

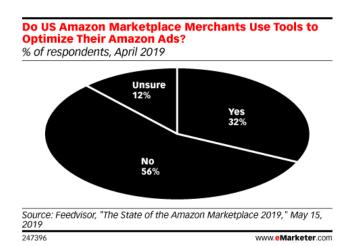
Most Amazon Sellers Are Getting by Without Ad Optimization Tools, For Now

ARTICLE

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he majority of businesses selling products on Amazon still don't use optimization tools to bolster their advertising efforts. But as Amazon's ad business continues to grow, so will the competition for valuable ad placements—and many sellers are now looking for ways to improve their strategic advertising efforts.

Over half of US Amazon sellers said they don't use any tools to optimize their Amazon ads, according to an April 2019 study from Amazon optimization platform Feedvisor.

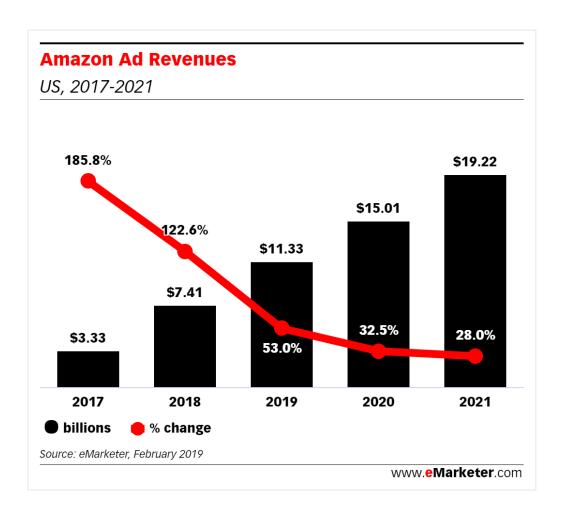




Still, the majority of US sellers are pleased with Amazon as an advertising platform, regardless of whether they use optimization tools. According to the Feedvisor survey, 72% of the sellers claimed to either be satisfied or highly satisfied with Amazon's ad platform, compared with just 28% who said they were either dissatisfied or highly dissatisfied.

But despite the high satisfaction, 41% of sellers thought their strategic advertising efforts were below average compared with their competitors, and 51% said they wanted to improve their strategic advertising over the next year.

Amazon's ad business is still growing fast. We expect the ecommerce giant's US ad revenues to surpass \$11 billion in 2019, up 53% year over year.





Ad offerings on Amazon Marketplace have also become more complex, as the company introduced several features at the end of last year that further customized advertiser options.

"Amazon released a lot of changes around advertising in Q4 [2018], including additional bid controls and the ability to provide extra targeting," said Jeff Cohen, chief relationship officer at Amazon seller software Seller Labs. "What we're seeing as we roll into 2019 is that advertising has become more complex, which is requiring a different skill set for managing advertising on Amazon."

According to the Feedvisor survey, 37% of sellers who use optimization tools utilized third-party software for bid optimization, while 16% used keyword research tools. Almost a quarter (24%) of respondents used consulting firms and agencies that specialize in the Amazon retail media space. However, sellers were only allowed to select a single answer, so any additional optimization tools were not factored into the survey.

As sales on Amazon Marketplace continue to grow—and as its advertising options become more complex—it's not surprising that most sellers have expressed a desire to improve strategic advertising. And there's reason to believe that adoption rates for optimization tools will increase in the near future.

