

# Amazon Sponsored Ad Mastery

By Dan Meadors

Sponsored Advertisement is one the key factors that can bring visibility to your products. It is openly called PPC or Amazon Sponsored Ads, but it all really means the same thing. It means that you are paying for targeted keywords to bring more traffic to your listing on Amazon.

In theory, the more people who come to your product page, the more sales that you will make. Sponsored Ads work to simply bring people to a product, and make your products visible to a wider audience. More often than not that translates directly to more sales, however, to truly optimize this relationship there are other key factors – like making sure you have an optimized product listing, making sure that you have great pictures and ultimately that your product has a price that is comparable to the market value. If you have those factors in line, then you will experience conversion and ultimately see additional sales.

The goal of this is to help you learn how to utilize the Amazon Sponsored Ads platform to drive more traffic to your products. Once you are able to do that, and you are getting impressions which translate to clicks – then your listing litmus test is your conversion percentage. This will not focus on the aspects of listing optimization. Instead, the focus will be on getting you the traffic you need to find out if your product has a good conversion rate.

So, what is conversion? That simply means that the customer searches for a product and then purchases that specific product. Amazon reads that information to say that the customer searched for a targeted term (say “socks”), then purchased this specific item. That must mean that this item has a great relationship to “socks”. That conversion rate is a key factor in terms of search relevancy.

## How Do Keywords Work

Whenever anyone searches for a product on Amazon, they simply type a series of words into the search box, much like a more traditional search engine, say Google.

The words that they type are: keywords

These words act as a conduit from the customer search to the Amazon search engine finding your product or listing. The products that rank naturally in search, or organic search, have built their relevancy over time through a series of factors – one of the primary ones being conversion. Amazon’s built in barometer for this is sales. If a specific search term is used, and leads to a sell – that increases the organic relevancy of the item. Even more specifically, Amazon can compare apples to apples specific search terms in terms of revenue. Those with the highest revenue will tend to be featured towards the top.

Products with an organic keyword search in the top three or four results typically will not need Sponsored Advertisement for conversion. This is commonly referred to as products that are “above the

fold”, or are visible without scrolling.

However, what if your product is:

- Buried on Page 6 of search? Being buried in the nether regions of Amazon simply means that your product doesn't get any exposure. It means that your product doesn't get any traffic because most customers won't venture past page two when they are looking for an item, which consequently means that your product probably doesn't get any real amount of sales.
- Newly Launched/Created? Utilizing Sponsored Ads here is the most powerful tool that you can utilize. You are able to drive traffic that is searching for products with the same “key” characteristics as the products that you have. If your page converts that will increase your organic search rating over time. This will allow your product to start seeing actual sales and movement.

Utilizing a great Sponsored Advertisement strategy may help you realize opportunities that might just need a little massaging to become great products. The capability of Amazon Sponsored Ads to put your product as a relevant search product gives you the ability to change the entire dynamic of your listing and prospective products.

Which products typically work best with Amazon Sponsored Advertising?

- 1) Private Label Products
- 2) Bundles
- 3) Newly Created Product Listings
- 4) Resurrecting Old Listings
- 5) Breathing New Life Into Good Products

One of the strategies that we first started utilizing when we got into wholesale was finding products that had poor detail pages, low competition but great, yet underutilized keywords. In fact, one of our best campaigns of all time originated from a product that we did this with.

Ad group	Default bid	Keywords	Ads	Impr	Clicks	Spend	Sales	ACoS
Matchbox Big Boots	\$3.00	10	1	146,082	790	\$97.62	\$2,549.55	3.8%
Polly Pocket	\$0.07	22	4	2,923,181	8,264	\$261.09	\$15,360.57	1.7%
Dinosaur Train	\$0.07	4	6	599,704	2,027	\$96.64	\$3,379.62	2.9%

