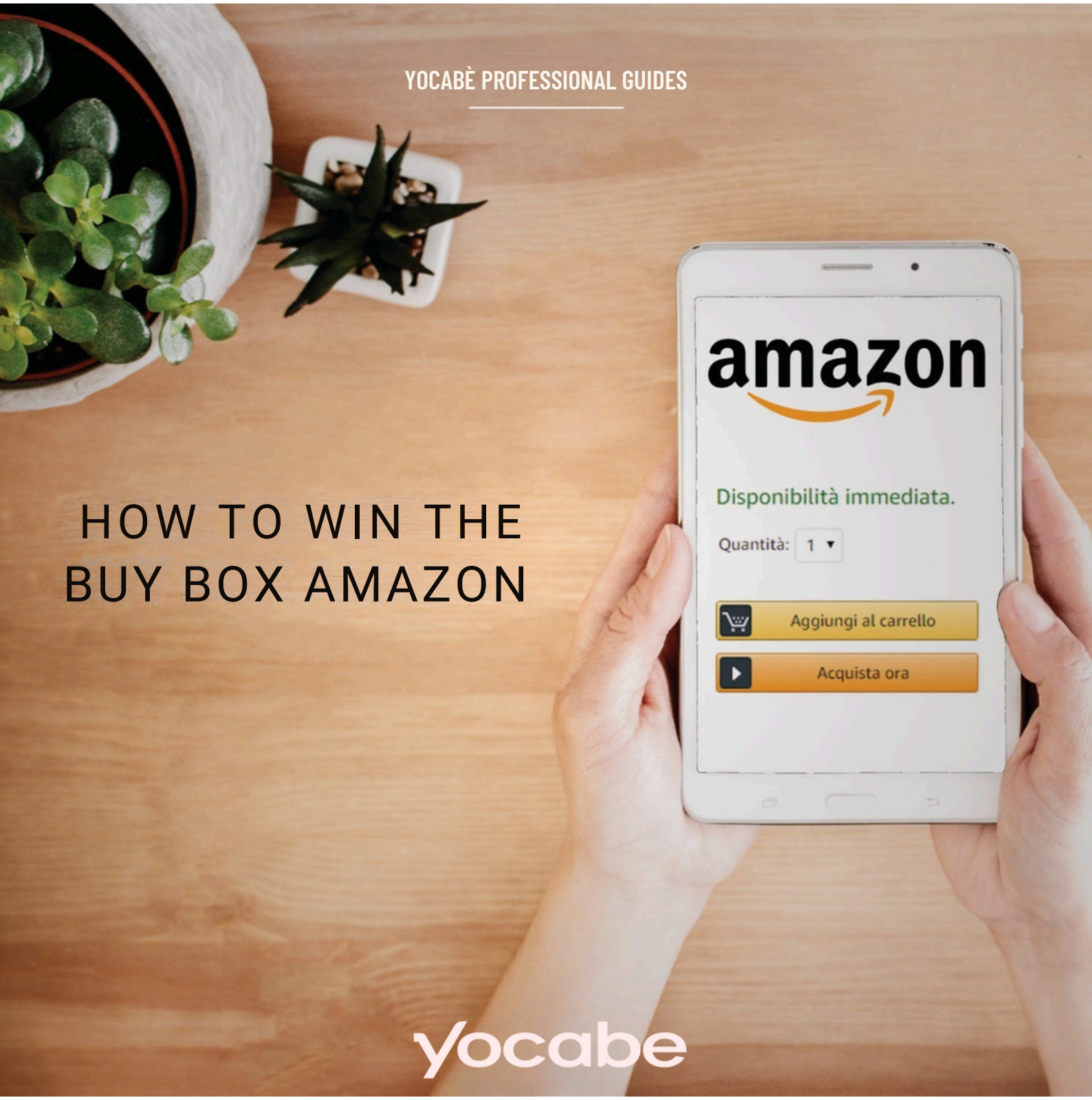
YOCABÈ PROFESSIONAL GUIDES

HOW TO WIN THE BUY BOX AMAZON



Yocabe

Statistics say that, today more than ever, it is essential to include Amazon in your e-commerce strategy.

