuan Retail Industry Disruptor



Amazon's footprint

Americas



13 +Turkey

Marketplaces

Europe



175+

Fulfillment Centers

Asia-Pacific



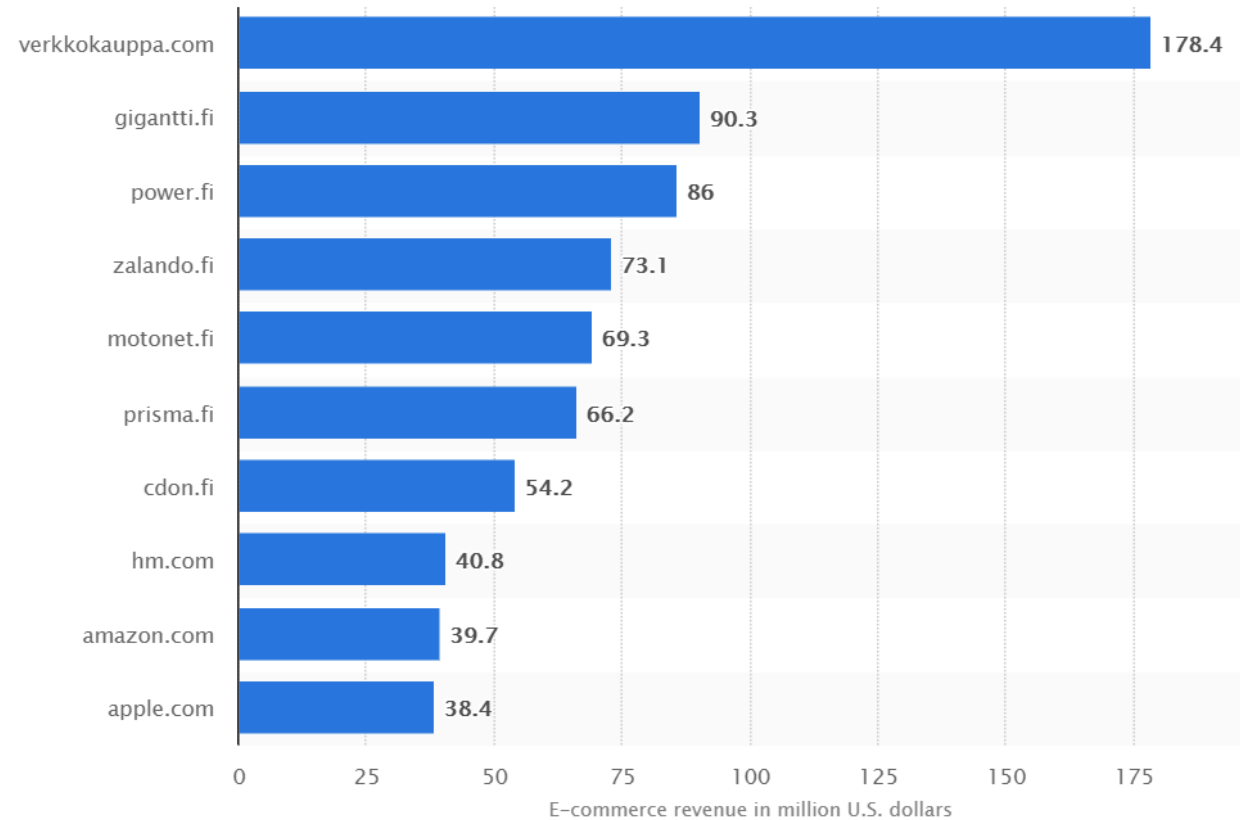
180+

Countries with Loyal Amazon Customers

30+

Product Categories

Most popular online stores in Finland in 2018, by e-commerce net sales (in million U.S. dollars)



Core elements of Amazon retail

amazon.com[®]

amazon
Prime

amazon pantry

amazonfresh

prime now

amazon go

Amazon Prime



- Amazon's 119 USD / year membership loyalty program
- Offers the members free next day delivery for millions of products
- Prime membership is the key to other Amazon stores, like Fresh and Pantry
- Amazon announced that it has over 100 Million prime accounts
- **Prime members spend twice as much on the platform than non prime members**

89% Of Consumers Are More Likely To Buy Products From Amazon Than Other E-Commerce Sites: Study



Kiri Masters Contributor

Retail

I cover online marketplaces from a retail brand's perspective

-
- It's no surprise that Amazon has completely changed the way we shop, but occasionally we get some new insight into exactly how much the retail
 - experience has changed at the hands of the marketplace giant.

