

Sponsored Ads Objectives and Measurements

Setting up a campaign

When setting up a campaign (either product or brand) there are a number of choices to make:

- Objectives
- ASINs to advertise
- Ad product(s)
- Targeting method(s)
- Bid levels
- Daily budget
- Campaign duration – continuous or finite

Objectives

Before launching a sponsored ads campaign, it is important to set your objectives. Options include:

- Sales revenue – for businesses looking to improve revenue. Sales revenue will usually be combined with a advertising performance measure (see below)
- Impressions – for brand looking to increase exposure
- Acquire customers. Sponsored brand campaigns, enable brand to measure new to brand customers

Key Performance Indicators

Two of the key metrics which are used to measure the performance of Sponsored Ads campaigns are Advertising Cost of Sale (ACoS) and Return on Advertising Spend (ROAS). Depending on your margins and business goals, you should set targets for these measures which can be tracked via the advertising dashboard.

Advertising Cost of Sale

Advertising Cost of Sale (ACoS) measures the efficiency of your advertising campaign. It is the ratio of ad spend to ad revenue (in %). You can calculate ACoS using this formula:

$$ACoS = Ad\ Spend \div Ad\ Revenue * 100.$$

Return on Advertising Spend (ROAS)

ROAS is a marketing metric that measures the amount of revenue your business earns for each dollar it spends on advertising.

$$ROAS = (Revenue \div Ad\ Spend) * 100$$

ASINs

When choosing product to promote, focus on high performing products which you wish to keep on top, or well optimised listing whose sales you wish to increase. Avoid poor sellers and poorly optimised listings.

Best-selling products

By advertising products that already have high sales, you're maintaining relevancy with click-through rate (CTR) and sales, helping you stay on top of mind with shoppers.

Retail-ready ASINs

In addition to advertising your best-selling products, review your product catalogue for optimised (a.k.a. retail ready) ASINs. Advertising these ASINs could help you increase brand awareness and sales across your range.

Choosing an ad product type

Sponsored products

With highly visible placements in shopping results and product detail pages, you can promote your listings to shoppers who are looking for products like yours, therefore driving visibility and sales.

Sponsored Products are simple to set up. They do not require any images or custom copy, and they go live within the hour.

Sponsored Brands

Sponsored Brands are useful for increasing brand awareness and impressions across a brand's entire catalogue or a new line of products. They are also useful to increase brand engagement by driving traffic to the brand's Store.

You can create an engaging headline and choose the image that displays on the left side of the ad. Using your brand logo is effective for added brand building and encourages customers to click your ad, growing the size of your audience.

Remember: Sponsored Brands are available on to sellers with a brand enrolled in the Amazon Brand Registry.

Budget

Upon creating your campaign, you will need to set your budget. You can control your spending by setting either a daily budget or, if using Sponsored Brands, a lifetime budget.

Use the daily option to set the maximum amount you are willing to spend per day averaged over a calendar month. Use a lifetime budget with Sponsored Brands to set the maximum amount you're willing to spend for the entire campaign. Your campaign runs until you use your budget or reach the campaign end date.

Average daily budget

Your average daily budget is the maximum amount you are willing to spend, on average, each day over a calendar month. The minimum daily budget is \$1/£1.

Your daily budget is calculated over the course of a month. This means that at the end of the calendar month, you will not be charged more than the daily budget you have set, multiplied by the number of days in that month.

On any particular day, you may spend less than your daily budget, or up to 10% more than your daily budget. This helps you benefit from high-traffic days.

Lifetime budget (Sponsored Brands only)

Your lifetime budget is the maximum amount that you are willing to spend on this campaign. The minimum lifetime budget is \$100.

Campaign Duration

You will need to decide whether you want to run your campaign continuously or set an end date. To make your selection, think about whether you want to advertise your product all the time, or if you want to advertise your product seasonally or for a limited period of time, for example for promote an offer. You can schedule campaigns up to four months in advance.

It can take 7-14 days for the sale of your products to be attributed to a click on your ad, so it is important to let the campaign run for a few weeks to see the results. You can pause or restart a campaign at any time.