



Webinar

# How Brands Can Maximize their Marketplace Sales in 2021

24th February 2021

Webinar Speakers



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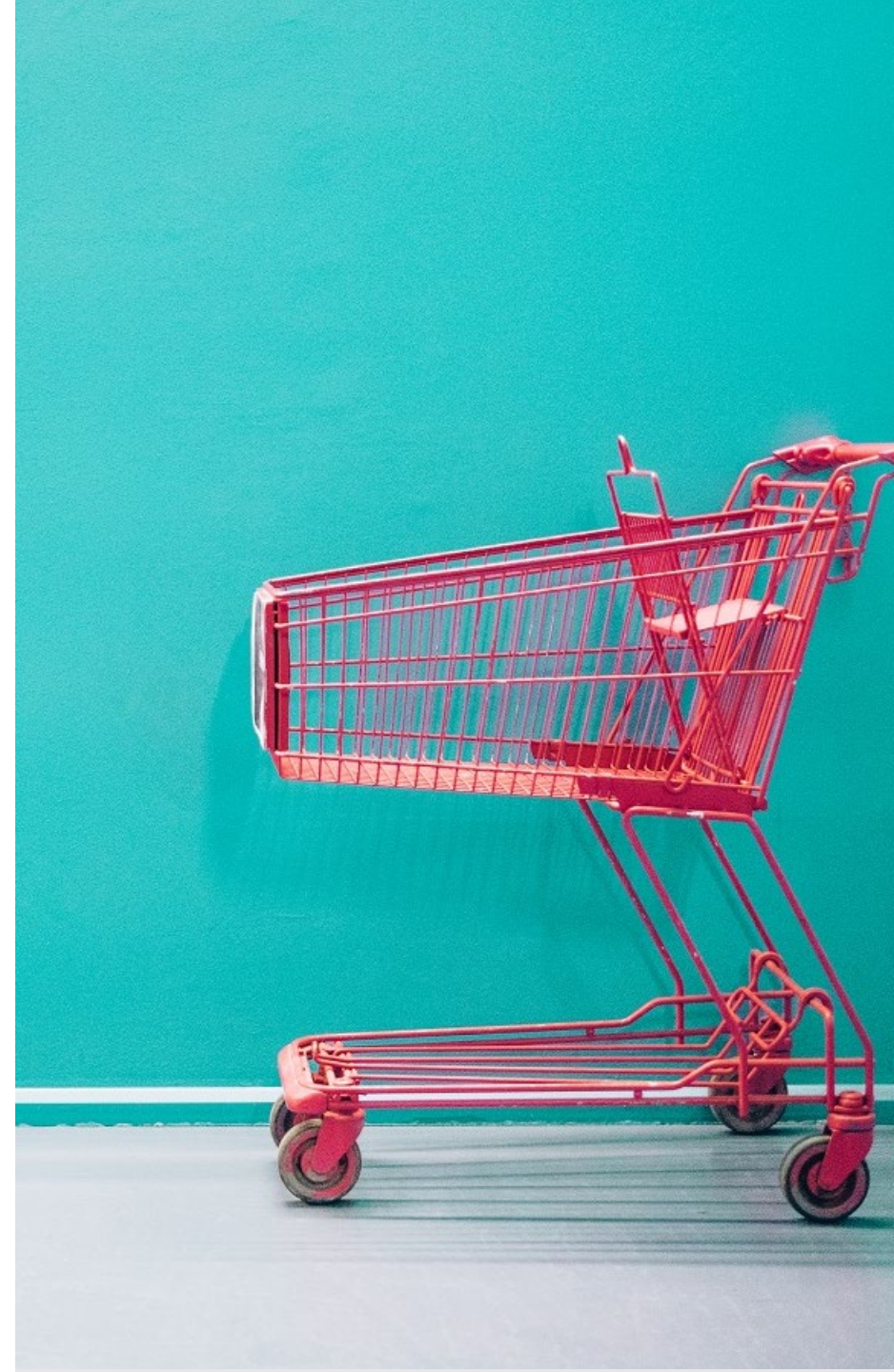
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**Marketplace Amp**



# Agenda

- **The growth of online marketplaces**
- **Impact of COVID-19 on eCommerce**
- **Understanding Consumer Journey**
- **Prepare for different types of Marketplaces**
- **Amazon advertising expert tips**
- **How to set your fulfilment up for success**
- **Panel Discussion**

If anyone would like an impromptu 15-minute demo today, please reach out to [Hello@ChannelSight.Com](mailto>Hello@ChannelSight.Com) and our team will facilitate this immediately after the webinar.

# What is an Online Marketplace?

According to [Forrester](#), “third-party merchants selling physical items or services on a site other than their own.”

# The Growth of Online Marketplaces



- 1995 – Amazon Launched
- 1999 – Alibaba launched
- 2004 – Shopify launches
- 2005 – Etsy launches
- 2010s – Facebook marketplace launched
- 2020 – COVID-19 launches digital adoption

# History of Marketplaces

Source: BigCommerce

# Some Interesting Metrics for 2021

**53.9%** of eCommerce is expected to be generated via mobile,

**169,782** new sellers have joined Amazon's marketplaces in 2020,

For **73%** of consumers, customer experience is a crucial factor in their purchasing decisions,

