2023 PRIME DAY READINESS GUIDE

PhelpsUNITED eCommerce

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Why we made this

Prime Day means deals for shoppers and sales for sellers. We created this guide to help you navigate every detail that you need to consider when preparing your eCommerce strategy for this shopping event.

Let’s dig into each of the areas you need to take action in order to prep for these events.

Logistic Prep

Today's eCommerce requires an ongoing proficiency in managing logistics. Brands that are looking to make a profit during Prime Day need to have an even tighter focus on costs and efficiency. Here are three tasks you need to consider when getting your logistics prepared:

#1 Understanding IPI Scores

Before planning, brands need to take the time to understand their Inventory Performance Index (IPI) score and look for ways to improve this number. In order to gauge inventory in the Amazon marketplace overtime we use this metric. The score provided by Amazon measures the efficiency of a brand and productivity in managing Fulfillment by Amazon (FBA) inventory. Ideally, you should target 500 IPI.

The following are all ways to contribute to a better IPI score:

Getting rid of excess or aged inventory: Amazon will be forcing many brands by immediately liquidating aged inventory. So, taking a proactive approach is ideal.

Improving 90-day rolling sell-through: Brands should focus on striking the right inventory balance during a three-month period, particularly during the summer months.

Increasing the stock of popular items: Before Prime Day, brands should be ready to stock their most popular products to ensure they do not miss out on critical sales due to a lack of inventory availability.

Estimated capacity limits: Amazon now provides estimated capacity limits for the next two months, so make sure to take advantage. These estimates may vary based on the sellers' IPI score. Sellers with high IPI scores will have access to more capacity.

#2 Implementing Inventory Forecasting

Another critical task on the list of logistic preparation is implementing inventory forecasting to ensure that you ship enough product to FBA centers before the event.

Brands should take the time to do an inventory analysis. This should include a deep dive into currently available inventory and consider the baseline demand for products they will offer via the Amazon Marketplace during the upcoming sale.

TIP **Expect a 1 to 1.5 times increase in sales for the week and up to 2 to 2.5 times daily during Prime Day.**

From here, it is critical to plan for the large amount of purchases, which influences everything from seasonality to proposed promotions.

#3 Stocking in Advance

With the headaches that already exist around the supply chain, it is no mystery that stocking inventory well in advance is a must. For those who participate in FBA, the timing for getting freight to FBA centers is critical.

"This should not be left as a last-minute task. Instead, brands should already have this action in motion".

It is also essential for brands to keep in mind that there will be limited space for smaller and large sellers at FBA. Getting stock in place ahead of time can help brands understand what inventory they should be marketing most during this sale.

Brand Protection Prep

As a seller, you can expect to see increased traffic to your product listings, new customers engaging with your brand, and sales, sales, and sales. These high visibility sales events also have a reputation for attracting "opportunistic" sellers to the marketplace and can cause longer-lasting damage to your brand's reputation. To ensure your brand is protected from bad actors and is as successful as possible during these shopping events, you will need to prepare.

We've compiled a list of tips and tricks to help your brand to be protected.

Identifying and removing unauthorized sellers

Given that Amazon is a massive market-place, you'll find that various unauthorized sellers are either trying to piggyback on your product, intentionally violating copyright, patent, or trademark laws, posting fake reviews, or doing something else to sabotage your listing entirely.

Unauthorized sellers are going to flood Amazon before and during Prime Day, but there are steps you can take to keep them off of your listings:

- **Trademark your Amazon brand and join Amazon's Brand Registry**
- **You can make it difficult for a seller to copy your brand by placing your logo on your product and packaging**
- **You can use an Amazon barcode (FNSKU) instead of a manufacturer barcode (UPC)**
- **Always opt-in for a two-step log-in on Seller Central**
- **Use Amazon listing alerts to monitor suspicious activity on your postings**
- **Use Amazon transparency to add additional protection, and/or utilize Amazon Project Zero. Amazon Project Zero is currently on an invite-only basis and offers the most protection**

Balance pricing to win the buy box at MAP

90%

of Amazon's sales are driven by their Buy Box feature. Owning the Buy Box is key to seeing the related boost in sales.

To win the Buy Box, you'll need first to make sure that your products are Buy Box eligible.

