

7 Secrets to Amazon Success:

How Online Retailers Can Get Ahead on the Amazon Marketplace

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If you're an online retailer, you already know that the Amazon marketplace is almost unavoidable at this point. With more than 304 million active users worldwide and a marketplace growth rate that's almost double that of e-commerce as a whole,¹ it holds an influential position in the e-commerce landscape. For retailers that want to succeed on Amazon, simply listing your products on the site is not enough. You need to be proactive and up to date with the ever-evolving trends and requirements.

With so many customers flocking to the site worldwide, Amazon is also a competitive field for retailers. Therefore, you need to make sure your products and brand stay one step ahead of competitors'. In this eBook, we'll share some of the most important strategies that retailers should employ to succeed on Amazon.

amazon.com[®]



¹ <http://www.channeladvisor.com/blog/?pn=scot/deep-dive-into-amazons-q4-results-for-sellers-whats-cool-100b-and-200b>

1 Optimize Your Search Terms and Listings



When writing your product listings, put yourself in the mind of the consumer. What are they looking for, and how are they going to search for it? According to Forrester, more online shoppers begin their product searches on Amazon than search engines (39% vs. 11%)!² Once you have a better idea of how your customers are finding you, you can optimize your search terms and listings to match their search preferences.

As a seller, you're allowed five search terms for each product. When identifying Amazon search terms to use, keep the following tips in mind:

- 1. Use single words instead of phrases.** Longer phrases mean that consumers would have to search for that exact phrase to find your product.
- 2. Don't repeat words from your product title,** as Amazon already factors those into search results.
- 3. Research.** Do a search for a similar product and see what listings come up high in the rankings. Find words you may not be using already.
- 4. Experiment!** Finding the most effective search terms takes time and testing.
- 5. Only use terms that describe your specific product.** Amazon doesn't permit third-party brands or trademarks as search terms.

² <http://www.wsj.com/articles/google-preps-shopping-site-to-challenge-amazon-1418673413>

2 Sign Up for Fulfillment by Amazon

Fulfillment by Amazon (FBA) is a service for retailers looking to expand their sales without having to worry about the inevitable increase in packaging and shipping. It allows you to store your products in shipping centers until they're purchased, after which Amazon will package and deliver the product directly to the consumer.

In 2015, the number of sellers using FBA grew 50%, and over 1 billion items were shipped via FBA.³

Along with handling your packaging and deliveries, FBA also manages your customer support and returns, along with keeping your inventory secure and insured against any possible losses or damages. Perhaps the biggest selling point, however, is that because you don't have to worry about limited storage space, you're able to sell far higher quantities of your products if the demand is there.

For more information on Fulfillment by Amazon, read [our in-depth FBA guide](#).



³ <http://fortune.com/2016/01/05/amazon-sellers-holidays/>

3 Strive for the Buy Box

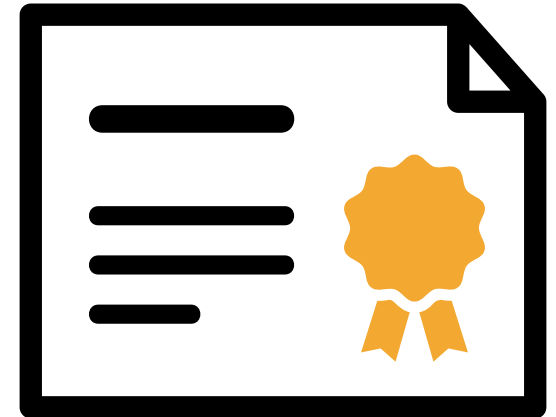
You probably know how important the Buy Box is on Amazon. And with only one Buy Box available per item, you'll find yourself competing with a number of other retailers, all hoping to win it. The Buy Box is located on a product's page — where a consumer starts the purchase process — and is highly visible.

To win the Buy Box, you must meet Amazon's criteria in a number of areas. Although Amazon closely protects the exact formula for calculating the Buy Box, it takes into consideration:

- 1) a competitive price
- 2) a positive customer feedback metric
- 3) fast and efficient delivery
- 4) volume of inventory
- 5) low refund and return rates.

Though it generally takes some time for a new seller to build up a sales history that will win them the Buy Box, focusing on these aspects is good for business regardless of the marketplace. They'll not only help to increase your sales but will also contribute to your customers' overall satisfaction.

For more details on the Buy Box, take a look at our tip sheet, ["6 Quick Tips for Winning the Amazon Buy Box."](#)



4 Sell Internationally

With marketplaces in the UK, France, Germany, Italy, Spain, Canada, Japan, China and more, Amazon opens up the opportunity for retailers to expand their online presence. Selling internationally could significantly increase your consumer base and your sales.

Amazon Global Selling is a great way to “test out the waters” of selling internationally. The program opens up your Amazon product listings to international consumers already shopping on Amazon.com. One advantage of this method is that you don’t need to translate or localize your listings for other regions since your products are still being sold through Amazon.com. Additionally, Amazon Global Selling gives you great insight into which regions provide the most demand. You will be able to see which countries are predominantly buying your products, and you can use that knowledge to determine if expanding to a marketplace there is cost effective.

