

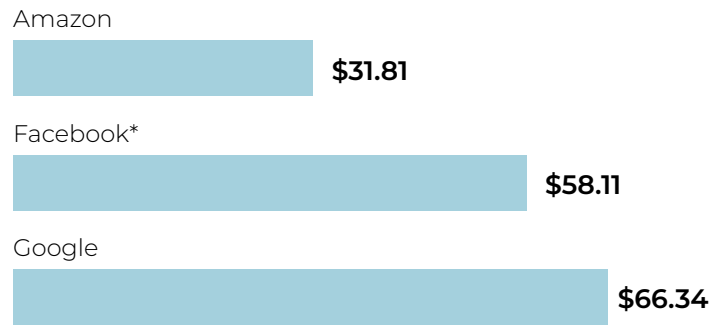
The background of the entire page is a hand holding a smartphone. Overlaid on this are several digital graphics: a large blue arrow pointing right, a network graph with glowing nodes and lines, and several instances of the binary code '01'.

skai

The Skai Marketing Guide to Mastering Amazon Ad Types

In a relatively short amount of time, Amazon is now the third-largest digital ad publisher in the U.S. behind just Google and Facebook. Amazon Ads in the U.S. are on pace to generate nearly \$32 billion in revenue this year and are forecasted to reach nearly \$40 billion in 2023. It is the tip of the spear for the red-hot **retail media advertising** channel which includes online ad programs from retailers such as Walmart, Target, Instacart, and scores of others.

Digital Ad Revenues, by Company US, 2022, billions



However, this meteoric success has been raising competition that has begun pushing ad prices up. Some industry reports indicate that these ads are [up almost 50% year-over-year](#). As a result, to remain profitable and efficient, Amazon marketers know that they have to get more savvy and sophisticated with their programs.

One of the critical ways practitioners are leveling up their strategies is to master the various ad formats available. What are some of the ways to expand or narrow targeting? How can they use some of the creative restrictions to their benefit? Which formats are best for the upper funnel and which are best at the bottom? By getting the most out of each Amazon Ad type, brands can extract the most value from their Amazon Ad programs.

In this Skai Marketing Guide, you will learn:

- The fundamentals of the most popular Amazon Ad types
- Tips for each format to drive performance and beat competitors
- Considerations for a best-in-class program mix





Amazon Ad Types

Although Amazon Ads is evolving rapidly, with streaming TV ads, audio ads, and more, the four main ad formats are:

- Sponsored Products
- Sponsored Brands
- Sponsored Display
- Amazon DSP

Note: Some categories or types of products are not permitted. For a full list of permitted and prohibited categories, review the [creative acceptance policies](#) for Amazon Ads.

Sponsored Products

These ads for individual product listings appear in shopping results and on product detail pages. Therefore, they look like other search results and blend in with the organic results.

Note: The advertiser’s products must be in one or more eligible categories (and be eligible for the Featured Offer) to advertise.

Cost model: Pay-per-click based on the advertiser’s bid

Creative: No ads to build. Brands choose which of their Amazon products to advertise, and then the ads are auto-generated using the image and title from the product detail page (PDP).

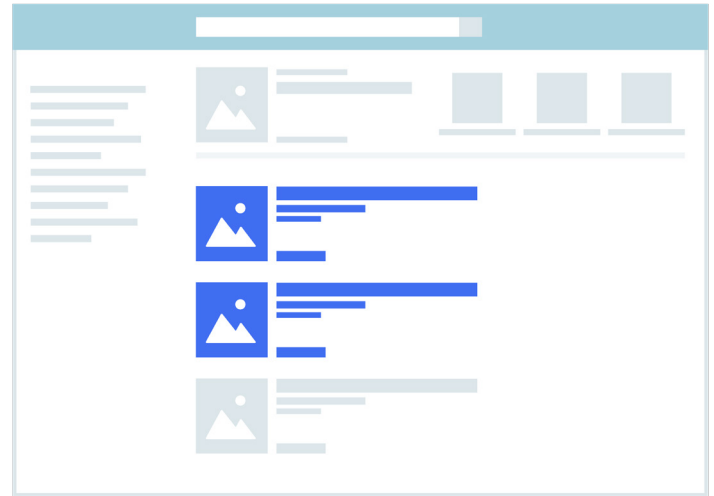
Targeting: Keywords or Products

Summary: Sponsored Products are the most popular Amazon Ads and offer the same value as standard web paid search by reaching people searching for specific keywords. You can also target products—either your own or competitors—with Sponsored Products ads, and they will appear on those individual product detail pages.

