

WHY AMAZON VENDORS SHOULD INVEST IN AMAZON MARKETING SERVICES

How to Effectively Manage Sponsored Products, Headline Search & Product Display Ads



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Introduction

Amazon provides vendors with a selection of premium services to elevate their marketing strategy. **Unfortunately, not all of Amazon's Premium Services are worth the investment** or are likely to have a **direct impact on your brand.**

As expert marketers for some of the biggest names in retail, we understand the challenges vendors face when deciding which of Amazon's premium offerings are worth their marketing dollars.

Make no mistake about it, Amazon is in the business of making money and they will continue to encourage vendors to partake in their premium service offerings—as long as it benefits the platform's profitability.

But at the end of the day, we understand that vendors want to know which premium services are going to increase **their bottom line**.

As an agency working directly with vendors, we've had the opportunity to explore Amazon's Premium Services and in our experience, we've seen the most value from Amazon Marketing Services (AMS).

Unlike some of Amazon's other offerings such as AMG (Amazon Media Group), AMS offers effective tools to help vendors stand out against their competitors and drive traffic to product detail pages and branded pages.

amazonmarketingservices









The primary benefit of using AMS over other services, is that it gives sellers/advertisers a direct opportunity to get their products and brand in front of additional in-market shoppers on Amazon.com.

Specifically, the ability to target individual product detail pages gives sellers an opportunity to **introduce their products directly alongside competitor products** when consumers are at the last stage prior to conversion.



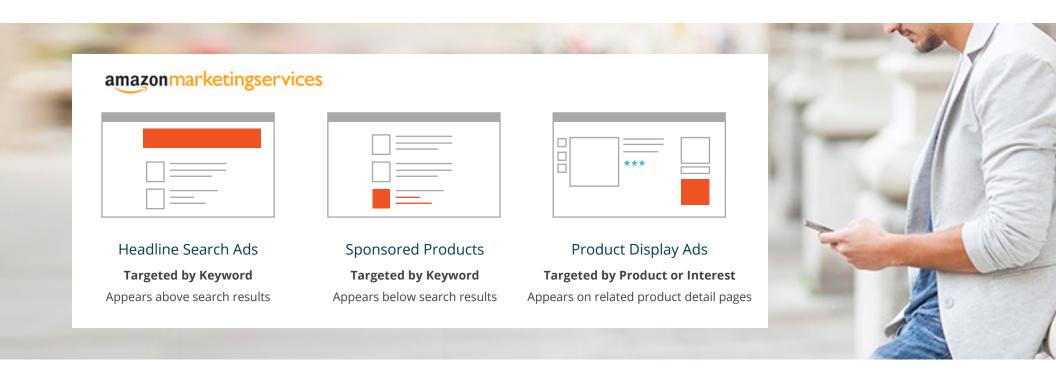
What is Amazon Marketing Services (AMS)?





What is Amazon Marketing Services (AMS)?

Amazon Marketing Services (AMS) is an advertising solution for Amazon vendors to enhance their brand discoverability and drive demand for their products sold on Amazon.com through:



AMS is available to Amazon vendors and some third-party sellers.

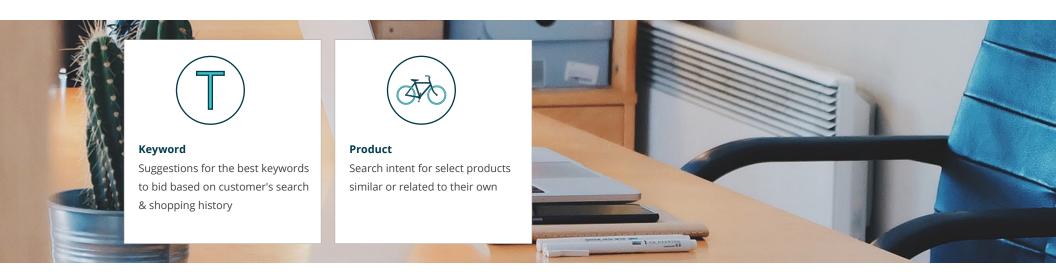




The Amazon Marketing Services program provides vendors an opportunity to:

- Create engaging display ad content
- Measure ad content success
- Reach potential customers throughout Amazon and Amazon-owned & operated sites

Amazon Marketing Services offers targeting options for vendors to optimize their performance through:



AMS provides vendors with a robust dashboard to gauge impressions, clicks, considerations, sales, and more. This gives vendors the information they need so they can make the appropriate bid adjustments, revamp their creative approach or add / remove keywords.





