Amazon PPC

The Ultimate Guide

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Amazon PPC (Pay-Per-Click) advertising has developed into a **powerful marketing channel** on Amazon. Running Amazon PPC ads enables sellers and vendors to 'buy' visibility for their products at the top of Amazon's search results page.

However, the number of sellers leveraging Amazon PPC's potential continues to grow significantly year over year. So, if you don't have a defined **Amazon PPC strategy** in place, it may become difficult to achieve your advertising goals on Amazon.

In this guide to Amazon PPC, you will learn:

- What is Amazon PPC and which different Amazon ad types are available for sellers and vendors?

- Is Amazon PPC worth it and what does it cost?How do the basic building blocks of Amazon PPC work?

- How to run Amazon ad campaigns.

What Is Amazon PPC?

Amazon PPC is an advertising model in which advertisers pay a fee to Amazon when a shopper clicks on their ad (pay-per-click). There are **3 Amazon ad types available:** Sponsored Products, Sponsored Brands and Sponsored Display Ads. The latter is a new and extended version of the former Product Display ads – PDAs.

Sponsored Products – keyword- and ASIN-targeted ads similar to Google Adwords, that enable advertisers to **promote individual products within Amazon search results** and on product detail pages. Sponsored Products are the most popular ads on Amazon.

Sponsored Products Ad

Sponsored Brands – ads for **brand building** that allow brands to promote a custom headline, brand logo, and up to 3 products in their ad in the top spot above Amazon search results (and other placements), with the ability to **send shoppers to their Amazon Stores page** or a custom landing page on Amazon. Newly available are also video ads linking to product detail pages.

Sponsored Brands ad

Sponsored Display ads – ads that send shoppers to Amazon product detail pages. They deliver relevant ads **both on Amazon and on external websites** to shoppers who are visiting or visited **(remarketing)** specific products on Amazon.
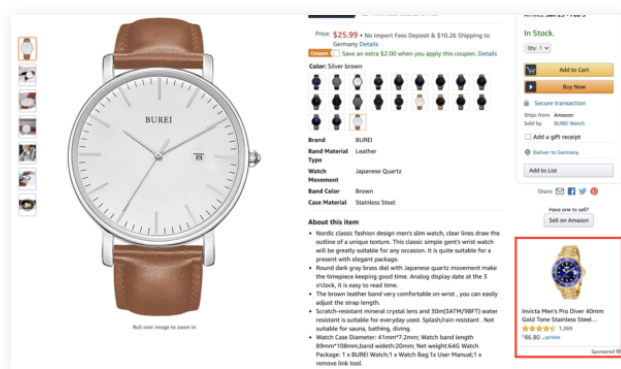
Sponsored Display ad

Where do Amazon PPC ads appear?

Amazon.com search results page

Amazon product page

Sponsored Product ads appear in two locations on Amazon: within search results and on Amazon product detail pages as part of an ad carousel close to the top of the page.

Sponsored Brands ads are displayed in different spots in the Amazon search results page, including the 'top real estate' placement above the search results. Sponsored Brands ads can also appear on product detail pages. Read our beginner's guide to Amazon Sponsored Brands to learn more about using this ad format.

Sponsored Display ads appear below the "Add to Cart" button on Amazon product detail pages, next to and below search results, or on third-party websites and apps depending on the chosen targeting method (product/views targeting).

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Who can use Amazon PPC ads?

Both vendors and sellers can use Amazon PPC ads (however sellers need to be enrolled in Amazon Brand Registry, see the table below). What's the difference between vendors and sellers? Sellers (sometimes referred to as third-party sellers) sell their products directly to Amazon customers. Vendors (sometimes referred to as first-party sellers) sell their products directly to Amazon in bulk, then Amazon sells them to its customers.

Amazon PPC ads can be used for both FBA and FBM products. Here's an overview of all eligibility criteria across the different Amazon ad types:

ELIGIBILITY CRITERIA	SPONSORED PRODUCTS	SPONSORED BRANDS	SPONSORED DISPLAY
General	Active account in good standing with Amazon		
	The ability to ship to the country in which you're advertising		
	Valid payment method		
Seller Type	Professional seller, vendor, Kindle Direct Publishing (KDP) author	Professional seller, vendor, Kindle Direct Publishing (KDP) author	Professional seller, vendor
Product	Adult, used, or refurbished products aren't eligible	Adult, used, or refurbished products aren't eligible	Adult, used, or refurbished products aren't eligible
	Products has to be in stock and in the Buy Box*		Product has to be in stock
Brand Registry		Sellers must be enrolled in Amazon Brand Registry	Sellers must be enrolled in Amazon Brand Registry
Categories	Eligible categories	Eligible categories	Eligible categories

Is Amazon PPC Worth It?

Well-run Amazon PPC advertising campaigns help you increase your sales, improve your organic rankings, and build brand awareness. If you're using Amazon as a selling platform but not an advertising platform you're probably missing a huge opportunity.

Why should I try Amazon PPC?

In comparison with other advertising channels Amazon PPC is generally very effective because it allows you to reach shoppers on the platform where they actually make purchases, i.e. on Amazon. Amazon PPC allows you to promote your products with highly visible placements on Amazon, with ads appearing on desktop and mobile browsers as well as on Amazon's app.

With Amazon PPC, you're able to choose from different Amazon ad types depending on your goals, you can control and flexibly set and scale your budget, and you are easily able to see how your advertisements have performed with a variety of detailed reports.

Amazon advertising offers a portfolio of different targeting methods from keywords to categories, brands, and products (ASINs—Amazon Standard Identification Numbers) as well as remarketing on external websites to ensure that your advertising is reaching the desired audience.

What are the Amazon ads pricing/fees?

Sponsored Products, Sponsored Brands, and Sponsored Display advertisements are purchased on a cost-per-click basis. That means that your Amazon ads are displayed at no charge—views, or impressions, are free. **You pay for your advertisements only when a potential customer clicks on the ad.** You're in control of the amount that you're willing to spend per click and hence the amount you spend on ads.

How does the PPC auction work?

The cost-per-click (CPC) for each ad on Amazon is determined in a so-called second-price auction. Each advertiser submits a default bid (the maximum they are willing to pay per click) for their ad.

The highest bidder wins the highest ad position (ad rank #1) and will also pay the highest CPC, but the highest bidder does not pay the amount they bid. The highest bidder pays only $0.01 more than the second-highest bid.
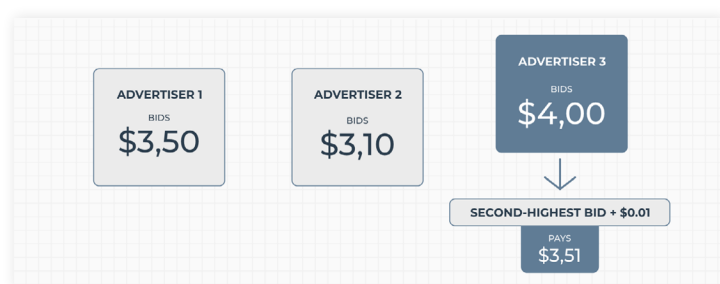
In the above example, Advertiser 3 wins the auction with a bid of $4.00. If their ad is clicked, the cost of the click charged to Advertiser 3 will be $3.51. This logic also applies for all following ad ranks, e.g. advertiser 1 (ad rank #2) pays $3.11.

What is the average cost per click (CPC)?

On Amazon.com, the CPCs typically range from $0.02 – $3, but your average CPC can vary greatly depending on the product category, marketplace, as well as the ad type. See CPC benchmarks below or in our free Sellics Amazon PPC Benchmarker [Beta].

Are there any hidden fees associated with Amazon PPC?

The short answer is: no. The Amazon ads pricing structure is transparent and straightforward. You only pay for your advertisements when someone clicks on one of them; and because you set your bids and daily advertising budget, you have total control over how much you spend.

