

How to Gain Competitive Advantage on Amazon For More Sales

*How to Beat Competitors by Forming a Distinct and
Strong Identity on the Amazon Marketplace*

Introduction

Ensuring competitive advantage for your firm should form the heart of your marketing strategy. Seasoned Amazon vendors know that with the amount of competition they have on the website, it's important to build their identity around a distinct factor that helps them **stand out from the vast sea of sellers** on the Amazon Marketplace.

"You must persuade [customers] that you give something noticeably distinct and superior to what's already being offered. Usually, this is competitive advantage, but it's not an exaggeration to name it your business's purpose of being."

-Entrepreneur.com

Your competitive advantage, therefore, is the reason why you haven't been kicked out by competitors on Amazon or have been ignored by customers who have millions to choose from. You need to figure out your firm's competitive advantage as quickly as possible. Through this eBook, we tell you how you can do so.

Identifying Your Competitive Advantage



Don't think that if you're a single-person [Amazon](#) business operating from home, competition doesn't apply to you. In fact, in a market that's as oversaturated as Amazon, your competitive edge must be much more defined than elsewhere.

Your firm's competitive edge may come from any of your major department; marketing, cost, features, innovation, customer service and the like. On the other hand, it can also be something completely new and novel that only you are offering.

No matter what it is, it's important for you to identify your edge and market it as soon as you put up your first listing on Amazon.

What's Competitive Advantage Like?

If you don't know what competitive advantage is, here are some features that describe what it's supposed to be like.

- **It isn't Clichéd:** Your competitive advantage needs to be different from anything else in the market, bringing something new and innovative to the table. Basically, your competitive advantage must be something never-seen-before in your niche, like a new recipe for an old dish.
- **It's not Claimed by Competitors:** If one of your competitors claim that they have the best customer service, you need something other than that to act as your competitive advantage.
- **It's Backed by Facts:** Simply saying that we have the best product quality, delivery services and prices isn't enough. You need hard facts to convince your customers this is the case. For example, if you have the best delivery time, you should market your average delivery time.
- **It Must be Important to Clients:** Your competitive advantage must mean something to clients and they must have a need/want for it.

Step 1: Research Competitors' Data

Begin by checking out other people selling in your niche or selling the same product as yours. [Register with AMZInsight](#) to see competitors' prices, selling trends, keyword strategies, market position and the like.

Step 2: Seek Answers to 2 Important Questions

Once you've conducted in-depth research, ask yourself:

1. Why would people buy from me?

The answer to this lies in conversing with customers. Ask them why they don't like other sellers on Amazon vending in the same niche. Read out the reviews verified purchasers have left behind and look for the most common denominator; a quality that's highlighted most often. Compile quick questionnaires or surveys to ask customers about (what they think is) your strongest quality.

2. What distinguishes me from others?

All products/companies usually have one *distinct* quality they are popularly known for. This distinction helps them secure customers looking for that quality in a business they want to frequent. For example, Amazon's staple ingredient is their unmatched customer service, while Apple is known for innovation. What do you want your firm to be known for?

Step 3: Where Else to Look

If you already have a competitive advantage, you should be able to identify it by now and instill it into your marketing strategy. If not, here what you can do:

- **Networking:** Connect with anyone who knows the amazon marketplace and your industry niche. Ask them to review your product/company and ask them where they think you may lag behind. People you talk to can include industry influencers, customers, bricks-and-mortar sellers and fellow sellers on the Seller Central Forum.
- **Everyone's Got Problems:** The best way to develop a competitive advantage is to find a marketing gap, i.e., a problem your particular niche is facing which doesn't have an obvious solution yet. It doesn't have to be anything too big – just enough to score sales. For example, a seller on Amazon made million by selling easy-to-use, button-supported smart phones on Amazon because his customer base hated using touch phones.

Gaining Competitive Advantage for More Amazon Sales



If you haven't discovered a competitive advantage for your Amazon business or you feel like your business is too generic to have an advantage, you can go through the following options and find one that fits.

Specializing in a Particular Service

Since you can offer your services through Amazon, you can start a service, especially if what you offer isn't commonly found on Amazon, yet. However, Amazon's services industry isn't that well-developed and you may be hard-pressed for clients, initially.

That may work both ways, though. Since Amazon Services aren't that competitive, even the simplest services may easily form a monopoly.

Innovating an Exclusive Technology

You can also offer a new technology not available on Amazon. Now, by this, we don't mean you need to make new Apple computers or even a new product. Instead, you can approach the whole process of inventing in a different way.

Find a need that you don't think is being fulfilled at Amazon, use it as inspiration and optimize that feature in every aspect of your product. You'll create a whole new product for a virgin niche. With the right marketing, you can strike competitive advantage off your [selling checklist](#).

