



The Amazon Funnel Advertising Strategy That Converts

How Smart Agencies & Sellers Are Driving Higher CTRs, Lower ACoS, and Outperforming Cheaper Competitors Without Competing on Price

Why Most Sellers Are Wasting Ad Spend

Many Amazon sellers spend thousands trying to rank on high-volume keywords. The problem? If your product is not the cheapest in the category, you end up:

1

Burning ad spend competing with budget brands

2

Fighting for clicks that rarely convert

3

Driving up ACoS without scaling sales

The problem? If your product isn't the cheapest in the category, you're fighting a losing battle. You waste money battling for visibility without gaining profitability.



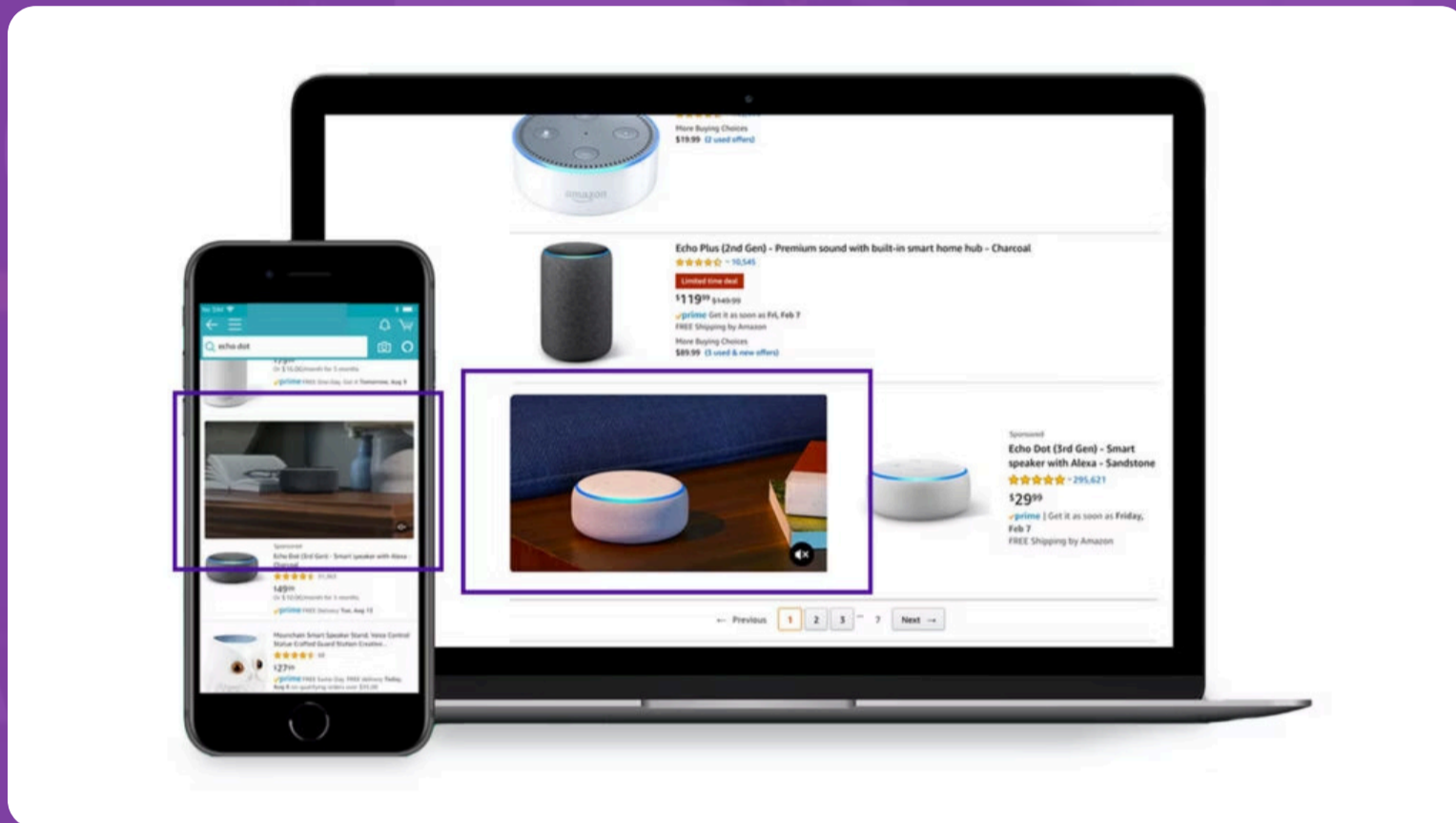
By building a funnel advertising strategy, you shift from fighting cold competition to owning the journey of high-intent shoppers.