As mentioned above, the exact amount that you pay per click will be determined by the second-highest bidder in the ad auction. If you are the highest bidder you will win the auction and pay $0.01 more than the second-highest bid.

Does Amazon PPC improve organic rankings for my FBA and FBM products?

Yes, it can. Unlike in Google Adwords, **Amazon PPC sales have a direct influence on a product's organic ranking on Amazon.** Therefore, more sales generated via Amazon PPC ads will have a positive effect on the organic ranking of your FBA or FBM product.

This effect is especially **important for new products.** New products generally lack a sales history, and therefore performance data, which in turn negatively affects organic ranking. Amazon PPC can change that by driving

traffic to your FBA or FBM product listing and thereby boosting sales as well as generating reviews to drive further conversions.

The Basics of Amazon PPC (Things to Know Before You Start)

In order to run successful Amazon PPC ads, you need to familiarize yourself with the basic building blocks of Amazon PPC. Below we've summarized the **key concepts and terminology** advertisers should know when starting out with Amazon Sponsored Ads:

Important building blocks of Amazon PPC (basic terminology)

AREA	EXPLANATION
Targeting	When you set up your Amazon PPC campaign, you can choose to target your ads based on keywords, product ASINs, categories on Amazon as well as remarketing on external websites to audiences that viewed certain products on Amazon (targeting options depend on the ad type).
Search terms vs. Targets (e.g. Keywords)	'Search terms' refers to any search query the customer types into the Amazon search field, or – for product page placements – the ASIN the ad appeared on. 'Targets' refer to what you, as the advertiser, bid on in your ad campaigns, e.g. specific keywords, ASINs or categories. Depending on the match type used, a target (e.g. a keyword) can cover multiple search terms.
Keyword Match Types	Keyword Match Types determine the degree of match between the keyword and customer search term in order for an ad to appear on Amazon. There are 3 match types available (Broad, Phrase, Exact), all with varying degrees of ad targeting precision & management effort required.
Negative Targeting	Negative targets are used to help sellers exclude unwanted search terms from their ad campaigns. When utilized effectively, negative targeting can be a very powerful tool to help you control your Amazon PPC costs. Negative targets can be both negative keywords (excluding impressions for certain searches) and negative ASINs (excluding impressions on certain product pages).
Campaign types	There are automatic and manual campaigns. The main difference is that a manual campaign will give you more accurate results. In an automatic campaign, you let Amazon run your ads for you, and your ad will be automatically matched to all the search terms Amazon deems relevant to your product. In a manual campaign, you choose the targets you wish your ad to be displayed for, giving you greater ad targeting precision.
Dynamic Bidding	Advertisers can choose to set fixed bids or use Amazon's dynamic bidding options ('bid down', bid 'up and down'), which allows Amazon to adjust your bids in real time based on the conversion probability.
Adjust Bids by Placement	Advertisers can use this feature to modify bids to target Top of Search and Product Detail Pages. A bid modifier from 0% to 900% can be applied for targeted placements.

Important key performance indicators (KPIs) of Amazon PPC

The following is a summary of the most important key performance indicators (KPIs) that will allow you to determine how successful your advertisements are. To identify areas in which you can improve your advertising strategy, it's useful to use tools like the free Sellics Amazon PPC Benchmarker [Beta] to see how your KPIs compare with other sellers in your marketplace and category.

KPIs	HOW IS IT CALCULATED?	WHY IS IT IMPORTANT?
Advertising Cost of Sale (ACoS)	ACOS = ad spend ÷ ad revenue x 100	Allows you to see if your ads are profitable; also allows you to see how efficient your ads are compared with competitors

KPIs	HOW IS IT CALCULATED?	WHY IS IT IMPORTANT?
Return on Ad Spend (ROAS)	ROAS = ad revenue ÷ ad spend	ROAS is the inverse of ACoS. ROAS allows you to see if your ads are profitable; also allows you to see how efficient your ads are compared with competitors
Cost per click (CPC)	CPC is determined in a second-price auction (see above)	CPC determines your ad costs and is a general indicator of competition intensity in a category
Click-through-rate (CTR)	Click-through-rate = number of clicks ÷ number of impressions x 100	Click-through-rate is an indicator of how appealing your ads are to potential customers
Conversion Rate (CVR)	Conversion rate = number of orders ÷ number of clicks x 100	Conversion rate is an indication of how persuasive your ads and products are; also as CVR goes up, so does profitability

Amazon PPC benchmarks

What are the KPIs that you need to improve? How can you make your ads more efficient and more profitable? These are two of the most pressing questions any advertiser on Amazon faces.

To understand the areas in which you can improve your advertising, first you need to understand how your KPIs compare with your competitors. You need country-, category-, and ad-format-level data to make meaningful comparisons between you and your competition.

There's only one tool that can provide you with this level of data **at no cost.** Sellics's free Benchmarker [Beta] is the first tool of its kind that allows you to make these kinds of comparisons and identify areas in which your ad campaigns can improve.

What is a good click-through rate for Amazon PPC?

Let's take a look at the click-through-rate for Sponsored Products ads and Sponsored Brands ads for 3 of the top categories on Amazon.com: Electronics, Health & Household, and Clothing.

Click-Through-Rate Across Ad Types and Top Categories

Source: Sellics
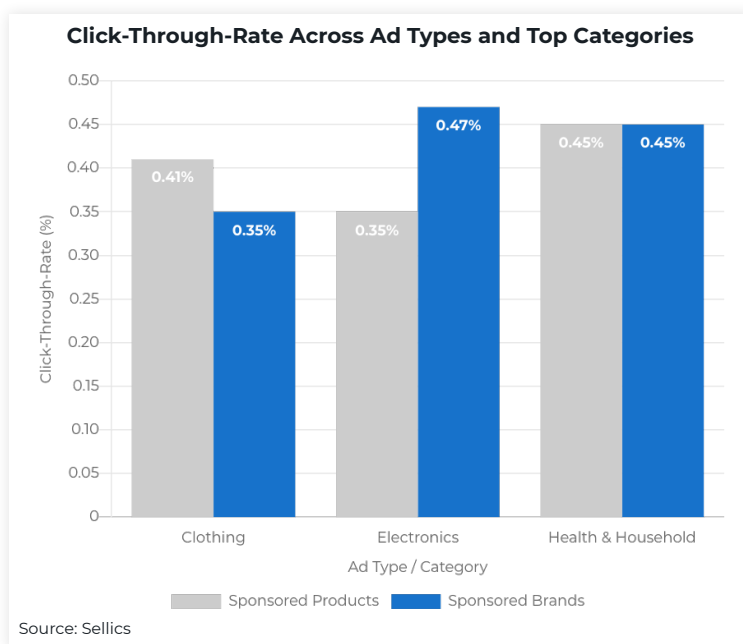
Looking at the chart above, if you're a clothing seller using Sponsored Brands ads and your click-through-rate is 0.40%, you're above the category benchmark and doing quite well. However, if you're an electronics seller using Sponsored Brands ads and your click-through-rate is 0.40%, you're below the category benchmark and there is room for improvement.

This illustrates a very important point: **advertising performance indicators vary widely across different marketplaces, product categories, and ad formats.** That's why it's essential to make sure that you compare your KPIs with your peers to identify areas where you can improve your ads.

Comparing your click-through-rate with your peer group allows you to see if there is potential to make your product ads more appealing to your customers. It can also help you understand if you are targeting a rather narrow or broad audience compared to your peer group.