Amazon Marketing Services is constantly evolving and changing as Amazon makes the tool more robust and allows advertisers more access to analytical information.

Headline Search is based more on the customer intent, where the Product Display side is based more on products.

It is important to keep in mind the value of each of the tools available to sellers is highly dependent on that seller's goals and opportunities.

The greatest benefit of AMS is the ability for vendors to gain exposure and sufficiently grow their channel through advertising modules.

Amazon Premium Services can be a challenging platform to dissect given the vast number of options but, if you are a vendor looking to increase your brand exposure and sales - we highly suggest AMS as the next step in your marketing investment.



Top of the Funnel: Headline Search Ads





Top of the Funnel: Headline Search Ads

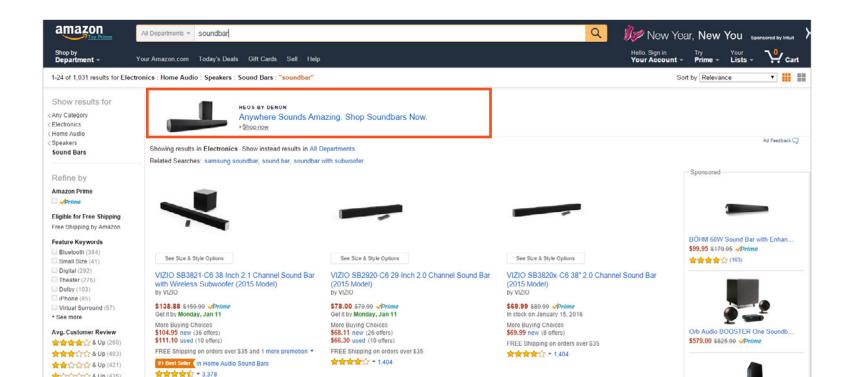
What Are Headline Search Ads?

Headline Search is banner advertising on Amazon located in prominent placement above the search results. Headline Search Ads are based on the ability to capture search intent and go after specific searches with a combination of a graphic and a text based ad.

Retailers can drive traffic from their ad to their Amazon Branded Page, best-selling products or a custom URL. One of the key strategies to remember when using Headline Search Ads is to match keyword intent with the landing page that you are driving traffic to. Custom URLs must send to a SERP with at least 3 products that you sell.



PRO-TIP: Best-selling products must be specified to a category that you sell in. If you sell in multiple categories, you can decide which category you want to send your traffic to.





What Is The Goal of Headline Search Ads?

The goal of Headline Search Ads is to allow brands to create keyword targeted ad campaigns to drive traffic to:

- 1 A Brand Page
 - Usually we see better results with this option.
- A custom URL which is basically your own crafted SERP results page
 Remember, you at least three parent products to create a custom URL.
- 3 An Amazon created page showcasing your brand's best-selling products

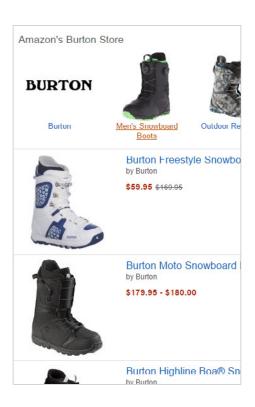
Analysis of Headline Search Ads

Headline search ads are most valuable to vendors who want to drive traffic to their retail brand page and target ads by keywords through high visibility placement in the search results.

The golden rule here is to **reduce friction for your shoppers** and drive traffic based on keywords to put the most relevant products in front of them.

For example, if someone searches "Burton snowboarding gear" and you have a Headline Search Ad created—it would make sense to drive traffic to a Burton branded storefront page.

Judging by the search query you can anticipate the shopper knows they want "Burton" branded gear but, they don't know exactly what type of gear they want just yet (including boots, hats, jacket, etc).