Availability

North America	CA	MX	US	
South America	BR			
Europe	DE	ES	FR	IT
	NL	PL	SE	UK
Middle East	KSA	UAE		
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[Amazon Stats](#)



- ASINs saw an average weekly +40% lift in units ordered within the first year after launching a Sponsored Products campaign.
- ASINs saw an average weekly +54% lift in glance views within the first year after launching a Sponsored Products campaign.
- Adding three or more bullet points to your product page and advertising with Sponsored Products can help you increase impressions by 55x.
- Adding A+ content to your detail page and advertising with Sponsored Products can help generate up to 93x more unit sales.



Sponsored Products are critical of any Amazon Ads account. They are the most utilized ad type—which also means the most competitive, which is why these ads are experiencing the highest price spikes within the channel.



Tips for Sponsored Products

- **Ensure visibility 24/7.** Use these ads as always-on for your most popular products.
- **Go after rivals.** Being able to target competitor products is a crucial opportunity for challenger brands. Monitor competitor products and strike when they go out of stock.
- **Broaden the net.** Don't just bid on product or category terms, but test terms that can trigger your products. For example, if you sell suntan lotion, try also bidding on tanning bed, swimming trunks, and beach blanket.
- **It's okay to be negative.** Use negative terms to avoid poorly matched keyword searches that can waste your budget.
- **Automatically go manual.** Start with automatic targeting to let Amazon find keywords for you. Then add the best ones to your manual campaigns.

Sponsored Brands*

*Includes Sponsored Brand Video ads.

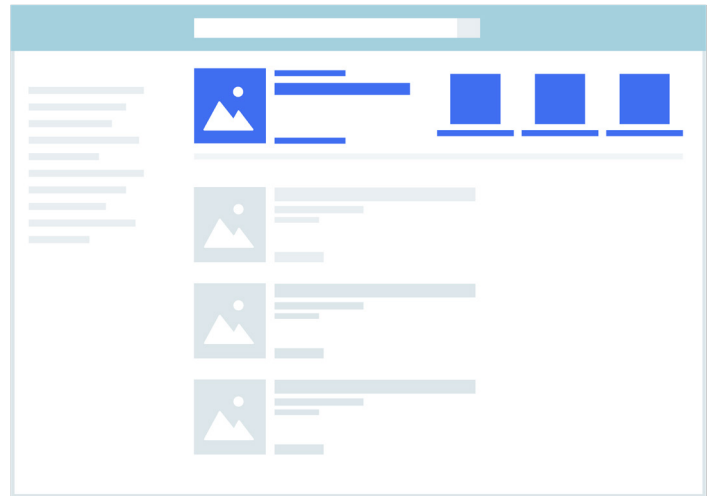
These ads appear on top of, alongside, or within shopping results with a highly customizable and attention-grabbing product portfolio. Amazon shoppers can choose to either click on your brand logo and be taken to a store/custom landing page, or they can choose to click on one of the products within the ad to be taken to that product's page.

Cost model: Pay-per-click based on the advertiser's bid

Creative: Feature a custom headline, brand logo, and multiple products

Targeting: Keyword

Summary: Sponsored Brands are an eye-catching ad format that can often appear at the top of the Amazon search results pages. For brands looking to "own" a category and reach shoppers who may not yet know exactly which product to buy, they are a perfect opportunity to get into purchase consideration sets and swoop in to steal a competitor's sale.



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The
bottom line

Sponsored Brands also offers unique reporting with new-to-brand metrics which measure the number of first-time customers or total first-time sales your brand acquired on Amazon in the past 12 months. Sponsored Brand Videos are highly effective and can be an excellent competitive ad format if your rivals don't have the budget or capabilities to build their video ads. Just follow [the editorial guidelines](#), or your video may be rejected.



Tips for Sponsored Brands

- **Large and in charge.** These ads take up space. Use the real estate wisely!
- **Go up the funnel.** Sponsored Brands ads are great for awareness building to reach shoppers who haven't yet heard of your brand.
- **Engage with headlines.** Unlike automated ad creative with Sponsored Products, you get to customize the headlines, so take advantage of this opportunity to be creative.
- **Be picky with the products.** You can choose which products are paired with your Sponsored Brands ads, so test a group of them to find the best-performing ones.
- **Get to the point.** For Sponsored Brands Videos, keep the videos short (~15 seconds) and show your product as soon as possible.

