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INTRODUCTION

Hey there! Glad you're reading this in-depth guide about how to sell on Amazon.

Before you dig in, I wanted to introduce this resource, Jungle Scout and myself.

This awesome 9-chapter resource has been lovingly put together to give you all of the information you need to know about building a profitable and scalable business on Amazon; from finding your first product, all the way through to launching it, selling it and keeping the momentum going.

The best thing about this guide is that you can always refer back to it, as a checklist, every single time you launch a product...until the steps become natural and you become an expert!

So why should you trust this guide? That is a great question!

Here's my story:

In 25 months, I have built an Amazon business that averages over \$11k/day in revenue. I sell a wide range of products, some which performed really well and others that got me mediocre results. I quickly realized how important product selection was and refined my research/selection process.

At the same time, I decided many other people might feel the same way and decided to create a suite of tools to support Amazon sellers.

I strongly believe in the 80/20 rule; that when selling successfully on Amazon, 20% of your effort brings in 80% of your results. And within that 20%, product selection should be high on the priority list.

What Jungle Scout aims to do is to allow people from all walks of life, from across the globe, to build a scalable business that frees up their time to spend doing things they love. We do this by providing the best software, as well as publishing free content like this ebook you're reading today.

This content has been inspired by our <u>collaborative launch</u>, where we publicly launched a new private label product (marshmallow skewers) and shared all of our sales data and experiences getting this product listed on Amazon.

I'd really love to hear from you if you have found this guide useful, so if you want to share your success stories and any thoughts you have about building a profitable amazon business, get in touch.

So get comfortable and dive right in! There are plenty of tips and takeaway actions in store for you here.

Best Wishes, Greg Mercer



Chapter 1

Amazon FBA - What's In It For Me?

First up, I need to cover some of the basics about Amazon and how it can benefit you. As I mentioned, this guide is going to be pretty comprehensive, so it would be a little rude to start without a bit of background on the ecommerce platform and how it is enabling thousands of people like you and me to build our own businesses.

Although Amazon is something to which I have dedicated much of my career, I'm not getting any commission from Jeff Bezos for this. In fact, my main mission with Jungle Scout is to empower others to leverage the Amazon platform, and to take charge of their own lives just like I have.

If you're thinking of becoming a seller for the first time, then the information in this chapter will really help you validate your choices. If you're here as a seller, looking for extra tips and advice (you're in for a treat!), then think of this Chapter as reaffirming your excellent life choices ;-).

What Is Amazon FBA?

I am glad you asked.

Amazon FBA stands for "Fulfilment by Amazon".

And what does this mean?

It means that Amazon does a lot (but not all) of the hard work for you, allowing you to generate a somewhat passive income. Think of all of the hardships of selling your own physical product. What are the main processes involved in selling that might hold you back?

- ✓ Holding inventory
- ✔ Packing
- ✓ Shipping
- ✓ Quality control

With Amazon FBA, these headaches are eliminated because you can send your inventory straight to the Amazon warehouse and let them package and ship your products for you.

Essentially, with Amazon FBA, you never touch your own products, apart from your samples (but I'll talk about that later).

This means you are able to make money from a distance. So, instead of being stuck at home processing, packing and shipping your order, you could be surfing in Tahiti, playing golf, spending time with your family or even working at your regular job.

You will be making money even when you're fast asleep!

Private Label Products

When setting up your Amazon business, it's important to consider private labelling your product(s), as there are a lot of benefits to choosing that selling option.

What is Private Labelling?

Put simply, this is where you source a generic product, typically in China, and sell it under your own brand.

By comparison, some folks start out on Amazon with retail arbitrage.

This is very different to private labelling, where you source branded products from a retail store (online or in-store) and sell it for a profit on Amazon. This often involves finding an Amazon listing where your retail-bought product is selling for a higher price. Then Amazon will give you a custom mailing label to stick on your product. Once you send the products to Amazon, they will sell them under the official Amazon brand, and pay you the funds.

Although there is nothing wrong with this approach - and it can be a great way to dip a toe in the water and see if life as an Amazon seller suits you - this guide is going to focus on sourcing and importing your very own Private Label Products (and making a lot of profit!).

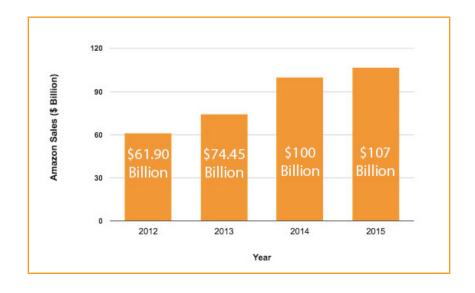
It might sound like a difficult task, privately sourcing your own products and putting your own brand on them, but it's much easier than you think. This ebook is going to give you the full scoop on how to get it done!

Amazon opportunities

Amazon is a force to be reckoned with in ecommerce. With marketplaces all over the world, sellers are taking advantage of being able to run businesses in several countries at once.

There are 244 million active users on Amazon.com, and 54 million Prime customers. 1

Check out the growth Amazon has seen in sales over the past few years. ²



¹ https://www.statista.com/statistics/266282/annual-net-revenue-of-amazoncom/

² http://expandedramblings.com/index.php/amazon-statistics/

In fact, Amazon's growth has more than doubled over the past five years, and being an Amazon seller gives people like you and me the opportunity to build a business on a proven and successful ecommerce platform.

Amazon has spent millions optimizing and improving its platform to provide a great customer experience so you don't have to.

What about the costs?

You're probably wondering how expensive it is to source your own products and to then use the FBA service to sell them.

This will be covered in much more detail later but, to put it simply, provided you have products that allow for a relatively high profit margin, even with shipping and FBA fees, you will still be able to make a profit.

It's all about making the right business decisions and having the correct tools at your disposal to find the opportunities that will move your business forward.

What else do I need to be aware of?

I'm not here to tell you that the old model of ecommerce is dead, or that this method will allow you to make a lot of money without any investment of your time. This is the real world. Anything worth having requires some of your time and a healthy spoonful of passion.

However, it is a proven and scalable way to enter the ecommerce space. It carries far less risk and it definitely requires less of your time than going ahead and managing your own ecommerce store.

You can put in as much, or as little, money and time into being an Amazon seller. You could make it your full-time occupation, and still lead a great lifestyle. You could just sell a single product to make a bit of extra cash, or, perhaps you want to build an empire, with a wide range of products.

You can even sell your Amazon FBA business down the line, or expand into new revenue streams by creating your own online store to sell your products.

Just be aware that Amazon is an increasingly competitive marketplace, so it does require some of your time and attention to get the best results :-)

5 reasons why you should consider your own Amazon business

- 1. Start small and scale up this option allows for potentially low start up costs
- 2. Run a physical products business without having to store, pack or ship products
- 3. The Amazon platform offers access to a huge audience ready to buy your product. This leads to a consistent flow of orders and, thus, revenue.
- 4. Source your own products and sell them under your own brand name opens up future possibilities
- 5. Generate a healthy passive income, giving you the time to focus on the things that are important to you (i.e. travel, family, a second income, etc.)

On to the good stuff...

Does all of this sound good? I hope so!

If you're still sitting on the fence, there's plenty of advice in this jampacked resource that will explain exactly, from start to finish, how to find, source, sell and promote your product with Amazon FBA. Initial investment can be as little, or as large, as you're willing to sacrifice.

If you're already a seller, maybe it's time to up your game and start diving into a new niche. Or maybe even setting up your own store as an extra revenue stream?!

Onwards & upwards...

FURTHER READING

Just in case you need any more background reading about Amazon FBA and private labelling, you can read all of the updates we published for our Collaborative Launch of Jungle Stix in 2016 here

Chapter 2

Choosing a Product

Finding the right products to sell is a crucial part of being an Amazon seller. Whether searching for your first product, or new killer products to add to your growing list, I would estimate that 90% of people get stuck here because they're not sure how to validate whether a product is 'right'.

But, the truth is, if you put some time into your research, the odds that the items you have selected sell successfully are hugely in your favor. This is one of the most difficult parts of being a successful Amazon seller, and you don't want to get it wrong. So with that in mind, you are probably going to be putting in a good 40 hours of initial research.

Sure, you still have to take some educated risks. However, if you're a tenacious person with a can-do attitude, the way to move forward is to pull the trigger and follow through with those items you want to sell.

Here I'm going to show you the blueprint I use when doing product research. It's not a guarantee, but it's the best possible route to success. This is the same route we used to launch Jungle Stix, our collaborative launch product, which racked up over \$50k in profit within the first year.

Basic Criteria

There are some basic criteria that you should always bear in mind when choosing a new winning product:

Price

Products should be in the \$20 - \$75 price bracket.

Size

The size of product needs to be small enough for easy shipping - use the shoebox test; is it less than 18" in length?

Shippable

Look for durable and simple products, again for ease of shipping. Fragile products can result in a lot of returns and refunds.

Sourceability

You should be able to find the product on Alibaba, Global Sources or other, similar supplier directories.

Seasonality

Ideally, your products won't be sold seasonally, to ensure year round sales.

Most Amazon sellers are probably sticking to similar criteria when doing their product research. So, how can you outsmart your competitors?

More important criteria!

(that your competitors might not think about)

Once you've got the basic criteria ticked off, it's time to move on to some 'advanced' rules of thumb. This is the stuff you need to research. This is the stuff your competition might be ignoring. It is what makes all the difference when it comes to finding a really great product, and launching it successfully.

Consistent and sufficient **demand** (greater than 300 sales/month)



Limited **competition** - is it easy to enter the market as a new seller? Does the competitor listing have less than <50 reviews?

High profit margin per unit

The "Weirdness Test" - look for an obscure product, not easily purchased at a brick and mortar store



Unique - not dominated by an existing brand

You need to focus on finding profit and then find ways to add value, add quality or differentiate from the competition. That's how we got Jungle Stix to be so successful.

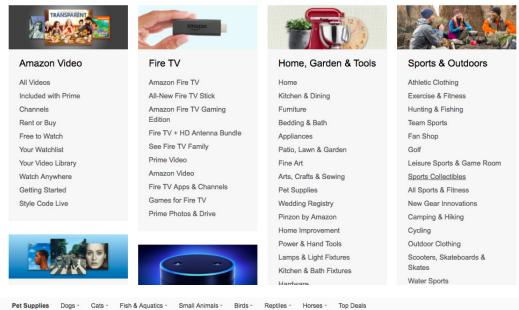
Getting Started

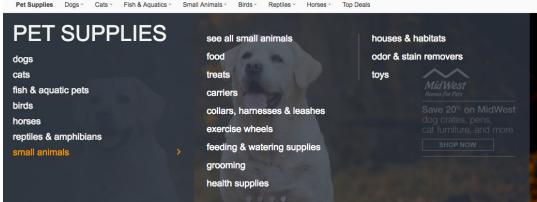
If you're sitting there, staring at a blank screen, wondering how to start searching for the "perfect" product amongst millions of potential products...don't worry! You've got this.

First, let your creativity flow! Here are a few suggestions for where you can search for product ideas, directly on Amazon:

- 1. <u>Amazon Best Sellers</u> list There will be loads of inspiration in here. Bear in mind, competition will be high. But, it's a good place to start.
- 2. Amazon sub-categories Drill down into those niches by clicking around the categories and subcategories on Amazon and see what you can find

Earth's biggest selection





3. Spy on people - Don't get arrested or anything! Just find sellers who you think are private label sellers and go to their storefront (click their name)



Tip: If you use Jungle Scout, you can extract a seller's entire catalog of products and then sort by sales and find their best sellers.

Perhaps you already have some product ideas or niches in mind. Feel free to check those out directly on Amazon too!

Ideal categories to sell in

Here are a bunch of categories we have found to be perfect opportunities for private label sellers and first-time Amazon sellers.

Long-tail search categories:

These categories tend to have products with "long tail searches". A long tail search generally contains more than two words and is very specific, it means people know what they want. They go directly to Amazon and search, and are often not brand-loyal.



Beginner categories:

If you're just starting out, these categories are a good place to search for your first product:

- ✓ Sports and Outdoors
- ✓ Home & Kitchen
- ✔ Patio, Lawn & Garden
- ✔ Pet Supplies

Categories to avoid when private labelling:

Here are some categories and products I would not recommend to private label sellers, as they cause more headaches than they're worth:

- ✓ Appliances (try shipping these!)
- Camera & Photo (complicated and big brand competition)
- ✓ Electronics (complicated and fragile)
- ✓ Jewelry (quality control)
- Music (not good for private label, but suitable for retail arbitrage)
- ✓ Watches (big brand competition)
- ✓ Anything that contains glass!

This isn't to say that you can never sell an electronic product. But, you need to be aware of the issues you might face with that type of item.

One of main things to be mindful of is when sourcing from China is that your product is going to do some serious travelling. So, anything that could get damaged in transit is problematic. Plus, when it comes to electronics, brand-loyalty almost always comes into play.

Imagine you are looking for a new TV. Would you buy one from a company you have never heard of? Probably not. Most people are looking for big brands, and a proven track record, when they're buying electronics and/or appliances.

Beware of products with no direct competitor!

It is also worth mentioning that you need to avoid patented products. You don't want to infringe on any patents! Most Amazon listings will mention if a product is patented, so look out for this key information. Quite often, patented products are unique, with no direct competitors.

If you're unsure if a product is patented, you can also do a google search for the product name plus "patent" at the end. You'll save yourself a lot of hassle with this one simple step. If you are interested in selling in the United States, you can also verify on the United States Patent & Trademark office website.

How to verify demand

So how can you verify demand of a product, see how it sells, how competitive it is and findd out if it is a unique product?

This is something I came across as an Amazon seller, before I started Jungle Scout. My main frustrations were the tedious process of doing product and competitor research, or simply just running out of my own ideas using the methods above. There was no quick and cost effective way to get all of the data I needed, and I knew I wasn't alone.

Review actual product data

The Jungle Scout extensions (JSPro and JSLite) allow you to streamline your product research, by giving real-time data for products already selling on Amazon.