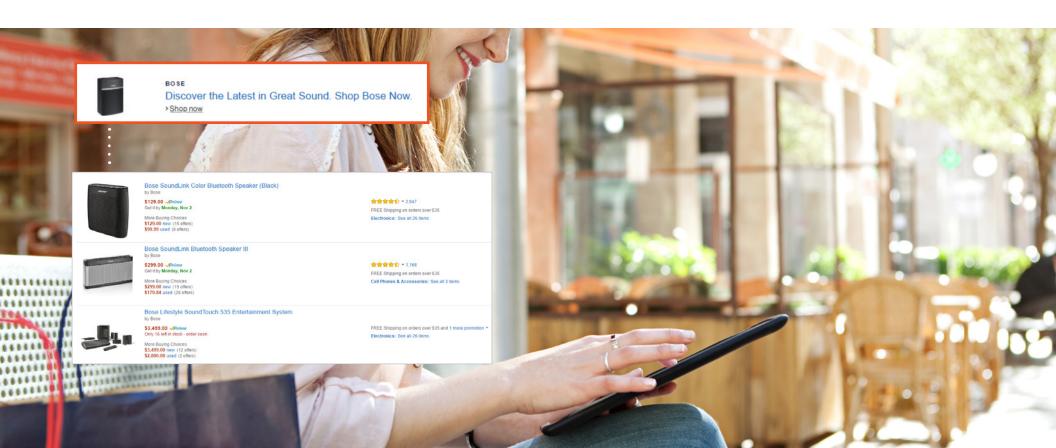
In contrast, a search for "Burton snowboarding boots" shows more specific intent. If you sent this search to the same branded storefront page they would have to continue to dig for the boots they want—scrolling through hats, jackets and other unqualified products. This is "creating friction" and making the customer re-find the product that they want.

For shoppers further down the funnel, with more specific search intent, you should send them to a customized URL that only shows them "Best Selling" Burton boots.

The advertising cost of sale for Headline Search ads is typically a little higher but in our experience, this pays off with an increase in organic sales. Historically, Amazon vendors are brand manufacturers, which means they have marketing budgets to spend on increasing their visibility.



PRO-TIP: Headline Search Ads utilize Ad Copy (Sponsored Search and Display Ads only drive off of the product content you're advertising). What we've found is that the text in the ad copy should match the keywords that are the MOST important for your product to increase relevancy and improve your opportunity for click through.



Middle of the Funnel:

Amazon Sponsored Products



What Are Amazon Sponsored Products?

With Sponsored Products, ads can appear below the search results, in the right column on search results pages, and in an ad placement on detail pages. Ads may also appear on both mobile and tablet browsers.

Amazon Sponsored Products use targeted ads to give vendors more control over product merchandising on Amazon.com by boosting the visibility of their products when shoppers search for keywords to bid on. Vendors pay a fee for this service only when an Amazon shopper clicks their ad to go to the detail page where the offer is listed.

Some of the main advantages of AMS Sponsored Products include:

- Only pay when shoppers click your ads
- Keyword-targeted ads display in search results and on product detail pages
- Effectively measure ROI with sales reporting





What Is The Goal of Amazon Sponsored Products?

The goal of Amazon Sponsored Products is to get products placed on the first page of the Amazon SERP for desired search terms.

Analysis of Amazon Sponsored Products

Sponsored Products is one of the most powerful tools in an Amazon seller's arsenal for enhancing the discoverability of their product catalog. With Sponsored Products, third party sellers and vendors alike have the opportunity to get their products on the first page of the Amazon SERP for search terms which drive conversions.

Sponsored Products can also help vendors to increase product visibility for new offers, unique selections, offers with low glance views, clearance items, and seasonal promotions.

Making sure your products are getting found on Amazon is key for success and properly leveraging Sponsored Products is essential to maximize your visibility on the Amazon marketplace.



