

A SELLERENGINE COLLECTION



# How to Sell on Amazon in 2020

A STEP BY STEP GUIDE

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# About this book

Thinking of launching an online business this year? Trying to branch out into e-commerce, but not sure where to start? Amazon could be an option. If you're wondering how to sell on Amazon in 2020, look no further. With our step-by-step guide, you'll know the ins and outs of how to sell on Amazon in no time.

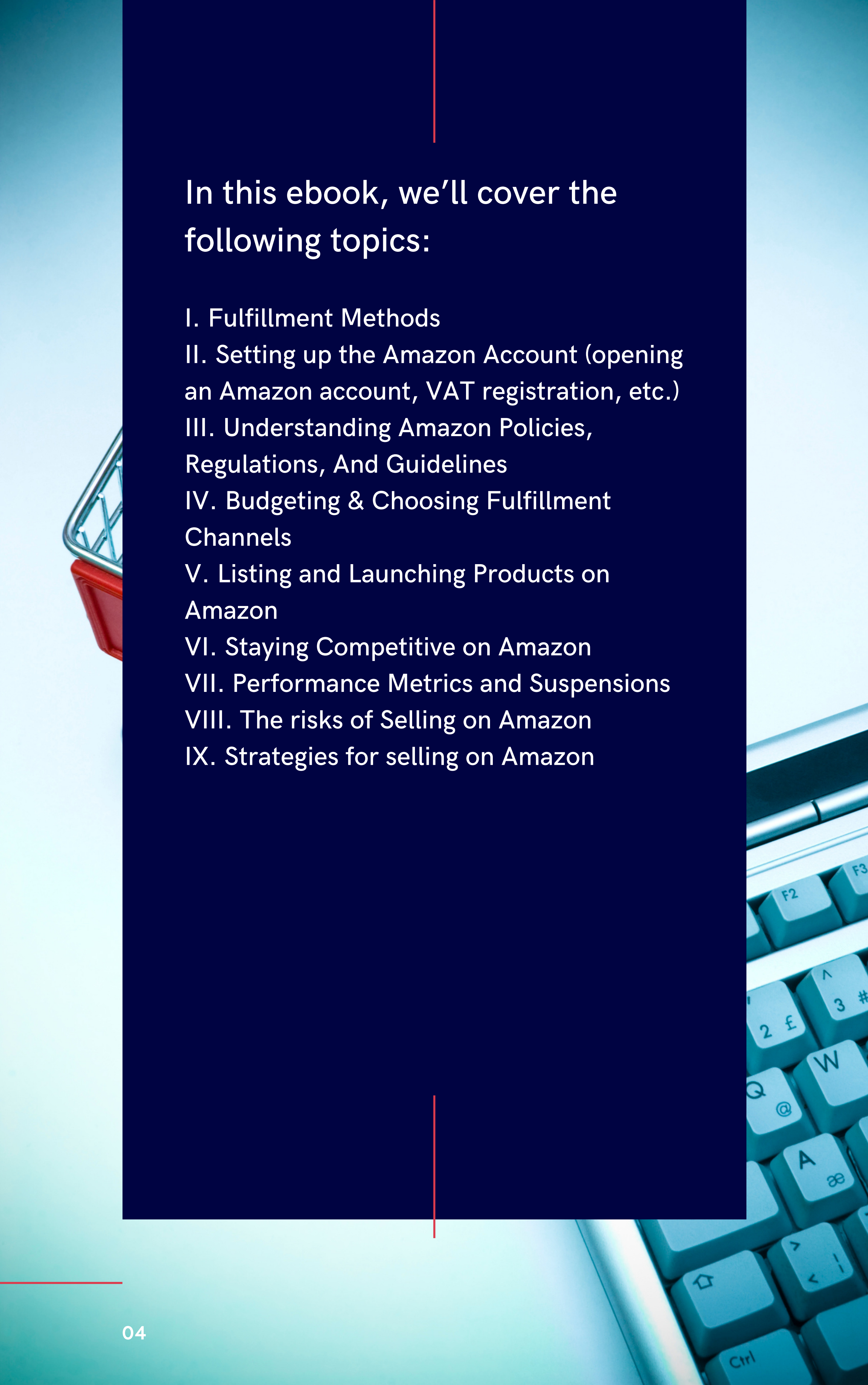
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# Introduction

It's as good a time as any to kick-start your online business idea. And the top contender for your marketplace is probably the world's most valuable company, Amazon. But before you pour time and money into it, our "How to Sell on Amazon in 2020" guide has a few pointers. Amazon has come a long way from the modest online bookstore of 1994. And so have the people selling on its 17 venues. To stay ahead of the competition, you need to know the figures, the tools, the rules, the loopholes.



In this ebook, we'll cover the following topics:

- I. Fulfillment Methods
- II. Setting up the Amazon Account (opening an Amazon account, VAT registration, etc.)
- III. Understanding Amazon Policies, Regulations, And Guidelines
- IV. Budgeting & Choosing Fulfillment Channels
- V. Listing and Launching Products on Amazon
- VI. Staying Competitive on Amazon
- VII. Performance Metrics and Suspensions
- VIII. The risks of Selling on Amazon
- IX. Strategies for selling on Amazon

# How to Sell on Amazon in 2020:

## I. Fulfillment Methods

It's important to consider how you will sell on Amazon before you set up your account. Some of the things you need to factor in are the product, your capacity, and your turnover. You're free to try several options, and most people do before they find their niche. Let's review the methods for selling on Amazon in 2020

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# 1. As a Vendor (1P)

Manufacturers, exclusive distributors, brand owners, and private label sellers can sign up to sell directly to Amazon on a wholesale basis. This business model is also known as 1P or first-party. Amazon is essentially the retailer in this relationship.

The benefits of being a Vendor on Amazon are many. Amazon handles all customer-facing interactions. Your products are listed as “sold by Amazon” and fulfilled with Prime. You gain access to Vendor Central, and your personal vendor manager handles marketing for you.

There are also disadvantages to being a Vendor; namely lack of control over your products and less room for pricing negotiation. You can either take Amazon’s (only) offer or leave it. The price you set will be visible to Amazon managers on every venue, so differential pricing is out of the question.

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Secondly, payments take 90 days to process, and they aren't always timely. A good chunk of these payments will be retained by Amazon to cover shipping, handling, damage, and missing products. Finally, Amazon decides if and when to restock and sending you a purchase order (PO).



## 2. As a Third-Party Seller (3P)

A third-party relationship is when you position as a retailer, selling products to buyers on the Amazon marketplace. As a retailer, you have full control over your prices, except when there are MAP restrictions. You can update them whenever you want, based on the margins you want.

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You have more control over your inventory than a vendor would. And disbursements are much quicker for domestic deliveries. If there's no hold on the account, payments to US sellers should be ready within a fortnight. And most experienced sellers can request daily disbursements.

There are two types of seller accounts on Amazon. *The Basic account* is the default. Anyone who decides to sell an item on Amazon must create one of these accounts. In Amazon lingo, this person is called an *Individual seller*.

Sellers with 40 sales per month usually sign up to the *Pro Merchant* selling plan (Professional Seller). The monthly fee is cheaper than per-item Amazon fees. So, the subscription pays for itself.



Check [this video](#) to learn more about the benefits of being a Professional seller.



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As a Professional seller on Amazon, you gain access to Seller Central and its business reports. You can own the Buy Box. You also have several options to fulfill your orders. Depending on the type of products you sell, you can opt for any or all of these channels:

### *MFN (Merchant Fulfilled Network)*

Also known as FBM (fulfillment by merchant), it involves shipping from your warehouse and handling every aspect by yourself, including buyer communication, returns, refunds, and claims.

### *FBA (Fulfillment by Amazon)*

You list and ship to Amazon, who takes over from here. The FBA Export option is a great add-on. You list on a single venue and deliver globally. Also, there are profit-boosting special services like FBA Small and Light and Subscribe and Save (for consumables only).

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For more control over inventory, you can open an Amazon European Marketplace account. FBA items delivered with EFN (European Fulfillment Network) across Europe are stored in a single FBA warehouse, but listed on all European venues.



Check [this video](#) to learn more about Fulfillment By Amazon.

### *SFP (Seller Fulfilled Prime)*

Also called MFN Prime, SFP is a cross between MFN and FBA.

You list with the Prime badge, use Amazon's labels, and ship from your warehouse using an approved courier within 24 hours.

### *MCF (Multi-Channel Fulfilment)*

If you have your own eshop, you can send MFN or FBA products to FBA fulfillment centers. Amazon will handle picking, packing, shipping, and delivering them to your online customers.

## How MCF works

Send all or some of your inventory directly to an Amazon fulfillment center. When customers purchase products on your website or another third-party sales channel, we receive your orders and pick, pack, and ship them directly to your customers.



MCF is available with or without Fulfillment by Amazon (FBA). If you do use FBA to sell on Amazon, your existing inventory will serve both Amazon customers and customers from your other sales channels.

That's not all. If you opt for a unified account, you can use the same account on any venue and pay the monthly fee once only. And if you own a trademark, you can sign up to Brand Registry, a tool used by vendors.

Finally, the Amazon Business Seller Program is only available to Professional sellers. If you're eligible and you apply, you can start selling on a retail or wholesale basis to Amazon Business users.

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## 3. As a Hybrid Merchant

In reality, most sellers operate on a variety of Amazon platforms and venues with different fulfillment channels. They often switch from one selling plan to the other. And as new selling programs are made available on Amazon, their business models can change overnight.

They can go from Individual Seller to Vendor if they decide they want to deal exclusively with Amazon. They can also swap drop-shipping tactics from Arbitrage to Private Label. Or they can come up with a product of their own and switch from Merch by Amazon to an Amazon Handmade business.

Deciding how to sell on Amazon starts with your fulfillment options. But there's lots more to think about.

# How to Sell on Amazon in 2020:

## II. Set Up Your Amazon Account

Wondering what it takes to set up your Amazon account? Whether you're just curious or intent on selling on Amazon in 2020, you're in the right place. Next, we take you through Amazon account setup and review all the basic information you need to start selling on Amazon right away.

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Setting up your Amazon account and start selling is easy and it only takes minutes. But it's important to get it right the first time.

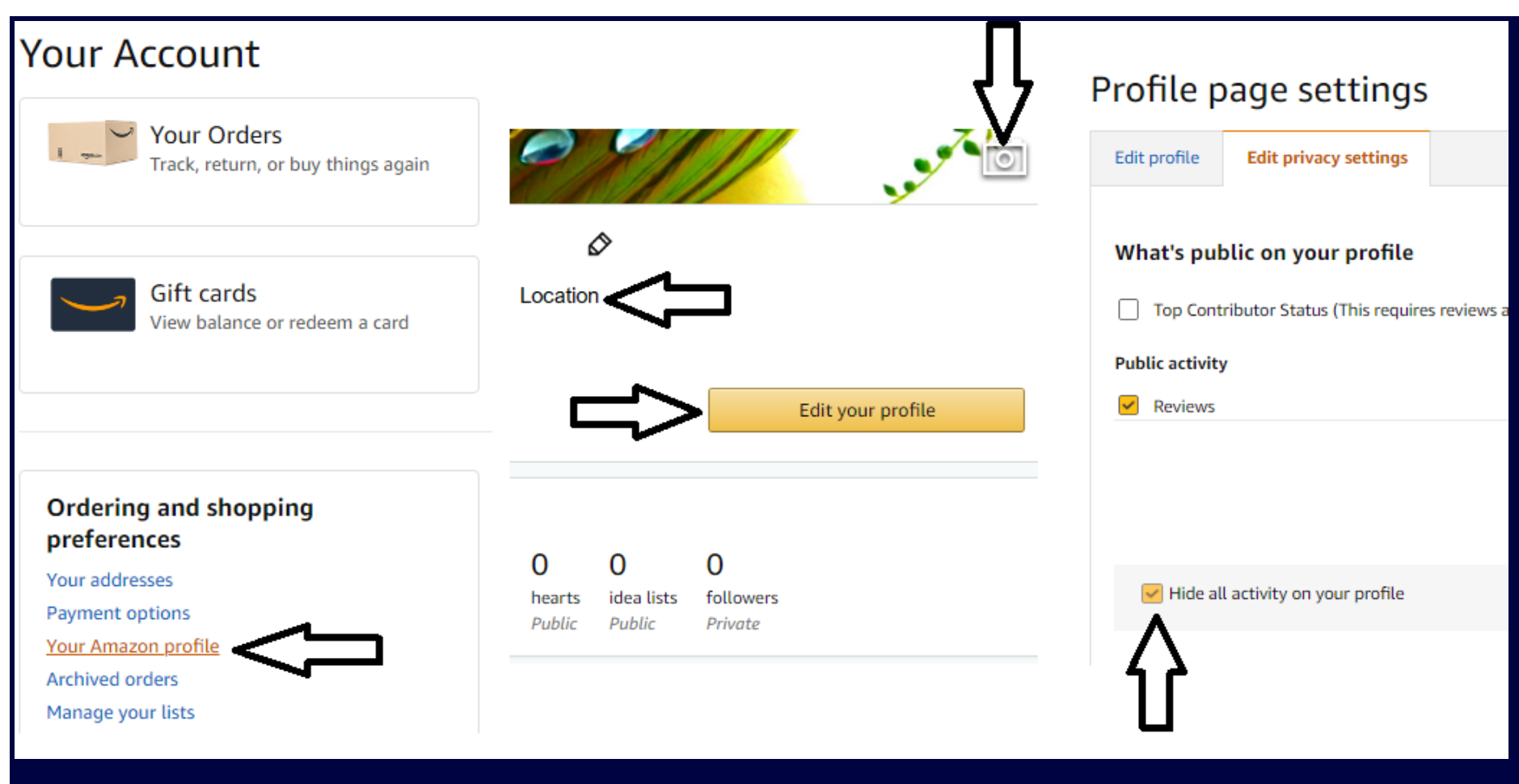
In addition to the nuts and bolts of set-up, there are selling policies, guidelines, and a code of conduct to adhere to. Luckily, there's a whole new website now that teaches people how to sell on Amazon, complete with a list of best practices for sellers and a brief selling guide.

And before you discover how to start selling on Amazon in 2020, also make sure you factor in these 10 hidden costs as well as the amount you'd pay in fees which are determined by the venue, type of product, and fulfillment method you choose. To get a rough idea of the fees, please skim through our blog post, 2020 Amazon Fees Explained.

So let's take a look at the steps you need to take to set up a seller account on Amazon. To make sure your application is successful, have the following information ready, and follow our instructions step-by-step:

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- A list of options for your seller name and a memorable password.
  - Your address, applicant name, or company name and corporate designation (LLP, Inc., etc.).
  - Email address and valid phone number for verification purposes.
  - Bank or credit card information for Amazon to charge your selling plan subscription.
  - Bank account number to receive your deposits from Amazon.
  - Employer Identification Number (EIN) or social security number (SSN, NIN, etc.).
  - Passport number or other form of ID, just in case.
  - Letter of authorization with company letterhead and owner's signature, if applicable.
  - Company registration certificate, if applicable.
  - Setting Up a Selling Account on Amazon
  - You can use your existing customer account or set up a new one.

