

# Amazon Advertising Case: How to Work with a Product with a Low Average Check and Low Margin

**Business:**UK supplier of medical equipment and first aid kits.

**Main direction (products):**disposable syringes, first aid dressings, plasters, reusable warm and cold gel packs, dispensers, etc.

## **Niche features:**

- low price of goods - £1.50-24;
- low average bill - less than £10;
- small margin - 5-20%;
- limited budget.

## **Task:**

- achieving ACOS below 10%;
- sales growth.

**Start-up budget**— £500 per month.

The average cost per click on Amazon is \$0.5-1.5. With an average check of less than 10 pounds and a margin of 5-20%, the likelihood of advertising being profitable seemed unlikely.

But I had already worked with this client in Google Ads, I was familiar with the specifics of this niche. In addition, the client had been a seller on Amazon for several years, and I had enough statistical data for analysis and optimization. So I decided to take a risk.

First of all, I conducted a small preliminary marketing research of the store, assessed demand, competition, unique selling proposition and identified the following advantages of the project:

- Listings (product cards) were done competently and qualitatively, which is one of the main conditions for successful sales on Amazon.
- The products had good BSR (Best Seller Rank) – this is an indicator of how well the product sells on the platform. The lower the BSR, the better. Amazon buyers prefer products with low BSR (good sellers).

### Additional Information

ASIN	B00X10F8X2
Customer Reviews	★★★★☆ 209 ratings 4.5 out of 5 stars
Best Sellers Rank	67 in Business, Industry & Science (See Top 100 in Business, Industry & Science) 2 in Medical Examination Supplies & Consumables 3 in Medical Fluid Administration & Collection

- The products had enough reviews. Amazon is designed in such a way that without reviews, no one will buy the product.

# Melolin Absorbent Dressing 10 cm x 10 cm, 5 cm x 5 cm and Oqard Saline Wipes

[Visit the Oqard Store](#)

★★★★★ ▾ 10 ratings

**Currently unavailable.**

We don't know when or if this item will be back in stock.

<b>Brand</b>	Oqard
<b>Material</b>	Polyethylene
<b>Sterility rating</b>	Sterile
<b>Item weight</b>	0.18 Pounds
<b>Format</b>	Wipes

 [Report incorrect product information.](#)



- Competitive prices (you can get this information using the helium 10 Xray extension on the category page).

Xray — Amazon Product Research for "20 ml syringe 100 pack"

Search volume: N/A

TOTAL REVENUE ?

AVERAGE REVENUE ?

AVERAGE PRICE ?  
15 £

AVERAGE BSR ?  
28 100

Rows Selected: 0 | Select 1-10 ASINs for additional options for analysis.

#	Product Details	ASIN	Brand	Price	Sales
1	Medicina ENFit Enteral Syringe 2...	B07NVQZG8G	Medicina	7,12 £	
2	Medicina ENFit Enteral Syringe 5...	B07CTVXWXX	Medicina	21,97 £	
3	BD Plastipak Sterile Plastic CE M...	B07CLVXM4G	B&D	3,19 £	
4	ENFit Enteral Reusable Syringes ...	B07FXVPHK5	Micsafe	26,99 £	
5	ENFit 20ml Enteral Single Use Sy...	B078ZFT2S1	Enteral	9,00 £	
6	Medicina ENFit Enteral Syringe 2...	B07NVR56R5	Medicina	31,41 £	
7	20ML BD DISCARDIT SYRINGE ...	B009VH0TJA	DISCARDIT	9,98 £	