> Use the free Sellics Benchmarker [Beta] to compare your CTR to your peer group and to get concrete tips for improving it.
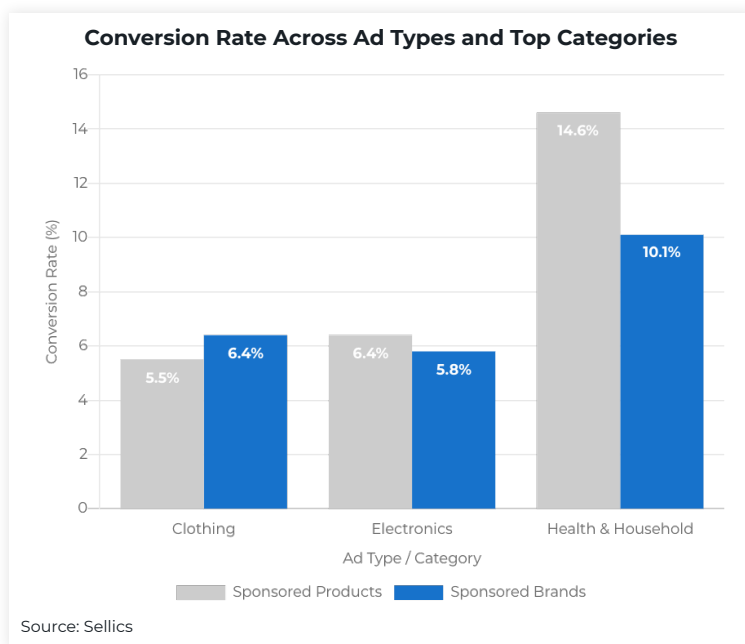
What is a good conversion rate for Amazon PPC?

Conversion Rate Across Ad Types and Top Categories


Source: Sellics

Among the categories displayed, Health & Household has the highest conversion rates for both Sponsored Products (14.6%) and Sponsored Brands (10.1%). Even within the category of Health & Household items, however, there is a significant difference in the conversion rate between ad formats. Sponsored Products ads outperform Sponsored Brands ads in this category by 30.8%.

By comparing your conversion rate with your peer group, you can understand if there is potential to improve the persuasiveness of your landing pages (store, product pages or product collection pages).

> Use the free Sellics Benchmarker [Beta] to compare your conversion rate to your peer group and to get concrete tips for improving it.

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What is a good CPC on Amazon?

Cost Per Click (CPC) Across Ad Type and Top Categories
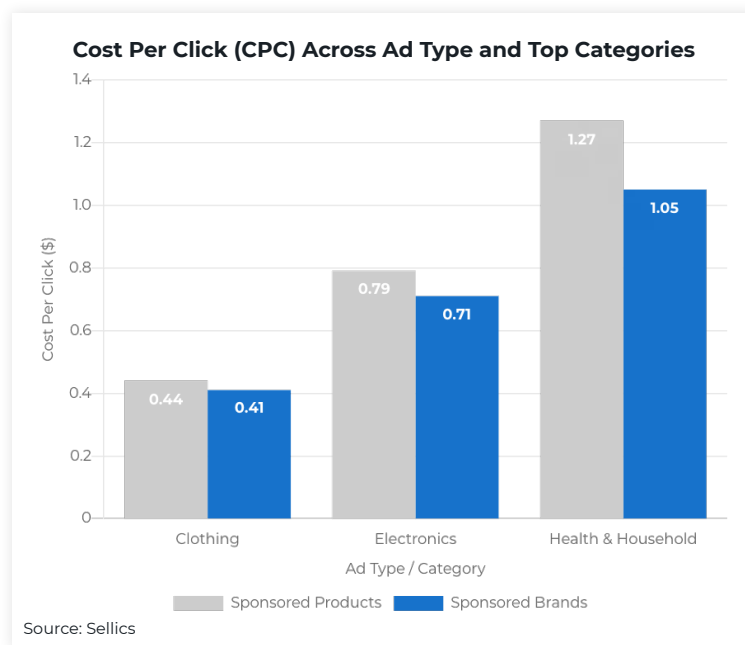
Across all Amazon categories the cost per click tends to be lower for Sponsored Brands than for Sponsored Products. A category's cost per click generally indicates the level of competition.

If your CPC is much higher than in your peer group, this might indicate that you are overpaying and therefore should reduce your costs. If your CPC is much lower than in your peer group then you might miss impressions, clicks and sales because your bids are not competitive.

It's important to remember that the optimal CPC depends on your individual products. You have to decide what you can afford to pay and what you are willing to pay.

Use the free Sellics Benchmarker [Beta] to compare your CPC rate to your peer group and to get concrete tips for improving it.

What is a good ACoS on Amazon?

Advertising Cost of Sales (ACoS) Across Ad Type and Top Categories

Source: Sellics
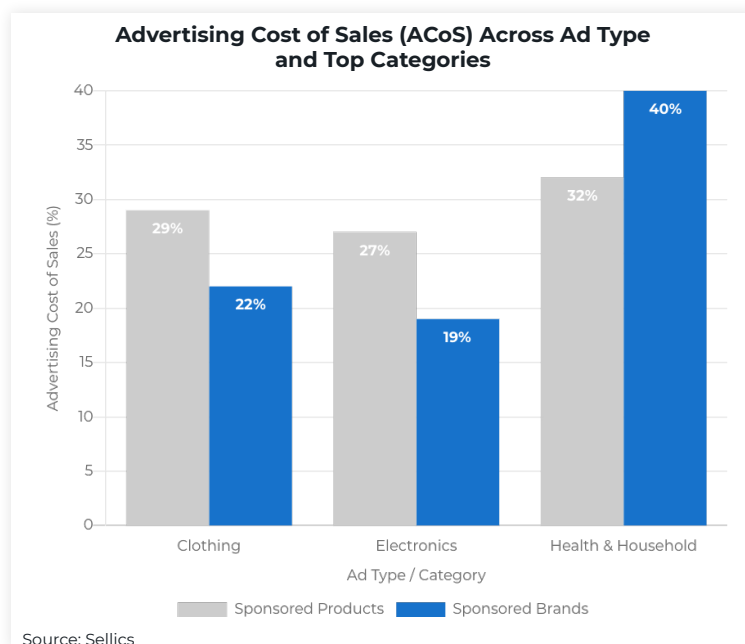
Advertising Cost of Sales (ACoS) measures how efficient your Amazon PPC campaigns are. It shows the ratio of your ad spend to revenue.

For example, the Sponsored Products ACoS of 27% for the Electronics category indicates that for every dollar made, 27 cents have been spent on Sponsored Products ads.

Comparing your ACoS to your peer group allows you to see if there is potential to increase the efficiency of your campaigns e.g. by optimizing your bids or by adding more negative keywords.

Determining a good ACoS for your ad campaigns depends on individual factors. Similar to CPCs, you have to ask yourself what you can afford to pay (depending on your profit margin) and what you are willing to pay (depending on your advertising goals).

It's very important to benchmark your ACoS against others in your specific industry and marketplace and for a certain ad format. This is the only way to see how well you are doing compared to your competitors.

> Use the free Sellics Benchmarker [Beta] to compare your ACoS rate to your peer group and to get concrete tips for improving it.

How to set goals for your Amazon PPC campaign

Advertisers running Amazon PPC ads will already know that it can be very easy to incur a loss on your product if you're not tracking the performance of your campaigns against your PPC costs. In order to evaluate the performance of your Amazon PPC campaigns, you need to be clear about your goals for running Amazon ads from the outset.

Typically advertisers go for:

- A) **maximizing sales** (e.g. for a product launch) or **maximizing impressions** (e.g. for a **brand awareness** campaign). In this case, the costs are typically kept at a break-even level which is reflected by the so-called **target KPI 'break even ACoS';**

- B) generating **incremental sales while achieving a certain profit margin** which is reflected by the so-called **target KPI 'target ACoS'.**

CAMPAIGN GOAL	WHEN?	HOW TO CALCULATE YOUR TARGET VALUE
Maximise sales/impressions	E.g. product launches, brand awareness campaigns	Calculate your break-even ACoS (profit margin before ad spend)
Achieve target profit margin	General campaigns (long-term focus)	Calculate your target ACoS (break-even ACoS – target profit margin)

Let's take a detailed look at how these target KPIs are calculated.

