Make More Dollars by Making Sense of Amazon Data

Session Leader: Paul Grey

Sales data is the lifeblood of a growing e-commerce business. Amazon provides its merchants rich sales data in a variety of forms. Which is the most useful? Which is the easiest to get? How can it be used? And is it really as good as it seems at first glance?

This presentation will share the experience of a business selling with Amazon in seven countries, including selling with FBA in the United States since 2008. It will include examples of how Amazon sales data is being accessed and what can be done with it, and it will reveal tips, tricks, and traps.

What are the main sources of Amazon sales data?

Amazon Seller Central:

> Orders / Manage Orders
>
> Reports / Business Reports / Sales Dashboard (new in August 2012)
>
> Reports / Business Reports / Sales & Traffic By Date Graphs
>
> Reports / Business Reports / Detail Page Sales & Traffic Table
>
> Reports / Payment Statement Summary
>
> Reports / Payment Statement Download
>
> Reports / Payment / Date Range Monthly Download
>
> Reports / Fulfillment / Sales

Amazon MWS Orders API

plus sales order data from your other sales channels is needed for a full picture.

What sales metrics would a merchant want?

Sales metrics should help you achieve business information objectives, and answer questions about your business at a glance.

Business Information Objective	Sales Metrics
Monitor your business. How are sales going today?	Today's revenue, orders, units sold. Sales so far today compared to benchmark.
Understand your products.	Top sellers, top earners, top brands, top categories.
Understand your customers.	Repeat customers, most frequent, most valuable.
React when something's not right.	Prices, promotional discounts, stockouts.
Know when something good happens.	Highlight spikes in sales of a product as they happen.
Spot sales trends.	Show product sales growth & seasonal patterns.
Forecast sales & replenish stock.	Daily, monthly, quarterly, annual sales for each product. Easy spreadsheet access.

How does Amazon sales data stack up?

Sales Metrics	Available From Seller Central?	Timely?
Today's revenue, orders, units sold.	Yes #1. Manage Orders.	Yes.
	Yes #2. Sales Dashboard.	2 hours delay.
Sales so far today compared to benchmark.	No.	
Top sellers, top earners.	Yes. Detail Page Sales & Traffic Table.	1-2 days delay.
Top brands, top categories.	No.	
Repeat customers.	No.	
Order prices, promotional discounts.	No.	
Stockouts.	Yes. FBA stockout alert emails.	No.
Sales spikes.	Yes, in aggregate. Sales Dashboard.	2 hours delay.
Product sales growth & seasonal patterns.	No. Aggregate sales only.	1-2 days delay.
Daily, monthly, quarterly, annual sales for each product.	Yes. Detail Page Sales & Traffic Table.	1-2 days delay.
Easy spreadsheet access.	No. Best option is report request, wait, download and import for each period.	No.

Take into account that Seller Central by definition omits sales from other sales channels. For a multi-channel e-commerce business, including businesses selling with Amazon in more than one country, sales metrics from Seller Central provide only a partial view.

Practical examples of Amazon sales data being used in an e-commerce business

Examples of how these sales metrics objectives are achieved by the team at World Wide Access:

- Monitoring sales from mobile devices with the OrderPipe mobile sales dashboard.

- Consolidating sales from Amazon and other sales channels for a unified view of sales.

- Monitoring sales real time alongside web traffic and social media activity on a big screen with a Geckoboard dashboard.

- Visualizing sales trends and patterns with Roambi mobile business intelligence. Understand sales trends and seasonal sales patterns for your bestselling products.

- Spreadsheet-based sales analysis driven with live sales data.

- Spreadsheet-based inventory replenishment planning driven with live sales data and live stock levels. Keep fast-selling items in stock.

Common mistakes and how to avoid them

Not detecting cancellations.

Sales orders initially reported can be subsequently cancelled. Make sure sales reporting systems detect and exclude cancelled sales orders.

Not taking return rates into account.

Certain products and product categories have much higher return rates. Take these into account when making decisions on product pricing.

Not allowing for coupon discounts.

Amazon sales data reports 'strikethrough' discounts differently from coupon-based discounts. Make sure both are taken into account when calculating sales revenue.

