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Maximising Business Growth

with Amazon
South Africa

Foreword from the Founders

In the ever-evolving landscape of digital commerce, the arrival of Amazon in South Africa stands as a monumental milestone not just for the marketplace but for the entire spectrum of businesses, brands and consumers within the region. As the co-CEO of Correlate, a digital marketing agency that thrives on fostering growth and innovation, I am thrilled to address this landmark entry through our latest e-book, "Maximising Business Growth with Amazon South Africa".

Amazon's expansion into South Africa is more than just a new shopping destination, it's a gateway to unparalleled opportunities. For brands, products and retailers, this means access to a vast and diverse audience, locally and globally. For consumers, it signifies a new era of shopping convenience, variety and competitive pricing. This is not just an opening of a platform but a door to endless possibilities for growth, reach and engagement.



Alex Wright,
co-CEO of Correlate

Understanding the intricacies of the Amazon ecosystem can be daunting, yet it is crucial for leveraging its full potential. This is where our e-book comes into play. Designed with both novices and seasoned professionals in mind, it aims to demystify the process of establishing, nurturing and thriving on the platform.

From the foundational steps of setting up your seller account to advanced strategies for scaling your presence, we cover it all. We delve into the critical questions surrounding advertising. Do you need ads? When is the right time to engage an ad agency? Our answers provide you with a comprehensive understanding to make informed decisions.

As you turn the pages, our hope is that you find the insights and guidance not just informative but transformative for your business endeavours on all things Amazon. We at Correlate are excited to be part of your journey and wish you all the success in your future "e-ventures".

Enjoy the read, and here's to your success on Amazon South Africa.

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1

Amazon in South Africa

Think of Amazon's arrival in South Africa as a major upgrade to our e-commerce scene. It's not just another online store; it's a global powerhouse known for shaking up shopping habits and bringing with it cutting-edge innovations.

Imagine tapping into one massive customer base – we're talking millions of potential new eyes on your products, globally.

The benefits are huge.

Amazon isn't just another ecommerce marketplace. Its global reach could increase your market exposure exponentially. Plus, its top-notch logistics network means hassle-free shipping and handling, making life easier for you and your customers. But here's the clincher: the platform's treasure trove of customer data. This isn't just numbers and graphs; it's insights into what your customers love, how they shop, and what they're likely to buy next.

So, let's talk about advertising.

With this worldwide advertising platform, you've got a powerful tool to boost your visibility and sales. It's all about getting your products in front of the right people at the right time, without breaking the bank.



Did you know?

Of all Amazon shoppers, **90%** reported that they are satisfied with their purchase.

There are about **two million third-party sellers** on Amazon, usually small and midsize businesses, from which **92%** believe they have a profitable business.

Benefits of Working with An Amazon Ad Agency, Josh Meah '22

1

Importance for Local Businesses

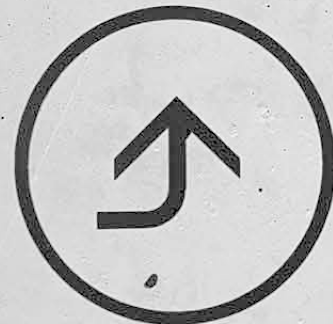
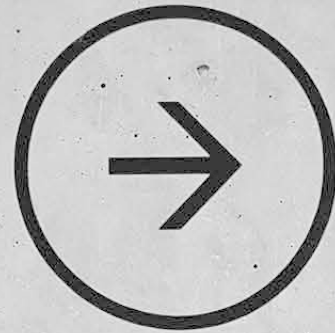
The launch of the global giant in South Africa marks a significant milestone in the e-commerce landscape, presenting a plethora of opportunities for local businesses.

This isn't just about a new shopping platform. It's about embracing a global stage where your business can showcase its products and connect with a wider audience.

For local enterprises, Amazon offers a unique chance to expand reach and tap into new customer bases. It's an invitation to elevate your brand, but it comes with the challenge of mastering the intricacies of a sophisticated online marketplace. From understanding the importance of SEO-optimised product listings to leveraging the host of powerful advertising tools offered, there's a lot to navigate.