Depending on the version you're using, you can find out the macro trends of a product, best sellers rank (BSR), monthly sales estimates, number of reviews and much more. This also allows you to investigate who your main competitors would be for a particular product.

The cool thing about the JS extensions is that you can quickly access the data you need to make informed decisions about products and verify demand on the fly.



<u>Check out the free Sales Estimator</u> - pick a category, enter sales rank and the tool will give you the estimated sales per month.

For even more powerful research, the Jungle Scout Web App has a product database, product tracker and a niche hunter tool. These tools allow you to take a deep-dive into the data to find product ideas, verify demand, review competitor data and spot trends. What's more, the Web App is now available for all Amazon Marketplaces. So whether you are selling in America, Europe or Asia, it's got you covered.

Why is Jungle Scout Powerful?

It allows you to save a ton of time in both **finding and verifying product ideas**.

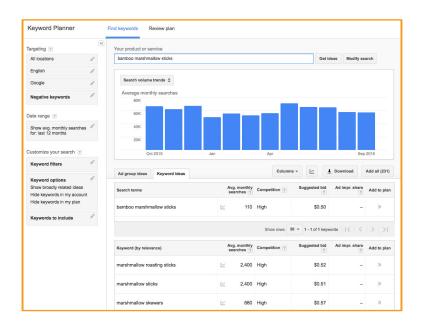
Here's some top tips on how you can utilize Jungle Scout to find profits in a competitive Amazon marketplace today:

- ✓ Find high revenue products in niche subcategories with low reviews
- ✓ Find high quality products with a higher price (which means less sales for a high net profit)
- ✓ Find products with high sales that have low listing quality (so we can go in with a killer listing and speed ahead to take market share of the sales of a similar product)
- Identify successful private label sellers and identify how you can cash in on the sales with a similar (improved) product

Google Keyword Planner

Did you know that Google has a tool called the Keyword Planner?

Note: It's free, but you need a Google AdWords account to get started. Data is more restricted if you are not running any Google AdWords Campaigns.

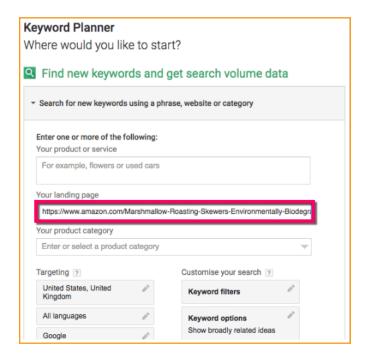


This search data is based on Google's search engine (the internet's biggest search engine), so although it's not giving you search volumes for Amazon specifically, it's a great place to further your research to get an idea of demand and volume.

As you can see, the tool gives you the option to change your targeting, review yearly search trends and gives you additional keywords related to the one you searched for.

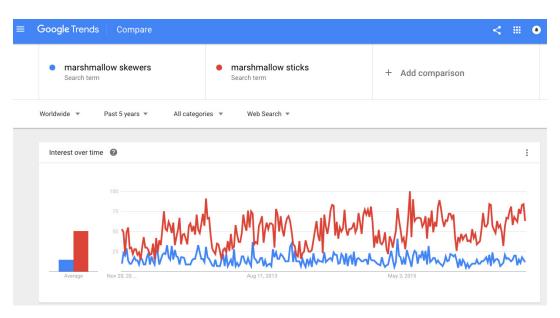
Bonus tip

You can also enter a URL into Keyword Planner. This means you can enter the URL of an actual product listing or a competitor and the tool will give you all related keywords:



Google Trends

Once you have a product in mind, and you have done some keyword research for that item, <u>Google Trends</u> is another tool which can give you more insight into how your product has performed search-wise over a long period of time. With Google Trends you can determine whether seasonality could be an issue and spot an increase or decline in demand at a high level.



Simply enter your keywords to unlock the data. You can even compare terms, change your targeting, date range and you can also check out data for Google Shopping. Again, your results won't be Amazon-specific, but it can still give you some top level insights into trends of your particular product keyword on an ecommerce platform.

Trends will also show you interest by region. In this case, people interested in marshmallow skewers are largely in the United States. Which is good, because we are selling the <u>Jungle Stix bambooskewers</u> in the Amazon US marketplace ;-)



Tip: If you're already selling on Amazon, check out trends for your products. You might be able to expand into new marketplaces.

When you combine powerful, real-time data from Amazon with some informed keyword research, you can really start to see which products would be worth investing your time and money in.

Don't waste time doing menial research and utilize the power of data-driven tools to help you scout out the best product opportunities!

Gathering your research

Now that I've covered search criteria and the tools you can use to help with that search, the next question that needs to be answered is... how are you going to gather all of this research in an accessible way?

Basically, you want to ensure you are keeping track of all of your ideas and relevant data in an easy-to-understand format.

Organize your data

Try using a <u>spreadsheet</u> to keep a list of all of your ideas with information about:

- ✓ Main keyword or product
- ✔ Price
- ✓ Category
- ✓ Best Seller Rank
- Estimated Sales (Remember, you can use the free estimator tool)
- ✓ Number of reviews
- ✓ Rating
- ✓ 3000 sales in Top 10 results? (yes or no)
- ✔ Products in top 10 with less than 50 reviews? (yes or no)

Criteria Checklist

You want to check all of your potential products against the key criteria too, to ensure that they're feasible ideas to pursue. So, if a product makes it to your 'maybe' list, make sure it is:

- ✓ Easy to source do a quick check on Alibaba or Global Sources
- ✓ Shippable Is the product a moderate size, not fragile, etc.?

✓ Check for seasonality: "Remember Google Trends? Now is a good time to check it again, as you can see if there are big spikes during some parts of the year, a clear indication of seasonality"

If you like, you can add extra columns to your sheet to make a note of any other criteria you believe is important. That way you are reminded of it when you come back later.

Track sales and trends over a few weeks

When you have between 30-50 ideas down, you should track the products' sales for 2-3 weeks. This will give you an up-to-date view of how sales and trends are looking for each product idea, and further validates which products on your list will be the best ones to run with.

The Jungle Scout Web App has a useful product tracker tool which can drill down into sales data. It also gives insights into how competitors have been altering their price and/or running promotions, and how that affects sales.



Don't forget to check for seasonality.

A product might perform really well when you run this test, but sales may dwindle down at different times of the year. If this is the case, are there other product ideas that are going to bring in a steadier stream of sales?

Recap

So, there are three core steps you need to take when doing your product research:

- 1. Make sure your product ideas meet all your criteria. If one doesn't, you need to really question whether it's worth moving forward with that item and the extra work it might involve if you do.
- 2. Validate your ideas by verifying their demand and doing some in-depth product, keyword and competitor research. Using proven online tools can really help to speed up this process and give you data at your fingertips.
- 3. Make sure to organize all of your ideas and research so that you can reference it later. Track sales and trends for a few weeks to triple check that your product options are viable.

Phew! Sounds pretty exciting, right? Finding new products to sell is one of the most enjoyable things I get to do. It's such a great feeling to find something that holds stacks of opportunity, and then see it come to life!

It does take an investment of your time in this stage, probably with an initial investment of 40 hours to find and verify the right product. Once you become better at this research, and by using powerful tools like Jungle Scout, you will probably start to find opportunities much quicker.

Next up, we are going to review everything you need to know about finding suppliers, and negotiating and finding long-term business partners, which is key to building a scalable Amazon business.

FURTHER READING

Over 1000 potential niches & lots of advice on how to find niches with opportunity

[Video] Product Research Strategies on Amazon

[Video] Verifying Demand on Amazon

Chapter 3

Choosing A Supplier

Suppliers are so important. In a very obvious sense, without them you have no products to sell.

But there are lots of additional reasons why suppliers are important and why you should spend some of your time and effort in finding good ones.

- 1. Product quality is paramount
- 2. Product pricing is very important to you as a business
- 3. A supplier who keeps their promises and delivers in full and on time is a must



Qualities to look for

How do you spot the qualities of a good supplier with whom you can forge a long-term partnership? Well, the straight answer is that with business experience you will get better and better at this as time goes on. Negotiating and building client-supplier relationships takes time.

However, there are some obvious qualities which you can look for:

Responsiveness

- How quickly do they respond to your emails and/or phone calls?
- Do they answer all of your questions?
- Do they answer your questions in full?

English Skills

Generally speaking, most supplier relationships will be communicated in English. If you are sourcing from China, and you can speak Mandarin or Cantonese, then hats off to you! For the most part though, you want to ensure that you can communicate with potential suppliers efficiently.

It goes without saying that you need to be respectful if English is not their first language, but, at the same time, if you have immovable language barriers then the partnership won't work for either party.

Try conversing in different ways. If speaking on the phone is not working, sometimes emails can be easier.

Payment Terms

Ensure you agree on payment terms that suit you and your business, and get this agreement in writing.

Price

Effectively, this is your bottom line. The cheaper the price of your product, the more pennies in the bank. However, beware of extremely low prices too. You often get what you pay for, and sometimes paying that little bit extra for a high-quality product makes all the difference.

Trust me! You don't want to be stung with a lot of returns and see your BSR suffer!

You want the lowest possible price, for the best possible quality.

5 Steps to Finding A Supplier

The following steps enabled me to have a routine, efficient and systematic supplier-finding process. It ensures that I (and now you) never miss a beat.

1. Reach Out

You can find suppliers in several places, the most common of which being Alibaba, Global Sources and Aliexpress. In addition to these, you can go to trade shows, such as the Canton Fair, local trade shows in your area, or industry-specific trade shows.

If you are just starting out and you don't want to invest in a trade show yet, then sites like Alibaba are going to be extremely valuable to you. I started a very successful Amazon business remotely, without visiting any trade shows until several months in. It is possible; you just gotta stay organized.

Tip: Aliexpress is useful if you are starting out, as you can get products in lower quantities than Alibaba, but generally you will pay a little more.

Once you have a list of suppliers who you want to reach out to, create an email template. Even if you met suppliers at a trade show, you want to do this as a follow up, to make you get everything said during the trade show in writing.

Your email should ensure these questions are answered:

- Can they make your product?
- How long will it take?
- What is the minimum order quantity? (MOQ)
- How much will it cost?
- How will they ship the products to Amazon FBA?
- What are the payment terms?
- What are the payment methods?

Tip: Finding suppliers who make similar products to yours is favourable. This means you can avoid expensive tooling costs.

2. Get Samples

When you narrow down the list of suppliers to the ones who can offer you what you want - based on your outreach above - it's time to order samples.

You should expect to pay \$50-\$100 for a sample, and expect it to be sent to you by air.

Tip: some suppliers will credit this cost to you, if you end up purchasing from them, so ask if that is possible.

3. Examine Samples

Once you have samples from all eligible suppliers, check them out and examine them closely. Try and put yourself in the position of a potential customer:

- ✓ Would you be happy with the quality of this product?
- ✓ Is it a product you can confidently market to consumers on Amazon?
- ✓ Does the quality match what you were expecting from the suppliers images and description?

4.Negotiate

Some people find this part easy, while others find it difficult to negotiate. Try to be as upfront and fair as possible about what you are looking for, and be prepared to meet your supplier in the middle.

5. Follow Best Practice

What is really important is that you find out when you will pay.

Best advice is to pay up to 50% before production and then pay the rest when you are happy with the outcome. If you pay 100% upfront, you have no leverage should anything go wrong, or if timelines are changed.

If you would like production updates from your supplier, you need to negotiate this at the start. For example, you could request photographs after the mold is produced, upon completion of manufacturing and/or before shipping.

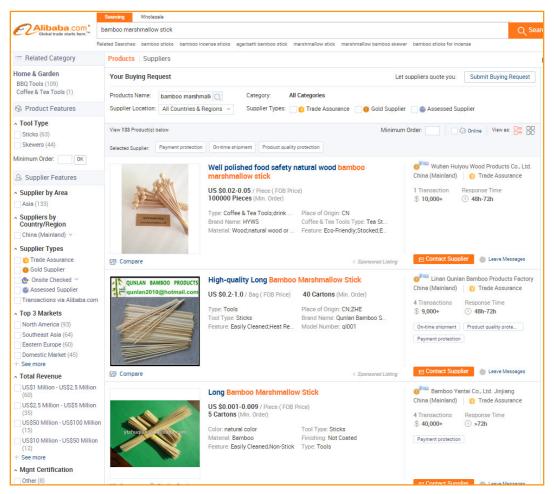
Tip: for larger investments, a third party quality inspection service is a good idea

I find it helps to keep a log of all of my suppliers in a spreadsheet. That way I can cross reference all suppliers when making my final decisions, without having to dig through emails and remembering the finer details. Here's an example of a <u>spreadsheet I used for the Jungle Stix.</u>

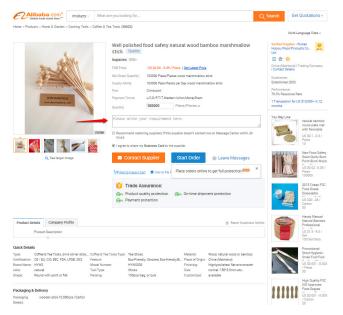
Supplier Outreach

Here's an example of the outreach we did for the Jungle Stix Collaborative Launch.

I knew I wanted to find a bamboo marshmallow stick, so I searched for this in Alibaba:



Within Alibaba, you can directly reach out to suppliers. I pasted my 'here's what I made earlier' email template and clicked 'contact supplier':



Here's what my template looked like. You need to personalize it to make it your own, but this gives you a good place to start:

Hello,

My name is Greg Mercer from Jungle Creations. Our owner asked me to contact your company about working together in a potential lucrative business venture. We're a home good, patio, lawn and garden company that does around 11+million in sales each year. We'd like to introduce ourselves and express an interest in creating a profitable partnership between our two companies.

We are planning to purchase Bamboo Skewers/Sticks to add to our product line.

- ✓ 110 pcs/pack
- Semi pointed end similar to this picture: http://www.screencast.com/t/tr3kWfCY
- ✓ Food Safe clean with no added chemicals or coatings

After a lot of research, we feel that your company could be a great supplier of this product. We would like to get some more information, and we have a few questions.