**61%** of customers read online feedback before making a purchase,

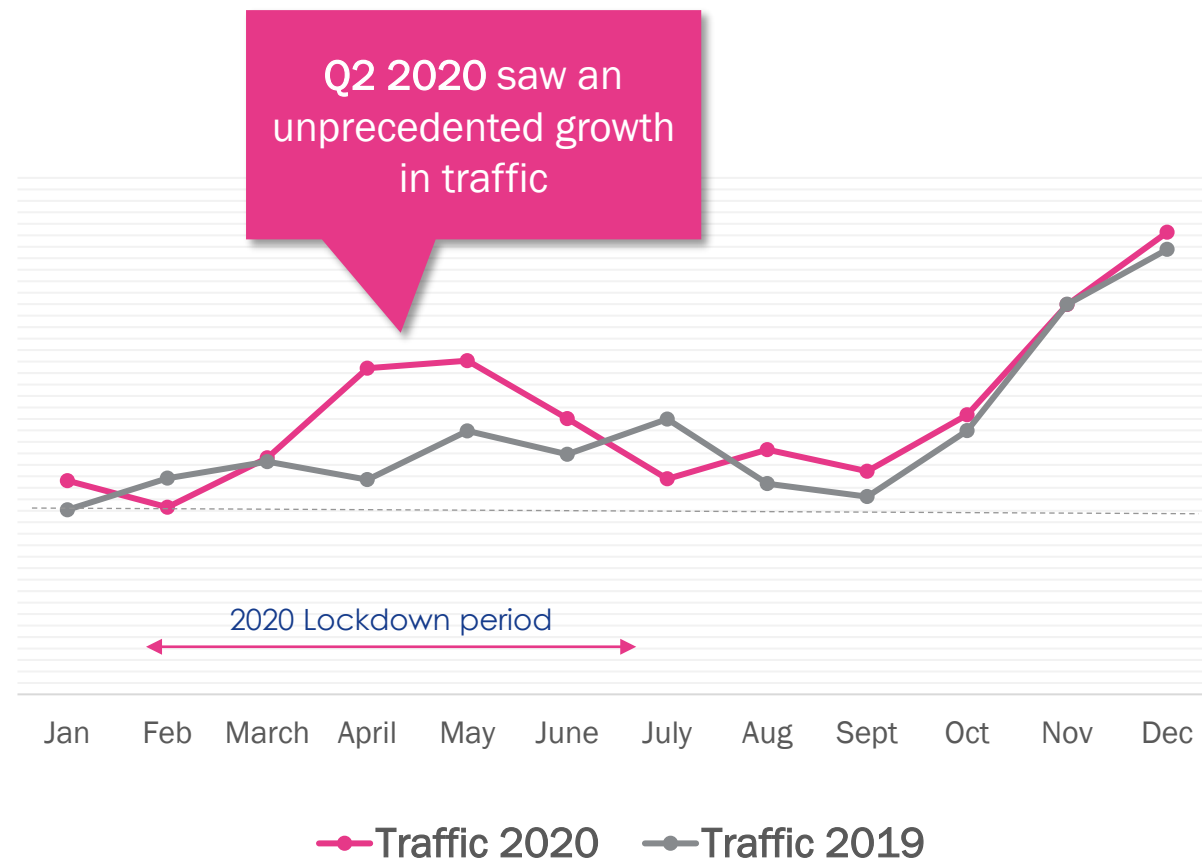
In Q4 2020, **55%** of products sold on Amazon were marketplace sellers' items. That's up from 53% in 2019 and 47% in 2015.

Source: [Statista](#), [Marketplace Pulse](#), [PwC](#), [eMarketer](#), [digitalcommerce360](#)

