Understanding Amazon's performance review process
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Agenda

- Why do we care about your performance?
- How to check your performance?
- How to maintain a good performance?
- What can happen when things go wrong?
- Useful References
- Q&A
Why a good seller performance matters

Good customer experience:
- Positive feedback
- Loyalty
- Positive word-of-mouth (more sales)

Bad customer experience:
- Negative feedback
- Customer won’t buy again
- Negative word-of-mouth (less sales)
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As an Amazon seller, you should be familiar with and regularly monitor your performance metrics.

What should be your objective regarding your ODR metric (order defect metric)?

- 100%
- <1%
- 5%
- I don’t know what ODR means

☑️ <1%
Go to the ‘Performance’ tab of your Seller Central account and then in ‘Account Health’:

The ‘Account Health’ menu should be your first port of call to get an overview of your current performance. The most important metric you need to monitor is the ‘ODR’, which must stay below 1%.
**How to check your performance?**

**Order Defect Rate or ‘ODR’**

**The Order Defect Rate (ODR) measure =**

\[
\text{[Count of orders with a claim, service chargeback or negative feedback ]} \\
(\text{Orders in past 90 days lagged 30})
\]

Check your ‘short term’ ODR as well (only 2-week lag) to detect any recent deterioration in your performance.

Having a good performance = having a low ODR (<1%) = having no:

- Negative feedbacks
- A-Z claims
- Service chargebacks
How to check your performance?

Amazon Seller Rating

- **Amazon Seller Rating** is a data-driven **measure of the customer experience** you provide, with **each of your orders** counting towards your overall rating.

- This rating is based on factors including:
  - How quickly you respond to buyers
  - Whether you dispatch on time
  - Whether you cancel orders
  - Whether you have credit card chargebacks
  - Whether you have A-to-Z Guarantee claims
  - Whether you have negative feedback.

How can you improve your rating? [Learn more]

Improving the areas below will have the biggest impact on your score.

<table>
<thead>
<tr>
<th>Count</th>
<th>Category</th>
<th>Suggestions</th>
</tr>
</thead>
<tbody>
<tr>
<td>869</td>
<td>Negative feedback</td>
<td></td>
</tr>
<tr>
<td>2241</td>
<td>Late dispatch</td>
<td></td>
</tr>
<tr>
<td>151</td>
<td>A-to-Z Guarantee claim</td>
<td></td>
</tr>
</tbody>
</table>

Amazon Seller Rating **does not replace other performance metrics**, including metrics displayed on your Account Health page.

It is here to give you an overall view of your performance and insights to **help you identify customer service improvements**.
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How to maintain a good performance?

Monitor feedbacks

Feedback Manager
Use the Feedback Manager to track buyer satisfaction with your orders. Click the Order ID to view transaction details with the customer. You can also view all orders and view items with a feedback rating of 3 stars or lower. You can also view and reply to messages, and view long term metrics, as well as detailed feedback entries, including buyer emails and addresses. See how your feedback displays to buyers.

Feedback Rating: ★★★★★ 4.9 stars over the past 12 months (3519 ratings)

<table>
<thead>
<tr>
<th>30 days</th>
<th>90 days</th>
<th>365 days</th>
<th>Lifetime</th>
</tr>
</thead>
<tbody>
<tr>
<td>Positive</td>
<td>100% (215)</td>
<td>99% (689)</td>
<td>98% (3556)</td>
</tr>
<tr>
<td>Neutral</td>
<td>0% (0)</td>
<td>0% (3)</td>
<td>0% (23)</td>
</tr>
<tr>
<td>Negative</td>
<td>0% (1)</td>
<td>0% (7)</td>
<td>0% (45)</td>
</tr>
<tr>
<td>Count</td>
<td>216</td>
<td>69</td>
<td>661</td>
</tr>
</tbody>
</table>

This table displays the corresponding feedback percentages and feedback counts. See how your feedback displays to buyers.

