

# Expand2eBusiness How to sell in Amazon?

13.11.2018

**DASH**

RETAIL

# Today's Menu

1

About Amazon

2

How to sell on Amazon?

3

How Amazon works and  
how to succeed?

4

Do's and Don'ts

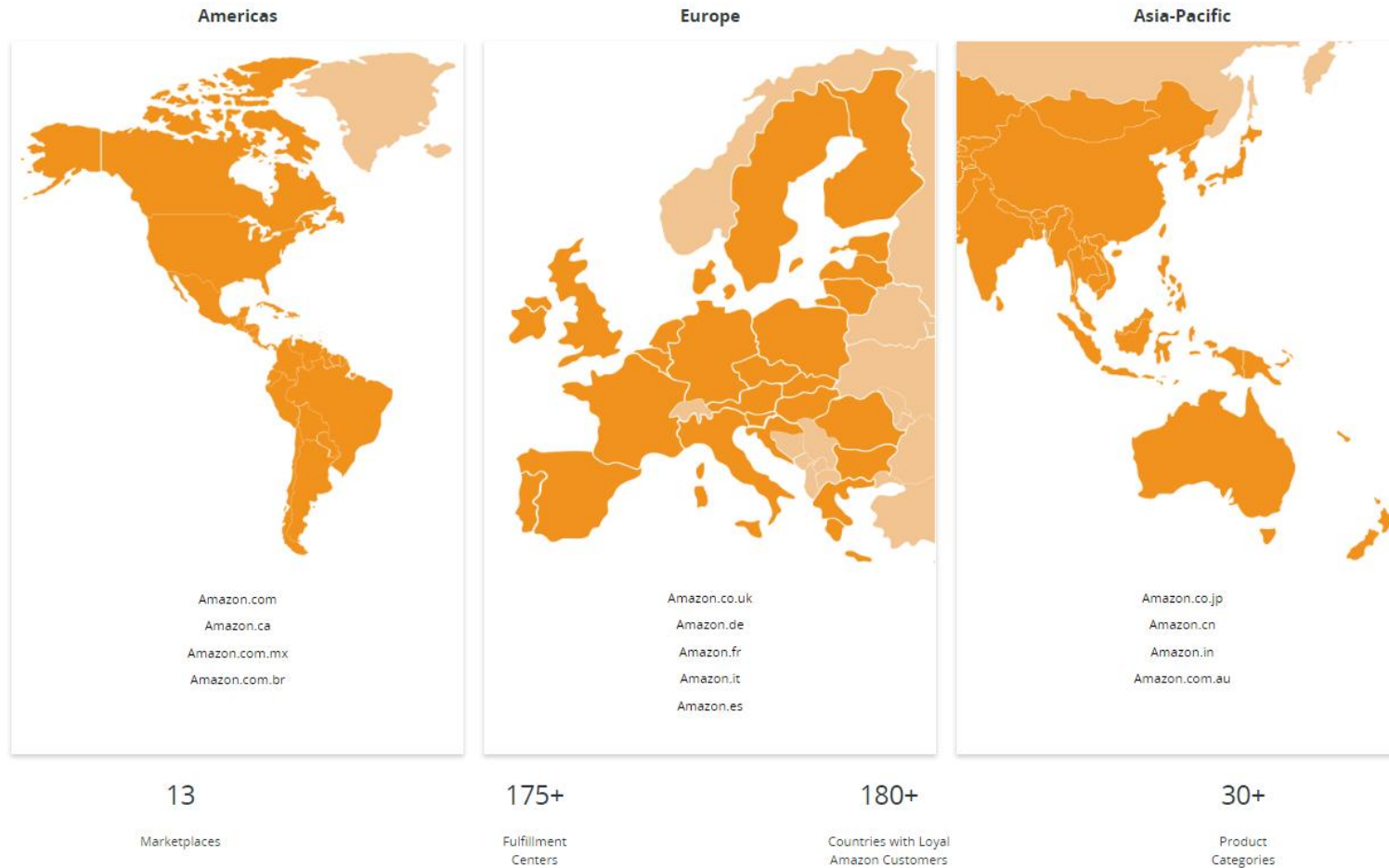


# About Amazon

# Gargantuan Retail Industry Disruptor



# Amazon's footprint



# Core elements of Amazon retail

amazon.com<sup>®</sup>

amazon  
Prime

amazon pantry

amazonfresh

prime now

amazon go

# Amazon Prime

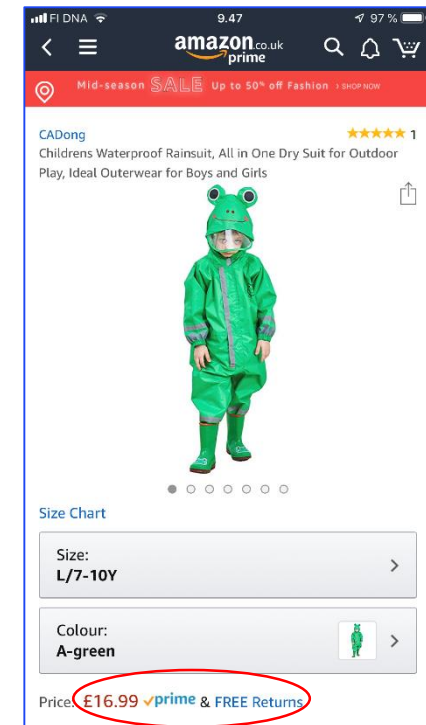


- Amazon's 119 USD / year membership loyalty program
- Offers the members free next day delivery for millions of products
- Prime membership is the key to other Amazon stores, like Fresh and Pantry
- Amazon announced that it has over 100 Million prime accounts
- **Prime members spend twice as much on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



