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4 KEY THINGS TO KNOW BEFORE SELLING ON AMAZON AUSTRALIA

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INTRODUCTION

Retail in Australia is about to be completely transformed, with Amazon arriving on our shores and rolling out their full suite of retail services to Australia. But what will this disruption mean for you as an Australian retailer? One thing is for certain: Amazon's arrival is going to shake things up in the Australian retail sector.



When the [Sydney Morning Herald reported](#) that Amazon would “threaten the supremacy of established local retailers” and that an Amazon executive had said, “We are going to destroy the retail environment in Australia,” it reflected the current general sentiment toward Amazon's expansion. But is it truly all doom and gloom, as some media outlets are saying? Or is this an opportunity for Australian retailers to rethink their growth strategies?

What is true is that the arrival of Amazon will change the face of retail in Australia. Retail analysts estimate that Australian consumers already spend over \$700m each year on [Amazon.com.au](#) and Amazon's overseas sites. And Citigroup's Head of Research, Craig Woolford, estimates that Amazon's Australian sales could exceed \$4 billion within 5 years. That equates to 14% of total online sales and over 1% of total retail sales in Australia. These figures cannot be ignored, but they also do not mean every retailer will suffer declining sales. If you proactively implement a smart sales strategy that takes advantage of the changing retail landscape, you may even see your sales increase.

The only way Australian retailers will continue to compete in the new environment is by understanding how Amazon operates and why it is such an appealing marketplace for consumers and build your business around it, treating Amazon like it's just another sales channel in your multi-channel strategy—which it is.

Some shoppers will exclusively use a single marketplace, such as Amazon, eBay or Alibaba. So if you want to reach these online shoppers and make them your customers, you need to be in these key marketplaces. Jumping on board Amazon's arrival will give you access to a wider audience than ever before.

The time has come for Australian retailers to consider the best way to stay profitable in this shifting retail environment.

1. SELECT WHICH PRODUCTS TO SELL

Before getting started with Amazon it's important to decide which of your products you'd like to sell. The best way to do this is to use a combination of research and sales data. Research how products similar to your own have performed in Amazon US. Is there an appetite for your products on the giant marketplace?

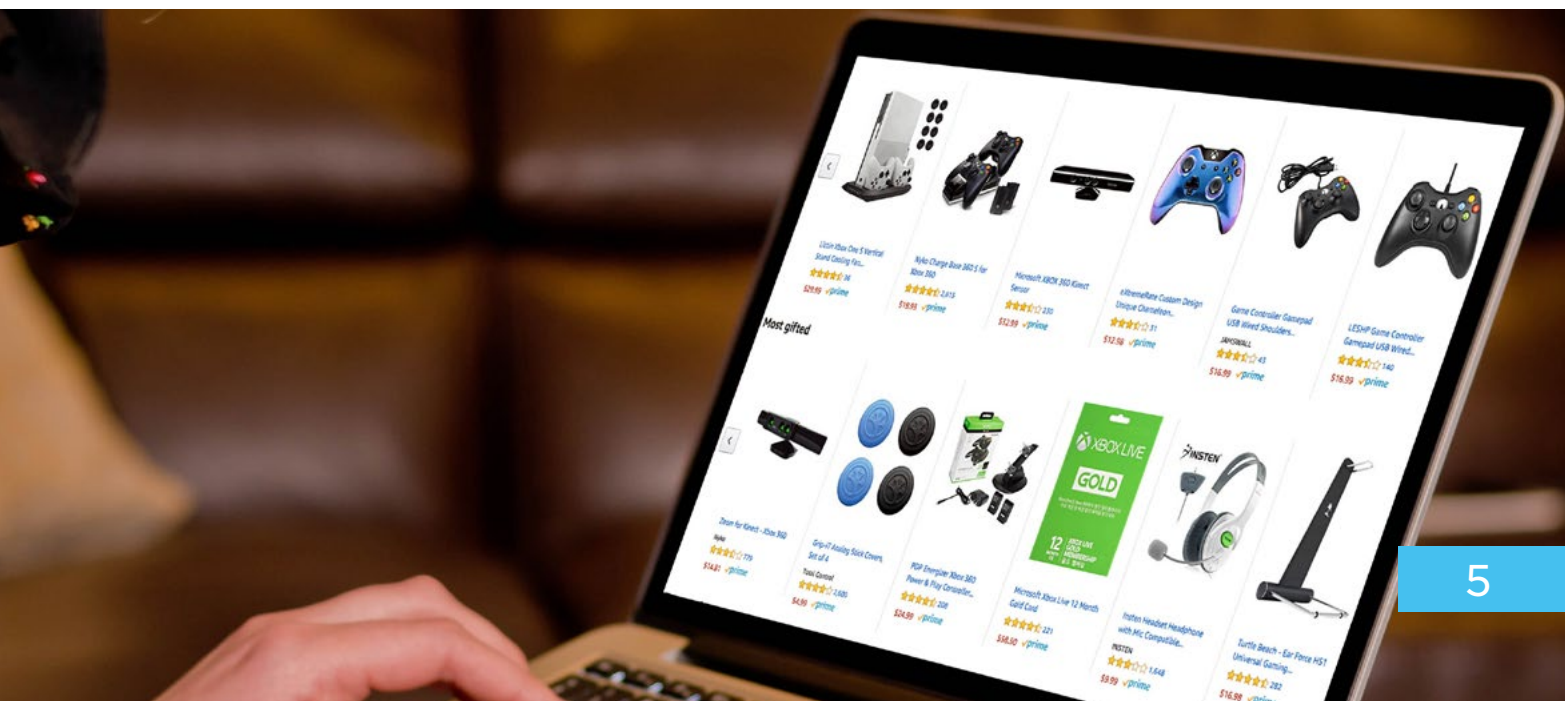
It's also important to look at your own sales data when deciding which products you will sell on Amazon and which products you will sell through different channels (such as your online store or alternative marketplaces). This is an effective Amazon strategy because it tailors your product offerings to the customers each channel is already attracting.