How much should I spend on Amazon PPC?

To understand how much you should spend on Amazon PPC, you need to first calculate your profit margin before ad spend (which is equal to your so-called 'break-even ACoS'). **Regardless of the goal of your campaign, you will always need to** calculate your product margin first **to determine how much margin you can afford to spend on Amazon PPC.**

How do I calculate my profit margin and break-even ACoS?

> Break-Even ACoS = Profit Margin Before Ad Spend

Your break-even ACoS ('Advertising Cost of Sales') is equal to your profit margin before ad spend. Why? In the example below you can see that your profit margin before ad spend is 25%. As long as you don't spend over 25% on PPC to promote your product, you won't lose money.
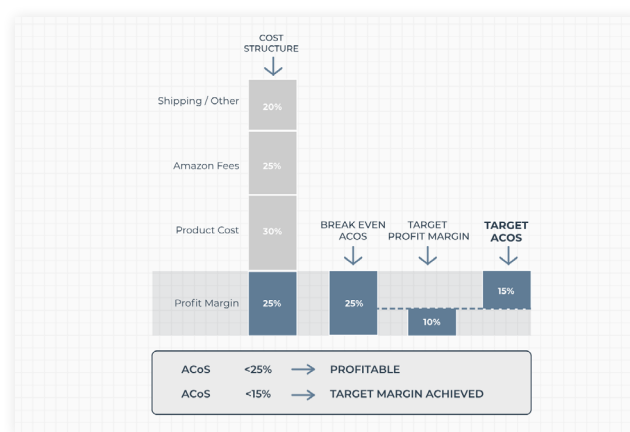
If your campaign goal is to maximise sales or impressions (brand awareness), by calculating your break-even ACoS, you will always know the maximum you can afford to spend on PPC without making a loss with your campaign.

Tip: Your break-even ACoS is calculated automatically for all your campaigns, ad groups, and keywords in the Sellics Advertising module. Immediately pinpoint the campaigns, ad groups, or keywords that are unprofitable and losing your money.

Benchmark your individual keyword ACoS against your break-even ACoS

How do I calculate my target ACoS?

If your goal is to run a profitable campaign, you can use your profit margin/break-even ACoS to determine a realistic target net profit margin for your product.
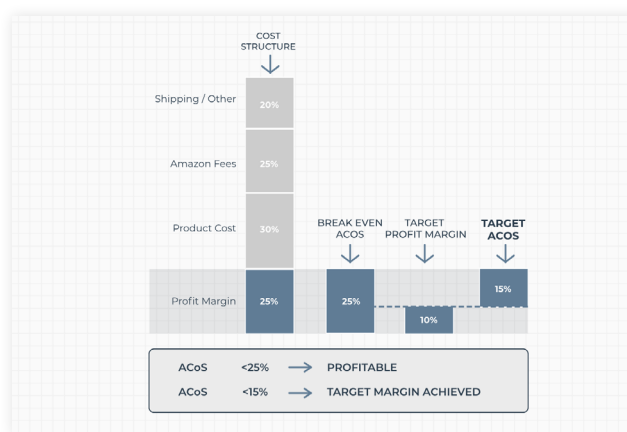
For example, if you decide you want a 10% profit margin after advertising costs, and you have a break-even ACoS of 25%, this means you have 15% to spend on PPC. This is your target ACoS. To ensure you run a profitable campaign in line with your target profit margin, you will never want to spend over your target ACoS.

> Target ACoS = Profit Margin Before Ad Spend – Target Profit Margin After Ad Spend

Tip: With Sellics Advertising, you easily benchmark your ACoS with your break-even and target ACoS for each campaign and keyword. With our automation solutions you can also automatically increase keyword bids (when ACoS is low) and decrease keyword bids (when ACoS is high), saving you time and effort.

Optimize your Amazon listing before you start with Amazon PPC

Before you start with Amazon PPC, it's important to ensure your Amazon product listings are optimized for Amazon SEO. Amazon SEO is a prerequisite for keyword targeting and optimizing the click-through-rate & conversion rate of your Amazon PPC ads.

Amazon SEO is a two-step process:

- **Keyword Optimization:** Include all relevant keywords for which the product should be found in the product listing text. Having a keyword in your listing ensures your **ad is shown for this particular keyword** and can generate impressions (ad views).

- **Listing / Content Optimization:** Include high quality and relevant pictures, engaging copy, etc., to **improve both your organic and advertising click-through-rate and conversion rate.**

If you haven't read it already, check out Sellics's complete guide to Amazon SEO.

Please note: Amazon PPC and Amazon SEO mutually reinforce each other. Sales generated via ads also contribute to your organic rankings.

How does targeting for Amazon PPC ads work?

There are four ways to target potential customers using Amazon PPC advertisements. Which targeting type is available depends on the ad type.

AD TYPE	KEYWORD TARGETING	ASIN TARGETING	CATEGORY TARGETING	VIEWS REMARKETING
Sponsored Products	√	√	√	x
Sponsored Brands	√	√	√	x
Sponsored Display	x	√	√	√

Keywords and match types

Keyword targeting is available for Sponsored Products and Sponsored Brands ads. With this targeting method advertisers can define keywords that are matched with shopper's search queries where they want their ad to appear. Ads will either appear in search results for the matched search terms or on product pages that are visited from these search results.

Advertisers can refine their ad targeting using the three keyword match types that are available:

- **Broad match type:** search terms that contain all components of your keyword in any order.

- **Phrase match type:** search terms that contain all components of your keyword in the same order.

- **Exact match type:** search terms that match your keyword word by word (same word order + same components).

MATCH TYPE	KEYWORD	AD APPEARS FOR SEARCH TERM	AD DOES NOT APPEAR FOR SEARCH TERM	INCLUDED VARIANTS (MATCHING SEARCH TERMS INCLUDE THE FOLLOWING VARIATIONS)
Broad (search term contains keyword in any word order)	`wallet men`	`wallet men wallet men black nylon wallet men wallet black men men wallet leather`	`purse men wallet women`	– Upper/lowercase: (e.g. `wallet` covers `Wallet`) – Singular/plural (e.g. `wallet` covers `wallets`)
Phrase (search term contains keyword in identical word order)	`wallet men`	`wallet men wallet men black nylon wallet men`	`purse men wallet women wallet black men men wallet leather`	– Special characters (e.g. `entrecote` covers `entrecôte` – Slight spelling errors (e.g. `wallet` covers `walllet`)
Exact (Word-for-word match between keyword and search term)	`wallet men`	`wallet men`	`purse men wallet women wallet men black nylon wallet men wallet black men men wallet leather`	– Filler words (e.g. `wallets covers for wallet`)

For **Sponsored Brands match types work slightly different.** The broad match type also includes synonyms (e.g. 'wallet' and 'purse'). To specify that a word has to be included without synonyms a '+' needs to be put in front of it.

Example: the keyword '+wallet leather' matches with 'wallet leather blue' but not with 'purse leather blue'.

How to do basic keyword research
If you're just starting out and don't know what keywords to use for your product, or if you simply want to do more thorough keyword research, check out Sonar, Sellics's free keyword research tool. With Sonar you can find relevant keywords for your product for Amazon's US and European marketplaces. When you type in a search term in Sonar, you will be provided with a list of related keywords, ranked by relevance and search volume.

You can download the entire list of relevant keywords as an excel sheet for free. This will give you a great starting point for deciding which keywords you should bid on for your Amazon PPC campaign. For more on how to use Sonar, check out this article.

Automate your keyword research
Use the keyword rules in Sellics Advertising or our AI solution 'Autopilot' to automate your target research for keywords and ASINs and continuously optimize your targeting. Start your free trial!