Signing up for the Amazon FBA Export program is also a great idea if you’re considering selling internationally. This program allows your products to be purchased from Amazon.com by international consumers, and fulfilled through Amazon’s many fulfillment centers around the world. It works just like FBA does for domestic orders, saving you the time, money and now the hassle of shipping abroad.



5 Keep Your Prices Competitive

It can be easy to forget, but when listing a product on Amazon, you're essentially advertising it against similar brands and products. One of the key ways to stand out from the crowd and stay ahead of the competition is to continually offer competitive prices. However, you still need to retain a sufficient rate of return.

Researching your market is important, and this includes looking closely at your competitors and their pricing strategies. Observe what price your competitors are offering, and if you can't beat that price, then at least try to match it. Of course, this won't always be possible, but it's up to you to decide whether seeing a drop in the rate of return is worth it for a potential increase in sales.

One way to manage the effectiveness of your repricing is through the ChannelAdvisor Repricer with Pricewatch. This tool allows you to effectively manage your prices on Amazon, which — as an added benefit — can also help you win the Buy Box. Benefits of using the Repricer include around-the-clock monitoring of the competitive landscape, immediate responses to price changes and the ability to test and prioritize based on best-selling items.

Learn more about the [Repricer with Pricewatch](#) in our overview guide.



6 Use Amazon Prime

Are your items available through Amazon Prime? If not, now could be the time to sign up. Prime customers spend almost twice as much on the site as non-members do, purchasing items from Amazon that they might not have in the past.⁴ They pay a Prime subscription fee of \$99, and along with benefiting from fast and free shipping, they find themselves ordering more products, wanting to get their money's worth from the fee.



As a seller, when you sign up for Fulfillment by Amazon, you also have access to Amazon Prime for no extra charge. Offering your products through this service has the potential to significantly increase your sales, with Prime customers understandably being drawn to items available through Prime as opposed to the traditional Amazon order.⁵

Prime subscriptions are increasing at a substantial rate, with memberships increasing 35% in 2015.⁵ Analysts predict that by 2020, half of all people in the US will be Prime members.⁶ When you sell your items through Amazon, you can find yourself competing with an abundance of competitors, all offering similar products and prices. Offering customers the opportunity to order their item via Prime could be the deciding factor in winning the sale.

4 <http://www.fool.com/investing/general/2016/01/26/how-many-prime-members-does-amazon-have-and-why-it.aspx>

5 <http://www.fool.com/investing/general/2016/01/26/how-many-prime-members-does-amazon-have-and-why-it.aspx>

6 <http://www.businessinsider.com/analyst-amazon-prime-growth-2015-2>

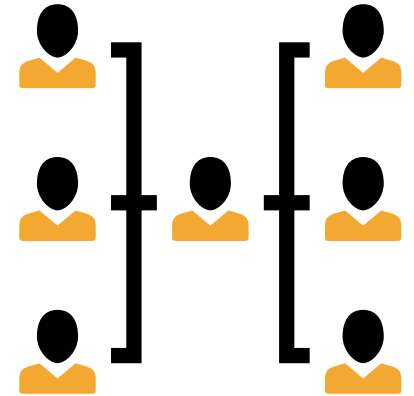
7 Improve Your Customer Metrics

A positive customer satisfaction rating is an essential component for not only retaining customers, but also securing potential customers who look at customer reviews before making a purchase. One study revealed that 88% of consumers trust online reviews just as much as personal recommendations.⁷

Amazon's Customer Metrics page measures how well retailers are performing on Amazon, achieved via reports based on customer satisfaction. The report covers a number of performance metrics, including:

- The order defect rate (ODR), which measures the percentage of orders that receive negative feedback
- The perfect order percentage (POP), which measures the percentage of orders that are successful
- The late dispatch rate (LDR), which reports on any late shipping, as well as the percentage of orders that are refunded and cancelled.

Remember, your reputation on Amazon is extremely important. Customers listen to other customers, and that affects your bottom line. Keep a close eye on your metrics and ensure that you're dealing with requests quickly and efficiently.



⁷ <http://www.brightlocal.com/2014/07/01/local-consumer-review-survey-2014/>

What's Next?

Amazon is a huge force in the e-commerce world and can be an exceptionally powerful tool for retailers looking to expand online. The potential to develop as a retailer on Amazon is vast, and it's your prerogative to use any and all of the methods made available to you — not only to improve and succeed as a retailer on Amazon, but to also grow as an online retailer overall.

Find out more about how ChannelAdvisor can help you be seen and sell more on Amazon and other online marketplaces. Feel free to give us a call at [866-264-8594](tel:866-264-8594) or email us at info@channeladvisor.com to talk to one of our e-commerce specialists. And for the latest e-commerce news and tips delivered straight to your inbox, sign up for [ECOMmunicator](#), our monthly e-newsletter.

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