As the e-tailer opens its doors to the South African market, it's crucial for local businesses to seize this moment. With the right approach and support, your business can thrive in this new environment, turning the challenges of a global marketplace into opportunities for growth and success.

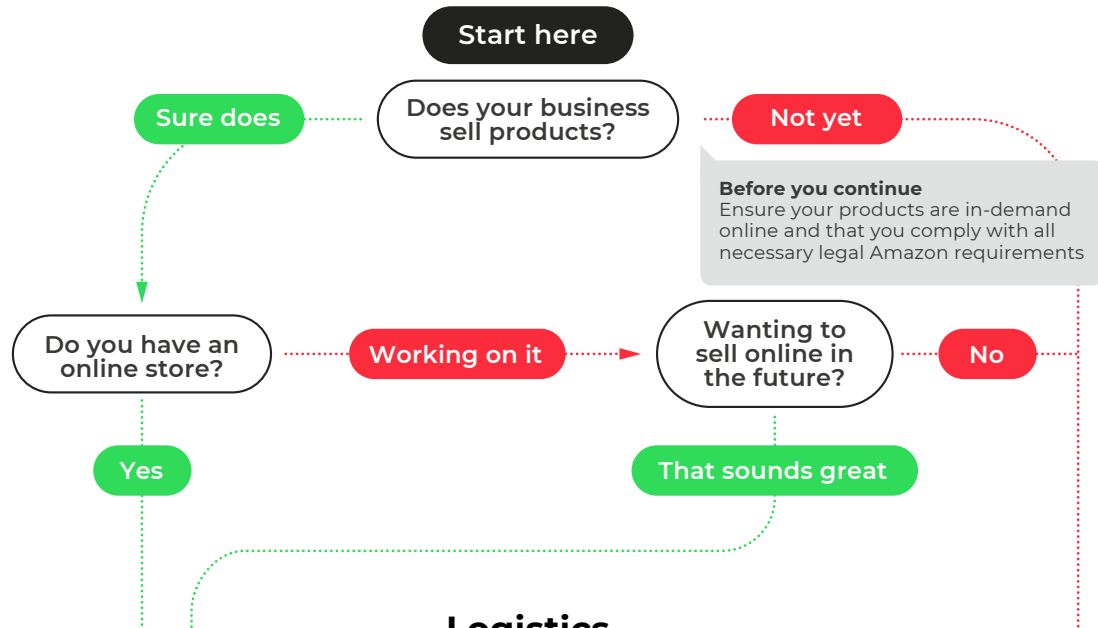
Let's navigate the journey together, transforming the way your business reaches and connects with customers.



Is e-commerce right for you?

Before launching into “e-space”, assess the viability of e-commerce for your business by comparing online and offline benefits.

2



Logistics

For optimal logistics performance on Amazon, focus on refining your supply chain to offer competitive shipping rates and swift returns. Understand the fee structure and fulfilment options, streamline logistics for quick response to demand spikes, and continually evaluate and enhance these processes to boost customer satisfaction and sales.



Tip

Initially you can focus on organic growth and building your presence, but keep Amazon Ads in mind to boost visibility, enhance your platform presence and drive sales.

Your Introduction to Amazon Ads

Your gateway to visibility.

Imagine Amazon Ads as your spotlight in the bustling e-commerce marketplace. **The platform isn't just about putting your products out there; it's about making them shine in front of the right audience at the right time.**

Picture your ads popping up in prime spots – amidst search results, on detailed product pages, and across Amazon's vast network of sites and apps. But how do you get this right? For a start, it's all based on a pay-per-click (PPC) system, meaning you only pay when someone's interest is piqued enough to click on your ad.

But Amazon Ads isn't just a tool. In the Amazon world, it's a game changer. As this advertising ecosystem's about catapulting your visibility, connecting you directly with those who are looking for what you offer. With a variety of ad formats at your disposal, you can customise your approach to fit your product's unique flair and your brand's voice. Most impactfully, this ad channel choice drives not just views but meaningful engagement and growth.

