

In the ever-evolving digital marketing landscape, Amazon Advertising has emerged as a pivotal player, offering brands unparalleled opportunities for growth and visibility.



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## Highlights

1. According to Statista, Amazon's Sponsored Brands, advertising demonstrates an impressive 18% sales conversion rate.
2. Analyzing profit margins allows for a strategic focus on high-profit products and optimizing advertising investments.
3. ACoS analysis provides a sustainable advertising budget, ensuring efficient campaign management.
4. Strategically excluding non-performing keywords maximizes return on advertising investments.
5. Automated campaigns help to secure rare ad placements at a low ACoS, leading to effective ad sales strategies.

## Why We Wrote This?

With this guide, we empower our readers with the top 9 winning advertising strategies for elevating their Amazon businesses. By following these strategies, you can gain an edge over competitors, drive exceptional results, and optimize your brand's prospects for success.

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## **Amazon Account Audit**

Our team will diagnose your Amazon account and build a 100% customized, 30-point growth plan.

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In this guide, we've compiled 9 strategies, including prioritizing brand awareness, product profitability, ACOS metrics, negative keywords, automated targeting, bidding strategies, Amazon Sponsored Ads, and Amazon DSP.

# Amazon Advertising Strategy 101

Understanding the complexities of the Advertising strategy of Amazon requires a unique approach, distinct from other online and offline advertising channels.

So, let's have a look at the 9 best tactics that will optimize your brand's prospects for success, [increasing brand visibility](#) and advertising income while reducing the expense of [Amazon advertising campaign](#) strategy.

## 1. Increase Brand Awareness



Amazon has quietly emerged as a powerhouse for advertising, securing its position as the global leader in retail sales. The opportunity for sellers to leverage this platform is particularly noteworthy due to the efficacy of Amazon's Sponsored Brands advertising.

When customers peruse Amazon for a specific product, Sponsored Brands ads prominently appear in the center of the search results page, making a significant impact.

According to [Statista](#), this strategic ad placement has demonstrated an impressive 18% sales conversion rate for products featured on the search results page, irrespective of whether it was the initially intended product.

These ads prove particularly effective for initiating [brand awareness](#) and product reach at the top of the marketing funnel, especially when combined with targeted keyword phrases and exact match keywords that highlight the product.

## 2. Prioritize Product Profitability

An often overlooked yet crucial step in formulating Amazon advertising strategy campaigns

involves a comprehensive understanding of the profit margins associated with your Amazon products.

Each SKU boasts unique selling data points that necessitate meticulous analysis. By analyzing various aspects, from promotional and manufacturing costs to selling expenses, you can understand whether the profit margins warrant a greater investment in advertising for specific products.



## **Build a Profitable Business On Amazon**

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Before allocating additional funds to paid advertisements, evaluating which of your products yield higher profit margins is imperative. This insightful analysis allows for a strategic shift in product focus, phasing out underperforming products and directing resources toward more lucrative offerings.

### 3. Understand Your Advertising Cost of Sales Metrics

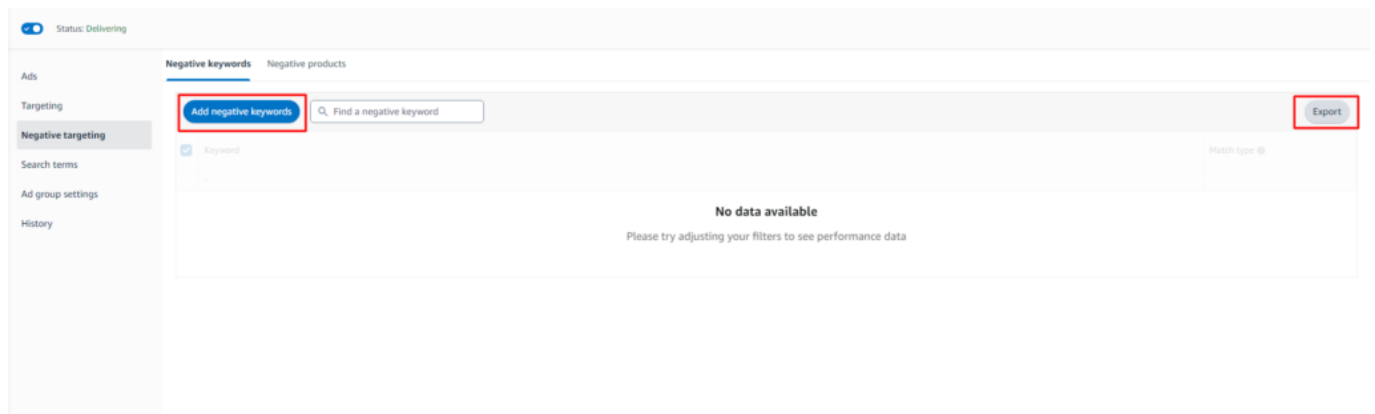
Understanding your Advertising Cost of Sales (ACoS) before embarking on your Amazon advertising strategy is vital. ACoS serves as a metric for assessing the overall efficiency of your advertising campaign, representing the ratio of advertising expenditure to advertising revenue, expressed as a percentage. The ACoS can be calculated using the formula:

