

How Brands Can Sell Auto Parts On Amazon

(And Make Money Doing It)



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Introduction

Before an auto parts or accessories manufacturer starts selling products on Amazon, it's important for them to do their homework. Mistakes on Amazon can be costly, and many companies (including some big name brands) have made foolish, costly mistakes.

In this ebook, our aim is to provide an overview of creating an Amazon Seller Central account specifically for auto parts and accessories brands. We'll also offer up some important tips and tricks. In some cases, this advice may lead some brands to skip Amazon (and that can definitely be the right choice for some).

Finally, please note: This ebook is for auto parts and accessories brands who wish to sell products on Amazon. If your company is re-selling parts made by other brands - or if your company is going to sell directly to Amazon (aka VendorCentral) - some of the information in this guide will not be relevant.

Regardless, we thank you for reading. If you have questions or would like to know more about Spork Marketing's Amazon Listing Optimization or Ads Management services, check us out at sporkmarketing.com.

Thank you,

Jason Lancaster
President and Founder
Spork Marketing, LLC



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Why Automotive Brands Should Sell Parts And Accessories On Amazon



As an auto parts and accessories brand, it's important that consumers can find your products easily when shopping online. As perhaps the most popular online marketplace in the world, Amazon.com is where consumers are going to look for your products (or products like yours).

But if that isn't reason enough to list your brand on Amazon, here are four more reasons to consider:

- 1. Amazon.com revenue can help you diversify.** Now more than ever, it's important brands create as many revenue streams as possible. Amazon can provide a substantial stream and, depending on your niche, that stream can also be reliable.
- 2. Amazon is now the largest online retailer of auto parts in the world.** If your brand's products are not visible on Amazon, the company is likely missing out on a huge portion of your target market.
- 3. Amazon helps brands reach new customers.** Many Amazon.com shoppers are so happy with the experience of buying on Amazon that they typically go straight to Amazon whenever they need something. As a result, there are many consumers who cannot be reached or marketed to unless your brand is selling on Amazon.
- 4. Amazon will manage order pick, pack, and ship.** For many brands, direct-to-consumer sales come with substantial logistical headache. Brands that are not currently selling direct to consumer (or drop shipping) may have to invest in order fulfillment infrastructure. However, if brands use fulfillment by Amazon (FBA), they can leave pick, pack, and ship to Amazon, treating them much the same as an existing wholesale customer.

If brands use fulfillment by Amazon (FBA), they can leave pick, pack, and ship to Amazon



THINGS EVERY AUTO PARTS BRAND NEEDS TO KNOW ABOUT SELLING ON AMAZON

While selling on Amazon.com can be great for sales - and open up new opportunities for growth - there are some potential pitfalls:

- Listing fees, fulfillment fees, and product return costs can have a major impact on profitability (and must be managed closely)
- Because Amazon is so big - and because Amazon.com is often the first result on Google - negative product reviews on Amazon can hurt sales on all channels (not just Amazon)
- Amazon's rules and requirements for sellers can be difficult to adapt to, particularly for brands that are new to ecommerce. Sometimes, brands that fail to adhere can be banned from the platform

Most importantly, it's important to note that Amazon's behavior towards brands and sellers in general has been problematic:

- Amazon's decision to "[automatically authorize](#)" all returns in 2017 led to [extraordinary return fraud and return policy abuse](#), the cost of which was born almost exclusively by sellers and vendors.
- Amazon has [numerous issues with fake and counterfeit products](#), partially due to poor policing of the marketplace, and partially due to inconsistent applications of policies. There are also [stories](#) of companies adding unique, innovative products to Amazon only to see "knock-off" competitors within a few months of listing.
- Amazon has used [seller and vendor sales data to develop competing products under its own brands](#). The company is [currently being investigated](#) by the Federal Trade Commission for anti-trust as a result.

In light of these problems and others, many companies—from small mom-and-pops to global corporations like Nike—refuse to do business with Amazon. While this decision is almost certainly bad for revenue, it's a decision worth considering.

At Spork, our advice to brands is always the same: Approach Amazon.com with caution, proceed with Amazon sales slowly, and make sure your company can generate sufficient revenue outside of the Amazon.com ecosystem. If you can do all of these things, Amazon.com is a great place to sell your products.



Start Selling Auto Parts on Amazon In 5 Steps

Now that you've decided to sell parts on Amazon, here's what you need to do.