# 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)



# 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 fullfilment center
- 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

# Selling on Amazon



- Choosing the correct selling model is essential, since it has a significant impact on the margin, required amount of work needed and control
- Traditionally the margin that brand gains is greater on seller model - Amazon is a tough negotiator
- On vendor model Amazon is taking care on many of the administrative work, in order to get the products sold on the platform
- On seller model the brand has to take care of the information input related to their products and that can sometimes be exhausting
- The assistance Amazon provides in either model is typically quite limited
- The brand should not expect Amazon to do any active push after the products are listed on the platform

# Costs associated to Vendor model

1

## Amazon Comission

Negotiated with Amazon

2

## Media Development Funds

Negotiated with Amazon  
Used for promote products by Amazon

3

## Seller Shipment Fees

Shipment fees for sending goods to Amazon fullfilment centers.

4

## Other Costs

Possible Chargebacks

# Costs associated to FBA seller model

WWW.DASHRETAIL.EU

1

## Amazon Seller Fee / Referral Fee

Sellers pay referral fee on each item sold.  
Fees vary by category.  
I.e. Sports & Outdoor 15%  
Cycling 10%

2

## Inventory Storage fee

Storage fee is based on the daily average volume in cubic feet per month and varies between low seasons.  
i.e. in UK January to September – 0,65£) and October to December - 0,91£.

3

## Fullfilment Fee

A flat fee per unit, based on the product type, dimension and weight.  
I.e. in UK Standard Parcel > 1kg costs 2,17£

4

## Optional Services

Optional services include ie, bubble-wrapping, labelling, and disposal of your products

5

## Tax Regulations

Take into account local tax regulations especially when selling and storing abroad.

6

## Seller Shipment fees

Shipment fees for sending goods to Amazon fullfilment centers.