Amazon Prime for sellers

- Having ones products available in Amazon prime is essential for any brand
- The conversion rate on products on Prime is nearly 50% higher than on the non-Prime products
- In order to become Prime eligible, the products must be either sold by Amazon (Vendors) or the orders must be fulfilled by Amazon (FBA sellers)



Vallila Kauris Printed Rug Ø 133 cm,
Synthetic, Green, 133 x 1 x 133 cm
by Vallila

£51.46 

Only 1 left in stock - order soon.

Eligible for FREE UK Delivery

How to sell on Amazon?

Three different sales models

1

Amazon Vendor

- Amazon buys the product directly from manufacturer and sells them to its customers
- Amazon controls the retail pricing
- Products are Prime eligible

2

Amazon FBA Seller (FBA=Fullfilment by Amazon)

- Manufacturer manages the listing (including the pricing) and sells the items directly to customers
- Goods are stored and shipped from Amazon warehouse
- Products are Prime eligible

3

Amazon Seller

- Manufacturer manages the listing (including the pricing) and sells the items directly to customers
- Goods are stored and shipped by the manufacturer
- Products are not Prime eligible

Multiple resources needed to when selling on Amazon

1

Product Management

Sales
Marketing

2

Inventory Management

Logistics
Finance

3

Customer Management

Customer satisfaction

4

Advertising

Marketing
Ecommerce

5

Analytics

Insights
Sales

6

Other Issues

Legal
Finance
Product development

How Amazon Works and How to Succeed?

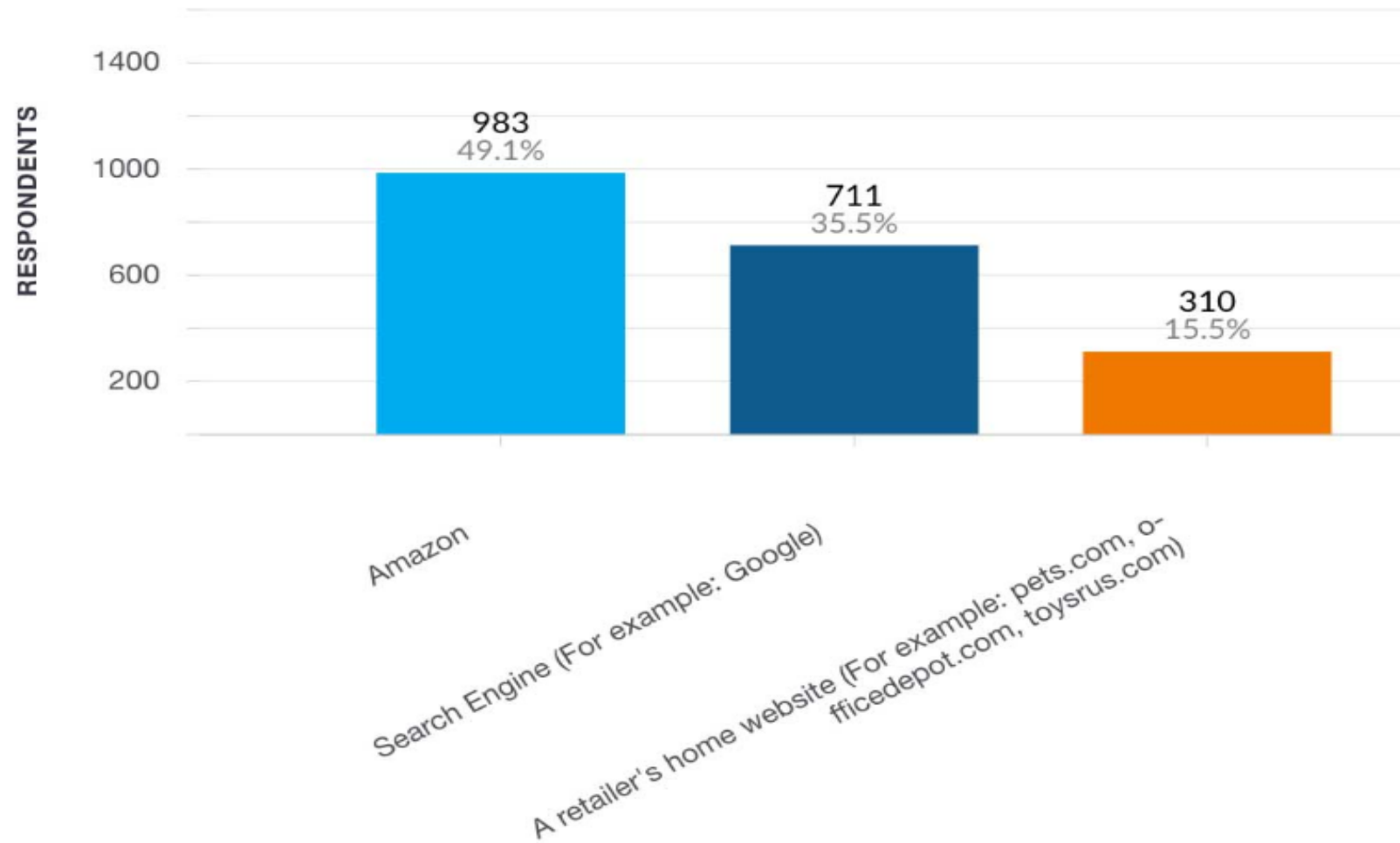
How do people find your product among 500 million other items

