



How to make sense of your Amazon customer data

A Seller's Guide



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Data drives the modern economy. Amazon, Apple, Google and Microsoft are the four most valuable listed companies in the world and Facebook is a close sixth. With a combined value exceeding \$1.3 trillion in 2019, each is fuelled by customer data. Three of the five primarily make money with data.

When it comes to retail, customer data is 'big data'. If you know what your customers want, when they want to buy and what they will want next, you can dominate your competition, reduce costs and keep inventory flying off the shelf.

Success in business has always been about understanding your customers. Today, what sits at the fingertips of every company is unprecedented. It's the real possibility to predict behavior. Data might not quite be the new oil, but our world is undoubtedly ruled with information.

eCommerce presents unique possibilities for data use because of the sheer amount of data available. Digital channels create the information troves that everyone is seeking to analyze. In an online store, every action leaves a trace. The information is there; knowing what to do with it is the challenge.

Data's value online is increased by the flexibility and automation available in digital space. Personalization, iteration and change apply to everything from products and pricing, to messaging and ad strategies.

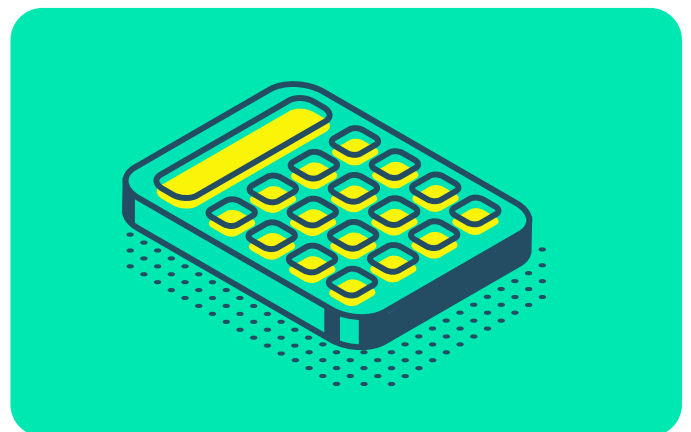
Split testing and A/B testing in real time and at scale provide powerful data-driven insights, and data is key to making the right choices.

The number of available channels online continues to grow, but Amazon remains the hub of eCommerce. Nearly 40% of all American online-commerce is on Amazon. 90% of UK shoppers regularly use the platform. Yet Amazon has been a notorious 'black box' when it comes to customer data. Amazon legally own the customer relationship, and that can cause problems for retailers if not addressed carefully.

The challenges that Vendors and Sellers face accessing and analyzing their Amazon customer data are unique, but they aren't dire. Increasingly, Amazon has seen the commercial value in taking a commission on third-party sales. In response, Amazon has opened the floodgates of data to provide customer insights to Sellers looking to better understand their customers.

Here, we're going to look at the Amazon customer data you can access, and the analytics features that Amazon provides. Then we'll explore the impact of advanced analytics engines, machine learning and AI technology that enable you to make sense of your Amazon customer data like never before.

From both an advanced and beginner's perspective, we will look at how to actually take action based on insights, and the steps you need to take to create an organization that can learn from data analysis. Finally, we'll explain how the correct use of data can transform your Amazon eCommerce strategy.



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Who is this eBook for?

Anyone looking to understand their Amazon customer data will benefit from this eBook. But this is a Seller's guide. Our focus will be on third-party (3P) Sellers, along with agencies that manage 3P accounts.

3P Sellers and first-party (1P) Vendors have different analytics and data reporting tools. They also have different levers at their disposal to take action. Complicating matters, the data reports and advertising options available to both 1P and 3P retailers are not strictly uniform across different geographies. Features often get rolled out in the USA first, then expanded to other regions.

In order to actually get past definitions and dive into strategies for making sense of your Amazon customer data, we aren't going to be able to address every variable. Ultimately, we're going to focus on US reporting metrics for 3P Sellers. However, we'll provide some contextual information about the options available to 1P Vendors.

With that said, it's interesting to note that the share of 1P vs 3P retailers on Amazon is increasingly shifted towards third-party.

Growing from 51% to 58% of gross merchandise volume on Amazon between 2015 and 2018, 3P Sellers have been the driving force behind Amazon's growth during that period of time. Understanding your data is critical to staying competitive.

This eBook will explain how Amazon data allows 3P Sellers to construct customer personas, calculate 'buying trajectories' and understand customer-lifetime-value (CLV). When partnered with machine-learning and AI analytics tools, it becomes possible to understand likely purchase patterns based on specific product lines, construct personas based on granular purchase histories and filter based on geo-location. Without overwhelming yourself with manual cross-referencing, you get a detailed picture of what specific shoppers want and the order in which they want it.

What all of these insights allow for is the creation of hyper-targeted ad campaigns, bundling strategies and the expansion of product lines in order to fit customer demand. The person who will benefit from this eBook is someone looking to make sense of their Amazon customer data in order to drive sales.

What Amazon customer data can you actually access?

If you want to make sense of your Amazon customer data, you need to start by taking stock of the data you have. Amazon has cultivated a reputation for providing limited data to merchants, specifically 3P Sellers. However, things have changed.

Near the start of 2019, Amazon rolled out Amazon Brand Analytics (ABA) in the US, a data reporting function specifically designed to cater to the needs of third-party (3P) Sellers – although it's only available to registered brands.

Prior to the release of ABA, 3P Sellers could only access customer data through Amazon Marketplace Web Service (Amazon MWS) – an integrated API that remains the sole source of transactional data regarding specific products, customers, timestamps and more.

Amazon MWS should still play a significant role in your Amazon customer data analysis strategy. However, the complexity of Amazon MWS means that third-party tools are really required to make any actionable sense out of that information – see section 4: *What technology allows you to do with Amazon customer data.*

A comprehensive Amazon customer data analysis strategy for 3P Sellers will pull reporting information from ABA, Amazon MWS, Seller Central, and a number of PPC campaign reports. With that said, the simplicity of Amazon Brand Analytics has been a welcome and vital addition to anyone looking to grab quick insights based on their Amazon customer data.

Ultimately, Amazon data is a fast-evolving ecosystem. Particularly when it comes to PPC information, updates every few months seem to provide more and more data to 3P Vendors. Understanding the broad scope of information available is useful to future-proofing your Amazon data strategy. Then, it becomes possible to dive into specifics regarding the use of that data to drive outcomes.



Amazon customer data and 1P Vendors

As a 1P Amazon Vendor selling wholesale to Amazon, you have two tools at your disposal – Amazon Vendor Central and Amazon Retail Analytics (ARA). Amazon Vendor Central is the portal through which you list products, manage campaigns and interact with Amazon. Amazon Retail Analytics is the reporting and analytics tool provided by Amazon to help you maintain visibility over your sales and understand your customers.



Amazon Vendor Central

Amazon Vendor Central allows you to create product categories, supply product information and set guidelines for pricing. The interface also allows you to communicate with Amazon and set up notifications for order fulfillments.

Registration on Amazon Vendor Central is by invitation only. Becoming an Amazon Vendor is not an option open to everyone. 1P listings have lower margins, and Vendors have limited control over pricing. For example, you are able to set minimum advertised policies (MAPs). However, Amazon reserves the right to match or beat 3P Seller's listing prices for any product that Amazon sells direct.

Amazon Retail Analytics Basic

The primary reporting tool available to 1P Amazon Vendors is Amazon Retail Analytics. The basic version of this is free and provides access to 3 different kinds of sales and inventory reports for 4 different time periods: year-to-date, quarter-to-date, month-to-date and week-to-date time frames.

These reports give you information on your inventory with Amazon, how your products rank within listing, cost of goods sold and demand forecasts. Basically, you can track your sales and inventory data, operational issues, stock levels and catalog quality. The information is basic, but it's free of charge.



From a customer data perspective, your Demand Forecast Reports and Catalog Reports are the two most powerful.

- 1. Demand Forecast Reports:** These are compiled by Amazon to help Vendors anticipate order quantities. They rely on a wide range of inputs, not all of which are shared by Amazon in their raw form, but rely heavily on past performance and seasonal trends. They are a best guess estimate, but provide 1P Vendors with valuable context on how customers are interacting with their products.
- 2. Catalog Reports:** These show every product you have sold on Amazon, and context around page views and rankings. You can get useful insights into how your products are being listed, buying trends and how you stack up against competitors.

What Amazon customer data can you actually access?



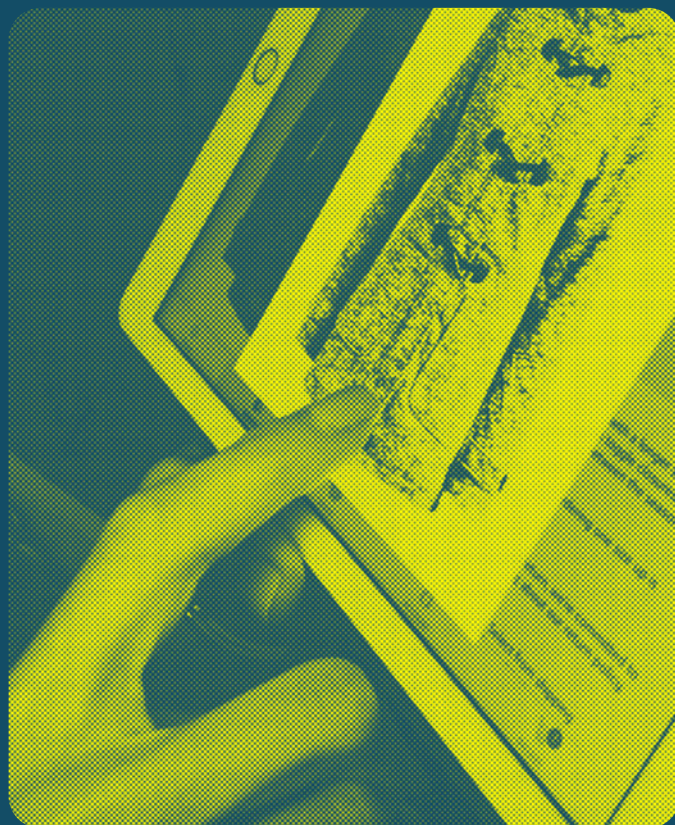
Amazon Retail Analytics Premium

For 1P Vendors who want to upgrade their information access, Amazon offers a premium version of ARA, at the cost of \$30k per annum. This is a steep fee, however, it can prove a valuable investment for large brands with a lot of listings. It also sheds some light on the other kinds of information Amazon collects and can be accessed.