This campaign (Polly Pocket) is a near perfect example of EXACTLY what is possible with Sponsored Advertisement. When we started this campaign this product was a 60,000-100,000 ranked product, with no real appeal, outside of being a profitable item. It lacked the sales velocity to truly capitalize on selling any meaningful amount of units. However, it did have a few key factors that made it a very good candidate for this type of campaign:

- 1) Recognizable Brand Name
- 2) Good Product with Good Reviews
- 3) Great Profit Margin
- 4) Great Keyword Potential
- 5) Cheap Keywords

This meant that we could utilize those factors, while having the necessary margins to build a strong Sponsored Ad campaign. This brought traffic and effectively breathed new life into this product. We took the product from a 60k-100k rank, and were able to get it to an average sales rank of 5000. This gave us the sales velocity necessary to move a real amount of units and make a tidy profit.

I personally believe that the most important factor when doing this is price of the keywords. If you are able to find products where applicable keywords have real search volume and are cheap, the sky is the limit with what you can do with the product.

In terms of bundles this strategy works very well, as well. We admittedly create very few bundles, and have pretty specific criteria when we do, which mostly ties into our Sponsored Ad strategy. We primarily experimented with these strategies early-on when we started with wholesale to minimize competition, as well as to learn more about Sponsored Ads.

Here are the criteria we looked for in potential bundles:

- 1) Assorted Cases with One Figure Per case (works well with toys or assorted flavors).
- 2) Strong Brand Recognition
- 3) Good Single Product Sales Volume
- 4) Cheap Keyword Bid Price

The reason that we looked for those factors, is that it gave us opportunity to minimize expense with building the bundles, and allowed for quick converting keywords with a low investment cost. The majority of our bundles was highly branded and had great existing search volume. That allowed us the opportunity to simply tap into the existing search volume and start converting on sales.

Private label and newly created listings are clearly one of the best focuses with Sponsored Ads. Single handedly, the price of applicable keywords will choose whether or not we want to create a Private Label listing OR whether we want to start a new listing for a product.

With Amazon Sponsored Ads, you can create products (private label) or create new listings for basically any brand, or any product and have that product do incredibly well. As I mentioned the key component

is keyword price. If the keyword price allows you to effectively and profitably gain traffic – your product will naturally gain traction over the course of time, by tapping into the volume of relevant search items.

The primary aspects of good key word advertising in this scenario are:

- 1) Cheap Keyword Cost
- 2) High Traffic Volume Keywords

With high traffic keywords – it means there is demand for your product or niche. The higher the demand for the product (which you can find from search volume), the more effective this strategy becomes, as you are simply starting to tap into an already existing stream. This allows you to gain natural organic search relevancy by getting traffic and converting on sales.

### **How Do I Increase My Conversion With Sponsored Ads?**

This section will be relatively short, as the majority of issues will almost always lie within the product's listing that you are trying to promote. However, there can be some small amount of issues on the side of the Sponsored Ads campaign – which will mostly be addressed further in the training – but we felt it necessary to discuss them here.

These are the possible reasons that your products aren't converting via Sponsored Ads:

- 1) Your Product Page Needs Optimized
- 2) You are targeting keywords that lack relevance to your product

Our goal isn't to discuss listing optimization as that is a MUCH longer topic. Our goal is to dive deep here on Amazon Sponsored Ads and learn to utilize them to grow traffic to our page. So, I am going to skip the first reason entirely outside of stating the obvious, your product needs: great pictures, bullet points and descriptions. Make sure that your product pictures are clean, and there are a lot of them.

However, what we will address is having good targeted keywords, and how making sure that the keywords you are using has relevance to the product is very important. You do have to realize that certain keywords will not convert for you.

We will use a hypothetical example to study. A Chef Kitchen Knife.

The following keywords would likely be high converting keywords:

Kitchen Knife  
Chef Knife  
Cooking Knife  
Carving Knife  
Ceramic (if that is component)  
Steel (if that is a component)  
Sharp

Butcher Knife  
Fileting Knife

as a few examples...