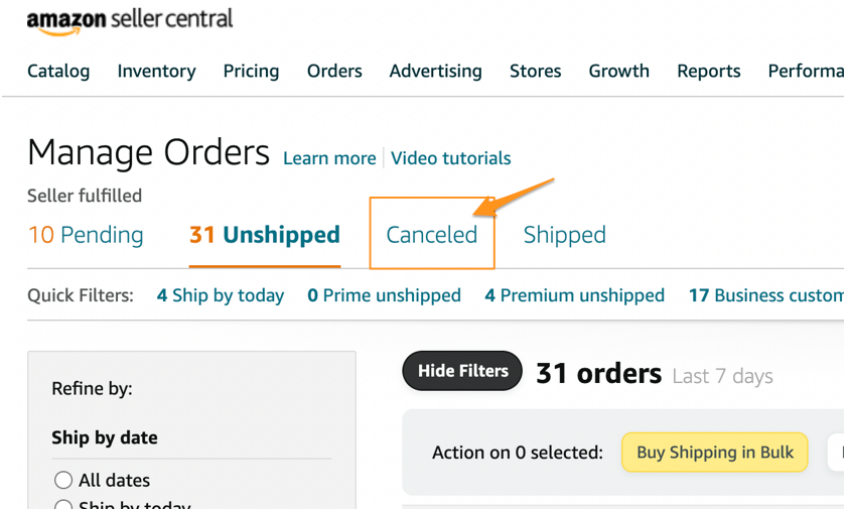
There are many things you can do to step up your competitive edge towards eligibility, but one of the most important things you can do is to ensure that your product's landed price is affordable. This includes not just the cost of the product, but also the shipping and handling costs. You'll want to keep your prices low and consistent with other sellers. It is also important to manage your brand pricing across all of your resale channels and to leverage MAP, or minimum advertised price, to ensure that you do not have sellers purchasing your products through other channels and then competing with you for the Buy Box on Amazon at a lower price.

Keep an eye on your competition because fellow sellers are constantly reducing their sell prices, sometimes even by pennies, in order to win the Buy Box. If your brand has many product listings and is competing with multiple sellers it may be worth leveraging an automated repricer to help ensure you wining your share of the Buy Box during this critical time of the year.

Managing buyer-initiated cancellation requests

Last year, Amazon implemented changes in its process for managing buyer cancellation requests. They hope that this new process makes it easier and more efficient for sellers.

With the new changes, sellers can either find any cancellation requests under the "Manage Orders" page and then head to order reports (if you use Seller Central), or if you use APIs, you can find them under the "List Order Items API." While you'll no longer be notified of cancellations through the buyer-seller messaging feature, you'll still be able to utilize this feature as a messaging tool to contact customers directly.



Amazon Anti-Counterfeiting Policy: Products offered for sale on Amazon must be authentic. The sale of counterfeit products is strictly prohibited. Failure to abide by this policy may result in loss of selling privileges, funds being withheld, and disposal of inventory in our possession.

Source: Amazon Seller Central. Amazon Anti-Counterfeiting Policy

Listing / Content Prep

Here are some steps around listings and content that will help prepare your product listing for.

Update Product Listings

Before the day of the events arrives, sellers need to review their marketplace listings. Their checklist should include:

- **Making sure they have crisp, accurate photos that show the product at different angles. They can add up to seven photos or videos to entice customers. A video could offer a demonstration or more details about the product.**
- **Reviewing their product description to make sure that it's clear and up-to-date. The top description should be short and direct while the longer description can have photos, company information, and more sales copy. They should also list the basic features, like size and color, in a visible area.**
- **Enhancing listings to improve marketability. A vibrant product description makes customers more likely to buy the product than a dry list of features.**
- **Answering questions that customers left on product pages and responding to negative reviews with good customer service. This engagement shows buyers that they can count on the business if they need to reach out.**
- **Checking the product options to ensure that they still sell every product listed, like a dress that comes in different sizes and colors. If they've discontinued an option, they need to remove it from the product page.**

If Amazon marketplace sellers need inspiration, they can browse similar products to see listings that made other businesses successful.

Remember SEO Optimization

Search engine optimization (SEO) uses keywords to increase a brand's search engine rankings. If a customer searches "blue polka dot dress" and a product has that keyword in the description, the product may appear higher on the Amazon search engine results. For this reason, brands should sprinkle a few keywords throughout the listing to reach more buyers.

> **keywords should blend in so seamlessly that customers don't even notice them.**

To start, brands could use online tools to find relevant keywords where they can simply type a relevant word like "dress" in the search box and view the suggestions that appear. In some instances, brands should use specific keywords, like "striped yellow dress", to reach their target audience. However, they shouldn't go too specific: most people don't search for "yellow and white striped dress with puffy sleeves made in Ohio."