Your product



Amazon Search

Where consumers begin their product search:



LIMITED TIME ONLY

Belkin wireless charging pad

TREASURE TRUCK



Hi, Markus

CUSTOMER SINCE 2008

YOUR ORDERS

1 recent order

TOP CATEGORIES FOR YOU

Kindle eBooks

Automotive

Grocery

PRIME

2-hour delivery available
on over 15,000 products



FRESH

SPECIAL OFFERS
Save on your weekly shop



VIDEO

Continue watching:
Halt and Catch Fire Season 1



MUSIC

Recommended for you:
The Definitive 80's (eighties)



ALEXA

"Alexa, play TunesIn."



Popular movies available to rent or buy

Kingsman



TOM CRUISE
AMERICAN MADE



Amazon uses cookies. [What are cookies?](#)



1

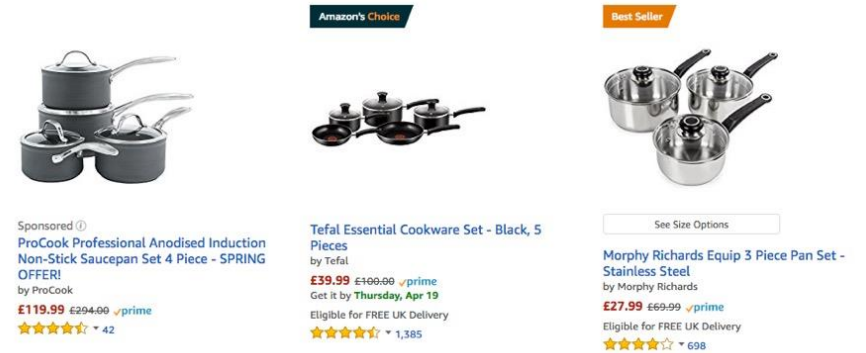
Customer search

Amazon surfaces the most relevant results for keyword

Search results

Products featured at top of search results are more correlated with better customer experience (i.e. product in stock, lots of reviews, great content, good conversion etc.)

2



3

Product detail page

High conversion from Detail Page if great quality content and strong customer reviews



Why is it important to rank well?



