



THE BEGINNERS GUIDE
TO
\$ELLING ON
AMAZON

THE IN-DEPTH GUIDE



The Beginners Guide to Selling on Amazon

INTRODUCTION

Did you know that about 50% of all UK online sales take place on the Amazon platform? It's no wonder that so many entrepreneurs and aspiring sellers are flocking to take advantage of this opportunity!

Amazon's FBA service allows sellers to leverage the platform's powerful distribution network and customer base and take advantage of its global reach.

FBA stands for "Fulfillment by Amazon" which means Amazon will store sellers' products in the Amazon inventory, fulfill their orders, and offer customer service.

This guide provides a comprehensive, step-by-step guide to selling on Amazon and walks through all vital steps to become a successful Amazon FBA seller. If you are starting your business, you are in the right place to find out more about an Amazon FBA business.

Let's get started.





The Beginners Guide to Selling on Amazon

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CHAPTER 1

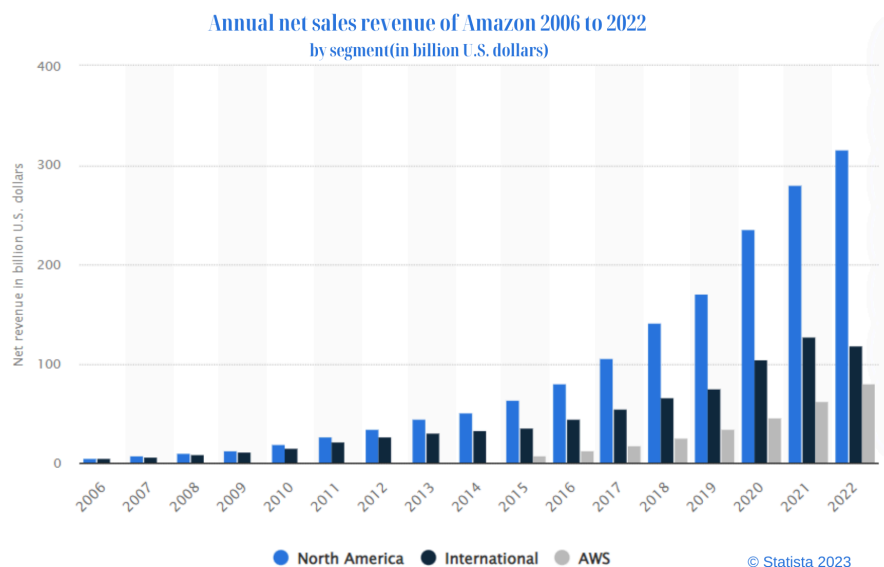
WHY SELL ON AMAZON

Amazon's Marketplace

It's no secret - the Amazon app is **one of the most popular shopping apps** in the world with 150+ million Prime members worldwide plus hundreds of millions of worldwide active customer accounts.

4,000 items are sold on Amazon PER MINUTE!

This enormous customer base with millions of active users worldwide provides Amazon sellers and resellers with access to a vast potential market. This increases the chances of finding interested buyers for their products - which leads to more sales.



In addition, Amazon has built **a strong reputation for reliability, security, and customer trust** over the years. Buyers feel confident making purchases on Amazon due to its robust customer protection policies, trustworthy reviews, and efficient customer service. This trust factor can benefit resellers like you and me (aka third-party sellers) as customers are more likely to purchase from a known and trusted platform.



Amazon's success is no doubt fuelled by the success of its third-party sellers. They generate more than half of its annual revenue. And during Prime Day 2020 third-party sellers made \$3.5billion in sales. **A great reason to be one of them!**

Amazon offers these sellers a **comprehensive infrastructure and logistics network**, including warehousing, inventory management, shipping, and customer service. This allows resellers to focus on sourcing and listing products, while Amazon handles the operational aspects, saving time and resources.