Product targeting (ASINs and categories)

Amazon Product Targeting (available for all types of Sponsored ads) allows you to target your ads using

- a product's Amazon Standard Identification Numbers (ASIN)

- or a category.ASINs are unique blocks of 10 letters and/or numbers that identify items for sale on Amazon. You can find the ASIN on the item's product information page.

There are generally four strategic approaches for ASIN targeting based on the following matrix:

| ASIN targeting strategies	Own ASIN	Competitor ASIN
Substitute ASIN (e.g. two different phones)	Cross-promotion/defense against competitor ads	Taking competitor's traffic
Complement ASIN (e.g. phone and case)	Cross-selling/defense against competitor ads	Piggybacking on competitor's traffic

How to use Amazon to do basic ASIN research

If you're just starting, here are some quick and easy ways to identify ASINs that you can target with your campaign:

Look at the **"Products related to this item"** section on the Amazon product detail page for your product to get substitute ASINs to target.

Check the **"Customers who viewed this item also viewed"** section to see potential complement ASINs to target.
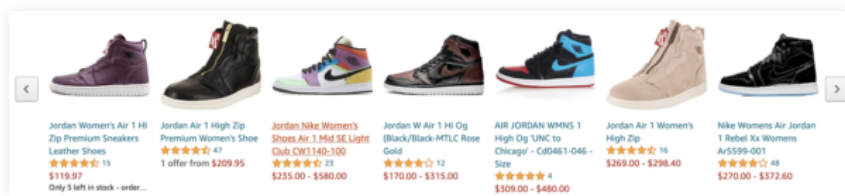
Look at the reports for shopping behavior and bundling provided in your **brand analytics dashboard** in Seller and Vendor Central (aka ARA or Amazon Retail Analytics).
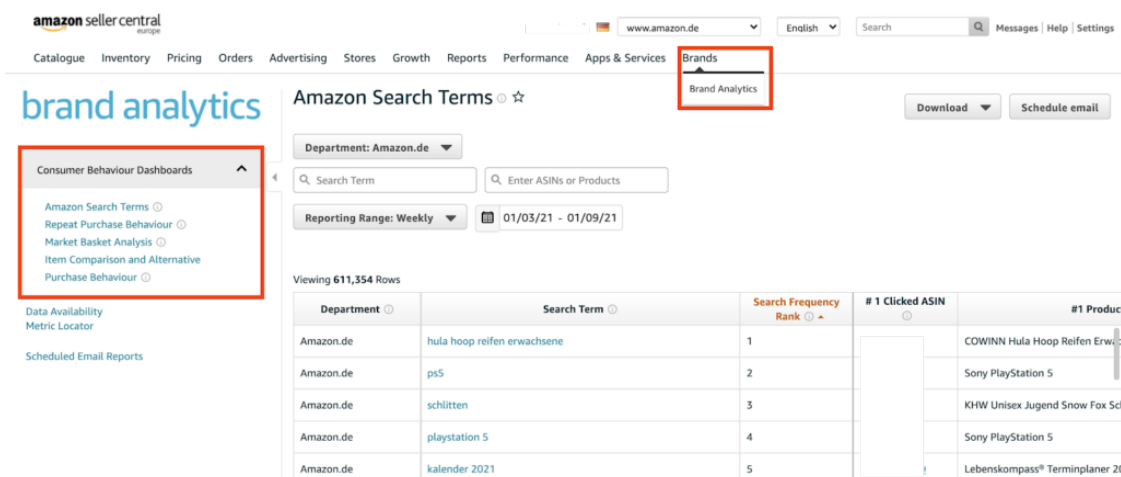
Advertising is complicated enough — we're here to fix that.

SELLICS ADVERTISING

LEARN MORE

In addition to ASINs, you can also use the Category Targeting feature to target your own product category.

> **Automate your keyword research**
> Use the keyword rules in Sellics Advertising or our AI solution 'Autopilot' to automate your target research for keywords and ASINs and continuously optimize your targeting. Start your free trial!

Category Targeting works especially well for:

- **new products/inventions** and products that are bought by customers who **browse** through categories, like fashion, gifts, etc.;

- **generating brand awareness** as this targeting method tends to generate many impressions in a quick and easy way.

Please note: If possible, **create separate campaigns for category targeting** as it usually generates many impressions and clicks. It therefore tends to use larger budgets compared to other targeting methods. Separate campaigns give you more budget control and avoids that campaigns run out of budget before other targeting methods get enough impressions.

Views remarketing

Views remarketing is only available for Sponsored Display ads. Views remarketing allows you to reengage audiences who have viewed your product details pages and product details pages similar to yours, but haven't purchased your advertised product(s) in the past 30 days. One key difference between views remarketing and other targeting strategies is that it **gives you access to placements both on and off Amazon.**

Targeting with views remarketing will help to drive brand awareness and keep your products in the minds of customers who are shopping in your category.In addition to off-Amazon placements, your Sponsored Display ads will also appear on Amazon product detail pages and search results pages.

How to Run Amazon Ads (Getting Started With Amazon PPC)

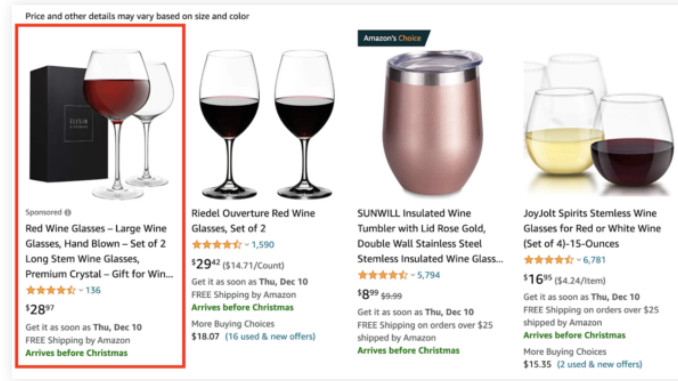In this section we explain how to get started with Amazon PPC in terms of

1. Strategy

2. Campaign Setup

3. Campaign Optimization

We generally recommend to **begin with Amazon Sponsored Products** because it's the most effective ad type to generate additional sales profitably. However, we also recommend advertisers to try out Sponsored Brands and Sponsored Display because they can be combined very well with Sponsored Products to reach customers in different placements and in different stages of their customer journey.

Amazon ad types – a quick review

For a quick review, here are examples of the three Amazon ad types:

Sponsored Products – keyword- and ASIN-targeted ads **similar to Google Adwords,** that enable advertisers to promote individual products **within Amazon search results** and on product detail pages. Sponsored Products are the **most popular ads** on Amazon.
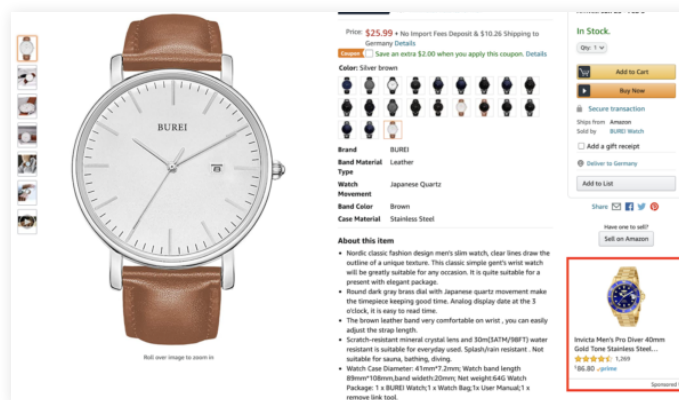
Sponsored Products ad