Amazon is one of the largest online stores today, making the breadth of its product offering, reliability, speed of delivery and attention to consumer needs the basis of its success. Not everyone knows that Jeff Bezos's original idea was to create the largest online bookstore in the world. In the following years, however, the offering has become increasingly diversified: CDs, films, electronics, IT and clothing have begun to appear on Amazon.

At present, Amazon is in 53rd place among public companies by market capitalization ($778 billion), but there are other numbers that can help us understand the power of this e-commerce:

•51% of all online sales in the United States in 2018 were made through Amazon;

•Amazon ships approximately 14 million packages per day worldwide;


Photo by João Jesus from Pexels

- to date the American giant has more than 3,500 full-time employees indefinite and five sorting warehouses throughout Italy;
- for the section dedicated to Made in Italy, Amazon recorded a 40% increase in foreign sales.

The main advantage of being present on Amazon is the number of potential customers you can reach. The American company, founded in 1998 by Jeff Bezos, attracts almost 184 million customers every **month.**

Statistics say that, today more than ever, it is essential to include Amazon in your e-commerce strategy. However, the simple presence on the platform is not enough to make your turnover take off.

With millions of sellers competing to sell the same products, standing out requires a well-defined strategy, experience, and skills. In fact, many buyers will never even see your products unless you are a Buy Box winner.

90% of purchases made on Amazon come directly from being in the Buy Box.

Converting Traffic Into Sales: The Role of the Buy Box

Unlike most online sales platforms, Amazon combines all the offers for a product on a single page and, of all the offers available for that product, only one is shown as “default” for purchase: the so-called “Buy Box”.

The “Buy Box” is the box that appears at the top right of the page, when viewing a product page where the potential customer can start the purchasing process through the “Add to Cart” button. When a user clicks on this button,

automatically buy from the seller who won the Buy Box. Studies show that only 10% of shoppers delve deeper into the

evaluation of the seller from which to purchase the displayed product, taking into account elements such as feedback and delivery times. 90% of purchases made on Amazon

RELEVANCE OF THIRD PARTY SELLERS AMAZON MARKETPLACE

source
“Statista.com”

comes directly from the presence inside the Buy Box, making this element the “holy grail” for sellers.

