

RETAILER'S
**ULTIMATE
GUIDE**

TO SELLING ON AMAZON



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INTRODUCTION

Amazon is the world's **largest online retailer**. With hundreds of millions of active customers, Amazon now owns half of the US eCommerce market. For many retailers, the only options appear to be compete or die. But fortunately, there is another way.

Joining forces with Amazon to increase overall eCommerce sales is a viable strategy for retailers looking to improve growth. But before selling on Amazon, you should know the **pros and cons** of the platform for retailers.



PROS & CONS OF SELLING ON AMAZON

PROS

Of course one of the greatest benefits of selling your products on Amazon is the sheer volume of consumers using the platform. Almost 300 transactions per second happen on the platform, instantly putting more eyes on your product. And as soon as you list a product on Amazon, Google is indexing for that listing, further improving your visibility online. Amazon also has strong B2B features, including a compelling user experience and specialized features for business sellers. And, with Fulfillment by Amazon (FBA), retailers can access a simple and cost-effective solution for fulfilling their orders.

CONS

Unfortunately, selling on Amazon does have its downsides. For newer retailers, it can be hard to compete with sellers who already have thousands of 5-star reviews on the platform. And with additional seller fees when using Amazon, profit margins may become lower. There are also fewer opportunities to build relationships and differentiate your brand on Amazon, as Amazon limits communication with buyers and places restrictions on sellers overall. Additionally, for smaller brands without stores nationwide and multiple product lines, Amazon's private-label goods can prove threatening, as their low cost and higher visibility may edge out the competition.



HOW TO DEVELOP AN AMAZON STRATEGY

If you feel your business will experience more benefits by selling on Amazon, the next step is to develop a bulletproof strategy to begin selling on the platform. **Here's how to do it:**

First, it's important to address how you view Amazon. For smaller and mid-market retailers, this online behemoth can seem like an intimidating force to be reckoned with. But Amazon is also a powerful channel for product discovery, a source of valuable social proof, and an important platform for advertising. To make the most of selling on Amazon, it's important to include the following items in your strategy.

FOLLOW AMAZON'S SELLING POLICIES

Amazon currently sells over 12 million products, not including books, media, wine and services. The number one rule to selling successfully on Amazon is following their policies for sellers. Amazon has outlined these rules in [Seller Central](#), including everything from product detail page rules to drop shipping policies. Make sure you're aware of each of these rules to avoid new seller pitfalls. For example, only register for one seller account, and do not link shoppers to your own eCommerce website. This is in direct violation of Amazon's policies.

Additionally, providing incorrect information in product listings is a massive no-no on Amazon. Make sure products and quantities listed are accurate, and don't include sales or coupons in the product title. Anything viewed as promotional in the product title will hurt your seller status on Amazon.



HOW TO DEVELOP AN AMAZON STRATEGY

SHARPEN FULFILLMENT PROCESSES

Amazon is well known for its distribution system and measures its sellers based on shipping turnaround times. Customers expect their products quickly, and sellers on the marketplace are expected to deliver. Amazon offers FBA to its sellers at a fee, allowing sellers to send their products to Amazon storage and distribution centers close to their main customer base. Products are stored until they are sold and then sent to customers. FBA is a convenient, multi-channel option that gives customers access to Prime Shipping and also gives sellers higher search result placement. However, it is a costly option; Amazon charges \$35 a month as a base fee and roughly 30% of each product's value in addition based on the item's dimensions and how long it sits in Amazon's storage facility.

If you sell small volume on Amazon (40 items or less), or if the majority of your sales are on other channels, FBA may not be a worthwhile option. Additionally, if you sell slow selling, large, or heavy items, Amazon's FBA fees may outweigh the benefits of the service. If you are currently selling on an eCommerce platform that does not sync well with Amazon, you may also be at a disadvantage when it comes to using Amazon's services. In those cases, it will be more cost-effective to handle distribution on your own.