# Impact of COVID-19 on eCommerce

# Traffic performance: 2020 vs 2019

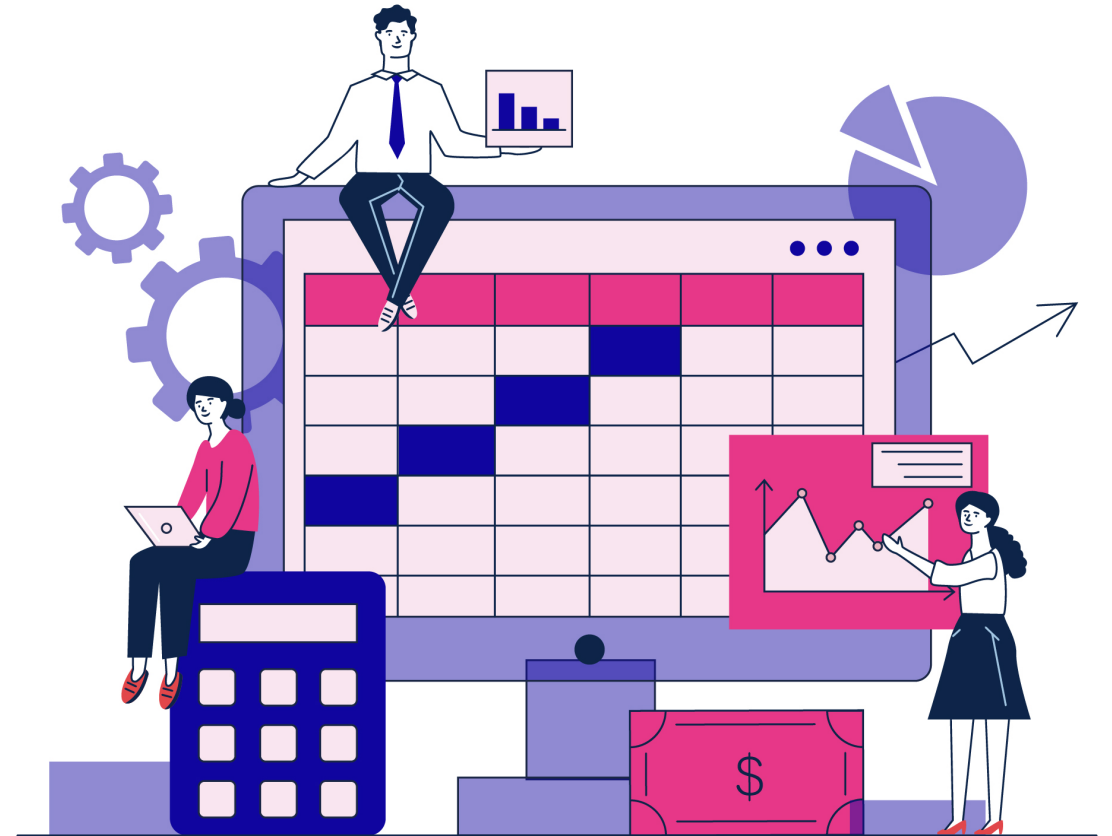
Traffic Data



## Key Takeaway

# Digital adoption is accelerating

Everything was already moving online.  
Now, this is happening even faster.





# Understanding consumer journey

# Marketplace changes

- Target audiences and product offering
- Assortment strategy
  - Clear distinction between core assortments vs. novelties vs. newness
- 1P vs. 3P relationship
- Clear idea between brand presence / topline sales / market share
- Marketplaces are not in isolation - in relation to e-retail strategy

## Key Takeaway

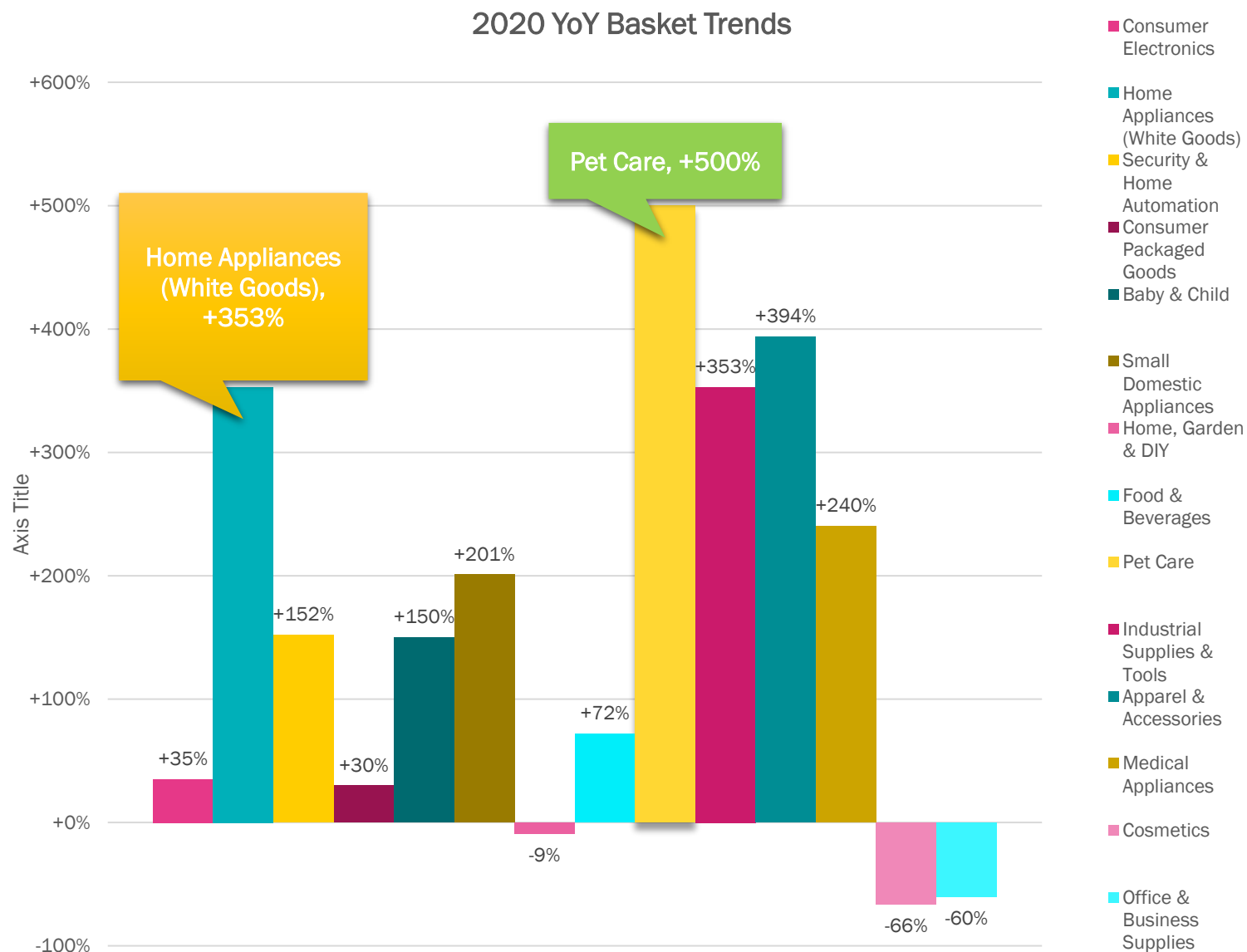
**Having a clear idea  
assortment  
strategy and  
consumer  
relevance before  
expanding across  
multiple  
marketplaces.**