Also - Amazon helps third-party sellers to build a **customer base**. When shoppers head to Amazon their focus is usually on finding products rather than a specific store. That works to your advantage, because shoppers can come across products they're interested in, and in doing so, discover your shop.

SO WHAT DO YOU NEED TO SELL ON AMAZON?



1. MONEY

Good news! It's not a TON of money, and there are ways you can get started for well under £1,000! There are so many other business opportunities where you have to buy "kits", equipment - pay

franchise fees, or build fancy websites. Where you have to plug your "network" or pay money to your "upline". Apart from inventory - you only need to invest in Amazon fees, training, software & shipping supplies.

And **you can start small** - then invest more in your business later when it becomes more profitable. With the Retail and Online Arbitrage selling models (where you buy an item from retail stores and sell it on Amazon for a higher price, you can test buy and sell a small group of items without worrying about purchase minimums from suppliers. It's a great way to test the waters of entrepreneurship.

Other Amazon selling models will require higher start-up capital and incur greater risk. With Private Label (where you launch a new product) the minimal budget to manufacture, ship and sell your product will be closer to £3000.

More on these models in the next chapter!



2. TIME

An entrepreneur must be [willing to put in the time](#) and effort to learn the ropes and execute their plans. Selling on Amazon is not a "get-rich-quick" scheme and requires a long-term commitment. You will need to go through some ups and downs to learn how Amazon FBA works.

The reality is, and if you do it smart, you don't need to lose money during the learning phase. You just need to follow the study, study, study and make smart decisions. And never give up. That's why most fail, they give up too soon.

[Succeeding with Amazon FBA is like any long-term, sustainable business model.](#) It doesn't happen overnight and it takes lots of hard work to succeed but absolutely anyone can do it.

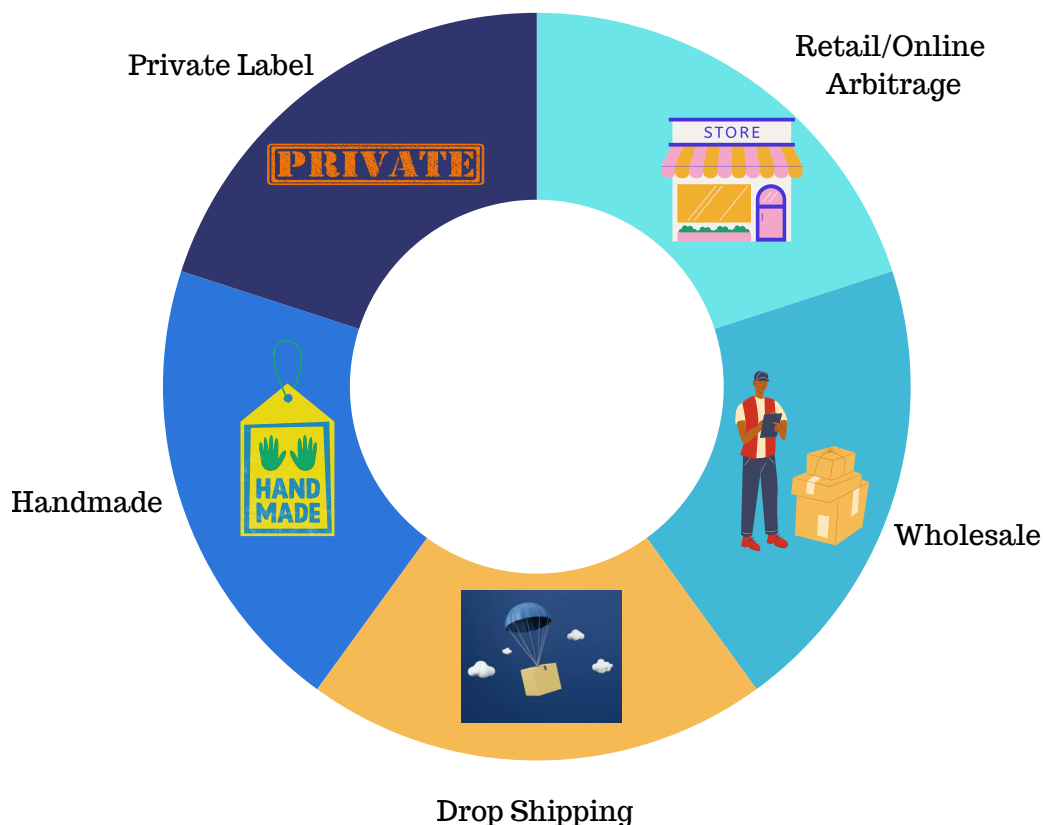
Because Amazon FBA is so much easier than many other options out there and it is one of the greatest online business models you can start.



