JungleScout | ENTERPRISE

2023 Amazon Playbook

Exceed your ecommerce goals
with data & actionable insights

2023 Challenges and Opportunities on Amazon

Amazon allows businesses to present their products on an unparalleled global stage. The platform has over 300 million customers worldwide and almost 2.7 billion site visits each month, according to Jungle Scout's 2022 **State of the Amazon Seller Report**, and 66% of consumers start their online searches for products on Amazon.

However, each internal team faces their own unique challenges when executing ecommerce strategies through the Amazon channel. The advertising team needs to evaluate the effectiveness of PPC campaigns, while the product development team needs to see if the market supports a new product and test pricing strategies like product bundling and discounts ahead of a launch.

Without actionable insights, ecommerce businesses will find it challenging to make the right choices that lead to success in 2023. As an established ecommerce business, however, you can access the data that you need to meet and even exceed departmental goals, which, in turn, helps your company meet its overall goals – and win on Amazon.

Ecommerce brands will continue facing a number of unique challenges and opportunities throughout the next year:

- Continued growth of omnichannel shopping will create additional opportunities to drive customers to your Amazon catalog
- The growing popularity of voice shopping, live commerce, and video content is opening up new ways for ecommerce brands to connect with consumers and drive sales
- Inflation will continue to shape consumer shopping preferences, price sensitivity, and brand loyalty
- Climate change is creating unique challenges as weather events like heat waves, hurricanes, and more impact shipping operations and an increasing number of consumers prioritize eco-friendliness
- Shifting consumer demand and delayed shipments could lead to oversupply of inventory for some products

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# Leveraging Market Insights and Enterprise Tools to Exceed Your Goals

Gaining Critical Insights for M&A Activity

To make strategic decisions about acquiring brands that complement your portfolio, the M&A team must consider a variety of factors.

Gathering the data needed for proper **due diligence** can be a complex process. For example, **37%** of brands on Amazon cite conducting market/opportunity research for current or potential products as a challenge; for M&A teams, this is just one piece of the full due diligence puzzle.

You can check your Best Sellers Rank (BSR) on a listing to gauge a product's approximate position in the market and do the same for brands you're interested in acquiring. But there are far easier — and more accurate — ways to obtain this data without manually evaluating BSRs on dozens of listings.

Automated tools, such as **Jungle Scout Cobalt**, use sophisticated machine learning technology to calculate your brand's market share and the market share of all potential acquisition targets. By leveraging Cobalt, you can create segments to **gather market share data** – and avoid making manual calculations, which can lead to inaccuracies. Cobalt's Share of Voice feature provides SOV data for organic and sponsored listings, enabling you to precisely pinpoint the position of a brand's products in the market.
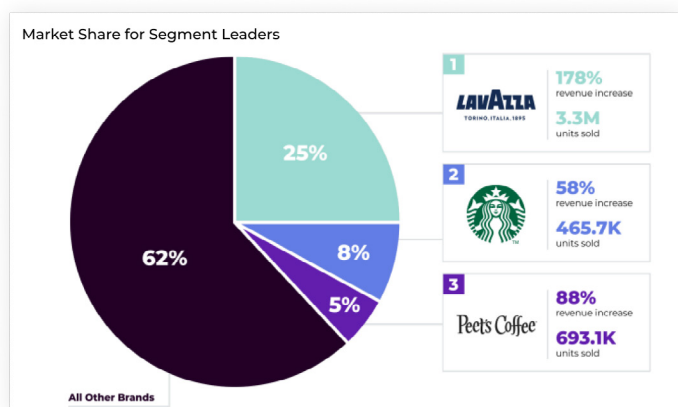
You can also use Cobalt to determine the overall saturation of an Amazon market. By reviewing the number of brands and ASINs in a market, along with key data on median product price, overall unit sales, and revenue trends, you can gauge competition and consumer interest for a brand's products. This allows you to **put historical context around a brand or market's growth** — and more accurately assess potential risks and future performance.
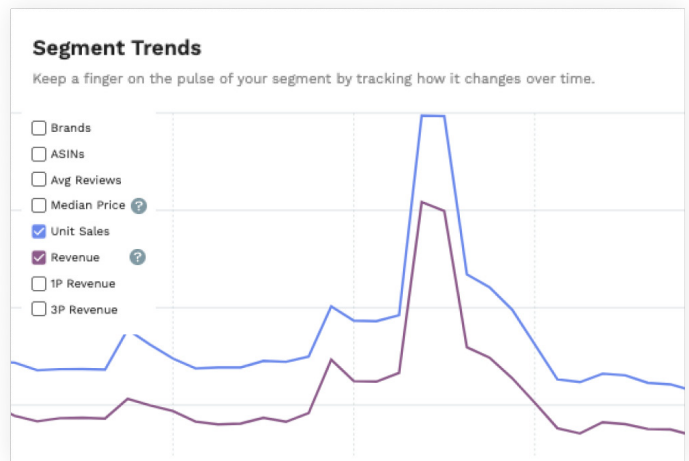
Evaluating Demand for Product Development