# How Amazon Works and How to Succeed?

# Infinite shelfspace



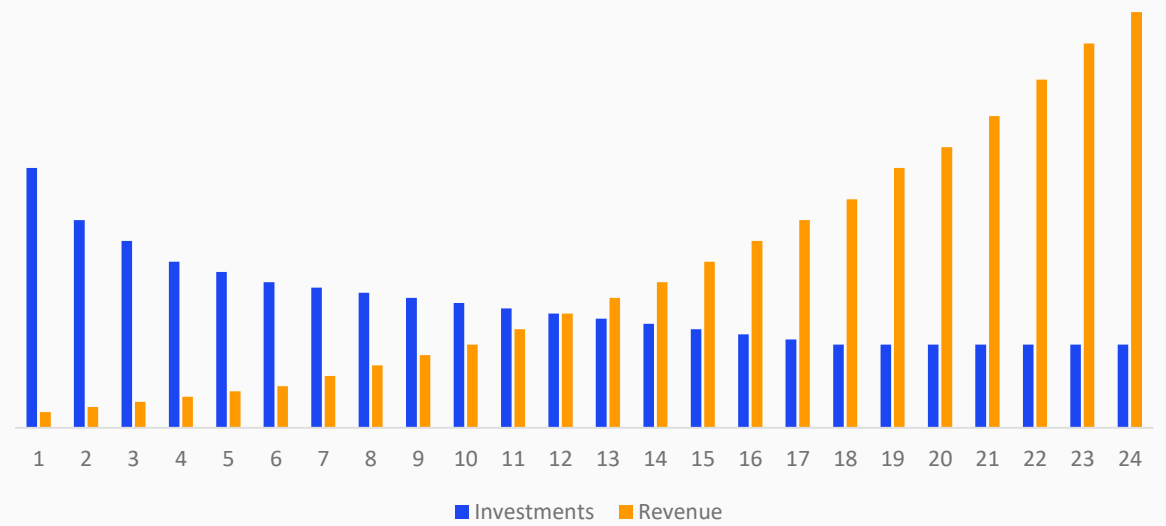


# How do people find your product among 500 million other items

Your product

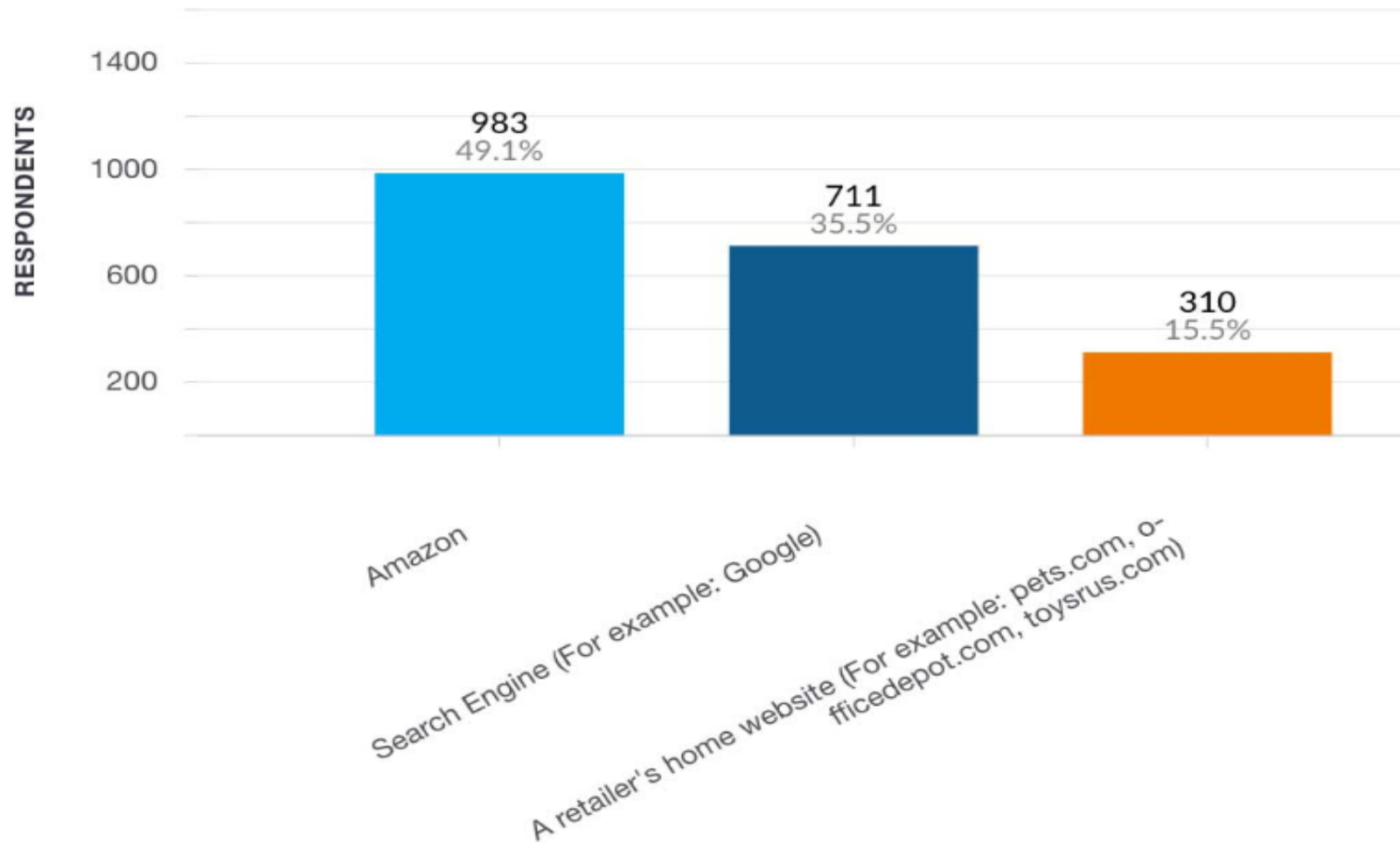


# Becoming successful in Amazon requires patience



# 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

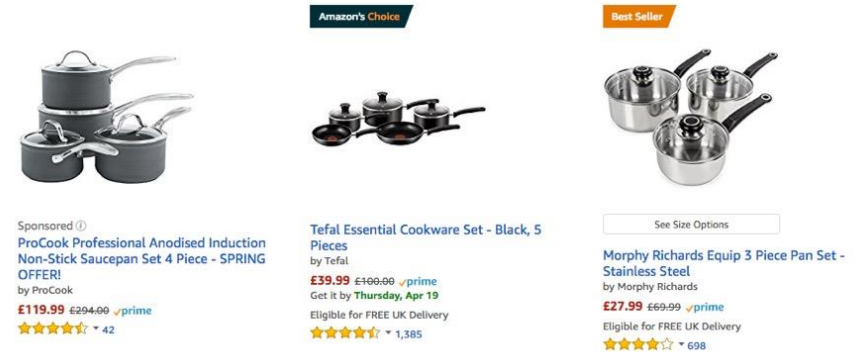
### Customer search

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.)