View Current Feedback

<table>
<thead>
<tr>
<th>Date</th>
<th>Rating</th>
<th>Comments</th>
<th>Arrived on Time</th>
<th>Item as Described</th>
<th>Customer Service</th>
<th>Order ID</th>
<th>Rater Email</th>
<th>Rater Role</th>
</tr>
</thead>
<tbody>
<tr>
<td>25/09/2012</td>
<td>5</td>
<td>Very good service, product delivered quickly. Respond</td>
<td>Yes</td>
<td>Yes</td>
<td>-</td>
<td>026-5902619-661</td>
<td><a href="mailto:p7d4sysic@marketplace.amazon.co.uk">p7d4sysic@marketplace.amazon.co.uk</a></td>
<td>Buyer</td>
</tr>
<tr>
<td>25/09/2012</td>
<td>5</td>
<td>exactly what i asked for. Respond</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>203-9942630-9225</td>
<td><a href="mailto:5sf4f4w7r@marketplace.amazon.co.uk">5sf4f4w7r@marketplace.amazon.co.uk</a></td>
<td>Buyer</td>
</tr>
</tbody>
</table>

1
Seriously, I paid over £3 for delivery of this item, which normally takes 1-2 from Amazon. 5 days later and I’m still waiting - I check the ‘delivery estimate’ and it says ‘11th Aug - 31st Aug’ - are you kidding me? Won’t be using this rubbish again. Respond

3
Great condition but poor delivery. Respond
Message from Amazon: "This item was fulfilled by Amazon, and we take responsibility for this fulfilment experience."

5
Arrived on time, Perfect condition. i contacted the seller of this item for a refund, i did this because i had already got the game thinking it wouldnt come till the 21st but it came way before which is a good thing, recommended seller. Respond

Focus on these 3 elements if you want to be a successful Amazon Seller.
How to maintain a good performance?

Feedbacks

**Feedback** is a key indicator for buyers and for us to know that you are **trustworthy**.

You should:

- Address each negative feedback by contacting the buyer to resolve the problem
- Use your negative feedback to make improvements to your processes to prevent the same issues arising.
- Buyers cannot edit their feedback but have only one chance to delete and leave a new feedback. Seller is not allowed to ‘bribe’ buyers for feedback removal or reminding buyer of the removal process (ex: ‘free gift if you...’)
- Not reply in a rude way to your buyers. (even if they are rude to you!)
- Encourage buyers to leave feedback via one reminder only.

Have a **‘systematic’ approach** to feedbacks (encourage positive feedback, deal with all negative feedbacks).
How to maintain a good performance?

Monitor your claims
How to maintain a good performance?

Claims

A-to-z Guarantee Claims are a buyers protection if something goes wrong with a Marketplace order and the buyer was not able to find a resolution with you.

Amazon’s review process is completely impartial.

Claims are usually filed against the seller because:

- They fail to respond to requests for information within agreed timescales
- No tracking information is held and the order never arrived
- They send materially different items
- They send items in a different condition than the offer they listed
- The buyer sent back the item and never got the refund

Too many claims could lead to your account being suspended or blocked, so:

- **Provide accurate descriptions and keep inventory up to date** of your products and tracking numbers
- **Be proactive** and prompt when responding to buyers / issuing refunds
- **Resolve issues quickly** instead of ignoring them or entering into lengthy conflicts. This will prevent claims.
- Avoid issues in the first place by **investing into adequate shipping methods, inventory management and customer service!**
How to maintain a good performance?

Chargebacks

Amazon is responsible for fraud-related chargebacks (stolen credit cards) but you are responsible for service-related chargebacks.

As we will represent your case in front of the issuing bank, you must provide us with all required information immediately.

To avoid chargebacks you should:

- **Never change the shipping address** you have been given by Amazon
- **Use tracking numbers** and recorded delivery for high value items
How to maintain a good performance?

Cancellation Rate

Tips to improve your Cancellation Rate:

- Increase the frequency of your **stock updates** Or maintain a buffer to avoid items being out of stock
- Consider Fulfilment By Amazon
- Buyers can now cancel orders directly from the buy-seller message system, without affecting your rating.
How to maintain a good performance?

Late Shipment Rate

Tips to improve Late shipment Rate:

- Have adequate resources and logistics to manage the order workflow
- Check if your picking/packing process is efficient enough
- If applicable: Make sure updates between the third Party Software and Amazon are frequent enough
- Avoid pre-confirmation as this is a policy violation
- Consider Fulfilment by Amazon
How to maintain a good performance?
And please bare in mind...