# **Prepare for different types of Marketplaces**

Prepare for different types of Marketplaces

# 2020 YoY Basket Trends



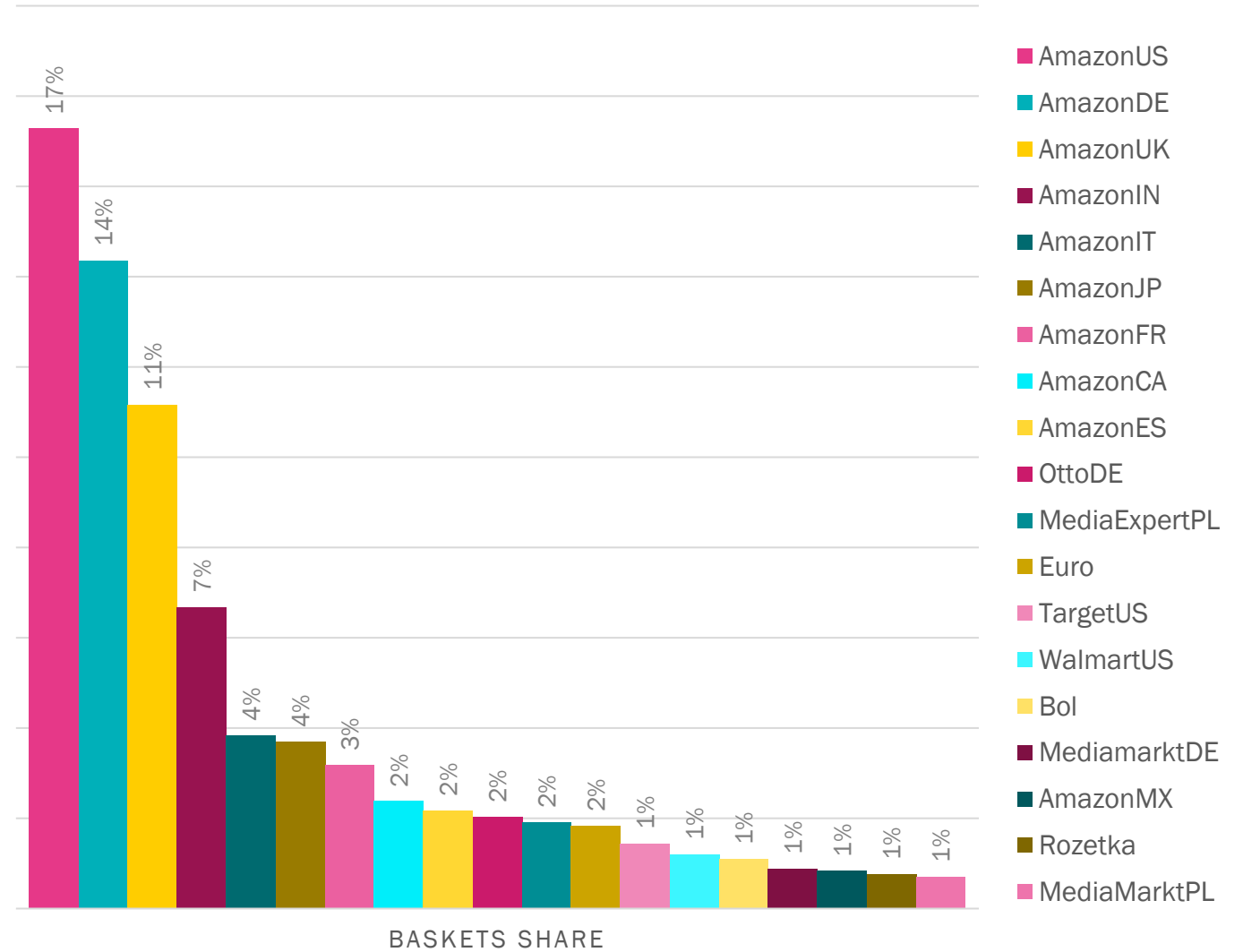
Source: ChannelSight data



# Retailers

Prepare for different types of Marketplaces

## RETAILERS IN MARKETPLACES



Source: ChannelSight data

## Key Takeaway

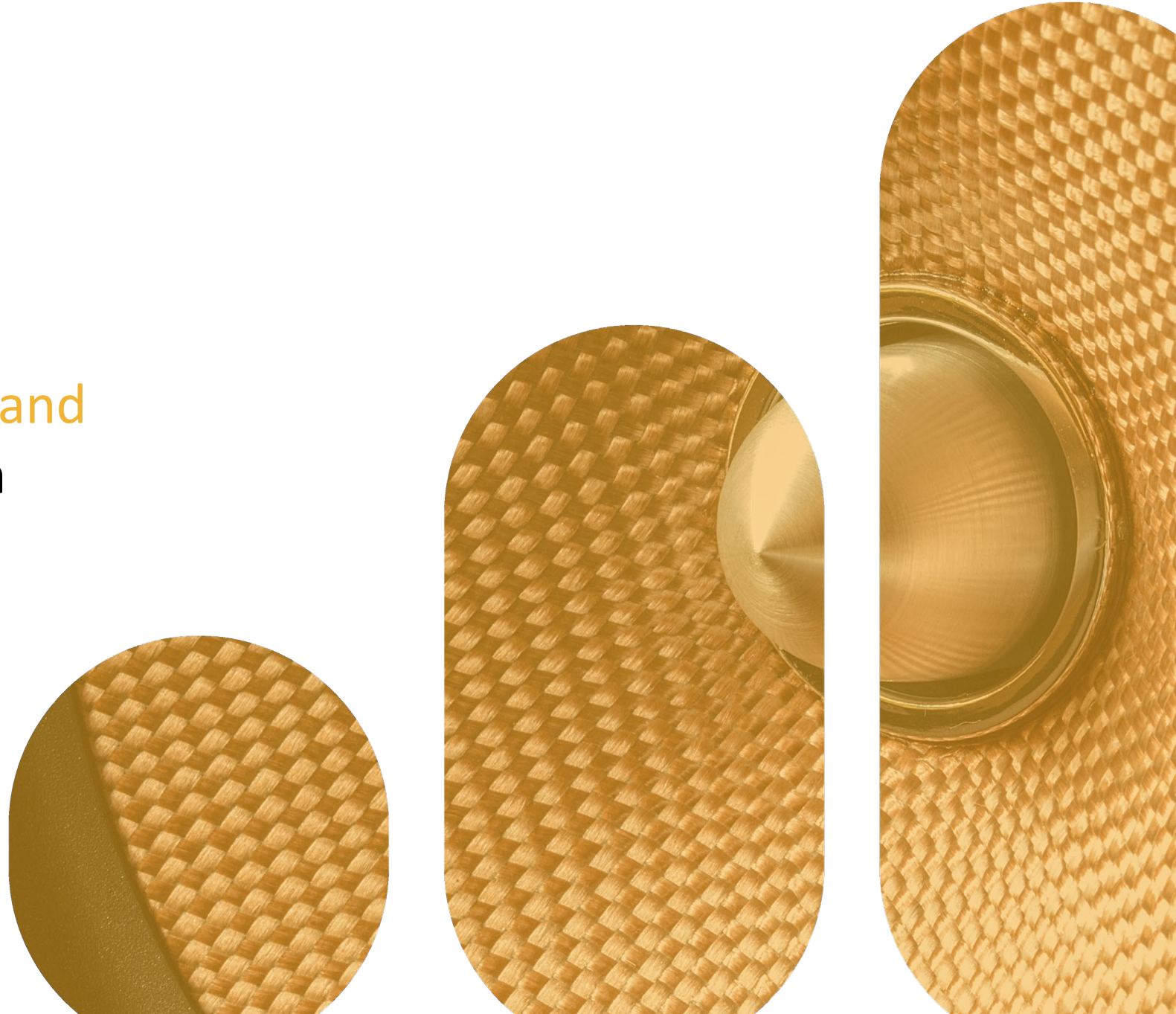
**Understanding  
retailer &  
marketplaces  
service USPs will  
prove beneficial in  
the long term.**