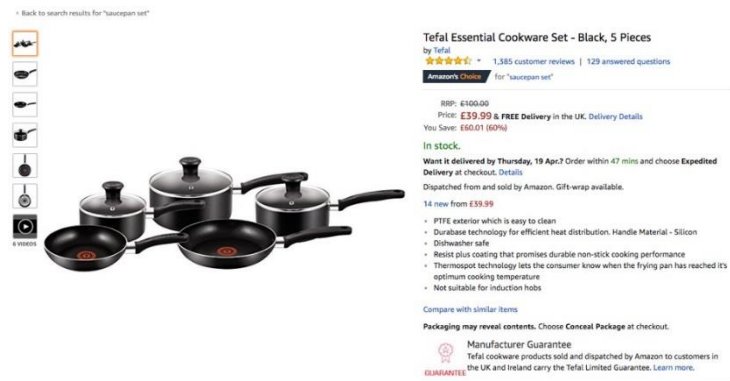
2



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

**35% of customers click on the first product featured**

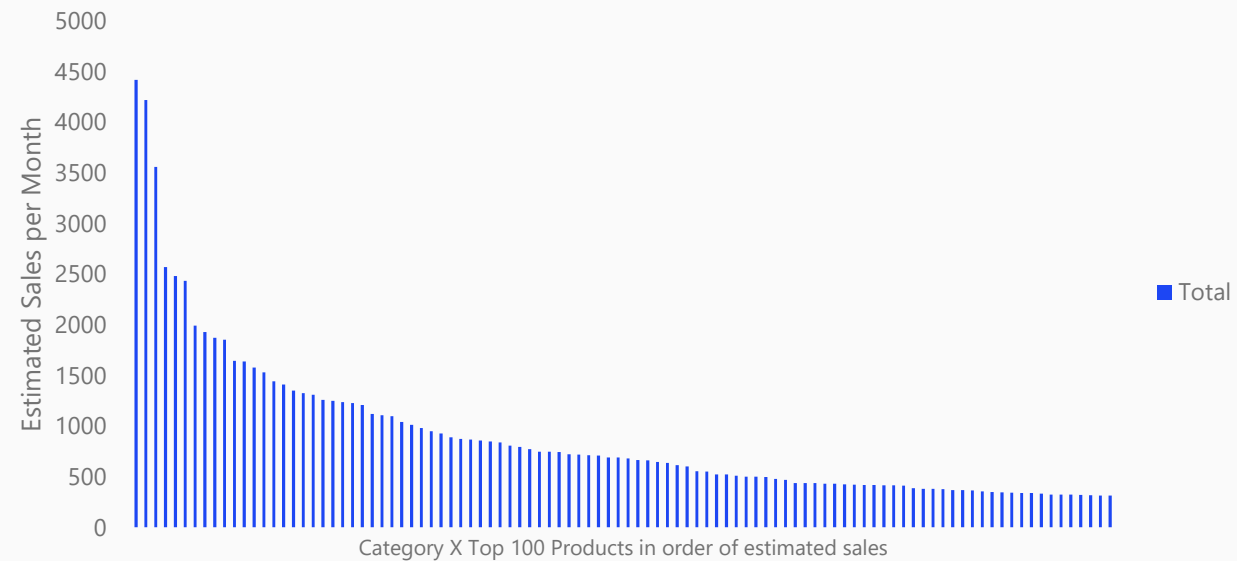
3

**64% of click are generated byt the first three products**

4

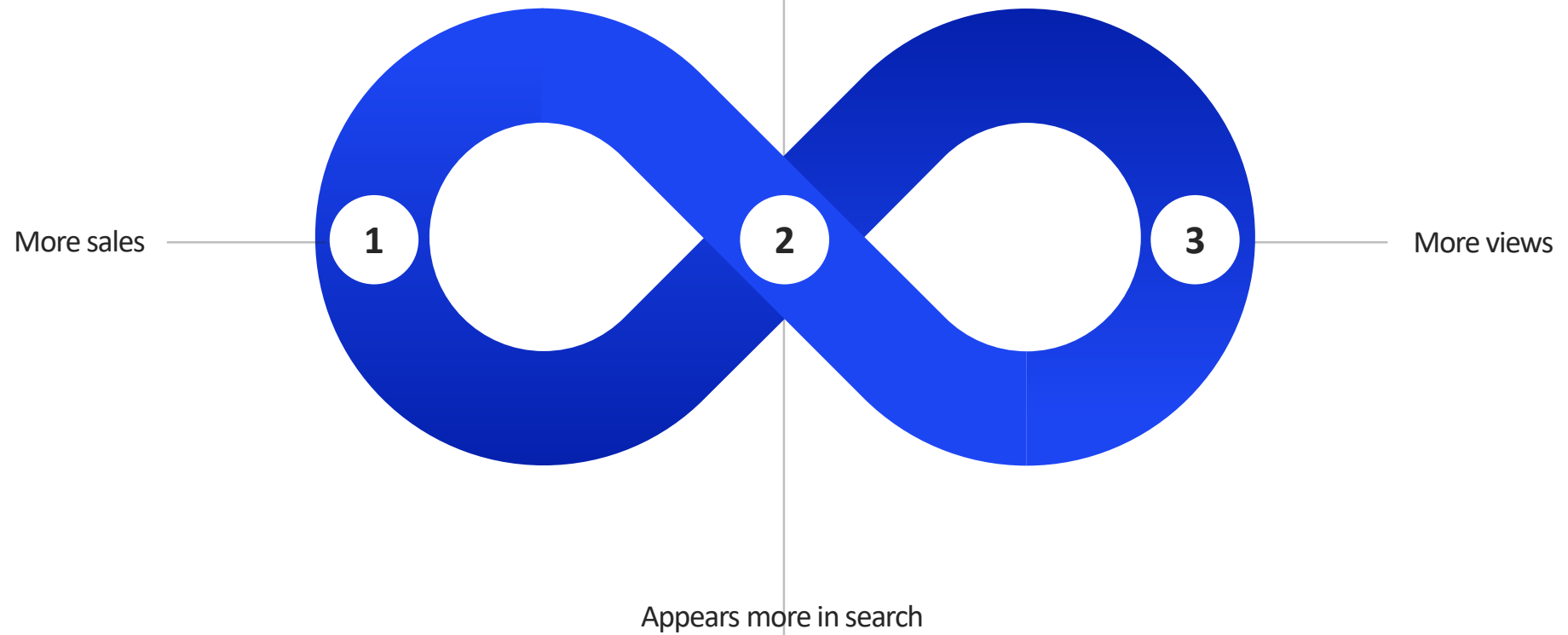
**81% clicks are on the first search result page**