CHAPTER 2

HOW TO SELL ON AMAZON

AMAZON SELLING BUSINESS MODELS



There is a business model that will work for you to sell on Amazon - regardless of how much money you have or the product you wish to sell. In this chapter we will review the many options and choices you have when building your business and discuss the pros and cons of each one.

FULFILLED BY MERCHANT OR FULFILLED BY AMAZON

Amazon offers two fulfillment methods for delivering orders to your customers:

- **Fulfillment by Merchant (FBM)**
- **Fulfillment by Amazon (FBA)**

With **FBM**, you are responsible for shipping, returns, refunds, and customer service on your own or with the assistance of a third-party logistics company.

On the other hand, with **FBA**, you can send your goods to Amazon warehouses, and for an additional FBA fee, Amazon takes care of storage, packaging, shipping, customer service, returns, and refunds.

THE AMAZON FBA FLOW-CHART



We discuss the various business models next:



1. RETAIL / ONLINE ARBITRAGE

This model enables sellers to purchase products from local stores as well as online (often during clearance specials) and then ship them into an Amazon warehouse.

Once a sale is made from one of your Amazon listings, Amazon will ensure your customer get's their product, from the inventory they are storing for you, within days.

PROS	CONS
Low-cost investment to start your business	Stiff competition from sellers vying for popular brands
Low Risk	Difficult to scale/grow substantially
Allows use of cash-back sites	If you intend to resell items from other brands, Amazon may limit you under its <u>Brand Gating</u> feature for counterfeit management. You must have explicit approval from these brands to sell their products
No need to spend on advertising	Difficult to replenish stock outside sale seasons



2. WHOLESALE

Buying from wholesalers allows sellers to place bulk orders of products from brands, distributors, or manufacturers.

PROS	CONS
Less stock shortages	Stiff competition from sellers vying for popular brands
Well-known products generate easy sales revenue	Minimum order quantities which could lead to high upfront costs
Lower marketing costs	Finding products takes extensive research and filtering through client catalogues



3. DROPSHIPPING

Dropshipping enables you to act as an intermediary between a supplier and a customer. You only buy the products from a retailer or wholesaler after you've made a sale on Amazon, then have the items sent directly to your customer.

Dropshipping is not a recommended model. Amazon has rules against it so the risks often outweigh the well-advertised perks.

PROS	CONS
No need to store or manage inventory	Fulfillment and shipping is at the mercy of the suppliers
Low to no start-up cost	No control over the product quality
Performance is aligned to your efforts	Poor customer service from suppliers will impact your ratings
No need to spend on advertising	Low profit margins



4. HANDMADE

Handmade is all about creating/crafting your own products to sell on Amazon.

PROS	CONS
The Handmade category is juried. This means that Amazon limits who can join the platform.	The average time it takes to build a product is slow -which makes bringing products to market slower
Control over the product quality	Usually reliant on a single source which could be a bottle-neck



5. PRIVATE LABEL

Private label, or the practice of sourcing or producing bulk products to sell under your own brand or label is used by 59% of all Amazon sellers. With private labels, sellers have complete control of the product.

They can customize it with their own logos, packaging, and labels and; differentiate themselves from competitors. Additionally, they can control the products' pricing, marketing, and advertising activities.