1

70% of Amazon customers never click past the first page

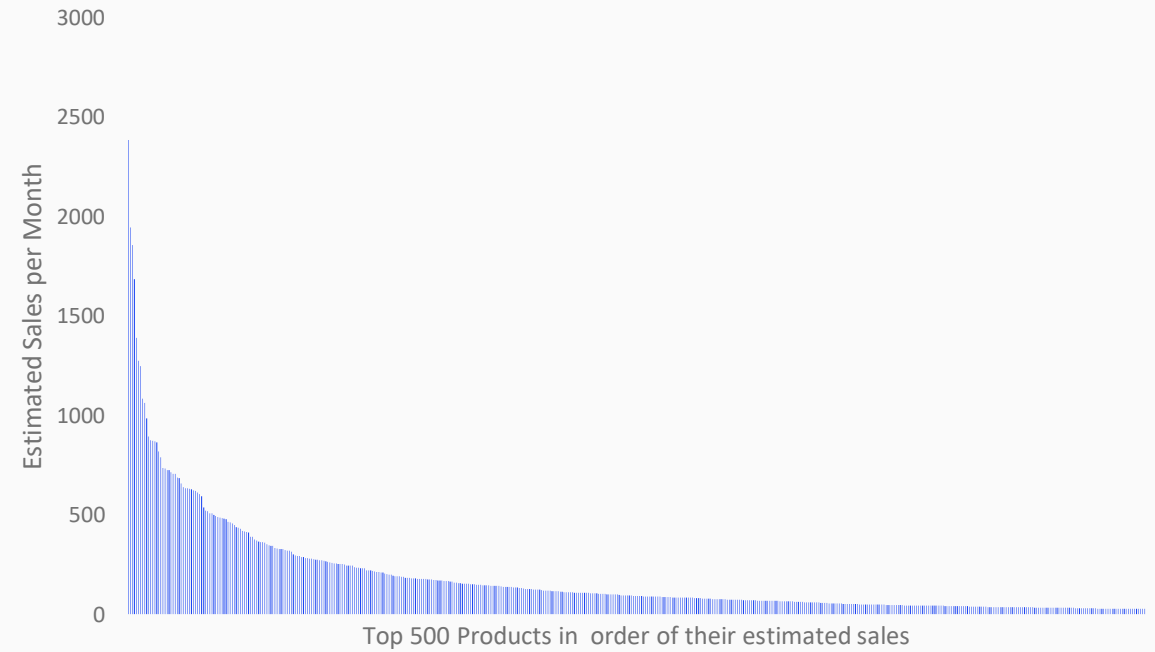
2

64% of click are generated by the first three products

