# **Amazon Promotions**

Vendor Self-Service Program

amazon promotions



### **Overview of Amazon Promotions**

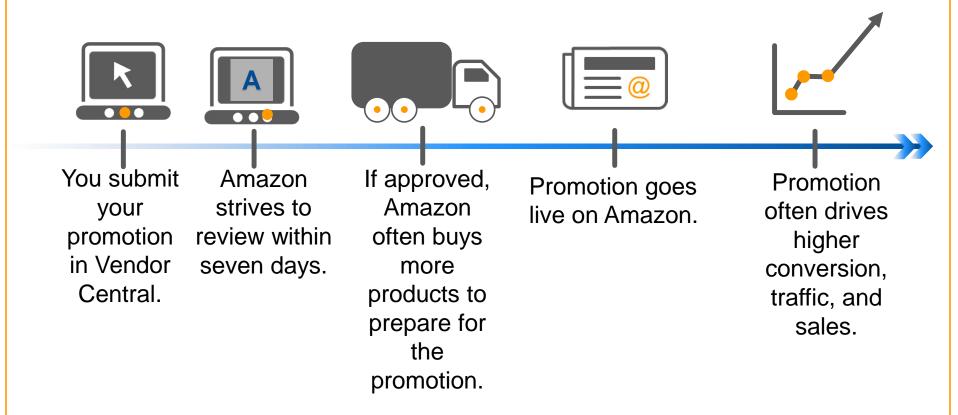
This training covers four types of Amazon Promotions: Price Discount, Best Deal, Lightning Deal and Promo Code.

- » A Price Discount promotion allows Amazon to reduce its selling price for your products. This is a great way to move through overstocked units, win back the buy box, and fuel demand. Price Discount promotions are optionally merchandised by site merchandisers, the Amazon email team, and the Amazon deals team.
- A Best Deal promotion is a type of price discount promotion that is often featured on the Amazon.com deals page, one of the most visited pages on Amazon.com. Best Deal promotions can be used to drive traffic to your entire catalogue, create awareness across one or several brands, and feature products on the deals page for a longer duration than Lightning Deals.
- » A Lightning Deal promotion is a type price discount promotion that is featured for several hours as a flash sale on the Amazon.com deals page. Lightning Deals often display more prominently on the deals page than Best Deals. You can only include one product per Lightning Deal (but you can include different styles, sizes, and colors of that product).
- A Promo Code promotion gives customers a specific amount or percentage off when they purchase eligible products. You can share promo codes with targeted customers and social media influencers. Influencers can then share these codes with customers and customers can redeem them on Amazon.com. The promotion will not be displayed on the product detail page but there are three ways for customers to redeem the promotion: 1) a direct link to a landing page featuring the promotional products 2) searching the exact promo code in the Amazon search bar to find the landing page or 3) entering the code directly during check-out.



### **The Promotions Process**

The typical promotion process delivers measurable results



## Why Run A Promotion?

#### » Marketing placement for deals

 Promotions display as lower prices on Amazon detail pages. We often feature Lightning Deals and Best Deals on the Amazon.com deals page, one of the most visited pages on Amazon.com. Price Discount, Best Deal, and Lightning Deal promotions are also often merchandised across Amazon and featured in emails to Amazon customers.

#### » Help get more product orders

 Amazon often places orders to prepare for promotions. Amazon often places larger orders when you provide higher levels of promotional funding that support great prices for our customers.

#### » Use promotions to sell overstocked products

 Help avoid product returns. Proactively provide great deals to customers to motivate Amazon to start ordering again and to lower the chance of an Amazoninitiated return.

#### » Help increase product conversion

 Promotions are a great way to compel more visiting customers to purchase your product. Promotions often lead to higher product conversion.



## Why Run A Promotion? cont.

### » Drive customer traffic to your product

 Promoting products on social media can drive incremental traffic to your products and generate brand awareness.