An Amazon Retail Analytics Premium upgrade starts by providing more granularity around the data and insights delivered by ARA Basic. You have more options for how to sort and analyze that data, and more context around which to make decisions. A large amount of that context comes from more than 20 pre-formatted reports on wider Amazon trends, including Amazon Top 100 Search Terms, Repeat Purchase Behavior, Sales Summaries and Geo-location Reports.

Amazon customer data and 3P Sellers

3P Sellers have two different tools to manage their listings, track results and view reports: Amazon Seller Central and Amazon Marketplace Web Service (Amazon MWS). Within Seller Central, Sellers also have Brand Analytics, the new reporting tool that promises to make it easier for Seller to access and review their data. Together, these tools deliver a lot more customer data than 1P Vendors can access, but making sense of that data is far from easy.



What Amazon customer data can you actually access?

Amazon Seller Central

Amazon Seller Central is your main portal as a 3P Seller for interacting with Amazon. It allows you to upload products, create product descriptions, set up and run ad campaigns, check stock quantities and review basic customer data including purchase/shipping date and customer names.

Amazon Search Term Report: A key reporting feature within Amazon Seller Central is the Amazon Search Term Report. This is downloadable as a .csv file from the Seller Central homepage by selecting 'reports' from the top navigation bar, and then 'Advertising Reports'.

The Amazon Search Term Report tells you which terms are being used by customers to find your products. It includes raw keyword data that provides information on:

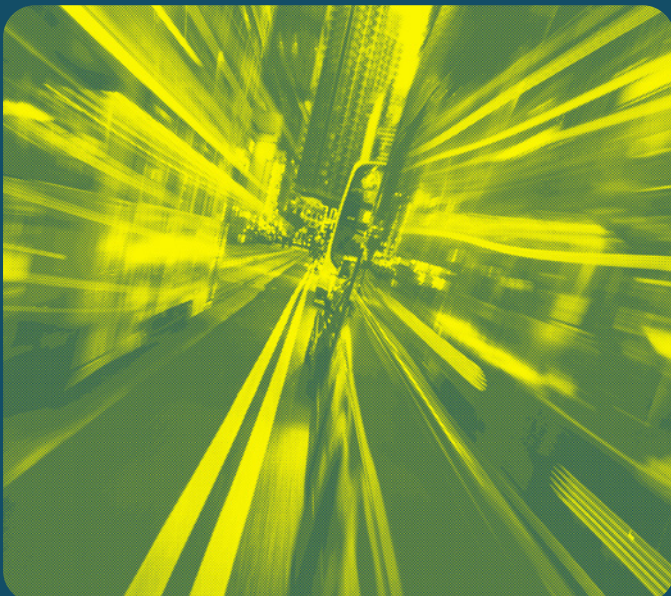
- Keyword targeting
- Keyword match type
- Customer search term used
- Sales and conversion rate for that term
- Clicks
- CTR
- Impressions
- CPC
- Spend



This information can then be segmented in order to dive down into specific ASINs (more on that later). But broadly, this report allows you to determine which search terms are converting, find new keywords worth targeting, and optimise your listings based on a keyword strategy. You can use this report to gain a better understanding of the search terms to target with ads, and hone in on the best long-tail phrases to isolate with exact-match keyword campaigns.

Fundamentally, this report provides critical information to help you understand the mindset of your customers, the keywords they use to search for your products, and the most effective way to communicate with those customers.

On a broader level, Amazon Seller Central is the hub of your 3P data. It can help you understand who is buying which products and where. It also offers a performance checker for customer service metrics, customer feedback, guarantee claims, performance notifications and chargeback claims – all of which are important when you really need to keep on top of measuring and monitoring your customer experience. It is also where you access Amazon Brand Analytics.



What Amazon customer data can you actually access?

Amazon Brand Analytics

Amazon Brand Analytics is the main customer data reporting tool for 3P sellers. It offers a level of detail that sits somewhere between Amazon Retail Analytics Basic and Premium. Like ARA Basic, ABA is free. However, it's only available to 'registered brands'. That basically means that you need a registered trademark in the country you're selling in. A full list of requirements can be found [here](#).

With ABA, brands can access large quantities of information and several valuable reports. It's possible to gain insights into customer shopping behavior, competitor listings, and performance.

Data is generally available in Brand Analytics within 72 hours of the close of a given period and is available for the last year. A year is a long time, but if you want to analyse long-term reports, you will need to download and store this .csv data. We're going to come back to this.

The depth of analysis possible using the data delivered through ABA goes beyond what the analytics tools allow you to naturally access. However, it's important to understand the basic reporting functions and what you can use those to complete.

1. Amazon search terms

Not to be confused with the Amazon Search Term Report downloadable directly from Seller Central, this Brand Analytics "Search Term Report" is a different feature also designed to help you better understand your product listings. Specifically, this report delivers insights on how your listings stack up against your competition and finding trends in Amazon search.

The Brand Analytics Search Term Report delivers market-level information, telling you the most popular search terms for that day/week/month. But it's still a significant help to aid your selection of keywords to include in product listings and PPC ad campaigns. By selecting the right and most relevant keywords, you can drive up conversions.

While it may seem simple to intuitively choose the right keywords and product descriptions, it's only by looking at the data that you'll be able to make sure that you're on the right track and able to maximize your opportunities. There are six key components to help you with this in the Amazon Search Terms report.

Search Term: This is the keyword used when looking for a product. For example 't-shirt' or 'red men's t-shirt'.

Search Frequency Rank (SFR): This provides the keyword popularity relative to other keywords around it. You do not get a specific number, but

the relative figures will still help you prioritize. Particularly when it comes to product launches, this is very valuable. By looking at how your main search term for that product has changed over the last year, you get a picture of demand growth within the market.

#1 Clicked ASIN: This field makes it easy to view the most popular product listings for each term, telling you which has received the most clicks from those searching for different keywords.

#1 Click Share: A sub-field of #1 Clicked ASIN, this will tell you what percentage of the total clicks that the most clicked ASIN received. This does not indicate the total Click-Through Rate (CTR) of the ASIN. This percentage is calculated by looking at the total number of clicks after customers searched the given keyword, and can tell you how monopolized specific terms are.

#1 Conversion Share: Conversion Share is the percentage of total sales the #1 Clicked ASIN received for the given keyword. Again, this provides more insight into how much market dominance your competitors have over certain search terms.

#2 & #3 Most Clicked: You can then look at all of this information for the second and third most clicked ASINs, letting you fill out more information on buying trends, and better understand your competitors in each space.

2. Item Comparison Report

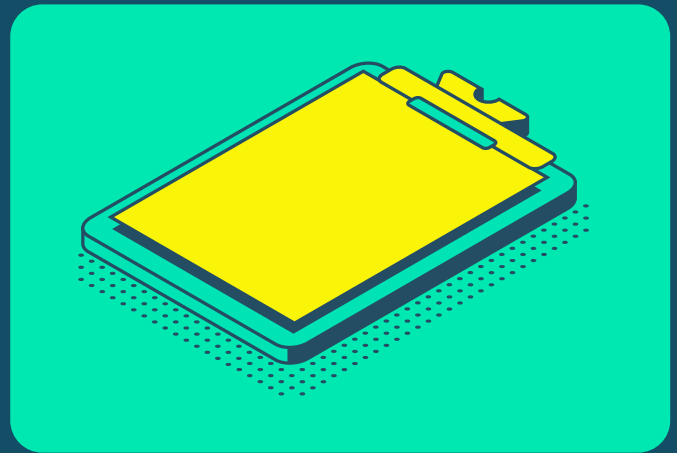
The Item Comparison report gives you direct insight into customer behavior. It shows you the products that shoppers viewed most frequently within the same day of viewing one of your products, and the percentage of time each product is viewed.

This can help you make more informed product and marketing choices. It helps you understand your competition, and provides insights into the different kinds of products that might get purchased at the same time.

For example, if you sell Hawaiian Shirts, and you notice that shoppers routinely go on to then search for khaki cargo shorts, you could consider making a bundle with the two items rolled together. It can also provide insight on potential new product launches.

On a more basic level, this report simply gives you the opportunity to create sponsored ads that highlight under-converting products, or consider re-evaluating the product copy. You might also gain insights into products that you might not have considered as obvious competitors, enabling you to re-evaluate the scope of products you're targeting.

Ultimately, this feature provides sellers a helpful advantage for product-targeting ad campaigns. It offers exact data on which products consumers are considering for purchase in your market, so you'll know where your sponsored ads should appear. Placing sponsored ads on those product pages should increase your visibility, and if you have a better offer, you have a great pathway toward boosting sales.



2. Demographics Report

The ABA Demographics report is intended to help you better understand who your existing customers are, allowing you to tailor messaging and tone-of-voice to resonate. You get a simple breakdown (in aggregate) by age, household income and more along the following criteria:

- Sales per age group – six different age groups from 18-24 to 65+, along with sales totals.
- Sales per household income <\$50,000 to over \$250,000.
- Education from “Less than High School” to Master’s degrees.
- Gender
- Marital status

The shortcoming of the ABA demographics report is that it's an aggregate view of your average customer. It is not specific to products and lacks granular detail around specific purchase patterns. Although limited, this data is incredibly valuable to making sure you cater towards your largest market, even if you can't iterate along product lines.

Amazon Marketplace Web Services (Amazon MWS)

Amazon MWS is the real heart of Amazon customer data. It's an integrated API that allows you to 'programmatically exchange data' on listings, orders, payments reports, and more. There are no fees to access Amazon MWS, but you need a system in place to understand what data to access, and then process that information in a way that actually delivers insights.