While these keywords would not convert as highly:

Paring Knife  
Vegetable Knife  
Knife  
Steak Knife  
Ginsu Knife  
Hunting Knife  
Pocket Knife  
Wustof

Last Set of Keywords (lowest possible conversion):

Fork  
Spoon  
Microwave  
Cutting Board  
Cleaver

as a few examples...

Let's look at logically why the first set of keywords would convert better. In the first set of keywords – we are simply utilizing the basic features and/or search terms related to a kitchen knife. Our goal is not to put our product in front of everyone, instead it is to put our product in front of the people who might be interested in buying it. Our goal is to use highly related terms to the product we are selling, as that will help us to maximize conversion and gain organic sales rank and search relevancy.

In terms of the word set that does not convert as highly, while those products are knives they are highly targeted knife sets. They are also unrelated to the knife that we are selling. To be more clear, our Chef Knife has very little in common with a paring knife (outside of the fact that they are both knives). Generally, someone searching for something specific like a paring knife will not be looking for a much larger Chef Knife. In general, these may be worth testing, but in the long term I would expect them to perform poorly, and have a high Average Cost of Sales (ACoS).

The next few keywords (Fork, Cutting Board Microwave, Spoon and Cleaver) likely won't convert highly either. While it is true that these products are also found in the kitchen, they simply aren't relevant to the search at hand. Presumably the person searching for Microwave – would not just assume that while they were there – they would also buy a knife set. It's not impossible, just unlikely. Our goal is to have

high converting keywords, such that we don't have leaks and keywords that simply cost us money. So, while I might test those, if they turned out as I expected, they would quickly cut and move them out of my campaign.

### **How Do Amazon Sponsored Ads Work When I Have Competition on my Listing?**

Amazon Sponsored Ads can be quite effective regardless of whether there is competition on the product or not. However competition does have a unique effect on Sponsored Ads, which is worth covering here.

Here are a few of the common questions regarding Sponsored Ads and Competition:

Should I use Amazon Sponsored Ads on products where I share a detail page with other sellers?

Will using Amazon Sponsored Ads get me more BuyBox time?

Will sharing a detail page cause the Sponsored Ad price to go up?

You should use Sponsored Ads on products where you share the detail page with other sellers. They will still convert, and help drive additional traffic to the listing. Your goal with Sponsored Ads is to maximize the amount of traffic that you get to a certain page. This concept still works, and helps you to accomplish that goal.

One of the more common questions that we see is will Sponsored Ads get me more Buy Box time? This is particularly a tough question to answer because Amazon is purposefully vague in their answer about how the Buy Box works in relation to Sponsored Ads. However, we have done some fairly extensive testing, and can offer our findings and understanding on the matter.

The answer to the question, do I get more Buy Box time, awkwardly seems to be, yes AND no. What I mean by that is, you seem to keep roughly the same proportion of Buy Box equity vs. other sellers. However, the amount of sessions that a product gets will go up on a product - which means that each seller will see more Buy Box opportunity. Basically, the listing will improve versus other competitive listings. By percentage your equity share is still the same, however, due to the increased traffic that the listing would be receiving you would get more opportunities to get the Buy Box in terms of sheer volume.

I wanted to examine the confusing wording offered by Amazon to help you make sense out of it. Amazon says that your ad will not help you automatically win the Buy Box, but will only be eligible to display if your offer is already Buy Box eligible. That means that your product must be eligible to win the Buy Box before Amazon will put your Sponsored Ad into rotation. You can't price your items higher, and hope to drive traffic there utilizing Sponsored Ads. Likewise, if your Sponsored Ad does run, your offer will be in the Buy Box. Basically, you don't pay for Ads to increase the sales of other people. Your Ads will ONLY convert for clicks that take someone to your offer.

Understanding this language is KEY to understanding the affects of competition on Sponsored Ads. You still receive the same Buy Box rotation as before. However, when you are "in the Buy Box", your ad will

display, which will in turn, drive more traffic to the product. That means that Sponsored Ads are more effective with fewer sellers as they display more often. However, regardless of the amount of competition - they will still increase the traffic to a particular listing, if the person running them has a competitive offer.