# Top selling products get the lions share

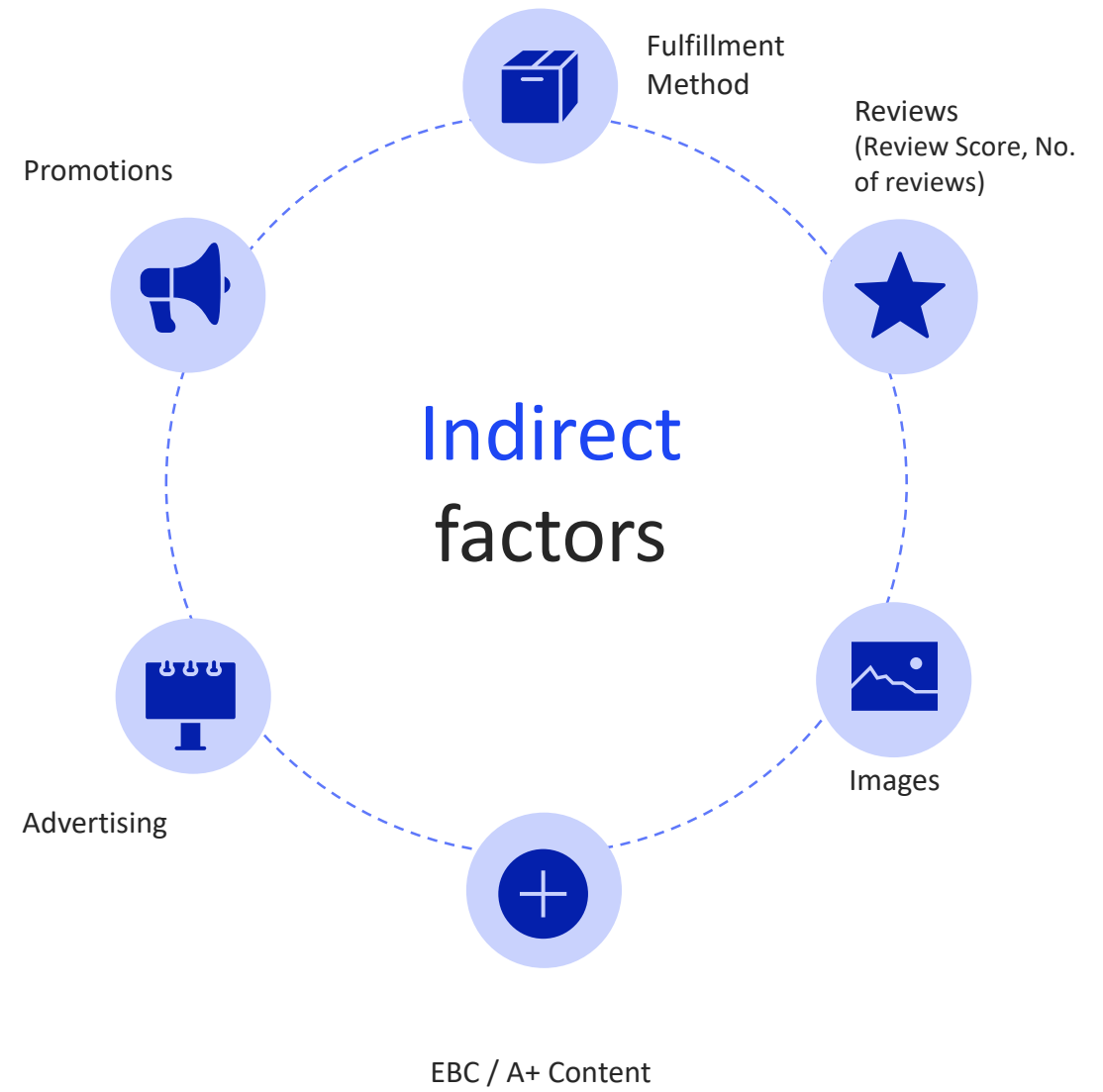
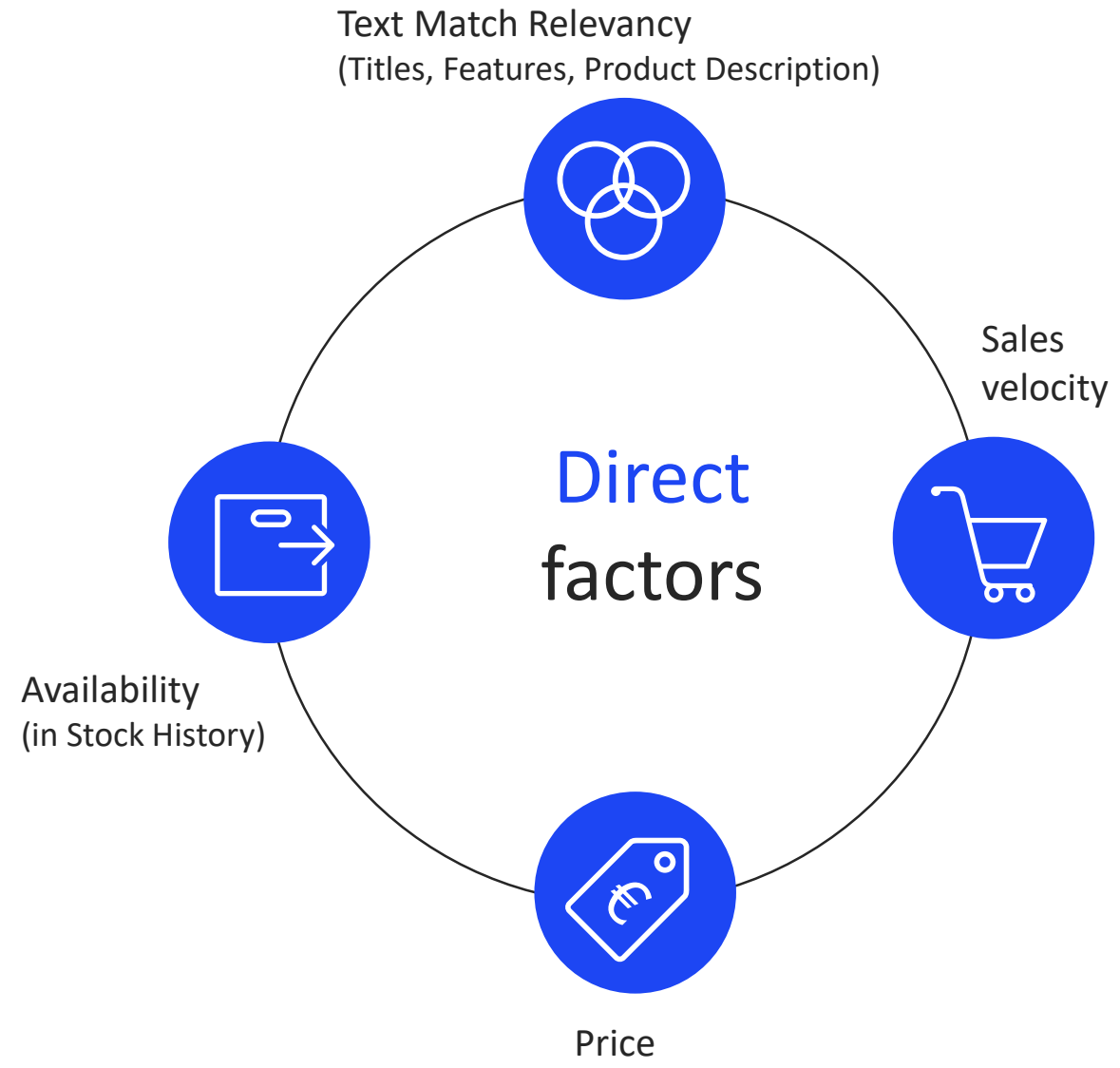




