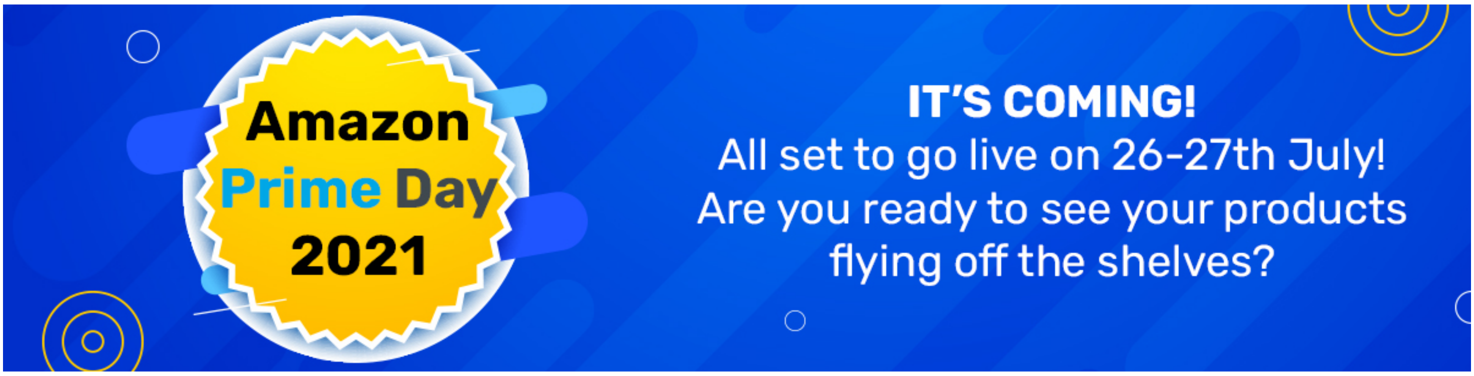
How to prepare for Amazon Prime Day 2021

Description



Prime Day, the annual sale event hosted by Amazon, will be hitting the online retail festival circuit in India on July 26-27. The cat was let out of the bag around June in the USA, and it is already known that this year's event will be a big hit, featuring over 100,000 deals worldwide.

Two-thirds of U.S. shoppers are familiar with Prime Day (reported by Critero), it is now time for India to gear up with the exciting event, and as the data by IndiaTV states, prime users have doubled and now stand at 200 million subscribers– brands are ideally positioned to benefit.

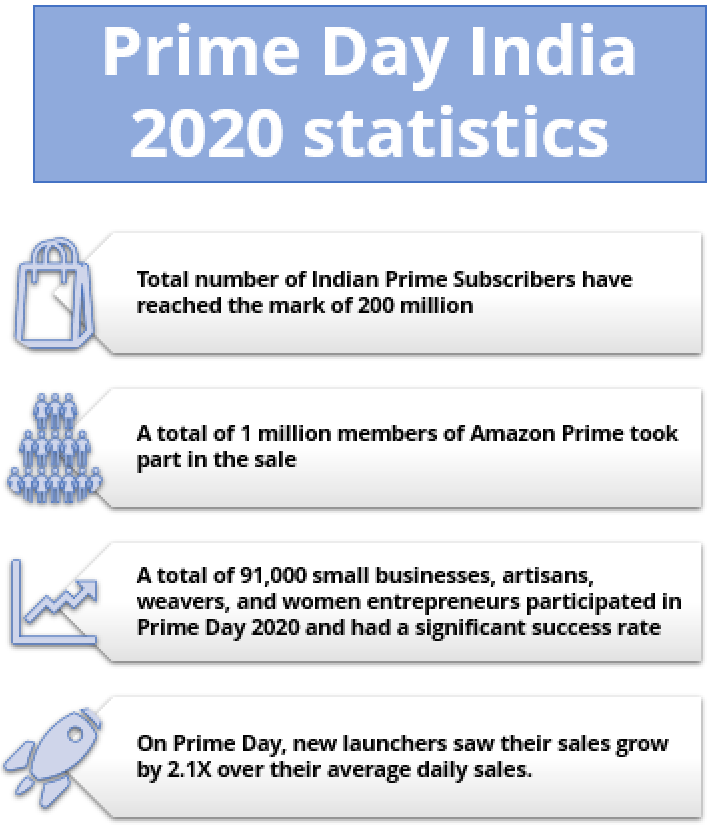
Prime Day began as a global phenomenon in 2015, well known for its biggest online sales, and this year marks its 5th anniversary in India. Sellers can leverage this day to boost their conversions and all the media attention that comes with it.