Brands should also incorporate keywords naturally in the text. If they copy and paste a string of keywords at the bottom of the listing, the description looks strange and unprofessional. Similarly, they shouldn't cram every keyword into the first paragraph.

Create A+ Content

Amazon A+ content enhances listings with pictures, bullet points and other assets that inspire the customer. While buyers order products from text-only listings every day, A+ content showcases the company's professionalism with high-quality colors, branded content, and detailed descriptions that help buyers make informed decisions.

To get access to A+ content functionalities, sellers need to have Amazon Brand Registry. This helps them protect their brand, show customers that they're an established business, and get access to sales and marketing tools. They'll also enjoy more control and looser regulations over their listings, allowing them to personalize the page.

NOTE

If you are a larger brand and have been invited to use Premium A+ or A++ content, it is an added benefit to have this content during Prime Day.

Offer FBM Listings

Sellers keep more of their profits by switching to fulfillment by merchant (FBM) listings. They'll complete the entire fulfillment process, eliminating the need to pay Amazon for the service. Most sellers start with an FBM account and switch to fulfillment by Amazon (FBA) listings later, but they discover that they have to pay storage and shipping fees, which can be a costly trade-off.

FBM listings also give the merchant full control over fulfillment. While they have more responsibility, they can also hire their own employees, including letters and personalized items in the packages, follow their own procedures, and interact directly with customers. Some buyers prefer to interact with a seller over Amazon because they assume they're more likely to get a response.

Check Stranded and Suppressed Listings

If the listings don't meet Amazon's standards, Amazon may remove the product from public listings. Businesses should check for suppressed listings and make changes before these events arrives, so they don't lose out on sales. Likewise, businesses should check for stranded inventory so they can remove the listings from the site, making their storefront clear and concise.

> **What is stranded inventory?**
>
> **Stranded inventory is inventory in a fulfillment center that does not have an active offer on Amazon.**

Consider Potential Setbacks

With so many people ordering products, it is inevitable that you will get some returns and a few bad reviews. This shouldn't discourage sellers from joining the marketplace. If you have a great product, the sales and positive reviews will far outweigh the challenges. However, sellers will need to dedicate time and resources to addressing returns and negative reviews.

ASAP

Businesses need a plan to process returns as soon as possible.

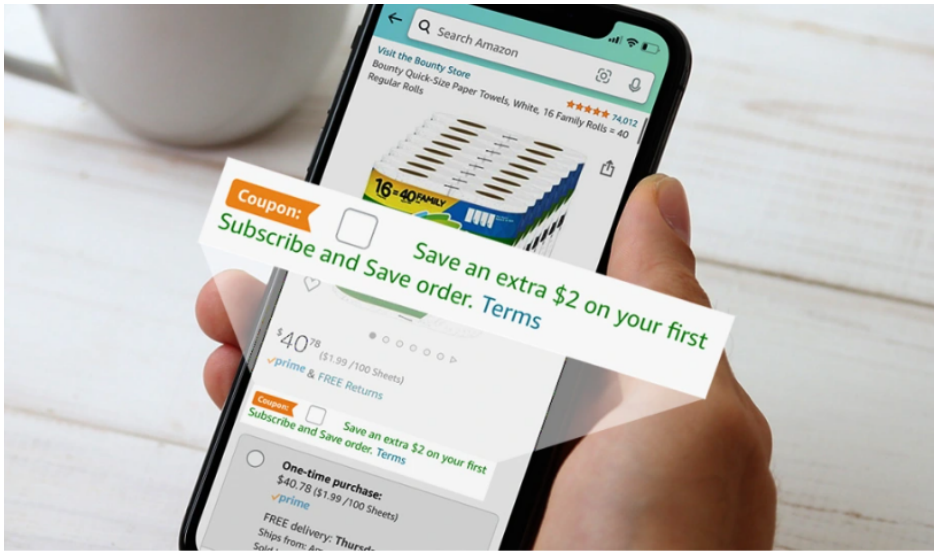
When customers get stuck with a product they don't want, they'll "blacklist" the business from future purchases. They also need to monitor reviews and respond to negative comments with helpful feedback. Good customer service can turn the situation around, and, even if it doesn't, the response makes a good impression on other customers.

Pricing / Coupons

One of the things you need to consider while prepping for this shopping event is to have a competitive pricing list that can beat your competitors. The last thing you want is to have everything ready and not sell because other sellers have better pricing than yours. So, let's review some of the actions you need to take to optimize your pricing and promotional strategy.