STEP 1: REGISTER YOUR BRAND

Brand registration is key to Amazon success. Registered brands have the ability to control the information that appears in product listings, supplement listings with videos and "A+" content, use advertising options that aren't available to ordinary sellers, setup branded stores inside Amazon, and more. To become a registered brand you'll need:

- A trademarked brand name with the US Patent and Trademark Office
- If you're selling parts and accessories, you'll need to register your brand name with the Auto Care Association (It's free to do so. Visit <https://autocarevip.com/> to learn more.)
- An Amazon Seller Central Account—<https://sellercentral.amazon.com/>
- To submit a brand application to the Amazon brand registry at <https://brandservices.amazon.com/>

Once you submit your brand application, you'll need to verify your trademark ownership and then wait for a manual review. This process usually takes a few days.

STEP 2: GET YOUR LISTING DATA READY

Amazon has guidelines for listing automotive products on its site. Before listing any products, review both [Amazon's general guidelines](#) and the [automotive specific guidelines](#). Both sets of guidelines are available as downloadable PDFs.

NOTE: You can't access these PDFs until you're logged into Amazon Seller Central.

After reviewing the guidelines, you'll want to pull together two different data sets:

1. Your product listing data (product name, description, imagery, bullet points, and so on.)
2. Your product fitment data, which Amazon uses in its year-make-model lookup tool.

To load the listing data, Amazon provides a spreadsheet template (you'll find this in your Seller Central account). While it is not required to use the listing upload spreadsheet, it is often the best and simplest way to load products.

To load the fitment data, there are options.

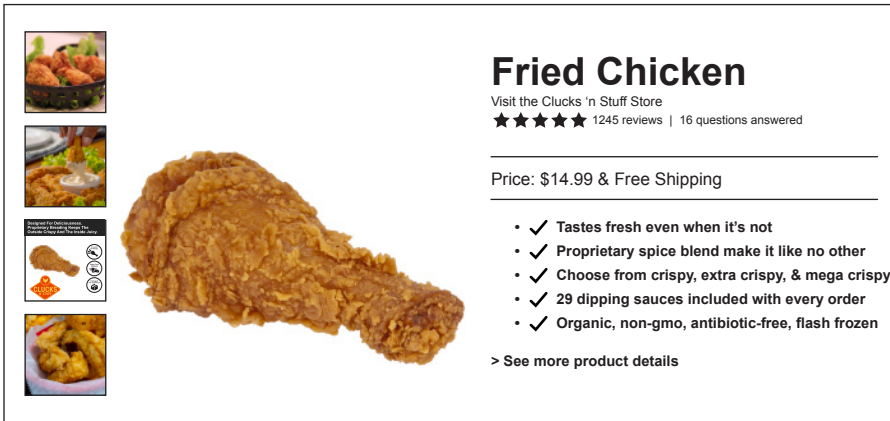
1. **If your brand has ACES data, there's a way to upload that data to Amazon.** However, many companies use a third party like [Vertical Development](#), [MyFitment.com](#), or [Data-Driver.com](#) to assist with this process.
2. **If your brand does not have ACES data,** you can create fitment data using a tool like [PCFitment.com](#), or you can hire a firm like [Data-Driver.com](#) to create the data you need.



NOTE: If you have registered an automotive brand with Amazon, you will often be connected with an Amazon employee who will help you with the data upload process. This is yet another great reason to register your brand with Amazon.



STEP 3: CHECK YOUR PRICING AND KNOW YOUR COSTS



Here's a fictitious image meant to represent the top of standard Amazon listing. The point of the illustration is to show the importance of images and bulleted copy.

Generally speaking, Amazon customers do not price-shop outside of Amazon. While Amazon users will compare prices among similar products on the website, it's unusual for consumers to check pricing between products on and off of Amazon.

At Spork, we know that Amazon buyers don't price check outside of Amazon.com. We know because our clients often sell products on Amazon for more than they do on their main website. In fact, we recommend pricing your products on Amazon slightly higher than on your website. We recommend this because:

1. Amazon charges a hefty listing fee, and brands are entitled to pass some of that fee onto consumers
2. Most of the time, Amazon consumers will have no idea they paid too much

If/when a consumer complains, we recommend explaining that Amazon takes a large commission on every sale and that the company must charge more as a result.