Before I get into how sellers can prepare for Prime Day 2021, let's see why people are so crazy about this day.

First, the numbers:

- Amazon has more than 200 million Prime members worldwide, with the holiday sales up by 45 percent between 2019 and 2020 (Statista report).
- 64% of consumers are waiting for Prime Day to return, while 2 in 3 customers plan to purchase. (Infogram report).
- In a poll conducted by PCMag in 2020, it was found that the most popular product categories to be sold were electronics and home appliances, followed by gaming consoles.
- 48% of consumers said that Prime Day accounted for their unplanned spending.

Shoppers anticipate this day as one of their favorite shopping events of the year. Customers expect to get the best deals, and sellers should ensure that they are ready with promotional campaigns and attractive pricing strategies to capture their attention.



Source: Techportal

How sellers can prepare for Amazon Prime Day

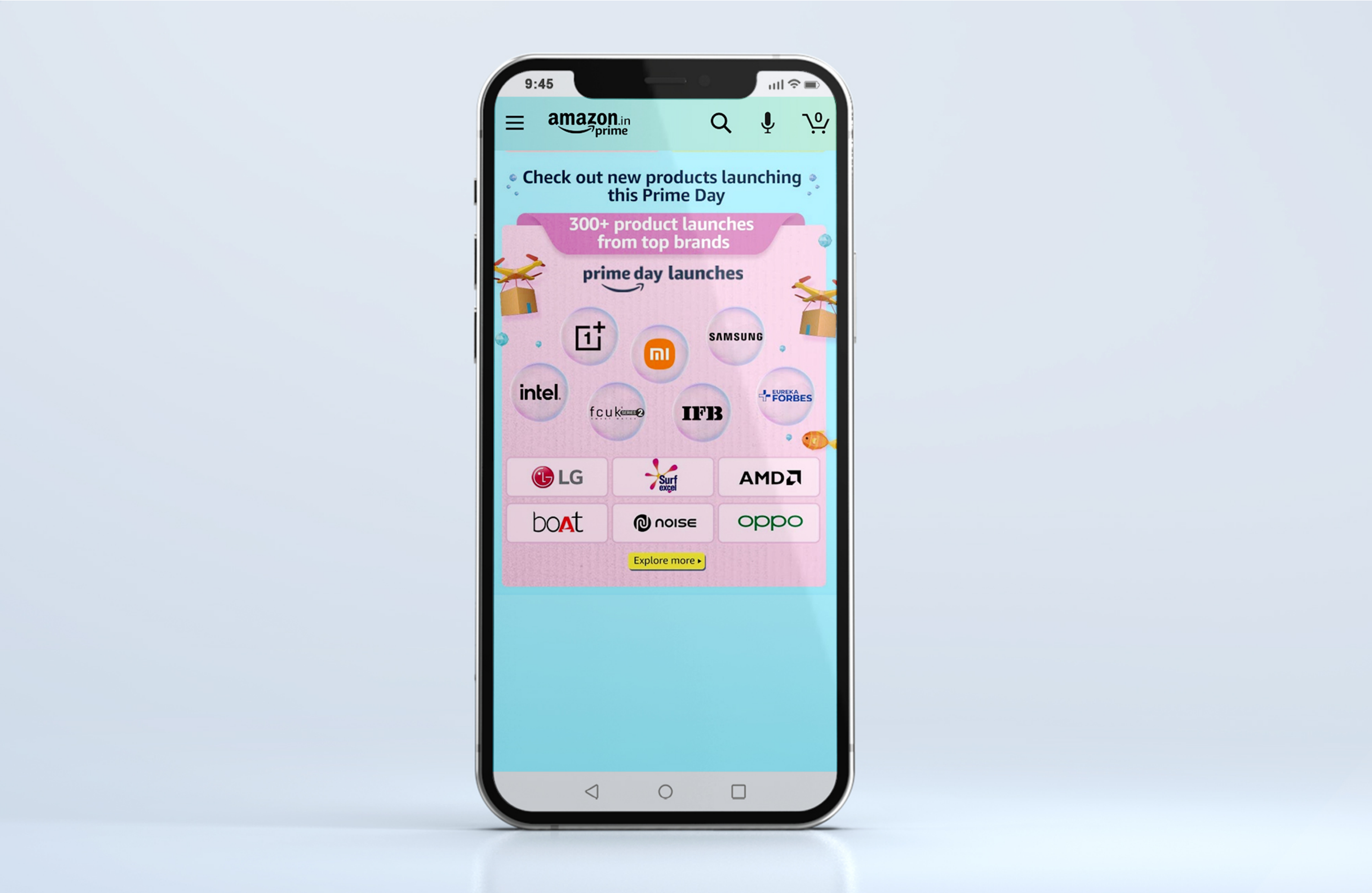
Have you registered yourself as a seller yet!