If you'd like to use the same account, then it's probably best to check your personal profile's privacy settings. If you don't want competitors to have access to your personal information, consider editing it or hiding your activity.



## Step 1. Legal Name

You can create a new account or use your existing login information to access the signup interface. As you access the signup panel, you'll see a 5-step workflow. It all starts with your Seller Agreement, which must be signed by a legal entity, be it a private individual or company.



It's also acceptable for sellers to enter their company name followed by the name of the owner (but don't forget the hyphen). Be aware that if you change your name (in real life), you may need to go through a verification process before Amazon allows you to change the legal name of your business.

amazon seller central

Get started selling on Amazon

Email (phone for mobile accounts)

Password [Forgot your password?](#)

Next

Keep me signed in. [Details](#)

New to Amazon?  
Create your Amazon account

Have the following available:

Business name & address

Mobile or telephone number

Chargeable credit card & valid bank account

Tax information [What does this mean? >](#)

Legal name  
[What is a legal name? >](#)

Seller agreement

I have read and accepted the terms and conditions of the [Amazon Services Business Solutions Agreement](#)

## Step 2. Business Details

The next step involves sharing your business address, which can be the company headquarters or a home address. *The most important entry here is the business display name, which is what customers see when they buy from you.* It doesn't need to match the company name. And you can change it

later. But there's no reason not to make it relatable and attractive to your customer base.

The screenshot shows a multi-step registration form for Amazon sellers. At the top, there are three numbered steps: 2 (Seller information), 3 (Billing / Deposit), and 4 (Tax information). The current step is 'Tell us about your business.' The form is divided into two sections. The first section, 'Business address', contains fields for 'Address Line 1', 'Address Line 2', 'City / Town', 'State / Region / Province', a dropdown menu for 'United States', and 'ZIP / Postal code'. The second section contains fields for 'City / Town', 'State / Region / Province', a dropdown menu for 'United States', and 'ZIP / Postal code'. Below these are two optional fields: 'Choose your unique business display name' with a link 'What is a business display name?' and a text input box, and 'If you sell your products online, enter your website URL (optional)' with a link 'Why do we ask for this?' and a text input box.

You will then need to supply a telephone number. Amazon will use it to send you a PIN. You have the option to receive it by text or through an automated call-back feature. Simply click "Text/Call me now", and enter it in the corresponding box.

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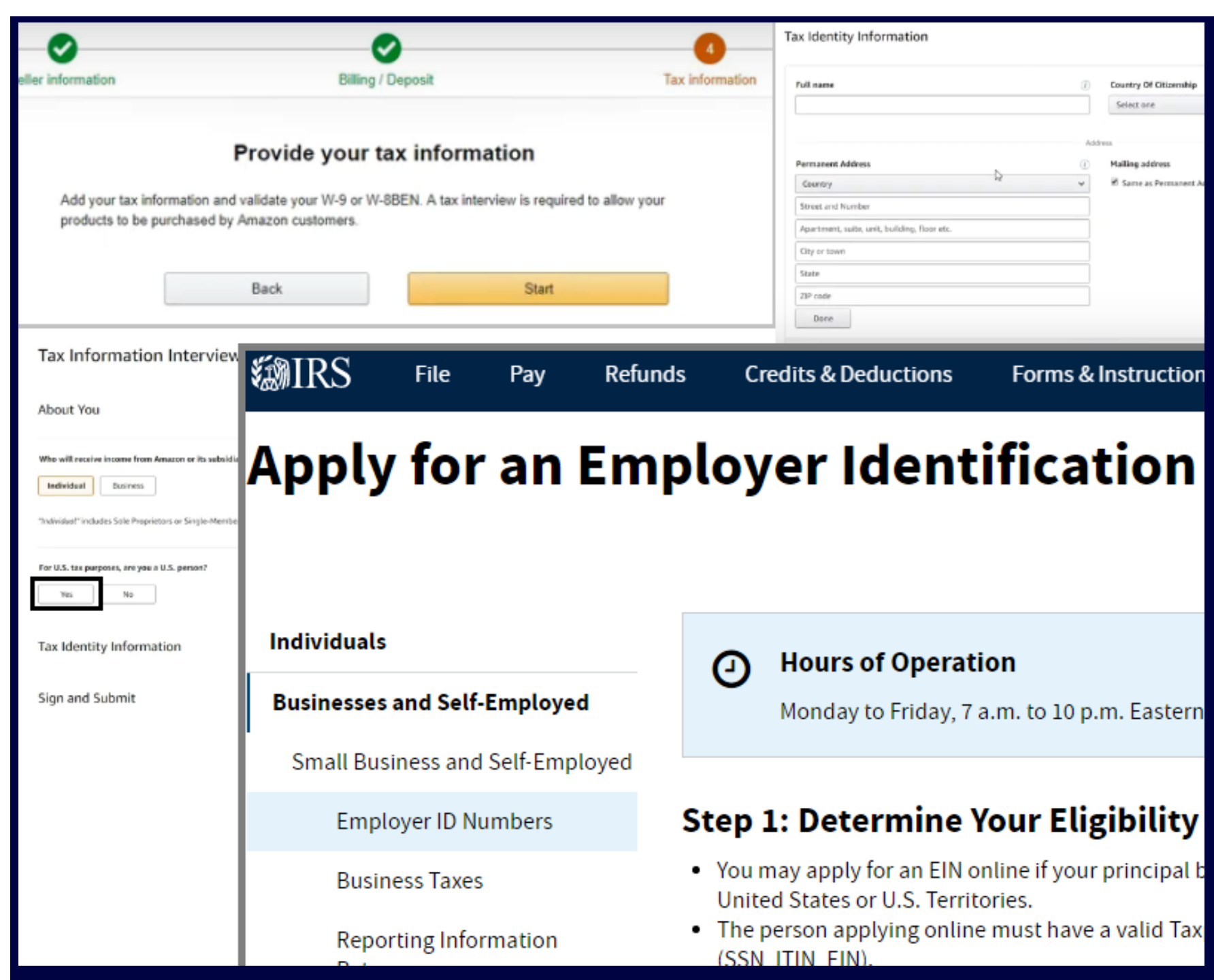
## Step 3. Fulfillment and Bank Details

During the billing/deposit stage, you can tick the 'Fulfillment by Amazon' option to sign up for FBA. You will then be asked for credit card details so that Amazon can charge the Pro subscription fee. As you start selling, your subscription fee will be subtracted from your earnings before payouts.

This next part is where it gets interesting. When it comes to deposit setup, it's important to note that you need a local bank account. If you don't have one, there are services out there like Payoneer that can provide you with one. You can keep your deposit and billing accounts separate if you want.

# Step 4. Tax Data

Your tax interview consists only of a couple of questions about the legal entity and fiscal residence. If for tax purposes, you're a resident of the USA, you must enter your social security number (SSN). If you're registering as a business entity, you should have an Employer Identification Number (EIN) from the IRS. The EIN application webpage has all the information you need to determine and prove your status. Once you enter the tax information, Amazon will ask you to sign a declaration and submit.



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## Step 5. Final Details

This is the last step to complete, and it can vary through time and across venues. On Amazon.com, it should take you straight to setting up your first listing, if you're an individual. Otherwise, it may ask you to upload supporting documentation, such as ID, company registration certificates, invoices, bills, etc.

Sign-up requirements depend on the marketplace of which there are 17 of those – and counting. European venues may only accept passports as proof of identity for some foreign nationals. Some Amazon venues may carry out micro-deposit validation for business entities. And some may ask for proof of tax status or letters of authorization from the business owner.

But your Seller Central account will look almost identical from one marketplace to the other. As soon as your account is activated, you can access it and edit your information, as shown below.

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And should you need a brief tutorial on Seller Central, Amazon Seller University can walk you through the basics with its [Quick Start Guide](#).

Don't forget about your subscription fee! If your sales don't cover the \$39.99 fee, Amazon may charge your card again. If you'd like to continue as an individual seller, simply call them to say you have no intention to sell professionally at the moment, and they will reimburse you.

Now that you've set up your Amazon account successfully, you can start selling on Amazon right away. But bear in mind that policies and guidelines can change, sometimes with no forewarning. Read on for more details in our next chapters.



*To find out about all the practical aspects of selling on Amazon, please subscribe to our [blog](#). We'll keep an eye out and share all the latest news with you, so you can focus on growing your business.*

# How to Sell on Amazon in 2020:

## III. Understanding Amazon Policies, Regulations, And Guidelines

The recent health crisis sheds light on the importance of having tough rules in place. And that's something Amazon excels at. Everywhere you turn, there are Amazon rules to keep sellers in check. And with over 2.5 million sellers handling 53% of sales, who can blame them?

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The official [Program Policies](#) page neatly lists all these rules. But before you peruse the list, you should know that Amazon has one overarching policy: customer centricity. As Jeff Bezos puts it himself, the customer-centric approach is the “secret sauce” to his success recipe.

*The idea that customers must always be happy is Amazon’s core strategy.* But creating these positive experiences for customers isn’t just Amazon’s job. It’s the seller’s duty as well. Here are the most important rules for anyone wanting to sell on Amazon in 2020:

## Seller Agreement

First things first – sign your seller agreement. You do this when you [set up your Amazon account](#). It’s a simple contract with straightforward terms. But pay special attention to the sections that mention these caveats:



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- Amazon can withhold your funds if your performance is poor.
  - If you owe Amazon money, they can collect by any lawful means.
  - Amazon can impose transaction limits (the norm with novice sellers).
  - You can terminate the contract any time by contacting Amazon's representatives.
  - Amazon must give you 30 days' notice before terminating the contract.
  - If you're warned and you don't 'cure' in 7 days, you resort to illegal activity, or your actions harm customers or Amazon, they can terminate the agreement on the spot.

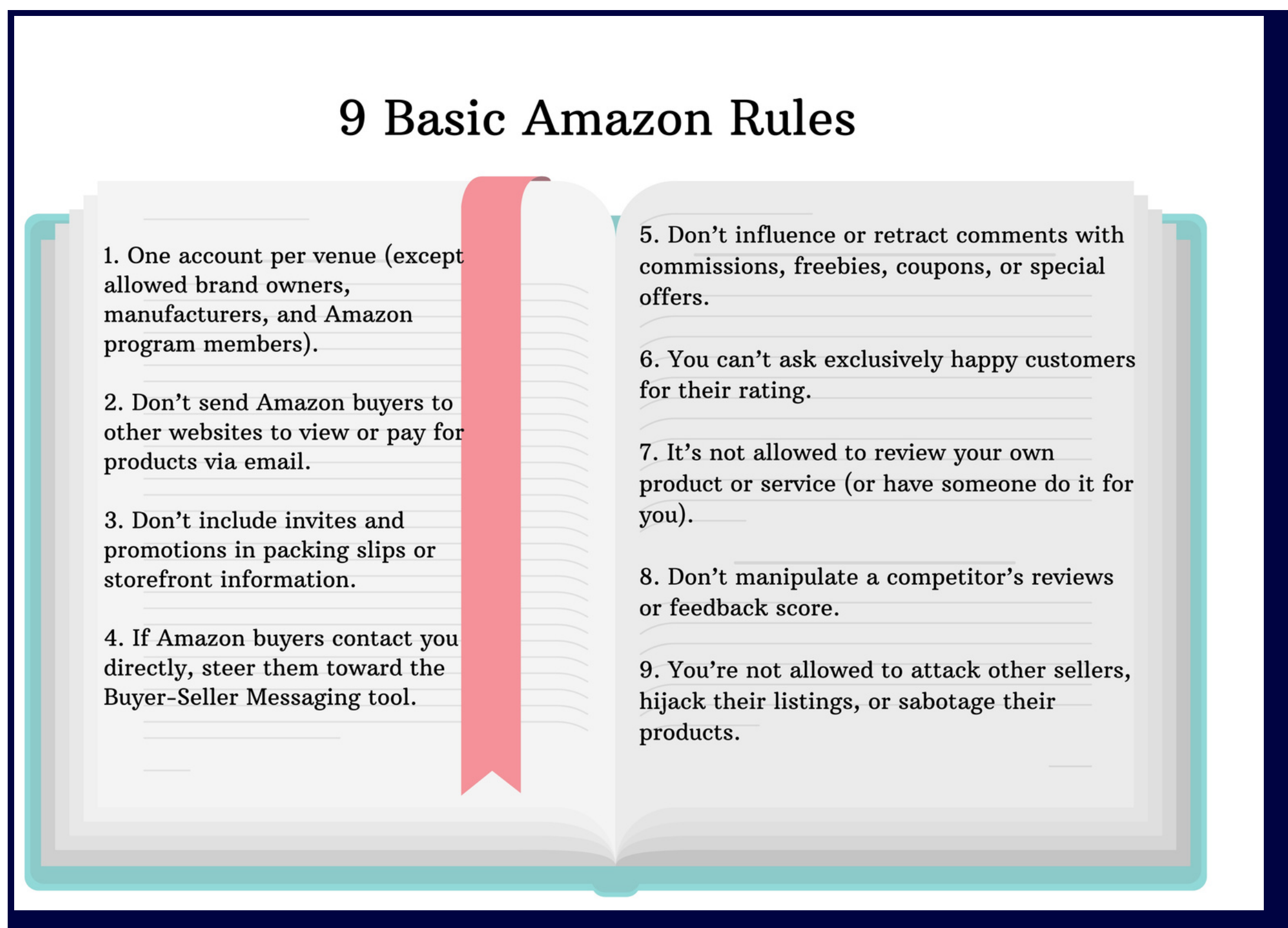
## A. General Policies

Once you become an Amazon seller, you're bound to a series of Amazon rules. Some are general policies, and others apply to specific selling programs (e.g. FBA Small and Light, Amazon Handmade, etc.). Let's look at universal selling Amazon rules and how to avoid breaking them:

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## *a. Selling Policies and Seller Code of Conduct*

Sellers often break the Code of Conduct. When they do, their accounts are quickly suspended. But these suspensions are completely avoidable by familiarizing yourself with the rulebook before you start selling. If you want to sell on Amazon in 2020, here are 9 basic Amazon rules to remember:



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## *b. Customer Product Reviews Policies*

There are also specific rules about product reviews. Amazon has a zero-tolerance policy toward sellers who break these rules. To avoid suspension, lawsuits, deleted reviews and listings, remember the following:

1. Don't use review clubs or closed social media groups (e.g. Facebook groups) to solicit reviews.
2. Don't pay reviewers in private (e.g. via Paypal) after they write a review.
3. Don't divert negative feedback while sending only positive feedback to Amazon.
4. Don't create variations of the same product to accumulate product reviews.