Simply having more competition will not increase the price or cost of your key word bids, as you aren't necessarily competing for Sponsored Ads versus the other sellers within your listing. You are competing for the keywords as a whole. That means that if you are the ONLY seller paying for ad words (on a targeted keyword) - the price will be much lower regardless of the competition on your listing.

### **How Do I Get Started With Amazon Sponsored Ads?**

We will go much more in depth here in this training with detailed strategies and how you can increase the effectiveness of your campaigns. However, before we go in depth, and get you headed down the path to truly utilizing Amazon Sponsored Ads, we first have to get you eligible and signed up to utilize them.

The first and most important thing to utilize Amazon Sponsored Ads is that you have an Amazon Seller Account. You can't advertise your products to sell on Amazon if you... aren't selling products on Amazon. That makes sense right. So, the first part is to make sure that you have an active Amazon Seller account. To register to use Amazon Sponsored Ads your Amazon Seller Account must be in good standing. Once you have your account in good standing - let's proceed to the following step:

Go to: [sp.amazon.com](https://sp.amazon.com)

Click the yellow "Start Advertising" button. Then sign-in to your account and go through the widgets required to set-up a Sponsored Ads account.

Sponsored Advertisement recently changed their payment structure. They used to require billing information similar to an Amazon Seller account, but have recently switched to allow charges to be billed against your Amazon balance from sales.

It's a very easy process to set-up and once you are finished, we want to go into the Amazon Campaign manager to get started...

When you log-in to your Amazon Seller Account - you will see "Advertising" as a button on the top of the page. This button has a drop down with the following options: Campaign Manager & Promotions

When you open the page "Campaign Manager" you will see the following screen:

Master Tabs:

You can hover over the Master Tabs to get a detailed description of what each tab does. After that you can see the Master Radio Buttons, which you can likewise hover over and get a detailed description.

After that, we have column headers. These function similarly to the “hover” tabs above. However, I would like to cover a couple of these more in depth – as they are important in understanding how Sponsored Ads truly works.

Column Headers Under Campaigns Tab:

- + Campaigns - this is simply a list of your campaigns (whether active or inactive)
- + Status - this tells whether a campaign is Running or Paused
- + Targeting - Automatic or Manual (this simply means that Amazon is choosing related keywords to your listing for you OR you are choosing the keywords yourself)
- + Start Date - you are selecting the date for your campaign to start
- + End Date - you are selecting the date for your campaign to end (you can still manually turn off or pause)
- + Daily Budget - you are selecting the amount of money that you will spend (maximum) on this campaign).
- + Spend - per your selection period, this simply tells you how much you have spent on this campaign. You can choose: Today, Yesterday, Last Week, Month to Date, Last Month, Year To Date and Lifetime. The longer time frame you have selected, the more accurate this will be as sales can take up to 48 hours to report.
- + Sales - the total gross sales that your ads have generated. This is not the sales that your product has generated, ONLY the clicks that have directly related to sales from Sponsored Advertising.
- + ACoS - Advertising Cost of Sales. This is the percentage of sales that advertising is costing you. Ideally, if you are focused simply on running a profitable campaign, the lower this number is - the better you are doing.

The goal is to simply be able to look at a column header and understand what the information is telling you, as well as to be able to effectively navigate the page and find the information or features that you want to find. After you get your first campaign up and running - it is important to take some time and get familiar with this information.

### **Breaking Down Existing Campaigns (Manual and Automatic Targeting)**

When you click on a campaign, you are able to go inside and see the specifics on which keywords are converting:

Click Campaign > Click Ad Group

This brings you to a page that shows you more specific information about your Ad Group as a whole.



