

Seller Checklist: How To Lower Your Amazon ACoS

Amazon is an amazing platform for sellers **with more than 200 million Prime members.**

The only drawback? There are millions of other sellers, not to mention Amazon itself, competing for those same shoppers.

Sellers can make their products stand out with the help of Amazon Ads, but in order to remain profitable, one of the most important metrics to track is Advertising Cost of Sale (ACoS).



What is ACoS, and Why Does it Matter?

Advertising Cost of Sale (ACoS) is the cost of your advertising divided by the total revenue from sales. Determine your target ACoS by understanding the margin on your products and the number of sales you need to make in order to be profitable.



Seller Checklist: 8 Tips To Manage Your ACoS

There can be hundreds, if not thousands, of sellers competing for ad space on search pages for your categories and products. In order to stand out, sellers can use Amazon Advertising to drive more visibility for their products and brand store, but keeping ACoS low can be difficult for competitive products and categories.

Here are 8 essential tactics you can take to help manage your campaigns, lower your overall ACoS and grow your total revenue and profits.

- 01 Download and sort your campaign performance report by ACoS; descending values will show you your most expensive keywords, while ascending will show you those providing high value
- 02 Find keywords that are driving the most sales within an acceptable range of your ACoS and increase your bids to above the average cost per click to win more impressions
- 03 Identify poor performing keywords (determined by a high ACoS, high clicks and low conversion rate) and lower your bids so that you will show up fewer times on these searches
- 04 Add keywords with excessive clicks and low conversion rates to your negative keyword lists to avoid bidding on unproductive keywords
- 05 Use a combination of broad, phrase and exact match keyword strategies across your most productive keywords to bid on and win more impressions
- 06 Assemble your creative assets; most ads simply need a product image pulled from your listing, but Sponsored Brand Ads can also accommodate video
- 07 Enable Dynamic Bidding to identify new and emerging keywords as shopper search behaviors and trends change over time
- 08 Re-evaluate your manual and automatic campaign performance reports on a regular basis (bi-weekly or once a month is standard) to ensure that you are staying on top of new search trends



What's Next? Growth!

You've mastered lowering ACoS manually and are seeing great returns on your Amazon ads. As your product catalogue grows, however, managing your campaigns with the above tactics becomes too time and resource intensive for most sellers.

This is where machine learning and artificial intelligence, which aren't constrained by large product catalogs and keyword lists, can short cut your way to a profitable growth.

Quartile's proprietary AI technology, built on six patents, restructures sellers' Amazon Advertising campaigns with one-to-one keyword-to-campaigns for every product within a seller's catalogue optimized based on your previous campaign data. The platform allows the seller to easily and dynamically manage campaigns by total ACoS, campaign ACoS, and/or daily budget.