- 1. May we get a sample of the product, and how much will you charge, including DHL Express shipping to the United States zip code 94101? We would be happy to cover shipping costs with PayPal.
- 2. How long will it take to receive the samples? What types of packaging do you normally use for this product?
- 3. What is the cost of this product per unit including shipping via Air Express to the United States zip code 94101?
- 4. Do you accept PayPal for the full order? How long does it take to manufacture once an order has been placed?
- 5. I would be grateful if you would contact us with the answers to the above questions as well as your shipping and other policies we may need to know. Can we discuss a sample order of the product?

We hope that we will be able to start a mutually beneficial relationship.

Please email me back at: jungleproducts15@gmail.com Thank you, Greg Mercer At the time, I reached out to 14 factories, many of which responded. From those responses, I found the supplier with whom we have formed a lasting partnership.

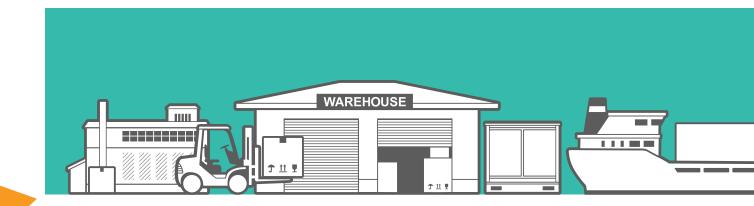
Here are some key takeaways when creating your email correspondence:

- ✓ Sign off with something like 'Purchasing Agent', 'Sourcing Agent', 'Senior Buyer' or 'Dev Associate'. You want to give the impression you are a large organization with buying power; not a small fish with limited resources. Don't lie about your company or revenue to get ahead, but small things like this make you look professional.
- ✓ Minimize the back and forth of emails by including as many questions as possible in your vetting process – this saves everyone some time
- ✓ Think about the email address you'll use when you reach out to suppliers. Personally, I have found that suppliers are not bothered by seeing a gmail address, instead of a company domain, and it helps to keep all supplierrelated correspondence in one place. Alternatively, you could create an email with a company domain, such as purchasing@companyname.com.

Meeting Suppliers Face To Face

Suppose you are planning on attending a trade show. You're probably thinking "what do I need to prepare?", especially if it's your first.

I know, from personal experience, trade shows can be pretty intense. You come away with sore feet from all of the walking, and a tired brain from talking to a bunch of new people. But the aches and pains are worth it, when you start forming face-to-face relationships with existing or potential suppliers.



Here are some pro tips for finding and attending a trade show as an AMZ seller:

- If you're not quite ready for Canton Fair just yet, check out trade shows in your home country or region first. Whether you are in the US, Europe, the Middle East or elsewhere in Asia, there's bound to be something closer to home.
- Remember, suppliers may have travelled for miles to go to a trade show near you. If it's an industry-specific show in your niche, you are especially likely to find some amazing potential in the suppliers attending the show.
- Do your research before the show make sure you review the list of suppliers, and the floor map of the show, and plan out your day(s) as much as possible to save time.
- Pack light so you can take away literature and samples.
- But don't pack too light! You'll need a trusty notepad, phone (and charging pack) and business cards.
- Prepare your pitch before you go. Similar to the email templates we discussed earlier, you need to know how you are going to approach potential suppliers. You want them to have confidence in you as a client, and you want to ask them relevant vetting questions so you have confidence in them as a supplier. You want to make sure they're a good fit for your business.
- Take enough notes to follow up with the suppliers you are interested in after the show that email template is still going to be required, but hopefully a face-to-face encounter has made a lasting impression.



Recap

So, here's a rundown of how to find a good supplier:

- 1. Make sure you know what qualities to look for in a good supplier.
- 2. Follow the 5 steps to finding your suppliers whether online and remote, or at trade shows and make sure to negotiate all required terms before any agreements are signed.
- 3. And finally, get organized with an email template and seperate email address to do all of your sourcing outreach.

Remember, this is a marathon not a sprint! You need to continue nurturing your supplier relationships, so you form a lasting business partnership. Who knows? You may be turning to some of your suppliers for a new private label product in just a matter of months!

Next up, the nitty gritty details about how to import your products from China.

FURTHER READING

[Resource] Don't forget to save a copy of this spreadsheet to use later

How to attend a trade show like a pro

How professionals negotiate supplier payment terms



Chapter 4

Importing Your Product

Now that you've found a supplier to make your product, it's time to get that product shipped from your supplier to it's final, Amazon warehouse destination.

Unfortunately, when it comes to logistical information, there isn't a lot available online, even at a high level. Plus, rules and regulations around importing and selling your products will change, depending on where you are based, and where you are selling.

In this chapter, I am going to cover my own experiences and best practices for shipping and importing products.

You'll have enough information to get started, but please bear in mind, my experience is that of an FBA seller importing from China and selling in the US. If you're not selling FBA, in the US, or importing from China, then your experiences will likely be different than mine.

Logistics is a very unsexy topic, but it's super important if you're going to be importing products for your FBA business - so let's get to it!

Transit Options

You have two main options when it comes to international transit:

Send it by air (Air Express, or Air Cargo)



Send it by ocean



And within those air and ocean options, you will have a variety of freight and shipping companies that you can use for this, such as FedEx, DHL, UPS.

You can also choose to do ground freight, if your product is being produced and sold in the same country.

The Amazon marketplace where you sell your goods may determine how you ship your products. Because, don't forget: you will have to send your FBA inventory to an Amazon fulfillment warehouse located in the country where the products are being sold (with the exception of some European distribution centers shipping to other countries.)



	Air Express	Air Cargo	Ocean Freight
Speed	Fastest - usually 3-7 days (faster options are extremely expensive)	Slower than Air Express, but faster than Ocean Freight - generally, this takes about a week or two	Slowest - anywhere from 3 to 6 weeks, and sometimes longer
Cost	Most Expensive	Slightly Cheaper than Air Express	Cheapest Option - Up to 75% cheaper (however, there will be other middlemen costs involved, but more on that later)
Paperwork	Least Paperwork	Less paperwork than Ocean Freight	A lot of paperwork involved; you will need to pay vendors to help navigate this.
Difficulty	Easy	Easy	More difficult to manage
When to use	When you need stock fast, particularly if your inventory is running low. Or, if it's your first shipment and you need to get that product listing live.	When you need stock soon, but your inventory is not at risk of running out in the time it will take for the shipment to arrive.	When you are so organized that you planned ahead and did some forecasting, so you can get the cheapest freight possible ;)

Tip: Don't hesitate in setting up shipping accounts. Do this before you contact suppliers. Remember, they need to ship samples too. Get yourself setup with UPS, FedEx and DHL. You can even do UPS and FedEx online.

Is Ocean Freight really better?

At the end of the day, your transit costs are one of the easiest places to keep your cost of goods to a minimum. In this case, Ocean Freight is usually the best option, but it does require foresight and planning.

Importing by ocean is a scalable long-term solution, and though it will be painful at first, the learning experience will reap you many benefits in the long run. It will enable you to learn how to research your suppliers better, build good habits in terms of forward planning and forecasting when you need more inventory.

Freight Forwarders and Customs Brokers

Freight Forwarders and Customs Brokers are going to save you a lot of hard work and hassle! Which is good, since you don't really have a choice when it comes to using these services...unless you think you can be physically present when your shipment arrives at the port (but you're going to be too busy enjoying life, remember?!).

Freight Forwarder

These guys manage your long haul product movement from one country to another. They're the middleman between shipping companies and the importer (you) and exporter (supplier).

Customs Broker

When your product arrives at its port of call, whether on US soil or anywhere else in the world, a customs broker sorts out all of the legal paperwork.

This is a really challenging step in the shipping process and is best left to the pros, if you're going to be running a business that thrives on making a passive income. They will sort out any necessary documentation, taxes, duties and other items on your behalf.

Again, you will be forming relationships with these sorts of companies. Some will be one-stop-shops, offering both services, which can sometimes make things easier. But the fact that a company does not offer both freight forwarding and customs brokering shouldn't be a deal-breaker.

Amazon Freight Forwarding?

People have been discussing the potential that <u>Amazon will be</u> <u>moving into the logistics and shipping game.</u> Some are worried that this may mean more manufacturers in China will be launching their own Private Label Products.

And while some suppliers do sell products themselves, but it's not something I lose sleep over. The way I see it, Chinese suppliers make more profit selling wholesale to people like you and me.

Plus, if Amazon offered Freight Forwarding, it would benefit AMZ sellers by enabling faster, efficient transport of products from China to the country where the items are being sold.

At the moment though, it seems like Amazon is just adding options, so they can fulfill orders in times of high demand. Whether or not they actually intend to launch a more substantial freight forwarding option, and get into ocean freight, remains to be seen.

Freight Glossary

It's easy to get confused with shipping terms when doing your research or transporting inventory when shorthand is everywhere! Master those acronyms with this useful glossary of terms:

B/L or **BoL** (Bill of Lading)

The Bill of Lading is a legal document between the company shipping the goods and the carrier of those goods. It details the type and quantity of the good being shipped, as well as its destination. It grants the freight carrier ownership of receipt for the goods and proves that the cargo was received for shipment. It is required for all shipped goods (whether air, ocean, rail, or ground), and must be signed by the shipper, the carrier, and the recipient.

CIF (Cost Insurance and Freight)

CIF means that cargo is delivered to the importing port (in my case, that would be the US). All expenses related to duties, taxes, and delivery would be my responsibility, as the buyer.

DDP (Delivered Duty Paid)

DDP means that cargo has been delivered to the final destination warehouse (in our case, Amazon's warehouses), and all duties, taxes, and delivery fees have been paid.

EXW (Ex Works)

EXW is an international trade term that describes an agreement in which the seller is required to make goods ready for pickup at his or her own place of business. All other transportation costs and risks are assumed by the buyer.

FOB (Free on Board/Freight on Board)

FOB means that the supplier assumes all expenses of transporting the cargo from the manufacturing plant to the exporting port (with Jungle Stix, for example, that's Shanghai). From that point on, all international shipping and related fees are my responsibility, as the buyer.

ISF (Importer Security Filing)

In the US, a rule titled Importer Security Filing and Additional Carrier Requirements (commonly known as "10+2") is in effect. This rule applies to import cargo arriving to the United States by vessel (boat). Failure to comply can result in penalties, inspections and delay. It requires containerized cargo information to be transmitted to the agency at least 24 hours before goods are loaded onto an ocean vessel headed to the U.S. This should be organized by your broker.

LCL (Less Than Container Load)

If your cargo does not fill a whole ocean freight container, you will be shipping "LCL". Your goods will be shipped with other cargo until the transport provider can fill the container. LCL can be an advantage as it allows you to ship a quantity of goods you are comfortable with (as opposed to filling a whole container with your own inventory), and you can ship as soon as your goods are ready. However, generally you will pay a higher overall rate for LCL, since the carrier will have to arrange for other LCL shipments to be consolidated and shipped in that same container.

FCL (Full Container Load)

When you ship FCL, you have the exclusive rights to using an ocean freight container. For any 20' container, if you can fill more than half the volume of that container, it is worthwhile to compare the costs and logistics of LCL vs. FCL. FCL may end up being the better option.











Costs to be aware of

There are some "hidden" costs you need to be aware of, when shipping goods overseas. Here are some costs that apply to shipments arriving in the US:

- **♦ Cargo Insurance:** if there is any damage, theft, or unforeseen issues with your product while in transit, Cargo Insurance can cover the costs. Opting for this insurance is required by some companies. But, even if it's not a requirement, it is a worthwhile investment; especially if your cost of goods is very high.
- **Oustoms Clearance:** this refers to getting your products past US Customs and to your final destination in the US. This is why you pay for a freight forwarder or customs broker, so that you don't have to deal with this yourself.
- **Oustoms Bond:** you can opt to use a continuous customs bond if you plan on doing lots of shipments, or you can use single entry customs bonds for each delivery.
- Arrival Agent Fees: if this cost was not included with your initial freight forwarding quote, then you will have to pay the arrival agent these fees for handling your domestic logistics.
- ♦ Warehousing Fees: if you have more inventory than Amazon can store in their warehouses, you'll have to find a place to store the excess cargo. Again, you want to make sure that you handle inventory as efficiently as possible to minimize these fees. It will protect your bottom line.
- Delivery to Amazon Warehouses: Even when using Amazon's discounted partners, fees can still add up, perhaps more than you realize. Know those fees exist and plan around them!

Customs Bond - When Do I Need One?

When you start investigating shipping options, you will probably come across customs bonds. These prove all necessary taxes and fees have been collected for your imported shipment.

In the US, a customs bond is required for merchandise that is valued over \$2500. It's also required for specific commodities, like firearms and food. I strongly recommend finding out more about customs for the country in which you are selling.

Personally, I opted for a "continuous bond", which saves me money long-term. It costs about \$450 per year, but it covers all of my shipments within that year. Bonds like this are highly recommended for sellers importing a lot of inventory.

Issues at Customs

Unfortunately, you can experience delays when trying to clear customs. Even when you pay a brokerage to help you with this complicated process, be prepared for hiccups every now and then.

It usually only takes a couple of days to clear customs, but if your product gets hung up for further inspection, it can take much longer. Plus, as the importer, you will be liable for any fees incurred.

I experienced this with Jungle Stix. Because the shipment was help up at customs, I was out of stock for a few days. So, not only did I have to pay additional fees, I also lost out on sales.

You can minimize the risk of this happening to you by choosing products that are less likely to trigger red flags with the authorities. This is another reason why we had so many criteria for selecting the perfect product back in Chapter 1. :)

Common items to avoid include:

- **×** Food
- **×** Supplements
- **★** Lotions or anything that goes on the body
- ★ Medical devices
- ★ Wood products (which need to be treated)

Essentially anything that needs to be regulated by the FBA could cause potential setbacks. That's not to say you can't do it, just be aware, and especially if you're a beginner I would probably avoid until you are feeling more confident.