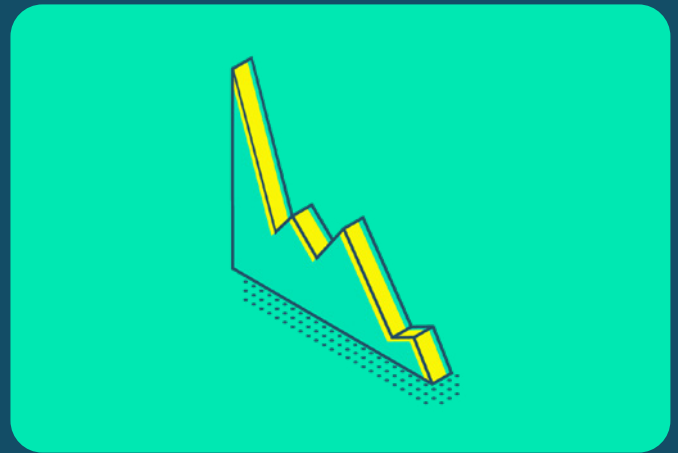
If you want to access Amazon MWS data, you need to build (or purchase) an application that can transform the raw data-feeds into intelligible information. The value of that information will depend on the type of application you build. However, in theory, Amazon MWS will let you:

- Manage inventory
- Manage orders
- Manage and analyze data reports

For FBA (Fulfillment by Amazon) Sellers, Amazon MWS also allows you to:

- Create inbound shipments
- Check the status of shipments
- Submit fulfillment orders
- Track and manage shipment requests

Amazon MWS has a wide range of functionality. However, when it comes to Amazon customer data, its most critical asset is the management of data reports. What really makes the data reporting capabilities of Amazon MWS stand out is access to granular, specific and time-stamped customer data feeds.

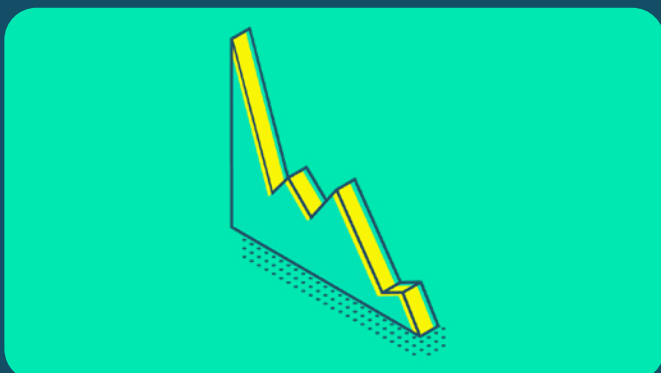


All of the data provided through Amazon Brand Analytics, Amazon Retail Analytics and Seller Central is either aggregated or on an ASIN level. This information is useful, and packaged in a way that is far easier to access. However, it's ultimately limited in scope and specificity, removing the most advanced possibilities for data analysis and business action.

If accessed in the right way, Amazon MWS can provide a detailed analysis of:

- Purchases made by specific buyers
- When those purchases were made
- Geo-location shipping information
- Shopping cart histories
- The order in which products are purchased
- Repeat purchase histories
- Whether it was on a lightning deal
- And more

The only thing that Amazon MWS cannot do is manage ad campaigns. You will have to set up and run your ad campaigns through a number of other tools. If you want to integrate PPC data into your Amazon customer data analysis strategy, you will need to look beyond Amazon MWS, or use third-party tools able to compile information from all of the sources so far discussed.



Advertising analytics: PPC-driven customer data

Until recently, PCC options were very distinct for both 1P and 3P retailers, operating through a number of different platforms that forced hard choices and multiple subscriptions. But this is another area where Amazon has sought to simplify options and increase the data delivered to retailers.

In 2018, Amazon collapsed a number of offerings – Amazon Advertising Platform (AAP), Amazon Media Group (AMG) and Amazon Marketing Services (AMS) – into a single solution: Amazon

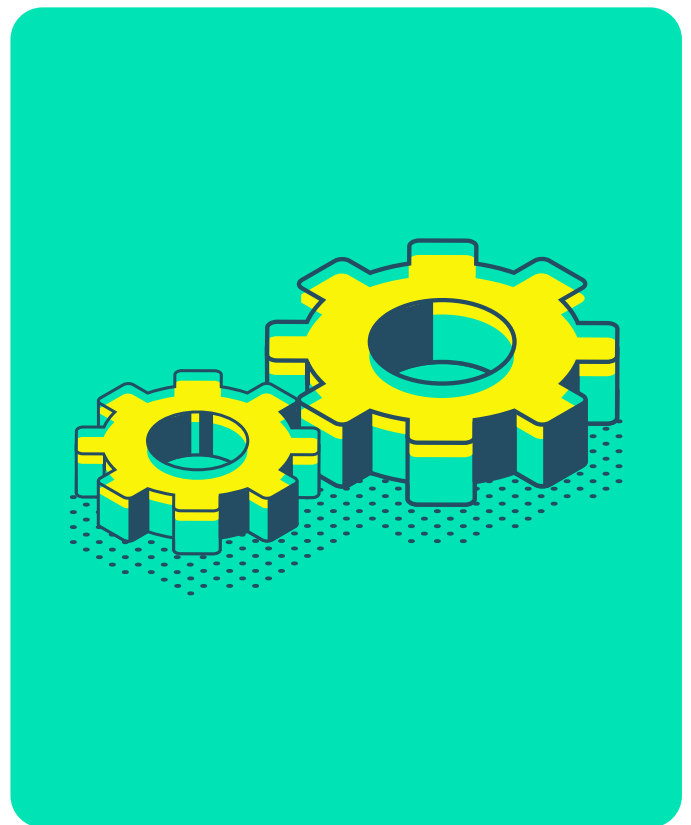
Advertising. Amazon Advertising, however, still provides different functionality to both 1P and 3P retailers, and both access it in different ways.

Advertising analytics, specifically, is an area of constant change on Amazon. Amazon has continued to increase data access to 3P users, making it specifically valuable to look at how 1P Vendors access data today. When assessed appropriately, this information allows for powerful insights into how your campaigns and your product perform, and the audience you need to target.

Amazon Advertising Console

A dedicated platform available to 1P Vendors, Amazon Advertising Console is the true successor to Amazon Marketing Services (AMS). Advertising Console supports three different advertising formats (Sponsored Products, Sponsored Brands) and provides robust reporting metrics around attribution at the campaign and keyword level.

Impression and click-level reporting is real-time, while sales attribution may take up to 72 hours to display after a purchase is made. All campaign-level reporting can be downloaded in .csv format by clicking on the “Export” button located above the columns. The metric used as a proxy for Return on Ad Spend (RoAS) is ACoS, or the Advertising Cost of Sales. This represents the percent of attributed sales spend on advertising (i.e. total spend divided by total sales).



Campaign Metrics on Seller Central

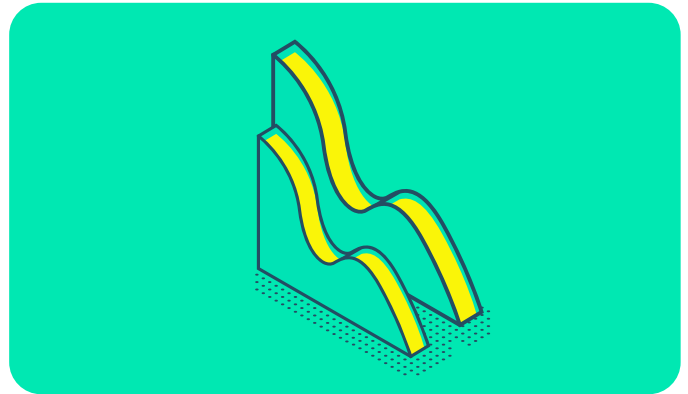
For 3P Sellers, ad campaigns, like everything else, is done through Seller Central. You create ads, review/download reports and make changes through subsections of the same interface used to create product listings and manage listing data.

Currently, Sellers are limited to Sponsored Product Ads and Sponsored Brand Ads. However, Sponsored Display ads are being beta tested in the US market. With that said, the data feeds are comparatively limited, and data is only stored for 60-days – meaning alternative solutions are needed to unearth long-term trends. However, that does not diminish the short-term value of these reports. Under the Campaigns tab in Seller Central, there are a range of metrics provided for the selected time range for each campaign. They are as follows:

Sales: For Sponsored Product Ads, this is the total product sales generated from clicks on your ads. For Sponsored Brands, this is all purchases for products made by shoppers who clicked on your ad. The standard attribution window for Sponsored Products is 7 days while the attribution window for Sponsored Brands is 14 days. If a shopper returns to your product and purchases it within the attribution window, that sale will be included in your sales data. For Sponsored Products, you can view attribution windows of 1-30 days by downloading a Campaign Performance report.

ACoS: Advertising cost of sales (ACoS) is the percentage of sales spent on advertising. $ACoS = \text{total spend} \div \text{total sales} \times 100$.

RoAS: Return on advertising spend (RoAS) divides the amount generated in sales by the amount spent on advertising (total sales / total spend). That means it's the inverse of ACoS.



Amazon Attribution (figuring out which ads are effective)

Almost all valuable data resulting from ad campaigns hinges on attribution. If you don't know which ads are effective, any other data pulled is of limited use. As discussed, Amazon provides both 1P and 3P retailers with attribution patterns within their campaigns.