Sponsored Display

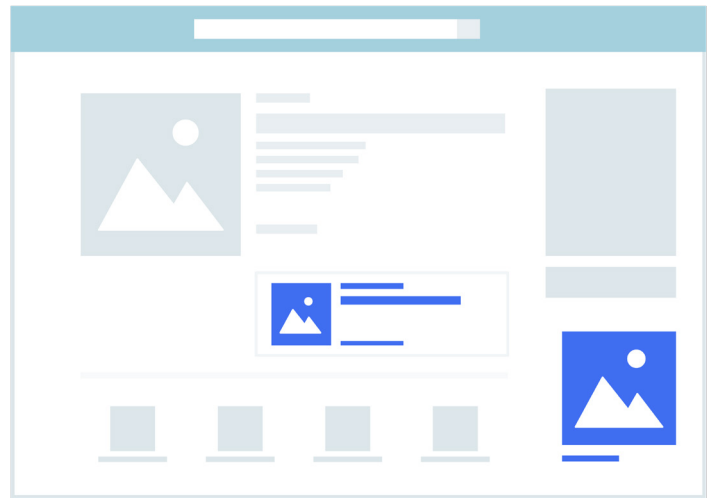
These self-service display ads use automatically generated ad creatives and target audiences created based on relevant Amazon shopping interests. Use these ads to reach audiences as they browse, research, or buy products on the Amazon home page, product detail pages, shopping results pages, and Twitch, as well as third-party websites and apps.

Sponsored Display ads also dynamically promote the most relevant product with the highest chance of engaging with shoppers from the list of products you add to your campaign.

Cost model: Pay-per-click based on the advertiser's bid

Creative: No ads are required. Brands choose which of their Amazon products to advertise, and then the ads are automatically generated. They include a product image, pricing, deals, savings badging, star rating, and a "Shop Now" button that links to your product detail page. In addition, you can choose to add a custom headline. If you choose to build these manually (called 'customization'), you can select a logo, headline, and either use the product image or upload a custom one.

Targeting: Product targeting (individual ASINs or product categories) or audiences. Sponsored Display uses browsing and buying signals to automatically reach audiences who may be interested in your promoted product. These audiences may be in the market to buy your product because they viewed your product, similar products, or relevant categories.



You may add and mix multiple audience types in a single campaign. Combining multiple audiences in a campaign will result in a broader audience for your ads rather than narrowing in a manner that creates overlap in all selected audiences. [Audiences include:](#)

- **Views remarketing.** Amazon shoppers who have viewed specific product detail pages during a historical lookback window that you can specify.
- **Purchases remarketing.** Audiences based on their historical purchase behaviors during a lookback window that you can specify.
- **Amazon audiences.** Thousands of pre-built audience segments to help advertisers reach new prospective audiences through awareness and consideration campaigns.

Summary: Sponsored Display ads can appear all over Amazon (and even off Amazon). What makes them highly complementary to Sponsored Products or Sponsored Brands ads campaigns is that they can be used to retarget/re-engage users who have viewed or purchased your items or have previously searched on your key terms.



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[Amazon Stats](#)

- On average, advertisers who use Sponsored Display audiences see up to 82% of their sales driven by new-to-brand customers.
- On average, campaigns using Amazon's product targeting recommendations saw 2x higher impressions and 1.5x the number of clicks.
- Our new product targeting solution helps drive better consideration with +75% better click-through rate.

The bottom line

The unique opportunity here is to reach relevant shoppers with these ads both on and off Amazon. Due to data deprecation issues, these ads might be the perfect alternative when you have trouble targeting or measuring other forms of digital advertising impacted by recent changes in consumer tracking.



Tips for Sponsored Display

- **Leverage discoverability.** These ads aren't part of the Amazon search results, so users aren't initiating them like Sponsored Products or Sponsored Brands ads. Instead, think of how you will use them throughout the funnel to drive conversion activity.
- **Retargeting works!** Retargeting ads are known across digital advertising to have fantastic ROI. Use Sponsored Display to re-engage shoppers whether they're on Amazon.com or not.
- **Use both product and audience targeting for the best results.** Test which targeting works best for various types of campaigns. You will find they work well in some situations but not others.
- **The 10 rule.** Amazon recommends adding more than 10 ASINs in each Sponsored Display campaign to cast the widest net and ensure your ads appear often.
- **Deals! Deals! Deals!** Sponsored Display ads support automated deals and savings badges to help shoppers quickly spot special offers when your products are on sale. Automated badging drives up to [42% more clicks for Sponsored Display than standard ads](#).

Amazon DSP

Amazon's demand-side platform enables advertisers to programmatically buy display, video, and audio ads on and off Amazon.

Cost model: Pricing for display ads purchased through Amazon DSP vary by format and placement.

