winning on Amazon

The CEO Playbook

sell-beyond.com

why?

Why write a playbook for CEOs on increasing Amazon profitability?

We're consistently hearing from CEOs that they're not sure how Amazon fits into their business strategy, how profitable it is, or what kind of return they should expect on their Amazon marketing spend. Those that work with agencies often lack clarity, don't experience proactivity, have no visibility of the 'improvements' they're paying for, and have no direct connection to the people that are responsible for their PPC. Budget is being begrudgingly allocated without a clear idea of its expected contribution to sales.

This playbook is designed to provide the fundamental knowledge you need to make informed decisions. If you have further questions, I'm always happy to have a conversation.

Heloise Finch | **CEO, Sell Beyond**

UK native, Heloise Finch has enjoyed an international career in corporate and cultural transformation. In 2015 she founded Sell Beyond, combining her go-to-market and financial consulting experience with a decade of Amazon sales. She and her consulting team have all run successful Amazon enterprises. They now use that insight to **consult**, **coach** and **support businesses** in growing Amazon market share, achieving operational excellence, reducing wasted ad spend, and increasing profitability.

Three Amazon 'need-to-knows' for CEOs

To gain real competitive advantage on Amazon, leadership teams need to understand the channel well enough to challenge, question, and steer its strategy and execution.

1

Amazon isn't just another retail channel

It's critical to identify and assess every financial overhead of how you sell on Amazon. From Amazon's own fee structure to the cost of any third party-logistics (3PL), evaluating details such as inbound shipping, storage, picking, packing, bagging and stickering, outbound shipping, and returns management. Accounting for your internal operations on Amazon against your unit costs will determine your profitability and impact your P&L. Applying a blended margin to Amazon can easily hide loss-making products or ranges and will make it challenging to truly understand the effectiveness of your PPC advertising. Investing in this holistic business analysis of your Amazon sales channel enables you to identify changes that will improve margins and leave nothing on the table.

2

Amazon is noisy

Amazon sends hundreds of update notification emails a year, bombarding businesses with operational noise. There's no doubt that there's a lot to do, so having appropriate processes in place to deal with operational noise, is critical in ensuring that you can remain focused on strategic priorities. As CEO, you should be concerned with the volume of transactions, how to increase product visibility and customer conversion and how to make the channel more profitable.

3

Amazon sales data needs contextualising

Amazon dashboards provide headline numbers, but this information simply isn't enough to make informed decisions. You need to go deeper to understand the profitability of each product. Considering what the data from these dashboards tells you, what's missing and how that can be applied and integrated in the context of the rest of your sales channels will impact your efficiency, profitability and growth potential. This granular understanding provides essential insight to direct future operational evolution and address resource gaps.

How to calculate your Amazon channels profitability

The financial metrics that really drive profitability are not top-line ones such as Advertising Average Cost of Sale (ACoS) or Return on Ad Spend (RoAS). A dedicated Amazon sales channel profit and loss report provides the insight to effectively improve margins and drive sales.

A detailed analysis of Amazon operational and logistics costs at the product level is one of the first areas where companies have the power to claw back margin from Amazon. A second key area is to have a detailed understanding of Amazon advertising costs at both the SKU, and product range level. Metrics from operations, marketing and finance will need to be combined to calculate:

- **Unit cost per SKU after Pay Per Click advertising**
- **Cost of Amazon operational chargebacks**
- **Amazon return rate**
- **Conversion rate per SKU on promotions**
- **Cost of Amazon inventory holding after 90 days**
- **Cost of Amazon shipping per product**

By breaking down and optimising all your logistics costs, and understanding the cost of advertising per individual SKU, you can really start to increase your profitability on Amazon.

What should I expect from the internal team running Amazon?

It's very common for businesses to lack clarity around their Amazon strategy, and very often the key information to develop an effective strategy is missing.

Internal Amazon channel teams need to understand:

- All fees associated with Amazon and with any logistics providers delivering to Amazon
- The impact of inventory holding on sales and profit
- What the sales channel is actually costing
- PPC attribution at the product level
- How to extract and analyse Amazon's data to inform decisions
- How to prepare appropriate executive summaries and cost reports

Reports

Amazon reports don't read like management reports, so it's possible that your internal Amazon team might require some training to build the reports senior management need. If your team need support, we can help with building reports, analysing data and bringing the understanding needed to make informed decisions.

what?

What should I be spending on Amazon ads?

The cost of advertising continues to climb, but the results don't always follow.

Whilst Amazon continues to grow its marketing real estate, advertisers continue to compete for visibility. PPC is simply a cost of doing business on Amazon, and as with any competitive market, you have to speculate to accumulate.

We're often asked if you can cut ad costs, grow customers, and get market share on Amazon. To improve performance and efficiency, **it's important to consider 3 key areas:**

1 If your organic conversion is low on key products, your ads will always be more expensive.

2 If your team relies on PPC software, are you missing opportunities that human intuition would identify?

3 Consistency and technical excellence from your team matters more than ad spend.

What does a good Amazon agency look like?

Outsourcing works, but only if you know what good looks like and ask the right questions.

Make sure that your agency:

- Use a tailored strategy, not just cookie-cutter software tools
- Manage PPC on a daily basis to avoid budget wastage
- Ask you about profit margins per SKU
- Understand how your business really works
- Don't subcontract to foreign teams who don't have time or expertise to deliver creative assets or meaningful growth
- Provide weekly reports with detailed data analysis so you can make proactive decisions
- Is able and willing to decode the jargon and complexities of dealing with Amazon
- Can explain why purchase orders or revenue from Amazon have slowed (rather than just saying you need to spend more or reduce prices).

beyond endorsements

Coaching to get Amazon right first time

Concerned about getting it wrong in a highly competitive market, Centurion Safety approached Sell Beyond to empower their team to launch on Amazon. Initially listing 17 products, they saw sales double month on month in the first three months. They have since increased their product listings, hired a data analytics manager and are now confident in their ability to optimise Amazon sales.

"Sell Beyond provided clear, practical support in helping us set up our Amazon Vendor Central account and improve our product listings. Their team guided us through the setup process, ensured everything was configured correctly, and offered straightforward optimisation recommendations that were easy to implement. Their knowledge and responsiveness made the process efficient and helped us establish a solid foundation on Amazon Vendor Central."

Centurion Safety | Allan Lock, CEO

Driving success through optimisation & profitable Amazon PPC management

Ring Automotive had successfully managed their own PPC advertising but found that pricing challenges were making it very difficult to grow year on year. An increased budget prompted them to seek external advice, expertise and resources to propel their Amazon PPC strategy management forward and improve profitability. As a result, in 2024:

- New product launches performed between **8-9% better** than previous launches
- Ad campaigns drove **£1.2M revenue** compared to £350K in 2023
- The average monthly Amazon Return On Ad Spend (ROAS) **rose 50% from 4 – 6%**
- The average Cost Per Click (CPC) for Amazon ads **fell from £1.16 in 2023 to 69p**
- Celebrating a milestone year, Ring delivered a **£2.3M Amazon turnover**.

"Monthly 121s were of real value. Heloise was a great sounding board for business in general, not just Amazon. She always had ideas, suggestions and insights to help improve profitability… Whether you are completely new to Amazon or an established trader on Amazon, you can always learn something new. There are real benefits to be had by working with Sell Beyond."

Ring Automotive | Dan James, Head of Retail

Let’s sell beyond

We hope that this brief playbook has empowered you with the ‘need-to-knows’ for selling on Amazon. But if you have more questions than answers, and are looking for help beyond these basics, we’d love to talk.

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