

Winning the Buy Box

Purpose

In this lesson you will learn about "winning the buy box". You will learn what it is and why it matters so much, especially for drop-shipped products or selling any products already on Amazon. It also applies to any bundled items or anything that you would add to Amazon that could possibly be sold by anyone in the future, making knowing how to win the "buy box" absolutely critical.

The Buy Box

What is it?

Before we actually look at what the "buy box" is, it helps to understand the philosophy behind it as it pertains to Amazon.

To start, this is a fairly unique approach by Amazon designed, in part, to avoid the clutter that exists on other sites where the exact same product, sold by multiple sellers, is shown multiple times, often with the same image. It basically works out to 1 listing per seller, resulting in clutter.

Amazon's response to this is quite innovative. Instead of allowing multiple listings for the same product, Amazon requires that if a product you want to list with Amazon already exists in their product listings, you must list with that product. In other words, you have to tell Amazon what that product is and that you also want to sell it. The downside to this, however, is that whenever someone buys something on Amazon, only 1 of the sellers gets the sale and which seller that is gets determined by the person in the "buy box". This will be covered further on.

The "buy box" is found on just about any item in Amazon, except for ones you will be creating as unique products and unique products that are already listed on Amazon. When you pull up an item, to the right of the details you should see a blue-colored box with "add to cart" buttons inside of it. This is the "buy box".

The "buy box" can be understood from two different perspectives:

- Buyer as far as the buyer is concerned, they are purchasing from Amazon and this box allows them to do so quickly.
- Seller knowing which seller gets the sale when using the "buy box" is not known, so knowing how to "win the buy box" becomes critical. There are several factors involved and will be discussed further on.





There is a way to determine who the other sellers are for a particular item. When you look at other details on a product page, you should be able to determine if you are competing with other sellers, including Amazon. Here's an example of a product detail:

Grand Tru	nk Ultralight Hammock
	(<u>125 customer reviews</u>) <mark>[] Like</mark> (9)
List Price: \$19 Price: \$1 You Save: \$0 .	9.95 & eligible for FREE Super Saver Shipping
To Buy, Add Color: Royal	to Shopping Cart Blue
In Stock. Ships from and	sold by Amazon.com. Sift-wrap available.
Want it delive	ered Wednesday, March 14? Order it in the next 5 ho
22 new from \$	19.95

As can be seen by the information circled in red, this product is sold by Amazon directly and by 21 other sellers (the '22' includes Amazon). Clicking on the "22 new" will show the list of sellers connected to this product. In order for a specific seller to be selected for the sale outside of factors related to the "buy box", a buyer would need to click the hyperlink (e.g. "22 new") to view the list of sellers and pick a specific one.

If you were to click the hyperlink, you would see some details that are factors in winning the "buy box". For example, sellers with good ratings (high percentage with large reviews count) can be strong competitors. Price-competing, either on product price, shipping price, or discount offers, is another possible factor.

However, if Amazon is in the list, you will find it very difficult to compete even with some of these factors taken into account. You could compete if you implemented "fulfillment by Amazon" (FBA) or by using long-tailed products which Amazon typically doesn't compete with.

Factors Affecting "Buy Box" Status

There are a number of factors to consider in an effort to affect the "buy box" status in your favour, some of which have already been touched upon:

- **Price** extremely important. Offering low prices is how Amazon has built its business and continues to be its reputation so you need to price competitively.
- Shipping rates as these affect the final price, you'll need to consider how to provide good/best rates.

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- **Category** as Amazon has a lot of its products in various categories, the one you select may result in you competing directly with Amazon
- **Pro Merchant Account** in an earlier lesson it was recommended you set this up as this plays an important role. Having the free merchant account would be a waste of time.
- Featured Merchant Status this is a status that allows you to get featured in the "buy box". Without this status, you can't get featured in the "buy box" unless you're the only seller. Becoming a featured merchant is not something you really have control over. It happens over time, but there are some things you can do to make it happen a little faster:
 - Order defect rate Amazon tracks all kinds of performance metrics, a main one being defect rate (how many orders didn't get fulfilled, for whatever reason). Keeping this low is important.
 - **Other Seller performance metrics** as with order defect rate, paying attention to these metrics is important. These can be monitored via your merchant dashboard.
 - **Speed of delivery** the faster you can get product to customer the better.
 - **24x7 Customer service** Amazon actually recommends this in their merchant documentation, so providing this is valuable to your featured merchant status.
 - **Time and experience on Amazon** roughly 21 days after receiving a product, the buyer receives an email asking to review that seller. Good customer service will help you keep these reviews positive, which is important as these reviews are factored in by Amazon. As well, how long you've been on Amazon is considered.
 - Fulfillment by Amazon (FBA) a dominating ranking factor for products on Amazon is FBA. Amazon likes this as it allows them to hold back shipping of inventory until all of it is available, providing a better customer experience in that the customer only receives one shipment rather than multiple shipments caused by delayed items or items coming from various providers.

Recommendations

Now that you understand what the "buy box" is and what factors affect it, here are some recommendations you can follow to help "win the buy box":

- Put products in the correct categories.
- Use reliable distributor(s) -one that ships accurately, quickly, provides tracking numbers, etc.
- Ship as soon as possible or, at least, mark the items shipped. If you know a product is about to go out, you could pre-empt it by marking it as already shipped. This will keep your metrics high but be careful as to the timing as it could result in several negative reviews by customers.

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- **Respond to customer emails fast** don't use an auto-responder ... we tried it, it doesn't work!! Human response, as fast as possible, is the best method.
- **Treat customers well** actually carrying products you can ship, listings accurately reflect product content, etc.

OR

• **Don't worry about the "buy box"** – as covered in other lessons for this Drop-Shipping module, you are able to bundle products to create unique items in Amazon which typically don't have the "buy box" associated with them, so you don't have to worry about the "buy box" for those kinds of items.

Alternatives

Rather than fighting tooth and nail for the "buy box", you may just decide to focus on alternatives which can be quite profitable for you:

- **Bundled products** take any physical product (even drop-shipped products) and bundle it with another product. It is legitimate (Amazon covers it in their documentation) and you won't have a "buy box" that you're forced to "win".
- Low competition products when there are fewer competitors, you may be able to win the "buy box" simply on price, etc.
- **Private-label/proprietary products** when you're the only person who can and does list these types of products, there's no seller competition.
- **Kindle Books** these, or even physical books, are a good way to create unique listings on Amazon so again, you're the only seller so no "buy box" to fight for.

Conclusion

By now you should know what the "buy box" is and what you need to do to win it. As well, the alternatives should give you the sense that you can still do well selling on Amazon even if you never successfully win the "buy box". However, if you are going to sell on Amazon, it is important to know what the "buy box" is and how it can affect your sales.