$$[\text{ACoS} = (\text{Ad Spend} \div \text{Ad Revenue}) \times 100]$$

Moreover, determining the break-even ACoS is crucial. This figure denotes the point at which advertising costs equal the profit margin, factoring in all associated fees and expenses involved in selling on Amazon. For instance, if the profit margin stands at 40%, the break-even ACoS would be 40% as well.

Understanding ACoS helps assess the health of your [Amazon listing](#) and acts as a navigational tool for your ad campaign strategy. Depending on your specific goals, you may opt for a higher ACoS to boost traffic at the top of the marketing funnel.

### 4. Implement Negative Keywords and Phrases



Amazon's advertising campaigns only sometimes align precisely with the intended search terms, often leading to many irrelevant product matches. Hence, strategically implementing [Amazon negative keywords](#) and phrases is paramount to prevent your product from displaying in irrelevant search results.

For instance, if your product is over-the-ear hands-free, targeting and ranking for earbuds as a keyword would be productive. While such an approach might generate clicks and boost sales, it could result in substantial advertising expenditure without corresponding returns.

Effectively leveraging negative keywords involves crafting a strategy highlighting converting keywords while excluding non-performing ones. Prioritizing specific keywords and phrases with high conversion rates, regardless of traffic volume, while eliminating high-traffic, low-conversion broad terms is essential. Employing this best Amazon advertising strategy can [optimize Amazon return rate](#).

## 5. Utilize Automated Targeting

Targeting ⓘ [How to choose a targeting strategy](#)

Automatic targeting  
Amazon will target keywords and products that are similar to the product in your ad.

Manual targeting  
Choose keywords or products to target shopper searches and set custom bids.

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Automatic Targeting ⓘ [How to set bid pricing](#)

Set default bid ⓘ

Set bids by targeting group ⓘ

TARGETING GROUPS ⓘ	Suggested bid for regular days ▾	BID ⓘ
<input checked="" type="checkbox"/> Close match ⓘ	-	\$ 0.75
<input checked="" type="checkbox"/> Loose match ⓘ	-	\$ 0.75
<input checked="" type="checkbox"/> Substitutes ⓘ	-	\$ 0.75
<input checked="" type="checkbox"/> Complements ⓘ	-	\$ 0.75

Amazon ads offer manual and automatic targeting flexibility, presenting unique challenges and opportunities. While a high level of control is generally beneficial for ad campaigns, there are instances where automated targeting proves advantageous.

Automated campaigns excel at conducting comprehensive research on broad search terms for new products. In contrast, low-bid auto campaigns can secure rare ad placements at a low ACoS. Automatic campaigns function with keyword-targeting and product-target

campaigns, which are the primary drivers of ad sales.

## 6. Leverage Different Match Types

Like [Google Ads](#), Amazon utilizes broad, exact, phrase, and negative match types, allowing advertisers to fine-tune their targeted keywords. Employing these match types helps refine the focus on the target audience and their search terms.

Utilizing appropriate modifiers tailored to individual campaigns enhances click-through and conversion rates.

- **Broad Match:** This type includes the most commonly used and least defined terms, casting the widest net. While it might yield the lowest conversion rates, it can drive external traffic to your [Amazon listing](#) and bolster brand recognition.
- **Phrase Match:** This type involves adding descriptive terms before or after broad match keywords. For instance, words like "over-the-ear headsets" or "blue earbuds" can be added in the case of headphones. It offers a more specific targeting approach, catering to customers using terms like "best blue over-ear headphones" in their searches.
- **Exact Match:** This highly defined match type ensures the search query precisely aligns with the keywords used. It accommodates plural words and misspellings but only displays the products if the query is 100% identical to the keywords.
- **Negative Match:** Strategically employing negative match terms is crucial in controlling your [Amazon PPC strategy](#). You can effectively manage your ad budget by setting up negative matches for irrelevant terms and phrases.

## 7. Optimize Bidding Strategies (Key Amazon Advertising Strategy Tip)



Regularly assessing your keywords and analyzing their efficacy is essential. However, it is important to avoid making abrupt changes to your keyword strategy solely based on recent data.

Trends in keywords and phrases may fluctuate over time due to shifts in popular culture or market dynamics. Utilize Automatic Targeting to explore recent customer search terms and test new phrases.