#### » See the halo effect

 Many products sell better after a promotion than they did before the promotion. Promotions often make products show up higher in search results. Promotions can boost your baseline product demand.

#### » Win the buy box

 Are you losing the buy box? Setting up a price discount promotion helps Amazon to lower the Amazon.com price and can help win the buy box.

### » Keep track of your promotions

 See all promotion requests in one page in Vendor Central. Check promotion's status at any time. Use our search functionality to easily find specific promotions.



## **Amazon Self-Service Promotion Types**

Deal type	Duration	Submit	# of Products Supported	Merchandising	Min % off Amazon Retail Selling Price	Strictness of deal quality threshold	Can I provide a max budget?
Price Discount	Up to 5 weeks	At least 24 hours in advance*	Multiple products allowed	Optionally merchandised by site merchandisers	Any discount	N/A	No
Best Deal	Up to 2 weeks	4+ weeks in advance	Multiple products allowed	Featured on the Amazon Deals page**	At least 15% off	High	No
Lightning Deal	6 hours	4+ weeks in advance	One product allowed (you can include different styles, sizes, and colors of that product)	Featured on the Amazon Deals page	At least 20% off	Highest	Yes
Promo Code	Up 30 days	At least 24 hours in advance*	Multiple products allowed	Promo Code landing page available, but not featured	At least 15% off	High	Yes

<sup>\*</sup>Amazon recommends submitted price discounts at least 4 weeks in advance, or Amazon may not have time to buy inventory



## **How Does Promotional Funding Work?**

#### You decide how much to fund

- You decide how much to fund. You are responsible for the Per Unit Funding Amount <u>only</u> for the products that sell during the promotion.
  - If 100 units sell during the promotion and we have agreed a funding amount of \$5 per unit, the cost to you will be \$500. If you sell 0 units the cost to you will be \$0.
- No clipping fees, redemption fees, or program fees!

### » How does Amazon determine the promotional selling price?

- Amazon sets prices independently but we would generally aim to pass on the full per unit funding amount to customers.
  - By way of example, if the price immediately before the promotion is \$10 and you provide a per unit discount of \$2, we would generally expect the promotional price to be \$8 although this remains at Amazon's discretion.
  - Amazon may retain some or all of the per unit funding amount if your product does not meet financial thresholds.



## **How Does Max Unit Quantity for Deal Work?**

- » Max Unit Quantity for Deal is available only for Lightning Deal promotions
- This is the maximum number of units on which you agree to provide funding during the promotional period for each offered style, size and color of the product in your promotion
  - By way of example, if we have agreed to a funding amount of \$5 per unit and agreed to a max unit quantity of 100, then the maximum cost to you for this promotion will be \$500
  - Works as a budget for your promotion
- » Amazon rarely buys to your provided maximum quantity
  - Amazon may buy less or no units to prepare for a promotion



## Can I set my 'promotion budget' in dollars?

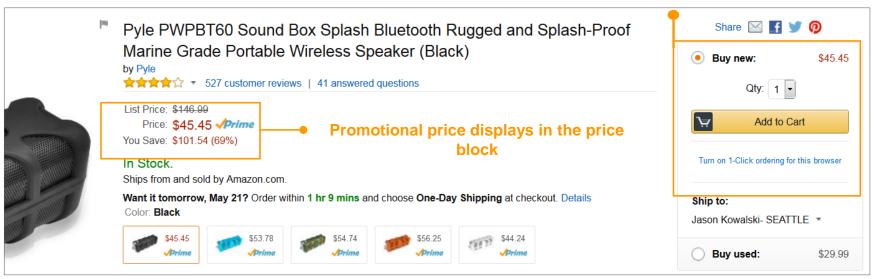
- » 'Budget' is available for Promo Code promotions
- This is the maximum \$ amount that you which to fund during the promotional period for each Promo Code promotion
  - By way of example, if we have agreed to budget of \$500, then after customers have received a total of \$500 in discounts the promotion will end.
- » Amazon rarely buys to your budget
  - Amazon may buy less or no units to prepare for a promotion



