## Lecture 13

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Sales Management

## Launching & Post Launching Stuff

- On going & Technical:
  - At least once a day, check you listing, images, inventory...
  - Evaluate success level for each factor, learn why it happened + what we can improve on it.
  - Assess the process with the 2nd inventory order. Do we need to improve certain stuff in the product / quantity / ship some spare parts for replacements....?
- AMZ PPC:
  - Learning PPC is On-the-job training.
  - Modul 20 in RPG-ECOM online course all the basics you need to know, once you get there.
  - PPC Strategy for product launch today.

## Sales Management - Basic Sales Metrics

- Total units sold
- \$ Sales revenue
- \$ Sale price
- PPC units sold
- Organic units sold
- \$ PPC spent
- \$ PPC/Unit

- 23 (source = seller central)
- \$ 627.21 (source = seller central)
- \$ 27.27 (Sales revenue/Total units sold)
- 10 (source = seller central)
- 13 (Total units sold-PPC units sold)
- \$ 135.70 (source = seller central)
- \$ 13.57 (PPC spent/PPC units sold)

## Sales Management - PPC vs Organic & Keywords Ranking

Monitor to validate the effectiveness of your product launch

- Successful launch indicators: Ranking goes up, increasing organic sales , declining ppc sales
- Manage the keywords you choose to target
- Monitor the relationship between selling price and units sold (i.e sales velocity)

#### **\*\***Accurate data entry is key

- Sales data: Seller Central > business reports > Detail Page Sales and Traffic By Child Item
- PPC data: Seller Central > Campaign Manager
- Ranking data: *Helium 10 / Datarova*

## Sales Management - Inventory Management

Plan meets reality...

Sales are slower/higher than expected.

- How to adjust?
- What are our motivations? (Hint: profit isn't one of them)
- But first, make sure you look at the right picture monitor your data.

\*Managing your sales velocity is key, both for profit and inventory optimizations

## **Product Pricing strategies -**

- Discount Coupons
  - Percentage off vs. Money off
  - Easy vs. complicated to calculate
- Free Shipping over \$25 (for anyone who's not Prime member)
- Price Endings
  - .99 vs .00
- Types of buyers



Tools & Home Improvement Product Color



Amazon Global Store

Amazon Global Store



Zulay Premium Quality Knife Sharpener for Straight and Serrated Knives Stainless Steel Ceramic and Tungsten - Easy Manual Sharpening...

#### ★★★★☆ ~ 1,107

\$1899

Eligible for Shipping to Canada

Kitchen Knife Sharpener, LOFTER 2 Stage Knife Sharpening with Angle Adjustment Knob, Diamond and Ceramic, Restore and Polish Blades,...

#### \*\*\*\*

\$17<sup>99</sup> Save 5% with coupon Chef'sChoice 4643 ProntoPro Diamond Hone Manual Knife Sharpener Extremely Fast Sharpening Euro-American and Asian Style Kniv...

#### ★★★★☆ ~ 504

\$19<sup>34</sup> \$25.00

Eligible for Shipping to Canada

PriorityChef Knife Sharpener for Straight and Serrated Knives, 2-Stage Diamond Coated Wheel System, Sharpens Dull Knives Quickly, Safe...

★★★★★ × 3,580

#### \$1895

Eligible for Shipping to Canada More Buying Choices \$13.90 (3 used & new offers)

## **Percentage Off**



Kitchen Knife Sharpener, LOFTER 2 Stage Knife Sharpening with Angle Adjustment Knob, Diamond and Ceramic, Restore and Polish Blades,...

#### ★★★★★ ~ 69

\$25<sup>99</sup> Save 40% with coupon

## **Money Off**



Kitchen Knife Sharpener, LOFTER 2 Stage Knife Sharpening with Angle Adjustment Knob, Diamond and Ceramic, Restore and Polish Blades,...

#### ★★★★★ ~ 69

\$25<sup>99</sup> Save \$10.00 with coupon

## **Percentage Off**



Cangshan TS Series 1020885 Swedish Sandvik 14C28N Steel Forged 17-Piece Knife Block Set, Walnut

#### ★★★★★ ~ 29

\$449<sup>97</sup> Save 22% with coupon

Eligible for Shipping to Canada

## **Money Off**



Cangshan TS Series 1020885 Swedish Sandvik 14C28N Steel Forged 17-Piece Knife Block Set, Walnut

#### **☆☆☆☆☆** ~ 29

\$449<sup>97</sup> Save \$100.00 with coupon

## Complicated



Cangshan S1 Series 59663 6-Piece German Steel Forged Knife Block Set ★★★★☆ 355

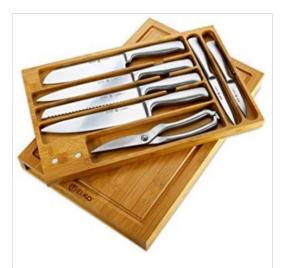
\$21<sup>79</sup> Save 15% with coupon

Eligible for Shipping to Canada



## Complicated





Cangshan S1 Series 59663 6-Piece German Steel Forged Knife Block Set ★★★★★ × 355

\$21<sup>00</sup> Save \$4.00 with coupon

Eligible for Shipping to Canada



Cangshan S1 Series 59663 6-Piece German Steel Forged Knife Block Set  $\Rightarrow$   $\Rightarrow$   $\Rightarrow$   $\Rightarrow$   $\Rightarrow$   $\Rightarrow$  > 355  $$21^{00}$ Save \$3.00 with coupon

## Free Shipping Over \$25

## from \$20.99

## to \$25.99

#### Place your order

By placing your order, you agree to Amazon's privacy notice and conditions of use.