# Amazon advertising expert tip {Marketplace Amp}



# 5 things I have messed up and learnt from... with Amazon Advertising Strategy





# Fail Fast... and Adapt your Strategy





## Advertising Strategy:

Identifying search intent by 'thinking like a consumer'

Why an Intuitive Campaign structure is vital

How to define the right metrics for Your

Advertising Goals

Creating a winning Bidding Strategy

Building incremental sales - DSP to boost

Search strategy






# 1: Think... like a consumer





A close-up photograph of a man's face, partially obscured by a semi-transparent orange overlay. Overlaid on his face is a glowing yellow neural network diagram, with nodes and connecting lines. The man has a beard and is looking directly at the camera.

# Data from consumers not branding...

## Focus on benefits not features

- Use third party sources and market research to understand your consumers' buying mission
- What solutions are your consumers searching for?
- Build campaigns around search intent not product features
- Segment Campaigns into Buying Missions!

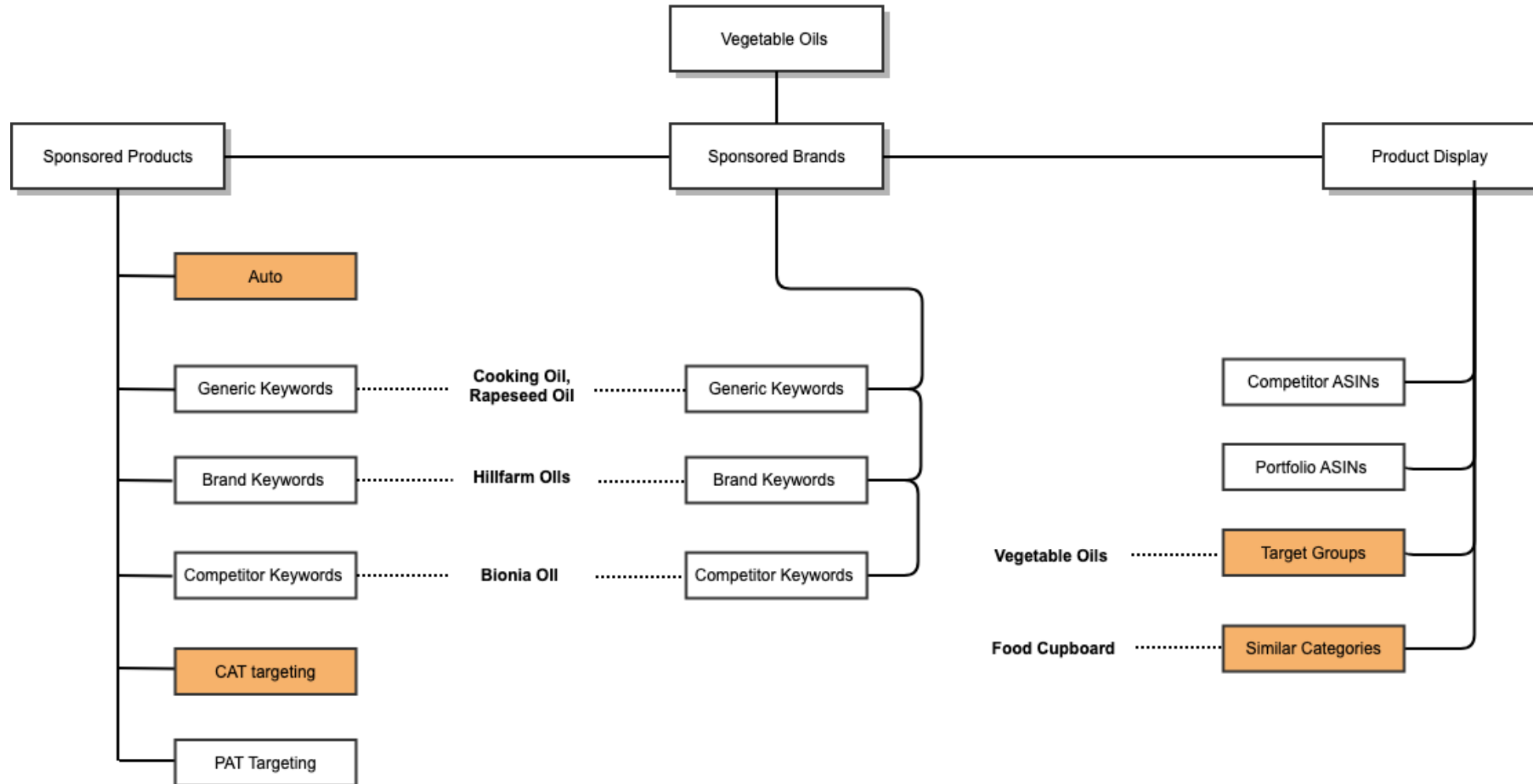
**TIP:** Amazon's data from brand analytics is the best!

