

Takeaways from our Live Session on Amazon DSP & AMC

By Russ Dieringer // May 3, 2023 // Research, Webinars

May 3, 2023

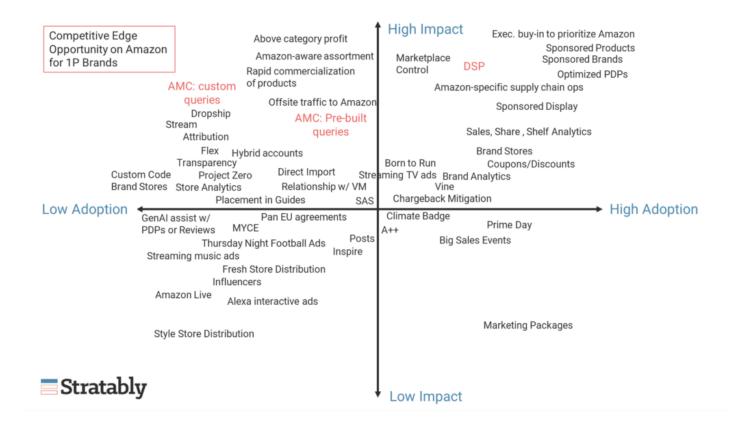
Stratably hosted Jessica Gordon from Flywheel to talk about the unique use cases for Amazon DSP and how Amazon Marketing Cloud can be used to measure the full funnel impact of this ad type.

Watch The Recording Here Amazon Marketing Cloud adoption is growing

Amazon Marketing Cloud continues to attract advertisers as it provides previously unavailable insights on advertising performance and shopper journeys.

Our competitive edge framework places AMC in the top left quadrant indicating high impact potential, but relatively low adoption. This compares to adoption of DSP and other Amazon advertising formats which are in the top right (high impact/high adoption).

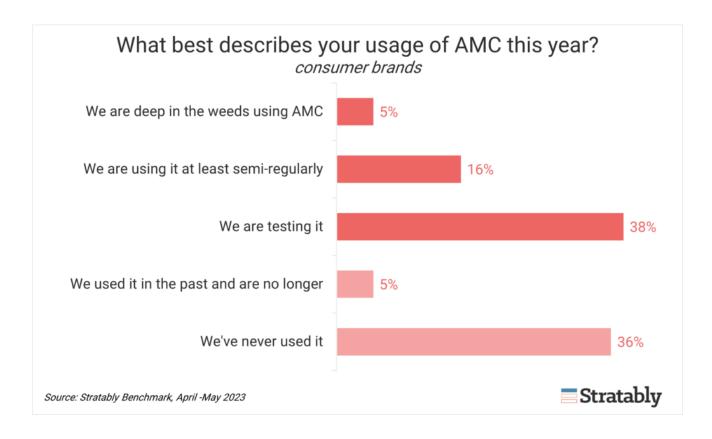




In other words, while everyone is advertising on Amazon, a minority are employing critical measurement tools to inform that advertising.

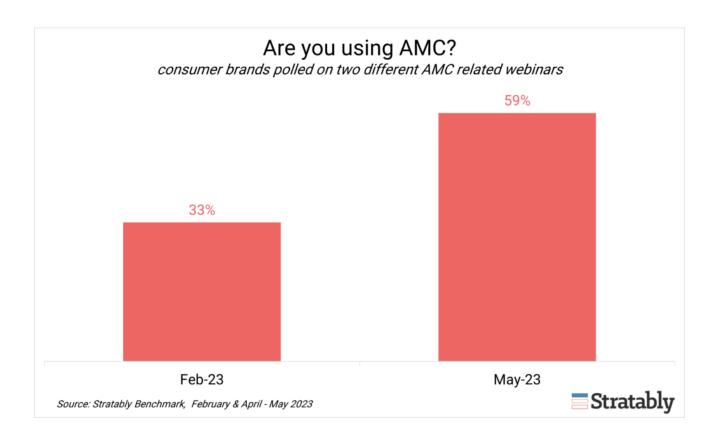
However, this is steadily changing. Our research indicated 38% of brands are now testing AMC and another 21% are using it as a part of their Amazon advertising efforts.





This is a notable increase from our benchmarking data in February when only 33% of respondents were using the tool.





Note, total adoption may be overstated in the above chart as benchmark recipients registered for AMC-themed webinars and thus may be more interested and/or more likely to be using the tool. In addition, the sample of brands across the two webinars differed.

But even with these caveats, the trend is towards greater adoption that appears to be happening relatively quickly.

1+1=3 When it comes to DSP + Paid Search Usage

Advertisers commonly find their Amazon DSP performance is much more positive than they previously thought once they start using advanced measurement insights from AMC.

Instead of relying on last touch attribution, which over-emphasizes lower funnel ad spend, AMC unveils a fuller shopper journey. For instance, a shopper might see an DSP ad offsite, then go to



Amazon and search a relevant term, click on a sponsored product ad from the SERP, and then buy. Last-touch attribution would give all the credit to the sponsored product ad, even though the DSP ad catalyzed the purchase.

In other words, DSP can create demand, and paid search captures it.

These insights help better estimate how advertising efforts across the funnel ultimately drive incremental sales, and it's common for brands to see much better performance when they combine DSP with search activations.

We sat down with Jessica to learn how DSP is being put to work today, what metrics she focuses on for those campaigns, and how AMC can be used to reveal a more accurate view of advertising performance.

Here's what we found most interesting from the live session:

- Flexibility = Power: The flexibility of AMC makes it useful across categories. For example, heavily researched categories like consumer electronics can benefit from AMC by extending attribution windows. Whereas CPG categories can benefit by looking at repeat customers or developing a deeper understanding of customer lifetime value.
- 2. **Internal Education:** AMC is often the first clean room an organization uses. As a result, there is a fair amount of internal education needed within the eCommerce team and often marketing and analytics groups in order to understand what type of insights are available and why it is important.
- 3. **Cross-functional**: Because of the powerful measurement insights that can cut across channels, Flywheel is working more closely with teams outside of eCommerce, such as analytics or brand marketing.
- 4. Walled gardens: The walled garden nature of media properties like Google, Meta and other retail media offerings is a limiting factor towards having a singular view of the shopper's journey. However, Amazon continues to integrate new datasets on a regular basis and companies are often using multiple measurement approaches to triangulate advertising performance (such as the addition of mixed media modeling and lift testing).

Stratably

- 5. **Start with pre-built queries**: Brands just starting out with AMC can use Amazon's pre-built queries. These provide interesting insights that then lead advertisers towards wanting to ask deeper questions via custom queries.
- 6. **TNF on Black Friday**: Thursday Night Football will be streamed by Amazon for the first time on the eve of Black Friday. This will be particularly interesting as AMC will be able to bring together streaming TV and sales data in a unique way.

Watch The Recording Here