Including FBA delivery and gift wrap fees as revenue

The money from these charges to the customer is never seen by the merchant. Some Amazon reports include them in 'product revenue'. Make sure they're not included in your product revenue totals.

Assuming MWS sales order data is correct

Sales order data returned by the MWS Order API is almost always incomplete or incorrect for recent FBA-fulfilled orders. Make sure any software using the MWS Order API can interpet patchy sales order data.

What's right and what's wrong with the sales data Amazon provides?

Seller Central Sales Data Source	Strengths	Weaknesses
Manage Orders	Real time. Shows products and quantities.	No revenue data on main screen. Individual drill down prices omit coupon discounts. No data download.
Sales Dashboard	Summarises today's sales. Cumulative totals and prior period comparisons.	Not real time. Two hours delay. Aggregate data only, no product data. Confusing graphs.
Sales & Traffic By Date Graphs	Weekly and monthly graphs great at showing trends.	1-2 days delay. No product or brand data.
Detail Page Sales & Traffic Table	Shows metrics for individual products. Download option suitable for upload to spreadsheets.	1-2 days delay. Download/upload process is clumsy especially for multiple periods.
Payment Summary	Shows gross sales and sales net of Amazon fees giving an immediate high-level view of cashflow and revenue from Amazon sales. Accurate.	1-2 days delay. Two-weekly cycle unsuitable for monthly analysis.
Payment Date Range Monthly Download	Monthly settlement data now available.	1-2 days delay. Not yet available outside the USA.
Payment Download	Accurate. Good for accounting purposes.	Up to 14 days delay. Difficult file format.
Fulfillment Sales Reports	Accurate. Good for tax purposes.	1-2 days delay.
MWS Order API	An API is available! It provides near real time sales order data, enabling software integration.	Data quality is patchy and unpredictable. Not event based. Non-standard user authentication.

Inventory Replenishment

How many do I order now so that when they arrive I have the right number in stock to meet customer demand?

Use recent sales, historical sales and seasonal sales patterns to estimate sales velocity for the month(s) ahead. OrderPipe provides the sales data. Allow for growth in sales.

Calculate target stock level. How many days stock do you wish to carry? 7 days? 90 days?

Estimate sales during the replenishment lead time. 10 days or 60 days or 6 months?

What's stock on hand right now?

Estimate stock level at the time the replenishment arrives, allowing for product sold during the lead time.

The difference between your target stock level and your stock on hand at shipment arrival is the replenishment quantity to send.

Adjust the replenishment quantity up or down to match carton or pallet quantities.

Example:

> This month selling at the rate of 750 units. Last month sold 720 units. 6-month average 550 units. Allow for growth of 25%. Estimate sales velocity at 800 units per month.
>
> Target stock level is 2 months assuming quarterly replenishments: 2 x 800 = 1,600.
>
> Replenishment lead time is 60 days seafreight from New Zealand. Next scheduled shipment is 1 November. Estimated replenishment arrival is in 90 days.
>
> Estimated sales during the replenishment lead time: 90 days at 800 units per month = 2,400 units.
>
> Stock on hand: 1,400 units. Stock inbound already on the water: 1,200 units.
>
> Estimated stock on hand at replenishment arrival: 1,400 + 1,200 – 2,400 = 200.
>
> Replenishment quantity to send: 1,600 – 200 = 1,400.
>
> One pallet = 240 units. Replenishment quantity is 6 pallets = 1,440 units.

Automate this in a GoogleDoc spreadsheet with live input sales and stock level data from OrderPipe. The replenishment calculations are always up to date. No files to download and upload.

Geckoboard

Designed for big screen display. Show sales metrics alongside web traffic & social media metrics.

Free to try Geckoboard.