So, think of the new market player in Mzansi as more than an expansion of our e-commerce landscape. **It's an opportunity to leap onto a global stage** where millions of potential customers, from here and around the world, are waiting to discover what you have in your store.

Should You Use Amazon Advertising?



Why do people use Amazon ads?

In the digital shopping realm, Amazon Ads are unlike cherries on top of a cake - they're not just there for decoration; they serve a purpose. Quite frankly, they're the reason many people end up buying a specific product. Let's delve into why this ad format has become the go-to for sellers on this colossal e-commerce platform.



A Visibility Voucher in a Vast Marketplace

You could think of Amazon as a bustling market - a maze of stalls stretching as far as the eye can see. Your stall, though splendid, risks being a needle in a haystack. Enter Amazon Ads. They're the equivalent of a neon sign pointing directly to your stall. These ads boost product visibility, ensuring your goods don't just languish in the shadows.



The Magnet for Motivated Buyers

A key reason people put these ads in their media choice basket is the type of audience they attract. Amazon isn't just a shopping site; it's a shopping destination. Most visitors arrive with a credit card in hand, ready to buy - and these ads tap into this pool of motivated buyers, displaying products to those already in a purchasing mindset.



Targeted Approach

These ads aim with precision. They give you the ability to use sophisticated targeting, aligning products with shoppers' search terms, browsing history, and purchasing patterns. As a result, this form of advertising isn't just throwing darts in the dark; it's hitting the bullseye with a laser-guided arrow.



A Booster for the Bottom Line

The endgame of any business is, let's face it, profitability. Remember that Amazon Ads operates on a pay-per-click (PPC) model, which means you only pay when someone clicks on your ad. It's performance-based spending, making it a cost-effective method for driving sales and enhancing return on investment (ROI).



Flexibility and Feedback - A Seller's Dream

The platform's ad setup is versatile and practical, like a Swiss Army knife. Sellers can choose from various ad types (Sponsored Products, Sponsored Brands, etc.) to fit their specific needs. Moreover, Amazon provides rich analytics, offering insights into ad performance and customer behaviour. This data is gold for refining strategies and improving ad effectiveness.

Types of Amazon Ads



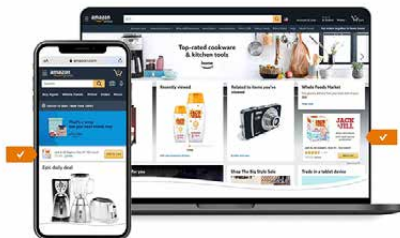
Sponsored Products

These ads promote individual products and are featured in search results and on product detail pages. They use keyword targeting, enabling ads to appear based on specific search terms related to the product.



Sponsored Brands

Appearing at the top of search results, these ads promote your brand and up to three products, also using keyword targeting.



Sponsored Display Ads

Visible on product detail pages and other Amazon locations, these ads use audience targeting to reach customers interested in similar products or related categories.



Video Ads

These ads are up to 30 seconds long and appear on Amazon-owned sites and devices, employing both keyword and audience targeting.



Stores

Stores are customisable multi-page destinations that showcase a brand and its products, accessible through various means like Sponsored Brands ads and your brand's URL.

Unpacking the Pros and Cons

+ PROS

Access to Ready-to-Buy Customers

Amazon Ads place your products in front of customers who are already in a shopping mindset, significantly increasing the likelihood of conversions.

Detailed Performance Metrics

One of the major advantages of the offering is the ability to track and measure the performance of your campaigns in detail. This data helps in making informed decisions and optimising strategies for better results.

Flexible Campaign Options

Amazon has a variety of ad formats and campaign types, allowing sellers to choose the most suitable approach for their products and goals. This flexibility enables tailored advertising strategies.