Extension

Home Alerts

Xray — Amazon Product Research

Xray Keywords Beta

ASIN Grabber

Profitability Calculator

Inventory Levels

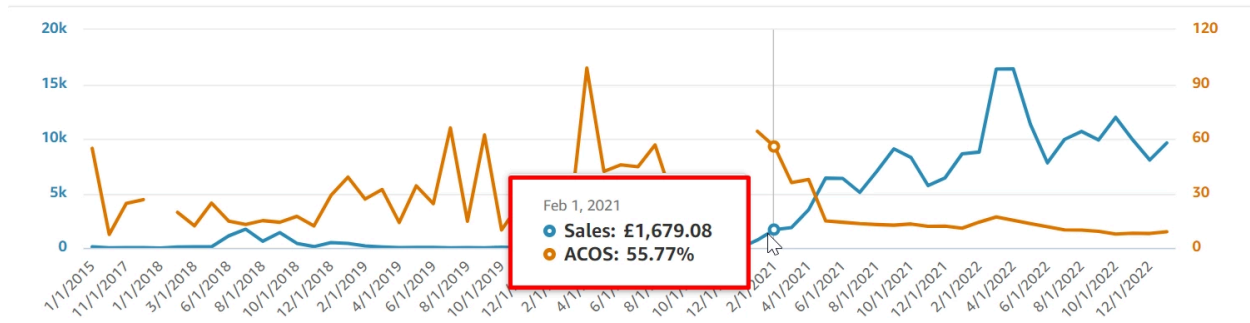
Review Insights

Add a Seller Account Connect to Amazon

- The store's assortment includes both private label and other brands. Private label lines have high margins (up to 20%), but other brands may have a wider audience/traffic. That is, there is an opportunity for segmentation and testing of various advertising strategies.

## Results before work

Il became acquainted with the project in February 2021. At that time, ACOS exceeded 55%:






At the time of the audit, the account had 2 Sponsored Products campaigns active with manual targeting and a budget of £10 for each campaign.

Results from 01.01.2021 to 31.01.2021:

- Spend — £344,62
- Orders — 138
- Sales — £803,63
- ACOS — 42-43%

Campaigns ⓘ		End date	Budget ⓘ	Clicks ⓘ	Spend ⓘ	CPC ⓘ	▼ Orders ⓘ	Sales ⓘ	ACOS ⓘ	ROAS ⓘ
Total: 28				12,967	£3,332.32	£0.26	1,750	£11,904.77	27.99%	3.57
Plaster - 15 ACOS - MSP	21	No end date	£ 10.00 Daily	186	£106.25	£0.57	72	£252.01	42.16%	2.37
GEL PACK - 15 ACOS - MSP	21	No end date	£ 10.00 Daily	404	£238.37	£0.59	66	£551.62	43.21%	2.31

Multiple ASINs (Unique Product Identifier) were added to one campaign, each with a different ASOS:

Product ⓘ	Status	▼ SKU/ASIN	Clicks ⓘ	Spend ⓘ	CPC ⓘ	Orders ⓘ	Sales ⓘ	ACOS ⓘ
Total: 8			86	£49.00	£0.57	16	£135.47	36.17%
 Emdiq Adjustable Compress Wrap and Luxury Flexible Hot Cold Gel Pack - 2 Sets <a href="#">↗</a> £13.99	Paused	S35601.0R B07MK83VZ8 <a href="#">↗</a> 2 recommendations	-	-	-	-	-	-
 Emdiq Adjustable Compress Wrap and Luxury Flexible Hot Cold Gel Pack - 5 Sets <a href="#">↗</a> Price cannot be found	Paused	S3K609.0R B01KHUB272 <a href="#">↗</a> 3 recommendations	-	-	-	-	-	-
 Oqard Premium Compress Wrap and Muzamedical Hot Cold Gel Pack - 2 Set <a href="#">↗</a> £15.99	Paused	S3K471.0R B01D7VP4BI <a href="#">↗</a> 1 recommendation.	5	£2.57	£0.51	-	-	-
 Emdiq Compress Wrap, Sleeve and Luxury Gel Pack Kit, 3 Items - 2 Sets <a href="#">↗</a> £15.99	Paused	3S3K325.0R B00QIM1Y8G <a href="#">↗</a>	7	£3.84	£0.55	2	£18.31	20.97%
 Emdiq Adjustable Compress Wrap and Luxury Flexible Hot Cold Gel Pack - 1 Set <a href="#">↗</a> £7.99	Paused	2S35631.0R B00ZNU7AVE <a href="#">↗</a> 1 recommendation.	63	£39.25	£0.62	13	£104.67	37.50%
 Oqard Premium Compress Wrap and Muzamedical Hot Cold Gel Pack - 2 Set <a href="#">↗</a> £14.99	Paused	2S3K471.0R B01D7VP4BI <a href="#">↗</a> 1 recommendation.	4	£1.75	£0.44	1	£12.49	14.01%
 Oqard Premium Compress Wrap and Muzamedical Hot Cold Gel Pack - 1 Set <a href="#">↗</a>	Paused	2S3K470.0R B01D7VP4CC <a href="#">↗</a> 1 recommendation.	7	£1.59	£0.23	-	-	-

Recommendation: Run separate campaigns for individual ASINs.

The keywords in the campaigns were broad enough to generate impressions for low-relevance search queries.