The way attribution works for Sponsored Brands is that sales are attributed for the advertised product plus any products with the same brand, including sales by Amazon-sold ASINs and sales by third-party sellers. Attribution is also de-duped across all Amazon Advertising (display or video ads). The current priority across all Amazon Advertising is as follows:

- Tracked ASIN ad clicks (any price type) – last click wins
- Tracked ASIN ad views (CPM/Flat-Fee ads)
- Brand Halo ASIN ad clicks (any price type)
- Brand Halo ASIN ad views (CPM/Flat-Fee ads)
- Tracked ASIN ad views (CPC ads)
- Brand Halo ASIN ad views (CPC ads)

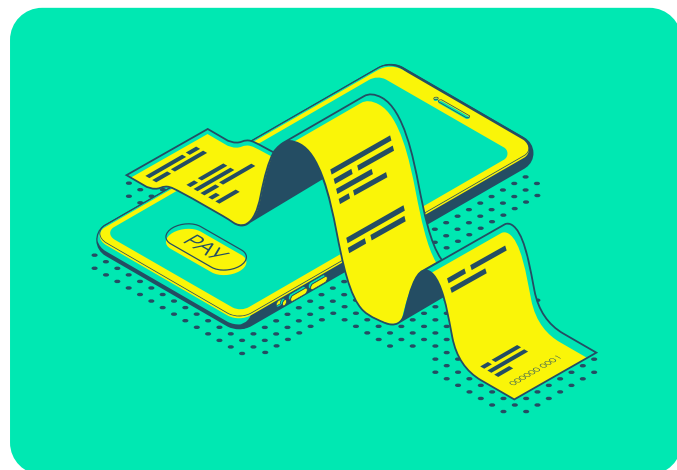
Halo Sales (figuring out how ads impact your brand portfolio)

Another interesting aspect of attribution in Amazon advertising campaigns is “halo sales”. Halo sales attempt to measure traction that your ads have influenced across your brand portfolio and not only the ones that you’re promoting. It’s a feature available to both 1P and 3P retailers in different ways.

Halo sales form part of the sales attributed to a sponsored ad campaign and are a good indicator that buyers are going for items other than the one that they originally clicked on. These sales always refer to the last ad a user clicked on.

For Vendors, all transactions made within the following 14 days of clicking on the ad are added to this sales report. For Sellers, only the following 7 days are included. Halo sales only occur when an Amazon user clicks on an ad before making their purchase. Depending on the sponsored ad campaign, sales are treated differently.

“Halo sales attempt to measure traction that your ads have influenced across your brand portfolio”



For Sponsored Product campaigns, the advertiser must also be the seller of the product in question. If the item is distributed by another retailer, Amazon does not include it in your campaign. Sponsored brands (SBs) and product display ads (PDAs) are subject to a similar process, but the advertiser does not necessarily have to be the seller of the item.

Halo sales are only visible in the report of an advertising campaign. This can be downloaded from the Amazon Advertising Console or Seller Central.

How to bring clarity to your data

The new tools and reporting functions delivered by Amazon are impressive. They go beyond a simple data-dump of information to provide contextualized insights – the exact thing you need to transform data into outcomes. With that said, the insights offered by Amazon are still siloed across different reports, making them hard to review and limiting the extent of the analysis that is possible. They also expire after periods of time, requiring you to export .csv copies in order to piece together long-term trends.

To make matters worse, the most detailed data delivered to 3P Amazon Sellers is trapped within Amazon MWS. If you want to dive into granular and purchase specific customer data, you will need to unlock the insights delivered through that API.

Data analysis is big business, and tech-firms of all kinds have begun to develop dedicated analytics platforms to help companies make sense of their information. This kind of technology can dramatically augment the information you have and make it far simpler to review. However, none of this analysis will be of any use if you don't set up systems able to act on data.

In order to make sense of your Amazon customer data, you need to do two things:

1. Create a centralized system able to pull the right insights from every report offered by Amazon.
2. Set up processes that are able to take direction from those insights and turn data into outcomes.

Keeping outcomes in mind, outlining review processes and creating open channels of communication are all key to developing a data-driven organization. We will address all of these challenges in *section 5: "Going from insight to action"*.

In this section, we're going to look at the first hurdle: actually figuring out what all of your data means. That requires addressing manual and automated ways to centralize your data feeds and maximize the customer data insights delivered by Amazon.

Option 1: Get really good with spreadsheet

The manual solution to centralizing Amazon customer data is to use spreadsheets. All of the data reports offered by Amazon can be exported in .csv files. As we have covered, Amazon Brand Analytics data is not available indefinitely. If you're relying solely on Amazon analytics tools, exporting this data is essential.

With enough time and dedication, a lot can be done with tools like Microsoft Excel and/or Google Sheets. Using pivot tables, cross-references, conditional formatting, Excel macros and manual data entry, you can enrich the data you have and squeeze insights from it that would otherwise go unexploited. Particularly if you or someone in your team has Excel expertise, this can be a great option for making the most out of your Amazon customer data.

Use both spreadsheets and the native analytics reports, and look to do the following:

- 1. Monitor reviews:** Approval ratings are key to success on Amazon. A higher star rating and more positive reviews both drive higher conversions and higher organic rankings. Tools can help you keep track of this, but it's also a pretty simple thing to monitor manually. It can't be overstated how important this is. Respond to negative comments, and work religiously to maintain a good standing with customers.
- 2. Identify keyword gaps:** Keyword gaps are relevant terms used by shoppers to find products for which you're currently not ranking. You can seek to change that by altering your product listings or purchasing sponsored posts/display ads. However, to do this, those keywords need to be identified.

You can use the Amazon Search Term Report accessible through Seller Central to identify terms that customers search for when they buy your products. This will help you prioritize keywords. For example, you can identify which terms have the lowest ACoS and highest ROAS, and which ones bring in the most sales.

You can then cross-reference this data with keyword information from your Brand Analytics Search Term report and Item Comparison Reports to find keyword trends and understand how your current listings and ad campaigns interact with those trends. These trends, combined with your current listings data will help you identify keyword gaps that you can then seek to close.

You can also do a reverse ASIN lookup – identifying competitor products and the keywords they rank for. By looking to validate search terms by analyzing volumes, you get really specific on the opportunities you're currently missing.

- 3. Enrich persona data:** Amazon Demographics Reports provide valuable information about who is buying your products. But more information is hidden in PPC data and Item Comparison reports. Even more information can be accessed through Amazon MWS.

By comparing information streams coming from PPC campaigns with Item Comparison reports, you can build a more robust picture of personas based on specific campaigns. You can make estimates about the products that particular buyers are likely to buy together, and gather more information on who the buyers of specific product lines are.

You should use this information to change the branding and messaging of your listings to talk to specific demographics. You'll need to go back to review these assumptions regularly. However, with enough diligence, you can get very specific about product-specific buyers, and tailor listings and ad campaigns accordingly.

- 4. Monitor returns and fulfillment:** When analyzing data, you should always look at returns and fulfillment trends. Timely and consistent shipping is critical to customer happiness – particularly on Amazon where FBA (Fulfilled by Amazon) products have increased expectations. eCommerce has not changed the importance of happy customers to retail success.

Return rates also deliver interesting insights into how products are received. Make sure that you're not thrown off by high-rates of returns for clothing items. However, by creating a benchmark for like-for-like products, you'll be able to identify products that maybe are not appropriately represented in their product listing.

- 5. Look long-term:** The simplest form of long-term analysis is to identify seasonal trends and identify your overall best performing items. To do this, you simply need to pull all of your sales data and review the basic sales results over a longer period of time.

If you want to get more in depth, you can start to align this data with persona information, and enrich it with PPC derived insights and Amazon MWS data. This will allow you to start to think more specifically about how your product lines interact with each other, and the lifetime value of different customers based on the products they tend to purchase.

- 6. Get really complex:** The more you look to enrich your customer data, the more complex the process becomes. With diligence, you can learn a lot about the order in which purchases are made, which items are great for upselling, which grab first time buyers and what your biggest competition is on a product-specific basis.

In order to come to these conclusions manually, you need to track sales summaries and cross-reference that with item comparison reports. If you pull in PPC attribution reports, you can get even more detailed in regards to understanding which products are the biggest draw and how certain products interact with different product lines. Ultimately, you need to build applications that can enrich all of these areas of information with purchase specific data coming from Amazon MWS.

Manual process will let you track simple long-term trends and craft personas that go beyond aggregate demographic data. But the volume of data flowing through Amazon makes manual analysis hard and challenging to scale.

Most of the Amazon analytics reports are really designed for campaign-level operations – one reason that the reporting periods are so short. It's worth noting that Amazon itself recommends that agencies make use of its automated data feeds (APIs) in order to be considered for its Agency Partnership Program, which shows how important automation is to them. There are tools that can help you do the same.

Option 2: Invest in centralized analytics software

If storing all of your long-term Amazon customer data in .csv files fills you with dread, investing in analytics software is the answer you're looking for. This will centralize and simplify the review of both long-term and short-term data trends, and augment the detail of your analysis beyond anything you could achieve manually.

Moreover, automating analysis makes it easier to act on that information. Rather than spending all of your time identifying insights, you can focus on strategy. The volume of options that the right technology provides to your understanding of data and your Amazon strategy means that we are going to address this in its own dedicated section.

What technology allows you to do with Amazon customer data

Technology lets you shortcut the process of data analysis and delivers insight straight to your door. Amazon's sheer scope and importance means that there are a host of purpose-built analytics engines geared to make the most out of the data available. Leading-edge solutions deploy machine learning and AI to adaptively learn from data trends and seek out the most useful data reports for you.

A quality analytics tool will let you do ten major things with far greater simplicity than any manual process.

1. Create true customer personas

Amazon reporting functions provide both 3P and 1P retailers with customer demographic information. But those profiles are limited to an 'aggregate' view. They don't include location information, and are not augmented with data coming from your PPC campaigns. Moreover, they do not include the purchase specific information buried within Amazon MWS.

Pulling information from across the Amazon ecosystem builds a far more detailed picture of who's buying your products, where they're from and which products they buy. Much of this information is delivered to sellers. But the challenge of sorting this information to create a live picture of detailed customer personas requires tedious spreadsheet analysis. Analytics tools make this outcome accessible through a dashboard.

What this allows you to do: Enriched customer personas start with the average age, income, educational attainment and marital status of different buyers. Analytics engines then layer on buying patterns and location analysis to provide insights with product-specific detail.

