SellerLabs

3 AMAZON BUSINESS METRICS TO HELP YOU BOOST PRODUCT PERFORMANCE

Everyone wants to find a product that sells well on Amazon, but realizing true winners takes time, effort, and expertise. It's a huge accomplishment to find a product that you can successfully source, ship, and sell. But Amazon sales success goes way beyond this initial set of steps. From there, you need to shift to understanding performance so that you can cut any deadwood dragging you down and focus on optimizing what works, and of course, on making money and growing your Amazon business!

Product performance is much more than just units sold and sales revenue. Use these three Amazon business metrics to better understand your product performance so you can be confident that your catalog is full of products that don't just sell but genuinely deliver ROI worthy of your efforts.

1 **PROFIT MARGIN:** You probably know how much profit you're making, but profit margin is slightly different: profit is an absolute amount, profit margin is a relative one. Ranking products by their margins can help you to determine which products to market and which to dump. To calculate profit margin: divide net income by revenue and multiple by 100. That, as a percent, is your profit margin. Sort by this number to find your most-profitable items and focus on those. As for your least-profitable ones, consider cutting them.

2 **COST OF GOODS SOLD (CoGS):** Profitability can't be calculated without net margin—and your net margin will be dead wrong if you aren't including CoGS. CoGS is the cost associated with producing your product. This typically includes materials, labor, and shipment to fulfillment centers. Amazon doesn't factor this number in the reports it delivers so you should be tracking on your own. If you're using Quantify module in Seller Labs Pro, you can upload your CoGS to get your net profit calculated automatically.

3 **CONVERSION RATE:** More important than units sold, conversion rate shows how often someone lands on your detail page and buys (or doesn't). As with profitability, you can rank your products by this metric to find opportunities. Got a product with a conversion rate above 75%? Consider upping your ad budget to send more traffic that way. Conversion rate below 50% on another product? Evaluate pricing or consider optimizing the listing with improved images and descriptions. Try Seller Labs Pro's Scope module to find new high-performing keywords to incorporate in the listing.

Seller Labs Pro makes managing and calculating these values simple and effective. Try Seller Labs Pro FREE for 30 days!