At the moment, you must be reading this blog to discover how to make this event a success, but before we get started, let's analyze Amazon's stringent requirements and review the eligibility criteria for participation:

- You need to be registered as a seller on Amazon.
- If you are not using the Amazon FBA program, you will have to manage logistics and ensure that the inventory is updated and stocked.
- It is advised to create launch offers and discounts beforehand, such as lightning deals and Amazon coupons, to be deemed eligible.

Prime day is upon us: Get the buzz going with a new launch

For Prime Day 2021, over 300 products are going to be launched. As you can see in the image below, the most popular categories are electronics and their accessories, followed by gaming consoles. Sales of these product categories last year were estimated to be high, so launching a product that would fit into these categories this year could bring sellers a lucrative opportunity with the benefits of increased sales and Amazon's large customer base (i.e., traffic).



Side note: To take advantage of this event, plan your launch before the prime day sale so that you can monitor your product position along with all the factors that are affecting or working in favor of your product, and then begin promoting your product or putting out a teaser informing customers that your product will be arriving soon. This will assist you in developing a successful strategy.

Manage your inventory: Stockouts leads to disruptions

Amazon Prime Day is a 2-day event with many products and a limited time frame; it is inevitable that some products will go out of stock during peak sales. Hence, it is essential to evaluate your current inventory to know what quantity of each product you may require to avoid losses and determine how many units need to be shipped, which are the damaged ones and need to be removed. Running out of inventory in the middle of an event can lead to adverse effects on your ranking and sales, so to win the trust of your buyers, you must manage inventory proactively to avoid slowdowns.

You can also take advantage of channel intelligence solution, Paxcom's tracking software provides inventory alerts and geographical inventory tracking for brands. You will receive daily/weekly alerts prompting you to reload products on multiple channels simultaneously and avoid lost sales.

Plan the budget for CPC and CPM campaigns

Planning your budget is a crucial step to ensure the success of your Amazon Prime Day, here are some of the insights:

For example, imagine CPC is 2.5 $ before Prime Day, and this cost reduces immediately before Prime Day, resulting in an average rate of roughly 2.2$. This decrease arises because sellers will want to spend less before Prime Day. After all, conversions will be lower as buyers wait for Prime Day and its promotions to make a purchase.

During Prime day: CPC/CPM would skyrocket. The competition impacts both the bids. This is what is affecting conversion rates, and the product's price may change too.

Change in PPC = Product price has a direct impact on profit. PPC and price changes can be beneficial or counterproductive, depending on your goal. For this reason, this day needs preparation or at least an understanding of how it will unfold.

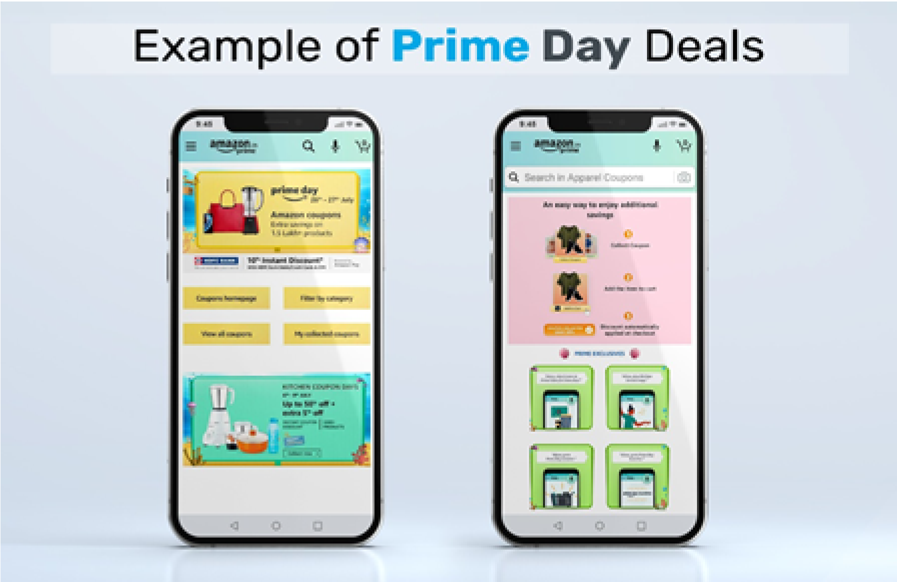
CPCs/CPMs are likely to increase during the prime day event, so you must closely monitor them throughout the event to keep a reserve budget on hand, as you cannot afford to run out of budget midway, compromising your sales and progress.