## 2: Ads structure... is more important than software





# Example Campaign Structure





# Structure & Segment campaigns by search intent in ad groups

## **step 1. Mining for long tail - BMM +keyword +2nd keyword**

Find niche keywords efficiently using broad modified match. Standard broad can be too wide

## **step 2. Generic - Ad group structure browsing to intent (e.g.)**

Gifting and Occasions = browsing

Variants to identify which keyword works best against product

Long-tail keywords - cheaper and more aggressive

## **step 3. Branded - Keywords to protect and inspire**

Think incremental gains! Up-sells, new product launches or deals promotions

## **step 4: Competitor - Grow marketshare**

Category campaigns = autos for ASINs

PAT - Strategic (top 10) vs conversion

**TIP:** Ensure there are no more than 3-4 products in a group otherwise there will be no exposure due to the algorithm

### 3: Metrics... ROAS / ACOS goal overall does not work!



**TIP:** RANKING > CTR x CVR x Views / CAT x (Amazon Margin)



# Metric to gain growth profitably

**TROAS = Ad sales + Organic sales / Ad spend**

Focus on your business model and know that Amazon measure ACOS on Retail not COGS

Analyse key phrases vs top 10 revenue, to understand increases in organic revenue potential vs ads tactic to increase incremental revenue. Broadly these increase rank in order:

Branded +

Category / Competitor ++

Generic +++

TIP: Once you have gained rank with a good converting product and a sales velocity ACOS will drop...



Vitamin D 3,000 IU & Vitamin K2 100ug MK7 Vegetarian Capsules - 120 Days Supply of Vitamin D3 Supplement Source of Cholecalciferol...  
★★★★☆ ~ 1,192  
£10<sup>82</sup> excl. VAT  
£12.99 incl. VAT (€0.11/count) £9.99  
Save 5% more with Subscribe & Save  
✓prime Get it Tomorrow, Feb 19  
Eligible for FREE UK Delivery



Better You Dlux Vitamin D Oral Spray 15ml  
★★★★★ ~ 7,157  
£4<sup>37</sup> excl. VAT  
£5.25 incl. VAT (€350.00/l) £7.95  
£4.66 incl. VAT with quantity discounts  
Save 5% more with Subscribe & Save  
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Terranova Vitamin D3 2000iu Complex 100caps  
★★★★★ ~ 32  
£15<sup>41</sup> excl. VAT  
£18.49 incl. VAT (€0.18/count) £20.99  
Eligible for FREE UK Delivery  
In stock on February 22, 2021.



Neo G Vitamin D3 Oral Spray - Liquid Health Supplement - Boost Your Immune System, Bone and Teeth Strength - Vegetarian, No Sugar,...  
★★★★★ ~ 108  
£6<sup>66</sup> excl. VAT  
£7.99 incl. VAT (€7.99/count)  
Save more with Subscribe & Save  
✓prime Get it Tomorrow, Feb 19  
Eligible for FREE UK Delivery



Natures Aid Vegan Vitamin D3/Cholecalciferol Liquid, 2500iu, Dropper Included, 50 ml  
★★★★★ ~ 348  
£7<sup>46</sup> excl. VAT  
£8.95 incl. VAT (€179.00/l) £44.95  
£8.15 incl. VAT with quantity discounts  
Save 10% more with Subscribe & Save  
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Eligible for FREE UK Delivery



BetterYou Dlux+ Vitamin D+K2 - 12ml (Pack of 2)  
★★★★★ ~ 287  
£9<sup>91</sup> excl. VAT  
£11.89 incl. VAT (€495.42/l) £12.60  
FREE Delivery



BioCare BioMulsion D - Liquid Emulsified 1000iu Vitamin D - 10ml  
★★★★★ ~ 22  
£10<sup>42</sup> excl. VAT  
£12.50 incl. VAT (€1,250.00/l)  
£1.00 delivery