### Where is a Promotion Merchandised?

- » A Price Discount promotion is merchandised as a price drop on the Amazon detail page
  - Price drops on the detail page are a great way to increase product conversion (increase the number of visiting customers that buy your product)

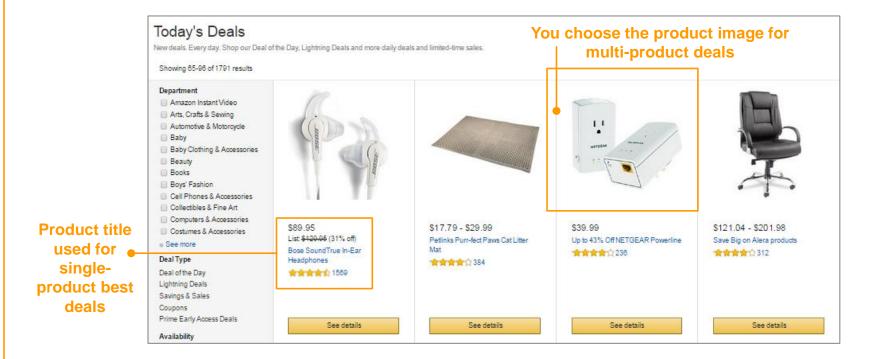
Promotions can help you win the buy box





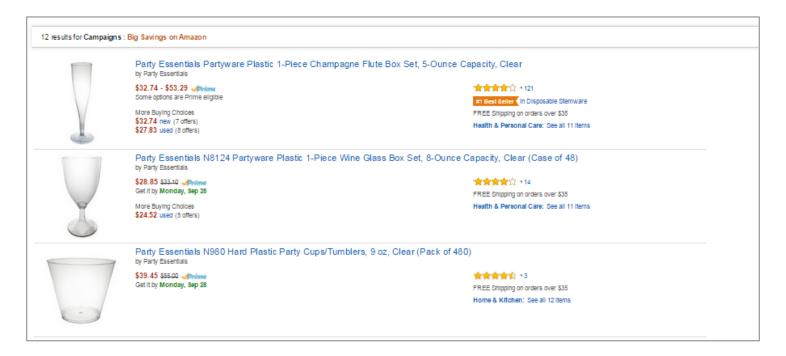
### Where is a Best Deal Merchandised?

Best Deals are price discount promotions that are additionally merchandised on the Amazon.com Deals Page



### Where is a Best Deal Merchandised? cont.

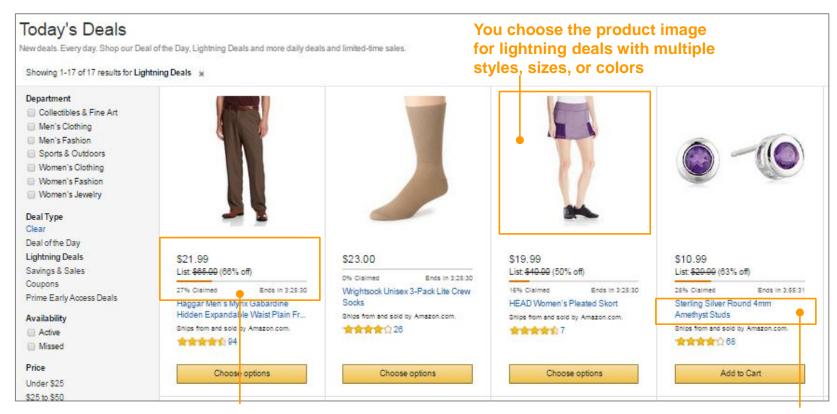
- » When clicked, single-product best deals take the customer to that product's Amazon detail page
- » Multi-product best deals take the customer to a page that features all products participating in the Best Deal promotion





## Where is a Lightning Deal Merchandised?

» Lightning Deals are price discount promotions that are additionally merchandised on the Amazon.com Deals Page