Customers expect their products quickly, and sellers on the marketplace are expected to deliver.



HOW TO DEVELOP AN AMAZON STRATEGY

TAILOR LISTINGS FOR SEARCH

Most purchases on Amazon begin with search. Amazon SEO can be just as important for driving sales as your regular SEO strategy. Make sure you understand Amazon's search algorithm, which ultimately displays products based on relevance and performance. Incorporate as many relevant product details in your descriptions as you can, including product identifiers, colors, sizes, etc. And include relevant keywords in your product titles as well so that customers can easily find them. Your Amazon product names should include your brand name, a clear description of what the product does, any specific ingredients or important materials, color, size, and the quantity of the product if applicable. This gives shoppers all the essential information they need upfront, removing costly friction from the shopping process.

Additionally, in recent years it has become increasingly important to tailor your product pages to voice search. Amazon's Alexa is a voice-powered digital assistant, and a new way to shop for busy consumers. If a consumer delivers the voice command, "Alexa, order me more face wash," Alexa will choose a face wash for them. So how do you get Alexa to recommend your brand over others? The Amazon's Choice program determines which products Alexa will purchase for users. Products that are available via Prime through FBA or through the Seller Fulfilled Prime program are eligible for Amazon's Choice. Amazon also considers price, rating, reviews, and shipping speed when deciding who makes the cut.

SEO is an important consideration for not only your Amazon pages, but your own eCommerce site as well. Virid's team of experts specializes in helping retailers reach their customers and sell more. For a personalized SEO consultation along with a comprehensive site audit, [contact the team here](#).

Amazon SEO can be just as important for driving sales as your regular SEO strategy.



HOW TO DEVELOP AN AMAZON STRATEGY

PRIORITIZE CUSTOMER SERVICE

This brings us to our next point. When selling on Amazon, you are often competing with multiple sellers offering the same products, sometimes at lower prices. It's not necessary to engage in a race to the bottom price-wise, but in order to compete, you will need to ensure a positive experience for customers. Consumers today have **higher expectations** of retailers, and on Amazon, where convenience and speed is everything and competition is fierce, prioritizing customer service can help a brand stand apart.

While your marketplace customers may not be your main focus, they can be major revenue drivers. Make sure you address customer inquiries quickly, respond to all product reviews to thank customers for their feedback, and make sure you have a convenient, easy-to-understand return policy in place. This will ensure you get ahead of any potential issues with your product and stay in Amazon's good graces. And as an added touch, something as small as sending out a coupon to repeat customers or thank you notes to customers who leave reviews can go a long way in creating a lasting relationship.



OPTIMIZE PRODUCT IMAGES

Images are one of the most important pieces of your Amazon product pages. Optimize your product images by providing multiple angles of the product, as well as multiple use cases for the product. For example, if you sell a purse that can be worn over the shoulder or held by your side, include photos of models wearing it both ways. This gives customers a way to 'try before they buy' and envision the product in their own lives. When choosing the main images for your product listing, be sure to use a white background. Don't choose an image with a colored background or a lifestyle photo as the main product image.



HOW TO DEVELOP AN AMAZON STRATEGY

Additionally, ensure your photos are of high quality and not overlaid with text. And don't picture items that are NOT included with the order. This is a surefire way to disappoint consumers and even encourage returns.

CREATE A COMPELLING DESCRIPTION

Your product description is probably the second most important part of the listing after the images. When creating the description, be sure to use vivid descriptors and write with clear and concise language. The description is your chance to address any product features that cannot be easily seen in the photos, or any FAQs that previous customers have had about the product. Make sure it communicates clearly the benefits of the product, and why buying it from you is the best choice. For example, if your product uses any specific ingredients or materials that differentiate it from the competition, include that information within the first two bullets, as well as in the product title.

Keep the description short (4-5 bullet points should suffice), and convey the most important feature first.