Set up lightning deals and Prime-exclusive deals

If you are an Amazon Prime Day seller, Lightning Deals are the best way to generate sales and accelerate through inventory. Even though they last only a limited time, they are a powerful marketing tool that can radically increase your visibility. Shoppers can navigate these deals on the Prime Deal page itself. Ensure that you don't miss out due to eligibility issues. Apply for the deals before Prime Day starts, and secure the deal!

Create Prime Exclusive deals since they are available only to Prime users and are displayed as a strikethrough rate-and well, everyone loves a good bargain! There are certain rules to adhere to; the product should have a rating of 3 or more, the discount must be at least 20% off the non-promotional price, and you need to apply for it before the big event day.

Creating Amazon coupons (the bright orange coupon labels) also enhances your Sponsored Products ads, so you can make your discounted product even more noticeable if you promote it. Customers can view these coupons in their cart, sponsored product ads, and the Product detail page.



Analyze the campaign dynamics

The sponsored rank of a campaign is calculated using three things: (PPC bid x estimated conversion x price). Why are we examining this? Because these three elements of sponsored rank are constantly changing during Prime Day, the first one is that the PPC bid should be changed because the cost per click is what you end up paying, and the bid is what you are willing to pay because competition is changing the dynamic. Other sellers are usually willing to pay more on this special day, and the cost you end up paying for a single click fluctuates during the period. Furthermore, we can divide it into four time frames: before Prime Day, two weeks before Prime Day, and after Prime Day.

Above, we discussed the technicalities of why Optimizing PPC makes it tricky now; let’s discuss how you can maximize profits.

How to optimize your PPC strategy

- Some things need to be done even before Prime Day: Given that this period is of low intent compared to the average day, especially for some categories such as seasonal items, these niches are less impacted by Prime Day compared to high-selling categories like electronics. Prior to Prime, you can reduce your bid by a certain percentage.
- Next, you will need to go back and adjust the bids or targets two days prior to the start of Prime Day, and mainly you need to see and calibrate them high enough because we don't know how much exactly we need to increase. It can be determined by the traffic your product is getting.
- You also need to increase the budget limits per campaign compared to the average amount. Also, keep a check on this budget on Prime Day and see whether the sales are coming in or not, and if not, make the necessary adjustments.
- Just after Prime Day, adjust the budget back to normal for smooth sailing.

Take part in A/B testing, too: Test with your listings, campaigns, and prices and tread the waters to see which products and strategies are piquing the buyer's interest. Side note: don't shy away from experimenting with pricing your products relatively high.

Make effective use of Amazon Marketing/ Advertising

With the right promotion tactics, you can reach Amazon Prime members directly. Utilizing the right strategies will help you maximize your Prime Day marketing efforts. Increase product visibility through sponsored campaigns. Create customized Ad banners and run promotions exclusively for the Prime day event. Optimize your PPC ads by targeting your audience with the relevant keywords to improve ranking.

There are three types of ads to take into account:

Sponsored Product Ads – These ads appear on product pages and in search results and helps in driving traffic and informing customers

Sponsored Brand Ads– Helps in showcasing your product offerings and various features in the form of images and text, and a brand logo which helps with product discoverability

Sponsored Display Ads – Promote your catalog by re-marketing your ad when a customer is looking for a similar product or category to drive awareness and utilize the traffic of the Prime Day

Audit product listing

The Amazon product listing page is the first interaction your customer has with your brand. It plays a critical role in whether a customer buys or clicks away from your product page. Focus on optimizing your listing beforehand to be in a better position to maximize the conversions.

Cleaning up your listings is important: This is the hub of all of your activity on Amazon. Considering there will be many prime day customers, they will be hungry for the purchase, and you as a brand need to make sure all traffic reaches your listings.

- It’s imperative that you’re using relevant and rich keywords.
- Ensure your content copy, i.e., Product title, description, bullet points, are updated and entails all necessary information.
- Choose the right ASINs.
- A+content, videos are the big hit, split test your primary image and test which one will help you bring traffic and conversion.