The default ads page shows you the overall value of your entire campaign. It shows you the following headers:

- + Ads – which is your specific listing or Ad Group related to that listing.
- + Status – this shows you whether the specific Ad Group is running or paused.
- + SKU / ASIN – this shows you the specific item that your Ad Group is targeting.
- + Impr – this stands for Impressions. Basically, it is the total amount of times that people have seen this ad. It gives you a barometer of the total amount of times that all of the keywords within your Ad Group have been searched for and that your ads have appeared on those specific searches.
- + Clicks – this is the total amount of Clicks that people have clicked through in relation to your Ads.
- + Spend/Sales/ACoS – these column headers are the same as in the previous section.

Now to further breakdown, we will want to examine the specific keywords, to see which keywords are converting. These will be directly related to the relevancy of our product for the specific search terms used.

There is another radio button that has appeared (Negative Keywords).

This is simply an area, where you can request that your product DOES NOT show up when specified keywords are searched. This can be an excellent strategy to exclude keywords that will not convert, and should be researched as an option to incorporate into your strategy.

- You want your product to have a high conversion rate for each key word set that you use. If you know that a specific term does not convert – you may want to use that as a negative keyword. This will help to further reduce your advertising costs and increase your ROI on your campaign.

An example of this is if you are selling a silver necklace, and would not like your product to show up in search for “silver plated” necklaces – then you would add “silver plated” to your search terms, as showing up in that search would lend itself to a lower conversion due to your higher price point.

Now, let’s examine what we have going on in the keywords specific tab.

We have a couple of new column headers:

- + Match Type – this simply denotes if you are matching towards a Broad audience, Exact Term or Phrase. We typically target Broad, as we feel like it gives us the most coverage. We would rather have the broad coverage and use negative keywords, if necessary to limit the search.

Broad will provide a broader match – like showing up in similar or what Amazon deems as an intended search. This helps to initially get a better wide search reading. The majority of our campaigns are set-up as broad because we feel like we will get the most results, as well as give us the widest data range possible.

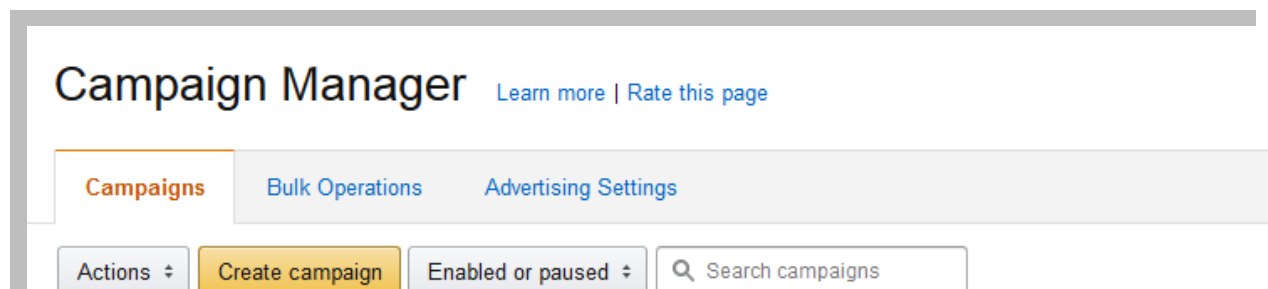
Exact Term – This limits it exclusively to the Exact Term used. We tend to stay away from this, as we feel like, in most instances, that regardless of the exact term, that our pages will convert very highly due to the good pictures, descriptions and bullet points.

Phrase – Phrase matches are where a customer must type an exact phrase or sequence of words or their variations. It serves as a more restrictive measure than broad match, targets more specific audiences and will usually result in more relevant search placement for ads.

+ Estimated Page 1 Bid – This doesn't mean that you have to bid that amount – that simply serves as an estimate for what you would need to pay for a Page 1 bid. I will go more in depth on this later in this training, when we start talking about strategy.

+ Keyword Bid – this simply shows the maximum amount that you would be willing to pay for a keyword bid.