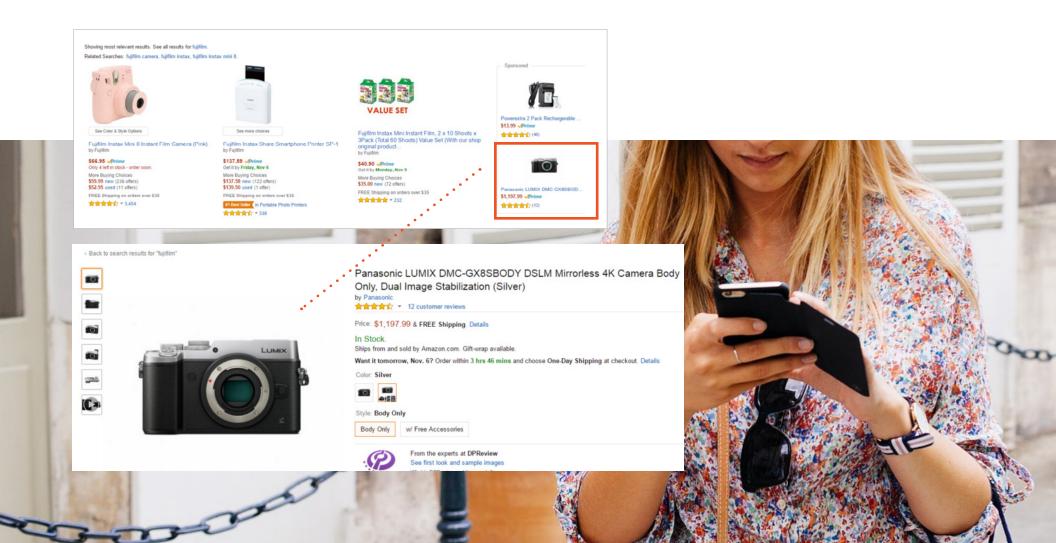
PRO-TIP: Sponsored Products is not the same program for third party sellers, it's actually much more robust for third party sellers but we predict that automatic targeting will eventually be available to vendors as well.





Currently, vendors can only access manual campaigns. Amazon might be excluding this ability to target with product data (rather than keywords) from vendors for now to give third party sellers a small advantage since vendors currently have so many more tools available to them.

Check out this course for more information on automatic vs. manual campaigns in Sponsored Products.



Bottom of the Funnel: Product Display Ads





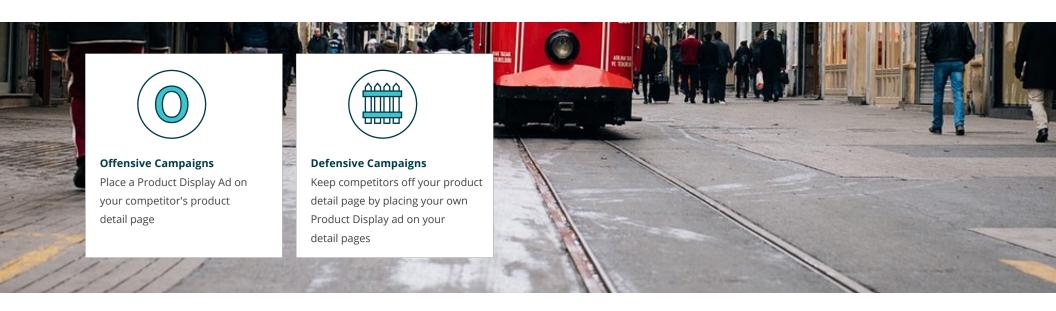
Bottom of the Funnel: Product Display Ads

What are Amazon Product Display Ads?

AMS Product Display Ads boost product visibility by offering an "offensive and / or defensive" advertising strategy. Display Ads are typically found on the right side of a brand's detail page (or on a competitor's detail page).

What Is The Goal of Amazon Product Display Ads?

The goal of Amazon Product Display Ads is:





Offensive Campaigns

An example of an Offensive Campaign would be if a Nike was to place their athletic shoe Product Display ad on one of their competitor's detail pages—such as Adidas. When shoppers click on the Adidas product it's likely they are still deciding which type of running show they want to buy.