PROS	CONS
You own your private label brand 100%. That means you can make all business decisions independently	High upfront costs as need to bulk order products
Able to ascertain demand and control inventory levels as you can monitor sales.	Heavy resource investment needed to do product testing, market research, branding marketing etc
Able to brand the products in your own unique style and price them as you wish	Amazon provides a host of opportunities for brand owners including a Storefront, Brand Data Analytics, and advanced advertising functionality
No competition for the "Buy-box" with other sellers	More time and effort is required to establish a new brand name

Amazon FBA is a great way to sell products online - but it's important to keep in mind that there are some requirements associated with using this service. All FBA businesses need to meet the guidelines set out by Amazon.

We discuss the steps you need to take to start your Amazon FBA journey next.



CHAPTER 3

WHERE TO START

To become a seller on Amazon you must first choose your selling plan - you have a choice between the [Individual](#) and [Professional](#) plans.

To decide - consider the size of your business and your goals for selling on Amazon. The Individual plan may be the better option if you plan to sell fewer than 35 items per month. The Professional plan may be the more cost-effective choice if you're running a larger business or if you're selling products in a category requiring approval. With the Professional plan, you'll gain access to all of Amazon's features and tools, among other features designed to help you grow your business.

1. SET UP AN AMAZON UK SELLER ACCOUNT

To set up a UK Amazon seller account, head to sell.amazon.co.uk and click on the "Sign up" button. You can use your customer account to start selling, or you can create a new Amazon seller account with your business email.

2. SET UP YOUR BUSINESS

During the seller account registration, Amazon will ask you for your tax information.

If you're only likely to sell a small number of items each month, or you are planning to sell on Amazon on a casual basis, registering as a [sole trader](#) will probably be best. You will enter your social security number and or your UTR as confirmation of your sole trader status. Please note - all profits will be treated as personal income. This means that all of your profit will be subject to varying rates of Income Tax and NIC.

However, if you're intending to sell a lot of products on Amazon on a regular basis, it will be more tax-efficient to set up a [limited company](#). You will also benefit from limited liability. If you own a business, you will enter the business registration number.

Once the sign-up is complete, you will be asked to provide the following:

- *Business email address or Amazon customer account*
- *Internationally chargeable credit card*
- *Government ID (identity verification protects sellers and customers)*
- *Tax information*
- *Phone number*
- *A bank account where Amazon can send you proceeds from your sales*

Amazon will verify your submission. You may meet with an Amazon Associate during the verification process or be asked to provide further documents. Make sure all the information on your documents is matching; be collaborative and; you will get verified and start selling in no time!

3. SET UP YOUR BANKING



Consider setting up a separate business account. This will help you to avoid commingling funds and have cleaner books come tax time. As a sole trader, this can be as easy as setting up another personal account with your current bank. For an entity, you may need to have a business account.

4. UNDERSTAND THE FEES AND TAXES INVOLVED

For your business to be profitable (and compliant), you need to understand how much it costs to sell on Amazon UK. That includes becoming familiar with Amazon UK fees and taxes, which are:



- **Amazon selling fees UK** - Sellers under the Individual plan must pay £0.75 for each product they sell. Professional plan sellers pay a £25 fee per month excluding VAT.



- **Referral fees** - The fees can range from 6% up to 45% based on the product category but most of the sellers pay an average of 15%. Most of the categories also have a minimum referral fee amount, usually £0.25, so if your selling price is so low, then you pay this amount instead of the percentage of your selling price.



- **Fulfillment fees** - This will depend on whether you fulfill your own orders or use Fulfillment by Amazon (FBA) - you can use the [Amazon Revenue Calculator](#) to estimate the Amazon FBA UK fees.



- **Refund Admin Fees** (Only for refunded items) - If you refund a customer for an order for which you have already received payment, Amazon will refund you but you will be charged an applicable Refund Administration Fee, which is the lesser of £4.00 or 20% of the applicable referral fee.



