

# AMAZON PAY PER CLICK: QUICK GUIDE

This is a step by step guide through the set up and launch of an Amazon sponsored product campaign.

## **Before you begin...**

### **Good product selection.**

At the foundation is good product selection! Selecting a product that has high demand and low competition will most likely reflect similar trends in our relevant keyword targets for sponsored ads. When selling a competitive product, the climb to the top is always much more difficult.

### **Here are some points to consider when researching a product...**

- **Price Point** – At or Above \$20 is a good place to find health margins.
- **Demand** – Enough sales to support the investment long term
- **Depth** – Multiple products selling well and/or sales spread out evenly among multiple competing products
- **Competition (1)** – Sales to review ratio and monthly rate of review accrual (this will give us a good estimation on how quickly we can compete, meet the averages, and start turning a profit).
- **Competition (2)** – Consider heavy brand competition and Amazon as a seller on multiple listings
- **Validate on multiple search terms** – Just like one should never sell a product on Amazon based on the performance of one widget, one should never validate a market on the results from one keyword. Validate the market by checking the data on multiple relevant keywords.

**\*Pro Tip:** Has anyone branded or trademarked your main keyword. Run a trademark search on a few main keywords for the product. If I see trademarks on top searches, I consider this a red flag. On the other hand, consider the possibility of selecting a brand name that is also your main keyword. For example, if you are looking at camping gear, and you see that a search term like “camping essentials” is popular, this may also be a great brand name for a line of camping products. I always check this when researching niche markets. When someone searches for your main keyword, they will be searching for your brand as well.

## Keyword Collection.

It is important to do as much keyword collection as possible upfront. This will be crucial for optimizing our listing with the best keywords allowing Amazon's algorithm to accurately identify our product.

The best way to collect relevant keywords is through our competitors using a Reverse ASIN Tool.

### Here are a few tips when identifying your top competitors...

- **Top Sellers** – Amazon Choice badge, Best Sellers badge, and lowest BSR (Best Seller's Rank) are good indicators of a top seller.
- **Reviews (At or Above Average and Positive)** - A high number of reviews is a good indicator of an established product.
- **Sales Data Consistency Over Time** – I measure this by length of time locked into a consistent BSR usually at least 60 days or more.
- **Ranking on Page 1 for Relevant High Traffic Keywords**
- **Relevant Price Point** – A Competitor selling at or near the average price point.

**\*Pro Tip:** What are your top competitors missing? Read through reviews to find out what problems they are not solving for your target audience. Building a better product is the best way to separate yourself from the competition.

It is a good idea to analyze at least 5 to 10 top competitors and get as many keywords as possible.

Also, run important anchor keywords through a suggestive search tool, like the Amazon search bar. A great tool for this is [Reverseasin.com](https://www.reverseasin.com). Among other things, they have a real time suggestive search tool that also runs all market research analytics for each keyword.

**\*Pro Tip:** Enter your anchor words into the Amazon mobile app. Approximately 70% of Amazon purchases are made via a mobile device. Optimizing for keywords suggested by mobile search can lead to some interesting keyword opportunities.

## Optimize Your Listing.

Now that we've selected the right product and collected a ton of keywords, it's time to build a well optimized listing.

Keep in mind we are writing for two audiences. Amazon's search algorithm and the Amazon Customer. Optimizing our listing with keywords will tell Amazon's algorithm how our product should be shown to customers. Targeting customer benefits will get us clicks which will then populate and track keyword data in our search term reports allowing us to make specific adjustments to our ad campaigns.

**We use a lot of detailed strategies when optimizing a listing, but here are a few simple concepts to consider when optimizing an Amazon listing...**

- **Title** – Most important keywords supported by a main customer benefit.
- **Bullets** – Keyword rich customer benefits supported by the features of your product.
- **Pictures** – Great thumbnail image with supporting images that give a visual representation of leading benefits. Put copy in your pictures!!
- **Reviews** – Please don't come to the party with zero reviews! One five-star review will make a huge difference!
- **Backend Search Terms** – This is a key piece of the puzzle. Whatever words we can't get into the title and bullets should go into the backend search terms. Use a simple tool like [easyresellertools.com](http://easyresellertools.com) (it's FREE) to remove duplicate words.
- **Description** – Use simple HTML for an easy to read presentation to the customer. Bold headlines and paragraph separation will do the trick. Use [easyresellertools.com](http://easyresellertools.com) for a simple HTML converter.
- **Mobile** – Optimize for mobile devices. Look at other listings through the app to see how listings are shown on mobile, where words get cut off, and what is visible for fast conversion from a mobile device.