This level of information allows you to tailor messaging in product descriptions and sponsored product ads. You can maximize the impact of your listings, increase conversions and make sure all of your actions are relevant. It also allows you to start to develop 'buying trajectories', curate bundles and outdo your competition.



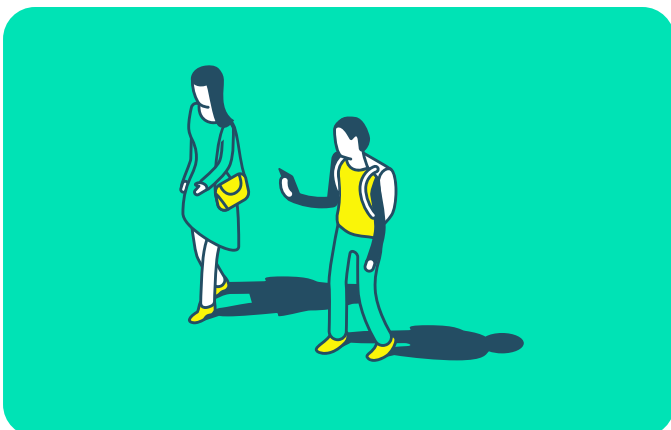
2. Decipher purchasing patterns to build 'buying trajectories'

Knowing who your customers are is great. Knowing what they buy and the order they're likely to make those purchases in is even better. Amazon delivers data on purchase volumes, and Amazon MWS provides granularized information on the different products that specific individuals buy, as well as the order in which they are purchased. When cross-referenced with persona categories, you get 'buying trajectories'.

Buying trajectories show the likely order in which products are purchased based on the persona and initial product of purchase. You can also look at this information from a purely product-specific standpoint.

What this allows you to do: Purchasing patterns take your persona targeting to another level. You get insights into the days that buyers are most likely to make a purchase, products they are likely to purchase at the same time and their average annual purchase totals. This will let you know when to increase your ad spend, which product bundles will resonate best and how to target your campaigns for the biggest impact.

A product-specific analysis will tell you which products are great one-off items and which are most likely to spark repeat purchases. Again, you get insights into bundling, and start to build a picture of how different ad campaigns impact long-term ROI.



3. Dive into customer lifetime value analysis

A holy-grail of commerce is lifetime customer value. If you know the value of a customer over their lifetime interaction with your brand, you can gauge (with precision) the profitability threshold of acquiring that customer.

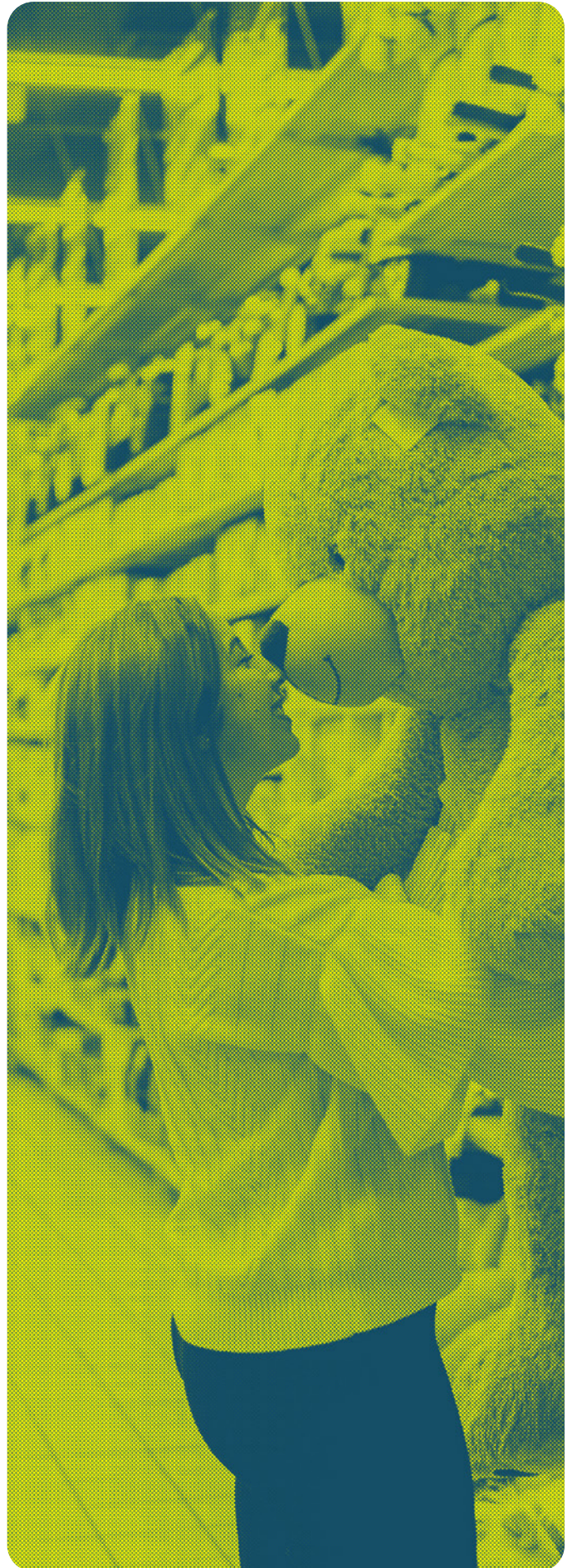
The problem with customer lifetime value analysis is its imprecision and complexity. Obviously, not every customer will interact with your brand in exactly the same way – and it can only ever be an estimate. However, the more data that you have, the more accurate your analysis can be.

Over the long-term, what analytics tools can do is crunch the numbers on repeat purchases and cross reference that information with persona data and PPC data. This provides an increasingly detailed estimate of how many products different buyer personas are likely to buy. Deploying machine learning and AI, predictions can be made with stunning accuracy.

Perhaps the most actionable (and accurate) way this data can be presented is in relation to the order in which products are purchased. A quality analytics tool will tell you the estimated customer-lifetime value of a buyer based on which product they buy first.

What this allows you to do: Knowing the average lifetime value of a customer based on the products they are purchasing is huge, specifically for ad campaigns. If you understand the lifetime value of a specific product, the scope of profitable ad buys for that product change. You can not only look at that product's specific margin, but the value of acquiring that new customer. In a competitive marketplace, this can make all the difference.

If taking a loss to win new customers sounds too risky, using this information to prioritize different products within single campaigns can be equally valuable. For example, if you sell two types of T-shirt but one tends to generate far more repeat purchases, you can maximize the long-term ROI of your ad spend by removing the other shirt from your listings.



4. Get specific with locations

Geo-location data of purchases is provided in sales reports by Amazon. However, this data is not natively integrated into either demographic profiles or broken down into a specific location analysis function. Ultimately, this is an oversight that many third-party analytics tools deploy machine learning to resolve.

A quality analytics engine will give you insights into purchase patterns within specific cities, regions and countries. This can further augment persona data. However, its main function is to give you a regional breakdown of how your products perform, informing overarching and campaign-specific strategies.

What this allows you to do: Primarily, location analysis offers a window into analyzing the success of non-Amazon marketing efforts on Amazon outcomes. For example, you can track the impact of TV campaigns, or other online ads.

Amazon PPC ads do not allow geo-targeting. However, you can use geo-location analysis to target non-Amazon ads online, such as Facebook or Google ads. Ultimately, geo-analysis delivers one more way by which you can segment and compare the success of campaigns – helping you to duplicate success and weed out failure.



5. Uncover competitor trends and basket habits

Amazon provides information on how customers compare products, delivering raw data on items added to checkout baskets. On its own, this information is of limited value. However, when combined with persona data, long-term trends and purchase outcomes, you gain a picture of how customers compare products.

Basket analysis allows you to identify products that lose out to competitors, products people are interested in but don't seem to buy, products that get purchased on their own, and products that get purchased with other items. Ultimately, you get a better understanding of your products and how they stack up against the competition and your other product lines. The multivariable and product unique character of this kind of analysis make machine learning the perfect tool to decipher trends.



What this allows you to do: This kind of product-specific analysis has pretty open-ended benefits. It can feed into advertising campaigns, help you more competitively price products, re-think product copy and improve listings. Really, what you get here is a tool that can evaluate the efficacy of different product lines – something that can help inform business decisions and even determine which products are worth selling.

The complexity of interpreting some of the data that top-quality analytics tools provide is a big part of the reason that you can't spend all of your time trying to uncover the insights in the first place. If you want valuable outcomes, you need to be able to focus on transforming data-driven information into strategy.

6. Understand keywords and search terms

Keyword data is something that standard data analysis tools often focus on, and you can get a significant amount of value from that approach. Amazon not only provides data on how your keyword-driven ads perform, they provide data on how different keywords perform across the board.

The problem with standard keyword tools is detail. Examining your current product performance and scoping out new search terms is only half the battle. You also need to look at competitive bid pricing and whether or not there is sufficient search volume. However, if you want to actually put this data to good use, you need to understand how keywords relate to search terms.

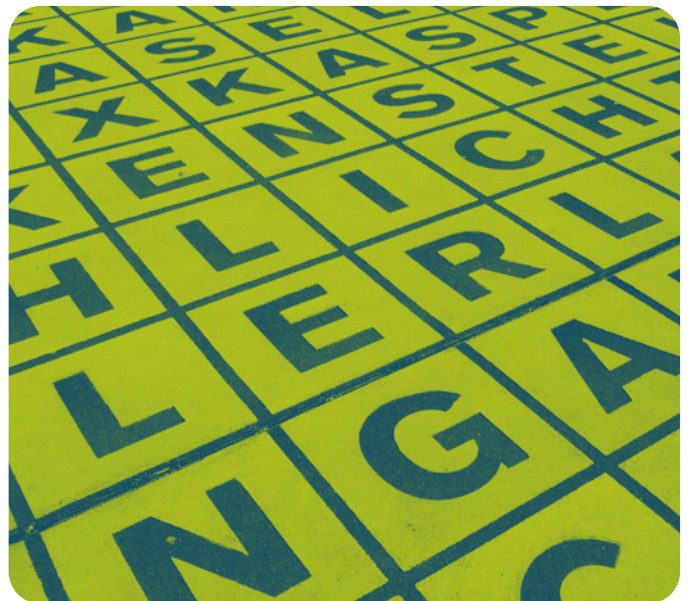
Analytics tools and machine learning can do the heavy lifting required to spot opportunities by comparing your product categories with how different search terms perform on the platform. When combined with persona categories, geo-location analysis, basket comparison and purchase patterns, you get a powerfully detailed picture.