Customers see what % of units have been claimed in real-time

Product title used as deal title



## Where is a Lightning Deal Merchandised? cont.

- When clicked, single-product lightning deals take the customer to that product's Amazon detail page
- » Lightning deals including different styles, sizes, and colors of one product take the customer to the Amazon detail page of one product variation
  - Customers can then navigate to other styles, sizes and colors



» If you are running a lightning deal on a product with multiple size, color, or style variations, include all variations in the lightning deal



### Where is a Promo Code Merchandised?

- Promo Codes provide vendors with custom promo codes that can be redeemed by Amazon customers
- » Promo Codes are not merchandised on Amazon but can be shared in any marketing channel. Examples include sharing with social media influencers, on a brand website or through advertising.
- » Customers can redeem the promo code promotion in three ways:
  - A direct link to a landing page featuring the promotional products. The landing page will only be live for the duration of the promotion and there will not be links to or from the detail pages of eligible products.
  - Searching the exact promo code in the Amazon search bar. The customer will see a link leading them to the landing page featuring the promotional products.
  - Selecting products directly from the detail page and manually entering the code during check-out.



## Which Deals Are Prominently Featured?

- The most appealing deals for customers are often featured on or closer to the first page. Amazon deals compete with each other and change positions in real-time.
- » A deal's projected revenue significantly influences deal position
  - Include as many products as possible in the deal. Amazon calculates higher projected revenue when there are more products in the deal
    - For best deals, include entire brands or your entire catalogue
    - For lightning deals, if you are running a deal on a product with multiple size, colour, or style variations, include all variations
  - Offer funding to support product discounts larger than the minimum discount
    - Amazon expects to sell more units when products are discounted more heavily.
       Fund as much as possible to improve deal position
    - E.g., fund a 30% discount for a best deal instead of the minimum 15% discount to influence Amazon's projected sales calculation



### **Promotion Guidelines**

### » No financially unhealthy products

 We do not currently accept products to run that do not meet certain financial thresholds. Amazon looks at a product's current financial data before the promotion when evaluating each product. This threshold does not have to do with the level of funding you are offering for the promotion

### » No back-to-back promotions on the same product

 You cannot continually run promotions on the same product. Doing so may lead to your removal from the Amazon Promotions program

### » Lightning deals are expected to meet a deal revenue threshold

 Lightning deals expected to generate less than the deal revenue threshold will be sent back to you to modify

## Why would my promotion not be approved?

Rejection Reason	Action that can be taken
Products do not meet the financial threshold for a Lightning Deal or Best Deal	<ol> <li>Remove the product from the deal</li> <li>Run the product on a price discount promotion</li> <li>Lower the product cost to Amazon</li> </ol>
Products in the promotion have been flagged as potentially inappropriate for some customers	Remove the product and resubmit the promotion or submit a price discount with the flagged product. You cannot appeal these decisions at this time.
This deal will likely generate less revenue than your selected Product Line's Deal revenue minimum	<ol> <li>Add more units to your maximum unit quantity</li> <li>Add more variations (e.g. sizes)</li> <li>Submit the product as a Best Deal or Price Discount</li> </ol>
Products in the promotion are already included on an overlapping promotion	Change promotion run dates
The funding you provided does not support a promotional price of at least %-off the current selling price on Amazon.	Increase the per unit funding amount
All products in a lightning deal must be styles, colors or sizes of the same parent product.	Submit a separate deal for each parent product
This product is parent product	Resubmit deal with child ASIN
The product does not have a qualifying Amazon retail offer	No action. Amazon must currently be able to procure this product from you and customers must currently be able to buy this product from Amazon on the website.