**\*PRO TIP:** Use a listing template to structure and strategize your listing updates and gradual improvements. Get my listing template [here!](#)

## Amazon pay per click ads

### Getting Started

After following the simple steps above, we are now in a great position to get the most out of our Amazon PPC campaigns.

Amazon will show us the demand and competition of our keywords as they are tracked according to relevancy of search. This will allow us to make precise changes to our listing, but we will also use this data in many other ways. Essentially, we will be leaving no stone unturned when it comes to analyzing results in our reports.

### The metrics

- **Impressions** - The number of times our ad is shown to a customer
- **Clicks** – The number of times a customer has clicked on our ad
- **CPC** – Cost per click paid for our ad
- **Spend** – The total amount spent on our ads
- **CTR** – Click through rate (clicks/impressions)
- **Orders** – The number of orders placed through our ads
- **Sales** – Dollar amount value of sales through our ads
- **ACoS** – Advertising cost for each sale
- **Keyword** – The keyword targeted in a campaign
- **Customer search term** – The actual phrase a customer typed into the Amazon search bar that lead to the impression
- **Negative keyword** – Allows us to turn off customer searches for these words
- **Daily budget** – The amount we are willing to spend each day for a given campaign
- **Max Bid** – The total amount we are willing to bid for each click
- **Bid +** - Allows us to automatically bid 50% more per keyword if we get outbid
- **Exact match** – Keywords will be targeted exactly as they are shown
- **Phrase match** – Keywords are targeted by adding a word to the beginning or end of a keyword
- **Broad match** – Keywords are targeted by adding a word to the beginning, middle, or end of a keyword
- **Automatic targeting** – Amazon chooses the keywords to target in our campaign
- **Manual targeting** – Allow us to choose the keywords to target in a campaign

**\*Pro Tip:** Demand and competition on a keyword is measured by impressions to (CPC) cost per click ratio. The ability to find relevant, high impression / low CPC search terms will lead to high converting ads, an increase in sales, and an increase in organic page rank position.

## Reports

There are six different reports available in the “advertising reports” section under the “Reports” drop-down menu in our Amazon accounts.

**Here are links to the Amazon descriptions of each in full detail...**

- [Performance Over Time Report](#)
- [Performance by SKU Report](#)
- [Search Term Report](#)
- [Other ASIN Report](#)
- [Campaign Performance Report](#)
- [Performance by Placement Report](#)

The search term report is going to be one you will want to analyze for impression and CPC per keyword, but there are other reports that are worth checking out.

The “other ASIN report” will tell us information on actual ASIN’s (if any) that were purchased after a customer clicked on our ad.

The performance by placement report will tell us when our ads ran at top of search.

The Campaign performance report is another important report where you can see all campaigns and track how they are performing for you over time.

**\*Pro Tip:** Amazon has an awesome pivot table that allows you to import your campaign performance report into an easy to read format. This will help you get a clear understanding of how your campaigns are performing.

Get the [Campaign Performance Pivot Table](#).

Here’s a [video](#) explaining how to use this pivot table.

## Create a campaign

I start by running an **Automatic targeting campaign**. This campaign allows Amazon's algorithm to track the keywords we have optimized in our listing giving us actual data related to search traffic (impressions), competition (CPC), customer engagement (clicks), conversions (orders), and other important data allowing us to make strategic decisions moving forward.

Think of the Automatic campaign as an investment in Data! Once we discover relevant high demand low competition keywords, we will then use these keyword in our exact match campaigns. Our auto campaigns typically run anywhere from 7 to 10 days.

### Here I will break down my process step by step...

1. **Lower your price** – I do this by running a sale a few dollars under my competitors. I will be raising this price every few days during the campaign as sales start to roll in.
2. **Create a campaign - Go to:** Advertising → Campaign Manager → Create Campaign
  - a. **Campaign name** – I like to name my campaigns according to the product group and campaign type. If I'm selling "Garlic Presses," my campaign name would be "Garlic Press Auto"
  - b. **Daily budget** – Set daily budgets according to how much you want to spend per day. My default is \$30 per day. It's best to aim high for the 1<sup>st</sup> couple days, because we don't want to run out of budget. Amazon tracks data continuously 24/7.
  - c. **Start/end date**- I just default to no end date. We will be monitoring our campaigns closely.
  - d. **Select "Automatic targeting" and continue to the next step.**
  - e. **Ad group name** – Choose a group name.
  - f. **Select products** – Select one product or group related products together.
  - g. **Default bid** – Set default bid to the amount you are willing to spend per click. I default to \$3.00 for my first couple of days. → Save and Finish

The next 48 hours is a waiting game. Check on your campaigns periodically to make sure you are not running out of budget, but your reports won't reveal any data for at least 24 to 48 hours.