- **Monthly and Long term storage fees** - Monthly storage fees are charged for all items stored in an Amazon fulfillment center based on their dimensions. Amazon charge FBA sellers long-term storage fees for the items that have been stored in their fulfillment centers longer than 6 months and longer than 12 months.

5. CREATE YOUR PRODUCT LISTINGS

Once your account is set up, it's time to create your product listings. We'll go into this topic in depth in the next sections.



CHAPTER 4

HOW TO FIND PRODUCTS TO SELL ON AMAZON

To find products to sell on Amazon, you need to decide what you want to sell, then source the items from a wholesaler or manufacturer. These steps require market research, an understanding of Amazon's tools and clear-eyed evaluations of your potential profit. Here's how you can find products to sell on Amazon.

1. UNDERSTAND WHICH CATEGORIES SELL WELL ON THE MARKET-PLACE

This can help you discover product ideas that you may not have thought of. There are some principal categories, like books, clothing, home, and kitchen that customers favor no matter what time of the year. Additionally, a few other items may have seasonal demand but have good rankings in the list.

Here's a current list of top selling categories on Amazon:



TOYS & GAMES



GIFT CARDS



CAMERA & PHOTO



BOOKS



VIDEO GAMES & COMPUTERS



PERSONAL CARE & SUPPLEMENTS



CLOTHING, SHOES & JEWELRY

Check out this constantly updated [list of best-selling items](#) as you research.

2. FIND THE RIGHT PRODUCTS TO SELL FOR AMAZON FBA

Some people start out knowing exactly what they want to sell. Others focus on what's hot on the platform and try to seek out those products.

Ultimately, the right products to sell on Amazon are the ones that make sense for your business. To help you determine that, establish some general criteria before looking at specific items.

Here are ways to evaluate potential Amazon products overall:

A. DEMAND



Is there enough demand to make it worth selling? You can also use a tool like [Google Trends](#) to see what's popular.

B. COMPETITION



Who are the other players in this space? Will you be able to compete with them on quality and price?

C. AVAILABILITY



How easy or hard is it to source the product? Is there only one supplier available?

D. PRODUCT COST



How much does the product typically cost to manufacture or buy wholesale?

E. PRODUCT MARGINS



Margins will differ by the product and directly impact profitability. For example, you'll have to sell large volumes of low-margin products before you make any significant profit. You'll want to try to find products with higher profit margins.

F. REGULATIONS



Be aware that you can't just sell anything on Amazon, including popular items like CBD oils. Be sure to check [Amazon's list of restricted products](#).

G. SALE PRICE



How much do products like this tend to sell for on Amazon? Is there enough margin between your cost, Amazon's transaction fees and the sale price to generate a profit?

H. SHIPPING CHALLENGES



Are these products easy to ship, or will you need specialty fulfillment support? If you're dropshipping, are you abiding by Amazon's rules?

I. CUSTOMERS



Who is the ideal customer for the product you're looking to sell? Will you need to reach them on Amazon, or should you invest in other online marketing strategies to help develop your brand?

3. RESEARCH PRODUCTS TO SELL ON AMAZON

Once you have a sense of how things like cost and fulfillment will influence what you sell, you can find items that fit the bill.

One helpful way to research and compare products is through these online tools:

- [Buybotpro](#) - A data analytics tool for Amazon FBA sellers. That works as a buying assistant. Sellers can use the app to calculate VAT, check eligibility, competitor stock, and export deal information.
- [Jungle Scout](#) - All-in-one platform for selling on Amazon that includes how to find products and sourcing suppliers.
- [InventoryLab \(US only\)](#) - A solution that syncs directly with Amazon Seller Central to help you research and source profitable inventory, and list and manage your current inventory.
- [Amazon Scanner App](#) - As an Amazon seller, you have access to their scanner app on iPhone or Android phones, which lets you scan an item's barcode to see its pricing and selling history on Amazon before you actually invest in it yourself.
- [Amazon FBA Calculator](#) - If you're an FBA seller, use Amazon's FBA Calculator to estimate what your profits might be on a certain product, less your FBA and sourcing fees.