Best Practice

I hope by now you have soaked up all of the above information about freight options, costs, third-party services and customs.

Here are some foolproof best practice takeaways that will ensure you won't make any costly mistakes:

• Keep paperwork handy. You'll need to provide the following information to initiate quotes:

☐ Commercial Invoice
☐ Packing List
☐ Location of Supplier and Final Destination (ie. the
Amazon warehouse or the storage warehouse where
the products will be shipped)
☐ Size and weight of goods being shipped
☐ Terms (FOB, EXW, etc.)
☐ How your product is packed (eg. pallets, boxes, mixed
inventory, etc.)

- Gather your quotes into a logical spreadsheet so you have an overview of costs and services; it will help you make logical, informed decisions.
- Ensure you hire a trustworthy and thorough freight forwarder. Here in the US, I have to file an ISF (Importer Security Filing). My forwarder has always sorted this out for me, but essentially it's my responsibility. If it's not filed correctly, or on time, you can end up in a vicious customs cycle that requires additional inspections and fees before your shipment can be on its merry way.
- ◆ Have an importer record. Amazon will not be the importer of record for your shipment, so ensure this is sorted out before your shipment hits the FBA warehouse.
- Educate yourself on costs. Find out about all of the different costs you will have to pay.
- De very open and clear with your freight forwarder about what type of product you are importing. If there is anything that requires additional clearance, they need to know this in advance.

Due Diligence

It is worth reinforcing that this topic is a bit of a minefield. You should use this guide to inform you on how it works. But, as sellers across the globe and in different marketplaces, you will have different requirements when it comes to shipping. It's important you do your own research, to find out what is necessary in your corner of the world.

Recap

But, even though I said shipping can be a minefield, please don't let this change your mind about launching that killer product. This is something many Amazon sellers have little to no experience with when they start out. You are not alone!

With a healthy dose of determination and will-power, this is just one small hurdle to overcome, as you move towards a great and potentially life-changing opportunity.

In any case, the next chapter spices things up a little, as we're going to look at getting that listing up and optimized (trust me; this is good fun!).



FURTHER READING

Top tips for sourcing from China

International Freight for FBA explained

In-depth advice about Ocean Freight



Chapter 5

Pre-Launch Optimizations

So, now that we've selected an amazing profit-making product, found a supplier and started getting everything in place for international freight, there are plenty of ways we can optimize our product launch while waiting for the inventory to reach Amazon's distribution center.

The first pre-launch optimization? Crafting the perfect Amazon listing!

More often than not, Amazon shoppers use long tail keywords. This means they run very specific searches, with a lot of descriptive keywords when they're looking for items in the Amazon store.

For example, the keyword "skewers" would not be a long tail keyword, and few Amazon buyers would use that single keyword. Instead, many shoppers will search for products using keywords like "bamboo marshmallow skewers" or "eco friendly BBQ skewers".

Therefore, it's extremely important that we craft our listings so they include the most important and relevant keywords to our ASINs.

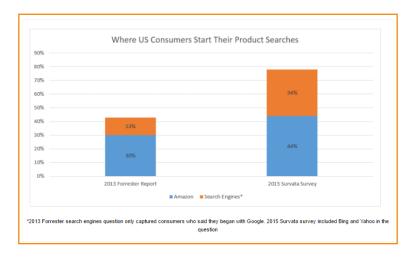
Tip: the Amazon Standard Identification Number (ASIN) is a 10-character alphanumeric unique identifier assigned by Amazon

By using those important and relevant keywords in our listing, Amazon's results will contain our product when people search those terms. This is called Search Engine Optimization, or SEO; you've probably heard of this before.

The key difference here is that we're trying to get our listing to show in Amazon's search engine specifically - though, it would be nice if it appeared in Google and other search engines too!



Amazon's search bar is the most used method that buyers use to find products in the Amazon store. In fact, according to <u>some studies</u>, consumers frequently turn to Amazon first when starting out in their quest to find a product, rather than internet search engines like Google or Yahoo..

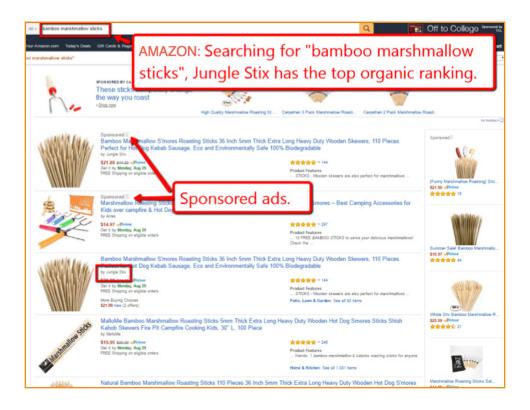


This means consumers are using Amazon as a useful tool to find products to buy. And with so many millions of consumers having Amazon and Prime accounts, many of those individuals will not only search for products on Amazon, they'll buy the item from Amazon too.

So, we need to ensure our brand new product has an optimized listing so that Amazon's search results contain our product when people hunt for products using relevant terms.

And how, exactly, do we do that? - Amazon Search Rankings!

If you head to your marketplace's Amazon store, and search for a product you're selling or hoping to sell, search results will show you your product, as well as other products' listings that contain those particular search terms.



Here you can see Jungle Stix appearing as the first organic result on Amazon.com, for the term "bamboo marshmallow sticks". Above that are sponsored results, from paid Amazon ads, which I will cover later.

This is really good news for Jungle Stix sales. So how did I get there? Well, there are many factors Amazon uses to determine the order of organic search results, including price, sales history, sales velocity, reviews, ratings, and more.

Amazon SEO - Finding The Right Keywords

Before you can optimize your listing, you need to do some keyword research.

In fact, remember Chapter 2 where we talked about finding that perfect product? We already did some keyword research using Google's Keyword Planner.

Hopefully you kept all of that information saved, because doing so means some of this work has been done already. And from that point, you can start to drill down into further keyword opportunities.

Remember to utilize tools and competitors to your best advantage:

- Google's Keyword Planner will give related keywords with each search you conduct
- Remember to enter competitor or similar product URLs into the Google keyword planner, and it will give you all relevant keywords for that page
- Use Amazon too; try searching for keywords and see what comes up

Here are some bonus tools and tips for you to use with your keyword optimization:

Keywoodtool.io



This is a useful tool to use alongside Google's Keyword Planner, as it lets you do keyword research for Google, Amazon and other search engines like YouTube and Bing. It will give you related keywords, in addition to data about the one you searched.

According to their <u>website</u>, they offer keyword insights that are "hidden in Google's Keyword planner."

In recent months, Google announced restrictions on the data in their keyword tool, and also started limiting data based on whether or not you are running Google AdWords campaigns. So, the best advice for your Amazon keyword research is to use several different tools. and then cross-reference your findings to get a broader picture of which keywords will be most important to you and your product.

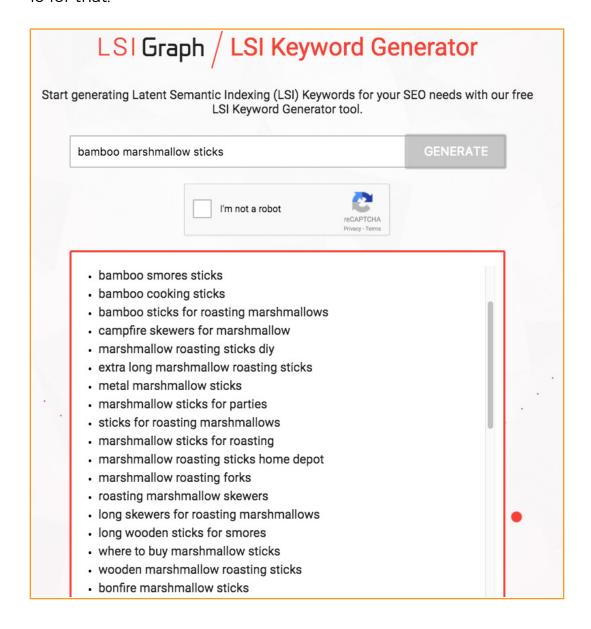
I always find it's beneficial to do a manual search in Amazon with any new keywords I am researching, to see if the results are relevant for my particular product.

LSIGraph

This is a tool that generates latent semantic indexing (LSI) for your keywords, and it's totally free! Check out <u>LSIGraph</u>.

And what, exactly, does latent semantic listing mean? It means LSIGraph will give you a list of relevant key terms, to give you new keyword ideas.

Again, cross reference LSI's data with the data from other tools. Although this tool is free, it does not give you data such as search volumes, so you'd have to refer back to Google KWP or keywordtool. io for that.



Tip: Keep a spreadsheet of your keyword research, as it will be useful in the future. Plus, you can continue to build on it, even after your product has been launched.

Jungle Scout

Keyword (KW) research is really important, but what can really drive fantastic insights is seeing which keywords generate the most sales on Amazon itself.

This is where Jungle Scout can help validate your research.

First, take the KW from your research and plug the top terms into the Amazon Search Bar. Then, open up the Jungle Scout chrome extension (either JSLite or JSPro) to get the data for those keywords.

For example, here you can see information for the search "Workout gloves with wrist support", as compared to a search for "Workout gloves crossfit":

"Workout gloves with wrist support"



"Workout gloves crossfit"



From this, we can see which products have had the most sales, revenue and reviews, and are being found for the keyword(s) you searched for.

You can also compare several keywords, to see which products have the highest average sales per month and a wealth of other data. You can then add a column in your keyword research spreadsheet to rank each keyword based on revenue potential, based on actual Amazon sales data.

Amazon's A9 Algorithm



Now that we've done some research on our potential keywords, how do we optimize our listing? First, it's important to understand how Amazon searches work.

The brain behind Amazon's search engine is the A9 Algorithm - a subsidiary company. If you're a data nerd, and you want to find out more about how it works, then go crazy! It's pretty interesting stuff.

But for those of you who just want the Cliff Notes version of A9, it works to match a customer's search query with the most relevant products in the catalog. It does this in an instant.

And this is crucial to Amazon's business model because it powers the one primary metric that matters the most: revenue per click. Offering the most relevant products to their customers is the best way for Amazon to generate sales.

In Amazon's <u>article on optimizing listings</u>, they state:

Factors such as degree of text match, price, availability, selection, and sales history help determine where your product appears in a customer's search results. By providing relevant and complete information for your product, you can increase your product's visibility and sales.

So, in a nutshell, your listing needs to be comprehensive, with relevant information that includes top keywords, as I have already mentioned.

Anatomy of An Amazon Product Listing

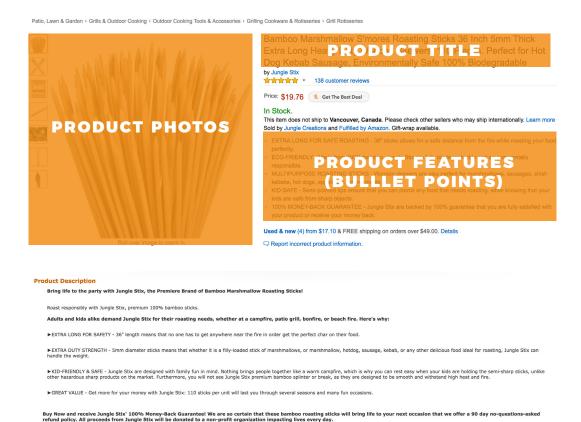
Finding the right keywords is just one part of the story. It means getting found.

But it's also important to change those people who found your listing into paying customers. So we need to ensure our listing is both optimized and kick-ass at converting.

Let's take a look at how an Amazon listing is put together, and how you can make sure it ticks all of the boxes.

There are 4 key elements to an Amazon listing:

- ✓ Title
- ✔ Product Photos
- ✔ Product Features (Bullet Points)
- ✔ Product Description



The great thing about Amazon is that Jeff Bezos and his team have spent a lot of money and time optimizing their website, so you don't have to.

Yeah, it might seem frustrating that the only content you can add is within the restrictions of an Amazon listing...but this is also a blessing! It makes it super-easy to concentrate on getting all the right content on the page.

Here are some best practice guidelines for each element:

Title

You have a 250 character limit (for most categories), and you should use it. All of it!

Some categories are allowed longer product titles and others have a slightly shorter limitation. The point is, you need to use all of the real estate Amazon gives you - big or small.

Here are some best practice takeaways for writing killer product titles:

- Remember: you are writing your title for humans!
- Include something of added value, such as a product benefit or a key element that differentiates you from your competitor. For Jungle Stix, I added things such as size, material and quantity. I even mentioned that Jungle Stix are eco friendly and biodegradable (of course they are!)



Bamboo Marshmallow S'mores Roasting Sticks 36 Inch 5mm Thick Extra Long Heavy Duty Wooden Skewers, 110 Pieces. Perfect for Hot Dog Kebab Sausage, Eco and Environmentally Safe 100% Biodegradable

by Jungle Stix

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• Include your priority target keywords, but don't keyword-stuff. Keywords in titles have the biggest effect (compared to features and description), so think about which keywords you want to use in your title carefully.

Product Photos

You can have up to 9 images, including a lead image. **Use all of them.**

Images are extremely important. People are drawn to visuals, and most potential customers will use your product images to form their first impression of your product.

Here are some best practice tips for your product photos:

- ✓ Ensure images are at least 1000px in width and 500px in height (the more pixels the better)
- ✓ Invest in professional photographs, to ensure high resolution
- The main image needs to have a plain white background and cannot include watermarks, infographics or anything that will deceive the customer

- ✓ Show your product from different angles, zoomed in and zoomed out
- ✓ Have an image showing your product packaging
- ✓ Include some lifestyle images, showing the product in use



- ✓ Take some photos to demonstrate the size and scale of the product
- ✓ Utilize infographics (for images other than the main image) to demonstrate key features of the product, or

to show a money-back or 100% satisfaction guarantee. Here's an example from Jungle Stix where we used an infographic to show the size of the product:

Get creative and make sure you have a wide range of images to give customers visual references to your product and packaging. My best advice, unless you are a photographer, is to pay a professional to take the pictures for you.

