All About Amazon Ads in 2020

The global coronavirus pandemic in 2020 has caused a significant shift in consumer behavior. Consumers today are extremely cautious and are turning towards shopping online rather than travelling to stores. It is no surprise that in this pandemic, Amazon has emerged as one of the big winners. In the first three months of the year, 2020, Amazon announced overall revenues of $75.4bn.

eCommerce is an essential part of selling for any retailer today and the value of ecommerce will only increase in the times to come. When more and more retailers will enter into the Amazon marketplace, the platform will become even more competitive.

In our last guide, we shared with you the ways to set up your Amazon Listings. Make sure to download it from here!

Today we will try to understand the basics of Amazon Advertising and master it.

This guide is written to help you understand **All about Amazon Advertising in 2020**.

What is Amazon Advertising?

According to Amazon, *'Amazon Advertising offers a range of options to registered sellers, vendors, book vendors, Kindle Direct Publishing (KDP) authors, app developers, and/or agencies to reach their advertising goals'*

Types of Amazon Ads

Amazon keeps introducing new ways by which retailers can reach potential customers

Two main categories of Amazon ads are:

(I) Amazon CPC/ PPC

Four main types of Amazon CPC ads are:

1. Sponsored Products
2. Sponsored Brands
3. Sponsored Display (Beta)
4. Stores

Amazon PPC is available to Amazon Vendors and Sellers who sell from eligible categories and whose products are Buy Box eligible.

Sponsored Products

Improve visibility of individual products with ads that appear in search results and on product pages.

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Sponsored Brands

Boost brand awareness with your logo and a customized headline in ads that appear in search results.

LEARN MORE →

Sponsored Display (beta)

Grow your business by reaching relevant audiences on and off Amazon using this new self-service advertising solution.

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Stores

Inspire customer loyalty with your own free multi-page Store on Amazon.

LEARN MORE →

(II) Amazon DSP

Amazon DSP is a demand-side platform that allows advertisers and agencies to programmatically reach audiences across the web. A demand-side platform is software that provides automated, centralized media buying from multiple sources.

Amazon DSP programmatically delivers ads across our owned-and-operated sites and apps such as Amazon.com and IMDb. Additionally, advertisers have access to direct inventory from leading publisher sites through Amazon Publisher Services as well as large third-party exchanges. This inventory includes high-quality sites on desktop and mobile web display, mobile app, and video pre-roll.

Amazon DSP is available to both advertisers who sell products on Amazon and those who do not. Amazon DSP is best suited to advertisers who want to programmatically buy display and video ads at scale.

Self-service and managed-service options are available with Amazon DSP.

Cost of Amazon Ads

- Sponsored ads are cost-per-click ads, the advertiser pays only when customers click the ad
- Cost of display ad and video ad campaigns vary depending on format and placement
- Advertising through a managed-service option with an Amazon Advertising consultant (display ads, video ads, and ads that are run through the Amazon DSP) typically require a minimum spend of US$35,000
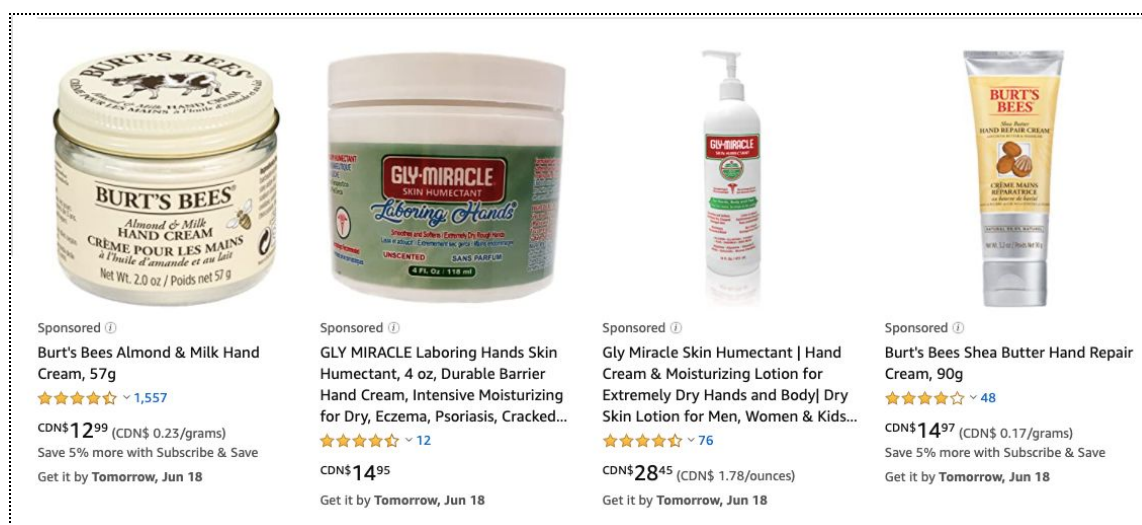- A Store can be created for free