Sponsored Brands – ads for **brand building** that allow brands to promote a custom headline, brand logo, and up to 3 products in their ad in the top spot above Amazon search results (and other placements), with the ability to **send shoppers to their Amazon Stores page** or a custom landing page on Amazon. Newly available are also video ads linking to product detail pages.
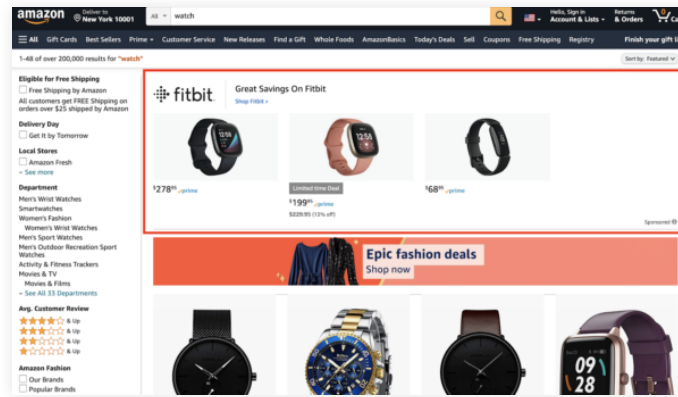
Sponsored Brands ad

Sponsored Display ads – banner ads that send shoppers to Amazon product detail pages. They deliver relevant ads **both on Amazon and on external websites** to shoppers who are visiting and visited **(remarketing)** specific products on Amazon.

Sponsored Display ad

First steps with Amazon Sponsored Products

Strategy and structure for your Sponsored Products campaign

In this guide we explain the **beginner version of our Sponsored Products strategy blueprint.** We will publish an advanced version in another article soon.We recommend the following strategy and structure **for each product or set of products** (for a set of products, make sure that the products selected have similar keywords and profit margins):

- 1 **automatic** campaign (with 1 automatic ad group)

- 1 **manual** campaign (with 1 ad group for **broad** match keywords and 1 ad group for **ASIN** targets)

The idea behind this is to use your automatic campaign for **continuous target research** with minimal effort and regularly **transfer the high-performing keywords and ASINs to your manual campaign,** where they can be precisely optimized for highest performance (see more details about this process below). This approach combines the advantages of **automatic campaigns (low effort)** and **manual campaigns (high precision)**.

Sponsored Products
Getting Started Strategy
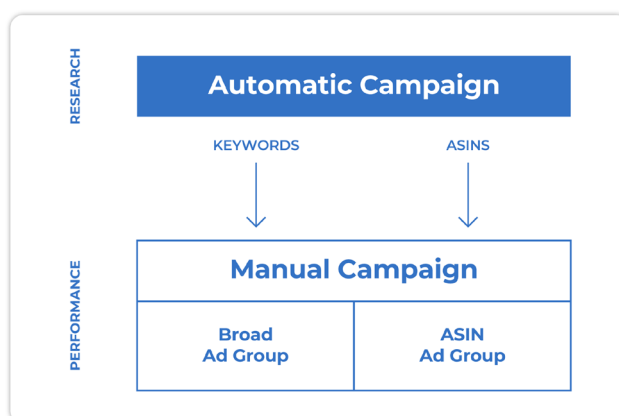
> **Tip**
> You can additionally transfer well-performing keywords and ASINs from your automatic Sponsored Products campaign to your relevant **Sponsored Brands and Sponsored Display** campaigns.

Setting up your Sponsored Products campaign

Creating an **automatic campaign** is easy. All you need to do is name your campaign (and ad group) and define a budget and a CPC bid. As soon as your campaign kicks off, Amazon examines the advertised products and automatically starts displaying your ads for selected search terms.

Create a **manual campaign** to add your own choice of initial keywords. An excellent resource to research these **keywords** is Sonar, our free Amazon keyword research tool. For a decent basic coverage, research around 20 keywords and add them to your **'Broad' ad group.** (See more info about keyword research above.)

In addition, also include one **ASIN ad group** of around 20 ASINs in your manual campaign. To decide which initial ASINs to include in your manual group, take a look at your brand analytics dashboard or look at the "Products related to this item" section or "Customers who viewed this item also viewed" section on the Amazon product detail page for your product. (See more info about ASIN research above.)

The following table summarizes all the settings for the recommended strategy.

SETTINGS	AUTOMATIC	MANUAL (BROAD KEYWORDS)	MANUAL (ASIN)
Budget	$15 per product	$25 per product	
Campaign name	SP | 'Fill in ASIN' | Auto	SP | 'Fill in ASIN' | Manual	
Ad group name	SP | 'Fill in ASIN' | Auto	SP | 'Fill in ASIN' | Manual | KW Broad	SP | 'Fill in ASIN' | Manual | ASIN
Products	Product or product set with similar keywords and margins	Product or product set with similar keywords and margins	Product or product set with similar keywords and margins
Initial Targets	None	Around 20 broad keywords	Around 20 ASINs
Initial Negative Targets	Initial targets from 'Broad' ad group (as negative phrase) and from 'ASIN' ad group	None	None
Ad group bid	Suggested bid by Amazon		
Target bid			

In this setup we are using **negative targets** to make sure impressions are generated only in the ad groups where we want them. Why? Certain keywords and ASINs could be both targeted by the automatic and manual campaigns.

However, as soon as a target is added to a manual campaign, impressions in the automatic campaign have to be stopped, because this target will now be optimized and fine tuned in the manual campaign.

To stop the impressions in the automatic campaign, a negative phrase keyword or ASIN is added there whenever the target is added to the manual campaign. This happens when the campaigns are created or when a target gets harvested and transferred from automatic to manual.
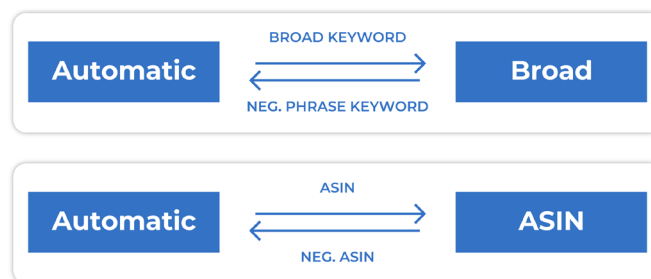

Optimising your Sponsored Products campaign

Regular campaign optimization is the key to success with Amazon PPC. However, you'll only want to make adjustments to your PPC campaigns once you have collected a sufficient amount of data (impressions, clicks, conversions, etc.) to evaluate your current campaign performance.

Once you have collected enough data, you should regularly perform the three recommended optimization measures we've listed below:

1. Transfer keywords and ASINs from Automatic to Manual campaign
You should regularly transfer your top-performing search terms (keywords and ASINs) from your automatic campaign to the broad match and ASIN ad groups in your manual campaign to be able to precisely optimize them there.
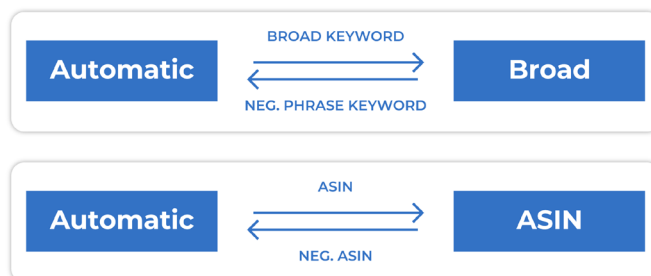

An example:

1. The relevant search term 'wallet blue' is identified in the automatic campaign.

2. 'Wallet blue' is added as a keyword to the manual broad match ad group to optimize the keyword bid etc. there.

3. At the same time, the negative phrase keyword 'wallet blue' needs to be added to the automatic campaign so that impressions for this search term are stopped there.

You can identify the best performing search terms in your Automatic Campaign search term report (access it via the campaign manager or download it as an Excel file) and in Sellics Advertising.