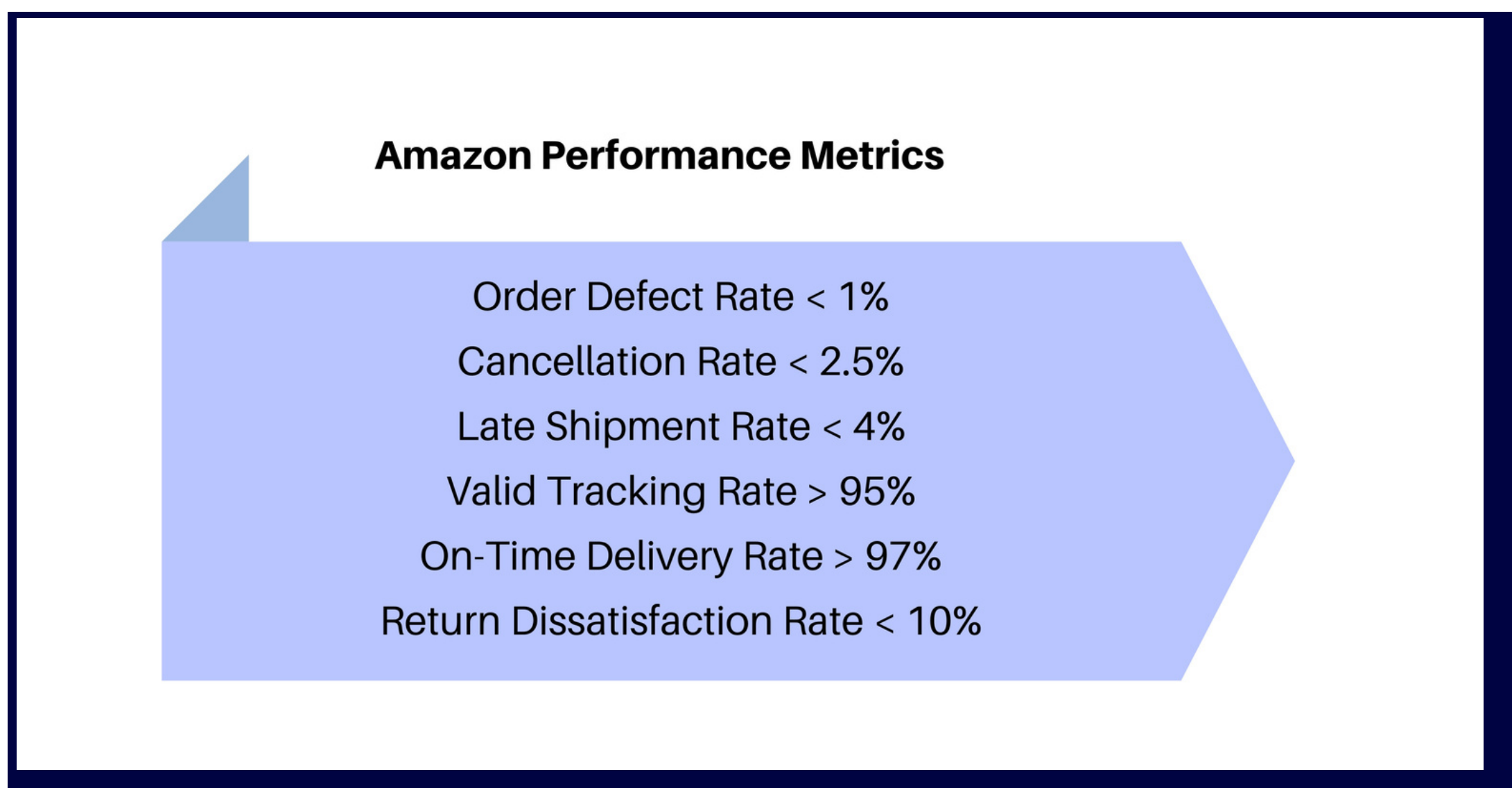
## *c. Monitor Your Account Health*

Amazon monitors seller performance constantly. But it's not unusual for seller accounts to be suspended in droves before the holidays.

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To make sure you don't fall short of Amazon's standards, check the [Account Health section](#) in your Seller Central account, as shown below.

We'll discuss performance metrics in greater detail in the 8th chapter of our [How to Sell on Amazon in 2020](#) ebook. But until then, please make sure you understand what [performance metrics](#) are and their effects. Meanwhile, here are some that matter the most to third-party sellers:



**Amazon Performance Metrics**

- Order Defect Rate < 1%
- Cancellation Rate < 2.5%
- Late Shipment Rate < 4%
- Valid Tracking Rate > 95%
- On-Time Delivery Rate > 97%
- Return Dissatisfaction Rate < 10%

The graphic consists of a dark blue rectangular border containing a light blue arrow pointing to the right. The arrow has a white text area in the center listing six performance metrics. The title 'Amazon Performance Metrics' is centered at the top of the arrow.

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## B. Intellectual Property Policies

Intellectual Property infringement is a big deal. So big that you can get suspended with no prior warning if there's even the slightest chance that you broke these basic Amazon selling rules. And to reverse the suspension you need ironclad arguments. 'I didn't know' won't cut it.

We talked about IP infringement before on our blog. Our advice is for you to read our post titled How to Handle IP infringement Issues. It can help you get a grasp on concepts like trademark, patent, and copyright. After you go over some of this material, make sure you understand that you must sell:

1. Authentic items only, in line with the Amazon Anti-Counterfeiting Policy.
2. Items that don't violate IP rights, as per Amazon Intellectual Property Policy.

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3. Items with the Amazon badge only when you comply with Trademark Usage Guidelines.

## C. Product and Listing Requirements

To sell on Amazon in 2020, you must comply with the policies we mentioned above, stay on top of your metrics, and be extra careful about I.P. claims. But besides all that, there are a few pricing rules and listing restrictions you should go over before you start selling.

### *a. Amazon Marketplace Fair Pricing Policy*

This is Amazon's main rule against price gouging. It applies to all situations where a seller's pricing "harms customer trust".

The Fair Price policy ties in with the Code of Conduct, Amazon Policy on Reference Prices, and Minimum and Maximum Price Validation rules. We discussed all these rules and how Sellery can help in our post,

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Decoding the Amazon Fair Price Policy. Here is a list of price gouging rules for every third-party seller on Amazon.

**10 Rules About Price Gouging on Amazon**

- ✓ Don't inflate your MSRPs to make your offer look like a bargain.
- ✓ Don't raise prices to 6 times more than the recent selling price (or \$200, if higher).
- ✓ Don't sell multiple units in a pack for more than you'd ask for them individually.
- ✓ Don't hike up shipping price (e.g. charge more for domestic shipping than for the item).
- ✓ Don't lower your price to less than referral fees to offset a high shipping price.
- ✓ Don't raise the asking price (shipping charge included) after the order is confirmed.
- ✓ Don't overprice because your competition is weak or absent.
- ✓ Don't overprice just because everyone else is doing the same.
- ✓ Don't let your automatic repricer decide your pricing strategy for you.
- ✓ Don't let your repricing software apply your pricing rules unchecked.

*b. ASIN creation policy*

There are undisclosed limits to the number of new listings a seller can make. Amazon will go over them every week. And it will also check to see that you don't create duplicate listings. Make sure you don't sell multipacks instead of legitimate bundles too. And check that your product variations are accurate and consistent.

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### c. Category and Product Restrictions

Product restrictions include but are not limited to, legal requirements. Expired products, testers, age-inappropriate or offensive products are just a few examples of products you can't sell on Amazon in 2020.

But there are also products that can only be sold in new condition or only through seller fulfillment. A tool like Profit Bandit can warn you about product restrictions before you buy an item, so that you're not stuck with inventory you can't sell.

When it comes to product categories, some are 'gated'. That's seller jargon for "requires approval". The list of restricted categories includes Video, DVD, & Blu-Ray and Toys & Games (over the holidays only). Storefronts like Made in Italy and restricted brands like Nike are also gated. So too are warranties like the Watch Protection Plan.



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#### *d. Prohibited Product Claims*

Aside from restricting products, Amazon can also ban them. For example, products without valid FDA approval (e.g. dietary supplements) can't be listed on any of its venues. These items usually come with unfounded claims like 'FDA-approved' or 'healing'. But the FDA does not approve dietary supplements or any other product that only claims to cure, prevent, or treat something.

#### *e. Product Detail Page Rules*

The Quick Start Guide to listing on Amazon covers the basics. These rules apply to all the sections of a product listing that a buyer can see. For instance, titles should be under 200 characters long, with capitalized initials only. There should be no special characters or references to promotions or product popularity.

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As a general rule, using code (e.g. HTML, JavaScript) is forbidden. But line breaks (  
) are allowed in the description. Adding contact information, URLs, prices, condition or availability information is forbidden. And spoilers, reviews, quotes, dates, and testimonials are not allowed.

Watermarks, borders, drawings, animation, and text on images are also not permitted. Nor should you use anything other than a white background for your images. Items sold separately must be pictured on their respective listing. For more guidance on product image best practice, read these [7 Tips on Product Images](#).

Some categories have special requirements. Check your [Inventory Templates](#) for special fields. Also, product categories should be classified correctly during the listing process. To make sure you do so, it's best to use the [Product Classifier](#) or the [Browse Tree Guide](#).

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## *f. Product Guidelines*

Some guidelines only refer to specific products. Software can only be sold if it's the full retail version, for instance (i.e. not a promotional version, Beta version).

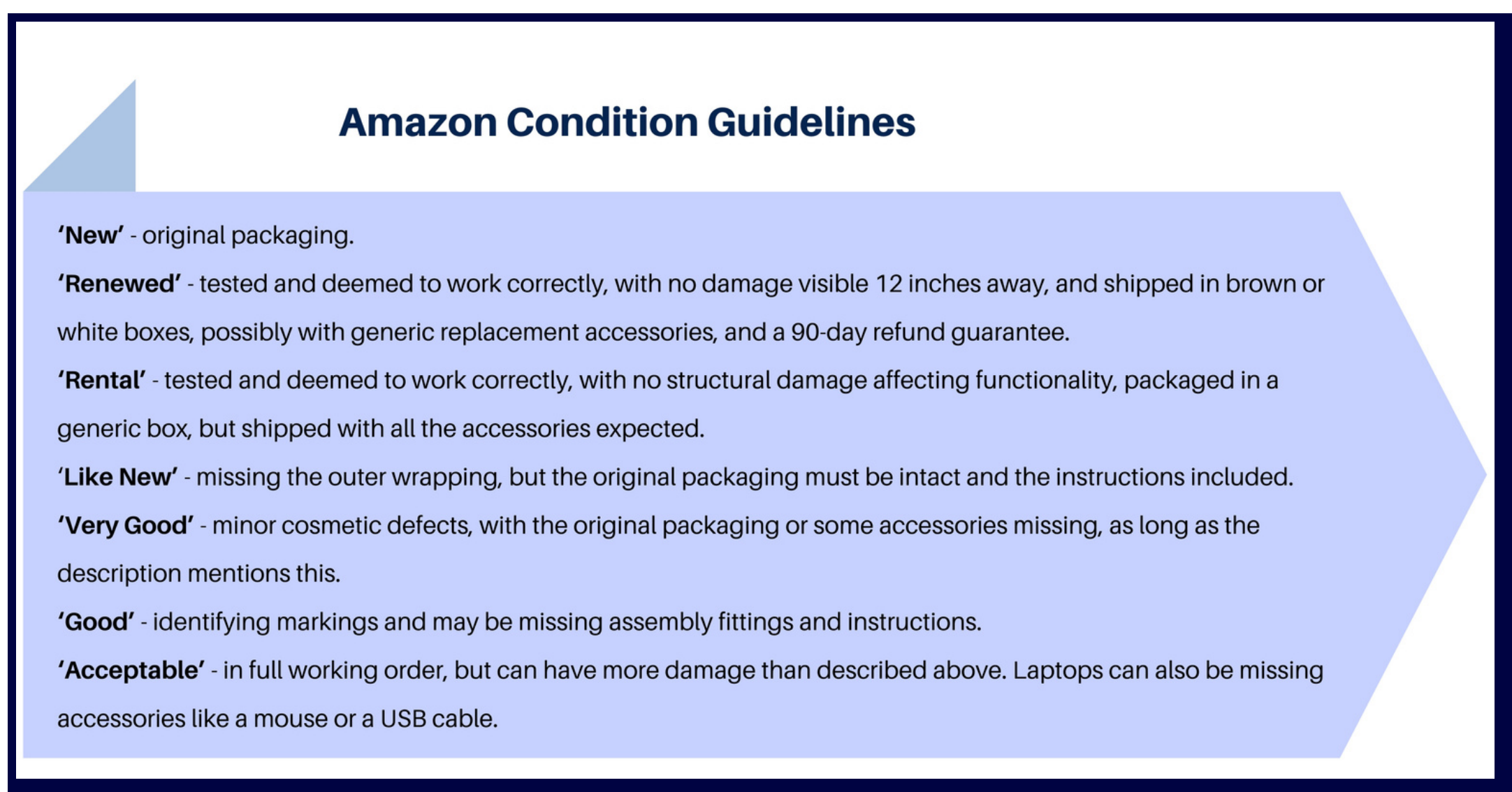
Textbooks can't be sold if their ISBN or cover type (e.g. paperback) doesn't match the one listed on Amazon.

Promotional samples, bundles, and advance book copies are also not allowed. Expired or soon-to-expire products are not allowed either. Nor are items deemed unsellable or earmarked for disposal by the supplier or manufacturer.

Some of these Amazon rules are category-specific. As mentioned in one of our posts, cameras can only be sold in their original packaging. Unless the title says otherwise, that is. And computers without the original packaging are only 'Acceptable' on Amazon.

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But whatever the category, the item must be original, clean, and easy to use. It shouldn't need any repairs or servicing. And it shouldn't have any stains, corrosion, or mold, or missing parts (usually). As you choose the condition and write the description, you should always follow these [7 Condition Guidelines](#):

A graphic titled "Amazon Condition Guidelines" with a blue arrow pointing right. It lists seven condition categories with their respective requirements.

**Amazon Condition Guidelines**

- 'New'** - original packaging.
- 'Renewed'** - tested and deemed to work correctly, with no damage visible 12 inches away, and shipped in brown or white boxes, possibly with generic replacement accessories, and a 90-day refund guarantee.
- 'Rental'** - tested and deemed to work correctly, with no structural damage affecting functionality, packaged in a generic box, but shipped with all the accessories expected.
- 'Like New'** - missing the outer wrapping, but the original packaging must be intact and the instructions included.
- 'Very Good'** - minor cosmetic defects, with the original packaging or some accessories missing, as long as the description mentions this.
- 'Good'** - identifying markings and may be missing assembly fittings and instructions.
- 'Acceptable'** - in full working order, but can have more damage than described above. Laptops can also be missing accessories like a mouse or a USB cable.

To protect yourself from unfounded claims, help your business last, and make customers happy, keep up with these policies. And be prepared to politely remind your buyers often of just what the latest Amazon rules have to say.