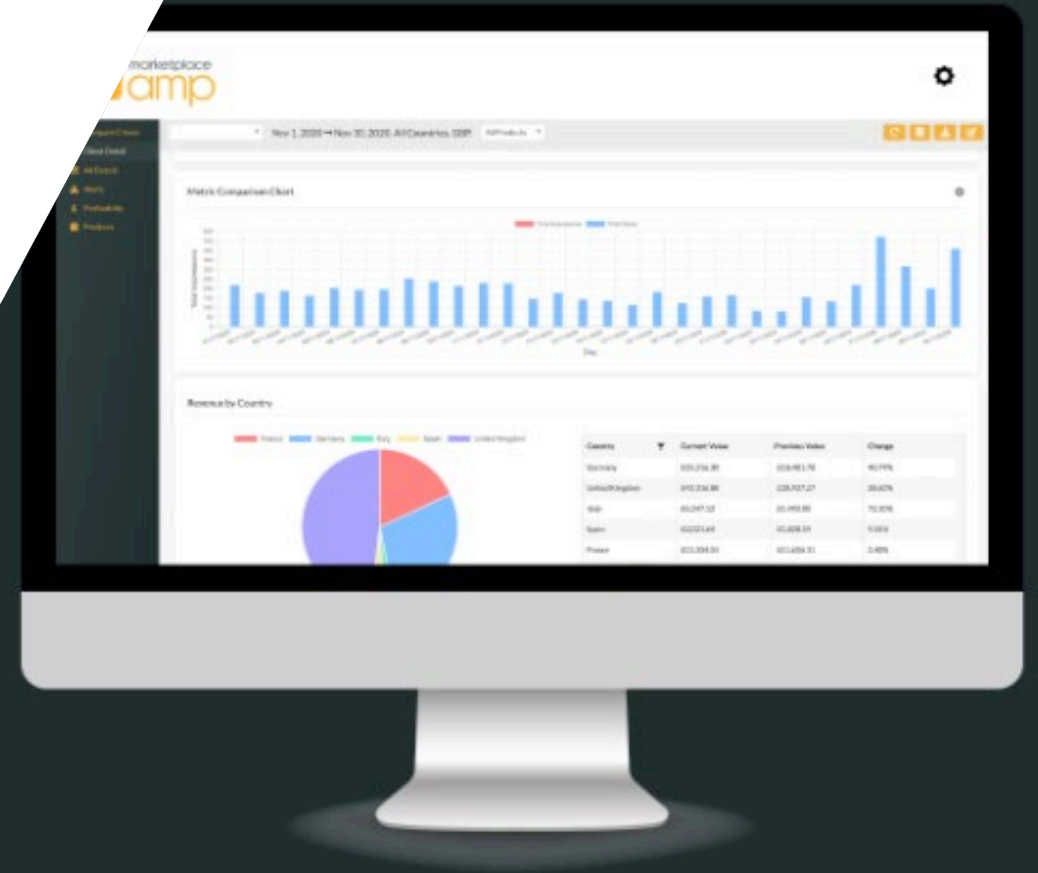
BetterYou Dlux Plus Vitamin D K2 Daily Oral Spray, 12 ml, P33476  
★★★★★ ~ 1,590  
£5<sup>82</sup> excl. VAT  
£6.99 incl. VAT (€0.06/100 g) £9.95  
£6.28 incl. VAT with quantity discounts  
Save 5% more with Subscribe & Save  
✓prime Get it Tomorrow, Feb 19  
Eligible for FREE UK Delivery

# TROAS does not factor rank, visibility or amplification

- More impressions
- Better CTR
- >> Clicks
- >>> Sales (if your content converts)

**ROAS x Ranking Gain x Ad Type Incremental Factor = £ ROAS AMPLIFICATION**

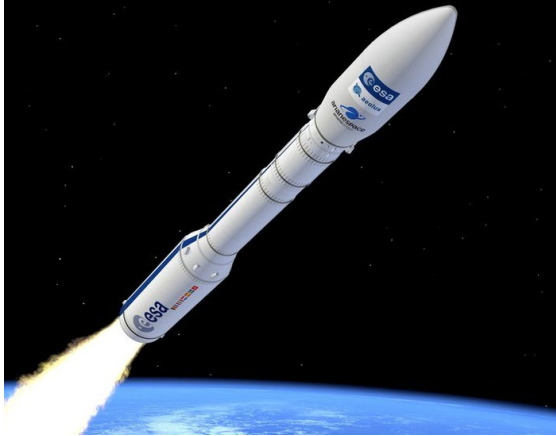
**TIP:** Don't focus on advertising in a silo as CVR rate is key for rank and sales and influenced by content and price



## 4: Bidding strategy... useless benchmarks from Amazon?



# Strategy: Different stages of launch



## Launch

Grow awareness of your product and solution to consumers - expect to target ACOS at 100% breakeven to drive rank and awareness on mass (which converts to branded search).



## Growth

Targeting consumers shopping in your aisle of products and browsing competitors. Look to set ACOS at 80% of breakeven and focus on strategic keywords.

Building reviews and increasing conversion.



## Profit

Once critical mass has been achieved and you have good ranking (top 10) aim to optimise ads for profit allowing for target profit margin.

# Bidding Strategy Amazon's own bidding to outmaneuver software?

☒ Dynamic bids - down only

We'll lower your bids in real time when your ad may be less likely to convert to a sale. [Learn more](#)

☐ Dynamic bids - up and down

We'll raise your bids (by a maximum of 100%) in real time when your ad may be more likely to convert to a sale, and lower your bids when

☐ Fixed bids

We'll use your exact bid and any manual adjustments you set, and won't change your bids based on likelihood of a sale. [Learn more](#)

In addition to your bidding strategy, you can increase bids by up to 900%. [Learn more](#)

Top of search (first page)

0

%

Example: A £1.00 bid will remain £1.00 for this placement.

Product pages

15

%

Example: A £1.00 bid will be £1.15 for this placement.

## Bidding strategy type

Placement based on type of purchase, brand and ROI

Launch - Fixed / Bids up and down

Growth - Fixed bids

Profit - Bid down

More aggressive on campaigns with the highest incremental gain opportunity.

Challenger brands and complementary products may convert better with higher CVR on page.