15 ACOS - MSP > Ad group: Plaster - 15 ACOS - MSP - BROAD

Active	Keyword	Match type ⓘ	Status	Suggested bid ⓘ		Bid ⓘ
Total: 30						
<input type="checkbox"/>	plaster roll	Broad	Paused Details ▾	ⓘ £0.40 £0.32-£0.80	Apply	£ 0.33
<input checked="" type="checkbox"/>	strapping tape foot	Broad	Delivering	ⓘ £0.62 £0.32-£1.00	Apply	£ 0.44
<input checked="" type="checkbox"/>	strapping tape injury	Broad	Delivering	ⓘ £0.57 £0.27-£1.14	Apply	£ 0.45
<input checked="" type="checkbox"/>	strong bandage	Broad	Delivering	ⓘ £0.41 £0.33-£0.81	Apply	£ 0.32
<input checked="" type="checkbox"/>	support plaster	Broad	Delivering	ⓘ £0.50 £0.42-£0.90	Apply	£ 0.47
<input checked="" type="checkbox"/>	tape foot	Broad	Delivering	ⓘ £0.56 £0.34-£0.89	Apply	£ 0.39
<input checked="" type="checkbox"/>	strong bandage tape	Broad	Delivering	ⓘ £0.41 £0.33-£0.56	Apply	£ 0.35
<input checked="" type="checkbox"/>	health beauty	Broad	Delivering	ⓘ £0.67 £0.39-£1.02	Apply	£ 0.52
<input checked="" type="checkbox"/>	premium beauty	Broad	Delivering	ⓘ £0.45 £0.33-£0.63	Apply	£ 0.40
<input type="checkbox"/>	plaster strip	Broad	Paused Details ▾	ⓘ £0.45 £0.33-£0.90	Apply	£ 0.34
<input type="checkbox"/>	fabric plaster strip	Broad	Paused Details ▾	ⓘ £0.48 £0.34-£0.96	Apply	£ 0.35

Recommendation: Collect more relevant keywords.

We didn't work with search queries and didn't add negative words to the campaigns.

Ad group: Plaster - 15 ACOS - MSP - BROAD

Status: Delivering

Ads

Targeting

Negative targeting

Search terms

Ad group settings

History

Add negative keywords

Find a negative keyword

Keyword

-

No data available

Please try adjusting your filters to see performance data

Recommendation: add negative keywords.

## Primary optimization

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- Selecting an ASIN for advertising based on the following criteria:
- competitive price (with the help of [helium 10](#) Xray)
- Amazon reviews of at least 10 and rating of at least 4.5
- products that reached the Top BSR the fastest (competitiveness), through expansion [helium 10](#) on the order page:





- Analyze statistics from previous campaigns (keywords and search queries) and collect keywords for targeting. The effectiveness of Amazon advertising depends on how keywords are ranked.

Keyword rankings depend on sales velocity.

**Sales Velocity = CTR \* CVR**

(target indicators: CTR>1%, CVR>10%)

So I collected all the keywords that historically matched the target metrics.

- Processing the list of negative keywords and negative products using both preliminary campaign statistics and additional collection of negative keywords using merchantwords.com.
- Calculation of an individual effective rate depending on the price, product marginality and average conversion rate.
- For each selected ASIN, I launched 3 separate campaigns simultaneously:

Auto targeting — Dynamic bids — down only

Manual targeting — keywords — Dynamic bids — up and down

Manual targeting — products — Dynamic bids — up and down

Despite the previous search query statistics, you should not exclude the possibility of working with automatic targeting, as it generates new ideas for targeting (for example, the emergence of new competitor products on whose pages you can display your ads).