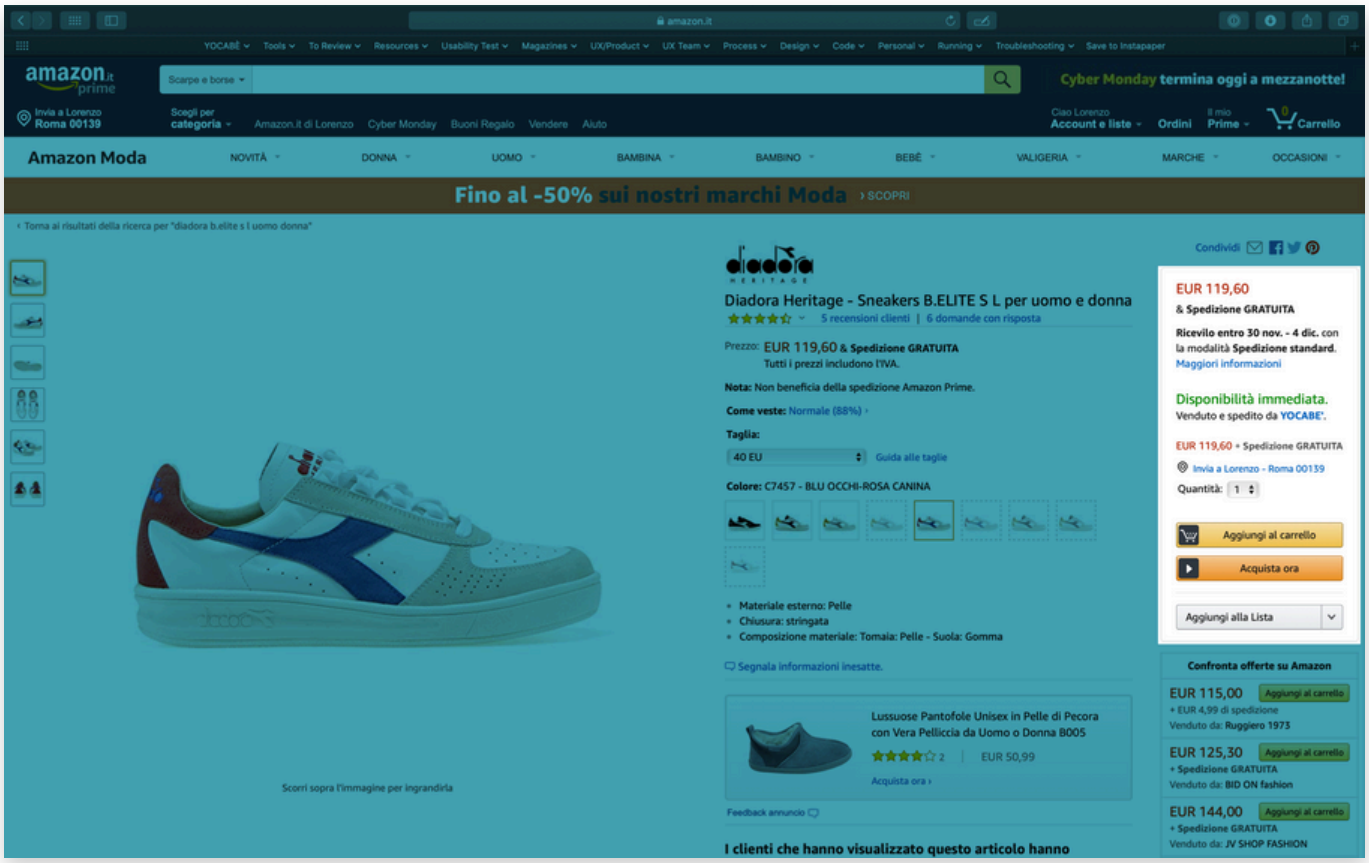
Another added value is given by the fact that obtaining the Buy Box means being perceived as a recommended seller by Amazon. Users trust Amazon and how it automatically selects the best seller for the chosen product. We can say that the Buy Box really makes a difference.

Requirements to win the Buy Box

In cases where multiple sellers offer the exact same product, how does Amazon choose the one to include in the Buy Box, i.e. the “default” one for purchase?

The answer is simple: an algorithm automatically determines the selection of the “default” seller. But what are the parameters and criteria that govern this selection?

THE BUY BOX ON THE AMAZON PRODUCT PAGE



To be eligible for inclusion in the Buy Box, sellers must have activated a Professional account and must have exceeded Amazon's stringent performance expectations, designed to ensure that customers have the best possible shopping experience.

The criteria used include: •Order Defect Rate (based on feedback, complaints and charges)

•Performance metrics

•Quality of customer service (including shipping speed, prices, performance opinions, etc.)

•Presence of the product on Amazon logistics (FBA: Fulfillment by Amazon)

All sellers who meet the minimum requirements compete for inclusion in the Buy Box, but only one can win the first **placed in the ranking and thus be the “default” seller for that** particular item displayed. Since each seller's parameters are constantly evolving (price, performance,