# The virtuous cycle



# How to rank well?



# Product Detail Page Has 5 Key Elements

1.

## **Descriptive Title**

A short title for the product that identifies what is being sold

2.

## **Inspiring Product Image**

High quality pictures help products to stand out and capture consumers attention.

3.

## **Clear and Concise Bullet Points**

Clear and concise bullet points help customers to make the purchase decision and can also raise products findability.

4.

## **Imaginative Product Description**

Product description summarizes and describes what the product is, how it is used, and its major features and benefits.

5.

## **Compelling Price**

Make sure your products are well priced to win the buy box

# How does well ranking content look like?



Bluetooth Headphones, Riwbox XBT-80 Wireless foldable Headset Over Ear Bluetooth headphones with Microphone and Volume Control for Cellphones iPad iPhone TV Laptop Computer (White&Silver)

by RiwBox  
 ★★★★★ 381 customer reviews | 67 answered questions






Amazon's Choice for "white wireless headphones"

Price: **£21.99** & **FREE Delivery** in the UK. [Delivery Details](#)

**Promotion Message** Promotion Available 1 promotion

**Note:** This item is eligible for **click and collect**. [Details](#)  
 3 new from **£21.99** 1 used from **£18.40**

Colour Name: **White&silver**

 £21.99	 £21.99	 £21.99	 £21.99	 <b>£21.99</b>
--	--	--	--	---

- Riwbox XBT-80 is a energetic foldable bluetooth headphone, features with a 50mm large diameter aperture drivers and bulit-in high detail microphone. Wide frequency range reproduces precise deep base and high clarity sound. You can expect comfortable listening experience for both music playing or phone calls.
- Bluetooth 4.0 : Powerful 40mm speaker with the bluetooth 4.0 technology, providing you the needs for quality natural sound and strong bass while keeping convenient. Once you done the matching, you can save the hassle for matching again. Just power on the headphone and it will connect to your device. Connection status will be shown on screen of smart-phone, and voice reminder available for battery level.
- Noise isolating ear-pads : Ear protecting high elastic protein leather over ear noise isolation earpad : It is a soft but elastic ear-pad made by cutting edge technology. The use of protein preserves a silky touch to your ears and provides excellent ventilation still blocking out the environment noise. Long time wearing will never be a problem.
- Wire/Wireless mode : Switches are located at both sides of the headphone, you can easily have your control : go to next song, previous song, volume control when using bluetooth mode. Even when your headphone has run out of battery, you can still plug in the
- Riwbox Bluetooth headphone XBT-80 fit the modern city lifestyle for everybody, no matter you are office worker or student, teenager or girls.Devices with all sorts of smart phones, tablets, computer or music player.

# A+ / EBC

- A+ / EBC is content space for manufacturers in Amazon.
- Content is located in bottom of product detail page.
- Enables brand to describe themselves and their products in more rich way for consumers using images and texts.
- Content can be tailored even for each product.
- Improves conversion on average with 11%.