What this allows you to do: When creating PPC ads, Amazon lets you choose between “broad match”, “phrase match” or “exact match” bidding. There is always more than one way that people search for different items: “dress shoes”, “brogues”, “leather shoes”, “shoes that go with a suite”, and on and on. Broad match allows you to effectively bid on an entire keyword category (e.g. shoes), while exact match lets you hone in on a specific search term (e.g. brown leather shoes). Phrase match is similar to broad match. However, whereas the order of the terms does not matter in broad match, the order of your original term has to exactly match all other terms when using phrase match.

Most brands use auto campaign tools and broad match because they don’t have the detailed data needed to pick the right exact match terms. However, this can lead your PPC ads for “brown leather shoes”, for example, to show up for something irrelevant like “running shoes” if you are simply broad match targeting “shoes” – wasting your ad spend. The strategy of only targeting relevant search terms is called ‘search term isolation’ and is critical to maximizing the results of any ad campaign.

With detailed information coming from an analytics tool, you can take granular control of your PPC campaigns, identify search term gaps and increase conversions. Being able to subdivide this information across different countries, personas and buying trajectories is even better.

Improved understanding of keywords also helps with organic listings. You can include those key terms in your product descriptions and titles, improving your chance of winning the buy box for specific searches. The specificity, cost efficiency and competitive advantage that a detailed understanding of keywords and search terms delivers to your Amazon strategy is hard to quantify.



7. Dominate the buy box

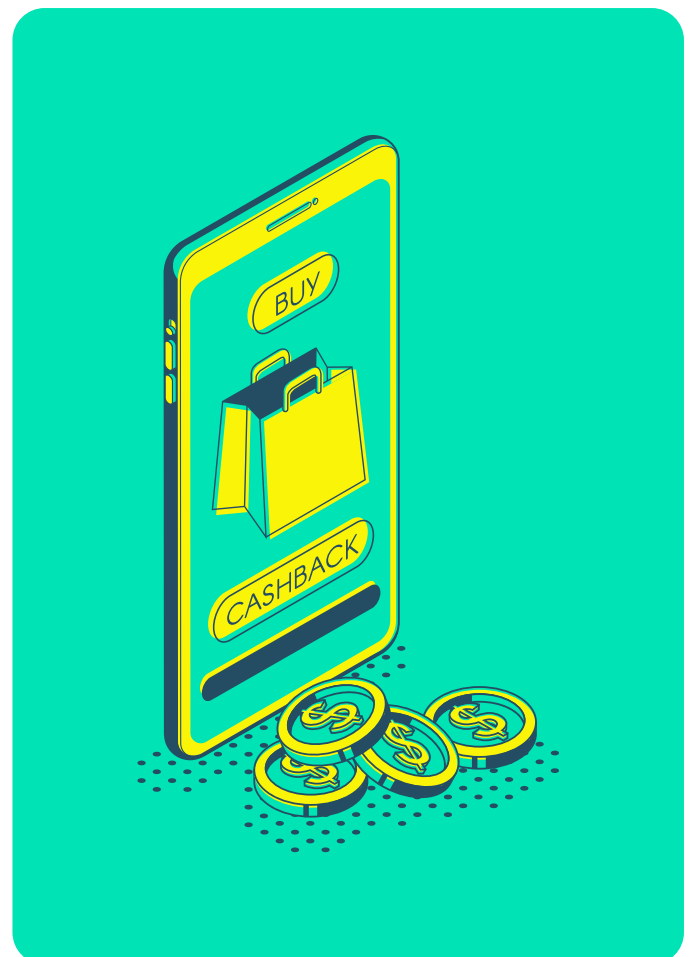
Amazon is a little elusive about how they make their buy box decision. However, it's pretty universally accepted that the cheaper your listing, the better your chance of being the 'chosen one'. It's been noted, however, that when Amazon compares pricing between sellers, it uses a plus or minus 2% factor. Any price including shipping that is within that range is considered to be the same price. It is then other factors like customer satisfaction, "Prime" eligibility, average fulfillment times and reviews that will push a product over the edge.

A quality understanding of your data, however, delivers one very creative method to give yourself a significant advantage in the buy box: **create unique bundles**. Buy box competition only occurs when multiple Sellers or Vendors are listing the same product. Bundles are considered unique products. If you create a unique bundle, there will be no competition for room in the buy box.

The problem that most brands face using bundles to dominate the buy box is picking the right bundles. With a bundle, you're forcing customers to buy more than one thing. If this isn't appealing, they aren't going to choose your product. Clever data analysis helps you sidestep this challenge and turn it into a strength. The buyer trajectories that advanced analytics tools allow you to create give you the best possible chance of creating bundles that will incentivize conversions, not put them off.

What this allows you to do: Unless your company only sells unique, branded products, the buy box should be a central concern to your Amazon strategy. Amazon reports that over 75% of non-media sales come from items featured in the buy box. Many customers aren't even aware that the buy box is a thing, or that Amazon is selecting which product listing they have ended up viewing.

By harnessing data to dominate the buy box for key products, you can massively increase your performance on Amazon. Particularly if you hit on a good bundle, you can increase sales and margin, creating curated deals that your target market will value, and ensure that those purchases are made from you.



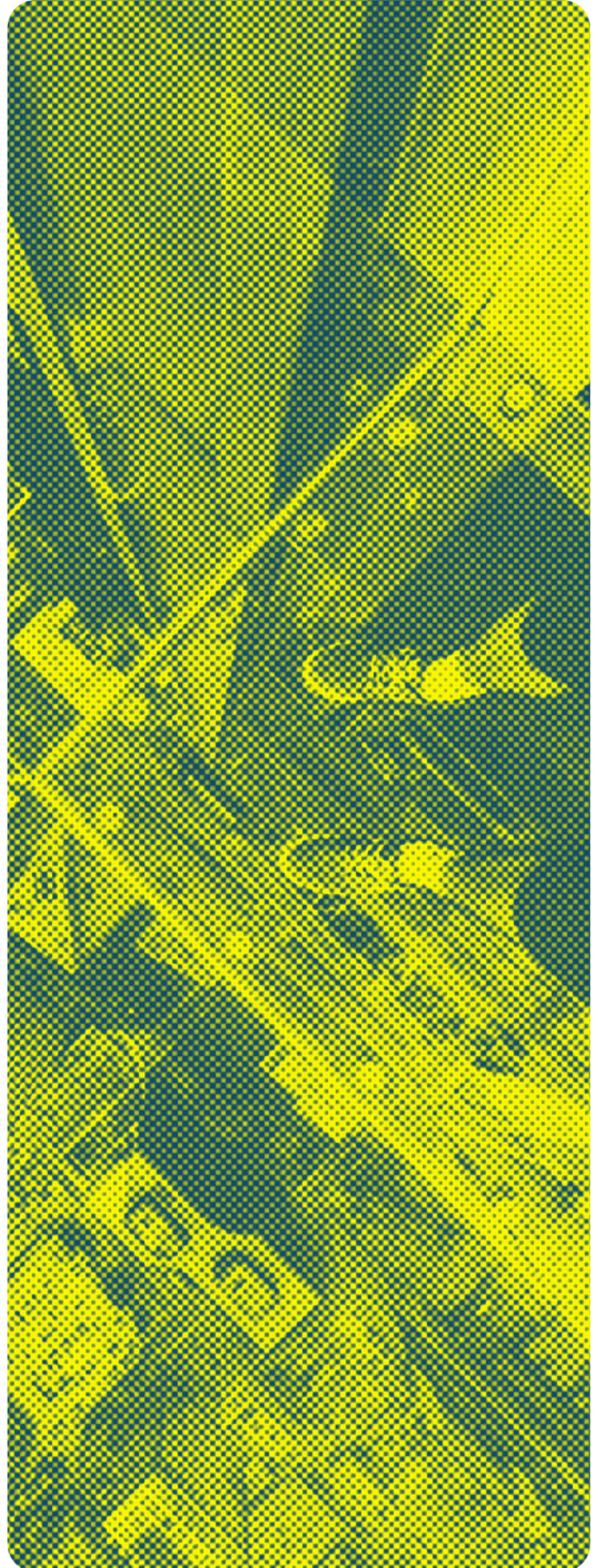
8. Stay on top of pricing trends

Competitive pricing is important to eCommerce in general. But the weight that the buy box attaches to price elevates its importance on Amazon. It also makes pricing on Amazon some of the most competitive and fluctuating of any platform online.

A lot of brands rely on manual review of competitor products to gauge trends and set prices. However, with prices changing multiple times a day, it can be all too easy to fall behind. Syncing data analytics with Seller Central to adjust prices within an identified range can mean the difference between a good day and a bad day on Amazon. Simply having a dashboard to review pricing trends on a product-specific level will help you avoid falling behind or failing to capitalize on a price spike.

What this allows you to do: With a solid understanding of your prices and competitor prices, customer lifetime value, and buyer personas, a large number of opportunities become available. You can maximize your organic chance of landing in the buy box. You can increase customer satisfaction, and increase your market share for current products.