Step 1:

Use Video Ads on Amazon to Drive CTR

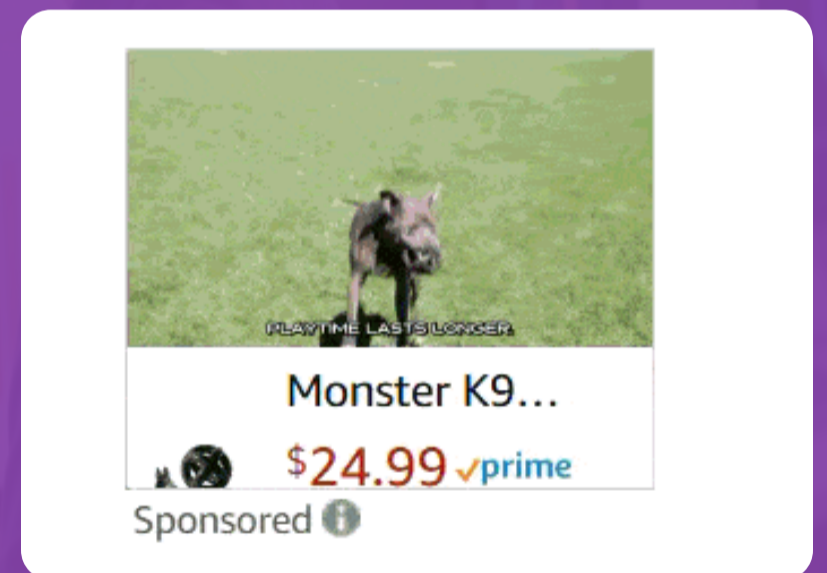
Why it works:

Video ads on Amazon consistently deliver **2–3x higher CTRs** than static Sponsored Brands. This isn't just about flashy creatives — it's about filtering out the "lookers" from the serious prospects.



How to execute:

1. Target **mid-intent keywords** like *“durable dog toys for aggressive chewers”* or *“safe natural rubber dog toys”* instead of broad ones like *“dog toys.”*
2. **Video format tips:**
 - **First 3 seconds (Problem):** Show clips of shredded, broken dog toys scattered on the floor → frustrated pet parent voiceover: *“Tired of toys that don't last?”*
 - **Middle (Solution in action):** A happy dog aggressively chewing the new natural rubber toy that doesn't break apart → text overlay: *“Built tough for aggressive chewers.”*
 - **End (Proof & CTA):** Highlight *5-star reviews* + *“Made from 100% safe, non-toxic natural rubber”* badge, ending with clear CTA: *“Shop Now on Amazon.”*



Example: A premium pet brand ran a Sponsored Brand Video ad showing a dog happily tugging their toy while highlighting durability. CTR was 2.7x higher than category averages, generating a pool of warm, qualified traffic without competing on price.

TIP: Launch 3–5 Sponsored Brand Video tests using lifestyle + benefit hooks. Track CTR weekly and pause underperformers.

Step 2:

Retarget Warm Shoppers with Display Ads

Why it works:

Shoppers rarely purchase on the first visit. **Display ads** let you **follow high-intent audiences across the web**—from Amazon to news sites, apps, or social feeds—keeping your brand visible until they're ready to buy.

How to execute:

1

Viewed product but didn't purchase

→ Serve ads with **review snippets, testimonial graphics, or lifestyle imagery** to build trust.