Cost-Effective Model

The pay-per-click (PPC) model ensures that you only pay when potential customers show interest in your ad, making it a cost-effective approach, especially for businesses with limited advertising budgets.

Improved Product Visibility

In the vast Amazon marketplace, ads help increase the visibility of your products, ensuring that they stand out among the plethora of options available to customers.

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Highly Competitive

The Amazon marketplace is extremely competitive, and this extends to advertising as well. Standing out can be challenging, particularly for new or small sellers competing against established brands.

Complexity in Management

Successfully managing Amazon Ads campaigns requires understanding a complex system with many variables. This learning curve can be steep for new users or small businesses without dedicated marketing teams.

Dependence on the Platform

Relying on Amazon Ads means being subject to Amazon's rules and algorithms, which could change from now, potentially affecting your advertising strategy and results.

Limited Scope for Brand Building

Amazon Ads are product-focused, offering limited opportunities for broader brand building. This can be a drawback for businesses looking to establish a strong brand identity.

Costs Can Escalate

While PPC is cost-effective, the costs can accumulate, especially for highly competitive keywords.

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Doing it Yourself vs. Agency

Taking on Amazon Ads management yourself is a bold endeavour. It's not just about setting up campaigns; it involves a comprehensive grasp of the Pay- Per-Click (PPC) environment, but it also allows for the smaller player to get hands-on experience and the chance to grasp the concept of the platform.

Opting for an agency, such as Correlate offers a more straightforward approach to planning your media buying and campaign management, providing the necessary skills and tools to efficiently navigate the complexities of Amazon PPC. This in turn allows your team to focus on other business areas.

With an agency as your partner, you're not just keeping up with the changes; you're leading the charge.

Let's embrace this exciting journey together and redefine the future of South African e-commerce. The possibilities are endless, and with the right approach, the sky's the limit!

Doing it Yourself vs. Agency

The TL;DR

Factor	In-House Management	Agency Management
Expertise and Learning	Requires time and resources for learning and mastering Amazon's PPC platform. Upskilling in ad management can be beneficial for future operations.	Agencies bring expertise and experience, eliminating the learning curve. However, they might need time to understand the nuances of your account.
Hands-On Control	Complete control over campaign management, including monitoring and adjusting strategies. Greater hands-on knowledge of the account.	Less direct control over campaigns. Agencies handle all aspects of management, requiring trust in their strategies and approach.
Resource Allocation	Significant investment in time and potentially in learning tools.	Saves time and resources as the agency manages all aspects of PPC campaigns. Utilising agency tools and software can lead to more efficient management.
Customisation and Adaptability	Allows for tailored approaches to PPC management based on intimate knowledge of the business.	Agencies offer personalised strategies based on your business needs but may not be as adaptable to quick, specific changes.
Risk and Compliance	In-house teams must stay updated on Amazon's policies and algorithms, managing risks themselves.	Agencies mitigate risks by staying current with Amazon's policies and trends. They handle compliance and adjustments to policy changes.
Cost	Can be more cost-effective in terms of ad spend but requires investment in learning and tools.	Agencies are typically more costly upfront, but the expertise and time savings might justify the investment for scaling businesses.
Flexibility and Scalability	Scaling up or down can be more hands-on and requires internal resources.	This route offers easier scalability with the flexibility to adjust campaigns based on performance and business goals.

Benefits of In-House (Do It Yourself) Management

1 Hands-On Management

This approach means a business actively manages its campaigns, monitoring performance, adjusting bids, and continually refining strategies based on data. Gaining knowledge is beneficial to future operations of running ad accounts, even if an agency takes over this role. Oversight and knowledge will always be key to a successful account.

2 Resource Allocation

Significant resources, both in terms of time and potentially money (to learn the tricks and tools) are necessary to competently manage PPC campaigns.

3 The Learning Curve

You'll need to dedicate time to learning the ins and outs of Amazon's advertising platform, understanding how to analyse market trends, identify profitable keywords, and craft effective ad copy. This is double-edged; an advantage and disadvantage. The advantage is related to upskilling and knowing the platform and how to operate it from the ground up. The disadvantage is simple. Time. It requires substantial man hours to learn and become proficient in it.