Amazon customers are looking for high quality images and, unless you have either the kit or know-how to create incredible photos on a budget, you'd be better off paying a pro and saving your time.

Product Features

This gives you the opportunity to include bullet points about the features of your product. It's recommended that you have 5 or more points in your listing. The official character limit is 1000 characters.

Key takeaways:

- Put yourself in the shoes of the customer; what do they want to know?
- Why should they buy your product over an alternative? Remember to add value!
- Try to answer any customer objections that might come up; you can also add to, or edit this with any questions you get about the product over time
- Does the product solve a problem? Explain how!
- Include any guarantees or warranty you are offering (Amazon offers the A-Z guarantee anyway, so go ahead and utilize that)
- Is the material high quality? Mention it.

Product Description

Here you have a whole 2000 characters to take a deep dive into your product! Make sure you use as much of your character limit as possible. Without keyword stuffing, of course.

Feel free to elaborate on any of the features you mentioned in your bullet points. Those need to be sharp and short, but interested visitors can read more about your product here, in the description field.

And the same rules apply when writing any content for the web - make sure it's easy to read:

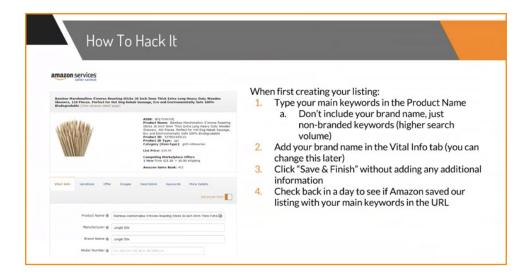
- Lead with the features and benefits to the customer, and talk about the product secondary to that
- Keep sentences short between 15 and 25 words
- Keep it relatable use language you would use if you were speaking to someone
- Make them believe it's something they need
- Try and use a storytelling approach about the product
- Include target keywords where possible, without affecting the decription's readability

Tip: Once you have created your product listing, use our free listing grader to find out if there are any areas you could tweak and improve.



Bonus: Hack your product URL with keywords

Did you know that you can include your top keyword in the product URL? Here's a breakdown of how I do it, using Jungle Stix as an example:



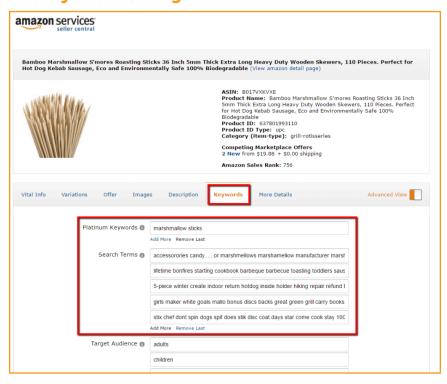
Keyword Section

There is also an area in seller central where you can list all of your target keywords.

Although I have been telling you not to keyword stuff this entire chapter, this is the one place where you can list all of the relevant keywords for your product.

In this area of Seller Central, keyword stuffing is encouraged! :)

Tip: relevance is still important, so that Amazon can make sense of what it is you are selling.



Best Practice

So that you steer clear of the pitfalls that might cause your listing to rank less favorably in Amazon search, here are some key things to avoid:

- Don't include your competitor's brand name or any misleading information. Basically, don't lie to Jeff Bezos! You could even end up with products being removed or having your account suspended. Including your competitor's names might seem like a great idea, but it's a black-hat SEO technique that will only bring you trouble...not the success you were hoping for.
- Don't keyword stuff! Amazon calls this "providing redundant information captured in other fields". When it comes to keywords in the copy on your listing, more is not always better. Remember, you're writing your product titles and descriptions for human beings who want to buy a product. Yes, you need to include your keywords, yet in a natural way. It's an art but you'll soon get the hang of it!
- **Don't use punctuation in keywords.** Only use a single space to separate keywords; no commas, semicolons, dashes, etc. Anecdotally, including punctuation can reduce the number of keywords for which your product ranks.
- **Don't add common misspellings, variants, or synonyms to your keywords section.** Amazon captures common related words or spellings, so no need to include those in your keywords section. For example, "marshmallow stick", "marshmellow stix", and "marshmellos stick" will all be captured with just one keyword. Clever, huh?! It saves you a lot of work.

Optimize, optimize, optimize!

As mentioned in the tips above, you can use the Jungle Scout <u>listing grader</u> to check your final listing for any gaps or improvements you could/should make.

Even after you've put in some work to get your listing ready to go, that doesn't mean it's the end of the optimization road...not if you want to continue to improve sales and profits, anyway.

There are several things you need to think about, now and in the future, including:

- Get reviews social proof your product is worth buying is super important
- Improve your photography product images can make or break a listing
- Split testing run experiments to find out how small changes to your listing will improve average sales
- Run Amazon PPC (pay per click advertising) campaigns
- Set up automated email campaigns to help get you those oh-so important reviews from your customers

Recap

This whopper of a chapter has covered everything you need to know to get your product ready for sale while you're waiting for it to be imported. The main aspects of optimizing your listing are:

- Understanding how Amazon searches work
- Doing thorough keyword research
- Creating a full and complete listing, with amazing photography and keyword optimization
- Adding all relevant keywords to the keyword section in AMZ seller central

In the next chapter, we're going to take a look at all of the above in even more detail. So please take a moment to review this chapter's recap and then let's get to it!:)

FURTHER READING

[Video] 5 Amazon Seller Hacks for you to try -

12 steps to better Amazon product listing copywriting

[Video] If you are going to try your own product photography, watch this for some tips

How to craft the perfect Amazon listing that sells





Post Launch Sales

You want to start getting sales pretty quickly after you launch, right?

Of course you do!

We know that sales velocity and sales history are important in the ranking algorithm, so how do you achieve this before you even make your first sale?

Many first-time sellers are often surprised to see a trickle of sales coming in pretty soon after their listing goes live. If you created a really good listing, this is quite normal, depending on what niche you are in. But you shouldn't rest on your laurels, just expecting the sales to keep rolling in. Increasing your sales numbers, and maintaining a constant flow on purchase orders takes work.

But there are several things you can do to spice up your postlaunch strategy and increase your sales, including:

- Running Automated Email Campaigns
- ✓ Running Amazon PPC (Pay Per Click) Ads
- **✓** Running Promotions
- Continued optimization of your product listings

If you want to go deeper and do some more research on these topics, then this chapter is key! There are a lot of useful resource links in here for you to dive into.

Follow-up Email Campaigns



A common practice across the ecommerce sector is to utilize automated emails to improve the customer experience and build a rapport with your customers. And Amazon is the perfect platform to take advantage of that practice. That's because you can use the seller/buyer messaging system (either on your own, or with the help of sites like Jump Send or Feedback Genius) to schedule a series of emails that go out to your customers.

The core benefits of scheduling automated emails are as follows:

- Keeps your customer informed at all stages of the purchasing cycle
- Follow-up emails promote a stronger customer relationship
- Prevents negative feedback in reviews
- Increases your chances of getting some organic positive reviews

Tip: Use Jump Send to automate your Amazon email distribution effortlessly and improve your customer rapport!

Disclaimer: I created Jump Send to address the challenges specific to Amazon sellers, so it is incredibly simple, yet effective

Email Campaign Ideas

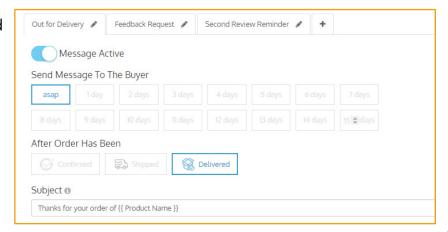
So let's take a look at how you can make your customers happy customers, who may even choose to leave you a shining review, or become repeat customers. Here are a few email ideas to get you started:

#1 - Confirm when Out For Delivery

I like to send this one out around 2 days before the customer is scheduled to receive the product. It helps open up the lines of communication and gives the customer some useful information

about their order. The main goal here is to build rapport.

Here's how the simple set-up might look within Jump Send:



And here is a sample email, which you can use. But add a little personality and some information about your brand. You want to make a friendly first impression:

Thank you for your order of {{ Product Name }}

To find your order details quickly just click here: {{ Order Link }}

Should you have any questions, or if you experience any problems with your order, please {{ Contact Link }} right away and we'll do what we can to make it right. We want to ensure you receive the best in customer service and are 100% happy with your purchase so feel free to contact us about any queries.

Thank you,

Name

You can easily use insert auto-fill tags in Jump Send, which makes creating your email templates easy as pie:

Insert Auto Fill Tag

- Buyer Name
- Buyer First Name
- Product Name
- ❖ Product ASIN
- ❖ Product Image
- TOrder ID
- % Order Link
- % Seller Feedback Link

- % Seller Feedback Link
- % Product Review Link
- % Product Review Link Button
- % Contact Link
- % Tracking Link
- Carrier
- R Tracking Number

#2 - Two Days After Delivery Follow-up

Continue to build rapport by immediately sending another email after the customer receives the product, and while they are still excited about their shiny new 'toy'.

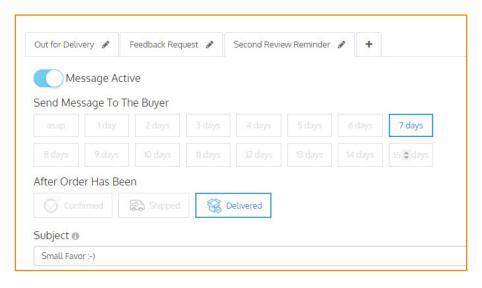
Providing you created some excellent product listing copy previously (and I know you did because we covered it in the last chapter!), then you should have primed the customer with the knowledge of why they should love the product.

In this email, you want to provide customers with a point of contact should they have any issues (this helps you avoid returns and negative reviews). You want to keep them happy, and to let them know you want them to get in touch with you if they have any questions or problems.

You can also ask for Seller Feedback. Don't be afraid to let people know that you're a small family run business, or to describe your business in a way that helps customers to relate to you. Let them know that their feedback would be very helpful and much appreciated.:)

#3 - Seven Days After Delivery Follow-up

The goal of this email is to complete the purchasing-cycle and to ensure you have a final touchpoint, once the customer has had some time to use and enjoy the product. It's your last chance to make sure the customer is happy and to reinforce the value of the product.



Again, you may want to ask for Seller Feedback. I would also advise testing the time in which to send this final follow-up.

Seven days is a good timeframe, as the customer may still be emotionally invested in the product and service. On the other hand, waiting a little longer to send out that last email may give them time to fully appreciate the benefits of your product. They may be more likely to leave a review!

Amazon Email Automation - Best Practice

Don't send too many emails and continually test what is and isn't working. Tweak your email schedule and tactics, if you're not getting the results you were hoping for. Personally, I cap the emails at three per order, so that I am not bombarding customers with each purchase.

Give each email a purpose. Think about why you are sending each email and what it offers the recipient. Sure, you want your customers to remember you, but each email needs to offer them something too. Whether it's a useful update, or an opportunity for the customer to let you know if they have any problems or feedback, these emails are a fantastic way to reinforce the value of the product to each customer. But don't talk about yourself too much. Remember, it's all about them!

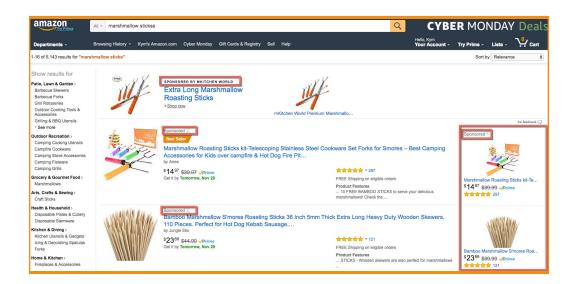
Establish goals and track them! If you need more product reviews, or are focused on gaining seller feedback, keep a close eye on how your email campaigns affect these metrics.

And keep in mind, these emails are sent to all of your customers. You need to keep the content appropriate for all of your buyers, for each of your products.

Amazon PPC Ads

Next up, let's talk about Amazon PPC. If PPC is a new concept to you, it means "Pay-Per-Click" advertising. On Amazon, that means you can run 'Sponsored Ads' and only pay for the ad when someone clicks on them.

Here's what sponsored ads can look like in the Amazon search results:



Where these ads appear varies. It depends on the search, Amazon's algorithms and the marketplace that's being searched.

But, this example shows how important Amazon PPC can be, when it comes to your presence in the search results. In fact, I would say this is a vastly underutilized tactic amongst sellers. That means it can be a great way to get ahead of your competitor(s)!

Benefits of Amazon PPC

- ✓ Your products are more visible in Amazon's search engine
- Easy to setup and manage (compared to other PPC platforms)
- ✓ Increase traffic
- ✓ Improve your sales
- ✓ Get a good ROI (return on investment)
- ✓ Get lots of data about what your potential customers are searching for
- ✓ Improve your organic listings too!

Plus, as we know, there is a huge audience ready to buy. People often go to Amazon to research a product they actually want to buy, so they're naturally further down the sales funnel. This means they're more ready (and more likely) to purchase.

So you don't have to see your advertising budget go to waste. With PPC, you can expect to see a healthy return on investment. Again, this is in comparison to other PPC models.

For example, searchers may not be ready to purchase when they're looking at products using Google. They're more likely to be in the Awareness or Consideration phase of the sales funnel. Paying for PPC ads here may not be as beneficial as PPC ads on Amazon, since many searchers are further away from the Purchase phase.



As the above illustration shows, there are more people in the consideration and purchase phases of the funnel compared to 'awareness'. This is a great position to be in for advertising.

How Much Will Amazon PPC Cost?

The cost of PPC depends on many different factors. But, the good news is you have total control over this. You can increase, decrease and pause campaigns and keywords at any time.

When we talk about ROI with Amazon PPC, we will also refer to the term 'ACoS' or Advertising Cost Of Sale:

ACoS is the percent of attributed sales spent on advertising which is calculated by dividing your total spend by attributed sales. You can view ACoS by campaign or at keyword level.