# How to Sell on Amazon in 2020:

## IV. Budgeting & Choosing Fulfillment Channels

In this chapter, you will find out how to choose the right fulfillment, budget for Amazon, and make the most of your investment.

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# How to Budget for Amazon Sales in 2020

Private label sellers invest over \$4,000, on average, to start their business on Amazon. Oddly enough, the ones who invest less tend to get into business quicker and last longer. But don't assume a few hundred dollars will cover your startup costs.

## *Setting Up Your Amazon Business*

Here's a rough breakdown of the costs you will come across when you start selling an item on Amazon.

Note that we didn't include conventional startup costs (incorporation, bank setup, realtor fees, etc.).

2020 STARTUP COSTS FOR AMAZON SELLERS	AMOUNT
Manufacturing cost (\$5/unit x 500 units)	\$2,500
Product, logo, packaging, inserts	\$300
Trademark registering	\$400
UPC Barcodes	\$250
Warehousing	\$500
Photography	\$200
Lightning Deal and Coupons	\$200
PPC Campaigns	\$300
Freebies	\$200
Reinstatement/ coaching service	\$750
Software tools	\$200
Courses	\$0
Website	\$0
<b>Total</b>	<b>\$5,800</b>

## *Software Tools*

There's no shortage of them. Some are versatile and others are highly specialized. Some are free and others are volume-based.

But monthly subscriptions usually go into double digits. Here are just some of the types of software tools new sellers should look into:

- Product scouting apps that check prices, sales ranks, and restrictions (e.g. Profit Bandit).
- Keyword and ASIN research tools like Sonar and Amazon ASIN.

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- Inventory managers that show and update listing information (e.g. SellerEngine Plus).
  - Email automation tools that build templates (also a SellerEngine Plus feature).
  - FBA shipment managing and label printing tools (SellerEngine Plus' forte).
  - Listing builders and optimizers (Listing Builder from Jungle Scout).
  - Feedback and review tools like Feedback Express.
  - Automated repricers (Sellery re-prices in real-time and factors in your every cost).
  - Campaign launchers and advertisers (e.g. Sellics).
  - Sales tracker tools.

Sellers today use a variety of tools to keep their edge. Keep in mind, costs can soar to three-digit figures quickly.



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Use free trials to compare and choose tools that match your product, sales volume, and budget.

Be sure to check for these three major vulnerabilities:

**Time-lag.** This is how long it takes the tool to update your listing data (e.g. price, condition note, etc.). Sellery, our automated repricer, updates listings in real-time, giving you precious minutes to reach customers before competitors update their prices.

**Lack of accuracy.** You need up-to-the-minute data and you need to have the full picture. But many sellers are unaware that there are two Buy Boxes; one for New and one for Used products. With Sellery, every available Buy Box is shown, along with the exact selling price in real-time.

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## *Designing the Product*

You can't put a price on a professional designer's contribution. But if you must look at it from a cost perspective, expect to pay several hundred dollars. This will probably include the design of your product, logo, packaging, inserts, and some tweaks to your listing page.

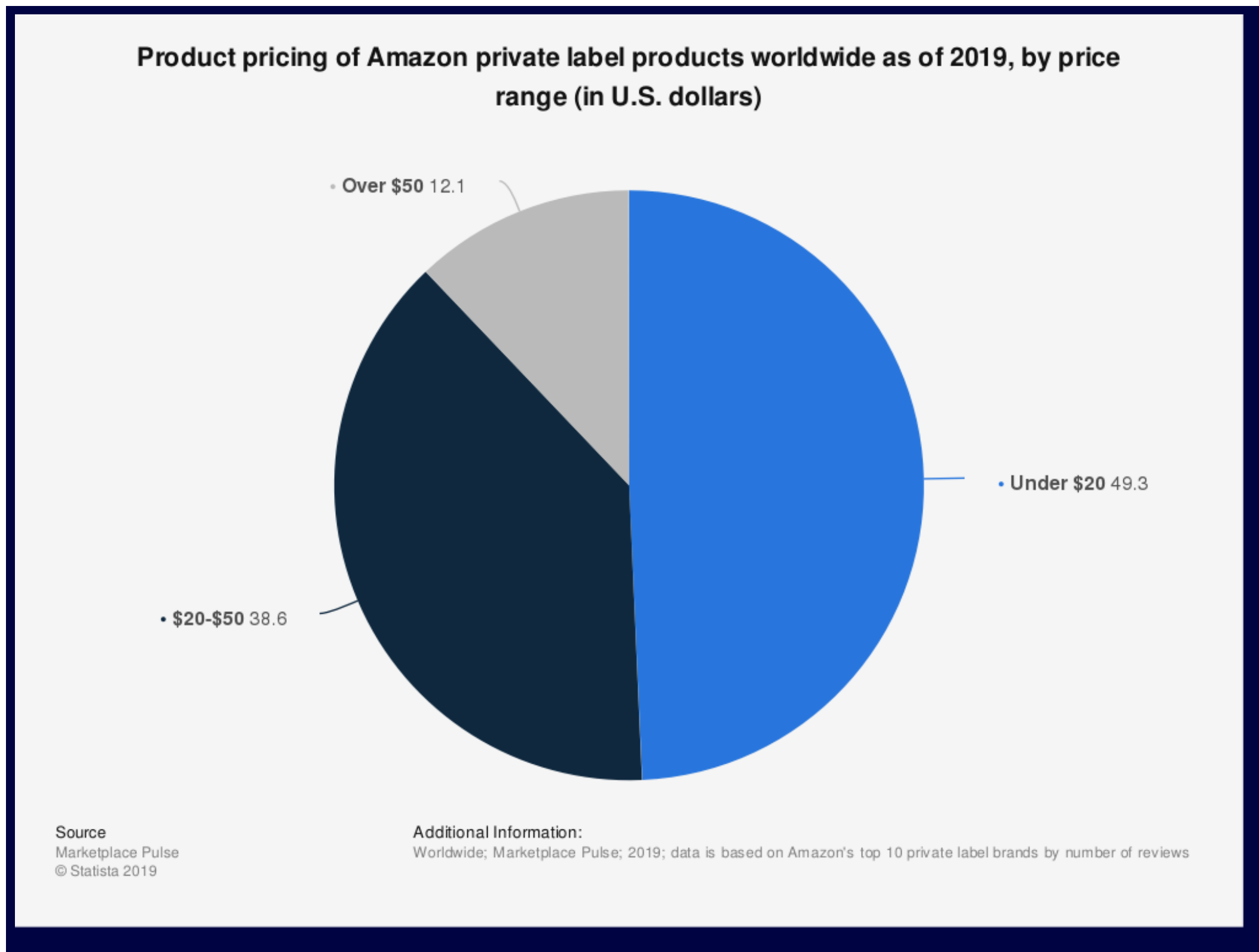
## *Manufacturing or Sourcing Your Item*

If you don't manufacture the products yourself or through a PL supplier, then skip this part. But since Nielsen claims Private Label growth is outperforming FMCG, it's safe to assume that many of our readers are PL enthusiasts.

According to Statista, about half of private label products on Amazon sell for under \$20. The rest usually sell for \$20-\$50.

If you plan to price your product just over \$20, then your landed cost should be no more than a fifth of that (\$4).

Here's why:



As you'd expect, the bulk of a seller's initial investment goes into manufacturing or sourcing. Sellers refer to it as 'landed cost'. This includes the cost of materials, labor, delivery to the warehouse, customs, and other costs.

Then, most retailers also set a 'wholesale price' or 'absolute minimum price'. That's about double the manufacturing cost.

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That way, their profit margin per sale will be at least 50% no matter what. This should cover warehousing, administrative expenses, and Amazon fees.

Also, retailers usually expect a markup of about 60% (or 40% if they sell apparel), according to [Shopify](#).

So, for an item that costs \$5/unit to manufacture or source, the absolute minimum selling price should be \$10. Using the formula below, for a 60% markup, the full retail price becomes \$25.



So, roughly speaking, if you want to sell a product for \$30 on Amazon and keep 60% of the revenue, you should try to pay no more than \$6/unit (one-fifth of the selling price) to make or source it.

With Sellery, you can adjust margins and markups dynamically to tweak your price.



The screenshot shows the 'Buy Box + Lowest Prices' tab in the Sellery interface. It displays a pricing preview with a markup of -100% and a margin of 0%. The table below shows the cost breakdown and final price.

Item	Value
cost	\$7.99
markup	-\$7.99 (-100% applied to \$7.99 cost)
cost to ship this item	\$3.71 (shipping for 0.18 lbs)
closing fee	\$1.80
Amazon commission	\$0.97 (15% of \$6.48 based on Minimum Price plus shipping)
margin	N/A
minimum price + shipping	<b>\$6.48</b> (\$2.49 price + \$3.99 shipping)
target price + shipping	<b>\$27.93</b> (lowest FBA price after filtering)
final price + shipping	<b>\$27.93</b> (\$23.94 price + \$3.99 shipping)
estimated profit	<b>\$10.24</b>

## *Branding Your Products*

It's not enough to look up and find a phrase on the [Shopify brand name generator](#). To take advantage of the safeguards Amazon has in place for brand owners, you should first register your trademark with the USPTO (or EUIPO in Europe). Then you can apply to be on the [Brand Registry](#) for free.

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This will take several months and cost up to \$400 if you go through a local Intellectual Property attorney. But if you sign up to Amazon's IP Accelerator Program, you could be looking at upwards of \$2,400 for brand review and trademark application. Please read up on the basics of IP registration and infringement.

### *Buying UPC Barcodes*

Buying cheap barcodes from resellers isn't an option anymore.

As of 2016, Amazon checks that all items have valid UPC Barcodes that match the manufacturer's identifiers.

So, be sure to buy from GS1. Prices start from \$250 per unique product, for 1-10 items.

Some product categories, such as bundles and some media items, are exempt. But only if brand owners apply to Brand Registry and ask for their GCID (Global Catalog Identifier).

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If you've already bought your GTINs, use the [official online search tool](#) to check that it's valid.

## *Storing Your Inventory*

Even if Amazon handles order fulfillment for you, you should still factor in warehousing costs. Some labor, equipment, depreciation, overheads, IT, admin, and storage space costs will still apply.

Whether you process every order or only shipments to and from Amazon fulfillment centers, you'll pay for storage.

[Prologis](#) gives us a figure of \$1.1/ sq. ft. /month for a 5,000 square foot warehouse, excluding utilities.

But warehousing companies charge 6 times that, according to this [survey](#). So, you're better off with a makeshift office for now. Add a few hundred dollars per month to the tally for pick-and-pack and overheads on a handful of sales per day.

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## *Photography*

Virtually anyone can put together a makeshift photo studio (or buy one for \$200) and snap 9 product images for an Amazon listing. But there are a few basic image requirements sellers should know before they take the snaps. And we also have some lesser-known rules.

If you're not happy with your product images, there's no shortage of specialized Product Photography services for Amazon sellers. Charges start at \$25/image for large orders, but most sellers pay double that. So, you should set aside \$300-\$400 for images alone.

But if your item is already in Amazon's warehouse and you're just not happy with the quality of your images, you could also give the Amazon Imaging Service a go. For \$50 to \$150, you get at least 2 good quality images that are bound to be compliant with the guidelines.



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## *Advertising*

Once the listing goes live, you'll be dying to promote it. But don't rush into bidding for clicks. On Amazon, advertising costs can spiral out of control fast.

Instead, set up an initial budget of a few hundred dollars for Lightning Deals and Coupons. As sales pick up, set aside another \$300 per month for sponsored ads, and take it from there.

Alternatively, you could also try the new Amazon Posts tool for free. It lets you create your own Instagram-like brand feed with custom text and images for mobile devices. Adlucent and Macarta have more information to share on the topic.

## *Freebies*

Amazon's Vine program is temporarily suspended, Adlucent says. When it reopens, you can enroll for free and give away products to vetted reviewers.

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But be sure to apply to Brand Registry and have at least one 'New' FBA unit in stock and less than 30 product reviews.

Until then, offer a few units to influencers, reviewers, and friends of friends. But make sure to follow Amazon's strict guidelines and policy on reviews. Factor in the manufacturing cost of these units, as well as any membership or travel costs for distributing these freebies.

Ideally, you should try to give away your products at trade shows and other seller events. Luckily, there's always the Early Reviewer Program. For \$60 per SKU, Amazon's reviewers will provide 1-5 reviews.

### *Account Services*

Continuity is very important to Amazon sellers. Suspended listings and selling rights will throw a wrench in the works. Whenever you appeal a decision, you can expect not only a demand for a Plan of Action but also delayed disbursements and withheld funds.

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Coaching, listing reinstatement, account rescue, and store monitoring are just some of the services you can outsource when you need to deal with an account issue. They don't come cheap, so be sure to set aside a few hundreds of dollars as your sales start to pick up.

### *Workshops and Courses*

As a new seller, you have your work cut out for you. But don't assume that expensive training courses will pay off. Ignore the hype around 'Amazon experts' for now. You don't need them when you start. Especially not when you have countless free resources like [Seller University](#).

### *Creating Your Website*

Now is not the time to invest in a new website. Put all your resources into your Amazon sales for now. Then, as you build up a reputation on Amazon, you can drive sales to your website organically.

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If you'd like to sell on several websites simultaneously, you can also sign up for Multi-Channel Fulfillment and let Amazon drop-ship those orders for you.

## How to Choose a Fulfillment Channel

Setting up your Amazon account is free and easy, as seen [here](#).

You are only charged \$39.99 per month in selling fees if you sign up for the [Professional selling plan](#). And if you sell more than 40 items per month, the plan pays for itself (because it spares you that per/item fee of \$0.99).

But as shown in our post titled [2020 Amazon Fees Explained](#), there are other fees.

For seller-fulfilled orders, they're pretty straight-forward. In a nutshell, the latest [Amazon Fees and Costs List](#) says that sellers pay only the following fees for orders that they fulfill themselves:

- 
- closing fee of \$1.8 (media items only).
  - referral fees of \$0.3/item or a percentage of the sale price (usually 15%, depending on category) - whichever is higher.

If you're thinking about paying Amazon to do it all for you, tools like the [FBA Revenue Calculator](#) or [Sellery](#) can give you an initial cost estimate per unit. But don't just compare MFN seller fees with these up-front FBA fees. You're not comparing like-for-like figures.

MFN fees are charged immediately, whereas FBA fees can build up over time.

So, even though it might seem like you'd sell more and make more money off of FBA now, your long-term fees might be higher if you don't manage your inventory properly.

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Here is a breakdown of what a seller might end up paying 13 months after first shipping to Amazon. Notice that the bulk of FBA fees (in red) refer to overage, long-term storage costs, and prep penalties. These could have easily been avoided with better inventory management.

Without all these handling add-ons and storage penalties, it would have been much cheaper to sell through FBA. It would have even been slightly cheaper than FBM.

If you're not sure you can handle it all, but you don't want to hand over your entire stock to Amazon either, go hybrid.