2

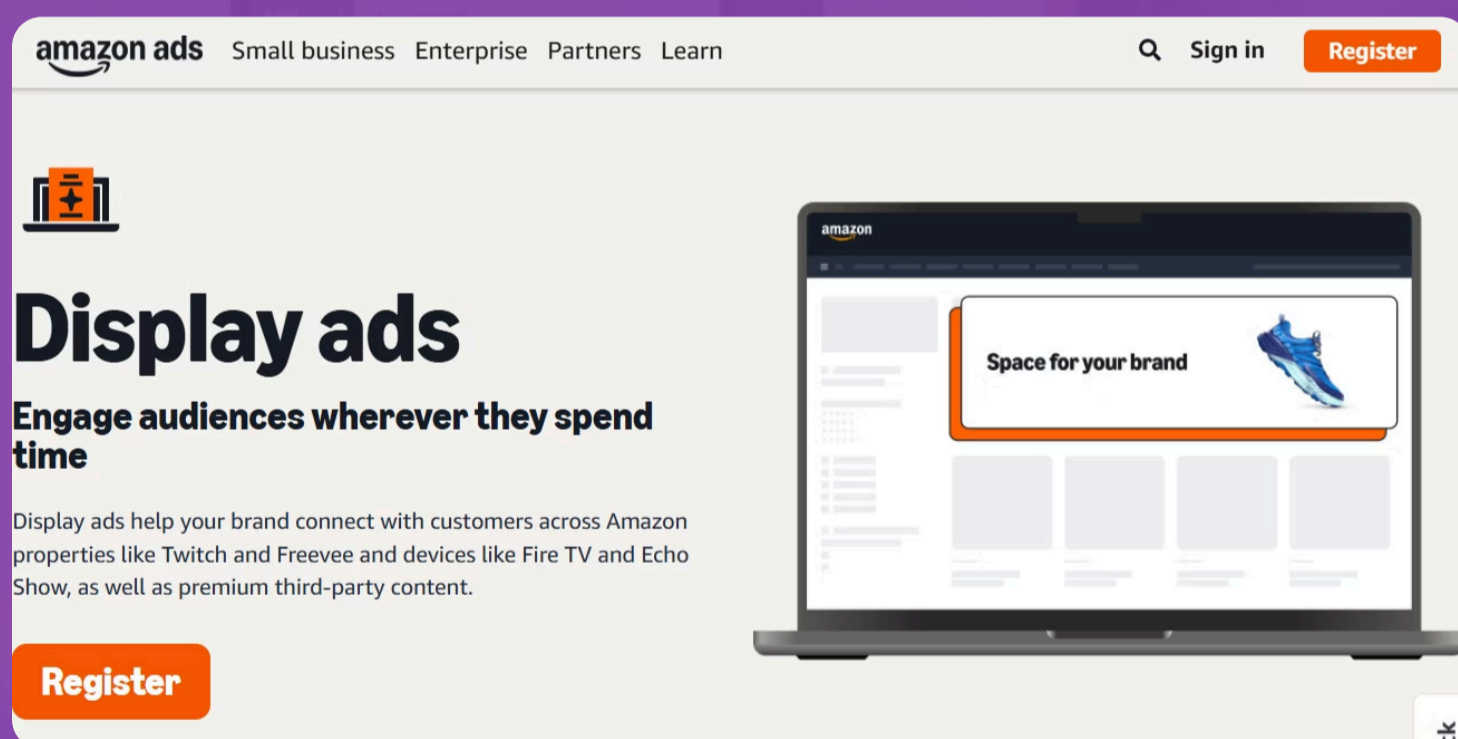
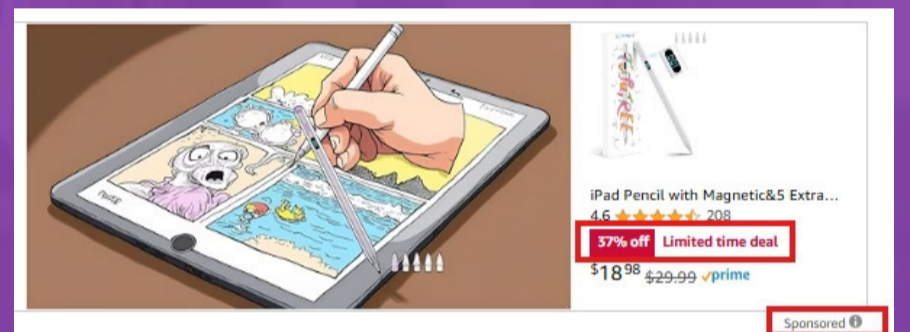
Added to cart but abandoned

→ Use **dynamic display ads** that show the exact product left behind, paired with urgency (“Only a few left” or “Don't miss out”).

3

Past purchasers

→ Run **upsell/cross-sell campaigns** (example: dog leash buyers see ads for durable dog toys).



Display Ad Setup Tips:

1

Audience Segmentation: Build audiences by behavior:

- Site visitors (14–30 days)
- Cart abandoners (7–14 days)
- Repeat visitors with high engagement

2

Creative Focus: Use bold visuals, short benefit-driven copy, and trust elements (ratings, “vet approved,” safety badges).

3

Placements: Run on Amazon, Google Display Network, or Meta Display—start with retargeting pools before testing prospecting.

Action Step: Start with a **small retargeting budget (\$1–2k/mo)** focused only on cart-abandoners. Once ROAS is stable, expand to broader “viewed but not purchased” audiences, then layer in **lookalikes** to scale profitably.