Deciding whether to launch a new product in 2023 – or even roll out a whole new product line – is no easy task. In fact, **47%** of brands on Amazon cite finding a product to sell as a challenge.

It may be difficult to **evaluate demand for a potential new product**, along with its level of competition and seasonality. If you launch a product that doesn't generate sufficient sales to justify the investment, your brand will lose time and money that could be used to launch a successful product.

Product development teams can identify in-demand products by monitoring social media, attending trade shows, following industry publications and blogs, watching Google Trends, and polling customers.

However, it's essential to go above and beyond basic research to avoid missing emerging trends.

Cobalt's Share and Trends and Opportunity Finder allow you to search for brands and products that might present investment opportunities. By enabling you to filter Amazon's catalog to find items that are in high demand, have low competition, or seasonality, Cobalt allows your team to easily find product ideas that have a high chance of success without time-consuming manual research.
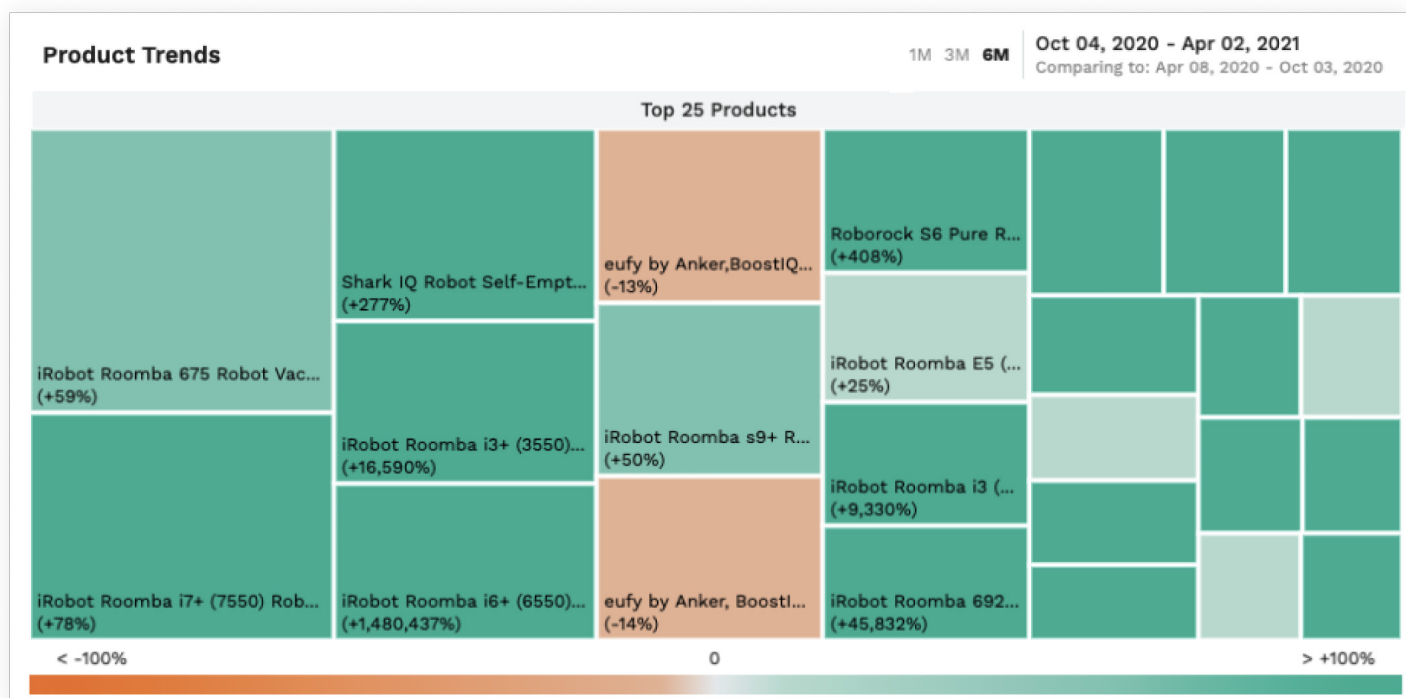
Enhancing SEO Strategy

Marketing teams create and implement a variety of strategies to grow brand awareness and sales. One of the most impactful marketing efforts your brand can employ to ensure that potential customers find your products on Amazon is search engine optimization (SEO). An essential part of SEO is finding relevant keywords that garner a high volume of search traffic.