Automate this task
By using best practice rules sets in Sellics Advertising, you can automatically **transfer top-performing search terms** from your automatic to manual campaign, saving time and increasing efficiency. Alternatively, use Autopilot to fully automate your Amazon PPC campaigns.
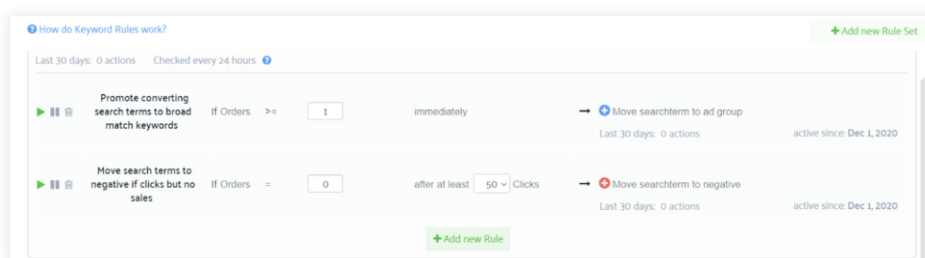
2. Use negative keywords
You will want to periodically track the search terms (keywords and ASINs) running in your automatic campaign and manual campaign that are generating clicks without conversions and add them as negative keyword/ ASINs to prevent accumulating unnecessary PPC costs. You can learn more about negative keywords here.

When filtering out unprofitable search terms from your Amazon PPC campaigns and ad groups, your aim is to remove:

· Irrelevant search terms that clearly do not apply to your product.

- Unprofitable search terms that may be relevant to your product, but only generate clicks without conversions.

When utilized correctly, negative keywords will help you achieve a lower ACoS.

3. Optimize bids for your Amazon CPC ads

Automate this task
By using best practice rules sets in Sellics Advertising, you can automatically **transfer top-performing search terms** from your automatic to manual campaign, saving time and increasing efficiency. Alternatively, use Autopilot to fully automate your Amazon PPC campaigns.

In order to find the 'optimal CPC' for your campaigns, ad groups, ASINS and keywords, you will need to define your campaign goal and ACOS target values (see above or read our CPC optimization guide for further guidance):

> **Goal is maximizing sales/impressions:**
> ACoS target value = break-even ACoS = profit margin before ad spend
> **Goal is achieving target profit margin after ad spend:**
> ACoS target value = target ACoS = profit margin before ad spend – profit margin after ad spend

Once you have defined your goal and targets you can test different CPCs to see which one brings you the closest to your target. Below are some standard rules for adjusting and optimizing your CPC bids:

> **Keywords/ASINs with good ACoS:**
> IF ACoS < Target value, THEN increase target bid
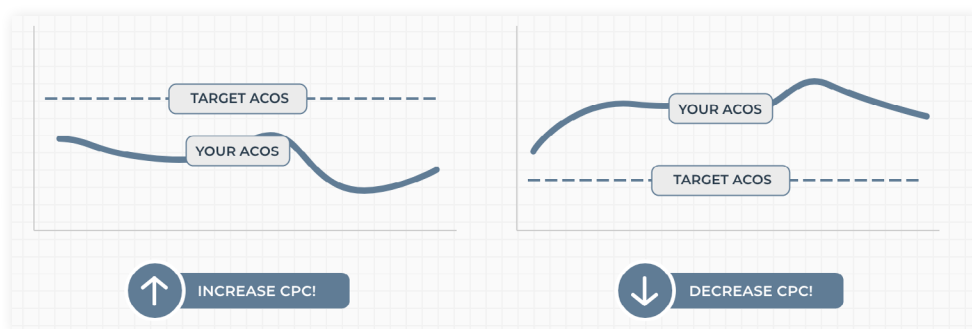> **Keywords/ASINs with poor ACoS:**
> IF ACoS > Target value, THEN decrease target bid
> **Keywords/ASINs without conversions:**
> Reduce bid or pause
> **Keywords with few or no impressions:**
> In case of no impressions, check if the keyword is missing in your product listing. In case of low impressions try increasing the keyword/ASIN bid.

Keep in mind it's critical to allow for sufficient waiting time between keyword and ASIN bid changes, to ensure you have collected enough data (impressions, clicks, conversions, etc.) to help you assess whether further bid adjustments are necessary.

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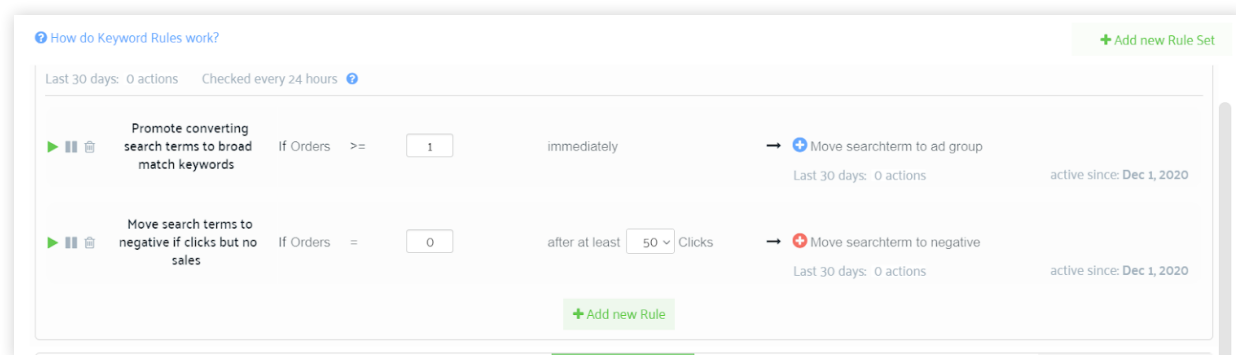
## First steps with Sponsored Brands

Before beginning your Sponsored Brands campaign, it's important to define your goal: are you using Sponsored Brands to increase brand awareness, to drive sales, or to acquire new customers? If your goal is to increase your **brand's awareness,** you will want to pay close attention to the number of impressions (ad views) your advertisements get.

If your goal is to **drive sales,** you will want to keep an eye on the conversion rate and cost-per-click (CPC) of your ads, keeping in mind that the 'Top of Search' placement is often more expensive than 'Other Placements'. Finally, if your goal is to **acquire new customers,** you can use Amazon's new-to-brand metrics to determine whether a purchase was made by a new customer.

Branded and unbranded keywords in your Sponsored Brands campaign

Similar to Sponsored Products, **keyword research** is essential to sponsored brands campaigns. Your ad will only be displayed in the search results if one of your keywords matches the search query of the shopper.

Your keyword selection should apply to all three products you are advertising together.
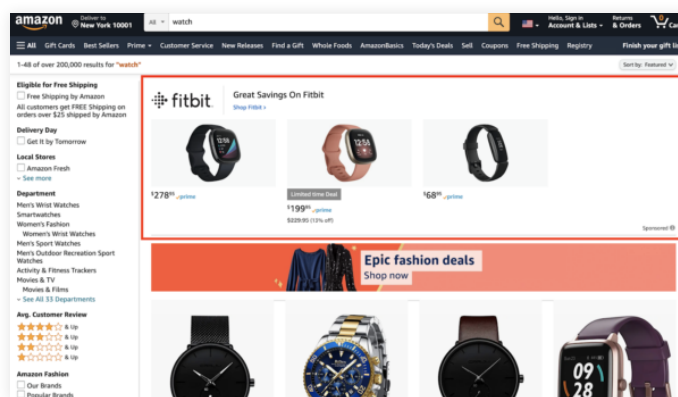
Sponsored Brand ad

If your goal is **brand awareness,** you will want to include **generic, unbranded keywords,** and display your best-seller products to target shoppers who are interacting with your brand for the first time.

If your brand is well established, you will also want to create a separate **brand defense** campaign and focus on your **branded keywords.** This will help you protect your market share from competitors.