### Why would my promotion be approved and then not featured?

» Amazon runs quality checks 7 days before and continuously starting 48 hours before the promotion start date to ensure that thresholds are met

Rejection Reason	Action that can be taken
Inventory is not available for the promotion product(s)	No action – promotion will not run
Deal price is not lower than the current website price Deal price does not meet the minimum deal price requirement	Edit the promotion and add additional funding
Item Rating does not meet the threshold (3+ stars)	No action – promotion will not run

- When a Lightning Deal does not pass these checks, it does not run and you are not billed
- When a Best Deal does not pass these checks, it still run as a lower price on the Amazon product detail page but does not show up on the Amazon deals page. You are responsible for the Per Unit Funding Amount for the products that sell during the promotion

## When do I receive promotion notifications?

- » We will email you when your promotion request:
  - Is approved
  - Needs your attention (i.e., requires you to make changes see slide 17)
  - Cannot be featured because your lightning deal fails quality checks (see slide
     18) that start 7 days prior to the start date of your deal
    - We will not email you if your best deal fails the quality checks because the promotion will continue to run as a price discount on your products detail page.
  - Is cancelled by you or Amazon. Amazon retains the right to cancel your promotion any time
- We will email you if one or more products in your catalog qualify for the Promotion Recommendation program (see slide 24)

### How do I manage promotion-related email permissions?

- Option 1: Change Admin rights
  - Log into your Vendor Central account: <a href="https://vendorcentral.amazon.com">https://vendorcentral.amazon.com</a>
  - Select 'Settings' → 'Manage Permissions'
  - Edit permissions
  - Change 'Is this user an admin' to 'Yes' if you want them to receive promotion emails or 'No' if you
    do not want them to receive emails.
    - Make sure that their Permissions for 'Promotions and marketing' are enabled (if you want them to receive emails and access the application) or disabled (if you do not want them to receive emails or access the application)
  - Submit the changes at the bottom of the page
- » Option 2: Subscribe/Unsubscribe to Notifications
  - Log into your Vendor Central account: <a href="https://vendorcentral.amazon.com">https://vendorcentral.amazon.com</a>
  - Select 'Settings' → 'Notification Preferences '
  - Add subscriber
  - Choose:
    - Notification Type(s)
      - Promotion approved
      - Promotion cannot run
      - Recommended Promotions
      - Select appropriate vendor code
      - Select user you wish to subscribe to the notification.
      - If the user does not exist, go to 'Setting's → 'Contact' → 'Create New Contact'
      - If you wish to unsubscribe a user, select 'Unsubscribe' next to their name in the relevant notification category

        amazon promotions

## What are the possible promotion statuses?

» After submission, a submitted promotion can have the following statues:

Status	Status Meaning	
Approved	The promotion will start on the promotion start date. Amazon has reviewed the promotion and no further action is required. If the promotion start date has passed, the promotion is likely live and currently running on the Amazon website.	
Pending Approval	The promotion is pending Amazon approval. This process usually takes 7 days, but can take longer, Contact Us in Vendor Central if your promotion has a status of Pending Approval and has a start date within 72 hours.	
Needs Your Attention	The promotion requires your review. Go to the promotion detail page and look at the <b>Comments</b> field. Amazon usually provides instructions around what action is required. You may need to remove products, change funding amounts, or make some other change. Make the change as soon as possible. Your promotion will then go back to business teams for re-review. This can take up to seven days.	
Rejected	The promotion will not run or give live on the Amazon website. Amazon has reviewed your promotion and could not run the promotion.	
Cancelled	The promotion will not run or go live on the Amazon website. A user of your Vendor Central business account has cancelled the promotion request. Create a new promotion if desired.	



## Can I edit my promotion?

- Yes, you can edit all fields of a promotion prior to the promotion being approved
  - If the promotion 'Needs your attention', you can download the product upload spreadsheet with errors on the promotion detail page or the 'Add products and funding' page. You can then make the edits directly in the spreadsheet, upload it on the add products and funding page and resubmit for approval



This promotion needs your attention.

Review the issues below and edit the promotion. If you cannot fix the below issues, cancel the promotion.