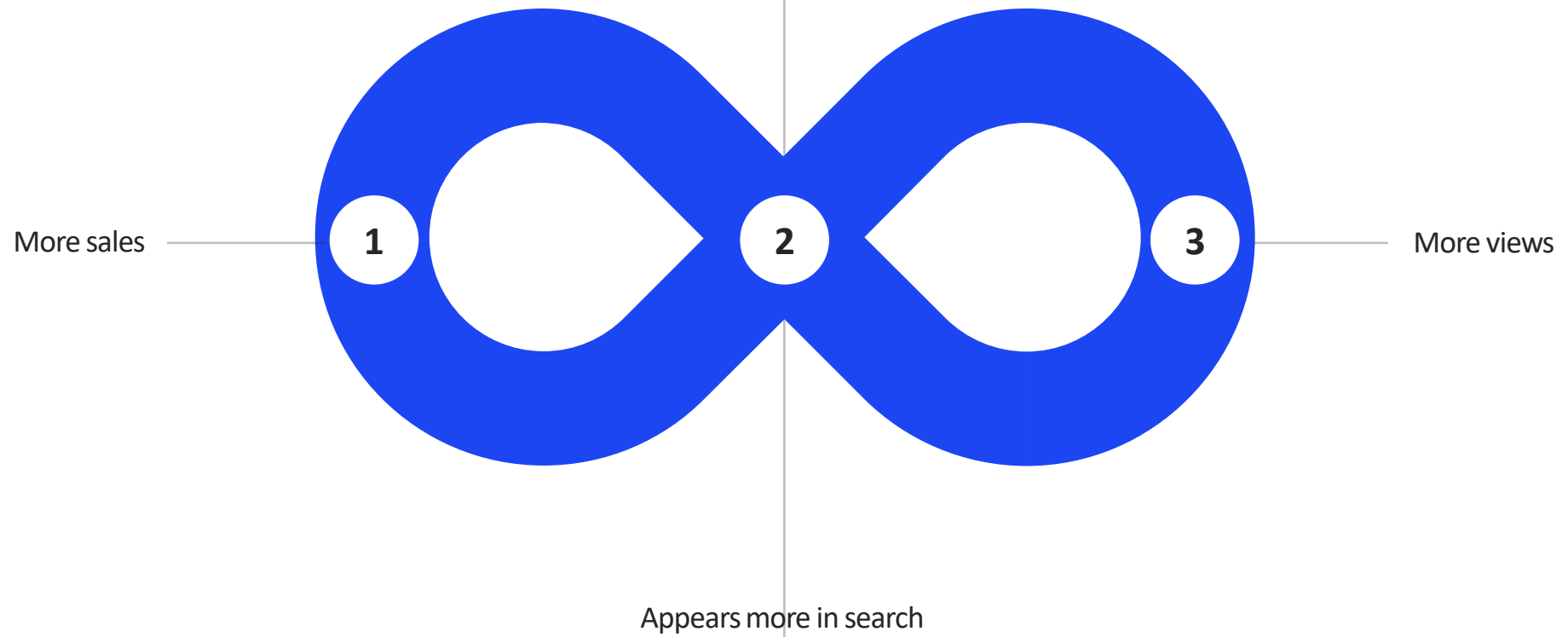
3

81% clicks are on the first search result page

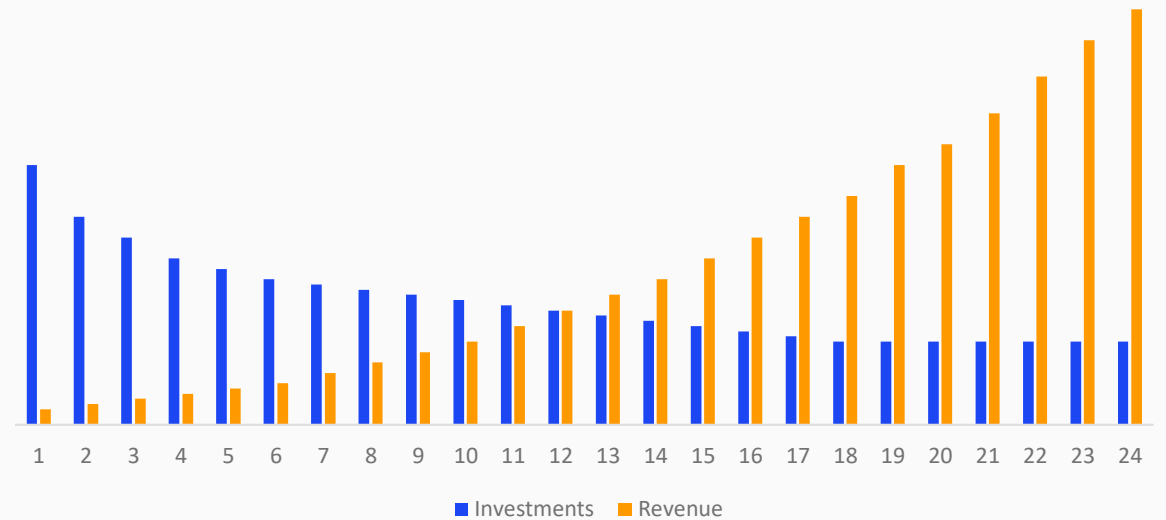
Top selling products get the lions share



