



PROFIT SOURCERY

What Are Amazon Customer Metrics?

Amazon has built its success on being entirely customer focused - constantly striving to provide the highest customer satisfaction. In turn Amazon set high standards which all sellers need to meet through their 'customer metrics'. The customer metrics are used by Amazon to measure the performance of each seller.

If you want to be a successful Amazon seller you need to not only understand the Amazon customer metrics but also know how to keep your customer metrics up to scratch.

For Amazon it's all about the customers, as CEO Jeff Bezos put it, *"We're not competitor obsessed, we're customer obsessed. We start with what the customer needs and we work backwards."*

So with that in mind this guide will:

- Show you where to find your customer metrics score
- Explain the relationship between your customer metrics and customer service
- Explain what each of the individual customer metrics are

If you want more information on improving your customer metrics, please read our "Improving Your Customer Metrics and Service" guide.

What are Amazon's Customer Metrics?

Amazon's customer metrics show you how well you are performing as a seller. The metrics have been put in place by Amazon to ensure that sellers meet the high expectations they demand for their customers. In short the metrics are used as a quality control for sellers.

Amazon's customer metrics contribute to your overall seller rating. The seller rating is decided by Amazon's measuring of your customer metrics along with seller feedback, and is scored out of 100. You can see your seller rating on the homepage of seller central (along with a general account health overview).

The screenshot displays the Amazon Seller Central interface. At the top, the navigation bar includes 'amazon seller central europe' and a UK flag with the URL 'www.amazon.co.uk'. Below this, a menu lists 'INVENTORY', 'ORDERS', 'ADVERTISING', 'REPORTS', and 'PERFORMANCE'. The main content area is divided into two columns. The left column, titled 'Your Orders (Amazon.co.uk)', shows 'Seller Fulfilled' metrics (0 in last day, 0 in last 7 days, 0 pending, 0 unshipped, 0 return requests) and 'Fulfilled by Amazon' metrics (19 in last day, 114 in last 7 days). A 'View your orders' button is present. The right column, titled 'Amazon Selling Coach', lists five recommendations: '7 Low Inventory Alerts' (last updated 1 min ago), '28 Additional Popular Products to Sell', '14 Opportunities to Grow Your Business with FBA', '4 Lower Price Opportunities' (last updated 1 min ago), and '133 Products to Sell to International Customers'. The 'Performance' section on the left shows a 'Seller Rating' of 100 and 'Account Health' as 'Good' with a green checkmark. A red circle highlights the 'Seller Rating' value. At the bottom of the 'Amazon Selling Coach' section, there are links for 'Tell us what you think of this feature' and 'Business Reports'.

If you want to increase your chances of winning the Buy Box it's crucial that you have a good seller rating (above 90). If you have a bad seller rating Amazon can suspend or even terminate your seller account, so you need to act immediately if your seller rating is poor!

Amazon quite simply doesn't tolerate bad sellers, and why should they? With bad sellers come unhappy customers and that's not what Amazon wants. There are five key customer metrics Amazon use to help calculate your seller rating:

1. **Order Defect Rate (ODR)**
2. **Cancellation Rate**
3. **Late Dispatch Rate**
4. **Policy Violations**
5. **Contact Response Time**

To find an overview of your Amazon customer metrics click the "Performance" tab on Seller Central, then click the "Account Health" tab. This gives you a detailed breakdown of your Amazon seller performance.

Performance Checklist

Order Defect Rate	Cancellation Rate	Late Dispatch Rate	Policy Violations	Contact Response Time
Learn more	Learn more	Learn more	Learn more	Learn more

Order Defect Rate [2]

	Short Term (7 Aug 2014 to 6 Oct 2014) Orders: 50	Long Term (23 Jun 2014 to 21 Sep 2014) Orders: 28	Target
Order Defect Rate	0% (0/50)	0% (0/28)	< 1%
- Negative Feedback Rate [2]	0% (0)	0% (0)	--
- Filed A-to-z Claim Rate [2]	0% (0)	0% (0)	--
- Service Chargeback Rate [2]	0% (0)	0% (0)	--

Recent Customer Metrics Data

	7 days (14 Oct 2014 to 21 Oct 2014) Orders: 12	30 days (21 Sep 2014 to 21 Oct 2014) Orders: 53	90 days (23 Jul 2014 to 21 Oct 2014) Orders: 77	Target
Pre-fulfilment Cancel Rate [2]	0% (0)	0% (0)	0% (0)	< 2.5%
Late Dispatch Rate [2]	0% (0)	0% (0)	0% (0)	< 4%
Refund Rate [2]	0% (0)	3.77% (2)	3.9% (3)	--