#### **Order Summary**

Items:	\$20.99
Shipping & handling:	\$5.48
Total before tax:	\$26.47
Estimated tax to be collected:	\$0.00

#### Order total:

#### \$26.47

How are shipping costs calculated?

Why didn't I qualify for free shipping?

#### Place your order

By placing your order, you agree to Amazon's privacy notice and conditions of use.

#### **Order Summary**

Items:	\$25.99
Shipping & handling:	\$0.00
Total before tax:	\$25.99
Estimated tax to be collected:*	\$0.00
Order total:	\$25.99
How are shipping costs calculated?	

### from \$20.99

### to \$25.99

#### Place your order

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#### **Order Summary**

Items:	\$20.99
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How are shipping costs calculated? Why didn't I qualify for free shipping?

#### Place your order By placing your order, you agree to Amazon's privacy notice and conditions of use.

#### Order Summary

items.	\$Z0.99
Shipping & handling:	\$0.00
Total before tax:	\$25.99
Estimated tax to be collected:*	\$0.00

Order total:

\$25.99

COE 00

How are shipping costs calculated?

Tip: if current price is \$21-24, then change to \$25+

# Price Endings

## .99 vs .00



Jewelry Box - Pink and Purple Sparkles with Hearts and Pink and Purple Trim

★★★★★ ~ 37

\$**29**99 Eligible for Shipping to Canada



Jewelry Box - Pink and Purple Sparkles with Hearts and Pink and Purple Trim

★★★★☆ ~ 37

\$3000

## Ending in 9



BEWISHOME Girls Jewelry Box Jewelry Organizer with Lock 3 Layers Jewelry Display Storage Case Earring Ring Necklace Holder Organizer...

#### ☆☆☆☆☆ ~ 32

#### \$3400

Eligible for Shipping to Canada



BEWISHOME Girls Jewelry Box Jewelry Organizer with Lock 3 Layers Jewelry Display Storage Case Earring Ring Necklace Holder Organizer...

#### **☆☆☆☆** ~ 32

#### \$3900

## **Unusual Endings**

Price	Perceived as	You will Receive	Yearly Profit from Cents, if selling 10 a day
\$29.11	<b>\$29</b>	11 cents	\$402
\$29.27	\$29	27 cents	\$986
\$29.65	\$29	65 cents	\$2,373
\$29.99	\$29	99 cents	\$3,614

## **Unusual Endings**

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**Types of Buyers** 



## Scrooge



Average Spender



Big Spender



**Types of Buyers** 





**★★★★☆** ~ 32

\$**11**99



**★★★★**★ ~ 32

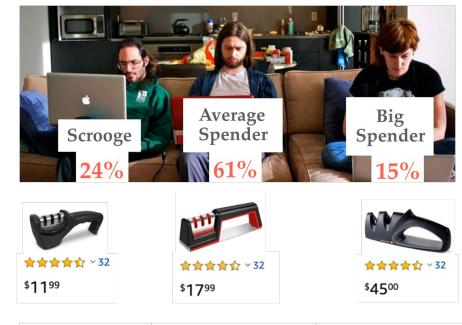
\$**17**<sup>99</sup>



**★★★★☆** ~ 32

\$4500

## **Potential Profit**



Monthly Sales	240	610	150
Profit per Unit at 40% Margin	\$4.80	\$7.20	\$18.00
Monthly Profit	\$1,151	\$4,390	\$2,700

## **Product Pricing strategies**

- 1. Enable Coupons for better CTR.
- 2. Coupon dollar amounts vs percentages pick one with stronger 'wow deal' effect, without working out the math. 40% off 25.99 sounds better than 10\$ off 25.99.
- 3. Make price and coupon combination as simple as possible, easy to comprehend the price quickly. Tough math kills your conversions.
- 4. Choose numbers for coupon dollar amounts from the multiples of price.
- 5. Increase prices to be just above Free Shipping thresholds to get more traffic.
- 6. Use .00 instead of .99 if you want to position as luxury item.
- 7. Use 5, 7 and 9 in your prices \$39 sells better than \$34.
- 8. Don't bother with weird endings like .73 you will make more profit with .99.
- 9. If in \$41-\$45 range lower to \$39, to avoid the hesitation of \$40 threshold.
- 10. You will make most money targeting Average Spenders; but if none of the competitors are targeting Big Spenders, it's 2nd best opportunity.

## **PPC Strategy for product launch**

- Launch period Aggressive
  - Get eyes on your product (impressions, clicks)
  - This is your business biggest expense
  - Research for new search terms you didn't know about (auto, broad campaigns)
  - The algo needs budget to operate properly (It's a necessary evil)
  - High bids, Increasing budgets
  - Profitability of advertising is less important
  - Optimize non converting keywords by lowering bids but don't be aggressive at this point and think twice before "killing" a keyword.

## THE END