

AMZ Agency Academy

DAY 4

PPC Playbook

PPC is pay-per-click advertising and is an auction style format where Amazon sellers bid on keywords for customer views and clicks. PPC often gets a bad rap for being overly complicated and confusing but it doesn't have to be!

There are a few key things you need to know which will make light work of setting up and running effective PPC campaigns.

Terminology

ACoS: Advertising Cost of Sales, ad spend divided by your total ad sales.

ACoTS: Advertising Cost of Total Sales, ad spend dividend by your total sales

Ad Group: A sub classification made via brand, product, category, price range, theme or targeting strategy.

Automatic Campaigns: Amazon decides which keywords and ASINs to target.

Broad Match: A search term is a broad match if it contains all the keyword terms in any order. Broad match also includes the plural form of the keyword, related searches, and other variations that are close to the keyword.

Campaign: Where you group your Ad by targets and set daily advertising spend budgets.

Campaign Timeframe: The period of time you would like your campaign to run for.

Child Product (Variation): The listing for the individual variations like size, color, or weight.

CTR: Click through rate, the number of clicks that your ad receives divided by the number of times that your ad is shown.

CPC: Cost per click, how much Amazon charges each time a shopper clicks on a your ad.

Dynamic Bids – Down Only: Amazon will lower your bids when your ad may be less likely to convert to a sale.

Dynamic Bids – Up and Down: Amazon will raise your bids (by a maximum of 100%) when your ad may be more likely to convert to a sale, and lower your bids when less likely to convert to a sale.

Fixed Bids: Amazon will use your exact bid and any manual adjustments you set, and won't change your bids based on likelihood of a sale.

Exact Match: The search term exactly matches the keyword or sequence of words. Exact match also includes the plural form of the keyword.

Keywords: What buyers use to search for and find products on Amazon.

Keyword Dollar Bid: The amount you'll pay for a click when a keyword triggers your ad.

Manual Campaigns: You decide which words to target.

Negative Keywords: A keyword or search term that you have indicated should be excluded from matching to your ad. Negative matches can be exact or phrase matches.

Impressions: The number of times your ad is displayed.

Parent Product: The main product listing that all the variations sit underneath.

Phrase Match: This is where you specify an exact phrase and Amazon can add keywords before or after that phrase.

Portfolio: The highest level of structure within Amazon's Campaign Manager.

ROAS: Return on Ad Spend, the amount of revenue earned for every dollar spent on advertising.

Search Term: A combination of keywords that a customer uses to find products on Amazon.

Targets: Keywords included within your PPC campaigns.

Amazon Ad Types

Sponsored Product Ads

- Goal: Drive sales
- Location: Search result pages and individual product pages
- Targeting: Keywords, products or product categories
- Who can use: All sellers

Sponsored Brands

- Goal: Brand awareness
- Location: Top of search results page, store spotlight and video ads within search results
- Targeting: Keywords, products or product categories
- Who can use: Brand registered sellers

Sponsored Display

- Goal: Disrupt competition
- Location: On and off Amazon
- Targeting: Products or product categories
- Who can use: Brand registered sellers

Campaign Match Types

Keywords are how buyers find products on Amazon. When you establish Amazon advertising campaigns you will need to specify how you would like Amazon to match these keywords to your ad campaigns.

Manual campaigns: You manually define the keywords to target. Depending on the keyword match type the product ad is displayed for the search term. Manual campaigns contain more precise targeting and often result in higher returns.

Within manual campaigns there are three match types:

- Broad: Contains all the keywords in any order, related searches, and other variations that are close to the keywords.
- Phrase: Contains the keyword phrase and Amazon can add keywords before or after that phrase.
- Exact: The search term exactly matches the keyword or sequence of words.

Automatic campaigns: Amazon decides when to display the product ad based on the keywords identified from the title, description and other sections from the product listing. Automatic campaigns are easy to set up and ideal for beginners however may not return optimal results and can waste money targeting irrelevant keywords.

Within automatic campaigns there are four match types:

- Close match: Your products are shown to shoppers who use search terms closely related to your products.

- Loose match: Loose match terms show your products when shoppers use search terms loosely related to your products.
- Substitute: Substitutes are targeted to shoppers considering products that are substitutes for your items; often the same type of product sold by a different brand.
- Complements: Complements are targeted to shoppers browsing product pages for your products.

Setting Up PPC Campaigns

Integral to all PPC campaigns is effective keyword research. Regardless of your campaign setup you must first identify the best, most relevant keywords to target. In addition, it's important to ensure the listing is optimized and contains attractive photos to help convert browsers into buyers. Once the essentials are covered you can create your first PPC campaign.

Step 1: Identify your target keyword list using Keywords on Fire and export results to CSV.

Step 2: Remove branded keywords, duplicates, plurals and conjunctions from your keyword list. Use the 'control f' function to quickly identify these keywords and remove.

Step 3: Order your keyword list by search volume and group into categories:

Group 1: SV > 50,000

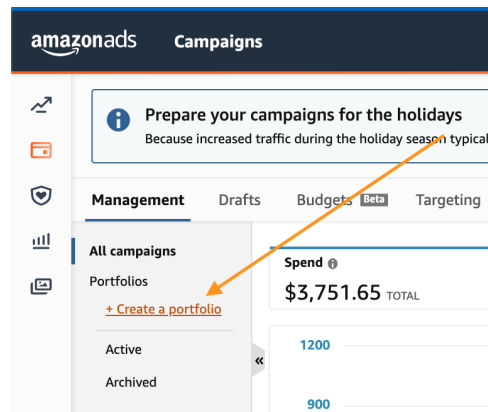
Group 2: SV 25,000 – 50,000

Group 3: SV 10,000 – 25,000

Group 4: SV < 10,000

Note: The above is based on USA search volumes, this may change depending upon your selling region.