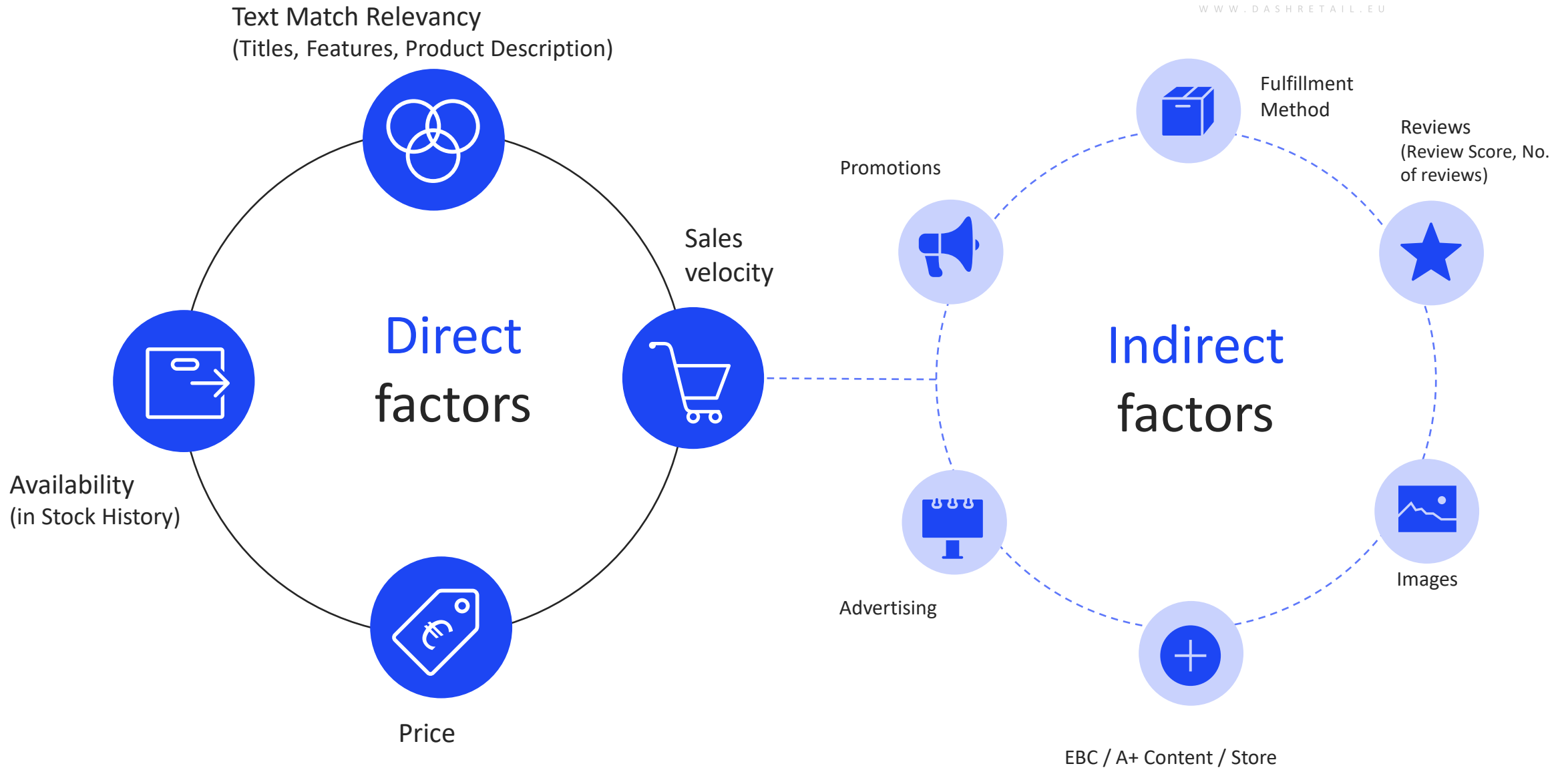
The virtuous cycle



**Becoming
successful in Amazon
requires patience**



How to rank well?



Questions?

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Thank you!