Manual Reject Message

Download the product upload spreadsheet with errors

- The only edit you can make after a promotion has fully been approved is to add more funding to your products
  - You cannot edit Promo Code promotions after the promotion has been fully approved



## Where can I find the results of my promotion?

- You can access the result of your promotion on the promotion detail page by selecting 'Download report'
- The report provides Net Unit Demand and Net Sales (PCOGS) for each products in the promotion
  - Net Unit Demand sums the total units sold to customers between [start date] and [most recent dataset date / end date]
  - Net Sales (PCOGS) totals the Product Cost of Goods Sold (PCOGS) of units sold to customers between [start date] and [most recent dataset date / end date]

The 'Promo Code' report provides the time each customer used a Promo Code to buy an eligible product
Creation & Approvals Summary

View this data by Claim Code, ASIN, and Date





### Why did I receive an email with recommended promotions?

- Amazon regularly reviews your product catalog and provides you with suggestions for high-impact Lightning Deals and Best Deals
- You can down the 'Promotion recommendations workbook' linked in the email, review the recommended promotions, and submit the recommendations in Vendor Central that you want to fund
- The promotions we've included have already passed Amazon's initial quality checks
- » If you do not have any qualifying products, you will not receive a recommendation email

### amazon vendor central

Sign In

#### Hello,

We'd like to invite you to participate in the Amazon Promotion Recommendations program, where we regularly review your product catalog and provide you with suggestions for high-impact Best Deal and Lightning Deal promotions. A Lightning Deal is a quantity-capped, price discount promotion featured for several hours as a flash sale on the Amazon.ca deals page—one of the most visited pages on Amazon.com. A Best Deal is a price discount promotion featured for one to two weeks on the Amazon.ca deals page.

To participate in the Promotion Recommendations program:

- Download your [TOTOX]: Promotion Recommendations workbook before August 25, 2016. The promotions we've included have already passed Amazon's initial quality checks and most will be automatically approved in less than two minutes. We try to review all promotions within a week.
- Determine the deals you want to fund. If you submit all of the recommended promotions, we expect to sell 473 units.
- Sign in to Vendor Central to create a separate promotion for each recommendation.

For additional information on Amazon Promotions, see the Promotions Training Guide.

Thank you, Amazon Promotions Team



## **Frequently Asked Questions**

#### » Does Amazon place orders to support promotions?

Promotions will often result in additional POs being raised, although this is at Amazon's discretion. Amazon asks you to submit promotions at least 3 weeks before the promotion start date so Amazon has time to place additional purchase orders if needed. Amazon may not always order from you to prepare for promotions.

#### » How do I know if the promotion was successful?

- Many vendors consider promotions successful when they sell more products after a promotion than they had been selling before the promotion. If you sell 10 products per week before the promotion, 20 products during the promotion, and then 12 products the week after the promotion, this likely means your product is now being shown to more customers and featured more highly in some search results.
- Many vendors treat promotions as marketing expenses. Vendors often invest in promotions with the aim of gaining search relevancy and higher weekly sales after the promotion.



## Frequently Asked Questions cont.

- My product did not meet the financial threshold. What is the threshold? I can offer more funding. What do I do?
  - Remove the product and resubmit the promotion. This threshold does not have to do with the level of funding you are offering for this promotion. Submit a lower product cost to increase your changes for qualifying for promotion in the future. Amazon cannot provide more information about financial thresholds
- Can I choose the start date and time for my Lightning Deal?
  - You may select the date for your Lightning Deal but not the start time. Amazon schedules deals to ensure that customers are offered a varied selection throughout the day. For important days like Black Friday and Cyber Monday, Amazon will be more selective about deals, which may result in your deal being moved to a different day. Consider providing your most popular items at the largest discount you can offer for these days
- » What if I have additional questions?
  - Contact Us. You can click Contact Us in Vendor Central. Select your Business group, select Promotions and Merchandising for your Support Topic, and select Price Discounts / Deals



### **How do I access Amazon Promotions?**

- So to Vendor Central (vendorcentral.amazon.com)
  - Select Promotions Under Merchandising