Perfect orders
74,777 [Learn more](#)
96.1% perfect
In the last 90 days

Product Performance [Learn more](#)

Top Performers

- 100% [My Blue Nose Friends Legend The...](#)
- 100% [Mysteries, Darkness and Hope Tripl...](#)
- 100% [How to Train Your Dragon 2 \(Ninte...](#)

Bottom Performers

- 83.3% [Shattered Minds: Encore \(PC CD\)](#)
- 66.7% [Littlest Pet Shop Red Carpet Colle...](#)

Imperfect orders report
[Request Report](#) [Download Past Reports](#)

On the performance page you can also see your 'Perfect Performance' percentage which tells you the number of your sales which have accepted, processed and fulfilled perfectly on time with no customer complaints in the last 90 days. Amazon state that this percentage should be 95% or higher.

Each of the Customer Metrics Explained

1. Order Defect Rate (ODR)

In short, any order that has negative seller feedback, an A-to-Z claim, or a credit card chargeback is considered as having a 'defect' by Amazon. The ODR is calculated by dividing the number of 'defect' orders by the total number of orders over a certain time period.

Amazon have set a target of <1% failure for the ODR metric.

When a customer buys any product on Amazon they are invited to leave feedback related to the seller. If a customer leaves negative seller feedback, this will affect your ODR metric score. This makes it important to keep your customer's happy by offering excellent customer service and resolving any customer issues as quickly as possible.

The A-to-Z guarantee is Amazon's promise to customers that all products purchased from Amazon or any third party seller will arrive in the condition they were described as being in and delivered in the time frame the seller has set. If you are unable to deliver a product on time or the product arrives in an unsatisfactory condition the customer can file a guarantee claim against you.

A service credit card chargeback occurs when a buyer disputes a charge with their bank, if an item is faulty or damaged, customers can ask their bank to reverse the charges on their card.

In summary the ODR metric measures whether you are advertising the condition of your stock accurately and whether you are able to handle customer complaints before they escalate to more serious issues. A target of less than 1% seems harsh and perhaps a little daunting, however, if the product you sell is accurately described, well packaged and you always respond to customers quickly you shouldn't have any difficulty meeting this target.

2. Pre-Fulfilment Cancellation Rate (PFCR)

The PFCR refers to the percentage of orders which are cancelled by the seller before shipment. The most common reason for this happening is bad stock management. Quite simply the seller can't provide the product they've listed to the customer who's tried to buy it.

Managing stock is an essential responsibility for every seller. Sellers need to know how many units of each product they have and then they need to check how many units they've listed on Amazon. Amazon automatically update your stock levels when a customer makes a purchase so you need to check your inventory list regularly.

Your cancellation rate needs to be **less than 2.5%** to meet Amazon's PFCR target.

3. Late Dispatch Rate (LDR)

The LDR metric is the percentage of your orders that have been dispatched late. Amazon state that *"A late order is one whose **shipment confirmation** is overdue by 3 or more days."*

You can ship a product to a customer the second an order is placed but if you fail to update this information on your seller account and notify Amazon (and therefore the customer) then your LDR will increase. So remember to tell Amazon every time you ship out an order!

*The LDR should be **less than 4%** to meet Amazon's target.*

4. Policy Violations

If you list a product on Amazon which violates one of their policies, either due to the nature of the item itself or due to the way the item is listed you will receive a notification. Be sure to regularly check your “Performance Notifications” - which you can find in the performance section of Seller Central.

If you have unread notifications your policy violations metric will indicate this. A green tick means you have no unread notifications or performance notices. A yellow exclamation mark means you have notifications or performance notices to read. If you see a big red cross, you *need* to read any notification or performance notices because your seller account is under Amazon’s scrutiny!

5. Buyer-Seller Contact Response Time (CRT)

The CRT metric measures the number of customer messages you have responded to within the 24 hour time frame recommended by Amazon. It’s important that you check your Amazon messages regularly. It also doesn’t matter what day of the week a customer contacts you, even on weekends you have to reply to customers.

A good seller should take far less than 24 hours to respond to a customer enquiry so it’s important to create a schedule that allows you to check your Seller Central account multiple times throughout the day. Amazon also notify you of any customer messages with an email so there should be no excuse for being unresponsive.

Amazon demand that every seller replies to a customer within a 24hr period, failure to do so will negatively affect the CRT metric.