The DIY approach to Amazon Ads is suited for those who are willing to invest the necessary time and resources into mastering a complex but crucial aspect of online retail.



Did you know?

The success rate is high on Amazon, but is overcrowded. **70%** of visitors do not look past the page search results, a challenging task to get the attention of buyers organically.

*Amazon Search Algorithm,
Andy Tubig '23*

4

Benefits of Using an Agency

1 Expertise and Experience

Agencies bring a wealth of knowledge and experience to the table. They know what works and what doesn't, saving you from costly trial and error. Their expertise in keyword research, bid management, and campaign optimisation can significantly improve campaign performance. But even though they have experience with the platform, it will still take some time to learn about and develop the account.

2 Time and Resource Efficiency

Working with an agency saves time and resources. Instead of investing hours into learning and managing PPC campaigns, sellers can focus on other aspects of their business. Agencies also often have tools and software that provide a more effective and efficient management process.

3 Personalised Strategies

Agencies provide customised strategies aligned to your specific business needs and goals. This personalised approach can yield better results compared to generic, self-managed campaigns.

4 Comprehensive Management and Reporting

Performance marketing agencies handle all aspects of PPC management, including keyword research, campaign setup, and ongoing optimisation. They also provide detailed reports, allowing you to understand your campaign performance and make informed decisions.

5 Risk Mitigation

Agencies are skilled in identifying and eliminating underperforming keywords and strategies, ensuring your budget is spent effectively. They also keep up with Amazon's ever-changing policies and algorithms, reducing the risk of non-compliance. Risk mitigation comes with trust and collaboration that budgets will be updated and trends kept up to date. This may take some time to develop. Handing over an aspect of your business to another person can be difficult at times, but for some business cases, it's the right decision.

6 Flexibility and Scalability

With an agency, you have the flexibility to scale your campaigns up or down, based on performance and business goals. This scalability is crucial for adapting to market changes and business growth. A downside could be that you are not the only client in the roster.



**That Amazon could take
a little company that
no one has ever heard
of and let us level the
playing field so that we
can compete with the
big established brands ...
that was just amazing.**

Matson Magleby, co-founder of Rocco & Roxie Supply Co.

Businesses Transforming their Growth, Amazon ads '24

Accelerate Your Success

Welcome to the threshold of your Amazon adventure! Before Correlate joins forces with you, let's get the essentials in order. We're here to guide you through every step.

Your Pre-Launch Checklist

1 Kickstart Your Seller Journey

Timeline: 1-2 Weeks

- Register as an Amazon Selling Partner. Decide between Individual or Professional plans based on your expected sales volume and the features you need.
- Gather necessary documents: a bank account for transactions, a credit/debit card, government-issued ID, tax information, and reliable phone number.

2 Showcase Your Products

Timeline: 2-3 Weeks

- Obtain unique identifiers (GTIN, UPC, ISBN, EAN) for your products.
- Create SKU systems for internal tracking.
- Develop engaging product titles, detailed descriptions, bullet points, and high-quality images.
- Research and integrate relevant keywords into your listings.

3 Master Your Inventory

Ongoing

- Develop a robust inventory management system to track stock levels and sales patterns.
- Regularly review and adjust your inventory based on demand and sales data.

4 Price Competitively

Ongoing

- Conduct market research to understand the competitive landscape.
- Set your prices competitively, considering both market rates and your cost structure.

5 Fulfilment Finesse

Timeline: 1-2 Weeks

- Choose a fulfilment option: Self-Ship, Amazon Easy Ship, or Fulfilment by Amazon (FBA).
- If using FBA, send your inventory to Amazon's fulfilment centres in advance.

6 Advertise with Precision

Timeline: 1-2 Weeks

- Create an advertising account in Seller Central.
- Develop a targeted advertising strategy using Amazon's advertising tools (e.g. Sponsored Products, Sponsored Brands).