3. **Lower the bid to \$2.00** – After 48 hours, I lower my bid to \$2.00
4. **Pull our first term report** – Go to: Reports → Advertising reports → Search term report → Request report → Download
  - a. **Identify irrelevant costly keywords** – These are keywords that are not relevant or are not specific enough. Usually having high impressions and clicks with high CPC costing money and driving up our ACoS.
  - b. **Add these words as "negative keywords" in your campaign** – Go to: Campaign manager → Click on the campaign → Click Negative keywords → Create negative keywords → Click "exact" under "match type" → type in keyword(s) (one per line) → Add these keywords → Click "Done"
  - c. **Identify potential Exact match keyword targets** – Identify keywords that have high impressions, but low cost per click (CPC). These will be our first exact match targets.

The screen shot below depicts how I determine my next move after I analyze my first search term report.

Customer Search Term	First Day of In	Last Day of In	Impressions	Clicks	CTR	Total Sp	Average CPC	ACoS	Currency	Orders	Product Conversion	Same SKU	Other SKU	Same SK	Other SKU
	11/17/2017	11/18/2017	49	1	2.04%	0.88	0.88	0.00%	USD	0	0	0.00%	0	0	0
	11/17/2017	11/18/2017	19	1	5.26%	0.99	0.99	0.00%	USD	0	0	0.00%	0	0	0
	11/18/2017	11/18/2017	2	1	50.00%	0.82	0.82	0.00%	USD	0	0	0.00%	0	0	0
	11/17/2017	11/18/2017	9	1	11.11%	1.02	1.02	0.00%	USD	0	0	0.00%	0	0	0
	11/17/2017	11/18/2017	256	1	0.39%	0.69	0.69	0.00%	USD	0	0	0.00%	0	0	0
	11/17/2017	11/18/2017	258	3	1.16%	4.38	1.46	0.00%	USD	0	0	0.00%	0	0	0
	11/17/2017	11/18/2017	99	1	1.01%	1.17	1.17	0.00%	USD	0	0	0.00%	0	0	0
	11/17/2017	11/17/2017	1	1	100.00%	0.06	0.06	0.30%	USD	1	19.95	100.00%	1	0	19.95
	11/17/2017	11/18/2017	25	1	4.00%	0.38	0.38	0.00%	USD	0	0	0.00%	0	0	0
	11/18/2017	11/18/2017	30	1	3.33%	0.13	0.13	0.00%	USD	0	0	0.00%	0	0	0
	11/17/2017	11/18/2017	439	1	0.23%	0.86	0.86	0.00%	USD	0	0	0.00%	0	0	0
	11/18/2017	11/18/2017	5	1	20.00%	0.63	0.63	0.00%	USD	0	0	0.00%	0	0	0
	11/17/2017	11/18/2017	31	3	9.68%	0.79	0.26	0.00%	USD	0	0	0.00%	0	0	0
	11/18/2017	11/18/2017	5	1	20.00%	1.42	1.42	0.00%	USD	0	0	0.00%	0	0	0
	11/17/2017	11/18/2017	741	6	0.81%	8	1.33	40.10%	USD	1	19.95	16.67%	1	0	19.95
	11/17/2017	11/18/2017	19	1	5.26%	0.98	0.98	0.00%	USD	0	0	0.00%	0	0	0
	11/17/2017	11/18/2017	1473	8	0.54%	10.56	1.32	0.00%	USD	0	0	0.00%	0	0	0

**Exact Match Targets** (Red arrows pointing to rows 4, 5, 6, 7)

**High impressions with clicks. Not relevant or too general. Search terms added to campaign as negative keywords** (Purple arrows pointing to rows 12, 13, 14, 15)

**This keyword is not specific enough and cost \$10.56 in one day! Adding this term to the campaign as a negative keyword will save money and bring my ACOS down!** (Yellow arrow pointing to row 18)

**Day #1 Auto Campaign Pivot** (Yellow arrow pointing to row 18)

### ASIN's in our Auto Campaign search term report! What does it mean?

**\*Pro Tip:** Auto campaigns will display ASIN's in your search term report. This is because of the way your product ad was shown to the customer. For example, when a customer clicks on a product and scrolls down, they will see a scroll of product widgets with the headline "sponsored products related to this item." When a customer clicks on your product, the search term will be represented as an ASIN in your search term report. These ASIN's are valuable and will lead to other potential PL opportunities, related complimentary products, and competing products to run reverse ASIN scans allowing you to discover more keywords you may have missed in your initial research.