Serve a Specific Kind of Clientele

You can serve a certain kind of clientele or have customers that all share a specific characteristic. Your competitive advantage, therefore, will be specializing in a rare niche.

However, if you have competitors in that niche, you will have to look for something else that differentiates you from them *within* that niche.

Reduce Your Prices

If you serve in a niche where products are closely similar, your strength can lie in offering prices lower than all your competitors. Customers will flock to you for savings.

However, this really depends on the kind of product you're selling on Amazon. Two companies selling the exact same product can take advantage of price as a competitive advantage. With different products, however, a price-related competitive advantage may be ineffective.

Make Marketing Your Strength

This strategy can also work if both products are the same. Think of Coke and Pepsi, for example. They're essentially the same product but Coke's stronger because of their better marketing tactics.

Marketing can become your strength if you identify your target audience's needs and hit that in your message.

Have Geographic Strengths

Geography can also be a competitive advantage for you if you ship your Amazon products in areas where no one else does, because then you have an automatic monopoly there.

Think of the US Postal Service, for example. Since it's the country's national service, it reaches more remote areas than anyone, forming an automatic competitive advantage there.

Solve a Specific Problem

You can specialize in addressing a specific need that your Amazon-based clientele has. Niches within niches hold the most promise when it comes to this type of competitive advantage.

For example, a seller in Amazon's UK branch makes money by selling a tablet for new parents – not simply parents – but parents with newborn babies. Similarly, you can choose to sell goods for a really narrowed-down niche.

Focus on Your Customer Service

Winning customers by giving them strong support is probably one of the oldest tricks in the books and still as effective now, as it was then.

Customers may forget about your product's glitches and errors if you improve them from time to time but they will never forget how far you went to serve them. Take Amazon May Day, for example. The service is known for ordering pizza for customers, singing them songs and drawing pictures for them on their kindles.

Variety is an Edge, too

Having a diverse product line is a great idea, as well. Product diversity is amongst the three things Jeff Bezos believes can win you long-term competitors.

As an Amazon business selling third-party goods, this will be easier for you. [Chinese manufacturers](#) always offer a distinct variety for their products. You can also choose to offer different products relevant to your niche.

Fast Delivery is Vital in Online Commerce

Endeavor to deliver goods faster than your competitors because quick delivery matters in the e-commerce arena. FBA is fast but most sellers are already using that service. If you know of a faster service, go for that.

You can also choose to self-deliver in specific areas where you can reach quickly, especially if your clientele is in a specific geographic position.



Sustaining Your Competitive Edge on Amazon Over the Long-Term



Once you've established your competitive edge over rivals, you need to make sure it sustains overtime. That's the only way your competitive edge will become synonymous with your products.

Market your competitive edge heavily. In fact, your competitive edge must feature the most in all your promotions and advertising campaigns. Then, ensure that you deliver on the promises you make during these campaigns. Customers are sure to notice if you don't.

Once customers know you for your competitive edge, work on the following things to stabilize your position:

Make it Dynamic

According to AMZInsight CMO, *"a marketplace that changes with trends as quickly as Amazon does, being stagnant will force customers to forget about you in the long-run. If your competitive edge has no follow-ups to keep up with moving times, it's not really an edge at all."*

Use AMZInsight to stay up-to-date with the trends relevant to your product and your niche by using the amazon product tracking tool and the [keyword research tool](#).

Keep Recording Data with AMZInsight

Using customer and behavioral data with AMZInsight to get behind-the-scenes details about how products and keywords relevant to you are changing over time and how they're likely to react over time.

Keeping a hawk's eye on this data, you can evolve your competitive edge on Amazon. For example, if you feel like your product's optimization is your strength, keep viewing keyword trends for the latest keywords for your product.

Develop a Strong Team

Experts aren't kidding when they say your employees are your most valuable resource. Having a team that trusts each other and has an expertise in your niche

can be a great competitive edge as well. Your Amazon business will grow as big as your employees take it.

Keep Your Differentiation

A product or feature which tries to do too much at the same time might garner a lot of initial clicks on the marketplace but once customers know that it doesn't deliver, they are likely to stop buying it and may even leave reviews that reflect badly on your product.

A [sustainable competitive advantage](#)'s differentiation is its *one* strong feature or quality and it remains that way unless industry dynamics necessitate a change, as well.



Conclusion

“A firm's aptitude to learn, and turn that learning into practicable acts swiftly, is the most important competitive advantage.”

-Jack Welch

At the end of the day, you'll slowly, but surely, develop your competitive advantage on Amazon by being a regular seller who is serious about making a career out of the Marketplace.

Don't lapse or disappear, don't become slow, keep a close eye on competitors, [learn how to beat them](#) and you'll discover your competitive advantage soon enough.