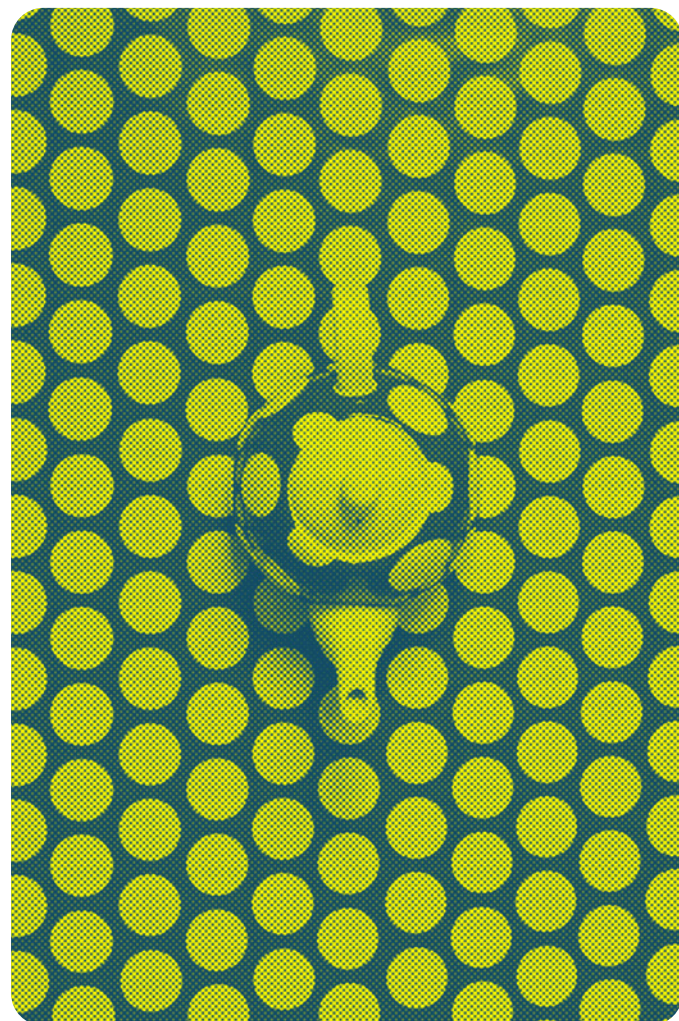
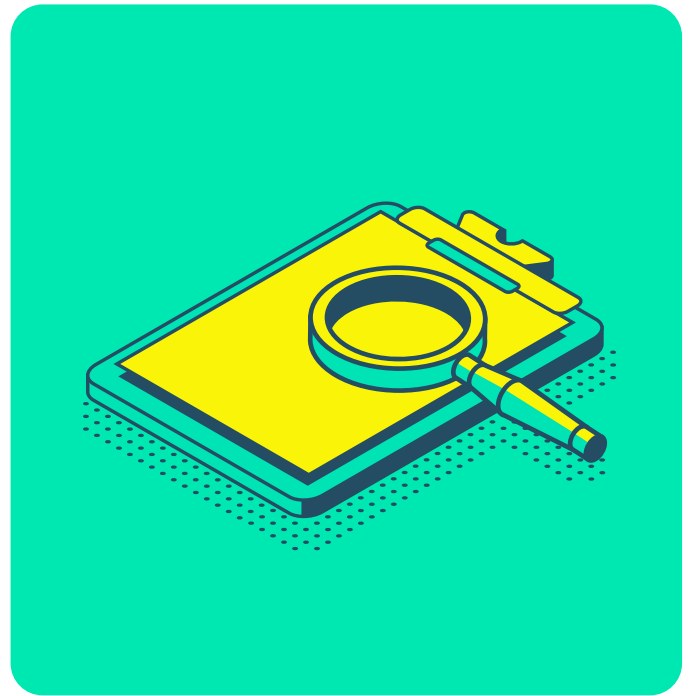
A dynamic approach to pricing also lets you maximize margins. Although the competition on Amazon generally creates downward pressure of prices, occasionally, prices spike. Competitors try and ride a wave and all increase their prices at once. If you notice this, you can do the same – maximizing profits while you can, while still retaining a competitive advantage.



9. Achieve internal visibility

A detailed understanding of your Amazon customer data also makes it easy to understand your internal sales and marketing teams. You can review, with daily updates and long-term trends, the relationship between your marketing efforts and sales outcomes – allowing you to make internal adjustments and gain insight into the most profitable days, products and campaigns.

What this allows you to do: Improved internal review processes make it easier to hold teams to account. You can identify weaknesses and look for areas of improvement. This kind of continual internal review is critical to success, and accurate customer data is critical to understanding how your teams operate.



10. Identify patterns of success and failure

All of this data analysis is about finding patterns. By understanding trends, you can repeat success and mitigate failure. With enough data, you can make accurate predictions about the future and take action to stay ahead of the curve. The less time your team needs to spend crunching the numbers, the more time can be spent using data-driven insights to strategize and act to create outcomes that matter.

By improving your sales conversion analysis, you can fine-tune your product offering with word choice, writing style and visuals to:

- Optimize listings more effectively
- Craft better subject lines and emails
- Tailor advertising by understanding buying trends/behaviors
- Identify and prioritize new buying channels
- Encourage reviews

Going from insight to action

It cannot be stressed enough that the power of information depends on your ability to act. The most powerful insights won't impact your bottom line if they simply sit on the shelf.

If you have to choose between investing in the latest analytics software and focusing on building a responsive culture that can take direction from data – choose culture every time. The standard Amazon analytics tools provide valuable insights, but the basic step that holds many companies back is a willingness to use that information.

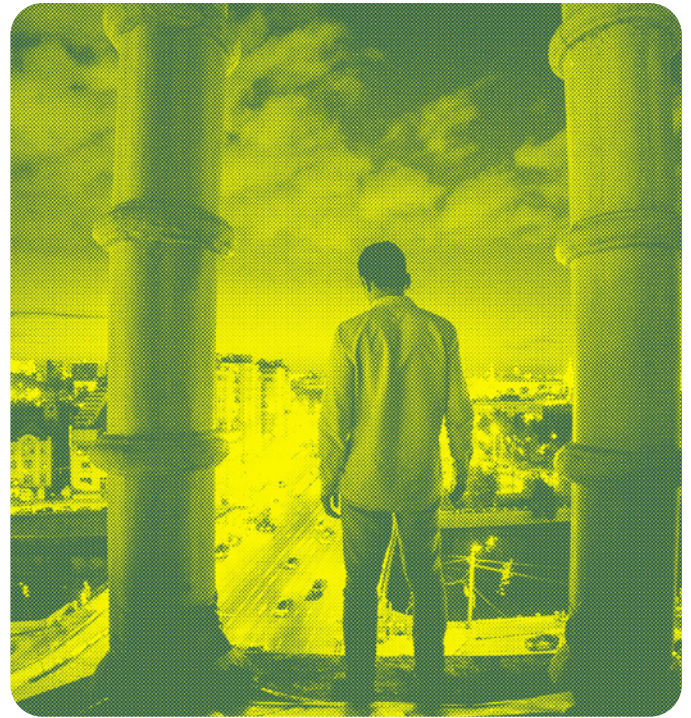
The results you can achieve are obviously greater with improved analytics. There are also fewer steps required to identify the insights worth acting upon. However, what we want to focus on here are the six steps to forming a program that is actually able to act on data, providing you with the kind of outcome that you want and need.

Step 1: Get buy-in from the top

Change doesn't always have to come from the top down. But buy-in from leadership always helps, especially when it comes to data. Investment in analytics tools can be a challenge without support from top decision-makers, and the insights delivered by data aren't always limited to a single campaign or department.

If data says you need to change a product line, invest in a new marketing strategy or prioritize a different geography, you aren't going to be able to take action if just one department is listening.

On a more basic level, effective use of data will always require cooperation between different departments. This can be achieved on an ad-hoc level, but leadership can cut through division and make sure everyone is on the same page.

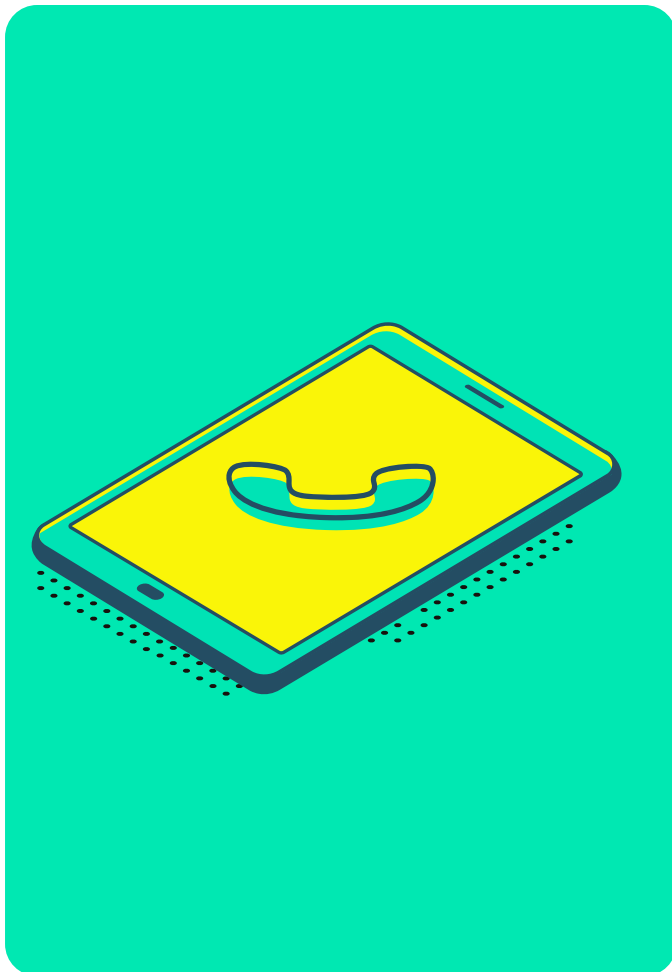


Step 2: Open channels of communication

All too often, insights that can help any number of departments sit in siloes. Unless you want all of your Amazon customer data insights to simply stockpile within your eCommerce and marketing teams, you need to start people talking.

For example, if your marketing team finds out that logistical problems regarding fulfillment are damaging your position in the buy box, you need to make sure that information is passed to people who can take action.