Creative: You have the flexibility to use your custom ads or use our exclusive Amazon creative options:

- [Ecommerce creatives](#) can include an image you provide or a product image found on your product detail page. In addition, various elements are automatically generated to drive the best performance for your ecommerce creative and the end customer.
- Amazon Ad's [video creative builder](#) allows you to create an engaging video free of cost by selecting one of the existing templates and using product images found on your product detail page.

Targeting: Use exclusive insights and shopping signals to connect with the most relevant audiences on and off Amazon.

Summary: The most exciting thing about Amazon DSP is that any **brand can use it**—even those selling beyond the walls of Amazon, including non-endemic advertisers in categories like automotive and financial services. This is also where brands can buy new emerging Amazon ad formats such as streaming video and audio ads.



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The bottom line

Almost every digital marketing organization already buys programmatic advertising. They tend to use third-party DSP tools and purchase data from vendors to target these ads to online consumers. The Amazon DSP offers powerful, exclusive data signals for 'free' as part of the ad cost. With Amazon's closed-loop targeting and measurement—who doesn't have an Amazon account—marketers can run end-to-end marketing programs with accurate reporting.



Tips for Amazon DSP

- **Make your ads personable.** Ensure that your brand and logo are highly prominent and stick out. Remember, these ads appear alongside content your audience is consuming.
- **Use Amazon's DSP checklist.** Amazon knows that using its DSP is different from its other endemic ad formats. So it offers a handy “pre-flight checklist” to make sure you're all buttoned up before you get started.
- **Retargeting across the web.** Target ads to people who have not just purchased your Amazon products but who have viewed and searched for them as well.
- **Cap those conversations.** Don't waste your budget with too many impressions targeted to the same person. Set a frequency cap and move on to the next consumer.
- **Find your best landing page.** Advertisers can send DSP traffic to individual product pages on Amazon or any page on the web—including their site.

Best practices for Amazon Ad program mix

Learning the ins and outs of each ad format is a critical part of garnering success using Amazon Ads. However, the trick is to build a holistic Amazon Ad program with the best mix of ad types and targeting to maximize your marketing investment.

The following are some tips for developing the very best program mix with the available Amazon Ad types:



Pay attention to price.

Prices vary by ad type. As with any media mix, a balance of volume and quality is vital. Sponsored Products can offer tremendous volume and represent the bulk of your Amazon Ad impressions. Sponsored Brands, Sponsored Display, and Amazon DSP have their average prices. When thinking through your program mix, make sure you are always buying in relation to your total program, not just one ad format at a time.



Focus on the funnel.

These Amazon Ad types can be used across the funnel. While retail media has been somewhat pigeonholed as a bottom-of-funnel tactic, the truth is that shoppers on Amazon.com use the site for purchase research and to build their consideration sets. Think about where your products fit into the market and when to throttle awareness, consideration, and action using the right mix of ad formats.



Targeting is one of your key levers.

Across all ad types, you have various targeting options, including keywords, product, audiences, interests, and behaviors. Unfortunately, not every ad format can be targeted using these options, so it's essential to understand each ad format's targeting capabilities and match them to your program needs.



Know your competitive landscape.

Sometimes you will need to bid higher than you want to because competitors are buying up market share. Know when to bid aggressively and when to back off. Remember, this landscape changes often. For example, a competitor may bid heavily during the first month of a new product release but then lower their bids later. So keep a close eye on competitors and find gaps to stretch the power of your bids.



Be “Retail Ready.”

Amazon has advised its sellers for years to ensure that their product detail pages (PDPs) are incredibly well-built. Not only is this good advice, but it's even more important for advertising. Don't waste your budget on traffic to product pages that aren't optimized—save your budget for when your PDPs are retail ready. [Learn more about retail readiness](#) from Amazon Ads' training.

About Skai™

Skai™ is a marketing intelligence platform that powers brand insights, decisions and execution for faster, more predictable go-to-market outcomes. Skai's platform includes a suite of data-driven products for market intelligence, omnichannel media activation, testing and measurement, enabling product, insights and marketing teams to accurately plan strategies and benefit from connected omnichannel launches.

Skai™ merges the former Kenshoo and Signals Analytics capabilities and for more than a decade, has been trusted by an impressive roster of global brands including Procter & Gamble, PepsiCo, Estée Lauder, Nestle, Johnson & Johnson, Mars and others.

With its expanded product suite, Skai™ is unifying data and helping companies better understand their consumers in real-time. It has seven international locations and is backed by Sequoia Capital, Arts Alliance, Tenaya Capital, Bain Capital Ventures, Pitango and Qumra Capital. For more information visit [skai.io](https://www.skai.io).