

ADVERTISING

On the benefits of Amazon's sponsored display advertising offering

December 2, 2019



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This September, Amazon introduced the beta for [Sponsored Display](#), its latest update for advertisers of all sizes who sell products on the platform.

Compared to other Amazon announcements, Sponsored Display flew relatively under the radar. Nevertheless, it is quietly changing the game for advertising on the platform.

So what is new?

Buying access

In a nutshell, Sponsored Display provides a way for sellers to target specific audiences on and off Amazon with display campaigns.

The ads are purchased on a cost-per-click basis and targeted to audiences generated by Amazon based on prior shopping activity.

Sponsored Display also uses automation and machine learning to optimize campaigns, automatically adjusting bids and promoting the products with the highest chance of conversion.

This may sound familiar, as these tools are already common practice on other platforms.

The news here is about who has access.

Until this announcement, if a business wanted to run targeted display advertising it had to join Amazon DSP, a white-glove demand-side platform that requires a minimum ad spend of around \$35,000. Needless to say, that is unrealistic for most small brands.

Sponsored Display, on the other hand, does not have a minimum ad spend requirement. Advertisers set their daily bid and budget and can adjust as necessary.

Professional sellers enrolled in the Amazon Brand Registry as well as agencies with clients who sell products on

Amazon are all qualified to use the tool, as long as the product being sold is in an eligible category.

There are not many surprises on the [list of prohibited products](#), which includes weapons, fireworks, tobacco and various medical products.

On target

Amazon built in a few additional features that it says will make Sponsored Display easy to use and widely accessible. Notably, the creative for Sponsored Display ads is auto-generated to fit a standard look and layout, with customization available only on the logo or headline.

Amazon also automatically creates the audiences that ads will target. Advertisers can choose to target audiences who are interested in similar products or customers who have visited their page, but are not able to customize beyond what Amazon generates.

These features are presented as a way to simplify the service for advertisers, but currently lack campaign and reporting customization.

Amazon plans to roll out additional display metrics, but for now, reporting is limited to what is accessible for its sponsored ads suite.

Looking at the big picture, however, the benefits seem to far outweigh the limitations.

Amazon provides access to more impulse-buy consumers on a daily basis than most other platforms combined, and is one of the largest distribution channels to which most retailers will ever have access.

The ability to target audiences within this context is a significant step forward for smaller advertisers, and will greatly expand the options and resources available for future Amazon campaigns.

RARELY IF EVER will one platform meet all of a business' advertising needs, and the most successful campaigns will take a holistic approach when targeting their unique customer.

With Sponsored Display still in beta, it will be a learning experience both for advertisers and for Amazon, but as of now, this rollout is a strong step in the right direction.

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