5. **Check your listing** – make sure your exact phrases are relevant and optimized in your product title.
6. **Create an exact match campaign** – Go to: Advertising → Campaign manager → Create campaign
  - a. **Campaign name** – I name this campaign the same as the Auto. If we are selling “Garlic Presses,” then the campaign name would be “Garlic press EX.”
  - b. **Daily budget** – Whatever your budget (i.e., \$30).
  - c. **No end date**
  - d. **“Select Manual Targeting” and Continue to next step.**
  - e. **Chose a group name**

- f. **Select a product or group similar products together**
  - g. **Default bid** – Whatever your budget. My default here is \$2.
  - h. **Bid +** - (explained above) I always select Bid + just in case I get outbid for my keyword.
  - i. **Provide your own keywords** – Enter our exact match keywords (one per line).
  - j. **Save and finish**
7. **Add these exact match keywords into your Auto Campaign as Negative Keywords** – follow step #4-b above to add negative keywords. This is a crucial step that will avoid splitting impressions between your campaigns allowing you to see accurate data for better decisions.

**\*Pro Tip:** Follow Step #6 Above and create broad and phrase match campaigns for your exact match keywords. Sometimes when we discover a high demand low competition keyword phrase, there is a variation of that keyword that can also be profitable. We use exact and broad phase targeting to discover these opportunities. If you follow this tip, you should have four campaigns running. Auto, Exact, Broad, and Phrase!

Within a couple of days, we will notice weather or not the broad and phrase match campaigns produce any usable data. If you are not seeing any positive results, just pause or archive the campaigns and move on.

We could go on for days about reading data! There are many ways to pivot on ad campaigns, but this is a quick guide, so let's keep it simple.

The next step is to **rinse and repeat** this process until you have locked into some high converting search terms. while keeping your ACoS low. I shoot for under 10% ACoS if possible. In the beginning we will see high ACoS data. As we continue to refine your ads with this process, we will see costs come down and conversions go up.

Once you have pulled all the data from your search term reports and you are not seeing any new results, it's time to pause the Automatic campaign and focus on your exact match discoveries. This usually happens after about ten days.

Around day seven I start to end my auto campaign by incrementally lowering the CPC bid to approximately \$0.50 - \$0.20. Sometimes I can make some interesting discoveries and shake loose profitable niche keywords by doing this!

Here is a recent screen shot of Sales and traffic by child item stats taken for the 1<sup>st</sup> 53 sales after going live on Amazon. This report can be found in your business reports.

This report can be found by going to: “Business reports” → Then click on “Detail page sales and traffic by child item” on the left side of the page.

Sessions	Session Percentage	Page Views	Page Views Percentage	Buy Box Percentage	Units Ordered	Unit Session Percentage	Ordered Product Sales	Total Order Items
219	71.57%	350	71.43%	98%	53	24.20%	\$1,150.35	49

This is a shot taken a month later. The conversion rate has doubled.

Sessions	Session Percentage	Page Views	Page Views Percentage	Buy Box Percentage	Units Ordered	Unit Session Percentage	Ordered Product Sales	Total Order Items
61	69.32%	93	73.23%	99%	29	47.54%	\$715.43	24

After following the steps above on my most recent product, one out of every 2 unique customer visits to my product page are now placing orders! The goal is always to steadily increase this number. An increase in positive reviews and enhancing pictures are some of things we can do to help to increase our conversion rate.

Now you are on the right path to Amazon sponsored ad mastery! I hope you found this quick guide useful!

Cheers,

Abe Hanoa Ortolani

## **BONUS VIDEO:**

Click on the link below to see a 12 minute video showing a super simple way to organize your automatic campaigns using Excel filters and highlights!

[Auto Campaign Search Term Report Tutorial Video –](https://www.youtube.com/watch?v=a1Wcl-wag8E)

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