At the same time, product pricing on Amazon.com must be competitive. While Amazon customers aren't likely to compare pricing outside of Amazon, they can easily see pricing differences on the platform. If your company is listing products for more than a competitor, your listings must build value and also have good reviews.

Finally, in addition to pricing, it's good to consider fees and returns:

- **Product listing fees are category specific.** As of 2020, Amazon charges a 12% listing fee for products in the automotive category, and 15% for most non-automotive products.
- **If Fulfillment by Amazon (FBA) is used,** there are additional fees for product storage, fulfillment, and shipping that must be calculated. Costs vary by product size, weight, and turn rate (products that sell faster are cheaper to pick, pack, and ship)
- **Return rates are difficult to estimate.** Some product category return rates are as low as 3 or 4% - some are as high as 15%. While Amazon will refund some of the listing fees when a product is returned, they do retain a few dollars on each item. This fee - combined with normal return processing costs - can make returns costly.

NOTE: If you use FBA, your products become eligible for participation in Amazon's Prime program. This can be extraordinarily beneficial to sales. Learn more [here](#).

If your company is listing products for more than a competitor, your listings must build value and also have good reviews.



STEP 4: DEVELOP A PRODUCT REVIEW STRATEGY

After listing your brand's products on Amazon, sales will be slow to start. That's because Amazon consumers usually only buy products that have 10 or so good reviews. Most of your products will sell slowly until a few reviews are submitted.

If you want to speed up the review collection process, there are a few things you can do:

1. Participate in Amazon's [early reviewer program](#), which incentivizes Amazon customers to review new products.
2. Add an insert to your products that asks consumers to leave feedback (but, notably, that does not ask for positive feedback, nor discourage negative feedback).
3. Ask customers for reviews by submitting a review request inside the Seller Central platform.

If products begin to receive positive reviews, sales will grow. If products receive negative reviews, however, sales will suffer. In fact, a handful of negative reviews can be tremendously detrimental to sales, to the point where a product listing is no longer viable.

Therefore, it's important to avoid negative reviews whenever possible. There are a few things you can do to avoid negative reviews:

1. Make sure your product listings are accurate and helpful. A description that exaggerates features, product photos that hide flaws, or incomplete information will inevitably lead to poor reviews.
2. Make sure your product's quality and function are consistent with your pricing. If you're selling a product at a premium price, it should provide premium quality and functionality.
3. Respond to negative reviews promptly, and err on the side of the consumer. It's better to avoid a negative review by giving away a product than it is to "be right" and take the reputation hit.
4. When dealing with a large catalog of products, it's critical to verify all part fitment data, product images, and description details. Consumers often look at images to determine if a part is "right" or not, for example, and will complain if the image isn't right. Same goes if the year-make-model search results show a part fits when it really doesn't.

Beware Amazon Account Suspension And Cancellation

Amazon has a series of rules in place to ensure all sellers meet minimum standards for performance and quality. While these rules are enforced inconsistently, a violation can result in an account "review," and may lead to Amazon cancelling or suspending an account. There are a few possible reasons an account will be subjected to a review:

- **Orders are not being fulfilled on time.** When you list your products on Amazon, you provide an estimated delivery timeline. If even a small percentage of orders are not delivered on time, your account can be subject to review.
- **Consumers are complaining about being deceived.** If a small percentage of consumers who buy your product feel that your listing was misleading or fraudulent, that will trigger an account review. While most consumer complaints are related to the customer's own misunderstanding (e.g., they didn't read the listing description, they didn't review the information closely, etc.), they can also be caused by a poorly crafted product listing.
- **Orders are being cancelled by the seller.** Amazon has strict rules in place about seller cancellation—it's something you want to avoid at all costs. Even a minuscule number of order cancellations will result in a suspension or outright ban. Since most cancellations are due to inventory issues, be sure your Amazon listing inventory levels are up to date.

Amazon account suspension is somewhat common—a little bit of Googling will show that even large volume sellers have experienced Amazon's wrath. Amazon provides every seller with an "Account Health" metric. Monitor that metric and take warnings seriously.





Hire a graphic designer to turn a simple photo into a graphic illustrating the benefits of your product.