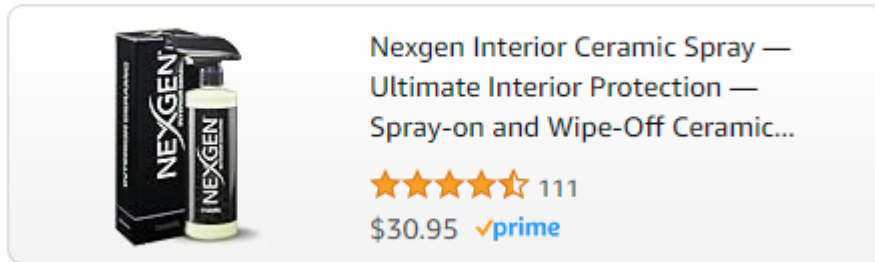
If the new phrases continue to perform well, optimizing product content to align with them and adjusting ads can be effective. Moreover, discarding underperforming terms and optimizing for seasonal trends while ensuring adjustments are cautiously implemented is vital.

## **8. Employ Amazon Sponsored Display Ads**



[Compare with similar items](#)

 [Report incorrect product information.](#)



Sponsored 

Amazon Sponsored Display Ads, formerly Amazon Product Display Ads, offer a self-serve display advertising solution for brands under the [Amazon Brand Registry](#). These ads enable brands to target and retarget shoppers on and off Amazon with automatically generated product-focused ads.

The distinct feature of Sponsored Display Ads is their focus on targeting customers based on their shopping habits, distinguishing them from Sponsored Product and Sponsored Brand ads, which primarily target specific keywords.

Amazon Sponsored Display Ads employ intuitive, retail-centric controls tailored to the requirements of each brand and product. These ads can attract audiences by browsing specific detail pages, Amazon's home page, third-party apps, and websites.

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According to Amazon, sellers who utilized Sponsored Display Ads witnessed an average of double the impressions and half as many clicks on their listings.

## 9. Harness Amazon DSP

With increasing restrictions on data sharing from platforms like Apple and Google, leveraging first-party data through [Amazon DSP](#) presents an advantageous opportunity. Amazon's demand-side platform allows advertisers to programmatically purchase ads programmatically, reaching new and existing audiences on and off Amazon.

Amazon DSP leverages first-party data acquired through voluntary opt-ins and not shared with third parties. This enables advertisers to target their prospective buyers precisely.

Amazon DSP offers two options: the Managed by Amazon service, which typically requires a minimum spend of \$50,000 USD (varies by country), and the option to collaborate with a full-service [Amazon agency](#). The latter option provides a balance of control and access to DSP expertise, offering advertisers greater flexibility in managing their campaigns.

# Become a Part of Swift Community

Do you want to [optimize your Amazon store](#) and supercharge your sales? Swift offers free 1 ASIN reports ([Amazon listing audit](#)), affordable Image stacking, A+ recharge, SEO Listing, and PPC services to enhance your product listing, visibility, and sales. Moreover, our Amazon Catalogue Course will help you become an experienced Amazon seller.



The graphic features the SwiftStart logo at the top center. Below it, on the left, is a green box with the text "Stop Missing Out on Amazon's Goldmine!". To the right is an illustration of three people around a computer monitor displaying a shop interface. Below the illustration is the text "Gain Actionable Insights that profitably scale your Amazon business with our comprehensive 30-Point Review. At SwiftStart your brand's long term value is based on results driven analysis of your data." Below this is the heading "About Swiftstart" followed by a paragraph: "SwiftStart is where magic meets functionality. We are your ticket to better business outcomes for your Amazon brand! With a proven approach to digital marketing, PPC management, creative services, and customer experience, we craft the perfect recipe for your success. Our secret ingredient? Cutting-edge technology combined with the brightest advertising minds from all corners of the globe. Lets partner to take your Amazon growth to new heights!". Below the text are two headshots: Geoff Bekavac on the left and Marty Borotsik on the right. At the bottom center is an orange button that says "Claim Your Free Audit".

Also, if you want to streamline your brand's operations without hiring an agency, our 450+ [Amazon SOPs](#) Library is your solution. So, don't miss out on the opportunity. Contact our [Amazon PPC agency](#) experts today and take the first step toward elevating your brand's presence.

Join our social footprint for more Amazon insights and growth hacks. Become a part of SwiftStart [Amazon Mastermind](#) to stay updated with the latest Amazon news, tips, and growth hacks.

## Summary

Elevate your Amazon business with our guide to the top 9 winning advertising strategies. With our Amazon advertising strategy, you can maximize your advertising investments,

improve campaign efficiency, and drive significant business growth on the Amazon platform.

## **Frequently Asked Questions**

### **What Is Amazon's Advertising Strategy?**

Amazon's advertising strategy helps businesses reach their target audiences. Some key elements of this strategy include Sponsored Product and brand Ads, Amazon DSP, Amazon Attribution, Amazon Stores, and Amazon's Data Insights.