Marketing teams can conduct manual competitor research to see which keywords other brands are using in their listings for products that rank high in the search results. However, this process is tedious and time-consuming, as you need to read through and analyze multiple listings.

By using Cobalt's Keyword Scout tool, you can quickly conduct a reverse ASIN search of one of your top competitor's ASINs. With this query, Keyword Scout will show a list of keywords that the specific ASIN ranks for. You can use these keywords in your title, bullet points, description, and backend search terms.

Keyword Scout also shows your marketing team suggested bids for Amazon PPC ads should you decide to bid on those keywords.

Share of Voice

Marketing teams also seek to measure brand visibility on Amazon. However, you may find it challenging to quantify your brand's ownership of target keywords against your competitors and determine its share of voice (SOV). This data is essential for making key decisions on how your brand's products are marketed on Amazon.

If your brand's SOV for a particular keyword is lower than expected, you might want to boost your investment in PPC advertising, or optimize your listings, to grow SOV. And, if your brand's SOV is satisfactory, your marketing team can focus efforts on other keywords that need attention.

To manually determine SOV, you can count the number of times your brand appears in the search results for

a particular keyword and compare that figure to the number of times that your competitors appear. However, that approach is tedious and consumes time that could be better spent on more high-level tasks. It also makes it difficult to determine the true impact that your efforts are having on both organic and sponsored reach, which leads to less confident decisions about which investments are paying off in the form of higher sales.

With Cobalt's Share of Voice tool, you can easily see your SOV and the SOV of all of your competitors. Furthermore, you can see SOV expressed as organic SOV or weighted SOV, which takes the Amazon Choice Badge and higher position on page into account. This gives you an accurate, easily filterable way to view your SOV and explore the factors that may be impacting it.

Top Brands
Based on 161 placements

	Placements	Weighted SOV ▾	Basic SOV	Avg. Position	Avg. Price
Hasbro Gaming	40	62.94%	24.84%	49	$17.55
Monopoly	1	14.06%	0.62%	3	$18.45
Gutter Games	2	10.55%	1.24%	4	$18.99
Sequence	1	7.91%	0.62%	4	$10.49
Do You Really Know Your Family?	1	2.50%	0.62%	8	$24.99
Usaopoly	4	0.80%	2.48%	73	$31.30
Catan Studio	1	0.59%	0.62%	13	$47.99
Pressman	2	0.25%	1.24%	23	$9.50
Space Cowboys	2	0.14%	1.24%	32	$38.49
Next Move	1	0.11%	0.62%	19	$31.99
Teeturtle	1	0.04%	0.62%	22	$20.00
Fantasy Flight Games	4	0.03%	2.48%	88	$74.93
Spin Master Games	4	0.03%	2.48%	73	$16.59
Stonemaier Games	2	0.02%	1.24%	34	$54.24
Days Of Wonder	3	0.01%	1.86%	63	$52.07

Downstream's Shelf Intelligence feature can help you take this analysis even further by connecting the dots between your PPC investments and your brand's SOV. In addition to viewing current and historical SOV data for target keywords by rank, platform, search result type, and more, Shelf Intelligence enables you to quickly add

new keywords and make targeting adjustments across multiple campaigns. By enabling the Shelf Planning automation, you can target a specific share of voice on your most valuable keywords while optimizing bids to achieve the **best possible ROI** for your campaigns.

Optimizing Advertising Performance

Tracking and managing pay-per-click (PPC) ad campaigns and marketing investments can present a challenge for advertising teams. In fact, **46%** of brands on Amazon cite managing an ad strategy and budget, including PPC bids, as a challenge to selling on Amazon.

Reporting

Amazon provides data on campaign performance. You can run reports based on campaign type, whether that be Sponsored Products, Sponsored Brands, or Sponsored Display. These reports can reveal metrics such as advertising cost of sales (ACoS), impressions, click-through rates, and clicks.