Only send Amazon items that are small, light, hardwearing, and inexpensive, but also useful, worthwhile, and profitable. And check your inventory regularly, whether it's fulfilled by Amazon or yourself. It's the only way to avoid runaway costs.

2020 AMAZON SELLER FEES	AMOUNT
<b><i>MFN Fees and Costs</i></b>	
Professional selling plan	\$39.99
Closing fees for media items sold (10 units)	\$18
Referral fees (100 units x \$25 price x 15% ref. fee)	\$375
Shipping (portion not covered by buyer)	\$200
Total monthly fees	\$632.99
Profit (100 units sold at \$25)	<b>\$1,867.01</b>
<b><i>FBA Fees and Costs</i></b>	
Professional selling plan	\$39.99
Shipping to Amazon	\$250
Fulfilment fee (100 units x \$2.5 minimum)	\$250
Monthly storage (100 cubic feet x \$0.75)	\$75
Long-term storage (20 cubic feet x \$6.9)	\$138
Removal order fee (20 x \$0.25/unit)	\$5
Disposal fee (8 x \$0.25/unit)	\$2
Manual processing fee (100 units x \$0.1/unit)	\$10
Refurbishing service (10 units x \$2/unit)	\$20
Repackaging service	\$0
Planned prep service (50 units x \$1/unit)	\$50
Unplanned prep service (20 units x \$7/unit)	\$140
Label service (100 x \$0.3/unit)	\$30
Return fee (fulfilment fee x 10 returns)	\$25
Overage fee (100 cubic feet over limit x \$10/cubic foot)	\$1,000
Total monthly fees	\$2,034.99
Profit (100 units sold at \$25)	<b>\$465.01</b>

} **\$614.99**

# How to Sell on Amazon in 2020:

## V. Listing And Launching Products On Amazon

Find out what it takes to list on Amazon and sell on a tight budget in this chapter.



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# Getting Ready to List on Amazon

Earlier in the ebook, we talked about budgeting and how sellers who plan to sell on Amazon in 2020 should be cautious.

But caution extends to every aspect of the business, including launching products on Amazon.

So, what is the first thing you should do if you plan to list on Amazon?

*Check for restrictions.*

Amazon has brand, product, and category restrictions. It also has storage limits and performance requirements.

When it comes to items already in the catalog, checking restrictions is easy with a product scouting tool like Profit Bandit. It tells you if a product, category, or brand is “gated” on the spot.

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But if you're trying to add a new product to the catalog, you shouldn't stock up or manufacture it without doing your research. "Ungating" a brand or lifting a restriction can be a lengthy process. Please read our blog posts on [restricted products](#) and [gated brands](#) on Amazon before you proceed.

## Valid Product ID

This is a unique GTIN code, as explained in our post titled [Barcodes on Amazon](#). You need one for every variation of your product (e.g. colors, sizes, weights). Any product already in Amazon's catalog has one. So, if you're selling something that's already listed, you don't need a new GTIN.

For private label, handmade, and resold items that came without a GTIN code, Amazon may be able to waive this requirement. Please watch this Amazon Seller University [video](#) to see how to request a GTIN exemption.

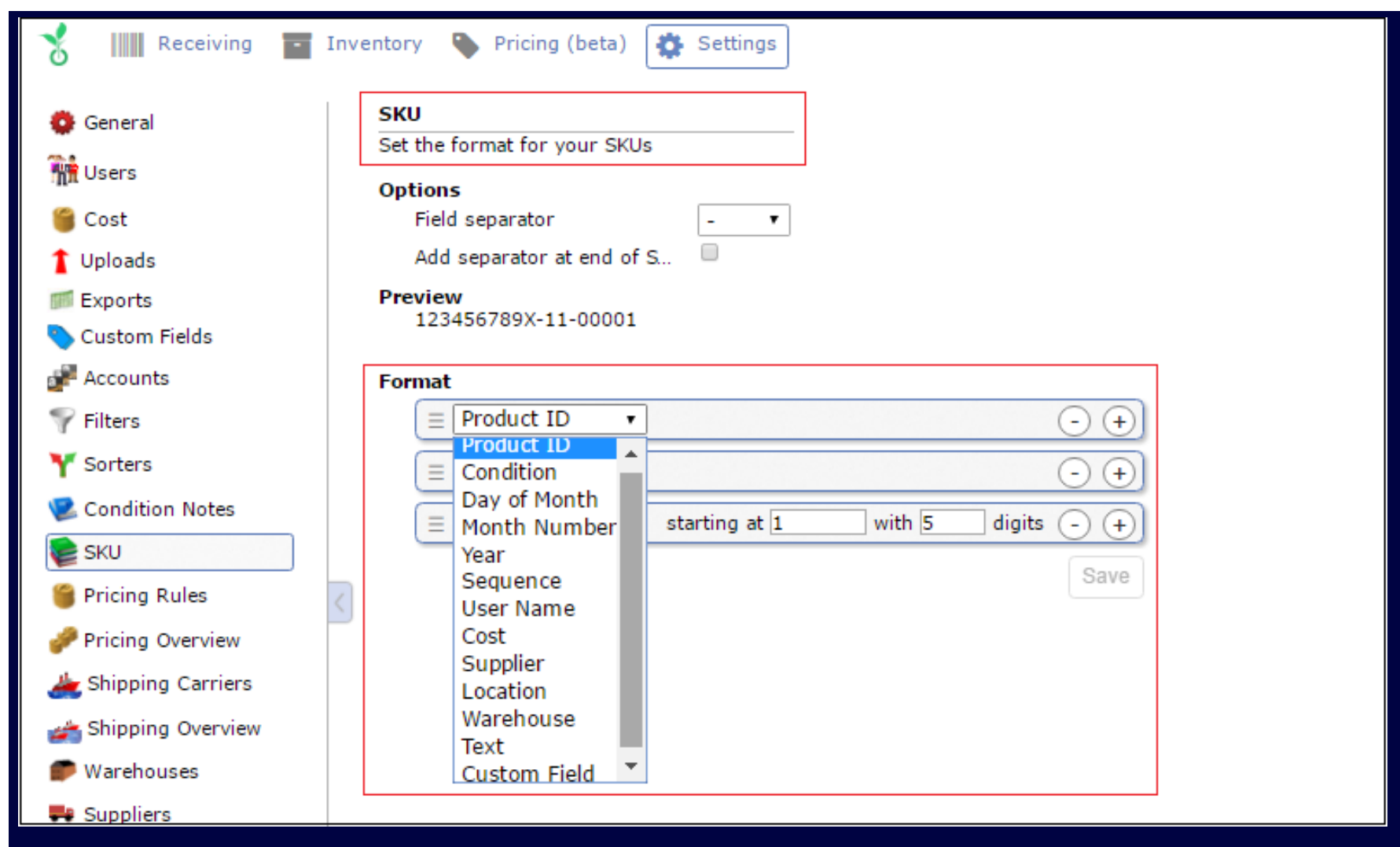
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## Adequate SKU

Before you list on Amazon, you should first come up with a formula to generate your own Stock Keeping Units. These codes are important because they enable you to track, check, compare, replenish, and analyze your inventory. Using tools like Sellery, you can even reprice items with specific SKUs.

Amazon can generate SKUs for your MFN items, but they'll be random. Also, whatever you send to FBA will be assigned a code called FNSKU. But even if you only sell via FBA, you still need a system of your own for SKUs. That's because you'll probably receive and store damaged FBA items from time to time.

Think of unique identifiers for your suppliers, warehouses, shelf, or competitors and discounts at the time of listing. Better yet, tools like Sellery (shown below) or SellerEngine Plus can generate your SKUs automatically.



## Relevant Title

Amazon has a series of style guides for each product category and page section, starting with titles. They're very important. But for some sellers, they're not the end-all. That's because sometimes buyers actively seek out titles that say "compatible with X, Y, and Z model", even if they go against the rules.

There is one rule of thumb, though. Titles should have this simple structure: Brand Name > Product > Key features > Size > Color > Quantity.

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Ideally, you should also optimize your titles, using keywords, and USPs from the start. But none of this matters if your title doesn't comply with guidelines.

Amazon has 4 simple title requirements for MFN and FBA listings alike. We listed them below, along with rules for sellers who don't want their listings suppressed. But bear in mind that sensitive words like "covid", "healing", "virus", or even "respiratory" can trigger listing suspensions too.

## The Dos

*Format: Brand, Model, Feature, Size, Color*

*Short & sweet: under 200 characters long*

*ABCs, numerals (3), full units (inch)*

*Leave size & color for child ASIN, if available*

*Capitalize 1st letter & prepositions with 5+ letters*

## The Don'ts

*Promotional taglines (free, best, guaranteed)*

*Emojis 🎉, ASCII (@), unit abbreviations (")*

*Single-word or vague title ("N/A")*

*Keyword stuffing & bad truncating*

*Merchant name, unless it's private label*

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## Appealing Images

The images you display on the product page must be clear and informative. You can upload up to 9 images, but they must comply with basic requirements. And certain product categories (e.g. Jewelry, Pet Supplies) come with restrictions of their own. So, please check the style guide first.

There are a few other guidelines worth mentioning. These have to do with quality issues like infinity curves, flash, orientation, etc. It may be worth outsourcing this part of the listing phase to Product Photography experts. And if you plan to use FBA, there's also the Imaging Service.

### Basic rules of Image Selection on Amazon

#### Main Image

- Maximum number: one
- Content: only the listed product
- Scale: product covers 85% of the surface

- 
- Size: zoomable, cca. 1,000 pixels (min. 500)
  - Format: JPEG (.jpg), TIFF (.tif), or GIF (.gif)
  - Background: pure white (RGB: 255,255,255)
  - Text, logos, and watermarks are forbidden

### Additional Image

- Max number: eight
- Background: preferably white
- Content: props and accessories accepted, but explaining that they're sold separately
- Format: JPEG (.jpg), TIFF (.tif), or GIF (.gif)
- Logos and watermarks are forbidden

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## Engaging Bullet Points

Think of this section as the highlight of your product page. If it's good enough, customers might not even need to scroll down the page before they buy. It can include up to 5 bullet points. Each one has a recommended limit of 80 characters, though the upper limit can go up to 255 characters.

Bullets are indexed into organic search results on Amazon. So, you want to include as many good keywords as you can, but without resorting to keyword stuffing. But you also want them to sound natural, include your USP, and address practical issues (e.g. foldable, rechargeable, replaceable).

### Dos

Sentence case Brief, factual, feature-focused

Arabic numerals (2, not two or II)

Sizes spelled out (inch, not ") Proofread



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## Dont's

Time-sensitive, subjective, redundant HTML  
/ Type 1 High ASCII characters  
End-stopped lines (. , ; ! ? at the end)  
Shipping info, promos, discounts Seller  
information or opinions

## Detailed Product Descriptions

This is not to be confused with the Condition Notes section. That's on the Offers Page and it describes the condition of the unit you offer (with text and up to 6 images). The Product Description section is on the Product Page. It's what customers scroll to after reading the title and bullet points.

You can use up to 2,000 characters (around 300 words). It should include features, dimensions, and other relevant details. Don't forget about care instructions, compatibility details, and warranty information. Company-specific information, URLs, contact details, and references to promotions are forbidden.

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## Good Search Terms

You need a few keywords for your titles, bullet points, and description (including brand name). But you should also think of a few more search terms. Sellers refer to these as 'hidden keywords' or 'backend keywords'. For example, you could come up with synonyms of your primary keywords. But don't include plurals, different spellings, or generic terms. Forget about subjective, exaggerated, or time-sensitive statements. Also, please leave out any seller names. And most importantly, never include other brands in these search terms. Sellers who try it often face intellectual property complaints.

## Listing on Amazon

### List a New Product

You can add products to the catalog one by one. Simply access the [Add a Product tool](#) from the Inventory tab in your Seller Central account.

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Aside from the fields mentioned above, you need to enter information about the product manually. This includes size, weight, manufacturer, price, and quantity.

## Match a Listing

If your items are already listed on Amazon, you must create an offer on the same page using the Add a Product tool or the Sell Yours link under the checkout button. Amazon insists that you enter your own product description and bullet points, even if you know they won't be featured on the product page yet.

Note that, if you're selling a used or collectible product, you can also add up to 6 thumbnail images to your offer.

## List in Bulk

To list several products at once, you can use the Add a Product via Upload option from the Inventory tab.

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You'll be able to download a template file (a.k.a flat file, inventory file, etc.) with instructions, guidance, and examples. Once you enter all the relevant information, upload it, and give it 24 hours to go live.

If you're listing against an existing product, then you can also add your MFN units to the catalog in bulk with inventory management tools. Sellery, for instance, can not only reprice in real-time, but also add units instantly, update quantities, and keep track of titles that are running low.

## Create an FBA Shipment

When it comes to FBA products, it's not so much the listing that takes time, as it is creating the shipments. And unless your operation is streamlined, it will take much longer than 24 hours for your products to reach Amazon's fulfillment centers and become available for sale.

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So, when you list your FBA units, you need a tool like [SellerEngine Plus](#). It adds and edits listings in a flash, prints FNSKU labels, creates all your shipments at once, and displays split shipments before you seal the box (ATTN: 1 SKU can go to several fulfilment centers!).

Here's a quick [SellerEngine Plus guide](#) if you'd like to know more about creating FBA shipments. While we're on the topic, please don't forget Amazon's fee waiver for sellers who sign up for the [FBA New Selection Program](#).

## Launching on Amazon

On Amazon, popularity lends to sales, and sales lend to popularity. . If a product is doing well in the rankings, it's going to sell. And if it's going to sell, it's bound to rank high on the search results page. So, the more coverage an item gets the more it sells and vice-versa. Here's how you get a new product featured at the top of the SERP:

- 
1. Optimize your listing so that it's clear, compliant, appealing, and it addresses people's needs.
  2. Gather product reviews to build your reputation, inspire trust, and attract your following.
  3. Bring margins and markups down to boost sales (and if you're eligible, win the Buy Box).
  4. Invest in PPC campaigns to put the word out.
  5. Do it all over again.

## Optimize Your Listings

Even if you have a listing to be proud of, there's always room for improvement. But don't let listing guidelines stifle your creativity. If there's one thing you can take away from our blog post titled [Amazon Listing Optimization](#), it's the fact that you can give your creativity free rein on Amazon.

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Bundles, quirky hidden keywords, engaging descriptions, and borrowing listing tips from the competition – all valid ways to make the most of your product pages. But make sure that you come up with a storefront description that follows along the same lines, and that all the information there is above board.

## Gather Product Reviews

The Early Reviewer Program, exclusive discounts for your client email list, freebies for influencers, or trade show swag bags. These are just some of the ways to boost the review tally. Granted, it's harder to network with the current health crisis. So, why not focus on your buyers, and send thoughtful hand-written Thank You notes detailing how your company is helping to make the world a better place?

## Lower Margins and Markups

Try as you might, you probably won't be able to influence your product's ranking and popularity unless you bring the price down.