The solution to sharing information is partly cultural and partly procedural. It is essential to create a culture that values data and rewards the sharing of information. You want people to be excited about data-derived insights, not upset that they are being told how to improve. Reward people for learning from their mistakes. Then, make sure everyone knows how to report findings across departments.



Step 3: Train people to use the tools they have

If people don't know how to use the tools that they have, nothing will get done. This comes back to sharing information, but it also means getting into the details.

If you choose to rely on internal Amazon analytics capabilities, make sure everyone in the analytics teams understand the reports available, what they can be used for, and best practices for storing and cataloging this information. Something like this guide isn't a bad place to start. However, you should go further.

Speak with Amazon directly. Appoint a change champion who will learn the ins and outs of the system and then share that information with the rest of the department.

The same processes should take place if you choose to invest in advanced analytics tools. This kind of investment can make training easier for two reasons. First, a quality analytics engine with machine learning capabilities will be simple to use, making training quick. Second, you will likely get dedicated training during onboarding.



Step 4: Outline clear areas of responsibility

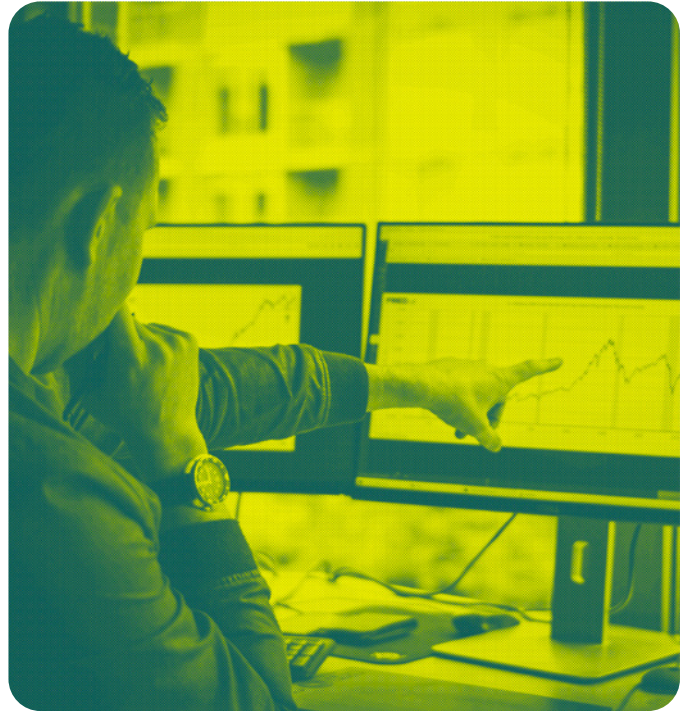
The bystander effect is a documented phenomenon in which large groups of people collectively fail to take action when witnessing an emergency because everyone individually thinks that someone else is better placed to resolve the problem. The same thing can happen with data. If there are not delineated responsibilities, people are likely to ignore insights simply because they assume someone more qualified is already on the job.

To avoid this, you need to outline clear areas of responsibility that range from reporting to action. That should occur on a departmental, team and individual level. Assign the review and reporting of particular metrics to particular people, and make sure everyone knows whose responsibility it is to share information with other departments. Only through precise delineation of responsibility can you make sure that action is taken.

Step 5: Create regular review processes

After intensively analyzing your data feeds, finding key insights and working to take action, it can be all too easy to think that's a job done. Particularly when relying on manual methods of data analysis, the thought of starting all over to see how the trends this month align with what you just figured out can be so daunting that it's just put off.

The simplicity of continual review using advanced analytics tools is a big reason that they are worth the investment. Regardless, you need to make sure that you set up regular review periods to make sure that no one gets complacent with the data they have. Just like delineating clear areas of responsibility, this ensures that everyone stays on task and the right steps are taken to succeed.



Step 6: Stay focused on outcomes

Data can be confusing. There are many opportunities to run down entirely irrelevant rabbit holes. If you want to succeed, you need to set your key objectives and stay focused on finding answers that will help you achieve those ends. Although those objectives will be unique to you, some common goals to think about are:

1. Finding new keywords
2. Identifying your AcOS target
3. Improving conversions
4. Increasing market share for specific products
5. Reducing reliance on PPC
6. Reducing PPC competition between your own products
7. Improving sales for sluggish products
8. Finding profitable bundles
9. Dominating the buy box
10. Upselling and cross-selling
11. Improving lifetime customer value
12. Creating location-targeted campaigns

What you choose to prioritize is up to you. In fact, a great goal for your first round of data analysis is determining the weak points within your Amazon operation and creating a clear strategy to improve. Once you've identified your improvement priorities, write them down and start thinking about the data-streams you need to conquer in order to optimize.



Data and the future of Amazon

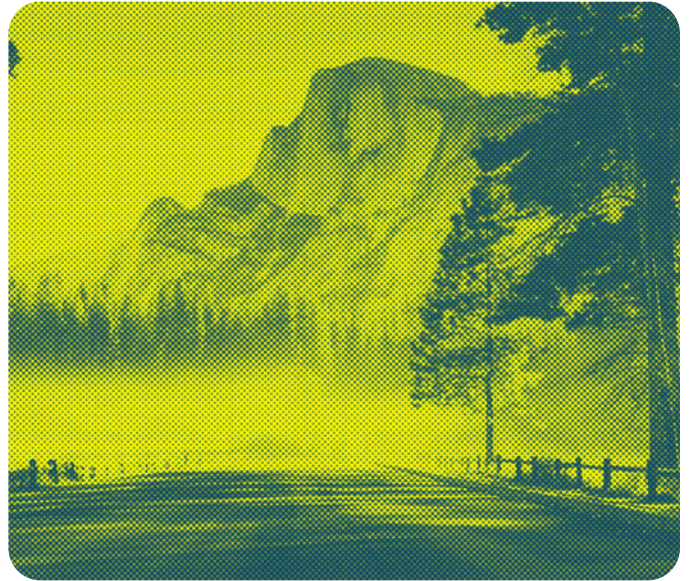
The value of information to the economy will only continue to grow. eCommerce is a driving force behind this trend. With more shoppers making their purchases online, more data can be collected. eCommerce not only allows for the collection of more data, it makes it easier for brands to take action on the insights that data delivers.

If you are going to want to compete in the future of eCommerce, data will be the key. Amazon knows this – it's why they collect data, and it's likely why they're sharing an increasing amount of customer information with brands on their platform. For all the convenience that Amazon provides to customers, they are dependent on brands to keep their platform relevant. Brands want and need customer data. Amazon has listened and now the competition is on.

Challenges and opportunities

With the floodgates open and Amazon customer data flowing to 3P Sellers and 1P Vendors, making sense of that data has never been more critical. If everyone is flying blind, you can get away with ignoring the insights data provides. With the data available, the brands that learn how to harness it to their advantage will thrive.

Although this creates challenges, it also delivers opportunities. Any period of change is one in which someone is going to win. Picking the right tool sets and creating processes that can learn from data are both key to turning the challenge of Amazon customer data into an advantage.



The ever-growing flow of information

Particularly the expansion of data to 3P Sellers has never stood still. It's unlikely that the data that Sellers can access today will be the same in five years time. Our prediction is that the volume of data will continue to grow.

The more data that you have, the more essential it is to harness technology to pull insights out of the noise. Probably the largest challenge when it comes to data is not getting lost. The sooner you bring clarity to the data situation as it exists today, the better placed you will be to stay on top of data changes in the future.

The good news is that the caliber of tools available has only continued to increase. Advances in machine learning and AI have made the process of cutting through data to grab actionable insights far more effective. Data analysis has been the driving factor behind the investment in these technologies. With a now mature market, the number of industries where this kind of big-data analysis technology can be cost-effectively deployed will only increase.

By acting quickly, building the tool-set needed to understand data and culture required to act on insights, you can stake out a competitive foothold in the future of data-driven, Amazon eCommerce.

A changing landscape

The competitive nature of Amazon has continued to see brands adopt new strategies to stay ahead of the curve and increase profits – not all of which are savory. For example, paying people for fake reviews is an increasingly common occurrence. So too is ‘review hijacking’, a process in which the review system is hacked to associate positive reviews with a different product – driving up star-ratings.

Another worrying trend is the number of counterfeit, misleading, and even dangerous goods sold on the platform. An investigation by The Wall Street Journal uncovered 10,870 questionable listings on Amazon between May and August of 2019, some of which had been declared unsafe by US regulatory agencies – many of which were coming out of China.

In June 2019, a Pennsylvania Appeals Court ruled that customers could sue Amazon over unsafe products, shutting down Amazon’s argument that they are simply a ‘middle-man’ facilitating sales between buyers and retailers.

This all creates questions for the future of 3P Sellers on Amazon despite the fact that 3P Sellers have only continued to grow as a share of Amazon retailers. It’s possible that Amazon will seek to put more space between itself and 3P Sellers, or become more involved in vetting every single listing on the platform.

Either way, this is likely to create change, and change, as we have said, creates opportunity. Brands that understand their data will be best placed to adapt. Maybe even more importantly, data automation can give you the operational time needed to plan for the changes that are still around the corner.

Better outcomes for customers

The reason that data is so powerful is that it allows you to deliver better outcomes to the very people on which your brand depends – your customers. Although data is something that brands have to conquer, customers will simply enjoy the benefits.

Ultimately, the value that data provides time and again comes back to improved customer experiences. For example, you can create bundles that add value to customers and create targeted ads that inform customer of products they want, but didn’t know exist. Although data will let you grow your brand and outpace the competition, the best way to do this is to think about what customers want and develop innovative ways to deliver that.

As more brands come to understand the amount of data now on offer, simply getting good with the analytics tools Amazon provides won’t be enough to stand out. Getting ahead of the curve now by investing in powerful analytics engines and machine learning tools will provide breathing room to experiment before the competition gets fierce.

Regardless of how you proceed, what’s important is that you understand the value of data and build systems that can act. By understanding the outcomes and focusing on results, data will let you sidestep the competition and succeed. The future of eCommerce will be dominated by those who understand their customers. Data is the key, and analytics will help you get there.



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