Step 4: Within the Amazon Advertising dashboard create a 'portfolio' for each product.

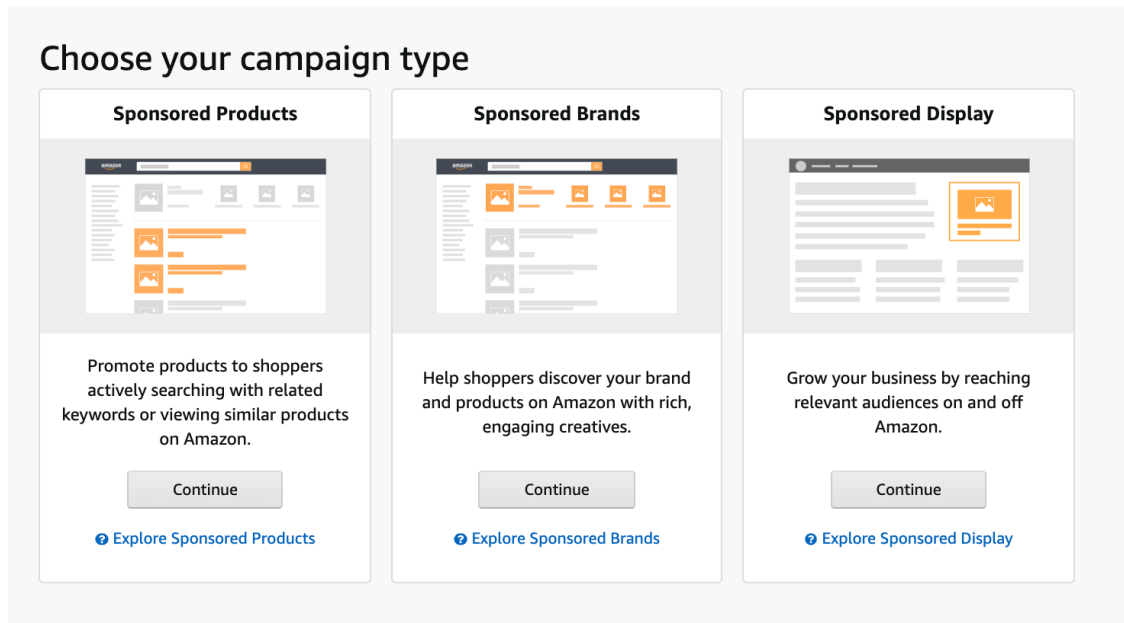


Step 5: Within the 'portfolio' click the orange 'create campaign' button.
Your advertising goal will determine which type of ad or combination of ads you select:

Sales goal = Sponsored display

Brand awareness goal – Sponsored brand

Disruption goal – Sponsored display



Step 6: For each SV keyword grouping set campaign parameters including:

- Campaign timeframe
- Daily budget
- Manual vs automatic campaign targeting
- Campaign bidding strategy (fixed, up & down, down)
- Ad group
- Product listings to be included in ad
- Targeting (keyword or product)
- Keywords (broad, phrase and exact match)
- Keyword dollar bid
- Negative keywords

Refer to the terminology section of this document for further information on each of the above fields.

Monitoring PPC Campaign Success

Your PPC campaign goals will be different depending on what stage the product is at; launch vs established seller. Regardless, there are regular tasks you should perform to ensure campaign success.

Weekly/Fortnightly Monitoring Tasks

Task 1: Remove non-performing search terms

To ensure campaign budgets aren't used by non-performing search terms it's important to regularly review and remove these keywords.

Step 1: Generate an Amazon search term report:

- Login into Seller Central
- Select Reports from the top navigation bar
- Select Advertising Reports from the dropdown menu
- Select campaign, report type, and period
- Select create report.

Step 2: Go through the search term report and highlight search terms that are performing poorly.

Step 3: Add non-performing search terms as a "negative exact match" inside its correct ad group.

What is a non-performing Search Term?

At the start, you can be loose with the rules while you are just testing and trying to get market share. Once you are established, you can enforce these rules a lot more strictly. For example, initially any search term that gets 15–20 clicks and 0 sales would be marked as a negative exact search term and would be added to the negative exact match group.

Task 2: Optimize Keyword Dollar Bid

The next task is to optimize your keyword dollar bid. This ensures high performing keywords are given additional traffic and low performing keywords are not.

Step 1: Any keyword that receives 15 clicks and 0 sales. Set its bid to 11 – 20 cents. Such a low bid that it's not going to get many clicks and eat away at your budget, but a better option than archiving it.

Step 2: Adjust remaining keyword bid up or down by 10–30% based on how close it is to the target ACOS.

Poor Performer: If a keyword is making sales but sitting above target ACOS goal, lower the bid by 10% – 30% and check in again next week to see how it performed. Continue to monitor and lower bids until ACOS is close to ACOS goal.

High Performer: If a keyword is performing exceptionally well, for example at an ACOS of 5%, then it is important to send more traffic to that keyword. This is done by increasing the bid on that keyword by a logical percentage.

It is important to make gradual changes by small percentages and then to check in the next week to see how those changes affected results. If you increase your bid by an extremely high amount like 200% and then leave it a week you may find that keyword stops performing as well and eats all your budget. That is why incremental change and tracking is the name of the game.

Task 3: Keyword Hunting

It is important to check in and identify any missed keyword opportunities.

Step 1: Generate an Amazon search term report:

- Login into Seller Central
- Select Reports from the top navigation bar
- Select Advertising Reports from the dropdown menu
- Select campaign, report type, and period
- Select create report.

Step 2: Look for any new keywords which have generated 2+ sales. 1 sale is a coincidence, 2 sales can indicate a pattern.

Step 3: Add new keywords to your campaign.