Step 3: The "Fill the Buckets" Strategy

Why it works:

Not every shopper is ready to buy right away. By segmenting them into buckets, you progressively warm up audiences until conversion becomes natural.

Every shopper fits into one of three buckets:

1. **Cold traffic (Lookers):** They saw your ad but didn't click.
2. **Warm traffic (Clickers):** They clicked your ad, showing interest.
3. **Hot traffic (Intent buyers):** They added to cart or returned multiple times.

Your goal isn't to convert everyone immediately — it's to move people through the buckets until they buy.

How the Bucket Strategy Works



Example: A premium kitchen tools brand used this approach:

- **Cold:** Video ad showing "cheap knives that break" vs. their premium knife in action
- **Warm:** Retarget with ads highlighting lifetime warranty + 1,000 reviews
- **Hot:** "Urgency ad: "This set sells out every month" → Conversion rates jumped 35% in 60 days.

Action Step: Map every campaign to a bucket. Align ad creatives with shopper intent.

Real Data Proof

1.9%

Sponsored Brand Video CTR

vs. category average 0.7%

23%

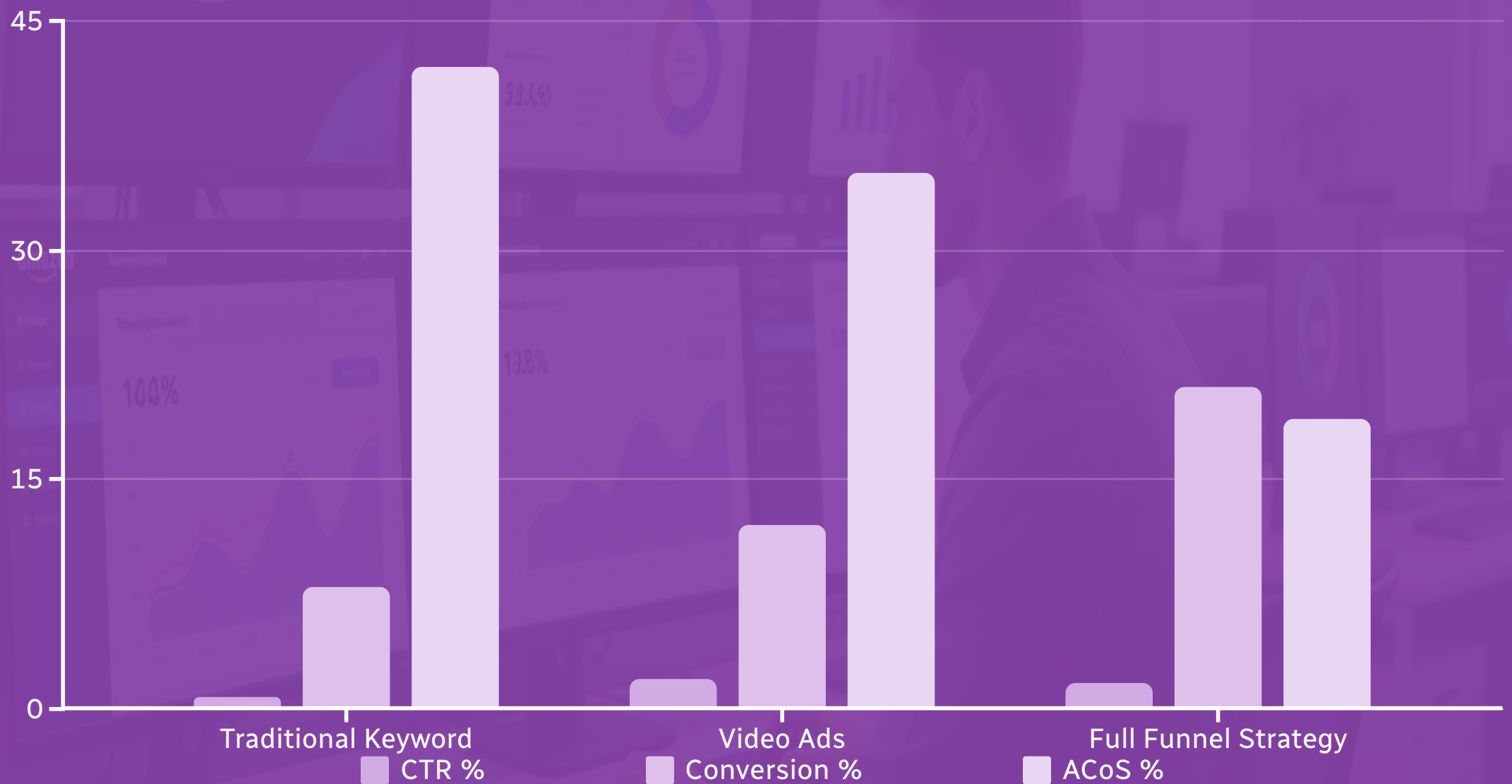
ACoS Reduction

after adding retargeting funnel

31%

Conversion Rate Increase

vs. cold keyword-only campaigns



✓ **Takeaway: Competing on intent > competing on price**



Key Takeaways for Agencies & Sellers

01

Stop keyword wars

You'll lose if your product isn't the cheapest.

02

Video ads = CTR booster

Capture qualified traffic early.

03

Display retargeting = conversion booster

Recover warm shoppers who need more trust.

04

Buckets = funnel clarity

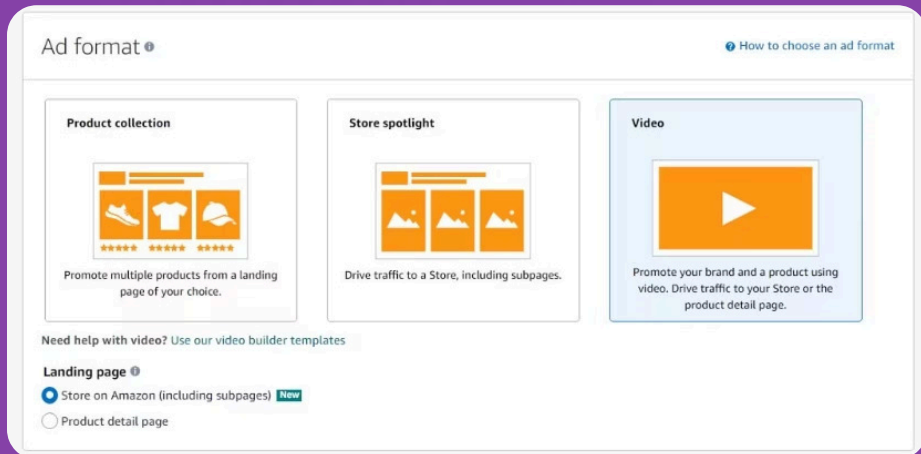
Match ads to shopper intent, not broad traffic.

Lesson: If your product is premium, don't waste money butting heads with cheap competitors on top keywords. Use video + retargeting to win profitably.

Quick Action Plan

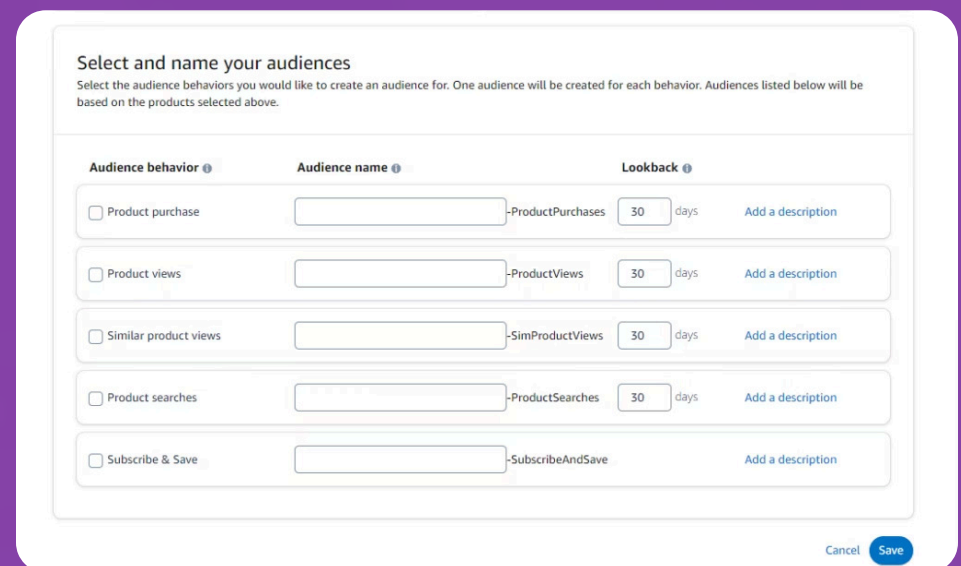
1

Launch 3–5 Sponsored Brand Video ads targeting mid-intent keywords.