### Creating a Sponsored Ad Listing



The first part of this is that we will want to (inside of Campaign Manager) create a new campaign. When you click the “create campaign” button, you will be brought to this page:

## Set your campaign budget and duration

### Campaign name [?](#)

Only visible when managing campaigns

### Daily budget [?](#)

\$1.00 minimum

### Start date

### End date

## Select a targeting type

**Automatic targeting**

Amazon targets your ads to all relevant customer searches based on your product

**Manual targeting**

Your ads are targeted based on the keywords you choose. [Learn more](#)

The first thing that you will want to do is name your campaign. When we originally started doing campaigns we simply made up unrelated names to the products and went on through the process. You can name it however you would like – this is ONLY visible to you. However, we would suggest naming it to your specific product or product set, as that will let you quickly identify your campaigns when you have multiple campaigns running.

Next, set your average daily budget. For the most part, we typically start a campaign with a low average budget, and raise that budget over time, as we see how keywords convert, and whether the campaign is set up correctly. I would suggest a starting daily budget of \$10 - \$25, and raising it after you have a bit of data.

Then, we set a date for our Ads to start running. This is simple, usually we simply select the following day after we create a campaign – so we can have full day views and get a better idea of how our ads are performing rather than trying to remember when, and what time period we are looking at.

Lastly on this page, we select Automatic or Manual Targeting.

In terms of Automatic Targeting versus Manual Targeting, and what they mean:

Automatic Targeting – letting Amazon choose keywords that have relevancy to your listing – which comes from your listing and similar searches Amazon deems relevant to your product. This is a great way to find other converting searches that you might not have known about otherwise.

Manual Targeting – choosing your own keywords, and using those for your Sponsored Ads.

We will cover which one you should choose and why more in the strategy section. For simplicity sake here, we will choose Automatic.

On the next page, we will look at naming our Ad Group. You can simply go with something like Ad Group 1, or you can name it Your Targeting Type. Realistically, the more important thing is getting started. My best suggestion is to develop a common naming convention that you will use across all Sponsored Ad Campaigns – which will give you the information that you deem to be most important.

Then, we will put in our default bids. We typically set this to something pretty low to start out like \$.25 - \$.50. This allows us to develop early data with Automatic Targeted Campaigns. The most important part is that you CAN change this at any time. Early on, we are only hoping to develop a data discovery stream.

Lastly, we select the product we want to start advertising. Simply type the name of the product into the search bar, and it will bring up the product. Select the correct product and click Save and Finish.

Congratulations at this point as you have a LIVE Sponsored Ad Campaign!

### **Understanding Your Objective & Overarching Strategy**

There are many possible strategies and objectives that you can use with Sponsored Advertisement. Some of these strategies are less direct than others, but can have an amazing impact on your bottom line.

Let me dispel a myth, and perhaps ruffle a few feathers.

Does having a non-profitable campaign mean that your campaign is a failure? No. Can a campaign that actually loses money be a SUCCESSFUL campaign? Yes.

It's very counterintuitive to think that paying money for Sponsored Ads and losing money could actually be a strategy, but it's absolutely true. There is SO much information that you can get simply by running a campaign, that can make the cost of doing so pretty negligible. When you are considering this as an option, the most important aspect is to react to the information that you receive and make great changes to your listing, which will result in future sales and profits for your item.

First, you really need to determine what your objective is when you start your campaign. Simply achieving your objective in a lot of instances will be a success. For example, if you have a new listing, and you are simply looking to gain traction (like a private label product), there are outside factors which could lead to you losing money:

- 1) You are testing keyword sets in hopes of finding better data.
- 2) You run your product at a price much cheaper than your anticipated retail price to gain traction there and help with conversion.

Let's look at the first reason, and think about some of the data that you uncover.

- You find out what keywords are actually being searched for.
- You find out how your product reacts to those data points.
- You learn other products within a niche that might do well based on non-converting search volume.

We look at our first round of keyword searches as a discovery phase. We are able to see what Amazon determines to be relevant from our listing, and where they apply those keywords. It gives a more comprehensive view of the cost structure for keyword valuation.