Ads

Targeting

Negative targeting

Search terms

Ad group settings
















History

Find a search term

Filter by

Columns

Date range – This month

Customer search term	Clicks	Spend	CPC	Orders	Sales	ACOS	
Total: 13	13	£5.16	£0.40	3	£16.41	31.44%	
 Newcare Coldhot Cold/Hot Comfort Pack  ASIN: B0000MOCEB	1	£0.46	£0.46	-	-	-	
 Endliq Hot Cold Pack Sleeve with Fastening - Pack of 2  ASIN: B007YUXSUQ	1	£0.48	£0.48	1	£6.50	7.38%	
 Opard Sleeve for Reusable Hot Cold Gel Pack Compression Holder, Black - Pack of 2  ASIN: B01AG6AJAJ	1	£0.32	£0.32	2	£9.91	3.23%	
 Reusable Hot & Cold Ice Pack Gel Wrap for Therapy Pain Relief with Straps - Fits Any Body Parts - Flexible After Frozen - Back, Shoulders, ... ASIN: B06XDFLSNT	1	£0.50	£0.50	-	-	-	
 Koolpak Koolbead Reusable Hot and Cold Gel Bead Pack - Small (12.5 x 21cm)  ASIN: B077P5DFFW	1	£0.44	£0.44	-	-	-	
 Coolisleeve - Reusable Gel Ice Pack   Multipurpose Hot & Cold Pack for Sports Injury   Cold Compress Wrap   Cryotherapy Sleeve for Pain ... ASIN: B075GYZPKQ	1	£0.40	£0.40	-	-	-	
 REVIX Wrist Ice Pack Wrap for Carpal Tunnel Relief, Reusable Gel Ice Packs for Hand Injuries, Cold Compress, Swelling, Sprains and Arthritis ... ASIN: B089Y3R4Y2	1	£0.50	£0.50	-	-	-	
 LeMieux Arctic Ice Horse Boots Pair in Blue with Cooling Effect and Flexible Elasticated Straps for Front or Hind Legs - One Size  ASIN: B096SKQ9MT	1	£0.20	£0.20	-	-	-	
 Navaris Wrist Gel Pack Wrap - Hot or Cold Ice Pack Heat Pack - Reusable Compress Pad Support Sleeve for Wrists - Warm in Microwave or ... ASIN: B09PF46B2P	1	£0.50	£0.50	-	-	-	
 Tolaccea Cold Therapy Sock, Foot Ice Pack Neuropathy Socks for Foot Pain Relief, Cooling Socks for Women& Men, Ice Socks for Plantar ... ASIN: B0B6NWSVFJ	1	£0.38	£0.38	-	-	-	

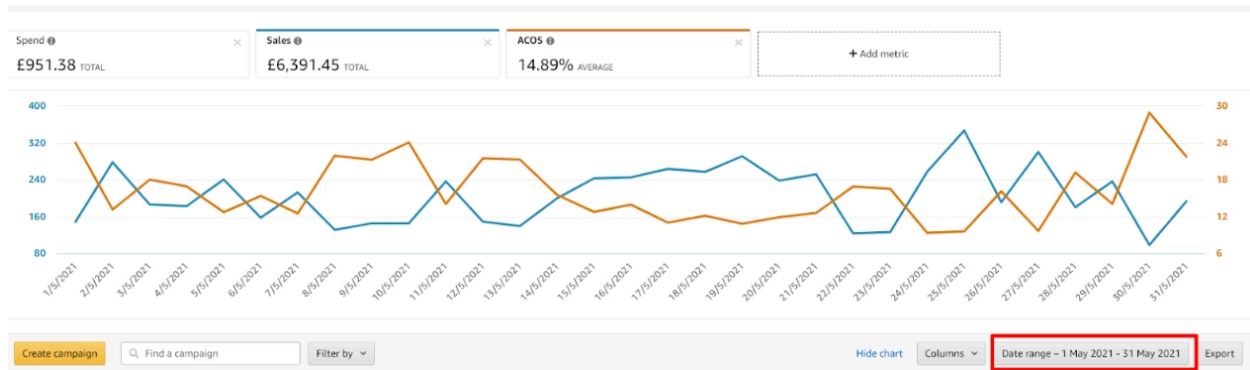
## Results after work

We saw the first significant decrease in ACOS after 3 months of optimization, in May 2021.

Results from 01.05.2021 to 31.05.2021:

- Spend — £951,38
- Orders — 910

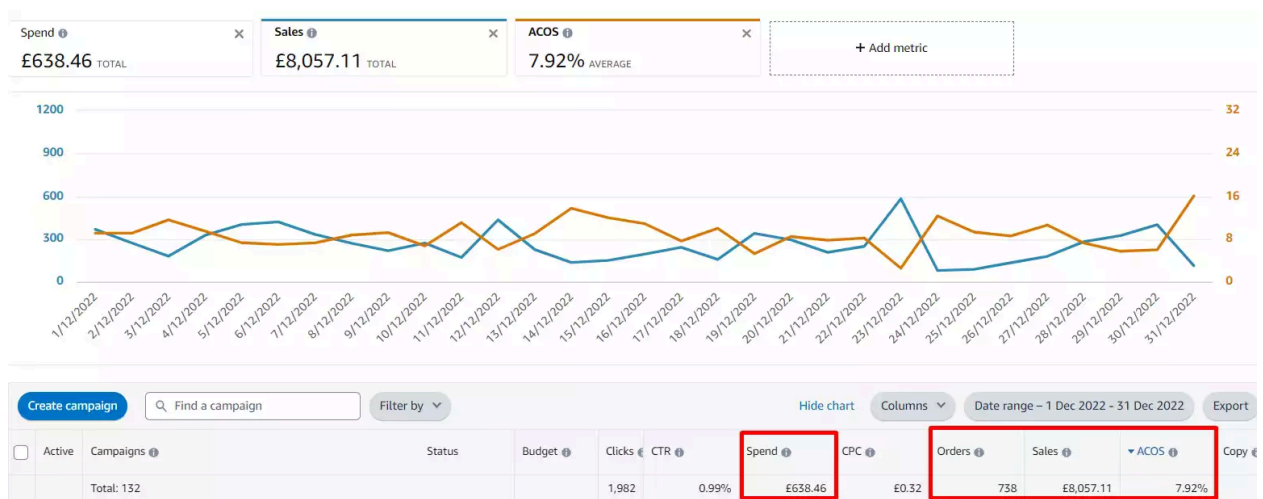
- Sales — £6 391,45
- ACOS - 14.89% (-64% compared to the beginning of the project)



In the last year of operation, the actual ACOS does not exceed the target (10%)

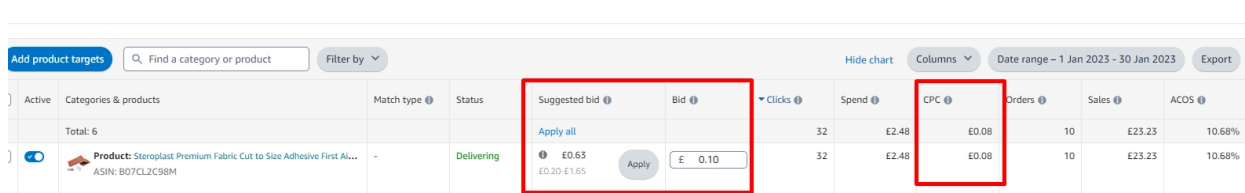
Results from 12/1/2022 to 12/31/2022:

- Spend — £638,46
- Orders — 738
- Sales — £8 057,11
- ACOS — 7,92%



## Wrong decisions made when working on a project

- Launching multiple campaigns at once. After the client received the target ACOS, they wanted to scale up quickly, which led to the ACOS rolling back to previous values. In Google, the more products you use in advertising, the better. For working on Amazon, it is better to choose several of the most promising products. The main goal of Amazon advertising is to increase the BSR of a product and bring it to the Top of organic search. In our case, 15-20 products are advertised at the same time (70% of which are products that sell well and have a clear ACOS, and 30% are testing new products). Thus, there are 25-30 campaigns in the account. This structure is convenient for optimization (takes up to 2 hours a week) and provides controlled fluctuations in ACOS.
- Limiting the bid based on price and margin. Our price and margin are very low, so the calculated CPCs were very low. Because of this, we initially refused to advertise many products that were selling well. This was a mistake. Later, we started testing ads for such products and are getting sales with a CPC much lower than the proposed bid range and target ACOS.



The screenshot shows an Amazon Advertising campaign performance table. The table has columns for Active, Categories & products, Match type, Status, Suggested bid, Bid, Clicks, Spend, CPC, Orders, Sales, and ACOS. A red box highlights the 'Suggested bid' and 'Bid' columns, showing a range of £0.20 to £1.65 and a manual bid of £0.10. Another red box highlights the 'CPC' column, showing a value of £0.08. The table also includes a search bar, filter options, and a date range selector.

Active	Categories & products	Match type	Status	Suggested bid	Bid	Clicks	Spend	CPC	Orders	Sales	ACOS
Total: 6						32	£2.48	£0.08	10	£23.23	10.68%
	Product: Steroplast Premium Fabric Cut to Size Adhesive First Aid...	-	Delivering	£0.63 £0.20-£1.65	£0.10	32	£2.48	£0.08	10	£23.23	10.68%

We also later increased the calculated CPC and removed the Dynamic bids – down only restriction, thereby achieving an improvement in KRI.

That is, in our case, the calculation of the rate depending on the price and margin is the starting point, but binding to this value is not mandatory.