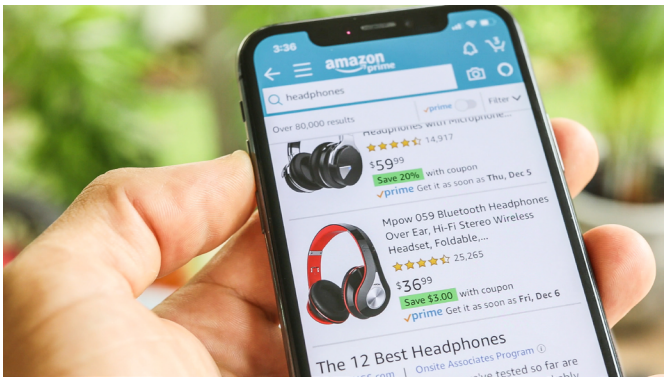
Develop Coupons for Your Top Products

The best way to get the attention of all those eager Amazon shoppers is to highlight your best products with some serious savings. One of the simplest ways to do this is with coupons.



Customers can "clip" a coupon on the product detail page. It's a psychologically pleasing action that helps them get excited about their purchase. And on the days of these events, it's an enticing bonus saving that drives more conversions.

> **NOTE**
>
> **Coupons take time to get approved, so be sure to get yours in a few weeks before these events.**



Enroll in Lightning Deals

Sellers who meet certain qualifications can offer the famous Lightning Deals. These entail major product discounts, usually for a limited time or quantity. Urgency is a key ingredient in conversion, so if you can, set up some deals to nab those eager shoppers.

There are three types:

20% Discount

Lightning Deal includes a minimum 20% discount. You may run one deal per ASIN within 7 days of the event. Eligible products include hardlines and consumables with more than 20 units in stock and at least 3.5 stars average in reviews. (New, no-star products are eligible but will be monitored.)

30% Discount

Spotlight Deal entails a minimum 30% discount for up to 48 hours. To qualify, your product must have an average of 3.7 stars or better and a sales forecast of at least $25,000 for the discount period.

40% Discount

Featured Lightning Deal gives your product more visibility and sense of urgency. It runs 4 hours during peak traffic, offering a discount of at least 40% (minimum 4-star product rating). Choose ASINs that are rarely on sale. The Featured Lightning Deal is not only time-restricted but also limited quantity.

NOTE

For the Spotlight Deal and the Featured Lightning Deal, the discounted price should match or beat your lowest price in the year to date and you need to have an Amazon representative.

Offer Store-wide Sales

In addition to your featured products and Lightning Deals, consider marking down your entire catalog by 5 percent. The boost in traffic from highly motivated shoppers will make up for that slight dip in pricing. Remember, shoppers are looking for deals. Entice them with competitive pricing to generate more sales even for products that aren't an official deal.

We also recommend continue running those sales to attract any stragglers, as well as those who are still in shopping mode after the event ends. This can help boost your overall Best Sellers Rank and drive more conversions.

Bonus: If you know your competitors are running Lightning Deals on similar products, you may even be able to nab customers who miss out on those deals.

> **5% Markdown**
> **The boost in traffic from highly motivated shoppers will make up for that slight dip in pricing**

Start Sales a Day Early

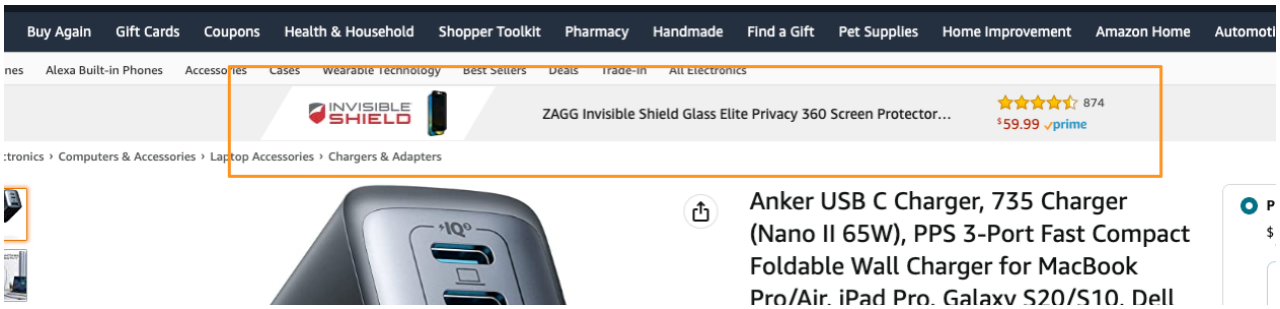
Once this event begins, shoppers start their mad dash for deals. Amazon will be continually ranking and re-ranking popular products. Ideally, you want to be in a good place to nab their attention. You can get a head start by implementing your sale prices just before the event starts. This way, your boost in views and purchases will help you climb the rankings. Then, when the event kicks off, shoppers will be more likely to see your listings and grab your deals.