If you have a dynamic or modular product – and you find search terms that don't convert, but have a high volume – you can look at changing your listing to better sell those specific search terms. This strategy allows you to learn about HIGH volume search terms that you might not have thought about, then reincorporate those into your listing, which could drastically increase the sales of your item.

After you make changes, you will need to continue running targeted ads to see if you start converting on that specific term.

Think about that strategy, before we continue – as it can be HUGELY profitable if done correctly:

- Setting up an automated targeting campaign and discovering keywords to retool your listing, or simply plugging in third party data as manual targeting and testing your listing versus those keywords... then retooling your listing to better sell the keywords that get great impressions.

The next part of this is that if your keywords don't convert and can't be made to convert for your product – you can look at other products that might give you better results with the high volume keyword.

The analysis points you get here are pretty endless and have lots of value. You can look for products with high volume keywords – where there is little competition and actually make a mint!

Now, let's look at the second reason. Whenever you create a new listing and are trying to gain traction in organic search – conversion is huge. We OFTEN use the strategy of running keywords at our products while pricing them at a promotional price to allow for maximum conversion. Essentially when doing this, conversion is more important than profit, as it will help you gain traction for future sales by making your product relevant to those specific search terms.

PROTIP – If you are using an automated email sequence to follow up (like Salesbacker, Feedback Five, Feedback Genius) that have targeted “leave a product review” message – this can result in additional traction in organic search (as keyword laden) reviews can be picked-up by the Amazon search algorithm.

### **Examining Our Strategy**

We almost always, regardless of our product type start out our Sponsored Ads campaigns the same.

We create an Automatic targeting Ad Group to help define related searches. As I mentioned, we truly are conservative in our approach with every product – as this phase is a discovery phase. We are simply looking to see that our keywords are starting to get impressions, as well as what keywords that we will want to more aggressively re-target with a Manual Targeting Ad Group.

After we are able to see that the ads are working correctly, we raise our maximum bid limit well above the Estimated Page One bid. Our goal is to win as many of those page one bid opportunities as possible. You do have to realize, that you very rarely, if ever, pay your maximum bid. Amazon’s system is set-up much like Google’s in that it only pays the next highest bid and continues down with that rotation. So, overbidding is acceptable, and actually suggested by us.

*Generally speaking, we set our bids \$1 to \$2 higher than the suggested bid, and will move up from there if necessary.*

This allows us to gain as many Impressions as possible. Our primary goal here is, next to find our relevancy to the keywords that Amazon finds. Once we start seeing converting keywords we will transition those into a Manual Targeting campaign. Also, you may want to consider moving over any high volume low converting keywords to a Manual Targeting Campaign. The longer you can afford to leave this in Auto Targeting – the better your data will be when you move it over. Our suggested time frame for this is leaving it on Auto Targeting for a minimum of one week.

The reason that we move over to a Manual Targeting Campaign is that you are able to better track your keywords, and more importantly pause any underperforming keywords until you have made changes to your detail pages. What I mean by that is, if you move over a high volume keyword, and make the necessary changes in your Amazon listing, but still aren’t seeing a good enough conversion – you can then pause those particular keywords.

With our Manual Targeting campaign, similarly we will bid well above the suggested threshold. You can generally submit a bid at about 4-6x the Suggested Page One bid. The most important thing is that you continually monitor the performance of your campaign. It’s important to look less at the money you are spending and more at your ACoS if you are trying to run a profitable campaign.

If you aren’t trying to run a profitable campaign, and are instead focused on gaining traction with keywords, and are using advanced conversion techniques – like dropping your price, then keep a good monitor on your conversion percentage. Your conversion percentage plays a large role in determining your organic search relevancy, and you should ALWAYS be looking for ways to improve it (by optimizing your listing).