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But the sad thing is it might not make much of a difference, because your competitors will be using cutting-edge software to undercut you on an identical or similar product.

Automatic repricers can match a price within minutes. Some can even anticipate the next move. But they also have a major flaw: a mind of their own. Undercutting quickly spirals into a price war. Before you know it, you end up losing money. And that's exactly what the competition wants.

## Invest in PPC Campaigns

When it comes to advertising, Pay Per Click is the most popular option for launching products on Amazon. It's an on-platform option for Amazon customers. And Amazon's customers are already keen to buy. So, it's much more effective than off-platform advertising.



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Also, with these ads, you have full visibility into keyword conversion data. You can adjust keywords as you go. And it's also the most cost-effective option for advertising on Amazon. But we'll discuss this topic in greater detail in the next chapter of our edition of our series, "How to Sell on Amazon in 2020" ebook.

# How to Sell on Amazon in 2020:

## VI. Staying Competitive On Amazon

For many Amazon sellers, staying competitive on Amazon is becoming a challenge. But for newcomers, this reshuffle is a good opportunity to sell on Amazon in 2020 and come out on top. Here are a few Amazon selling tips from us.

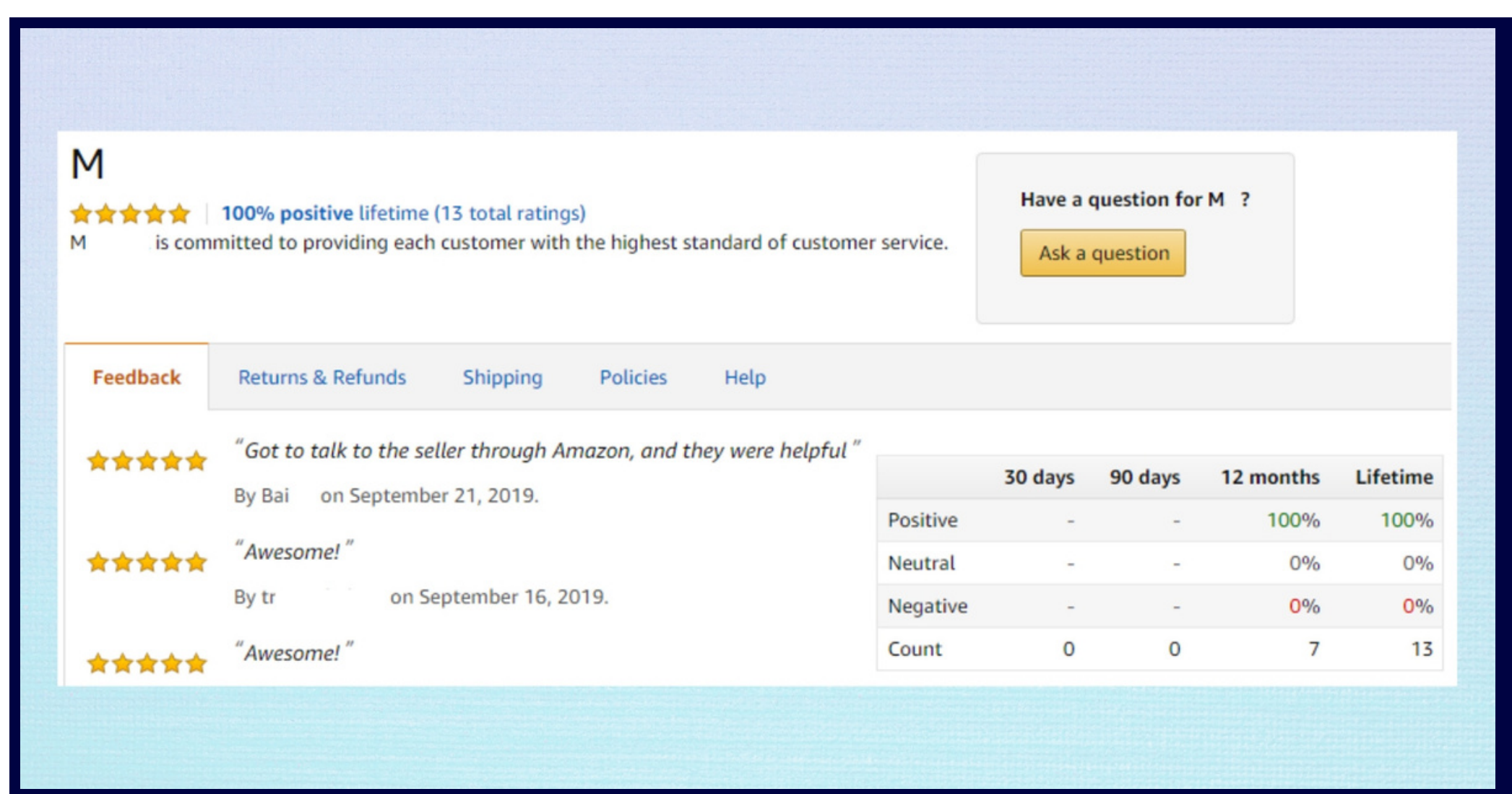
In Q1 2020, sellers accounted for half of Amazon's transactions, according to Statista. But today, many businesses are clinging for survival.

Becoming and staying competitive on Amazon is a must if you want to last. And there are limits to what you can do to draw buyers to your business on Amazon.

But you can't go wrong if you follow these 7 Amazon selling tips. Here's how to set yourself apart:

## 7 Amazon Selling Tips for Competitive Sellers

### Build Up Your Feedback Score



The screenshot displays an Amazon seller profile for a seller named 'M'. The profile shows a 100% positive lifetime feedback score based on 13 total ratings. A navigation menu includes Feedback, Returns & Refunds, Shipping, Policies, and Help. Three feedback comments are visible, all with 5-star ratings. A table on the right provides a breakdown of the feedback statistics.

	30 days	90 days	12 months	Lifetime
Positive	-	-	100%	100%
Neutral	-	-	0%	0%
Negative	-	-	0%	0%
Count	0	0	7	13

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A good feedback score will bring more orders your way.

And a reputation for prompt, high-quality customer service might also make disgruntled buyers think twice before going public.

But there are a few reasons why newcomers may find it harder to build a good feedback score on Amazon in 2020:

- More people are shopping on the Amazon app, where there's no option to leave seller feedback.
- People are buying more on Amazon, and the more they buy the less time they have for feedback.
- The 'Amazon effect' means buyers expect more from sellers, including new ones.
- Buyers are more likely to leave negative feedback during the pandemic.
- People's shopping habits are shifting due to lockdowns and changes in their circumstances.
- Global supply chains are disrupted and may not revert to 'normal' for some time.

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To mitigate these issues, you should embrace automation.

For instance, you could send automatic thank you emails after receiving orders and/or feedback requests a couple of days after delivery. But you should also harness your soft skills where needed (e.g. customize your packing slips with handwritten messages).

## Encourage Product Reviews

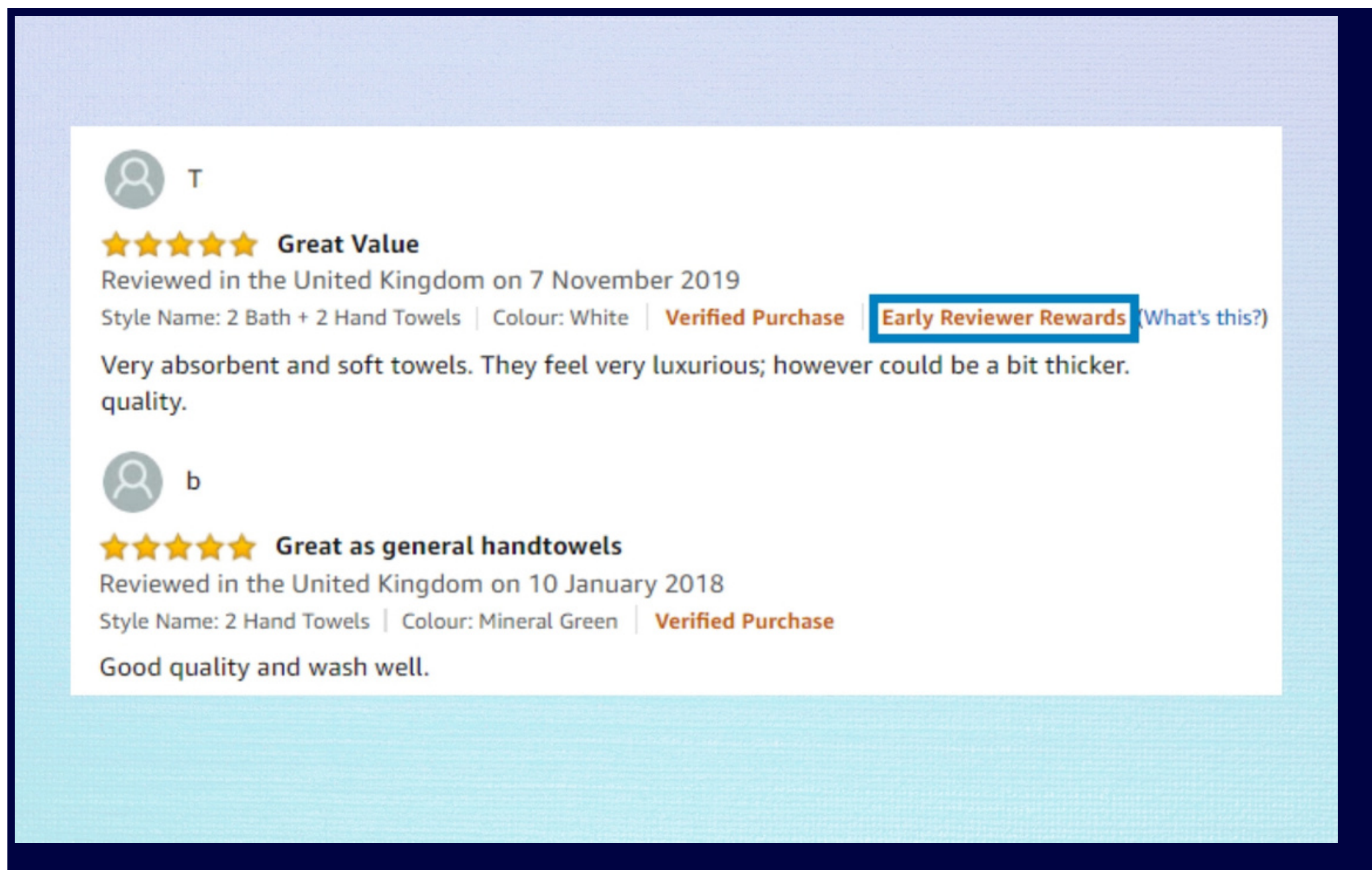
It's been said before, but it's worth repeating. You need genuine, objective reviews, with photos or videos.

You should try to boost the tally without breaking the rules.

For instance, you can offer exclusive discounts for existing customers, swag bags for influencers, and freebies for reviewers.

But remember: your offer shouldn't be contingent on positive reviews. Also, you shouldn't know the reviewers personally. And you're not allowed to use reviews websites.

But most importantly, none of your employees or associates are allowed to use 'black hat' tactics to solicit reviews either.



No list of Amazon selling tips should leave out the Early Reviewer Program.

It's a great way to speed things up when you need reviews. It can be accessed from the Advertising tab in Seller Central.

For \$60 per SKU, Amazon will approach buyers and request 1 to 5 reviews for you.

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## Get to Know Your Competition

Once you've built up your reputation, it's time for thorough competitor analysis.

As we explained in our earlier [blog post](#), you can start by counting FBA and FBM offers. Then check your competitors' storefronts, business backgrounds, estimated sales volume, listings, keywords, and promotions.

You could also place a few test orders to see how and where they ship from, and what packing supplies they use.

## Price Competitively

A [Statista](#) survey report claims that there are 4 main reasons people shop on Amazon: they get free shipping, product variety, Prime benefits, and better prices.

And because price matters, most seasoned sellers use repricing software. This tool takes over the task of adjusting prices based on the competition.

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The main advantage of using repricing software tools is that they work round the clock, saving you a great deal of time.

So, you don't need to keep checking and tweaking your prices, regardless of the size of your inventory.

Then there's also the fact that they give you valuable sales data that's easy to visualize.

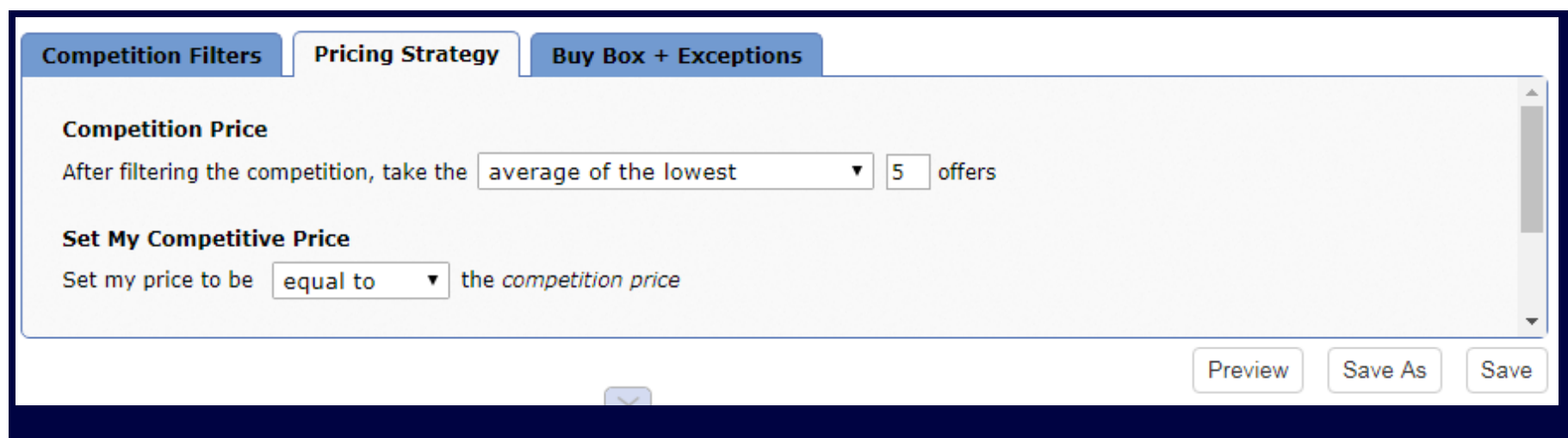
Most importantly, Amazon sellers use automatic repricers to boost sales and profits.

They can spot a change in a competitor's price as soon as it happens. So, they can bring your price back into line quickly.

There's one major caveat with these repricers though: it takes time for price adjustments to go live.

This lag usually takes several minutes. With Sellery, there's no lag. This means that Sellery can change your price faster than your competitor, giving you more time in the spotlight.





Another feature unique to Sellery is that it automatically calculates all your Amazon fees, shipping expenses, and other costs. As soon as Amazon updates FBA and FBM fees, Sellery takes them into account. So, whatever margins and markups you choose for your listing, your costs are always accurate.