So with ACoS, the higher the figure, the more money it cost us to acquire the sale. We're looking for a healthy, low ACoS, which can be viewed at campaign and keyword levels.

For example, if you spent \$4 on advertising that resulted in \$20 of sales, your ACoS would be 20% (4 divided by 20).

If you're thinking about running Amazon PPC for the first time, you need to ask yourself how much you are willing to spend. You don't want to impact your net revenue too much; you want to ensure this is a fruitful pursuit.

In other words, you need to know how much profit you have to play with.

Here's an example:

Product cost of goods (COGS) is	\$10
FBA and other fees is	\$15
Total cost to you =	\$25
Listing price to customer is	\$35
\$35 - \$25 =	\$10
TOTAL PROFIT IS	\$10

With this knowledge, you can decide how much of your profit you are willing to spend on PPC ads to get more sales.

Tip: Remember to account for the cost of goods, FBA fees and any other miscellaneous costs to figure out your true profit per unit.

Running PPC Ads - The (Basic) Strategy

There's a strategy I use for my PPC campaigns that ensures I capture the relevant keywords people are searching for and, crucially, which of those keywords convert to sales.

Here's a simple rundown of how my strategy works:

1. Run an Automatic campaign for a week

- Set a budget of around \$10/day
- Don't expect to generate profitable sales; rather, this is to generate a list of search queries customers actually use
- Be patient and wait for the magic to happen!

2. After a week, find the keywords that convert into sales

- It's important to run the above campaign for a week; you need to get enough data
- Find keywords that perform well by reviewing the ACoS at keyword level

3. Create a new Manual campaign with the keywords that work, and refine your bid

- Manual campaigns give you greater control, so you'll want to pull the high performing keywords out
- You can add up to 1000 keywords to a manual campaign
- Continue to refine your keywords, adjust your bids and moni tor what is performing and what is not

Use Negative Keywords

It's worth noting that I often leave my automatic campaigns running, even after I set up a manual campaign. To do this effectively, I simply add any keywords I pull out into a manual campaign as 'negative' keywords in my auto campaign.

This means I can keep fishing for new keywords and opportunities, while pulling out and maximizing profit on the ones I already know perform well.

Tip: A negative keyword means your ad will not be fired if that keyword is used to search Amazon.

Do Your Own Keyword Research

Although running an auto campaign is a quick and effective way to mine for keywords, you can also do your own manual keyword research. As discussed in Chapter 2, Google's <u>Keyword Planner</u> is a good place to do this. But bear in mind, the tool is based on Google's search data, not Amazon's.

<u>Keywordtool.io</u> has an Amazon search tool, but as a free user, you will have limited access.

For me, putting some money into an auto campaign saves me time and gives me actual search data from Amazon. Plus, it's really interesting to me as a seller to be able to look through the results and see what people are searching for in relation to my own products.

Manual PPC Campaigns

Hopefully you will be pulling performing keywords into your manual campaigns in no time. Monitor these keywords frequently from here to:

- ✓ Identify when keywords perform well and increase the bids on those
- ✓ Look out for keywords have a lot of clicks and low conversions (thus, a high ACoS); you can gradually reduce your bids and potentially even pause those poor

Tip: Check out this step-by-step guide to creating your first campaign.

A Word On Match Types

In a manual campaign, you need to be aware of match types.

Keyword match types are parameters that can be set on your keywords to control which searches trigger your ads to appear.

You are able to use three different types of keywords, which will trigger your ads in different ways. Here's an overview of how those match types work:

	Matches To	Summary	Pros	Cons	Will Fire On	Won't Fire On
Broad	All keyword terms, synonyms, any order, abbreviations, misspellings, etc	Broadest reach, least targeted.	Identify new keywords.	Expensive ACoS. Least likely to be shown	Bamboo skewer, eco-friendly bamboo skewers, bamboo marshmallow roasting sticks, bamboo sticks	Stainless steel sticks
Phrase	Exact phrase or sequence of words	More relevant than Broad match, though Amazon can still show ads when it wants.	Identify new long tail keywords.	Not full control of all impressions.	Eco-friendly bamboo skewers, BBQ bamboo skewers, marshmallow bamboo skewers	Bamboo marshmallow roasting skewers, bamboo sticks, bamboo BBQ skewers, skewers made from bamboo
Exact	Search query must exactly match the keyword and sequence of words	Most restrictive match type.	More relevancy, Amazon prefers to show these	Requires time/money to find good exact match keywords.	Bamboo skewers, bamboo skewer, bamboo skiwer	Eco-friendly bamboo skewers, BBQ bamboo skewers, marshmallow bamboo skewers Skewer bamboo

This works in a similar way to other advertising platforms, like AdWords and Bing ads.

Using broad and phrase match types as a tactic opens up your ads to a wider audience, which is great when mining for keywords. Alternatively, exact match is a way to target very specific terms; perfect for when you know what keywords perform well and when you want to improve ROI by honing in on those customers who are ready to buy.

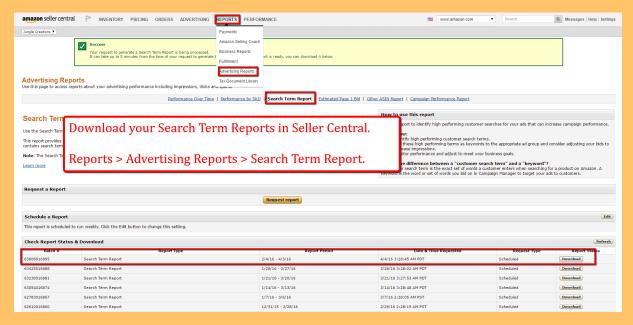
As to be expected, broad and phrase match campaigns often cost more, because they allow for more variance in search terms. However, these keywords are also the best way to get more information about what your potential customers are searching for, to find products similar to yours.

This is where you can continuously review your data and emphasize the keywords you are targeting and what match types you use for those keywords.

Top tip: Feed your PPC keyword research back into your product listings

You're going to start finding new keywords that will help you improve your PPC campaigns. But don't forget that this data is extremely useful in other ways too.

Make sure you feed this directly back into your organic listings, where necessary, to keep them optimized for the key terms you know perform well and resonate with your audience of potential buyers.



How Much Time Should I Spend On PPC?

It does take time, and some of your attention, to run successful Amazon PPC campaigns. But, as I mentioned, it's a huge area of opportunity.

Amazon is now introducing an automated bidding feature. It's too early to comment on how successful this is at setting efficient bids. However, it is always a good idea to keep a close and regular view of your campaigns to ensure they're performing within your goals and expectations. Be proactive and reactive with your campaign management style, and it will pay off!

Tip: Check out this useful guide on how to find converting keywords

Running Promotions

Next up, I want to talk to you about promotions.

Did you know that distributing discount coupons and promotions is fully compliant with Amazon's Terms of Service? It's a great tactic when you are trying to improve the sales of your product.

In order for your product to show up organically for relevant search terms, you need to make sales. If progress is slower than you'd like, you can run a promotion to increase traffic and sales velocity. This will allow your listing to return more favorably with Amazon's search algorithm.

When you start to see improvements, you can stop your promotions.

Tip: Sellers, you can run effective promotions using the Jump Send coupon distribution tool

Terms of Service & Incentivized Reviews

In October 2016, Amazon made some big changes to their Terms of Service, which restricted sellers from asking for and receiving incentivized product reviews. This means asking for reviews in return for giving a product at a discount, or as part of a promotion, is no longer allowed.

While this was a big change for the seller community, especially when it comes to product launches, it is not the end of the world. And it doesn't mean that promotions have to disappear either.

Optimize - Ongoing Listing Improvements

Moving forward with your listing post-launch, it's important to keep it optimized. As with most things on the internet, nothing is ever really final, and things can change. Fast.

In your case, it could be trends in the search terms people are using, seasonal changes, or what your competitor is doing with a comparable product.

Here are some of the key things you can do to continue making progress, when it comes to the performance of your product listing:

- Continue to improve photography and content, and enrich with any new keywords you find in the process.
- Check your Amazon search terms report to improve and broaden your original KW research.
- ✓ Split test get measurable data about small changes to your listing and how it impacts your sales and revenue.

Tip: Run simple Amazon Split Tests with Splitly and get immediate results. Some people see up to 30% increase in profits from their first A/B experiment.

- ✓ If you get questions or queries from your customers, ask yourself, "Does my listing answer this question?". If not, update it.
- ✓ If you're getting complaints that are regularly occurring, ask yourself, "Does the product need improvements? Do I need to contact my manufacturer? Does my listing describe the product in such a way that people are getting what they expected?".

Some of these things you can do just by paying attention to what your customers are saying, and others involve making measurable improvements and seeing what works best. Right now, it's safe to assume you will be way ahead of the game if you start split testing your Amazon private label product listings.

Recap

To summarize, there are many things you can do to be pro-active with your post-launch sales. We have covered running automated email campaigns, Amazon PPC campaigns, promotions and coupons, as well as ongoing listing optimizations, including split testing.

You don't have to do all of these at once, though. Build it up and keep taking scalable steps towards success. My advice to you is to take a look at your situation and figure out what you need to do next:

- Are you just starting out and need to gain some momentum? Think about running a promotion and some PPC ads.
- ✓ Have you got a few products listed but you're not getting many reviews or seller feedback? Try setting up some well thought out automated emails.
- ✓ Have your product's been selling okay for a while, but you want to improve your profits? Think about optimizing your listing and running some split tests.

FURTHER READING

[VIDEO] Demystifying PPC for Amazon Sellers

A selection of useful blogs about Amazon PPC

Powerful automated emails to make your customers swoon

How to harness Amazon PPC to power your Split Tests

Powerful Amazon Split Tests and what you can learn from them



Financials

Finances and accounting are some of the most important, yet confusing and complicated, aspects of running any type of business.

Although it's not my favorite part of running a successful Amazon business, it has still been a useful learning curve, which has provided me with some transferable life skills. Or at least that is how I like to think about it, because every cloud has a silver lining. ;-)

This chapter is going to focus on the important metrics you will want to review to truly understand the financial health of your business.

Profit

Let's start with the exciting stuff. Profit!

Most simply, your profit is calculated as:

Profit = Revenue - Expenses

Selling private label products on Amazon is a great way to generate money in a scalable and sustainable way, but we need to make sure the venture is profitable. Naturally, our incoming revenue needs to exceed our expenses.

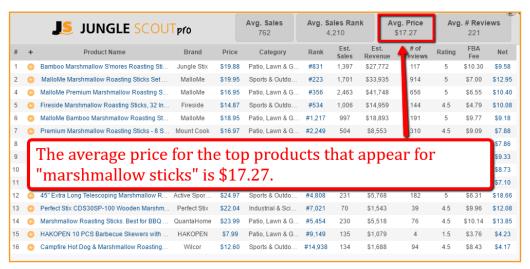
When we did our collaborative launch of Jungle Stix, we documented all of the various expenses we encountered along the way. From samples to FBA fees, to shipping costs and paying a broker, PPC expenses, and any other costs along the way.

I use a spreadsheet to keep track of all of these costs. It helps to have all of that information in one place, and is an important step in ensuring the money going out doesn't exceed what's coming in when your product starts to fly off the shelves.

Tip: Check out this useful spreadsheet template, which you can use as a starter guide to keep track of your expenses.

Retail Price

A really useful tip, when you're searching for new product ideas and opportunities, is that you can review the 'Average Sale Price' in Jungle Scout:



For my product, Jungle Stix, you can see that the average price is \$17.27. So if I was just researching whether or not to import and sell a similar product, I would be able to use this average to work out some estimated expenses to land on a profit figure. This helps to verify your decision to sell the best products on the top of your 'possible' list!

Expenses

Expenses are the necessary evil in the world of business. It's important to keep a close eye on your expenses so that you know you are making wise business decisions and making profit.

Amazon FBA Fees

Of course there are FBA Fees, which we pay in order to get our products listed on Amazon. Remember, they do have the benefits of pick, pack, ship, customer service, and more.

Here's a line-by-line breakdown of FBA fees:

Amazon Referral Fee: Essentially, this is the cost of having an active listing on Amazon. Hence, they "refer" customers to you. The fee is generally a percentage of the retail cost (differing by category). You can see the details for how Amazon calculates the fees here.

Pick & Pack: This is the cost of getting your item from the Amazon warehouses and then packing it (including the packing materials) for shipping. Basically, this covers Amazon's warehouse labor costs.

Weight Handling: This is the cost to ship the product to your customer. It is calculated by the product weight. When they advertise "Free 2 Day Prime Shipping" for any Prime and FBA product, you, as the seller, will pay for this.

Monthly Storage: This is the cost, calculated in cubic volume, to store your inventory in the Amazon warehouse on a monthly basis.

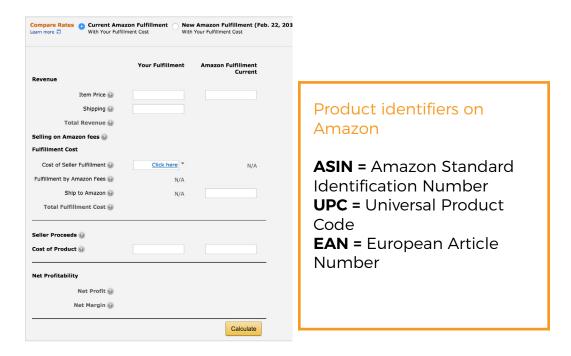
Prep Service: If you choose to pay for Amazon to apply labels, like the UPC codes, it would be \$0.30 per unit.



Estimating FBA Costs - Verify Product Ideas

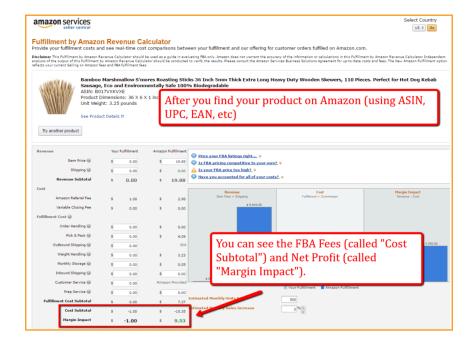
So if you're still looking for something to sell, how do you estimate what these costs will be for a given product?