- The desire to optimize the time of work with the project and add several ASINs to one campaign. We often use the combination of several ASINs of the same category, with similar KRI in one campaign in other projects. But in this project, an individual approach to each ASIN is very important (its keywords, bid size, bidding strategies, etc.), since the average check and margin are very small. Therefore, it is better to launch a separate campaign for each ASIN, with a minimum budget (in our case, from £1 per day) and gradually increase the budgets for the most profitable ASINs.

Create campaign		Find a campaign	Filter by	Hide chart	Columns	Date range – 1 Dec 2022 - 31 Dec 2022						
<input type="checkbox"/>	Active	Campaigns	Start date	End date	Budget	Clicks	CTR	Spend	CPC	Orders	Sales	ACOS
		Total: 132				1,982	0.99%	£638.46	£0.32	738	£8,057.11	7.92%
<input type="checkbox"/>	<input checked="" type="checkbox"/>	ZA - Foil Blanket - Pack of 1- B019...	Mar 2022	No end date	£ 1.00	90	0.47%	£24.96	£0.28	40	£103.45	24.13%
					Daily							
<input type="checkbox"/>	<input checked="" type="checkbox"/>	ZA - 10 ml, 20 ml and 50 ml Syring...	Apr 2022	No end date	£ 1.00	38	0.30%	£11.86	£0.31	10	£55.71	21.29%
					Daily							
<input type="checkbox"/>	<input checked="" type="checkbox"/>	ZA - 7 inch Scissor - Pack of 1 - B0...	Aug 2021	No end date	£ 1.00	29	13.88%	£13.18	£0.45	14	£83.24	15.83%
					Daily							
<input type="checkbox"/>	<input checked="" type="checkbox"/>	ZA - Tourniquet - Green - B09FXPC...	Apr 2022	No end date	£ 1.00	66	1.90%	£12.06	£0.18	33	£92.13	13.09%
					Daily							
<input type="checkbox"/>	<input checked="" type="checkbox"/>	ZA - Fabric Strip Plaster - Manual	Mar 2022	No end date	£ 1.00	41	2.16%	£6.14	£0.15	20	£47.61	12.90%
					Daily							
<input type="checkbox"/>	<input checked="" type="checkbox"/>	ZA - 50 ml Syringe with 14G Green...	May 2022	No end date	£ 1.00	62	0.55%	£15.18	£0.24	16	£121.50	12.49%
					Daily							
<input type="checkbox"/>	<input checked="" type="checkbox"/>	ZA - Glove Dispenser - Triple - B08...	Apr 2022	No end date	£ 3.00	57	0.46%	£34.80	£0.61	12	£309.03	11.26%
					Daily							
<input type="checkbox"/>	<input checked="" type="checkbox"/>	ZA - 5 ml Lock Syringe - Pack of 10...	Nov 2021	No end date	£ 2.00	162	0.44%	£40.61	£0.25	34	£365.45	11.11%
					Daily							
<input type="checkbox"/>	<input checked="" type="checkbox"/>	ZA - Oqard Wrap and Gel Pack - 1 ...	Dec 2022	No end date	£ 1.00	6	1.04%	£2.73	£0.45	2	£24.98	10.93%
					Daily							
<input type="checkbox"/>	<input checked="" type="checkbox"/>	ZA - 3 ml Lock Syringe - Pack of 10...	Jan 2022	No end date	£ 2.00	96	2.62%	£43.49	£0.45	31	£414.79	10.48%
					Daily							
<input type="checkbox"/>	<input checked="" type="checkbox"/>	ZA - 1 ml Lock Syringe - Pack of 10...	Mar 2022	No end date	£ 3.00	205	1.48%	£58.22	£0.28	58	£615.15	9.46%
					Daily							
<input type="checkbox"/>	<input checked="" type="checkbox"/>	ZA - 3 ml Syringe - Pack of 100 - B...	Apr 2022	No end date	£ 3.00	246	2.40%	£91.01	£0.37	103	£1,055.54	8.62%

- Amazon has limited timeframe functionality for reporting. Basic stats are for the last 3 months. If you need to see stats for a period earlier than 3 months, you won't see them.

By forgetting this, we lost statistical data and the ability to conduct comparative analysis after making changes to campaigns. There are two solutions to this situation: either export the data you need while it is still available, or launch separate campaigns with changed conditions.

- Today
- Yesterday
- Last 7 days
- This week
- Last week
- Last 30 days
- This month
- Last month
- Year to date

Lifetime

Europe/London



December 2022

Mo	Tu	We	Th	Fr	Sa	Su
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

January 2023



Mo	Tu	We	Th	Fr	Sa	Su
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

Cancel

Save