Amazon PPC - Sponsored Products

Sponsored Products are cost-per-click ads. These are keyword-targeted ads that enable sellers to promote their products to the potential customers. Sponsored Products is available for Amazon professional sellers in Seller Central, retail vendors in the advertising console, and Kindle Direct Publishing (KDP) authors in the KDP dashboard.

Advertisers can easily control their Sponsored Products ad spend by controlling their bids and budgets. Sponsored ads may be displayed at the top of, alongside, or within shopping results and on product detail pages. Ads may appear on both desktop, tablet, and mobile.

When customers click the ad, they go to the product's detail page on Amazon where the product is listed.

These ads look j**ust like search results** on the Amazon page and often can not be distinguished from organic search results. These ads also have a very **high rate of conversion** since they target those people who are ready to buy.

Amazon PPC - Sponsored Brands

Sponsored Brands are keyword-targeted ads that appear in shopping results on Amazon. They allow brands to promote multiple products or titles with a custom headline and logo within the ad creative. Ads take customers to a product detail page or a Store.

These ads may be displayed on top of, alongside, or within shopping results. Ads may appear on both desktop and mobile.

Sponsored Brands are available for Amazon professional sellers who are enrolled in Amazon Brand Registry in Seller Central and retail vendors in the advertising console.

These ads use a cost-per-click, auction-based pricing model. Advertisers set the maximum amount that they are willing to pay when the ad is clicked.

Sponsored Brands help brands drive sales and brand awareness on Amazon with ads that are located in high-visibility placements.
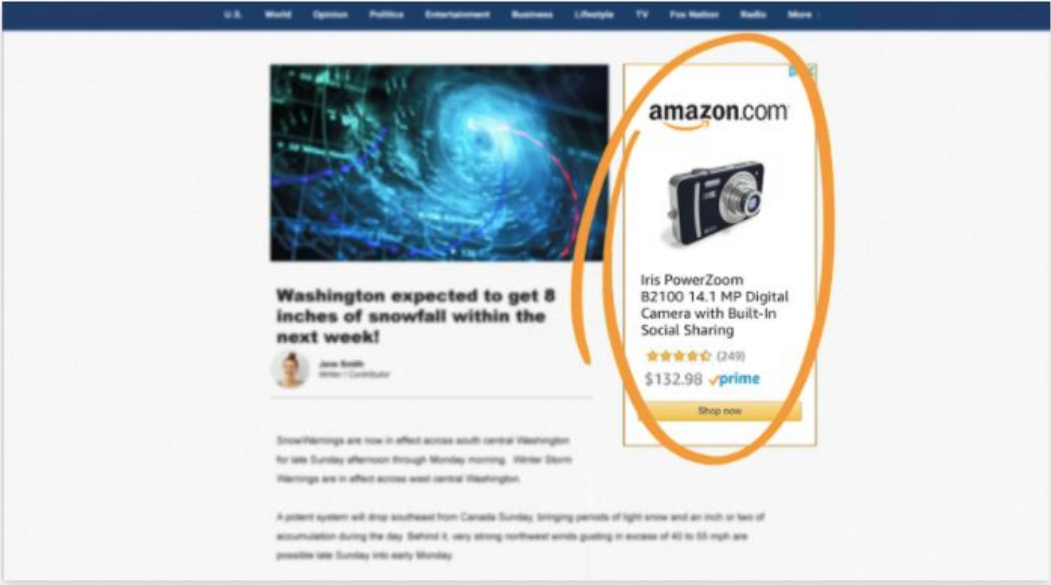
Amazon PPC - Sponsored Display (Beta)

Sponsored Display ads help sellers to create display campaigns that can reach relevant audiences both on and off Amazon. This form of advertising is in Beta stage, with some of the features available only for sellers in the USA. These ads are purchased on a cost-per-click (CPC) basis.