CHAPTER 5

HOW TO LIST A PRODUCT ON AMAZON

1. PREPARE BEFORE YOU LIST PRODUCTS ON AMAZON

There are a couple of things you need to take care of first before listing products on Amazon. They're pretty straightforward, but it's important not to miss any of them because it'll cause a ton more work later on.

GET UPC CODES FOR ALL PRODUCTS

Each item you list on Amazon will need its own UPC code, whether that's a single item or several bundled together (Amazon counts a bundle as a single item).

If you are going to sell a product which has an existing listing then it will already have a UPC code.

MEASURE AND WEIGH THE PRODUCTS

One of the parts of uploading a product to Amazon is including its measurement and weight, and there are two ways of doing this.

If you're lucky enough to find that your product is already sold elsewhere on Amazon, you can copy/paste the dimensions and weight from that listing.

If not, you'll need to physically measure it (length, width, height) and weigh it.

TAKE PRO-QUALITY PHOTOGRAPHS

Product images are one of the most important parts in a product listing, so take the time to really get this step right.

MAKE YOUR PRODUCTS FINDABLE

Especially for brand new listings. The last step before actually listing products on Amazon means ensuring buyers will be able to find them once they're live.

For starters, double-check that you have the right category selected, as you might have to get approval to sell in restricted categories.

2. BEGIN LISTING PRODUCTS TO BE SOLD ON AMAZON

There are only six steps in this part; if you did everything right in the first part, this section will be a breeze.





1

Login to your Seller Central account and toggle to the Inventory dropdown menu, then select **"Add A Product"**. You can also get to this point by clicking on **"Add Products Via Upload"**, which is handy if you're used to working with spreadsheets.



2

Next is to choose one of three options on the **"Add a Product"** page.

- Use the search bar to look for a product by name or ID.
- Just under the search bar, click on **"Create a new product listing"** (if your product is brand new and not currently being sold on Amazon).
- For batch uploads, go to the right side of your screen and click on **"Bulk upload"**.



3

Confirm the primary category and add in any other categories or sub-categories your items belong to.



4

Switch to **"Advanced View"** and fill in as many of the fields under the various tabs, i.e. Vital Info, Variations, Offer, Images, Description, Keywords and More Details.



5

Fill in your bullet points, description, and the dimensions and weight of your product. Depending on the category you are selling in, you may have some additional fields to fill in. For example, if you are selling a toy, you will be required to enter the minimum age recommended. If you're ever unsure about what a field is asking, hover over the question mark and Amazon will give you more information.



6

Once you click **"Save Changes"**, your listing will show up in Seller Central under **"Manage Inventory"**. You can return to edit this listing at any time.

START

LET'S GET YOU STARTED ON AMAZON FBA!

Amazon FBA changed my life, and I hope it can help you change yours, too. Whether you're looking for financial freedom, a 4-hour work week, to expand your brand, or to create something that's your own, we want to help you succeed.



AT SYSTEMS2SCALE, WE PROVIDE THE BEST POSSIBLE SUPPORT TO HELP YOU AT EVERY STEP OF YOUR JOURNEY.

Don't forget to check out our

BLOG

(Bookmark it now!)

Follow Systems2Scale on social media to see more tips and info that the team and I continue to share to keep you on top of your Amazon game.

And as always, if you have any questions, don't hesitate to reach out.



CHIPO MUKONO
Head of Systems2Scale



ABOUT US

Scaling your ecommerce business is about growing your revenues significantly while controlling the time spent in the business as well as the costs and expenses incurred.

We can help with that!

OUR SERVICES

SYSTEMISATION

We'll assess your current business and assist with the creation of standard operating procedures for your teams.



TRAINING

Join our online courses, webinars for training on how to scale your business successfully.

COACHING

We'll come alongside you and provide the training, support, and encouragement to grow your business.