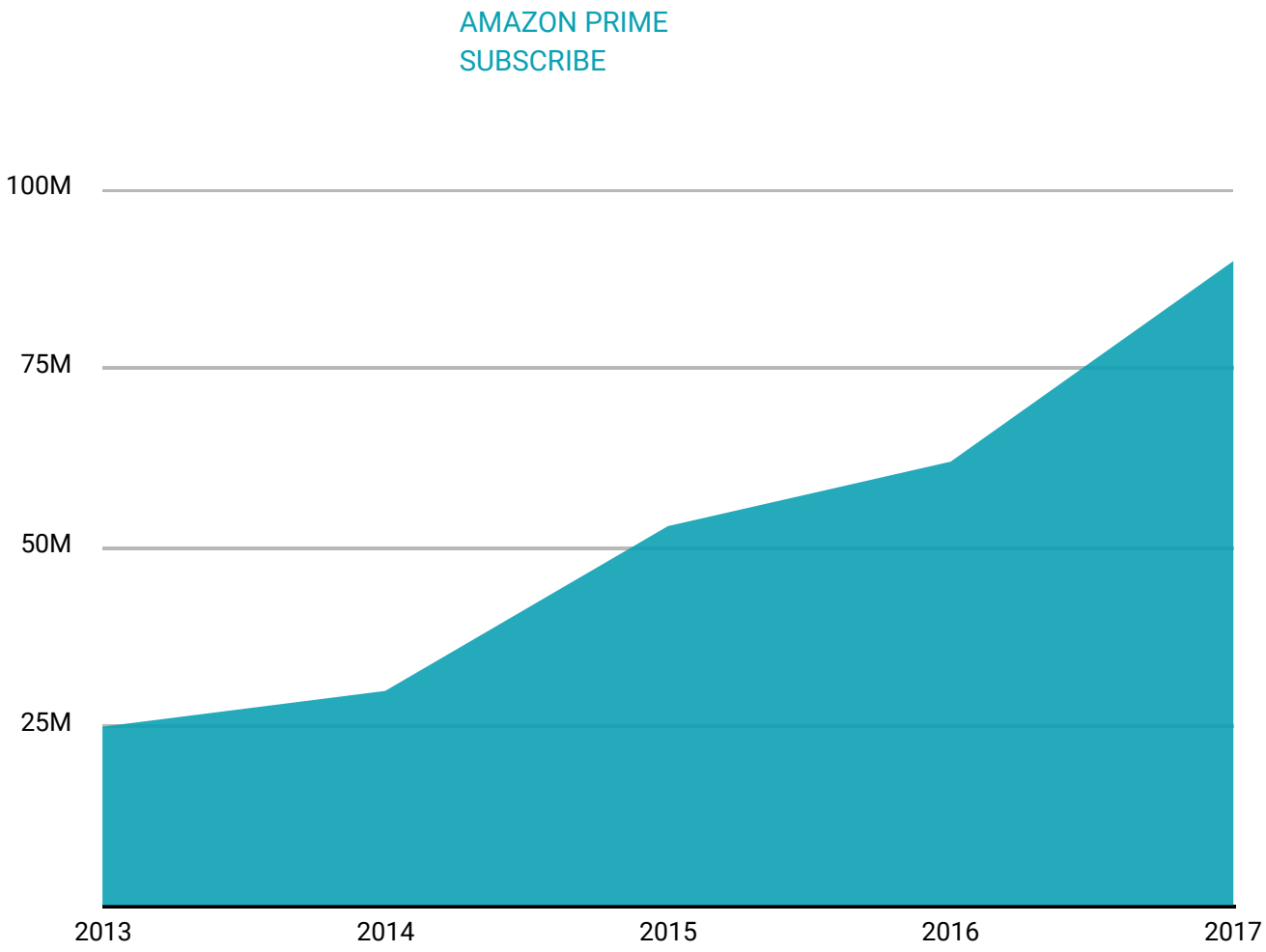
Users trust Amazon and how it automatically selects the best seller for the chosen product.

etc.), the winner of the Buy Box may change from time to time, even several times a day.

So, those who have never appeared in the Buy Box as a “default” seller still have the opportunity to do so. It is essential to continue working on customer service, pricing, shipping and other parameters, until you manage to beat other sellers offering the same product. Only in this way can the seller conquer the Buy Box and become the “default” purchasing option for each potential customer.

How to win the Buy Box

We said that Amazon chooses which seller to assign the Buy Box to through an algorithm. To get high in the ranking determined by this algorithm, you need to observe some precautions that concern three factors: prices, logistics, feedback.



source “Il Sole 24 Ore”

PRICES

Choosing the right price is essential to conquer the Buy Box. Obviously you have to aim to propose the lowest price to beat the competition. The Amazon Buy Box is a very competitive war and, to win it, the battle on price is essential.