So here is a breakdown of our optimal Amazon Sponsored Ads Strategy:

**1) Create An Automatic Targeting Campaign**

- A) Set Initial Bids \$.25-\$.50
- B) Set Initial Campaign Budget \$10-\$25
- C) Run for 3-4 days and gather data

**2) Optimize Automatic Targeting Campaign**

- A) Increase Keyword Bids
- B) Increase Budget as Necessary - Your Goal Should be to get as many impressions as possible
- C) Develop List of "High Performing Keywords"
- D) Run for 3-4 days and gather additional data

**3) Start Manual Targeting Campaign**

- A) Set-Up Broad Match Higher Performing Keywords
- B) Set-Up initial bids at 4-6x the Estimated Bid Cost.
- C) Set Initial Budget based on your optimal spend.
- D) Run this campaign 7-10 days (gather data on frequently searched phrases), additionally gather data on what search terms have higher ACoS or Bid Costs due to high impression and low click through. You should look at opportunities to address these changes with changes to your listing, to optimize conversion (higher ACoS).
- E) You can continue to run this campaign longer in broad match context, but will need to set-up Negative Keywords, and suspend low performing keywords.

**4) Start Manual Targeting Campaign**

- A) Set-Up Phrase Targeting Campaign with high Converting Phrases and Keywords
- B) Set-up Negative Keywords for common problem keywords
- C) Set-up initial bids at 4-6x the Estimated Bid Cost (raise as necessary, your goal should be able to rank as highly in Sponsored Ads for high impression keywords with low ACoS).

Step four tends to be one of the best longer term strategies, but requires data to get to the point of having highly relevant and excellent performing keywords. Step three is a great long term strategy as well (and you can quit right there and be in great shape), simply using the Negative Keywords & Suspend Feature.

## **Advanced Manual Targeting Sources**

You can use Amazon Automatic Targeting to help you build a keyword set for your Ad Group, but can also use other sources like Merchant Words or Google Analytics. Both of these resources can be extremely powerful and give you a GREAT idea about what you can expect in search volume for a product or specific keyword.

Merchant Words is a paid resource ([www.merchantwords.com](http://www.merchantwords.com)) that gives you access to tons of search related data including search volume and unique keyword data. This product can provide a wealth of information in terms of giving you other ideas for your search products (as you can look at related searches – and incorporate data into your description) which will allow you to tap into that market and traffic. Beyond that, Merchant Words can also give you good product ideas based on the search volume of certain keywords.

Google Analytics is very similar to Merchant Words, except that it measures the search volume on Google, and is actually a free resource. You can look for related keywords, and get a great idea about their mass market popularity. In reality, if a product is very good on Amazon, it is very likely to be a highly popular term on Google as well.

I alluded to this strategy above, but will point it out here as well, as a KEY strategy when looking at these other keyword analysis engines. If you want to see better success and relevancy with these related keywords – it is important to incorporate them into your listing. This will increase your relevancy score with Amazon – which will make your Impressions higher. However, it's very important to keep in mind that you should be sensible when utilizing this strategy. The product SHOULD be absolutely related to your targeted search term; otherwise you will have a VERY poor conversion rate.

## **Closing Thoughts**

The most important part of any of these strategies is that you focus on implementation – then follow up. You always want to be looking at ways to increase your conversion rates, as well as introduce your products into new and applicable markets. Amazon Sponsored Ads are currently one of the most criminally underutilized tools on the Amazon platform in getting your products noticed and driving warm traffic to those products.

There are many applications once you start getting good at using Amazon Sponsored Ads. You can look at the conventional uses of Private Label or New Listing Creation, but also need to be aware of the power in promoting products with high volume search terms or highly recognized brands. Basically, you should look at the primary principles that we use to determine when and if we use keywords and find applications in putting those principles to use.

Your ability to utilize these strategies and develop a strong understanding of the Amazon Sponsored Ads system will help you to create new product opportunities for yourself, whether it is: Private Label, Wholesale, Bundling or simply finding new products that aren't on the Amazon marketplace. Understanding that cheap keywords is simply a place to exploit and create traffic opportunities is truly



invaluable and can help otherwise bad products produce amazing results. The most important thing is that you take this information, take action and start learning from the experience. The knowledge is wonderful, but the experience is invaluable.