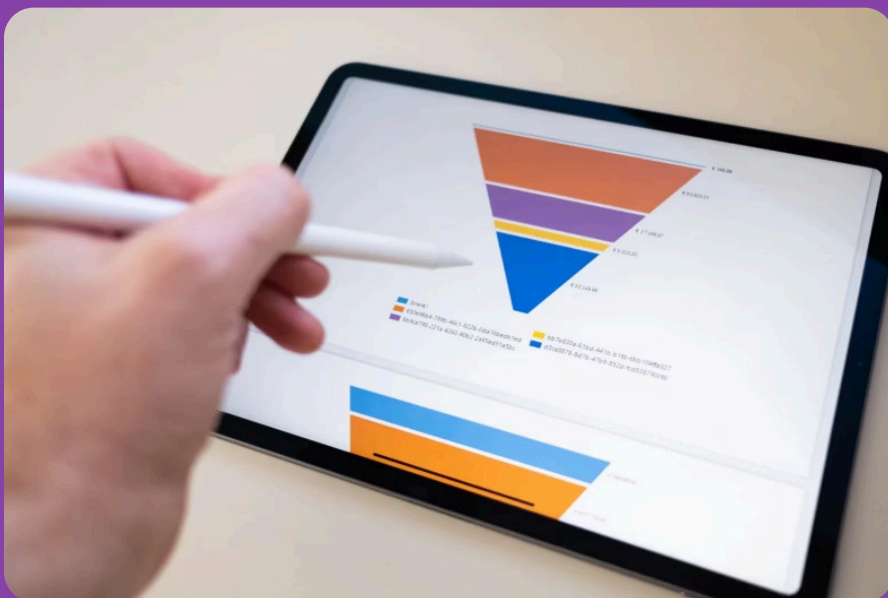
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Set up **Amazon Display retargeting** for the last 30-day product viewers with credibility-driven creatives. (reviews, trust signals, guarantees)



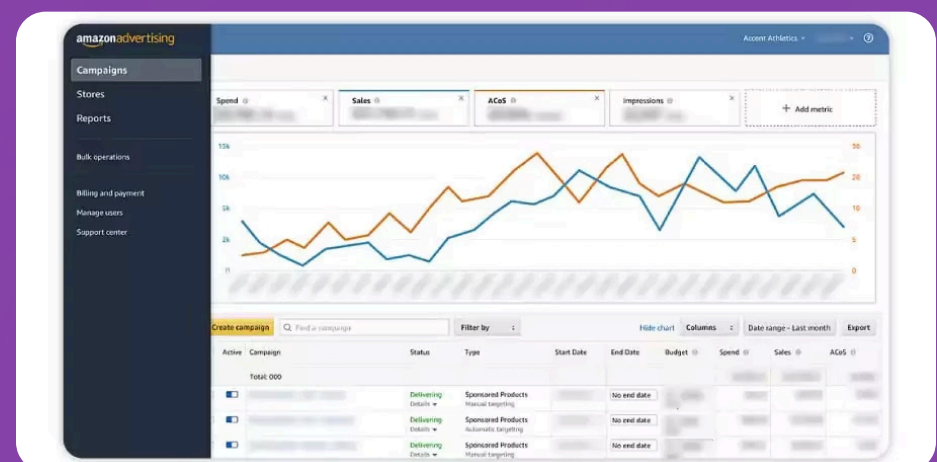
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Map campaigns into 3 buckets:
(Cold → Warm → Hot)



4

Track CTR, Conversion Rate, and ACoS weekly to measure funnel performance (not just keyword rank.)



Final Takeaway

Winning on Amazon isn't about throwing more money at keywords or trying to outbid cheaper competitors. It's about building a funnel that works with shopper behavior instead of against it.

1

Turn every ad dollar into a step forward in the buyer journey

2

Build defensible growth even in crowded categories

3

Protect your margins while lowering ACoS

4

Scale profitably without fighting price wars

i The real advantage isn't ranking higher — it's converting smarter.

Curious how this funnel strategy could work for your brand?

We can walk you through your current Amazon campaigns and show where video ads, DSP, or retargeting would make the biggest impact.

Let's review your campaigns and explore where you could save ad spend while boosting sales.



Campaign Analysis

Identify wasted spend and missed opportunities in your current strategy



Funnel Mapping

Create a custom bucket strategy aligned with your product positioning



Performance Tracking


Measure real ROI beyond just keyword rankings

Book a call [here](#)



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