However, when choosing the price to propose to the public, the profit objective must always be remembered. It would be useless to propose a competitive price, which, even if it entails access to the Buy Box, does not guarantee profit margins.

To increase their chances of winning the Buy Box, many sellers have used a strategy of undercutting their competitors. However, this does not always translate into higher profits.

For strategic price management, two repricing methods can be used.

The reviews and ratings left by users are a factor that should not be underestimated.

PRICES: MANUAL MANAGEMENT

Manual review involves manually updating prices for each ASIN (Amazon Standard Identification Number), i.e. for each reference (model-color-size combination) put on sale.

This is an ideal option for sellers of “homemade” or unique goods, but it is inefficient for sellers of highly competitive items. As a seller’s business grows, this method is considered unsustainable.

PRICING: RULE-BASED MANAGEMENT

Rules-based repricing analyzes your competitors' prices and adjusts your own accordingly.

This method is more efficient than manual management, however setting up the rules is a challenging task because these can conflict with each other, making management costly.

The use of repricing systems tends to create so-called “price wars”, in which each seller continues to lower the price of the product, pushing profits down for everyone. For this reason, it is important to rely on “intelligent” services that can both compete on price and preserve profit margins.

Photo by ELEVATE from Pexel

LOGISTICS

Sellers have two options for managing logistics:

- Fulfilled By Amazon (FBA), which involves sending the goods to Amazon fulfillment centers.
- Fulfilled By Merchant (FBM), where the seller has to do the work burden of managing both the warehouse and each shipment.

Good logistics management is essential for success on Amazon and access to the Buy Box. The warehouse must be stocked, organized and ready to handle large flows of orders, including those during peak periods such as Black Friday. It is essential to ensure efficient and rapid shipping.

Good logistics management is a key point for success on Amazon and access to the Buy Box.

FEEDBACK

Reviews and ratings left by users are a factor that should not be underestimated. Amazon, whose primary interest is that users continue to spend on the platform, gives a lot of weight to positive comments and the algorithm that determines the winner of the Buy Box gives a lot of weight to this parameter.

Amazon analyzes feedback from the last 365 days, giving greater weight to that from the last 90 days. In addition, Amazon requires that the seller responds to customers within 24 hours, which means a customer service active seven days a week.

You shouldn't underestimate any of the above factors that contribute to winning the Buy Box. Amazon's algorithm is very sensitive and offering a lower price than the competition is not necessarily enough to access the Buy Box. Focus


3 ITA LTE
18:31
amazon.it
Come veste: Normale (86%)
Tabella delle taglie
Taglia:
44 EU
Colore:
C6253 - Verde Olivina-verde Fucile
Prezzo: EUR 43,50 & Spedizione GRATUITA
Tutti i prezzi includono l'IVA.
Nota: Non beneficia della spedizione Amazon Prime.
Consegna prima di Natale.
Ricevilo entro 13 - 15 dic. con la modalità Spedizione standard. Maggiori informazioni
Disponibilità: solo 1
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Pricing alone can be misleading because many people fail to win the Buy Box despite a low price due to poor performance metrics, poor feedback, complaints, late responses, and delayed or untracked shipments.

The Importance of the Buy Box on Smartphones and Tablets

Most purchases on Amazon are made on mobile devices where winning the Buy Box is even more crucial. The estimated percentage of mobile shopping exceeds, in some periods of the year, 70%, with the remainder on other devices.

In mobile devices, the Buy Box takes on an important role **even greater. This is because, unlike the desktop version,** On the Amazon mobile app and the Amazon mobile website, the Buy Box is positioned immediately below the product image, thus having broader visibility.

In short, to sell on Amazon, it is not enough to have the most convenient price but it is necessary to take care of the seller account in all respects.

Conclusions

In short, to sell on Amazon, it is not enough to have the most convenient price but it is necessary to take care of the seller account at 360 degrees. It is essential to maintain high quality management standards, to obtain a high ranking and, consequently, communicate professionalism in the eyes of the potential customer and acquire positions in the ranking determined by the Amazon algorithm.

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