Your Pre-Launch Checklist: Tips and Common Mistakes

Checklist Stage	Common Mistakes to Avoid	Tips
1 Kickstart Your Seller Journey	- Using personal bank accounts or cards instead of dedicated business ones, which can complicate financial management. - Overlooking the importance of double-checking the information entered to avoid delays in account verification.	- Opt for a Professional Selling Plan if you anticipate more than 40 sales per month or need access to advanced selling tools. - Keep all your documents handy and ensure all information is accurate and up to date to expedite the approval process.
2 Showcase Your Products	- Neglecting the power of high-quality images and detailed descriptions, which can significantly impact conversion rates. - Ignoring SEO principles when crafting titles and descriptions, making it harder for your products to be found.	- Invest in professional product photography to make your listings stand out. - Use keyword research tools to find high-traffic keywords relevant to your products and incorporate them naturally into your listings.
3 Master Your Inventory	- Underestimating the importance of inventory management, leading to stockouts or overstocking. - Failing to adjust inventory based on seasonal trends or sales data.	- Consider using inventory management software that integrates with Amazon to automate and streamline the process. - Keep a close eye on sales trends and adjust your inventory proactively to avoid stockouts, especially during peak seasons.
4 Price Competitively	- Setting prices solely based on costs without considering market standards and competitor pricing. - Overpricing or under-pricing significantly, which can deter potential customers or erode profit margins.	- Use dynamic pricing tools that adjust your prices based on market conditions and competitor pricing. - Regularly review and adjust your pricing strategy to stay competitive while maintaining healthy profit margins.
5 Fulfilment Finesse	- Underestimating the complexity and costs associated with self-fulfilment. - Ignoring the benefits of Fulfilment by Amazon (FBA), such as Prime eligibility and Amazon handling customer service and returns.	- Evaluate the pros and cons of each fulfilment option in the context of your business model, product types, and customer expectations. - If choosing Fulfilment by Amazon (FBA), ensure you understand all associated fees and prepare your products according to Amazon's guidelines to avoid delays.
6 Advertise with Precision	- Diving into advertising without a clear strategy or understanding of Amazon's advertising platform. - Setting and forgetting campaigns without monitoring performance and making necessary adjustments.	- Start with a modest budget to test different advertising approaches and keywords to see what works best for your products. - Regularly review campaign performance, experimenting with different ad types, keywords, and targeting options to optimise ROI.

Collaborate with Correlate

Embarking on the journey into the Amazon marketplace can be transformative for your business. Our performance marketing agency is committed to making this transition seamless and successful. Below is a useful roadmap to guide you through the phases of our partnership — from the first handshake to achieving your Amazon ambitions.

1 Connection and Discovery

Initial discovery meeting:

Engage in a conversation to uncover your aspirations and challenges, giving us a view into your business and how we can foster growth together.

Strategic Vision Presentation:

We'll outline a tailored strategic plan, detailing our services, scope, and investment. A follow-up discussion will be arranged to clarify any queries, ensuring we're aligned for the journey ahead.

2 Onboarding Excellence

Account activation:

With account approval, we initiate the onboarding process. This involves accessing your Amazon account (or setting one up for you), conducting a comprehensive audit (if required) and establishing transparent communication channels for regular updates and feedback.

Strategic blueprint development:

Crafting a robust strategy to build your Amazon presence is our forte. We focus on your business goals, key performance indicators, audience engagement, and generate a meticulously timed action plan for your business to ensure a smooth implementation phase in delivery.

3 Strategic Implementation

Action and optimisation:

The strategic blueprint comes to life as we create content, optimise product listings, and launch targeted advertising campaigns to captivate the Amazon marketplace.

4 Sustaining Momentum

Continuous communication:

Through regular updates, reports, and strategy sessions, we keep you informed on performance metrics and progress.

Adaptive strategy refinement:

The marketplace keeps evolving, and so do we. By analysing performance data, we fine-tune our strategies to stay ahead of market trends, driving continuous improvement and growth.



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