The screenshot shows a software interface with five tabs: 'Details', 'Stock', 'Competition', 'Buy Box + Lowest Prices', and 'Pricing Log'. The 'Buy Box + Lowest Prices' tab is active. At the top, it says 'Preview with a markup of -100% plus 0 USD and a margin of 0%'. Below this is a table with the following data:

cost	\$7.99
markup	-\$7.99 (-100% applied to \$7.99 cost)
cost to ship this item	\$3.71 (shipping for 0.18 lbs)
closing fee	\$1.80
Amazon commission	\$0.97 (15% of \$6.48 based on Minimum Price plus shipping)
margin	N/A
minimum price + shipping	<b>\$6.48</b> (\$2.49 price + \$3.99 shipping)
target price + shipping	<b>\$27.93</b> (lowest FBA price after filtering)
final price + shipping	<b>\$27.93</b> (\$23.94 price + \$3.99 shipping)
estimated profit	<b>\$10.24</b>

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And here's the best part. Unlike other repricers, Sellery doesn't get caught up in price wars. That's because it calculates a minimum price for you based on what it would cost you to fulfill an order on your chosen venue, as well as your margins and markups. And it never goes below this minimum price.

Finally, Sellery is also Private Label friendly. It enables you to compare different ASINs on Amazon. So, you can price your items based on similar listings.

With Sellery, you can view listings back-to-back and decide which private label seller to compete with, as seen in the video below.

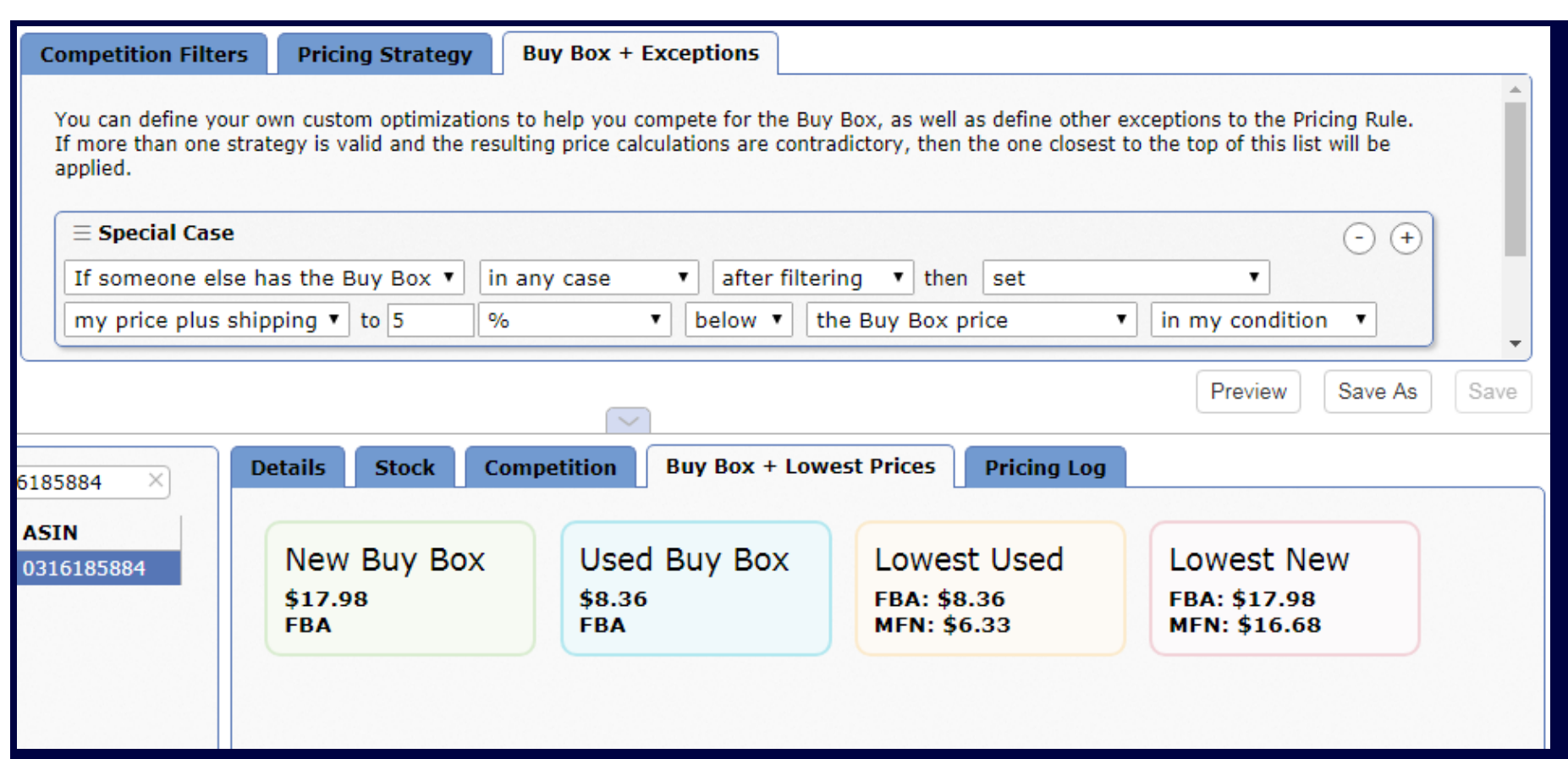


Check this video: "Sellery Private Label Solutions - Compete with similar ASINs".

## Win the Buy Box

Most transactions on Amazon go through the Buy Box. It's the default option for customers who check out without looking at the offers page. Think of it as the featured offer. It's free, you can access it if you're eligible, and it operates on what is known as the elusive Buy Box rotation system.

Unfortunately, if you don't know who owns the Buy Box at any given moment, you can't match or undercut them. So, your chances of selling your item fall dramatically. But Sellery can help with that too. It shows you the Buy Box for every Condition. That's right, there's a Used Buy Box too!



The screenshot displays the Amazon Seller Central interface for configuring pricing and Buy Box settings. The top navigation bar includes 'Competition Filters', 'Pricing Strategy', and 'Buy Box + Exceptions'. Below this, a text box explains that users can define custom optimizations to compete for the Buy Box. A 'Special Case' configuration area allows users to set rules, such as 'If someone else has the Buy Box in any case after filtering then set my price plus shipping to 5% below the Buy Box price in my condition'. Below the configuration area, there are 'Preview', 'Save As', and 'Save' buttons. The bottom section, titled 'Buy Box + Lowest Prices', shows four price cards for different conditions: 'New Buy Box' at \$17.98 (FBA), 'Used Buy Box' at \$8.36 (FBA), 'Lowest Used' at FBA: \$8.36 and MFN: \$6.33, and 'Lowest New' at FBA: \$17.98 and MFN: \$16.68. The ASIN 0316185884 is visible in the top left corner.

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## Offer Plenty of Perks

According to Statista, there were 150 million active Prime members last year, mostly based in the USA.

And according to Marketpulse, there were nearly 3 million active sellers on Amazon, about a third of which were in the USA.

So, there's ample capacity for growth for sellers who pamper their Prime customers.

Aside from free shipping and volume discounts, up-and-coming sellers should consider the FBA Subscribe and Save program. This program enables sellers to build up a pool of loyal customers. Bear in mind that repeat customers can rate the seller's service time and again, but only review a product once.

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There's one shopping fad that's quickly gaining momentum during the lockdown: the subscription box. It's a bespoke selection of products based on the customer's profile. If you want to sell subscription boxes on Amazon, then bear in mind that the A-to-Z guarantee applies to these listings as well.

## Advertise on Amazon

Advertising is Amazon's fastest-growing department, and it's an option you should seriously consider if you want to promote your product on Amazon. But as this Guide to Amazon Advertising explains, not every advertising option is right for a new seller.

If you sign up for Brand Registry, you gain access to consoles like Amazon Attribution, Creative Manager, and the Amazon DSP platform. They enable you to manage Amazon CPM campaigns like video and display ads. You can even use them to create and analyze off-Amazon ads.

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But most new sellers only really have one option: PPC (pay-per-click) campaigns. These are free ads displayed on Amazon search pages. The seller only pays Amazon when a user clicks on them. There are two such types of campaigns on Amazon. Depending on the choice of campaign, an ad will look like this:

- Sponsored Brands – banner at the top of a search page, with the brand’s logo and USPs.
- Sponsored Products – search result displayed preferentially at the top or bottom of the page.

Both campaigns have their perks. But for new sellers, it’s probably best to use them together, at least at the beginning. And Amazon advises running several of each type, just to get a feel for what the customer is looking for and the keywords you should bid on.

---

But before you invest in Amazon Advertising, be aware that the average seller spends \$381 per day on ads, according to [Ad Badger](#). If you go toe-to-toe with them, your costs could quickly spiral out of control. So, read up on [Advertising Cost of Sale \(ACoS\)](#), [click-through rate \(CTR\)](#), and [bidding controls](#).

As we made clear in one of our recent articles titled [Is Amazon PPC Worth It?](#), there are pros and cons to advertising on Amazon. While campaigning is an essential part of staying competitive on Amazon, it's best to diversify ad spend.

# How to Sell on Amazon in 2020:

## VII. Performance Metrics And Suspensions

Amazon account suspensions are back on the agenda regularly. So, to sell on Amazon in 2020, you need to play by the book.



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In this chapter you will find out what it takes to keep your performance metrics on Amazon in check and master the art of writing a great Plan of Action.

A suspension could always seriously rock the boat.

It's not just the added uncertainty and disruption, but also the risk of a domino effect.

For one thing, suspensions often involve having your funds withheld, which can shrink your top line and stunt your business growth.

## The Basics of Amazon Account Suspensions

Suspensions are not only common but also easily avoidable. They usually come about when sellers violate Amazon's policies.

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We explained these rules in chapter 3 , and now we'll look at the types of suspensions that occur when Amazon's policies are broken.



*Offering knock-offs*  
*Selling prohibited items*  
*Making false medical claims*  
*Breaking condition guidelines*  
*Neglecting performance metrics*  
*Using unapproved seller accounts*  
*Breaching the seller code of conduct*  
*Creating inaccurate or misleading listings*

---

Even if sellers don't mean to break the rules, they don't work to prevent suspensions either. So, anyone hoping to sell on Amazon in 2020 should follow these simple seller tips:

## Authenticity Claims

Offering knock-offs is against [Anti-Counterfeiting Policy](#).

When buyers question an item's authenticity, Amazon takes immediate action. Even a random phrase in a friendly email can be flagged up by Amazon's bots.

So, you need to have itemized invoices from authorized suppliers for all your items.

## Prohibited Product Claims

There's a list of [Prohibited Product Claims](#). And false medical, environmental, and FDA approval claims are on it.

It's not just what's on the label that matters, but also what's not.

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So, if your label has a stamp it didn't earn, a missing ingredient, an unproven medical benefit, or a lapsed certification, don't list it.

## Seller Code of Conduct Violations

Using more than one seller account is a breach of Seller Code of Conduct unless Amazon has specifically granted you permission.

Accounts may be suspended for using the same contact information, I.P., MAC address, or bank account on the same venue. So, be sure to ask permission from the Seller Support team before setting them up.

The Code also says you can't contact buyers directly, influence reviews, harm sellers, manipulate traffic, boost sales rank, or create misleading listings.

Never lie to Amazon and always follow Amazon's Marketplace Fair Pricing policy. Sellery can help in that respect by blacklisting price gougers.

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## Restricted Product Violations

Selling restricted products is not allowed.

Sellers who ignore the rules and tag along with a listing, pinning the blame on other sellers won't fly.

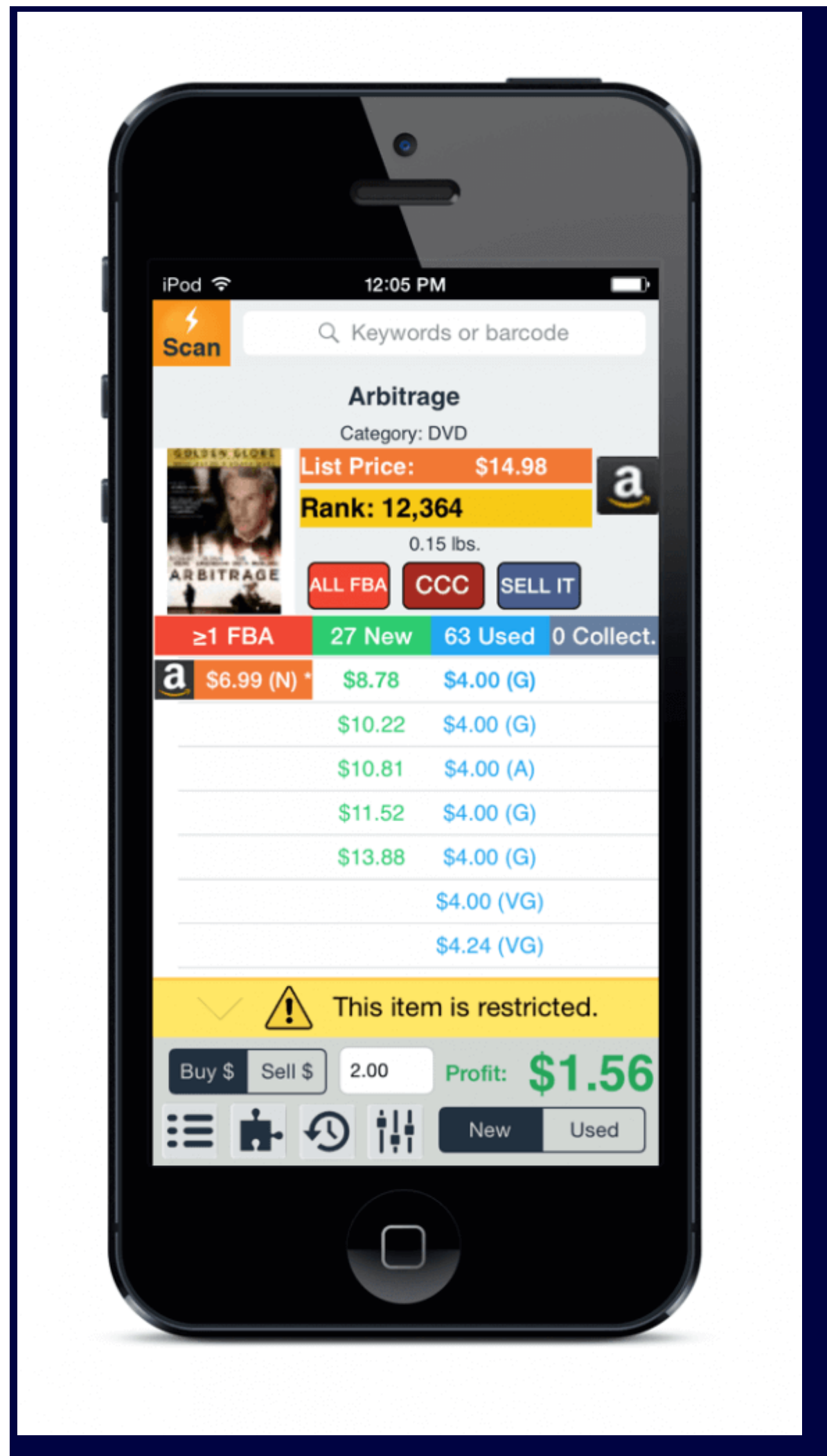
So, before you invest in a product, exercise due diligence because lifting product restrictions will take time.