If Nike can get the shoppers attention with their ad (better product, better pricing, more features) there is a good chance they will click on the Nike ad to find out more information. By targeting competitor's detail pages and capturing the shoppers attention, sellers increase their chance of winning the conversion. The key is to feature your ads on competitor pages that are likely to be associated with your brand / product.

Defensive Campaigns

An example of a Defensive Campaign would be if Adidas decided to place Product Display ads on their own detail pages. The theory is—by running Adidas ads on their own product pages they will be able to "defend" their real estate and keeping competitors (like Nike) out.



When shoppers are searching—even if they decide to click on a different product featured—they will still be searching within the Adidas brand—increasing the chance of a conversion for that brand.





Analysis of Amazon Product Display Ads

Product Display Ads help brands drive sales with interest-based or product-targeted advertising.

With product-targeting vendors can select the products and the detail pages where they want their products to show up on.



PRO-TIP: This is the first time Amazon has given vendors the control to select specific detail pages for where they want their product ads to show up.

Targeting based on shopper interests or products makes it possible to deliver highly relevant ads to shoppers with certain interests or actively viewed specific products. With Product Display Ads, Amazon vendors have access to customer information from Amazon.

For example: Burton snow boots could show up in the "Sports" interest category.

Interest-based targeting tends to get higher volume and lower conversion rate. As an advertiser, you are casting a much wider net, but not necessarily converting qualified shoppers. Product targeting allows advertisers to get much more granular.



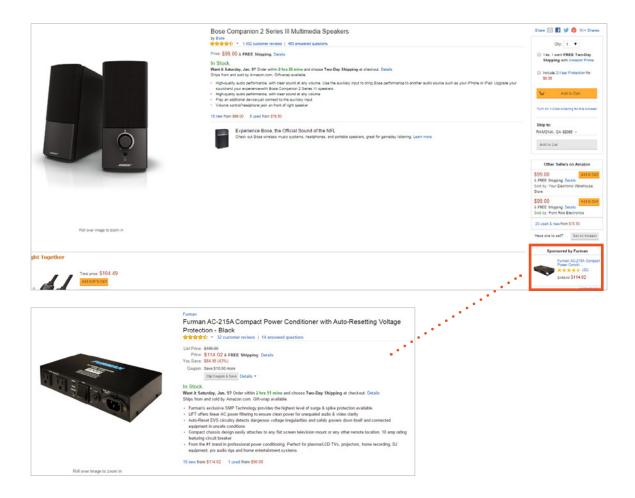
PRO-TIP: So far, we've seen a lower advertising cost of sale on the Product Display Ad side, because we're able to target specifically against competitive products or to specific interest groups.







PRO-TIP: Product Display Ads are the LAST ad your shopper will see before they click the "add to cart" button - which makes it an extremely valuable ad placement.





Why Amazon Marketing Services is Worth the Investment





Why Amazon Marketing Services is Worth the Investment

We've seen direct results from all three of Amazon's advertising solutions including Headline Search, Sponsored Products and Product Display Ads.

Below we highlight examples of how the implementation of AMS can have a direct impact on a vendor's sales, visibility and brand awareness.

Success Story #1: Medical Brace Vendor Drives Traffic to "Best Sellers" with Headline Search Ads

Challenge

A medical knee brace manufacturer joined AMS to improve their brand awareness, increase visibility and most importantly—drive traffic to their best selling products.

Strategy

Specifically for this type of product category, it was important for the manufacturer to focus their marketing efforts on educating the consumer about their product. They built out Headline Search Ads that directed consumers to brand pages with a focus on "best seller" products complete with videos and customized detail pages.



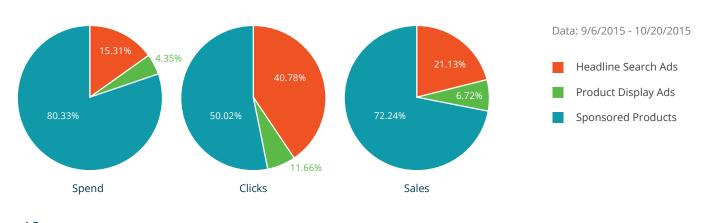


Additionally, the vendor created "defensive campaigns" through Product Display Ads to showcase and / or cross-sell their own products and to keep out competitors out their product detail pages.