• Timely, high-quality responses to customer questions are an important factor in customer satisfaction.

• Contact response time measures measures the percentage of customer-initiated messages that you have responded to within 24 hours.

<table>
<thead>
<tr>
<th>Performance Checklist</th>
<th>Order Defect Rate</th>
<th>Cancellation Rate</th>
<th>Late Dispatch Rate</th>
<th>Policy Violations</th>
<th>Contact Response Time</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Learn more</td>
<td>Learn more</td>
<td>Learn more</td>
<td>Learn more</td>
<td>Learn more</td>
</tr>
</tbody>
</table>

Buyer-Seller Contact Response Time (NEW) Learn more

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Response times under 24 hours</td>
<td>100% (306)</td>
<td>98% (945)</td>
<td>99% (2253)</td>
<td>≥ 90%</td>
</tr>
<tr>
<td>Late responses</td>
<td>0% (0)</td>
<td>2% (22)</td>
<td>1% (22)</td>
<td>≤ 10%</td>
</tr>
<tr>
<td>No response for more than 24 hours</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>--</td>
</tr>
<tr>
<td>Response times over 24 hours</td>
<td>0</td>
<td>22</td>
<td>22</td>
<td>--</td>
</tr>
<tr>
<td><strong>Average response time</strong></td>
<td>5 hours 15 minutes</td>
<td>6 hours 19 minutes</td>
<td>5 hours 14 minutes</td>
<td>--</td>
</tr>
</tbody>
</table>

You have 8 messages that you have not responded to in the past 7 days.

• No suspension of your selling privileges.

• However, slow response times can lead to negative feedback and claims which can affect your selling privileges.
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• Q&A
What can happen when things go wrong?

Quiz/Polling question

Have you ever been contacted by our Seller Performance team regarding issues with your performance?

- No
- Yes because of high ODR (claims, feedbacks...)
- Yes because of fulfilment issues (cancellation rate, late shipping)
- Yes because of policy violations (inappropriate behaviour, sending wrong products...)
- Yes but I am not sure why
# What can happen when things go wrong

## Overview of potential Amazon actions

<table>
<thead>
<tr>
<th>Reasons?</th>
<th>Sales Spike</th>
<th>Account Review</th>
<th>Suspension</th>
<th>Suspension with denied reinstatement</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>New or rapidly growing sellers</td>
<td>Sellers beginning to have performance issues</td>
<td>Continuous performance issues after account reviews</td>
<td>Failure to respond to previous actions, severe policy violation</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>What happens?</strong></td>
<td>Account is reviewed by an investigator</td>
<td>We hold a % of funds on a rolling basis for a limited time period</td>
<td>We hold funds during the suspension period. No sale or disbursement.</td>
<td>We hold funds for 90 days after the date of block. No sale or disbursement.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>What should you do?</strong></td>
<td>Nothing unless you are notified of one of the next actions</td>
<td>Improve the metrics having led to the review</td>
<td>Provide a recovery plan. Continue to dispatch orders, action claims.</td>
<td>Continue to dispatch and action claims.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Examples:</strong></td>
<td>A seller makes a pricing error and sells iPhones at 100GBP.</td>
<td>Spike in ODR</td>
<td>ODR &gt;1%, Cancellation Rate &gt;2.5%, Late Shipment &gt;4%, Policy violations.</td>
<td>No appropriate recovery plan or evidence of severe violation like counterfeit</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
What can happen when things go wrong

Performance Notifications

- You will be notified when we take action on your account.
- You usually get several warnings or escalating actions before a severe action is taken.
- You can and should respond by clicking the 'Appeal Decision' button in the performance notification, or by choosing ‘Respond to Seller Performance’ when opening a new Seller Support Case.
Example of Account Suspension due to poor service

This seller had serious issues shipping his orders. This triggered a lot of negative feedbacks and claims, which led to an unacceptable ODR. The seller should have:

1) Put his offers offline until he had resolved his delivery problem.
2) Warned affected buyers about the delays.
3) Refunded buyers to avoid claims.
What can happen when things go wrong

Example of Account Suspension due to policy violation

This is a ‘Mismatch’, i.e., Not matching the product’s Description or condition

Items seem to be fake, did not arrive in Eco-Packaging, sound quality is abysmal and no response from seller after I requested a refund. Not happy.