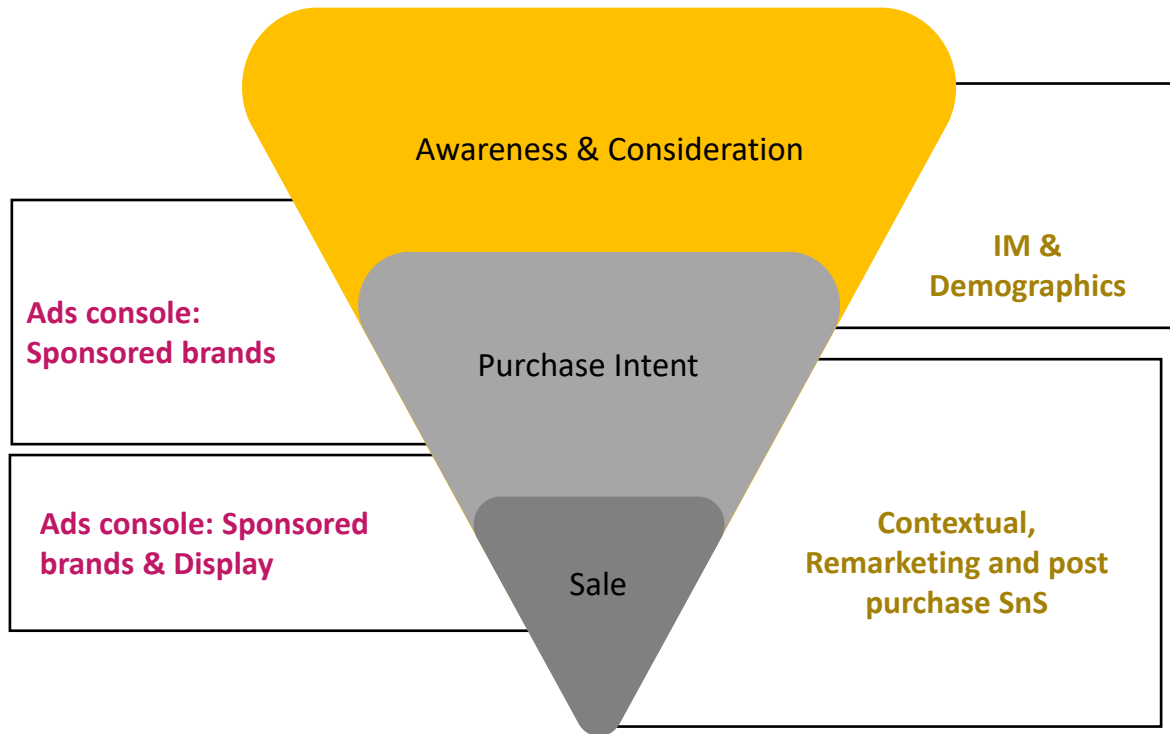


## 5: Amazon managing DSP... a disjointed approach





# Targeting higher up the funnel: or post purchase...



Align DSP and search with your incremental sales metrics to provide a global view to drive rank and sales

Campaign structure and :

- = Auto campaign - Mining data (inefficient)
- +++ Brand Campaign - Protection, up-sell and push out 3rd parties
- ++ Generics - General keywords based on browsing behaviour
- + Competitor Conquest - Grabbing market share off competitors

ROAS will decrease as you move up the funnel with DSP but incremental gains from rank will increase (views and NTB!).

# Driving Rank: CTR x CVR X Views in CAT

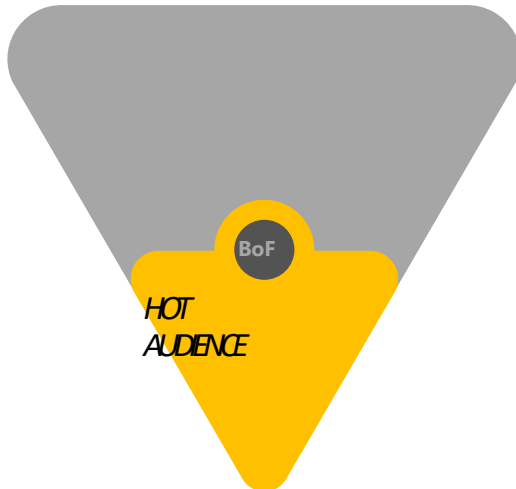


Awareness (views), in market (clicks) and (CVR) Retargeting

**17x higher return on spend when targeting audience who have researched a brand:**

Retargeting of consumers who have purchased once to push consumers onto Subscribe & Save.

Capturing consumers who have shopped your brand but have not bought again.



 **Subscribe & Save**

**Fail Fast...** and be agile to adapt your strategy, based on the right metrics and incremental revenue



# How to set your fulfilment up for success



# How to set your fulfilment up for success

- Multi-retailer strategy
- Stock availability tracking
- Track product coverage and out-of-stock rates
- Make a note on supply-chain
- Identify ways to reduce cross-border/regional dependencies on replenishment.
- Use an eTail monitoring
- Track the difference between stock delivered to a retailer and the product being available online.

## Key Takeaway

**The availability of complementary service offerings such as free installation, extended warranty, flexibility of shipment/fulfilment to solve last-mile challenges will lead to better customer conversions.**

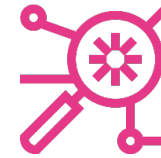


**What could be a  
potential game-changer  
in 2021 for the  
marketplaces?**

# How can ChannelSight help?

We enable you to **curate** the user experience of your brand online, allowing you to **influence** at critical points in the shopper journey.

We help you **understand** the consumer behavior and provide a true view of the funnel through conversion data.







# Thank You

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