TAKE ADVANTAGE OF PROMOTIONAL DAYS

In addition to the major online shopping days like Black Friday and Cyber Monday, be sure you are taking advantage of Amazon's **Prime Day** as well. In 2018, Prime Day was Amazon's biggest shopping event ever. It lasted for 36 hours and touted 100 million products sold. Retailers can make the most of selling on Amazon by running promotions during these days, when customers are already expecting deals and looking to shop online.



HOW TO DEVELOP AN AMAZON STRATEGY

UTILIZE AMAZON ADVERTISING

While social media platforms know what consumers are interested in, Amazon can tell you where consumers are actually spending their money. This access to data is what makes Amazon such a powerful platform for advertising.

How do these ads work?

When you type in a keyword in Amazon, some of the top search results are sponsored posts. Sellers can gain visibility for their products by paying for these top positions by bidding on specific keywords to gain higher visibility in Amazon search engine results pages. If you are struggling to earn visibility on Amazon, bidding on keywords to improve your placement could be a valuable step.

When considering your marketing efforts on Amazon, it may be tempting to include promotional materials in your packages. If you are using FBA, chances are those marketing slicks will never make it to the customer. But if you are handling your own fulfillment, promotional materials for your own store may annoy customers and land you in the hot seat with Amazon. Customers shopping on Amazon are likely not looking to connect with brands beyond their purchase; instead, they are looking for speed and efficiency. Be respectful of your customers and stick to the basics when filling orders.

LEVERAGE PRODUCT REVIEWS

92%

Of customers read reviews when shopping online, and a large number of customers actually look to Amazon for these reviews. Make sure your products have enough reviews to give customers the confidence to make a purchase. A good goal to aim for initially is at least 20 reviews per product. If you are struggling to earn reviews, try sending out post-purchase emails or special offers to customers who leave reviews. Once you've incentivized a few customers to lead feedback, others are more likely to follow suit.



HOW TO DEVELOP AN AMAZON STRATEGY

PRICE COMPETITIVELY

When pricing your items on Amazon, you should aim to be located in the "Buy Box." This area on the page gives your product the highest likelihood of being selected by a customer over a competitor. Underneath the buy box is where your competitors, or "Other Sellers", are located.

To get here, be sure to list your prices with the delivery costs included. No one likes to be surprised by additional shipping charges, especially in the days where automatic free shipping is expected. You can also incorporate [Amazon coupons](#) in your listing, which can improve your search ranking. However, keep in mind that when it comes to how reviews are displayed, those where customers paid full price are favored over discounted items.

Be sure to consider the price of shipping when pricing your products as well. Expensive shipping policies can alienate potential customers and hurt your reputation on Amazon.

ALSO KEEP IN MIND...

One of the greatest challenges with selling on Amazon is inventory and data management. If you already sell your products on your own eCommerce site, having the same products listed in multiple places can create a risk of overselling. Virid's enterprise-grade eCommerce platform, [marketAgility](#), connects seamlessly to online marketplaces, allowing retailers to manage their inventory in one dashboard and earn sales in multiple channels. For more information on how Virid can help you master selling across channels, [schedule an appointment with our experts here](#).





AMAZON PRINCIPLES TO INCORPORATE ON YOUR OWN SITE

If you currently sell on Amazon as well as your own eCommerce site, you may be considering how to drive traffic from your Amazon profile to your own site. While Amazon was purposely designed not to support driving external traffic, there are a few ways to make the most of having Amazon listings.

First, treat your Amazon product listings as an SEO tool. More product searches take place on Amazon than any other site, including Google. Make your website name your Amazon username if you can—chances are, if someone is interested in what other products you offer, they will type in your username and .com to try to find it. Optimize your listings with the tips we listed above—use relevant keywords in your product title and throughout the description, include key information about what differentiates your product from competitors, and encourage customer reviews. Chances are, your Amazon listings could outrank your actual site in SERP's, so making sure your listings represent your brand accurately is crucial to driving traffic back to your site.