Rubbish product don’t buy this fake rubbish, thankfully was fulfilled by amazon meaning I received great customer service when returning so thanks amazon!

These are counterfeit claims
Do you think this appeal is a sufficient explanation for us to re-open the account?

"Following your last email, we implemented a process that would ensure that this could not happen again. We are therefore very concerned.

We hope you can help support us with this issue to realise which problem you feel is the problem and help us resolve this as soon as possible.

You will note our feedback is very good and all key metrics are measured daily to ensure we operate within the agreement - we take customer service very very seriously and you will see run the account in an impeccable manner.

Could you please help us to identify what the problem product is so we can urgently look into this matter?

We really do not know what we have done wrong with this?"

It is far from being an effective and precise plan of action.

As a business owner, you have to **be aware of what is happening in your business** and should not need to ask us what the problem is.
What can happen when things go wrong
Examples of Plans of Actions

Let’s now look at some examples of adequate plans of actions:

- You have a high ODR caused by negative feedbacks commenting on poor customer service. You could for example:
  - Schedule a time slot every day during which you will review and respond to all your buyers’ emails.
  - You can check your Response Time in Customer Metrics:
    ![Response Time Table]

- You have a high Late Shipment Rate. You could:
  - Change your lead times to something more realistic for your fulfilment processes.

- You have a high Order Cancellation Rate. You could:
  - Do daily inventory updates / Upgrade your inventory management system.
How to react when things go wrong

Tips on how to react when things go wrong.

- Take **immediate steps** to solve issues with the **buyers** who have been affected by your performance problems (ex: refunds).

- Use the new Manage Returns interface in **Orders>Manage Returns** to respond, refund and authorise returns more efficiently.

- Take **immediate steps** to correct the **processes** which led to the problem to ensure that it will **never happen again**.

- If you cannot correct the issue immediately, think about **taking your offers offline** until the situation is manageable again.

  - **To set your listings to inactive**, click the "Edit" button, select "Inactive" in **Account Info** and then click "Submit".

- **Always respond to Amazon’s notifications** and requests for explanations promptly. This will increase the chances of your appeal succeeding.

  - You can flag a message as not requiring a response by ticking the "**Mark as no response needed**" box in the Reply area of the communication thread. This will exclude the message from response-time calculations.

  - Manage and create **reusable templates** for email responses you frequently send to buyers.
Do’s and Don’t’s of a Recovery Plan

- Do not say that you do not understand why you were suspended:
  - *You should monitor your performance daily*

- Do not just blame it on other people (i.e., buyers, suppliers, etc.):
  - *It is your business so your responsibility*

- Give us a detailed root cause analysis of what created the problem:
  - *This shows that you fully understood the problem and are therefore able to solve it*

- Give us a detailed plan of all the steps you will take so that it will never happen again:
  - *This shows that you took things seriously. A simple ‘we worked on it and it won’t happen again’ is not enough!*
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• Q&A
Useful References

- **Seller Performance Measurement**: Overview of the performance metrics
- **Seller Performance Top 10 Tips**: Key steps to be successful on Amazon
- **Feedback Manager**: Overview of the Feedbacks section
- **A-Z Claims**: overview of the A-Z Claims/Chargebacks sections
- **Festive Season Best Practices**: Summary of top tips to maintain a good performance over Christmas
- **Contact Response Time metrics**
- **Webinar Recordings**: Our webinars’ invitations and recordings page

Please note that this presentation is for informational purposes only. If you need additional help, or would like to check that the information presented is still up to date and accurate, we recommend for you to contact Seller Support.
How to maintain a good seller performance

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Amazon Webinars

http://services.amazon.co.uk/resources/events-webinars/

Amazon Seller Support

www.amazonsellersupportblog.co.uk

Amazon Seller Forums

http://sellercentral.amazon.co.uk/forums/

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