

Amazon Marketplace Best Practices

1. **Be specific around your unique Amazon strategy.** First, determine your Amazon goals – is it to increase market share in a category? Increase brand visibility? Increase revenue? Improve profitability? Reach a demo or a region that you otherwise cannot reach with existing channels? Then, define the metrics that tie back to this strategy.
2. **Selecting which method to sell on Amazon is important for carrying out your Amazon channel strategy goals.** Be prepared to select from a few methods of selling on Amazon – a direct retail relationship with Amazon, FBA (Fulfilled By Amazon), or Marketplace Seller (as a single owner or business selling on the Amazon marketplace). There are pros and cons to each channel strategy and whichever method you select should tie back to your overall Amazon strategy.
3. **If you go the Marketplace route, it's quite simple – register to sell, list products, sell, and collect payments.** Everything is done within Amazon Seller Central. It's self-service and intuitive to use. You'll see daily sales, get notified of orders to be shipped, and collect payment, all in one seller central. Amazon Seller Central also offers various options for product uploading, inventory and performance management, and product catalog management.
4. **Optimizing for product visibility and search-ability on Amazon is similar to optimizing SEO.** Product titles are important for determining the rankings of your listings within Amazon search. Make sure they are succinct, without promotion verbiage, and that the order of product attributes is correct for the given product category. Utilize product descriptions as quick descriptive text with keywords embedded. Check the specific product category rules as there may be standards for each bullet type. Quality product images are essential to a successful selling experience. Also, enter up to 50 search terms in the product CMS to ensure your product seeds within search for those keywords (product title, UPC, manufacturer and merchant are auto-listed as keywords).
5. **Specify as many attributes as possible for your products.** Your products will not display in related searches if your data feed does not explicitly call out attributes (color, sizes, variations, etc.). It is also ideal to upload different images to represent the various color or size variations of the product, so the product detail page is even more descriptive than other similar products. When selling on Amazon, quality text and imagery on your product detail page is key to winning business over competitive products!
6. **Understand the Amazon Buy Box.** A key feature of the Amazon platform is that multiple sellers can offer the same product. If you've listed a product that is offered by more than one seller, each seller may compete to win the "Buy Box" for that product. This process is automated by Amazon.
7. **Outsourcing some components of Amazon sales, fulfillment, and marketing operations has proven effective for millions of small-to-medium sized businesses operating as 3rd party marketplace sellers on Amazon.** It allows you to focus on your core business, and automate Amazon selling.
8. **Experiment with Amazon Marketing Services.** Use a credit card to pay for self-service and bid on ads across the Amazon platform, or start a relationship with Amazon Media Group (for large-scale ad budgets generally \$1M+).
9. **Check your stats daily in Seller or Vendor Central.** It's important to keep a close eye on your Amazon business. Check your sales, orders, inventory availability, and fulfillment metrics daily to ensure your products are still live on site and not pulled for any errors (one example being high customer complaint for damage defect rates).
10. **Keep pricing information up-to-date.** When a buyer searches for your product, the offer listing page shows the lowest shipping-inclusive priced items first. Shoppers are more likely to choose the lowest price deals listed closest to the top of the listing page, so if you hold a sale or lower your prices, make sure you update your product listings to reflect those changes.

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eCommerce Diligence™ Checklist

Amazon Marketplace Key Questions to Ask Internally

Company

1. What is your business?
2. What is your core competency?
3. What is your topline and profitability?
4. What does your target demographic look like and their average order value?
5. Is there an opportunity to increase your AOV?
6. Is there an opportunity to increase market share by going after different demographics?
7. What are your fulfillment capabilities (pros/cons)?
8. Is there any improvement to be made to your existing acquisition and retention strategies?

Products/Services

1. What kind of product are you trying to sell on Amazon (could be physical product, content, a service, etc.)?
2. Sales on Amazon could also impact sales on your own website, thereby inventory velocity could pick up quicker than you'd imagine. Do you have inventory availability allocated to the Amazon channel and its peripheral impact to your website sales?
3. What are your products' competitive advantages and why do users buy your products over other similar products?
4. What kind of customer reviews do you have on your products, within your own ecosystem?
5. How can you further improve your existing customer reviews of your products?
6. How sturdy is your existing analytics platform?
7. Do you have quality product imagery, description copy, graphic assets ready to go?
8. Do you have a team internally ready to dedicate time and resources to selling on the Amazon channel? You may require a retail channel manager specific to Amazon, as well as a digital marketing manager, and your fulfillment and operations teams will also require specific Amazon training.
9. How much time and money are you willing to invest into the Amazon channel to seed initial sales (going into a new channel sometimes requires investment upfront)?
10. What is your existing customer service process and how can you integrate into the Amazon experience?
11. What portion of your product portfolio do you plan on porting over to the Amazon platform?

Why Amazon?

1. Why do you want to sell on Amazon?
 - a. What is your goal? A dollar or marketing goal?
2. How familiar are you with Amazon metrics? If not, read up on Seller Central or Vendor Central help guides.
3. Do you have a product selection strategy on Amazon? Determine which products you'd like to sell on Amazon, then determine pricing policies.
4. Do you have a pricing strategy on Amazon?
5. Will you price products the same on Amazon as on your other distribution channels?
6. What is your 1-year, 3-year, 5-year goal with selling on Amazon?
7. Are you ready for possible cannibalization of sales from your existing ecosystem?
8. Are you prepared for drastic inventory volume increases as a result of selling on Amazon?
9. Are you better suited to form a direct relationship with Amazon, or become a seller on the third-party marketplace? (Stringent fulfillment metrics must be met to have a direct relationship.)

Pricing

1. How do you determine product pricing and how do you optimize for margins in your product P&L (price – cost)?
2. Are there any other costs associated with selling your products or any additional revenues generated per unit sold?
3. Will you price your products differently on Amazon than on your own website?

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