Using Jungle Stix as an example again, you would simply find the ASIN, UPC, or EAN of a comparable product (marshmallow sticks), and plug that into <u>Amazon's FBA Revenue Calculator</u>.



This useful Amazon Seller Central tool allows you to see what the individual fees are, what the overall fees are, and what the "net profit" is.

For example, this is a breakdown of what the Revenue Calculator shows for Jungle Stix:



Landed Cost Of Product

While FBA fees are going to be one of your bigger expenses, it's important to go one step further. You need to determine your final Cost of Goods Sold (COGS).

The landed cost needs to incorporate the manufacturing, packaging, importing, customs, shipping and domestic shipping to the golden gates of the Amazon warehouse.

If we think back to Chapter 4, importing our goods, there were several things to consider such as:

- Shipping costs
- Freight forwarders and customs brokers
- Cargo insurance
- Customs bonds
- Arrival agent fees

What your fees are going to look like greatly depends on what type of product you are importing. Also, for new products, you will likely have some 'upfront costs', which you won't need to pay each time you order more inventory. These can include:

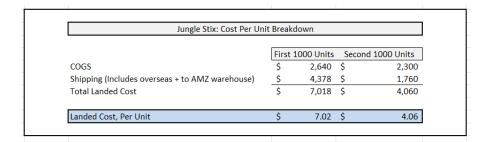
- Product samples from several factories for comparison during negotiations
- Product photography
- Photoshop work
- Fast shipping / expediting for the first order

Using the Jungle Stix example, here is a breakdown of my expenses for the first batch of products imported and sold:

REVENUE		
Product Sold	\$	12,307
Total Revenue	\$	12,307
EXPENSES		
Samples	\$	350
Label Design	\$	55
Product Photography	\$	240
Stock Image	\$	19
Photoshop work	\$	30
AII Shipping (47% of \$4378)	\$	2,058
COGS/Bamboo Stick (47% of \$2640)	\$	1,241
Product Giveaway	\$	647
PPC Cost	\$	357
Amazon FBA Fees	\$	5,097
Total Expenses	\$	10,094
GROSS MARGIN	s	2,213

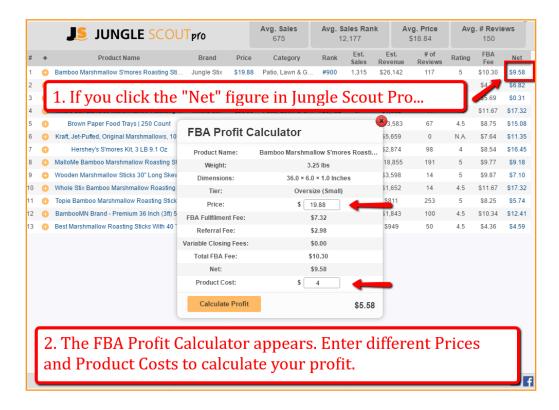
Although expenses were quite high at first, with upfront costs and PPC and promotional costs too, you can see that the product still had a healthy revenue and a gross margin of \$2.2k. Nice!

This only improved with time, as the expenses started to level out and sales started to come in. Check out the progress here, with the cost per unit breakdown for the first 1000 units compared to the second thousand:



The cost per unit was reduced by almost \$3 after all of the upfront costs had been absorbed. Plus, it's worth saying that you should always be looking for opportunities to **cut down your expenses**.

A hidden gem of the Jungle Scout Pro Extension is that you can calculate these figures automatically when you're doing your initial research. Simply click on the "Net Profit" figure for any product, and you can play around with different product costs and selling prices, to see how it affects your profit figures.



Tip: You can also keep track of your net profit figures manually with a spreadsheet. Here's an Amazon FBA Profit Calculator spreadsheet to get you started.

Sales Overview

Once you have all of the above figured out, what next?

I can't stress enough how important it is to keep track of your sales and profit (do I sound like a broken record yet?).

You can user Seller Central to track your financials, but I have found it incredibly clunky. I recently launched <u>Fetcher</u> to help sellers understand important profit analytics.

For example, for Jungle Stix, I can review my figures for a defined date range:

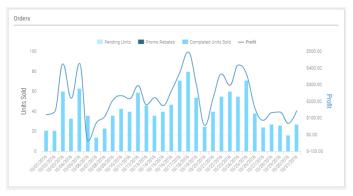


Digging even deeper than this, I can review my profit and loss statement:



This highlights my revenue and my total expenses:

I can also start to monitor for trends, seasonal numbers, and spikes and drops in sales.



However you decide to monitor your overall performance, make sure you have a system that is accurate and allows you to quickly pick up on any issues or trends. You need to be in a position to be reactive and, of course, you need to make sure you're selling profitably.

Here's 5 things I check daily in Seller Central:

- Daily sales
- Monthly sales and trends
- Return rate
- Customer complaints
- Inventory levels

Tip: When digging into your profit analytics, isolate two time periods of interest and then do a line-by-line comparison of those dates.

Amazon Bookkeeping Guidance

I saved the best bit until last in this chapter - accounting!

This could be a whole ebook in it's own right, and there will be accounting differences, depending on which country you live and are selling in.

Bookkeeping and accounting is often cited as the Amazon sellers achilles heel, by sellers themselves. In fact, it's usually a headache for any business, of any description. But stick with it, because figuring this stuff out will enable you to continue with your new freedom and the Amazon seller lifestyle!

In this section, I just want to give you the low-down on Profit & Loss statements and balance sheets to get you started.

Also, because of the subject matter, I felt it important to include this ebook's very first meme!



P&L Statement

The Profit and Loss Statement (P&L) is important for your business' finances. In large publicly traded corporations, it is the primary document that executives use during quarterly reviews with Wall Street, to demonstrate the capabilities of their business. The Profit and Loss Statement offers the best overall view of your bottom line, which is also known as "net income."

For Amazon sellers, the Profit and Loss statement is one of the best tools for evaluating your business' past performance. Think of the P&L statement as a continuous feedback loop. It's like a report card for your business. How did your business perform last quarter? Did you earn an A+? The P&L statement won't give you a letter grade, but the numbers never lie!

The P&L summarizes revenues, costs and expenses, and this information tells the story of your business. It highlights where the business is excelling, and where it needs improvement.

Creating an automated and accurate Profit and Loss statement is tricky. You can either try to do this yourself, pay a professional, or you can use tools like <u>Fetcher!</u>

It is completely free to use fetcher for 31 days, so a great way to get a free "checkup" on your business and see what your P&L Statement is looking like.

TRY FETCHER

There are two accounting methods you can use for your Profit and Loss Statement:

Cash basis accounting: revenues are reported on the P&L statement for the period that cash is received by customers.

Accrual basis accounting: revenues are reported on the P&L statement when they are earned. This often occurs before cash is received by customers.

The accrual method is generally used more often, as it paints more of an accurate picture. This is the method Fetcher uses, and the one which is advised for Amazon sellers.

Balance Sheet

This is the Profit and Loss Statement's big sister. If you thought the P&L was enough, think again! The Balance Sheet is necessary because your P&L Statement is missing some key components of your business, and therefore provides an incomplete picture.

For example, the P&L statement doesn't account for the value of unsold inventory, or the money you borrowed to order your next shipment, or how much you owe in sales tax, etc. The Balance Sheet covers that stuff. So it's a **crucial** financial statement that presents an accurate snapshot of the health of a business at a specific moment in time. It tells you the financial position of your company.

It does this by comparing assets against liabilities and equity.

Assets: the resources that you own. Eg: 500 garlic presses valued at \$5 a pop.

Liabilities: what you owe to others. Eg: \$350 in sales tax payable. **Owner's Equity:** the difference between assets and liabilities. Eg: \$2,150

BALANCE SHEET				
As of September 1, 2016				
ASSETS		LIABILITIES & EQUITY		
CURRENT ASSETS		LIABILITIES		
Garlic Presses	\$2,500	Credit Card	\$350	
Cash (checking)	\$500	Sales Tax Payable	\$65	
FIXED ASSETS		OWNER EQUTY		
	\$0	Net Income	\$2,485	
Total	\$2,900	Total	\$2,900	

I recommend that you use a simple spreadsheet file the like the example above. Use a balance sheet to stay alert of what your business *owns* and what it *owes*.

Tip: Did you know you can actually sell a successful Amazon FBA business? In order to do this, you're going to need a strong business with some solid finances and accounting to back it up

Recap

I hope you managed to stick with me through this chapter. There is enough information in here so you can become a seller with the right attitude towards keeping a continual focus on your finances and profits.

We covered how to find out what our expenses are and our final landed cost for products, which then allows us to figure out our cost per item and our profit margins.

You should also have a good idea now about why you need to find products that have high margins to start with, so that you are able to cover all of the expenses like FBA fees and shipping and still take money home for yourself.

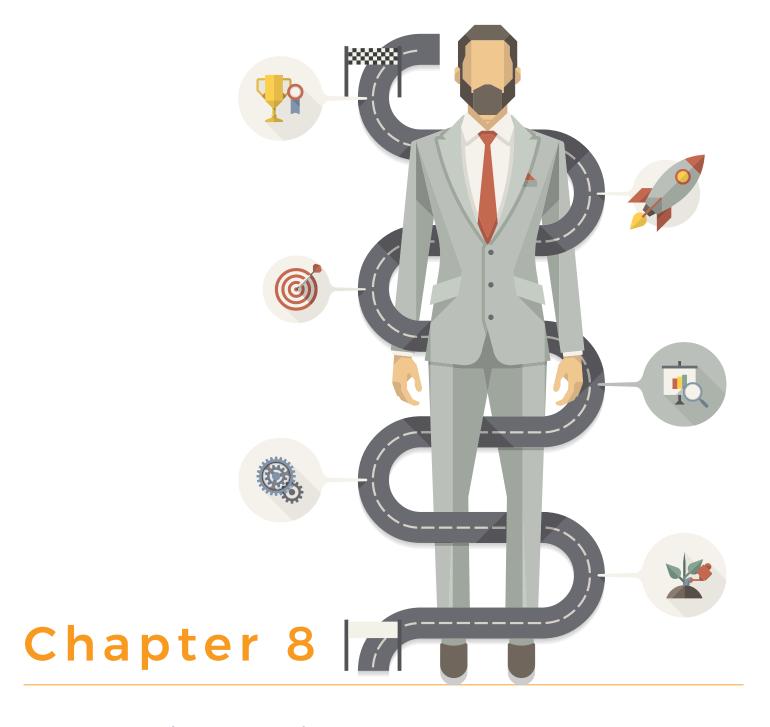
My advice to you is to get organized early, and start using tools to your advantage.



FURTHER READING

How to calculate your profits with seller central

Mastering your FBA fees



Avoid Potential Setbacks

We are in the home stretch - you made it! Just a few final and important things to think about, regarding potential setbacks, to ensure your new business gets off on the right foot. No one likes a setback, so I am just going to run through a few of them, and tell you how you can avoid them.

They say mistakes are fine, as long as you learn from them. But what about learning to avoid them so you never even make them? Always one step ahead!

We're going to cover three main topics here: forecasting, listing hijacking and brand registry.

Forecasting

The dreaded loss of sales due to low stock...this is a real-life worry for any ecommerce business. In fact, inventory management is the unsung hero of a profitable Amazon business.

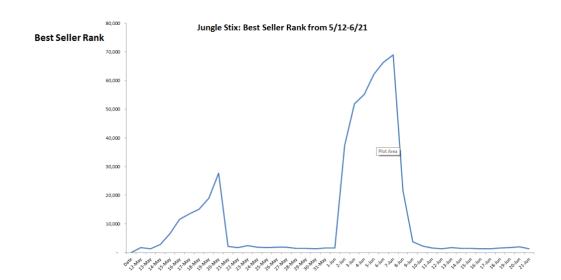
It doesn't get any attention until you are actually out of stock; and then you realize how important inventory management is! I'm here to tell you to figure this stuff out right now, so you can avoid a loss of sales (and income) due to lack of stock.

So what happens when you get a total "stock-out"? Naturally, in the eyes of Amazon, you can no longer provide a product to their customers, so your product listing gets dropped.

Straight away, you are going to start noticing some undesirable effects:

- ♦ Your Best Seller Rank (BSR) will fall
- Your product won't rank as highly in the Amazon search engine
- Daily sessions to your listing will fall off a cliff
- Sales will flatline

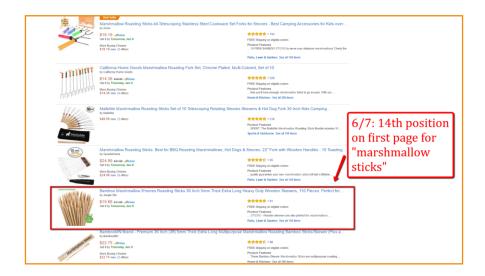
To give you an idea just how much BSR can plummet, we kept an eye on things when the collaborative launch product, Jungle Stix, went out of stock:



There were some fluctuations here, which were most likely due to returned stock in a saleable condition that reminded Amazon that the listing was still alive. But other than that, the BSR took a substantial hit.

I would have rather not run out of stock, but in the end, it was a great case study to add to the collaborative launch project.

We saw Jungle Stix fall in the search results to the lower positions of 6 & 7 while we were out of stock, when we had previously made our way to the top spots before the stock-out.



Avoiding Total Stock-out

As you can see, running out of stock can hit you pretty hard. It can affect your cashflow and reduce the amount of profit you take in over the course of a year.

I'm definitely guilty of running out of stock from time to time, due to a lack of forward planning, so I want to share the best practice tips you should follow (and I should too!) to avoid that from happening.

Lead Time

It's really important to think about your lead time in terms of days. For example, if you are importing from China as a private label seller, how many days does it usually take to get your stock to Amazon?

But remember, **your lead time needs to be an average**. Sure, you might get your stock in 20 days, most of the time. But what about the few times where there have been delays at customs, or with the suppliers?

