

PLAYBOOK

Build Profitable Relationships with Your Amazon Customers



If your brand sells through Amazon, it's harder than ever to identify who bought your product and foster the direct relationship necessary to grow customer lifetime value.

On April 8, 2021, Amazon significantly limited access to key first-party data such as customer name, email and address for sellers that use the Fulfillment by Amazon (FBA) service, which is the vast majority of third-party sellers. Amazon also charges significant fees that can increase at any moment, such as the 5% fuel and inflation surcharge that went into effect April 18, 2022.

Fortunately, there are ways your brand can reduce the impact of these policies.

This playbook provides actionable strategies to offset increasing Amazon fees and the collect first-party data necessary to form direct relationships with your customers.

60%

of consumers prefer to buy directly from the brand if given the option
(Business Insider)

50%

of Amazon's U.S. sellers used Fulfillment by Amazon
(CNBC)

38%

YoY increase on Amazon's net sales generated by third-party seller services
(Statista)



“ It is bizarre that \$300 billion worth of goods were sold through Amazon by the millions of third-party sellers with little understanding of who those customers are. ”

— MARKETPLACE PULSE

It's not hard to understand why brands choose to sell goods on Amazon, the leading e-commerce site in the U.S. with a global reach of **more than 200 countries and territories**. Amazon's unprecedented market size and fulfillment options make it easier for brands to scale as needed and meet global demand. Therefore, it's no surprise that the number of third-party sellers on Amazon now accounts for **60% of the company's retail sales** — about **\$230,000 in average sales for each seller in 2022** (the Current).

While brands certainly benefit from this arrangement, it's not without drawbacks for them, including the lack of first-party customer data, which is now even harder to attain.

So, what can a brand do when virtually every aspect of the customer journey is controlled by such a powerful and necessary retail platform?

STEP 1: TAKE ADVANTAGE OF UNBOXING

Brands that sell on Amazon and want to create direct relationships with their customers still have control over the unboxing experience. Unboxing is the moment when a customer first opens the product packaging and is the most excited about engaging with their new product. It's a moment that presents a tremendous opportunity for brands to cultivate loyalty by providing an exceptional new product experience. Unboxing is also the time when customers are most likely to register their new product and provide your brand with highly-accurate first party data, especially if incentivized to do so.

STEP 2: PROVIDE A MODERN PRODUCT REGISTRATION EXPERIENCE

Product registration has shifted from a dull, transactional interaction to a value-focused experience shared by the customer and the brand. A modern, digital product registration experience gives brands the opportunity to achieve opt-in from their customers and collect vital personal information Amazon and other retailers choose not to share.

Using modern product registration technology like PhotoregisterSM significantly increases registration rates by streamlining the process and pre-populating product information, making it quick and easy for customers to complete registration. **50% of customers register within 48 hours after purchase when they can register using their mobile phone.** When brands are armed with customer data from registrations, they can take control over the ownership experience, making it more valuable for themselves and their customers.



TIP: INCENTIVIZE THE ACTION

Few consumers are willing to share their personal information with brands without getting something in return. Do you have a giveaway or a promotion? Are there tips for using or maintaining the product that the customer can easily access by registering? These are proven ways to incentivize registration.

STEP 3: ENGAGE NEW CUSTOMERS WITH PERSONALIZED CAMPAIGNS AND SPECIAL OFFERS FOR BUYING DIRECT

Product registration data is a significant source of accurate customer information and an opportunity to obtain opt-in for customer retention, upsell and nurture campaigns. Customer data from product registration can be used to segment and personalize campaigns for better performance — by product, how long they've owned their product, where the customer lives, etc. This allows you to open a direct line of communication with new customers and drive traffic to your own e-commerce site.

TIP: TAKE ACTION QUICKLY

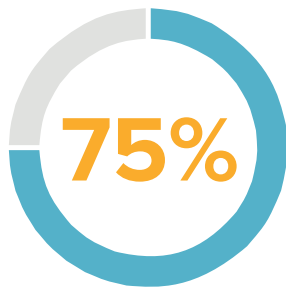
Welcome emails generate 3.2X more revenue per email than promotional emails, so don't let too much time elapse before beginning to engage the customer after registration occurs. Have a series of engaging communications and/or campaigns ready that can automatically run immediately after registration.





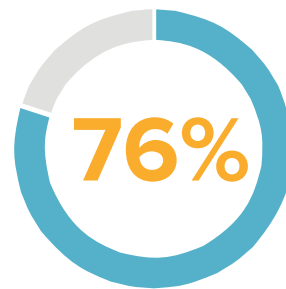
TIP: KEEP IT PERSONAL

Customers want communications that are relevant to the products they own and how long they have owned them. If a customer takes the time to give a brand their personal information, they expect it to be used to enhance future interactions with personalized offers. Mass communications with general information just feel like spam!



**of consumers expect
personalization in their
online experiences**

(McKinsey)



**of consumers get frustrated
when online experiences
aren't personalized**

(McKinsey)

Unlock the Potential of Great Ownership Experiences

While making initial sales on Amazon is a core strategy for many brands, the second step to acquiring a customer is keeping them and providing a great ownership experience. When the brand—not the retailer—controls the ownership experience, they can engage their customers directly to provide support, increase sales and nurture lifetime customer value.

The probability of successfully selling to an existing customer is 60-70%, while the probability of selling to a new prospect is only 5-20%. *(Marketing Metrics)*

80% of your company's future revenue will come from just 20% of your existing customers. *(Gartner)*

A 5% increase in customer retention correlates with at least a 25% increase in profit. *(Bain & Company)*

Registria's Ownership Experience solutions are purposely built to enable brands to seamlessly connect with their product owners, facilitating relationships that last a lifetime. Our award-winning technology delivers highly personalized experiences across the product ownership lifecycle by identifying and onboarding product owners, creating direct sales and engagement channels, and giving owners the information, care and support they desire.

Our Clients' Success is Our Success

5X

A leading fitness brand increased customer lifetime value 5X

55+%

An outdoor recreation brand achieves 56% opt-in during registration

261%

A home appliance brand experienced 261% ROI from Registria's services within two years

Over 300 brands across a range of industries have selected Registria to meet the demands of their direct-to-consumer strategy and trust Registria's expertise on how to create profitable customer relationships for sustainable growth.



Sources

1. www.renolon.com/amazon-third-party-seller-statistics/#:~:text=In%202021%2C%20Amazon's%20third%2Dparty,year%2Don%2Dyear%2basis.&text=As%20of%20the%20second%20quarter,generated%20grew%20by%20nearly%2038%25 2. www.cnn.com/2021/10/19/amazon-touts-small-business-success-amid-third-party-seller-scrutiny.html 3. www.modernretail.co/platforms/amazon-briefing-third-party-sellers-are-starting-to-build-brands-that-extend-beyond-amazon/ 4. www.modernretail.co/collection/the-amazon-effect/page/3/ 5. www.modernretail.co/platforms/amazon-briefing-third-party-sellers-mull-over-how-to-manage-amazons-new-5-surcharge/



ABOUT US

Registria helps brands deliver exceptional ownership experiences to their customers.

We believe ownership experiences should be frictionless. Our award-winning technology delivers highly personalized experiences across the product ownership lifecycle by identifying and onboarding product owners, creating direct sales and engagement channels, and giving owners the information, care and support they desire. Over 140 brands across a range of industries have selected Registria to meet the demands of their direct-to-consumer strategy and trust Registria's expertise on how to create profitable customer relationships for sustainable growth.

Turn a moment into a lifetime.

FOR MORE INFORMATION CONTACT US AT:

www.registria.com | info@registria.com