You can also gain visibility for your products through Amazon's Marketing Services (AMS), including Sponsored Product Ads and Headline Search Ads. These will not only improve your visibility on Amazon, but can also boost SEO and help people find you on search engines.

Now even if you are not selling on Amazon, there is plenty to learn from this online giant that can be applied to your own eCommerce site.



AMAZON PRINCIPLES TO INCORPORATE ON YOUR OWN SITE

EMPLOY CUSTOMER-CENTRIC THINKING

Amazon's customers are at the heart of everything they do. Employees even include an extra empty chair in all meetings to represent the customer, whose feedback they value above all. Incorporate more personalization into your eCommerce site experience with unique product recommendations. Give customers the freedom to shop the way they want by implementing Buy Online Pickup In Store, and by making your site optimized for mobile. The future of retail is omnichannel, and customers demand a delightful experience at every touchpoint along their journey. Connecting the brand experience across all digital platforms as well as brick-and-mortar stores ensures long-term growth.



**Amazon's customers are at the heart of
everything they do.**



AMAZON PRINCIPLES TO INCORPORATE ON YOUR OWN SITE

EMPOWER SHOPPERS

Today's consumer is more independent than ever before. They don't want to be bothered by a salesperson in store, and the same is true online. Amazon has empowered customers to find answers to their questions and browse for products on their own. Retailers can do this by keeping an updated FAQ page on their site, as well as by implementing Q&A on their product detail pages to answer common customer questions. Additionally, a clear, easy-to-find return policy is crucial for your eCommerce site, as 67% of shoppers will read a brand's return policy before making a purchase online. And after a customer has made a purchase, be sure to schedule regular post-purchase emails to confirm purchases, provide updates on shipping times, and to request product reviews. Of course, it is likely that despite these efforts your customers may still need to talk to a customer service representative. Implement live chat on your site to make the process more convenient, and provide updated training for your support reps every several months to ensure the best experience for your customers.

67%

Of shoppers will read a brand's return policy before making a purchase online.



AMAZON PRINCIPLES TO INCORPORATE ON YOUR OWN SITE

OPTIMIZE FOR DISCOVERY

Product discovery is one aspect of the brick-and-mortar experience that has been difficult for retailers to translate online. When customers shop in stores, items that they did not originally plan on purchasing may catch their eye and increase their order value. Online, this process is less organic. Amazon has been able to optimize their site for product discovery by recommending products to customers based on what's popular and which items are often purchased together. Do the same for your eCommerce site by incorporating product recommendations like "Frequently Bought Together" or other cross-sells and upsells throughout the buyer's journey. And, make sure your site is easy to navigate so customers can browse easily.

Additionally, be sure your online experience translates to mobile.

79% Of smartphone users have made a purchase online.

80% Of shoppers actually use a mobile phone inside of a physical store.

Shoppers use their phones to look up product reviews, compare prices, or find additional buying options. Neglecting to optimize your site for mobile could mean a massive loss in potential sales.



AMAZON PRINCIPLES TO INCORPORATE ON YOUR OWN SITE

INCLUDE A TRANSPARENT RETURN POLICY

One of the major benefits of shopping on Amazon is their quick and simple returns policy. If you are dissatisfied with a purchase, the item can be returned just as quickly as it arrived on your doorstep. Follow these best practices on your own eCommerce site. Make sure your returns policy is easy to find on the site; include it in both the navigation and the site map, where customers expect to find it. Write it in plain language, and include multiple forms of shipping and options for different consumers to make the process as simple as possible. 92% of customers will buy something again if the returns process is easy. Leverage a clear returns policy to build a loyal customer base and improve conversions.

92%

Of customers will buy something again if the
returns process is easy.



Amazon is an **undeniable** force to be reckoned with. But joining forces with this retail giant can actually prove profitable for your eCommerce business. And applying Amazon principles to your own site can improve your site experience, and your bottom line.

For a **free** one on one consultation to develop your own Amazon strategy, contact Virid at sales@virid.com and schedule an appointment.