Execute Competitor Analysis

Conduct competitor analysis and identify the competitors selling the same items as you or in the same category. Then, carry out thorough research, compare your listing to theirs, and make necessary improvements to drive more sales or better outperform them.

Price to compete– You might lose out on some revenue in the short run, but reviews, brand recognition, and ranking will boost your sales in the long run. Monitor your competitors’ pricing strategy for this big sale event in order to stay competitive.

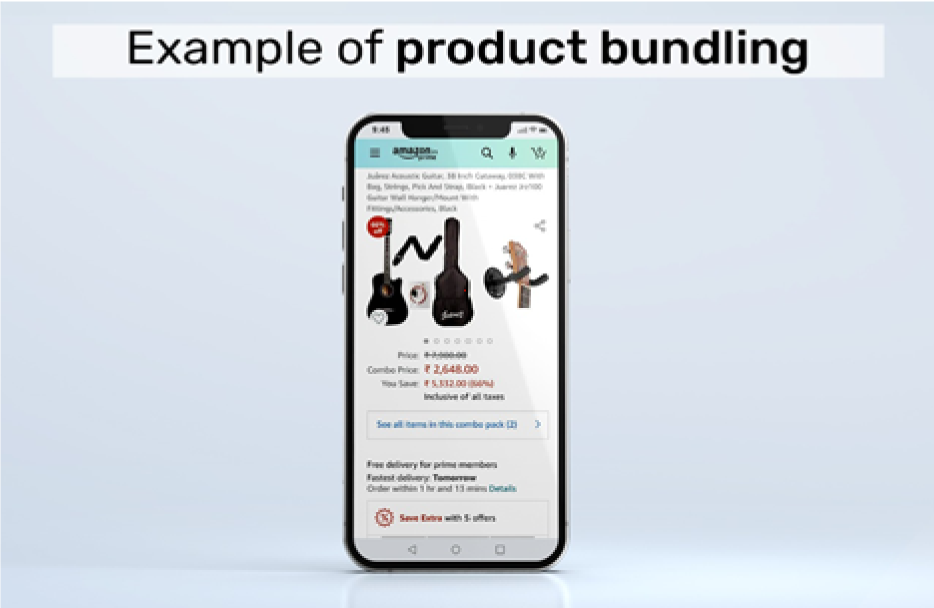
Note: Re-adjust your price after Prime Day.

Bundle your products with top-selling products

People love package deals! It offers a ‘cheat deal’ feel.

One of the main benefits of Prime Day is that most consumers are looking to make a rather large purchase, and with that in mind, you can take advantage of bundling your top-selling product with slower-moving products, or you can make use of combos, for example, shampoo and conditioner, shower gel and loofah, Smart TV and voice control device.

These bundles have a sense of a one-time deal with significant savings (even if the reality is something else).



Run off-page Promotions

Advertising on Amazon has become a central part of every seller's marketing campaign. The result is that everyone scrambles to meet the demands on Amazon. As a result, CPCs tend to increase.

Although sponsored ads are essential, you must find other ways to drive traffic if you hope to rise above the tumultuous battle for clicks. Off-Amazon channels fill that need.

A typical channel mix includes:

- Paid Social advertising
- Organic Social Media campaigns
- Blog/ forums

A significant advantage of advertising outside of Amazon is that the CPC charges will be much less intense. Furthermore, if your competitors aren't marketing outside of Amazon, but you are, you instantly gain an advantage. You can earn more customers and make more profit.

Final Thoughts

Amazon Prime Day offers brands the chance to improve their sales at a rapid pace. Many sellers have benefitted from it before. However, to seize this fantastic opportunity, you must think carefully about your budget, listings, marketing strategy, and promotions.

Lots of factors make a difference when it's about selling on Amazon, as discussed above. The whole structure can collapse if just one of these areas fails. When followed by a holistic approach, Prime Day offers an enormous platform to enhance brand and product visibility.

Don’t lose sight of the goals you’re trying to achieve for Prime Day. Be sure to reinforce those efforts across both Amazon and outside Amazon, and assess your key metrics and CPC/CPM campaigns before, during, and after the event.

Assuming that you’ve discovered this blog post as a brand on the hunt for Prime Day success, we hope that this blog piece has cleared up all the doubts you had. For any questions you might have regarding “Prime Day strategies” or about eCommerce Services, connect to our AMS experts and advertising strategists at info@paxcom.net.