Sponsored Display is available for professional sellers enrolled in Amazon Brand Registry, vendors, and agencies with clients who sell products on Amazon.

These ads can be targeted to different audiences and based on the selected targeting options, the ads can run on Amazon desktop and mobile, both on detail pages and across other Amazon pages.

Sponsored Display uses automation and machine learning to optimize campaigns. Bids automatically adjust based on likelihood of conversion while still allowing the advertisers to change their bids or pause their campaigns.

These ads do not require keywords to be set up. They use shopping signals to automatically reach audiences who may be interested in the promoted products.
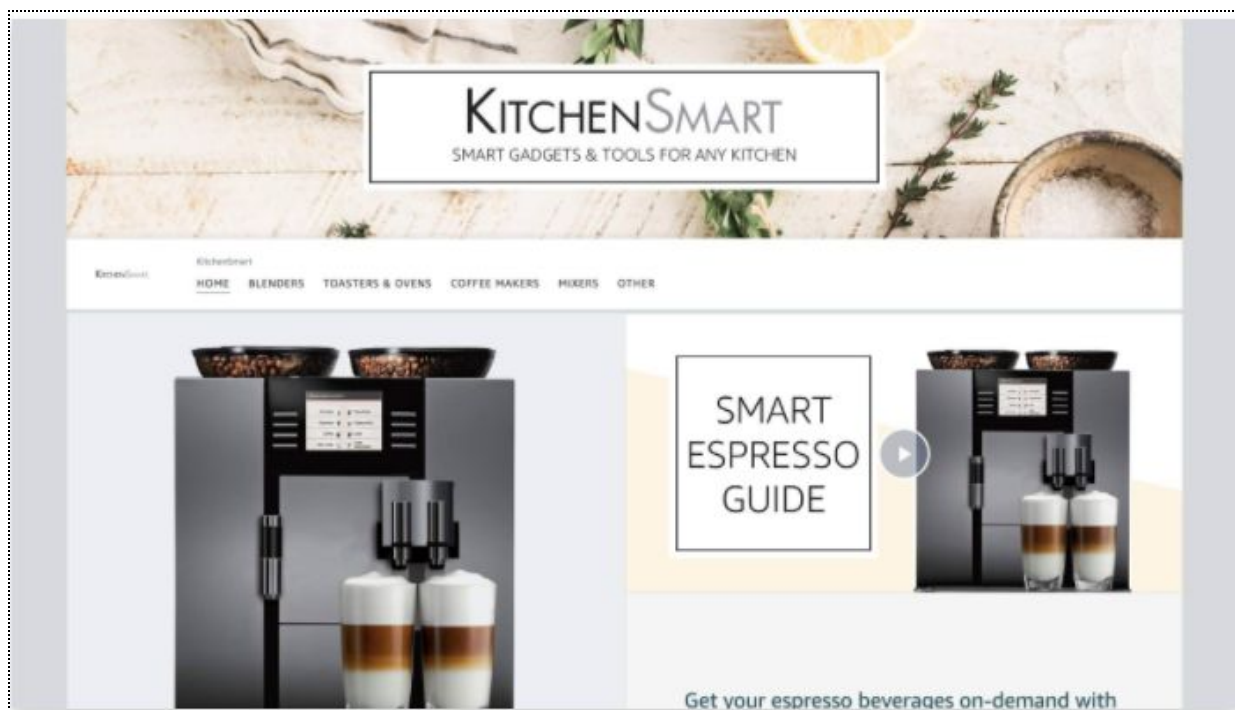
Amazon PPC - Stores

Stores are specific page(s) on Amazon that allow sellers to showcase their brand and products. Creating a Store is free and doesn't require any web development skills. Stores appear on the Amazon website on mobile, app, and desktop.