However, you have to continually retrieve these reports and organize the data in a format that makes sense for your organization. By contrast, **Downstream by Jungle Scout's** Dashboards allow your team to create highly customizable and shareable views that show the effectiveness of campaigns.

As a result, you can see the data that you need to make decisions without having to continuously build custom reports.

Automation

To manage your PPC investments, you can manually adjust bids for each campaign in Amazon's Ad Console. But you have to repeat this process for every campaign – each time that you need to make an adjustment. There is a far simpler way to change bids with the help of automation tools.

By using Downstream automations, advertising teams can make adjustments to campaigns programmatically. With ROI Optimization, for example, you can set a target maximum ACoS or minimum RoAS and Downstream will optimize your bids to achieve this target.

Downstream, which is available for **Amazon and Walmart**, provides your team with a number of **automations** that save time and resources, including:

- **ROI Optimization** - Set a desired ACoS or RoAS and Downstream will target this benchmark and improve beyond your goals
- **Shelf Planning** - Define a target "digital shelf" for a search term and Downstream will automatically adjust your campaigns to maintain this visibility
- **Sales Maximization** - Create a budget and Downstream will automatically update your campaign to spend your allocation and attain the best ROI
- **Rulebooks** - Specify rules on how Downstream updates your bids and make bid adjustments in bulk
- **Dayparting** - Allocate and control spend down to the hour, so you never run out of your budget during peak sales times or when competitor budgets are exhausted
- **ASIN Harvesting** - Automatically identify the best-performing product target ASINs from selected ad groups and place them in a new ad group
- **Keyword Harvesting** - Automatically find customer search terms that fuel conversions and add them to a target campaign
- **Advanced Budget Control** - Designate custom bid multipliers for each day of the week and distribute your budget evenly by the hour to ensure your ad is being served all day.

Conducting Market & Competitor Research

Business intelligence (BI) teams are critical to delivering actionable insights that inform how your brand can reach and exceed its goals. However, generating reports that show past and present market conditions on Amazon can present a challenge. You can collect data from Amazon, such as BSR, to gauge the sales of all products that compete with your items – and track trends in a spreadsheet.

However, this process is manual and time-consuming. By using Cobalt's Market Insights your BI team can build reports that answer important **market share** questions, display category trends such as unit sales and revenue, and explain necessary win conditions. Market Insights also allows you to create visual representations of any market segment to be shared with stakeholders.
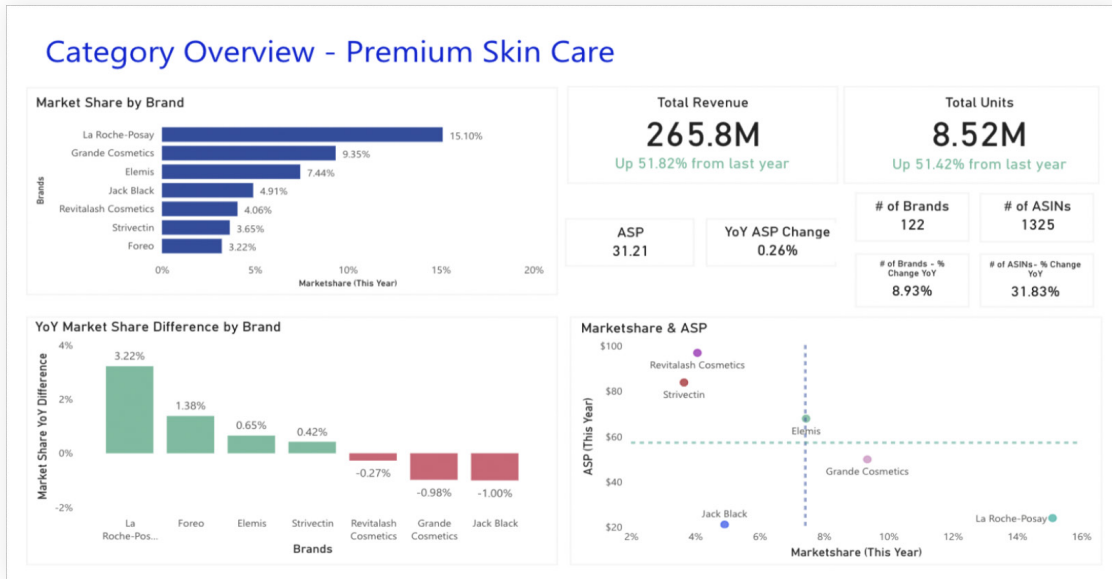

Shelf Intelligence

Using Downstream's Shelf Intelligence, you can track SOV for particular keywords. In addition to monitoring your brand's position in sponsored and organic search results over time, Shelf Intelligence also allows you to view the portion of the market your brand owns vs. competitors.

