

Price Matching on Amazon

When it Happens, and Why

Amazon aggressively seeks to maintain the lowest prices available on the internet. This is a key component of Amazon's growth flywheel, and one of the most important drivers of their ascent to the top of the eCommerce market.

If your brand is the registered Brand Registry owner and Amazon detects that your item is for sale at a lower price on a competing site, the consequences can be messy, creating and amplifying conflict between dotcom and brick-and-mortar channels. Refusing to be beaten on price, Amazon will either force a price match of your items on their site or penalize your listings so severely that they functionally disappear from Amazon search.

In this paper, we outline how this price matching can show up, how brands can mitigate the problem, and creative ways to prevent price matching from the outset.

What it Looks Like

When a price match on Amazon occurs, it will generally happen without warning. Depending upon which platforms the brand is selling, the match could show up in two different ways.

For **Seller Central** brands, the buy box will be suppressed. Instead of an **Add to Cart** button, Amazon will show a link saying **See All Buying Options**. Additionally, Amazon has started to send a notification on the Brand Health Dashboard, indicating the issue, and the price (though not the source) they are matching to. This lack of an active Buy Box will usually cause an immediate 50-80% decrease in sales velocity, compounding over time as Amazon's search and advertising algorithms punish your listing in various harmful ways.

Vendor Central brands are in a marginally better position. Amazon will automatically drop the price of first party (1P) listings to match online competitors – to a consumer, the listing will still be buyable, just at a lower price. In the short term this isn't always a bad thing – Amazon is effectively funding this discount themselves. If sustained however, this often creates long-term profitability issues for Amazon, and Amazon may request funding from the vendor to make up the difference, a permanent invoice price drop, or ultimately discontinue orders if the price discrepancy persists.

Paleo Pancake and Waffle Mix by Birch Benders, Low-Carb, High Protein, High Fiber, Gluten-free, Low Glycemic, Prebiotic, Keto-Friendly, Made with Cassava, Coconut and Almond Flour, 42 Ounce 1-pack

by Birch Benders

★★★★☆ 250 ratings | 12 answered questions

Note: This item is only available from third-party sellers (see all offers).

Available from these sellers.

Example: This product has lost the buy box due to price match, displaying "Available from these sellers".

Amazon will not warn you before price matching and suppressing your listing. In Seller Central, you may see a note appear in the Brand Health dashboard, but beyond that the seller must be proactive in ensuring the Amazon list price is always equal to or lower than any outside listings to prevent interruptions in sales.

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At Cartograph, we help brands navigate the ever-changing Amazon and e-commerce landscape.

6 new from \$21.38
Ⓢ Deliver to Chris - Austin 78702

See All Buying Options

Add to List

Price + Shipping	Lowest Price + Shipping	Sales Rank
\$ 29.99 + \$0.00 Migrated Template	\$ 26.90 + \$0.00 Match price	146,435 Health & Personal Care

The Lowest Price column on the Manage Inventory page in Seller Central is a great way to check price competition, and to match lower prices before buy box losses emerge.

What We've Learned

Amazon's price matching moves are reactionary: they are not a low-price leader but are a fast price follower. They are especially eager to price match what they consider "Super Image" competitors – big box retailers like Walmart and Target, or e-tail category leaders like Chewy or Thrive.

The rules do not appear to be static. A lower price outside of Amazon may go unaddressed for months, or it may be rectified immediately. However, Amazon's pricing algorithms seem extra vigilant in Q4 during the holiday season.

Amazon will eventually index and price match against major online retailers on their own, but many of their most aggressive price matches are the result of customer-submitted pricing data via the "tell us about a lower price" button. Ongoing antitrust discussion in government will likely have long-term implications for the enforcement of price matching on the channel.

Amazon will price match products of different sizes on a cost per ounce or cost per serving basis. Gone are the days when brands could circumvent online price matching by simply offering different sizes.