These ads are available for sellers who are registered in Amazon Brand Registry, vendors, and agencies representing vendors. Sellers do not need to advertise on Amazon to create a Store, but they must be selling products on Amazon. Amazon DSP customers can also create a Store but must have an advertising console account in addition to their Amazon DSP account.

Amazon DSP

Amazon Demand Side Platform (DSP) allows advertisers and agencies to programmatically reach audiences across the web. It is a software that provides automated, centralized media buying from multiple sources.

Amazon DSP includes video ads and display ads that appear on Amazon, Amazon devices, Amazon owned and operated sites and other websites using ads.

These ads are sold by impressions, the cost varying depending on placement and format. This pricing model is called CPM (cost-per-thousand impressions). At the moment, only managed-service options are available, which carry a minimum spend of $35,000.

Advertisers can enhance their reach by leveraging their existing audience using pixels, data management platforms (DMP), or advertiser-hashed audiences. In doing so, advertisers can deliver and optimize relevant ads to the same audiences across devices and ad formats to help drive greater relevance and improve campaign performance.

Self-service and managed-service options are available with Amazon DSP. Self-service customers are in full control of their campaigns, and there are no management fees. The managed-service option is for companies that want access to Amazon DSP inventory with white glove service or those with limited programmatic experience.

Amazon DSP - Display Ads

These ads are a flexible ad format that can be used to reach desired audiences on and off Amazon using either Amazon-generated creative or advertiser's own creatives.

When clicked, the customers may be taken to a product detail page, a Store, a custom landing page, or an external website.

Amazon DSP - Video Ads

Amazon video ads combine sight, sound, and motion to share a brand story and engage audiences on and off Amazon.

Video ads are of two types:

1. **In-stream** - Video ads that appear within video content—either before, during, or after—are known as in-stream video

2. **Out-stream** - These video ads do not appear within video content and typically use space reserved for a display ad on a website or app

Amazon Custom Ads

Amazon also offers custom ads which may include any of the above mentioned advertising formats. These ads are used by businesses with a product or brand to promote. Businesses can buy custom executions, whether or not they sell products on Amazon. Custom programs require working with an Amazon ad consultant.

Amazon Attribution

This is a platform that allows advertisers to measure the impact of all their digital marketing activities on their performance on Amazon. It helps advertisers to understand which channels are most effective and efficient at helping them to achieve their media goals on Amazon.

This program is currently only available in the US marketplace only for professional sellers enrolled in Amazon Brand Registry, vendors and agencies that advertise to sell products on Amazon.

Advertising on Amazon: A Tricky Situation

While Amazon offers many solutions to advertisers to reach the right audience, Amazon advertising can get pretty overwhelming for new as well as seasoned marketers. If you are confused about your advertising options contact Mrkt360 today. Our team of Amazon Marketing experts have years of experience working on Amazon advertising. We will guide you through the entire process and set your Amazon journey to success. Contact our Amazon Consultant today.

Amazon Advertising : Reporting Terms

Impressions: Impressions are the total number of times your ad was displayed

Clicks: Clicks are the number of times your ad was clicked

CTR: Click-through rate (CTR) is the total clicks divided by the total impressions

Spend: Spend is the total dollar value of accrued clicks (CPC) or impressions (CPM)

ACoS: Advertising cost of sales is your total spend divided by your total sales as a percentage. For example, if you spend $5 on ads and generate $25 in sales, your ACOS is 20%–a straightforward measure of your advertising's profitability. Once you have launched your campaign, you can view all reports on the reporting page.

ROAS: Return on ad spend is your total sales divided by your total spend as a percentage

Detail Page Views: Detail page views are the number of times customers viewed one of your product detail pages after viewing or clicking your ad

Attribution: Attribution is the assigning of credit to an ad that a customer was exposed to before taking a desired action, such as a purchase. We use a last-touch attribution model that accounts for various factors, including how the customer interacted with the ad.

Contact us for a FREE consultation with an Amazon Marketing Expert at admin@mrkt360.com