Select the OrderPipe widget to show sales metrics driven with live sales data from OrderPipe.
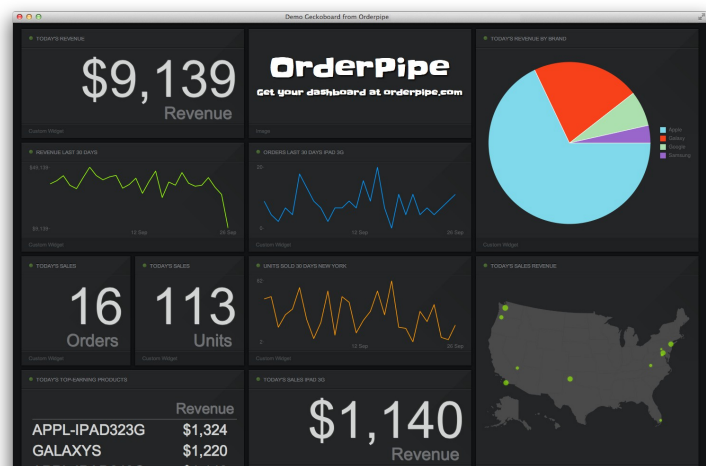
Roambi

Top-rated mobile business intelligence app for iPhones and iPads.

OrderPipe feeds sales data to Roambi views.

Roambi Catalist view clearly shows seasonal sales trends.

Roambi SuperList view shows biggest orders.

What systems and software does World Wide Access use?

Amazon Seller Central and MWS APIs for monitoring sales and inventory.

OrderPipe mobile sales dashboard for sales metrics and FBA stock levels.

Google App Engine as the software application server platform for OrderPipe.

Google Docs spreadsheets for sales analysis and inventory replenishment planning.

Xero for processing Amazon payment settlement files and accounting.

Magento for ecommerce webstores.

Wordpress for brand websites.

Amazon EC2 for hosting websites and webstores and Amazon S3 for webstore backup.

Google Checkout and Paypal for webstore payment processing.

MailChimp for email marketing.

Getting Started With OrderPipe

1. Register to use OrderPipe with your Google ID

Visit orderpipe.com and register with your Google ID. This creates a secure OrderPipe instance for you on the Google App Engine.

2. Register each of your sales channels in OrderPipe

(Amazon marketplaces, Magento webstores, Shopify webstores)

3. OrderPipe will start showing new sales orders.

4. OrderPipe will gradually fill in your last 30 days order history.

To connect OrderPipe to an Amazon marketplace, you must register OrderPipe with your Amazon MWS account, then register your MWS credentials with OrderPipe.

The OrderPipe blog has a guide to help you through this MWS registration process.

References

OrderPipe mobile sales dashboard: www.orderpipe.com

Google Docs online spreadsheets: docs.google.com

Xero online accounting: www.xero.com

Mailchimp for email marketing: www.mailchimp.com

Google Checkout: checkout.google.com

Magento ecommerce software: www.magento.com

Amazon EC2: aws.amazon.com/ec2/

Google App Engine: cloud.google.com/appengine

Wordpress: www.wordpress.com

World Wide Access websites used in screenshots and examples:

        www.world-wide-access.com

        www.amazon.com/shops/shoppingmoa

        www.shoppingmoa.co.uk

        www.shoppingmoa.jp

        www.dominionnewzealand.com

        www.solocycleclothing.com

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Paul Grey is the founder of [World Wide Access](#) which sells New Zealand products online in the United States with particular expertise in selling with Amazon.

The company has introduced thousands of international products to the Amazon catalog that were previously unavailable to American customers. It has regularly propelled unranked newcomer products to Amazon category bestseller status.

World Wide Access is the first international business to sell on Amazon China. World Wide Access also sells with Amazon in Canada, the United Kingdom, Germany, France, and Japan, and was named Exporter of the Year in 2011 by the American Chamber of Commerce in New Zealand.

Paul Grey's background is software development, and it is software technology that underpins the World Wide Access business. He is expert at working with Amazon sales data and his World Wide Access team has developed the [OrderPipe](#) mobile sales dashboard, used by e-commerce businesses worldwide to track their sales real-time on their smartphones and iPads.

Prior to establishing World Wide Access, Paul Grey was Chief Technology Officer and co-founder of Peace Software, which grew to be New Zealand's largest software company. During his career with Peace Software he was based in the United States and spoke at international utility and technology conferences around the world.