They also build out "offensive campaigns" to target competitors on other detail pages, gain brand awareness, and take back market share.

Results

The manufacturer saw an increase in sales and visibility after only 45 days (as seen below). The only way a brand is going to grow is to get products in front of new shoppers. By targeting groups in relatable searches such as "yoga" or "barefoot sports", the bracewear company was able to expand their customer base and provide complementary product offerings on their own product detail pages.









Success Story 2: Tool Manufacturer's Sales Increase 43% With Sponsored Products

Challenge

With no active AMS Strategy in place, a power tool manufacturer was faced with the challenge to improve their ROI in Q3.

Strategy

The first step to improving their campaign strategy was launching their AMS campaigns. We built out five new Sponsored Products campaigns each week, in addition to the development of one headline search ad and one product display ad (to target their competitors). The power tool company focused more on their Sponsored Products development (rather than Headline Search and Product Display Ads) since Sponsored Products is known to have a higher ROI.

Results

With the implementation of AMS campaigns, the power tool vendor saw their overall sales increase 43% during a 4 month period.







Success Story 3: Electric Appliance Vendor Targets Competitors With Product Display Ads

Challenge

A manufacturer that sells portable space heaters signed onto AMS with the primary goal to increase product visibility and target competitors, while keeping their ACOS as low as possible.

Strategy

Taking seasonality into consideration, the manufacturer built out specific AMS Product Display ads for their best-selling space heaters to target competitors & similarly priced products in their category.

The campaign focused predominantly on similarly priced products within the same price range. Because it didn't make sense to target other spaces heaters way above or below the product's price range. It's safe to assume customers searching for a \$20 space heater might not be interested space heaters that cost \$1,000+.





Results

Three weeks into the campaign, the portable heaters experienced a significant volume increase (as seen the graph below). Especially in the months leading up to November / December (when the weather is likely to cool off for most of the country), they saw a dramatic lift in portable heater sales while maintaining a remarkable ACOS goal of less than 5%.





Final Takeaways





Final Takeaways

As we mentioned, AMS strategy is depended on the vendor's goals. Each of the three aspects of AMS target consumers differently.

Amazon Marketing Services allow advertisers to:

- ✓ Advertise individual products
- ✓ Drive traffic to product detail page
- ✓ Create targeted ad campaigns
- Control spend with bid and budget
- **✓** Pay only when shoppers click
- **✓** Track campaign performance

Regardless of your approach, AMS is one of the most valuable levers vendors can access to improve their marketing strategy on Amazon.



"Brands that have marketing budget and care about increasing brand awareness and orders from their other vendors should absolutely be taking advantage of Amazon Marketing Services,"

- Jared Bucci, Marketplace Channel Analyst | CPC Strategy





Product Display Ads and Headline Search Ads are different in the sense that **Headline Search is based on the ability to capture search intent** and go after specific searches with a combination of a graphic and a text based ad.

On the other side of the equation—**Product Display Ads are more product specific** and allow placement on actual product detail pages.

In summary, Amazon Marketing Services offer effective tools to help vendors stand out against their competitors, but it's important to take a step back and look at the "big picture".



"AMS and the ad units within it, are only part of a comprehensive strategy. Vendors can drive more volume, drive more traffic, and generate incremental clicks but they have to be driving to a landing page (detail page) that converts. That's why with any strategy on Amazon, it's important not to think about how you can use this in a silo, but how this is part of a much larger comprehensive strategy for success.

Specifically, this is where the quality of your content comes into play including images, titles, descriptions, A+ content, and customer reviews. All these factors contribute to how well a detail page is likely to convert. You can drive all the traffic in the world but if it's not a quality landing page and it's not specific with the consumer's search intent - it's going to be inefficient spend. All it will do is drive clicks with no conversion.

In order to have a successful advertising campaign (using the AMS ad units) it's a combination of well-crafted campaigns, and properly selected products or keywords (depending on the ad type you're choosing) - that are driving to detail pages with robust content and images to ensure the highest conversion rate you can get."

- Pat Petriello, Senior Marketplace Channel Strategist | CPC Strategy