This allows you to more easily identify the most valuable keywords for your brand's SOV goals and measure the direct impact of your advertising investments on brand awareness and sales.
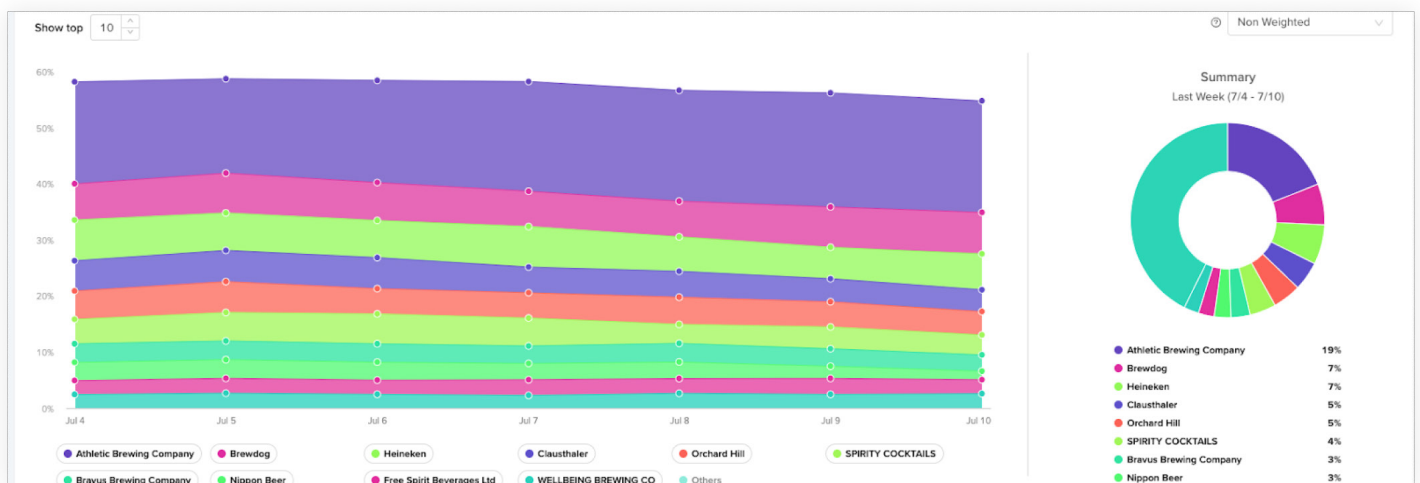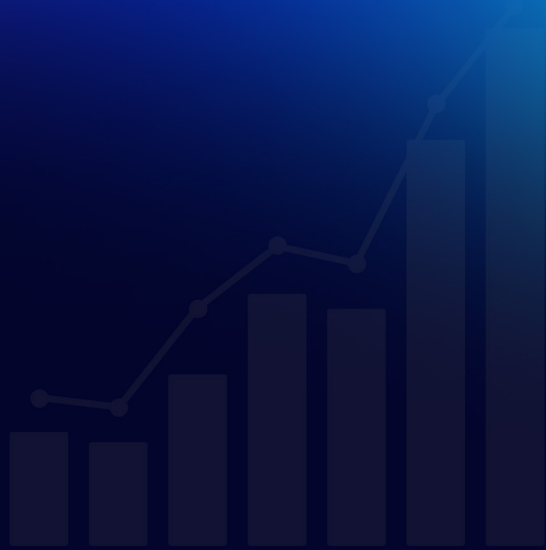
The Road Ahead

Identifying your team's top challenges in 2023 and developing strategies to use data to overcome them is a continuous process. As Amazon, and ecommerce as a whole, continues to evolve, you and your team should monitor the horizon for new challenges and fine-tune your strategy.

Market insights and **competitive intelligence data** is at the heart of a successful strategy for reaching success on Amazon. By accessing the data that you need to achieve departmental goals, your ecommerce business will be well equipped to meet your company's overarching objectives – now and in the future.