

What Is Amazon Advertising and How Do You Make It Actually Work?

If you sell on Amazon, you've probably heard some version of: "Just run PPC." And sure... you *can*. But Amazon advertising is one of those things that's simple to start and weirdly easy to mess up.

This guide breaks down the ad types, the key metrics, and a sane way to structure and optimize campaigns—without turning your account into a spaghetti monster.

Amazon Advertising in Plain English

Amazon advertising is Amazon's paid ad system that helps your products (or brand) show up in high-visibility spots—especially in search results and on product pages—when shoppers are already in "buy mode." That's the big difference versus most other ad platforms: the intent is naturally high because people are on Amazon to shop.

The Main Amazon Ad Types

Sponsored Products (the workhorse)

Sponsored Products are cost-per-click ads that promote individual listings and appear in places like shopping results and product detail pages. They're usually the first format sellers should learn because they're the most direct path from search ? product ? purchase.

Sponsored Brands (brand + multi-product + video)

Sponsored Brands let you showcase your brand (logo + headline) and feature multiple products, and they can also run as video. They commonly show in and around shopping results and on product pages.

Sponsored Display (retargeting-style reach)

Sponsored Display is typically used to stay in front of shoppers who viewed your product (or similar products), helping you recapture attention after they browse away. (This is often where "easy wins" live once your product pages convert well.)

Amazon DSP (bigger reach, more control)

Amazon DSP is a demand-side platform that can buy ads programmatically across Amazon and third-party sites/apps. It's generally more advanced and is often used for broader awareness, retargeting at scale, and audience strategies beyond keyword targeting.

How the Auction Works: The High Bid Isn't the Whole Story

Yes, bidding matters. But on Amazon, relevance and conversion likelihood matter a lot too. In practical terms: if your listing doesn't convert, Amazon is less likely to keep rewarding it with great placements at a reasonable cost. That's why "PPC problems" are often "listing problems" in disguise.

Before you blame bids, look hard at: primary image, price, reviews, coupon/offer, title clarity, and whether the listing actually matches what the search term implies.

The Metrics That Actually Matter

ACoS (good... but incomplete)

ACoS (Advertising Cost of Sales) is basically: **ad spend ÷ attributed sales**. It's a core efficiency metric inside Amazon Ads.

TACoS (the "is this helping the business?" metric)

TACoS looks at ad spend against *total* sales, not just ad-attributed sales. It's useful because the point of Amazon ads is often to lift your organic ranking and total sales over time, not just generate isolated PPC sales.

Attribution window (don't misread your results)

Amazon ads attribution commonly considers conversions that happen within a defined window after a click or view. Amazon's help docs describe a 14-day eligibility window for attribution in certain contexts—so results may show up with a delay, and "same day" decisions can be misleading.

A Simple Starter Setup That Doesn't Create Chaos

If you're starting from scratch, here's a clean structure that keeps learning fast and waste low:

- **Sponsored Products – Auto:** Let Amazon discover search terms and ASINs you wouldn't think of.
- **Sponsored Products – Manual (Exact):** Put your proven winners here and protect them.
- **Sponsored Products – Manual (Phrase/Broad):** Use for exploration, but control it with negatives.
- **Product Targeting:** Target competitor ASINs or categories (great when your value prop is obvious).

Negative keywords are a big part of keeping this clean. Amazon's docs describe how negative phrase and negative exact work (and they're not the same).

Your First Optimization Loop (what to do weekly)

If you do nothing else, do this once a week:

- Pull your **search term report** and find terms with sales.
- Move winners into **manual exact** (so you can control bids and budgets).
- Add irrelevant terms as **negative keywords** (this is where wasted spend disappears).
- Adjust bids based on performance, but don't overreact to tiny sample sizes.
- Make one listing improvement each week (image, title clarity, A+ content, price test, etc.).

Common Mistakes That Burn Money Fast

- ? Running ads to a listing that doesn't convert (bad images, weak offer, unclear positioning).
- ? Judging everything by ACoS without knowing your margins and goals.
- ? Never adding negatives (you're basically paying tuition forever).
- ? Spreading budget across too many campaigns before you have traction.
- ? "Set it and forget it" (Amazon changes, competitors change, your ad inventory changes).

When it Makes Sense to Get Help

If you're spending enough that small inefficiencies add up, it can be worth having someone audit your structure, search terms, and waste.

FAQs About Amazon Advertising

H3: How much should I spend to start?

Spend enough to get meaningful data, but not so much that you're paying for chaos. For many products, the right starting point is a budget that can generate consistent clicks daily for at least 1–2 weeks, then tighten based on what converts.

How long until I know if it's working?

Usually you'll see directional signals quickly (CTR and early conversions), but real clarity comes after you've harvested terms, added negatives, and stabilized bids—often a few weeks. Also remember attribution windows can delay what you're seeing.

[oai_citation:7†Amazon

Ads](https://advertising.amazon.com/help/GX7KDKHMWQYMJ385?utm_source=chatgpt.com)

Is Amazon DSP worth it?

It can be, especially for bigger brands that want to run more advanced audience strategies across Amazon and beyond. But for many sellers, Sponsored Products + Brands + solid listing work will get you most of the way there first. [oai_citation:8†Amazon

Ads](https://advertising.amazon.com/solutions/products/amazon-dsp?utm_source=chatgpt.com)

What's Amazon Marketing Cloud (AMC)?

Amazon describes AMC as a privacy-safe, cloud-based “clean room” where advertisers can run analytics and build audiences using pseudonymized signals. It's more advanced, but it's one of the reasons Amazon's ad ecosystem keeps getting more powerful.

Sources

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