STEP 5: PROMOTE YOUR LISTINGS AND GROW YOUR SALES

Last, but not least, our favorite part: advertising and marketing your Amazon listings to grow sales. There are a few ways to improve your Amazon listings, but the core concepts are:

1. Make sure consumers find your listings
2. Maximize the conversion rate of your listings
3. Leverage Amazon advertising to grow sales without spending away your profits

Optimize Your Listings For Amazon Search

Amazon search is different from Google or Bing. Google and Bing recognize synonyms, which means they understand that a “car radio” and a “car stereo” are different terms with the same meaning. Amazon’s search engine, on the other hand, is literal. If your product listings don’t contain the exact phrase used, they can’t show up in search results.

So, if you’re selling a car stereo accessory and someone on Amazon searches for a “car radio accessory,” your listing might not show...even if your product is a perfect match for the customer. The solution? Search optimize your Amazon product listings. Research all the terms consumers might use, and make sure those terms are included in your listings.

“The Amazon search function is literal. It does not operate the same way as Google and Bing.”

Add High-Quality Imagery




Consumers rely on photos when shopping online, so the best way to boost Amazon sales is to improve the photos in your listings. Here’s why:

- Photos prove quality by visually emphasizing key features.
- Photos showcase your product in action, which helps customers imagine ownership better.
- Photos can include feature/benefit text, icons, comparison charts, and before/after comparisons to further increase trust.

To optimize listing imagery, work with a professional photographer to get high-quality product photos. Then, hire a graphic designer to turn them into a variety of compelling images.



Create A+ Content

	 Crispy	 Extra Crispy	 Mega Crispy
Clucks n' Stuff own spice blend	✓	✓	✓
Tooth injury covered by our insurance	✗	✗	✓
Cuts included	wing, leg, drumstick	breast, wing, leg, drumstick	breast, drumstick, thigh, neck

With A+ Content you can choose from a variety of text and image modules to create a unique page that explains more about your product. At Spork, we recommend employing the comparison chart module re-created here.

Amazon allows registered brands to add extensive, detailed descriptions to their products. These descriptions are known as “A+ Content,” and generally this content is good for sales. A+ content will:

- Further explain features and convey benefits.
- Showcase the part or accessory in the box, unwrapped, and installed.
- Show where the product fits in your line-up and/or in the marketplace, making it easier for the shopper to choose which product to buy.
- Reduce returns and bad reviews by addressing common concerns or objections.
- Illustrate quality, durability, reliability, and value.

Adding A+ content can increase conversion rates as much as 10%. And the higher your product’s conversion rate, the more likely it is to appear in search results.

Advertise Listings With Amazon Ads

Amazon advertising is a powerful tool. Because Amazon is happy to fill its search results with sponsored products, advertising is a shortcut to ranking #1 on Amazon search.

Of course, you can only be #1 if you’re willing to pay more for clicks than any of your competitors. That can get expensive. It’s a good idea to pay close attention to the performance of each keyword over time and bid for keywords based on their relative value. Tracking the conversion rate on individual keywords—and bidding based on that value—is one of the keys to success in Amazon advertising.

Also, because Amazon is so popular and used by so many people, there are a lot of search keywords that you might not be aware of. While these keywords may be lower volume, they may also be profitable, as your competitors may not be aware of them. That means that having a good system for discovering new keywords is another key to success with Amazon ads.

Finally, because Amazon is competitive, there are new products and new advertisers to compete with regularly. Tracking bidding and performance—and adjusting accordingly—is the other key to Amazon advertising success.



Summing Up

SELLING ON AMAZON OFFERS BRANDS GREAT OPPORTUNITY:

1. *For many companies, Amazon represents a substantial portion of overall revenue.*
2. *If your brand isn't selling on Amazon right now, you'll likely enjoy double-digit revenue growth once you get it figured out.*
3. *For a lot of auto parts and accessories companies, this kind of sales growth can be a game changer.*

Of course, like we've tried to illustrate, selling on Amazon also comes with risks, costs, and complexity.

Not only is the Amazon setup process difficult, but once products are listed, it takes time and effort to earn a sufficient number of good reviews to start generating revenue. For this reason, it's important to advertise, optimize listings, and invest in product promotion.

Finally, when your brand first jumps into selling on Amazon, there are a lot of little "gotchas" along the way. Working with a company that understands Amazon - and that can assist with optimization, content creation, advertising, etc. - is a good way to get your brand off the ground quickly. At Spork, these are services that we offer, and we hope you'll reach out to us to learn more.

Good luck!



"To be successful on Amazon you must advertise, optimize, and invest."