You need to figure out your average lead time, including these delays. Factoring in the worst case scenario means you'll be less likely to run out of stock. True, 90% of the time you will have a couple of weeks worth of extra stock. But trust me, that temporary surplus is much better than running out of stock.

Seriously! Get your lead time right and you will be much further ahead than you were before you had a logical lead time to work with.

Sales Velocity

This is another important figure to get right.

You can use your sales history (if you have any) to figure out your average velocity, taking into account any seasonality or spikes in sales that may have been fuelled by promotions.

If you have no sales history, because you are launching a new product, then you will need to do a little bit of, dare I say it... guesswork! Personally, I like to ship by air for my first shipment of inventory. That way I can launch more quickly.

You can use Jungle Scout's data to understand the demand for new products similar to yours. Getting estimated daily sales velocity means you can use the information to calculate how much stock to buy.

In this initial phase, where you have no sales history, the best possible solution is to use a tool to keep on top of forecasting. They can help you make sure you are monitoring stock, checking and re-checking your calculations as you start to build up some sales history, and understanding your velocity.

How much stock to buy & when?

First things first! Never buy less inventory dictated by your lead time. You don't want to have multiple orders with the supplier at the same time, but you don't want to run out of stock either.

I tend to do my own calculations, rather than relying on the figures in Seller Central. You can calculate the amount of stock by taking the number of days worth of stock you need, plus your lead time, and then multiply this by your average daily sales velocity.

Units = ((# of Days + Lead Time) * Velocity)

Want to add a little bit more? No problem! You can also opt to add on some safety stock, as your insurance against upward trends in your sales velocity.

And how do you find out when to reorder? Your "reorder point" can easily be figured out by taking your stock levels (how much stock you have left), plus your lead time multiplied by your average sales velocity.

Reorder Point = Safety Stock + (Lead Time * Velocity)

You can also use forecasting tools that will do all of the hard work for you (for example, check out <u>Forecastly</u>).

Seasonality & Promotions

I mentioned this earlier, but it's worth mentioning again that you need to think about seasonality, promotions and other external factors that will affect your inventory, such as Chinese New Year.

These things can affect your velocity and lead time:

Seasonality - if you have sales history and know you have a product that sells well seasonally, you need to make sure you are well equipped for that season. It may be a good idea to increase your safety stock during certain times of year. For most sellers, you need to figure out Q4 numbers early enough to prepare for a potential increase in sales velocity.

Promotions - similar to the above, if you know you will be running a promotion or special offer, be prepared for the potential increase of sales with your safety stock.

Supplier Delays - for people importing from China, or from elsewhere internationally, your lead time could be affected by different factors. For example, when it comes to Chinese New Year, you need to plan ahead and adjust your calculations way ahead of schedule, so that you have enough stock on hand to cover sales throughout the manufacturing shutdown that happens during Chinese New Year.

Tip: As a rule of thumb, order 3x your lead time in inventory. So if your average lead time is 30 days, buy 90 days worth of inventory.

Recovering From Total Stock-out

With all of that being said, sometimes you may still have a situation where you run out of stock. Even when you are well-prepared, there are many intricacies to an Amazon sellers' supply chain which could cause issues. Delays in freight or at customs, supplier delays or a failure in quality control leading to faulty batches could all cause a dreaded stock-out.

I would strongly advise doing everything you can to avoid running out of stock, but if you do, don't panic. It's possible to recover and get back to where you were before. It just requires some extra TLC and a bit of time.



Top Tips For Reviving Your Listing:

- 1. Once your inventory is back in the warehouse, try running a sale or promotion. This will help you to recover your BSR by kickstarting your sales and speeding up recovery. You can do this through Jump Send, which also protects sellers against running out of inventory by limiting the maximum order quantity per customer.
- 2. Do some competitor analysis (you can do this while you are out of stock, to stay ahead). If you have been out of stock for a

while, they may have had some time to catch up, optimize their listings and improve conversion rates in your absence. You could use the Jungle Scout Product Tracker to keep an eye on your competitors and to make sure you are able to catch them up again once you are back in stock.

- 3. If you weren't already, consider running some Amazon PPC ads to help drive further sessions and conversions when your inventory lands. If you are already running PPC campaigns, then it would still be a good time to review your keywords and budgets.
- 4. Try Split Testing your listing. It might take a little bit of time to regain traction, but you could try running some Split Tests so that you can optimize your products' listings. This will help you to identify measurable ways to improve your conversion rate and thus your BSR and organic rankings.
- 5. Don't forget about air freight. Sometimes it pays to spend more on shipping after a stock-out, to minimize the collateral damage of being out-of-stock for an extended amount of time. Plus, the money you could be making in sales once your stock lands can often offset the extra cost of choosing air over ocean freight. This depends on your situation, and you really do need to do your own assessments here.

Listing Hijacking

We know Amazon is a competitive marketplace. I would be lying if I said it has not become more crowded than it was 2 years ago. But it is a growing and ever-changing marketplace too, and I truly believe there is still an abundance of opportunities in there for savvy people like you.

This is why Amazon "hijackers" should be the least of your worries.

Ideally, you are going to be so focused on creating a successful business that you will be able to take preemptive steps to avoid them. What I am saying is, don't let the ambiguous threat of a competitive listing hijacker stop you from achieving your goals.

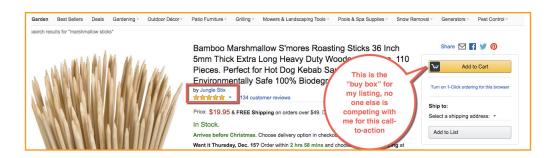
What is an Amazon Hijacker?

Just in case you haven't heard of the concept, a hijacker is someone who is selling a counterfeit or similar version of your private label product. I think we can all agree this sounds less than ideal.

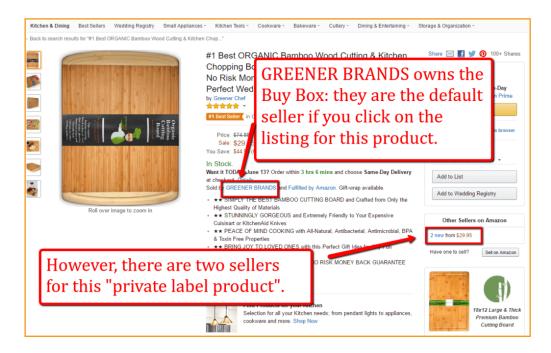
The beauty of being a Private Label Seller is that you have total control over your listing and you own the "buy box". As you can see below, my listing has only "Jungle Stix" as the seller, since I private labelled them:



Essentially, that means that on the listing itself, I own the buy box. So, if anyone decides to make a purchase on my listing, the sales are coming to me:



When a listing gets hijacked, there would be two sellers competing for the buy box on the listing. Here's an example I found of a listing that was most likely hijacked:



Most consumers won't actively switch between sellers, so the sellers are then competing for the buy box. This isn't good if someone else is piggybacking their sales off of all of your hard work.

Usually this means the "hijacker" is selling a "counterfeit" version of your product, rather than getting it manufactured and imported and selling their own private label product.

A worst case scenario with a hijacked listing is that real customers buy the counterfeit product and leave a negative review on your listing.

So, with all of this in mind, how do we prevent this from happening in the first place?

Listing Hijacking - Prevention

Prevention is always better than a cure, so here are some ways you can prevent the Amazon cowboys from hijacking you:

- Make your listing harder to copy Sounds simple but think about bundling your product so it's difficult to copy. With a simple add-on, sourced from a different factory if possible, hijackers will likely walk away from your product as it's too difficult to copy.
- Oc all out on the branding Make sure your listing is all about your brand. This is a private label product after all, so mention the brand in the copy and ensure it has a visible presence on all of your product photography, on the product itself and in any infographics. You should also consider using the Amazon Brand Registry (more on this later) and even copyright or trademark protection in the country your product is selling.
- ◆ Create a website for your brand/product This really helps strengthen your brand and is also great for awareness. Plus, it means you can go down the Amazon Brand Registry route, which gives you much more leverage in the case of a listing hijacker.
- Description of the production line It's really important to develop strong relationships with your supplier, but sometimes, giving away too much can open you up to being hijacked. It's pretty easy to sell products on Amazon, so you don't want your supplier to know that's what you are doing. Try and sell yourself as a mom and pop business, or an ecommerce store. In doing this, you would need to find other ways to get your products packed and labelled, so that the factory is not aware of your entire supply chain.

Listing Hijacking - How to fix it!

OK. Even if you do all of the above, your listing could still get hijacked. So what can we do when we spot someone trying to piggyback on our private label sales?

1. Drop your listing price

First, drop your listing price. I know it's painful, but it will help you keep that competitive edge and win back the buy box (if the hijacker managed to take it from you).

2. Purchase the counterfeit product

Get a friend to purchase the hijacker's product and then file an Amazon A-Z Guarantee complaint, for falsely advertised goods.

3. Consider (or threaten) legal action

If you have any trademarks or copyright protection, you can consider legal action. But in most cases, making legal threats is enough to scare a hijacker away.

4. Determine your supplier situation

Try to determine if your supplier was behind the hijacking. If you inspect the goods, are they identical? Or has someone actually gone to another factory and produced something based on your product as a sample?

Bear in mind, it's never a good thing to go in blazing and start accusing your supplier without proof. Even if they are the culprit, they're unlikely to admit it, or might not even know (it could be a member of staff doing it on the side!). I'm a strong advocate of keeping a level head and figuring out the best way to proceed.

At this point, you may want to line up another supplier. Even if you don't use them, it's good to keep your options open and ready to go. Another tactic is to email your supplier and tell them that someone has tried to copy your product listing on Amazon, and tell them that you have a strong brand and are poised to take legal action.

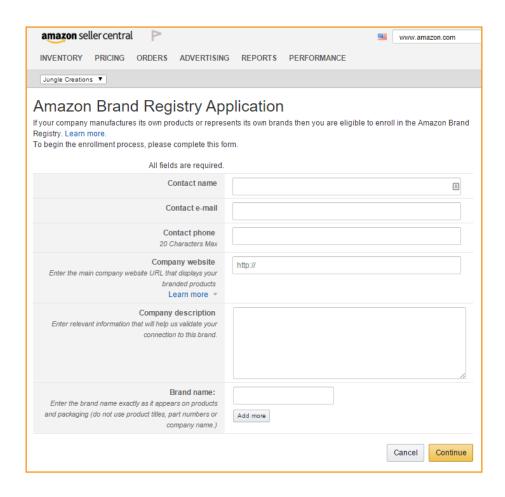
5. Branding (again)

If you haven't already, get yourself a product / brand website and consider Trademarks, Copyright and Brand Registry.

Amazon Brand Registry

Protecting your brand is well within your control, thankfully. One thing I always like to do is register my brand with Amazon.

The brand registry is super simple, available to any private label seller, and makes your product listing management much easier.



Here are the core benefits of taking the time to use Amazon's brand registry:

- ✓ If someone changes your listing, you can reverse it
- Creating listings is quicker, as brand-related information is automatically populated
- You can do away with UPC or EANs, and use alternative product characteristics instead, which vary by category.

You will need to provide:

☐ An image of your product packaging with branding
visible
☐ An image of the product itself with branding visible
☐ A link to an active website that displays your brand or
products
☐ An email or point of contact at the above website
(domain)

When applying, you will also need to provide a "key attribute" which can be a UPC, EAN, JAN, manufacturer part number, model number or more. This needs to be something that won't change in the future, and that is easily identifiable on the packaging.

Creating A Website

You will notice that for Brand Registry I mentioned that you need an active URL. Perhaps you were thinking, "wait a minute, I thought being an Amazon seller made it simpler because I don't need my own website".

I hear you! I too like the simplicity of utilizing Amazon's huge, well targeted platform. But in ecommerce, and in digital space generally, things move fast.

So if you want to protect yourself against hijackers, then yes, getting a website and registering your brand is a wise move. It's not essential, but it's a good idea.

The quickest and easiest way to do this is to use services such as GoDaddy to find domains (from as little as \$.99). Then you can use services such as WordPress, Tumblr, Shopify, or Squarespace to create a neat website using a slick theme. It's more than possible to buy and launch a professionally designed website in just a few hours, using automated tools and themes.

You could even create your own online storefront and sell the product yourself, as well as on Amazon. Don't worry! We're almost done here, so I won't cover that in this eBook. But it's something to think about, so keep an eye out for future articles. :)

Recap

To quickly summarize this chapter, we've taken a look at several important considerations when it comes to avoiding pitfalls after you launch your products and are running a business as an Amazon seller. Namely, we have covered the two biggest setbacks that I have personally encountered and learned from, which is forecasting and preventing an out-of-stock situation and protecting your brand against hijackers.

My top two pieces of advice from this chapter are:

- Get on top of your forecasting and inventory ordering early; you will soon get the hang of it!
- Don't worry too much about listing hijackers, but worry enough to take at least some precautions against it.

FURTHER READING

The latest updates & strategies about protecting yourself against hijackers

[Video] If you prefer sound, here's a video version of how to keep those hijackers away

A lengthier Amazon inventory management guide



Conclusion

Thanks for sticking with us and getting to the end of this monolith of an eBook!

I hope you have found some useful takeaways, even if you only dipped into the chapters that were most relevant for you. The beauty about this eBook is you can hold onto it and refer back to it at any time. Print it, share it, use it. Grow your business today!

We've covered everything from the basics of Amazon FBA, all the way through product research, product launches, post-launch strategies, and financials. We even covered some of the setbacks you are going to want to avoid.

This is the most up to date version of the blueprint I use as a successful Amazon seller, and I would love to see you succeed and make more money by using the tips in this book.

We have so many awesome projects coming up in 2017! I can't give too much away, but you can expect some awesome insights from transparent Amazon seller studies and guides.

If you have any questions or want to say hello, please feel free to reach out to me at gmercer@junglescout.com



Check out our amazing apps!

A suite of software created by Amazon sellers, for Amazon sellers.

Save yourself time and money with the most advanced tools for product research, listing optimization, Amazon profit Analytics, automated email campaigns and promotions.