Create an Advertisement Strategy

It's easy to get lost in the crowd of the millions of participants in Amazon's big event, but there are ways to assist with this dilemma.

Amazon (On-Site) Advertising

If you are selling on Amazon, the first place you would think of for advertising is Amazon itself "common sense", plus Amazon is well known for collecting a vast array of information from its customers which elevates the chances of your advertisement hitting the right target audience. Amazon offers different ways to advertise on its platform: Sponsored Products, Sponsored Brands, and Sponsored Displays.



> **Advertising on Amazon**
>
> **You can always start investing just a few dollars, and is worth it to allocate some extra budget for this event.**

Off-Site Advertising

Off-site advertising is crucial to reach customers and remind them why your product is the best option for them, and there is no better way to accomplish this than social media advertising. Instagram, Facebook, and YouTube are great places to find an audience and leave your mark. Including hashtags about your products and for each of the events will help people find you and buy your products. But that's not all – creating consistent content is key! Services such as RemotePik, an unlimited graphic and video design services provider, Stack Influence, a micro-influencer marketing platform, and Google Ads, an online advertising solution, are optimal to deploy an advertising strategy.

Dayparting Campaigns

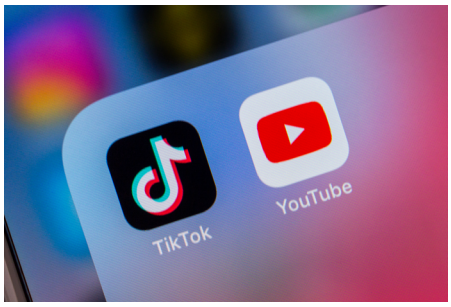
The second area that can help create effective advertising for Amazon sellers is taking advantage of dayparting campaigns, in which you run ads at certain times during the day to adjust bid prices to ultimately cut costs as the prices of advertising in Amazon increase.

You can also use dayparting to run strategically with your sales, coupons, and promotions on Amazon, such as Lightning Deals, increasing their visibility and focus on keywords. You won't regret trying this easy method of cutting costs for the big day!

Video Streaming and Influencer Promotions

YouTube

2 billion people online at any given moment



Finally, video streaming and influencer promotions are a huge way to reach your audience and find your voice in a vastly shifting market. It goes without saying that YouTube is a great place to advertise, as it has about 2 billion people online at a given moment. However, there are other ways to reach people aside from Google's famous streaming giant. In the past, registering your product as a Sponsored Product through Amazon was cheaper and more effective than running ads twenty-four hours a day. However, this program is currently defunct, replaced by Amazon Live. Under this system, sellers can live-stream discussions of their products, goals, and selling points. Of course, there is a fee depending on how many clicks your advertising campaign gets, but the base price is exactly $0.00. That's right – it's free marketing!

Even advertisers who are just starting out with a tiny budget can take advantage of these opportunities to crush it on the market and reach success on these shopping events . The Internet has made advertising 100% more efficient, stress-free, and affordable for all who want to promote their unique brand and show their talent to the world. So, what are you waiting for? Prepare and crush those sales metrics!

Final thoughts

In conclusion, whichever pricing and coupon decisions you make, remember to keep your inventory and fulfillment logistics in mind. Remember these events create a large sense of urgency and shoppers are ready to jump on deals, so be prepared to accommodate them! That means incorporating lead time, comparing your anticipated demand to your available inventory, and weighing all the discounts against your fulfillment costs and profit margin.

With careful planning and smart tactics, you can optimize your Prime Day strategy for an excellent revenue boost.

For expert guidance as you prepare for Prime Day 2023, reach out to our team at **Phelps United.**

CONTACT US TODAY!

Phelps United eCommerce, Your Brand Accelerator Partner

We understand the challenges brands face trying to succeed on Amazon and other marketplaces. By partnering with us, your brand would leverage a team of experts with decades of Amazon and eCommerce experience that will provide personal attention and develop unique programs to meet its specific needs. We will be 100% invested in your brand buying your products and protecting and respecting your brand as an extension of your team.

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