Would you like to **tell us about a lower price?**

[Amazon's Link for shoppers to submit a lower price.](#)

What You Can Do

As a brand owner, there are some measures you can take to ensure consistency in pricing between platforms:

Produce unique flavors, sizes, or bundles exclusive to Amazon

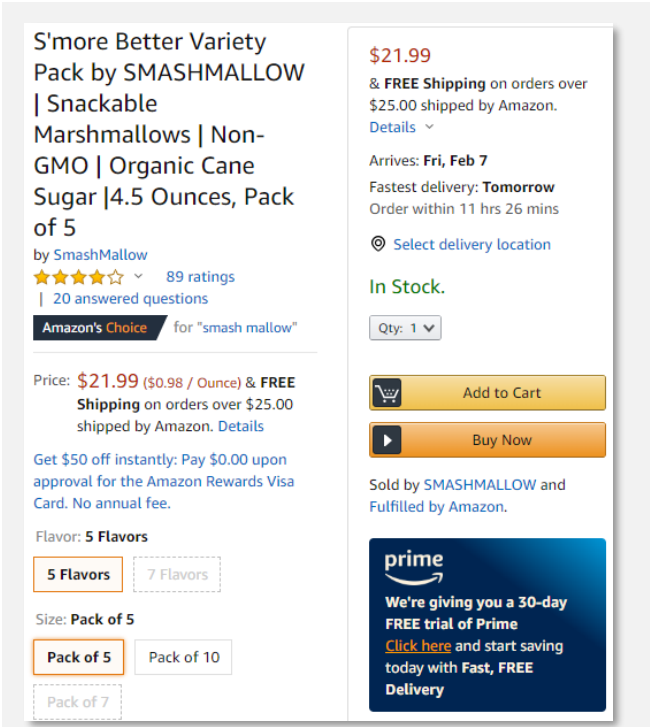
- This can be very effective, as it tends to leave no comparative product on a competing site.
- Offering unique multipacks of items can fix price matching, but Amazon will sometimes price match on a cost per unit.
- In some cases, Amazon matches price on a per unit (generally weight or volume), when a different size of the same product is found elsewhere at a lesser price per unit.
- Bundling a product with a complementary item (e.g., chips bundled with a chip clip) can ensure there is no way to price match your items at other stores. However, for a more future proof and pro-customer strategy, we recommend creating truly value-added bundles such as variety and sampler packs.
- Producing a larger size variant of an existing SKU that is sold exclusively on Amazon can solve two problems:
 - 1) Allow you and Amazon to profitably sell an item at the same cost per ounce/serving as Walmart, Target *et al.* For example, it is far easier to absorb the cost of "free" Prime shipping from a \$15 family sized item than from a \$5 mass market SKU.
 - 2) By maintaining Amazon channel exclusivity, resellers will not be able to obtain your items from UNFI or other channels, and you can maintain clean ownership of the buy box.

Give other retailers a Minimum Advertised Price (MAP) list to protect your prices

- In our experience, most reputable eCommerce retailers will comply with the terms of such an agreement, resulting in consistent pricing. Importantly, this is far more successful if implemented proactively, and much harder to wrangle if your brand is already widely distributed online.
- Brands can also offer an eCommerce-specific MAP (eMAP) list, in lieu of or in addition to traditional MAP lists. This may simplify implementation with sales teams.
- For CPG brands, UNFI now offers a MAP program. While still limited in capability and scope, it gives grocery brands some recourse to pursue MAP violators.

Monitor all platforms and manually price match accordingly

- If an offer at Thrive, Walmart, Target, etc. has gone to a lower price than Amazon, change the Amazon listing price to match in order to retain or regain the buy box (Seller Central only).
- Long term, it's important to speak with these retailers to make sure that pricing across channels is sustainable. Communicating when promotions will be running ahead of time across your retail accounts and internal sales teams can help alleviate lost sales from price matching.
- Of note, US price fixing laws were not written for today's age of algorithmic price matching, and well-meaning brands can trip some dangerous legal wires. Always consult with legal counsel before engaging in discussion with retailers about uniform pricing across retailers. A consistently implemented MAP policy is the safest way to accomplish this, but can be challenging to enforce with leading grocery distributors.



Example: buy box secured with original multi-packs not available elsewhere.

Don't sell the same product across platforms

- This is the most effective measure, as there can be no competition between your Amazon presence and your presence on a competitive site. However, it's not always viable for brands trying to sell their products in as many markets as possible.

Price matching is a practice all brands need to consider when expanding their distribution across channels. Decisions brands make early in their life cycle can have major implications on the viability of Amazon for brands. As Amazon grows in importance across CPG categories, brands should have a Day One strategy shared across the entire sales team for how to manage channel-driven pricing conflicts.

Cartograph Leadership Team

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Co-founders, Cartograph

We'd love to hear from you! If you'd like more information, please reach out at contact@gocartograph.com.

ABOUT CARTOGRAPH

Cartograph is an eCommerce focused agency that helps food brands sell their products on Amazon. Their mission is to help brands grow products that are better for people and the planet. They support brands with strategy, pricing, SEO, advertising, and operations and logistics. Cartograph is based in Austin, TX.