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Keyword harvesting from automatic Sponsored Products campaigns

If you have Sponsored Products ads running for the products that will be displayed in your Amazon Sponsored Brands campaign, a best practice is to harvest the top-performing keywords from your **automatic Sponsored Product campaigns.**

To find these keywords, go to the 'search terms' tab of your automatic Sponsored Products campaign in Seller Central. This is also very simple in Sellics Advertising; simply click on the relevant automatic campaign in your PPC Manager to instantly see a list of all the new customer search terms Amazon has matched to your ad. You will want to **add new search terms that have generated the most orders** for your ad.

Analyzing Sponsored Brands performance by placement

Once your Amazon Sponsored Brands campaign is up and running, you will want to analyze the performance of your ad placements. Here, you can use the **Sponsored Brands 'Keyword Placement' and 'Campaign Placement' reports** to evaluate your placement performance data on a more granular level.


Unfortunately, Amazon does not distinguish between the left-hand rail and bottom of search placements as well as the product page placements – all fall under 'Other Placements'. This means you can only compare how your **'Top of Search'** placement performs against your **'Other Placements'.**

If you find that the click-through-rate and conversion rate for one ad category is not aligned with your advertising goals, you can turn off Amazon's automated bidding function and set up your own custom bidding strategies for that ad category.

Should I use automated bidding or custom bid adjustments?

Amazon's automated bidding function is the **default setting** for all your Sponsored Brands campaigns. If you find the click-through-rate and corresponding sales for one placement category or the other are extremely low, you can use the custom bid adjustment functionality to **lower your bid percentage for that placement category.**
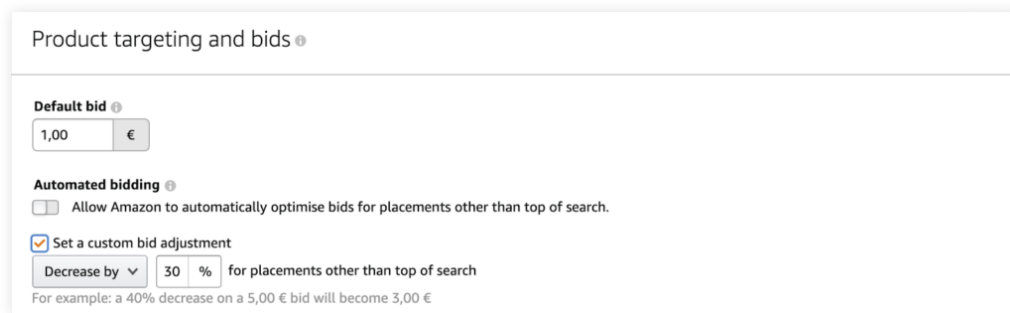
First steps with Sponsored Display

Amazon Sponsored Display ads allow advertisers to target shoppers **both on and off of Amazon** based on specific detail pages that a customer has viewed.By advertising to a narrow audience that has shown interest in your product **(remarketing),** Sponsored Display ads help you to increase sales.
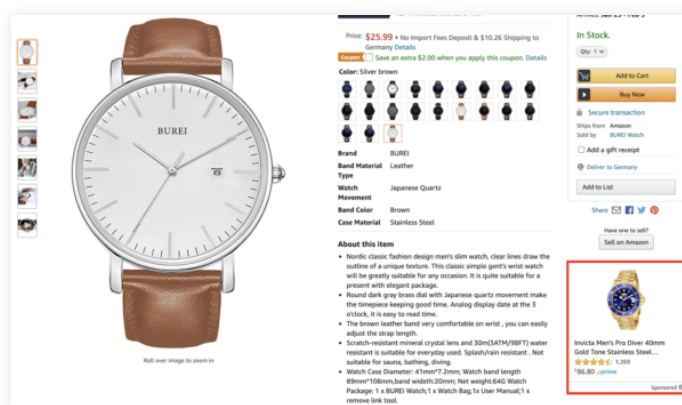
Another advantage of Sponsored Display ads is that they are "retail aware" ads. They show only if your products are in stock and the Featured Offer. Sponsored Display remarketing strategies also automatically exclude customers who have already bought the products you're advertising.

As with Sponsored Products and Sponsored Brands ads, Sponsored Display ads are priced using a cost-per-click (CPC) model. Sponsored Display ads are available to sellers registered with Amazon Brand Registry and to vendors. Below are more details on the two targeting strategies available through Sponsored Display ads: product targeting and views remarketing.

Product targeting (ASIN or category)

- Using ASIN or category targeting, Sponsored Display ads can appear

- on Amazon's product details pagesIn search results on desktop, mobile,

- and the Amazon appand on the Amazon home page.

Below is an example of the product detail page placement of a Sponsored Display ad. Appearing just **below the "Add to Cart" button**, this type of Sponsored Display Ad can divert traffic away from your competitors and prompt customers to purchase your product instead of, or in addition to, your competitor's product.

Another strategy is to target **complementary products** with your Sponsored Display ads. If you want to advertise a carrying case for a PlayStation 4, for example, you can target the PlayStation 4 ASIN so that your advertisement displays when someone purchases a PlayStation 4 gaming console.
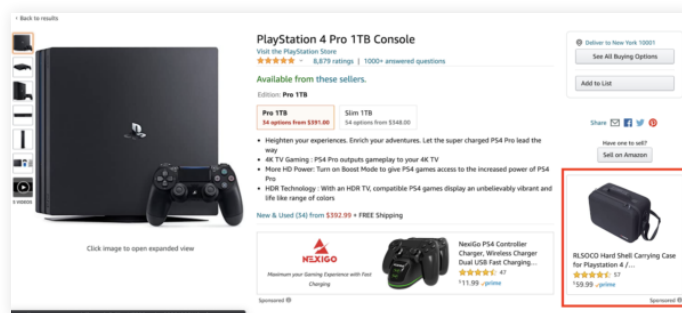
This alerts buyers to the availability of a complementary product they may like or need, and it increases the likelihood that the buyer will add your product to their cart.

Views remarketing

Views remarketing allows you to **reengage customers** that have viewed your product's detail page or the detail pages of similar products and categories within the past 30 days.

In addition to placements on Amazon (product detail pages, search results, and the Amazon home page), views remarketing allows you to **advertise off Amazon on third-party websites and apps.**
Because the potential customer has already expressed interest in your product's category, there is an increased chance that they will make a purchase.

Even if the customer does not make an immediate purchase, by remarketing your product to high-intent audiences, views remarketing is a powerful tool to **build brand awareness and keep your product in the minds of potential customers.**

FAQs

I just started a campaign. How can I find my ad?
Just because you started your campaign doesn't mean that you will be able to see your ad right away. Remember that you have to win the auction for your ad to appear and it can take up to 4 hours until Amazon displays your ad. For the big picture, you can always see your ad impressions, clicks and conversions on the reporting page.

How do I pay for my advertising spend?
You can pay your Amazon ads fees by: 1) deducting them from your seller or vendor account balance; or 2) charging them to a credit card.

What is the minimum daily budget for Sponsored Products and Sponsored Brands Ads?
The minimum daily budget for Sponsored Products and Sponsored Brands is $1.00 (or equivalent in local currency).

Key Takeaways

- Amazon PPC advertising provides brands on Amazon with a unique opportunity to increase revenue and profit, and to build brand awareness.

- With Amazon CPC ads, you'll always be in control of your Amazon ad fees. You set your daily ad budget, and you can decide how much to bid for keywords, ASINs, and ad placements.

- Sponsored Products, Sponsored Brands, and Sponsored Display ads offer you many different ways to target customers at all stages of the purchasing process.

Try Sellics Advertising
Sellics offers the most advanced Amazon PPC solution on the market. When it comes to **automating** and scaling your Amazon PPC campaigns, Sellics Advertising has all the tools, resources and expert support.

Try Sellics's **free tools** to improve your Amazon PPC campaigns: use Sonar for keyword research, and the Benchmarker [Beta] to compare your performance to your peers and identify the KPIs you can improve.