Fairy Platinum All in One Dishwasher Capsules give you the confidence to cook what you want knowing Fairy Platinum will be there to clean up even the toughest of foods left behind. Fairy Platinum All in One Capsules break down the toughest food challenges such as burnt on foods and tea stains, while Fairy's unique liquid-top acts to power through grease and oil easily, leaving nothing but clean dishes. What's more, Fairy Platinum All in One helps remove grease even from the hidden parts of your dishwasher\*, leaving your dishes — and dishwasher — sparkling.

\*for limescale removal please use machine cleaner or another method

## Features & benefits of Fairy Platinum All in One



### Tough Food Cleaning

Fairy's Platinum dishwasher capsules get rid of even the toughest of tough



### Greasy Filter Cleaning

Fairy Platinum All in One Dishwasher Capsules are so powerful, they even



### Brilliant Shine

Fairy Platinum All in One Dishwasher Capsules cut through grease and grime

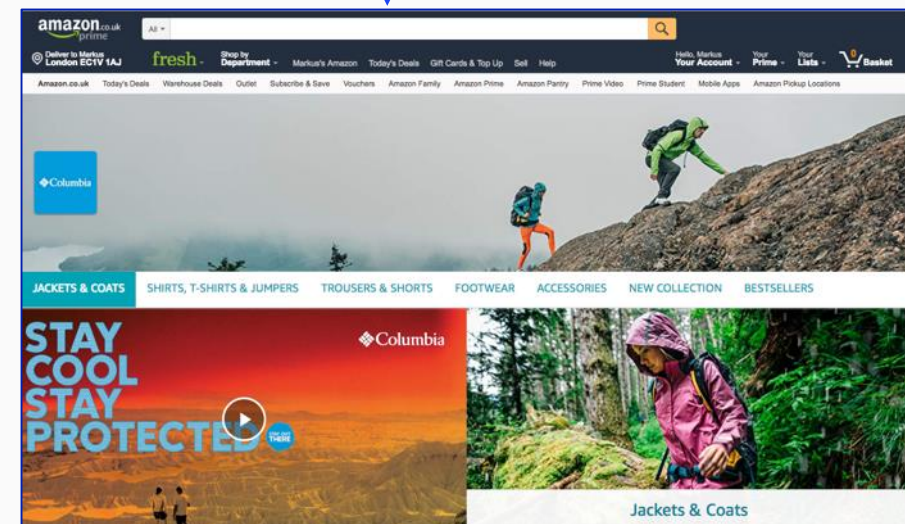
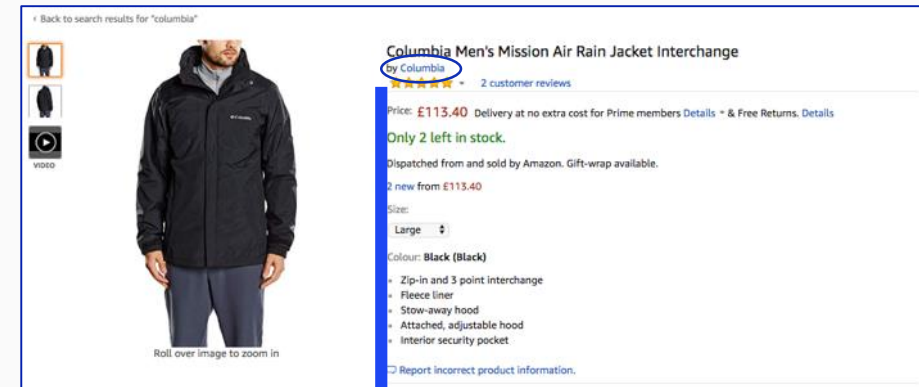


### Recommended brand by dishwasher manufacturers

Fairy Platinum offers powerful Tough

# Amazon Store

- Amazon Brand Store is a "light" version of a store dedicated to a single brand
- Amazon Stores are available to all Vendors and Sellers who own the brand
- Stores allow the brands to have much more creativity than on the product detail page



# Amazon Store for the brand

- The objective with the Store solution is to operate higher up in the purchase funnel
- Stores are also the only place in Amazon that other brands can't access with their advertising
- Stores can be built on three levels, with Add to Basket functionality
- With the Store brands can offer a more immersive experience to their shoppers
- Brands will be able to drive traffic to their store from their promotions outside of Amazon



Columbia Men's Cascade Ridge II Softshell

£49<sup>90</sup> ~~£90.00~~ (45% off)

✓prime ★★★★★ 6

ADD TO BASKET



# Promotions

- In Amazon there are different kind of promotions every day - small and large - from deal of the day to Black Friday
- The deals are typically significant price discounts and items are sold with low if any margin
- However the promotions increase the number of orders - and this has a halo effect, helping brands win rankings in the future searches

## Today's Deals

Deals of the Day run for 24 hours (subject to availability). [Terms and conditions](#) apply. Lightning Deals are available until the Watch upcoming deals [here](#). Never miss another deal! Get our [daily deals email](#) straight to your inbox.

Showing 1-60 of 4659 results for **Active or Upcoming** x

**Price**

Under £15

£15 - £30

£30 - £100

£100 - £200

£200 and above

**Department**

Amazon Devices

Baby

Beauty

Beer, Wine & Spirits

Books

Business and Industrial

Camera & Accessories

Camping & Hiking

Car & Motorbike

Clothing


Coffee, Tea & Beverages

Computers & Accessories

Cycling

Diet & Nutrition

DIY & Tools



**DEAL OF THE DAY**


**£27.59 - £239.75**

Ends in 1:15:18

[Save on Camus experience](#)

★★★★★ 11

[View Deal](#)



**DEAL OF THE DAY**

**£64.99**

Ends in 1:15:18

[Bosch PBS 75 A Belt Sander](#)

Ships from and sold by Amazon.co.uk.