2. OPTIMISE YOUR PRODUCT LISTINGS

Amazon's marketplace gives customers a single storefront to search or browse for products across all the individual retail stores it hosts. Retailers on Amazon sometimes seem more like suppliers for Amazon's brand, and it's rare for Amazon shoppers to go browsing a single retailer's products. But this isn't all bad news, rather it reinforces the importance of improving your listings to optimise for Amazon's search algorithm. Here are some tips to get your started:

- ▶ **Make your category terms and keywords accurate** - Select precise categories and choose the most accurate keywords; this will help customers narrow their search and easily identify relevant products.
- ▶ **Create descriptive titles** - Long titles with product features prominently described rank well above the pithy, simple, short ones. Amazon gives you templates to get you started on [this help page](#).
- ▶ **Communicate through images** - Sellers have nine image slots for each product on Amazon. Pictures should be professional, showcasing the products from different angles and in good lighting.
- ▶ **Create a rich listing description** - If your text here finishes the story that your images began, you are setting yourself up for success on Amazon.
- ▶ **Highlight your products benefits** - Unless you are talking to a highly technical audience, you want to use your feature section to underline the benefits of your product as much as possible.



3. CUSTOMER REVIEWS ARE MORE IMPORTANT THAN EVER

[Customer reviews](#) on your online store are important, because they boost your search engine rankings and improve buyer confidence. But when it comes to marketplaces like Amazon, a high customer rating is absolutely essential. Feedvisor's [2016 study of Amazon shoppers](#) revealed that 87% of shoppers on Amazon always or sometimes check seller ratings before buying. So one of the best things you can do for your Amazon selling strategy is work hard towards getting the best seller rating you can.

Important Tip: Make sure you don't incentivise reviews in any way. Don't include any language in your Amazon text that promotes a reward for leaving a review. Amazon will find this text and penalise your listing.



4. DIFFERENT WAYS TO SELL ON AMAZON

There are a couple of different ways to sell on Amazon. Firstly you can list as a seller without Amazon Logistics. This means you, as the seller, are responsible for sending stock to the customer, taking care of customer service, and managing the returns process. For launch this is the only option that will be available for Australian Amazon Sellers. In this model, Amazon charges a commission fee on the sale.

The second option, which won't be available for Amazon Australia's launch but is likely to be available in the coming months, is known as Fulfillment By Amazon (FBA). This means as a seller you make use of Amazon Logistics. FBA involved merchants deliver their stock directly to an Amazon warehouse, and Amazon delivers the stock to the final customer, takes care of customer service and manages returns. This model is likely an easier option for merchants and comes with benefits such as targeting Amazon Prime customers, but it does come with additional costs; Amazon charges a commission fee on the sale and the logistics costs.

Finally Amazon also acts as a supplier. In this model, Amazon orders stock directly from merchants and pays based on the agreed price.



GET READY FOR AMAZON

It's highly unlikely that Amazon will “destroy” Australia’s retail environment, but it’s certainly going to disrupt the status quo and change how we view retail strategy. The question for your business is: how ready are you to take advantage of Amazon’s arrival in Australia?

Neto has been helping retailers sell on marketplaces like eBay, through webstores and in physical stores for over 8 years. And now we’re getting ready to help merchants become Amazon Australia sellers. We’re the only Australian retail management platform that provides a complete solution for ecommerce, point-of-sale, inventory and fulfilment. This means you can easily sell on marketplaces like Amazon while enjoying the benefits of superior inventory, reporting, order processing and fulfilment.

To see for yourself how easily you can incorporate Amazon into your omni-channel strategy, [start your free trial with Neto today.](#)