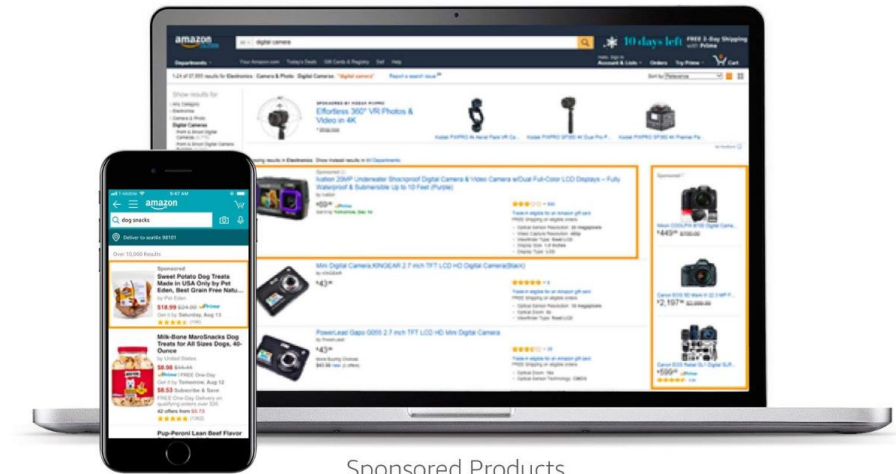
★★★★★ 166

[Add to Basket](#)

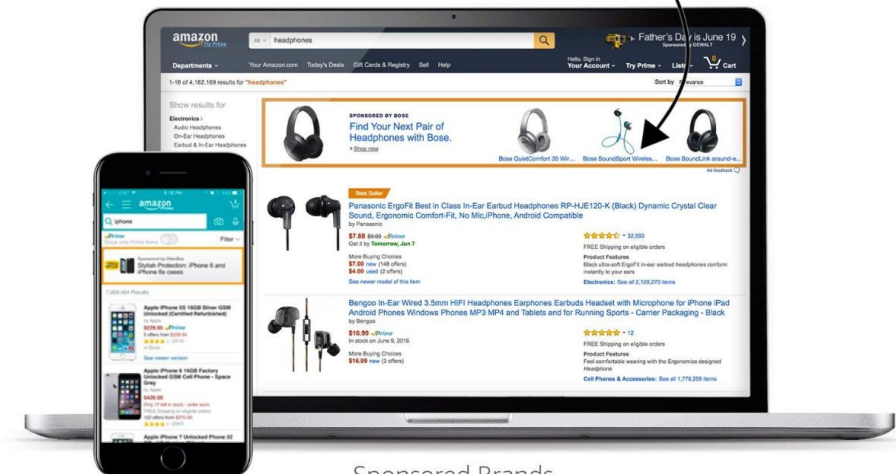
# Amazon Advertising Products

## Search Advertising

- Amazon search advertising has two ad products, the sponsored products and the sponsored brands
- In these formats the ads are targeted and triggered by the selected keywords



Sponsored Products



Your ad

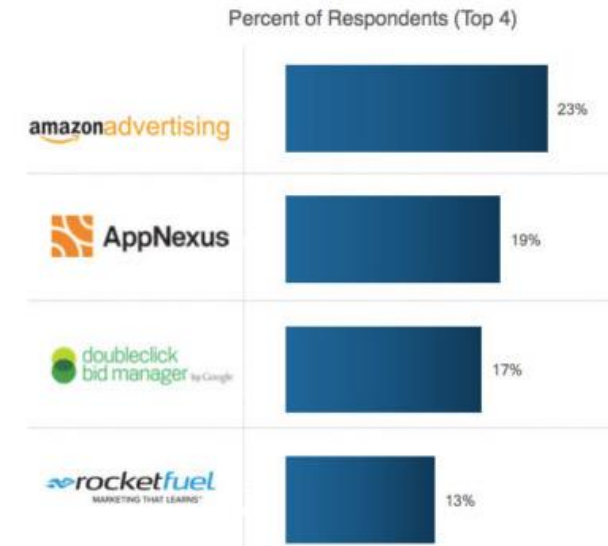
Sponsored Brands  
(formerly Headline Search Ads)

# Amazon DSP

- **Display Advertising**

- Amazon DSP is enables the usage of audiences based on Amazon's data.
- Brands own data can also be utilized.
- Data based, targeted advertising can be used with display and video formats.
- Advertising is shown in Amazon and it's owned media placements as well as outside of Amazon.

## Who are most preferred DSPs? Amazon, AppNexus, DBM



Advertiser Perceptions' DSP study 2017.  
Amazon's data makes it a very interesting solution for advertisers.

# Do's and Dont's

## Do's

1. Follow your strategy
2. Be patient
3. Allocate enough resources
4. Follow your sales velocity
5. Be creative

## Dont's

1. Dont forget your brand
2. Dont sell too cheap
3. Dont believe in shortcuts
4. Dont rush with the content
5. Dont expect Amazon to solve all your challenges

**Satu Öhman / Dash Retail Consulting**  
**satu@dashretail.eu**

**Thank you!**