And if the items are bound for a fulfillment center, it's best to check the FBA prohibited items list. On it, you'll find the usual suspects (alcohol and batteries), as well as items you wouldn't think of as problematic.

For instance, you'll see gift cards, leaflets, price tags, or items with non-Amazon stickers.

The same applies to gated brands.

But there are ways to know if a brand or category needs "ungating" before you invest in it. If the item or brand is already in Amazon's catalog, you can check for restrictions with a product scouting tool like Profit Bandit.



## Product Condition Claims

Some products can only be sold on Amazon if they're brand new (e.g. medical devices).

Rare items can also be classified as collectible (e.g. books, toys).

But most other items fall under 7 'conditions' ranging from "New" to "Used - Acceptable", as seen below.

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And when the line is blurred, it's best to downgrade.

- 'New' - original packaging.
- 'Renewed' - tested and deemed to work correctly, with no damage visible 12 inches away, and shipped in brown or white boxes, possibly with generic replacement accessories, and a 90-day refund guarantee.
- 'Rental' - tested and deemed to work correctly, with no structural damage affecting functionality, packaged in a generic box, but shipped with all the accessories expected.'
- 'Like New' - missing the outer wrapping, but the original packaging must be intact and the instructions included.
- 'Very Good' - minor cosmetic defects, with the original packaging or some accessories missing, as long as the description mentions this.
- 'Good' - identifying markings and may be missing assembly fittings and instructions.

- 
- 'Acceptable' - in full working order, but can have more damage than described above. Laptops can also be missing accessories like a mouse or a USB cable.

Anything that doesn't meet the criteria for the 'Acceptable' tier shouldn't be listed.

For example, listing items that are incomplete or in need of repair is not allowed.

Nor is it allowed to sell promo copies, expired items, inventory marked for disposal or past expiration-dated products.

To avoid squabbles, describe every unit using Condition Notes. Provide text and images (6 max). These will be displayed on the Offers Page.

Mind you, not all buyers read Condition Notes, so you might still get complaints. But at least you'll be covered by Amazon's restocking fee policy.



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## Listing Policy Violations

One of the most common and preventable complaints is that the item doesn't match the listing. Buyers on Amazon expect to receive what they saw on the product page.

So, when the shade, texture, edition, cover, or size of the item is different, for instance, they have every reason to complain.

According to [Product Detail Page Rules](#), an item must match its listing to a tee.

And if the information on the product page is wrong, you should let Amazon know.

Sign into Seller Central and email Seller Support about the discrepancy before listing your item.

## Poor Seller Performance

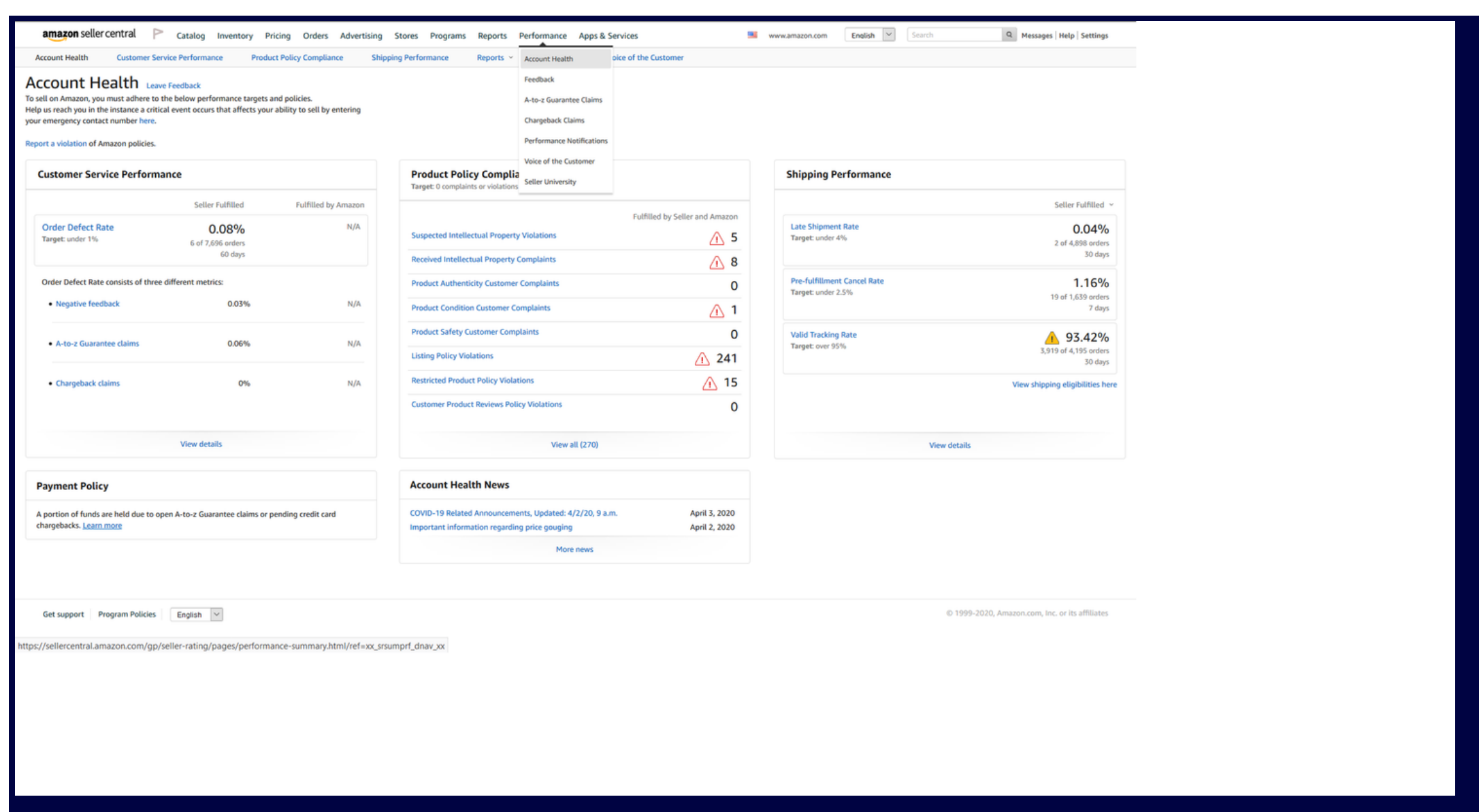
There's an unspoken rule that you should monitor your Account Health daily.

Neglecting performance metrics can have abrupt consequences. . Especially since they change all the time.

For instance, 'Return Dissatisfaction Rate' (10% max) isn't displayed in Seller Central anymore. So, it's no longer 'the standard' for sellers.

Monitoring performance metrics on Amazon is easy: just check the Performance tab in Seller Central. Here you'll find the Account Health dashboard.

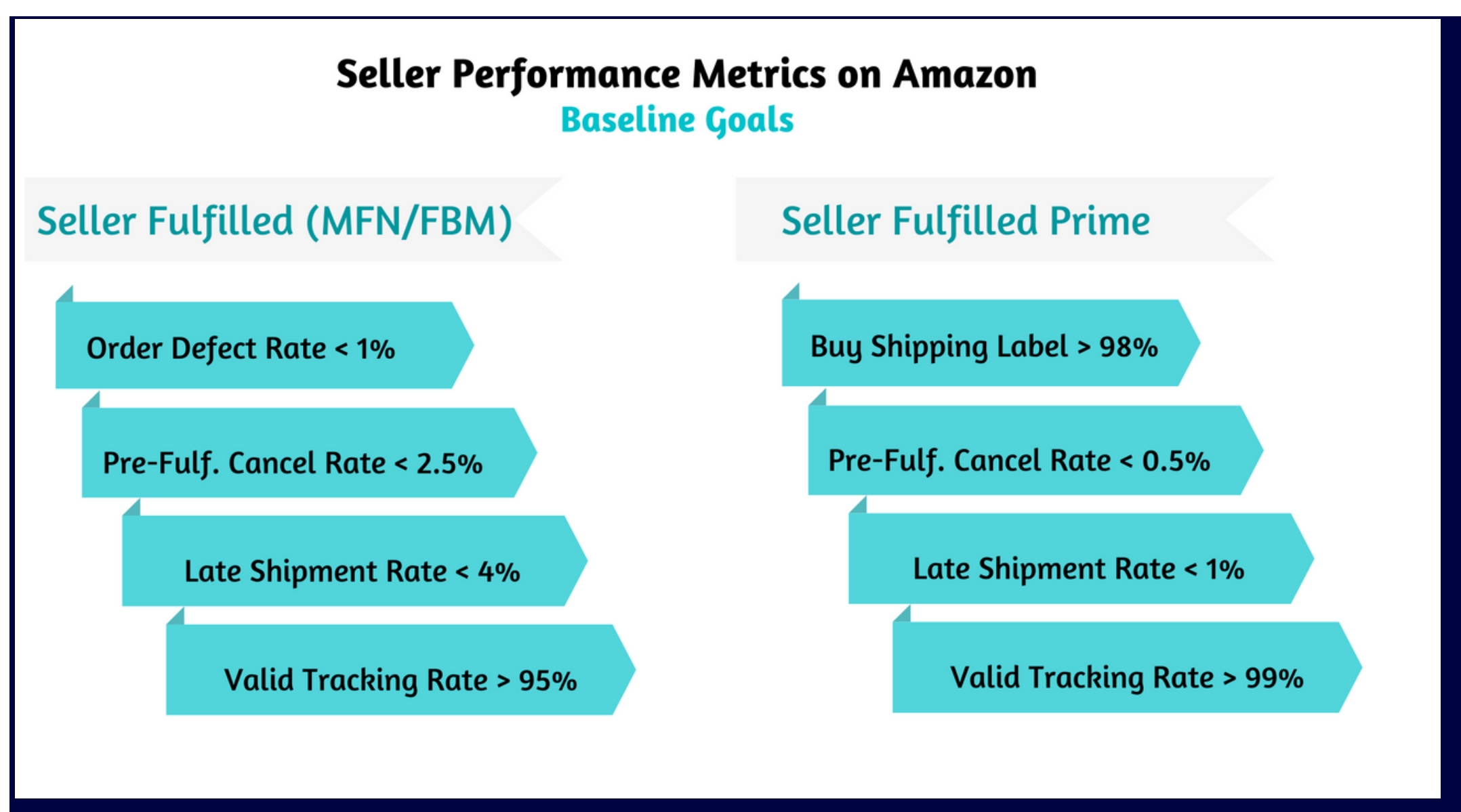
It displays issues flagged up by Amazon. They could be due to policy violations, poor shipping, or customer service problems.



Each of the fields described in the previous image will require your attention daily.

For instance, authenticity or safety complaints can quickly lead to an Amazon account suspension.

But there are also four major performance metrics on Amazon that you should always keep an eye on. They depend on the type of fulfillment.



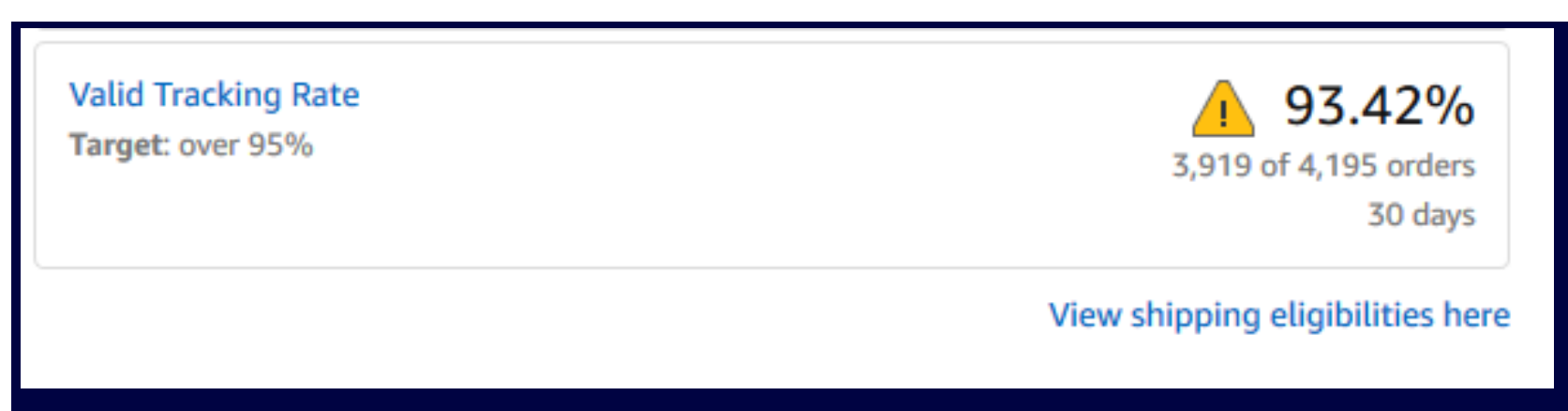
---

A suspension is usually preceded by a warning from Amazon. This happens when there's a complaint, a suspected violation, or a drop in performance metrics. If you want to continue to sell on Amazon in 2020, you should address it quickly.



Check [this video](#) to learn more about performance metrics

The video above walks you through the first three performance metrics on the list. As for the fourth one, Valid Tracking Rate (VTR), this is the percentage of tracked shipments out of all the orders you received in the last 30 days.



Stellar performance metrics enable merchants to keep all their selling privileges on Amazon. And they sometimes come with perks.

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For instance, MFN sellers with a VTR of 98% and an On-Time Delivery Rate of 97% are eligible for reduced transit and handling times.

## Dealing with an Amazon Account Suspension

If your selling privileges are suspended, you may not need the services of a professional Account Rescue team. But you should give it some thought. After all, a second appeal is less likely to succeed.

If you're willing to go it alone, here are some tips for reversing your temporary Amazon account suspension:

### Make the Most of Your Time

You usually have a 17-day deadline to submit a Plan of Action (POA).

In it, you must show that you understood the root cause of the suspension and addressed the mistakes and their effects.

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You should set out some clear goals to prevent further suspensions, and even make some progress towards these goals.

To maximize your chances of success, you should submit a clear, concise, and focused POA. And do so as quickly as possible.

In the event that Amazon rejects your proposition, you can then submit a second POA before the 17-day window expires.

## Do Your Research

It's not always obvious what triggered a suspension. For one thing, Amazon's notification emails can be vague. But they should be your first port of call.

Then sifting through Amazon's recent warnings.

And after that, check older notifications. Similarities could point to specific products.

Also check your recent buyer-seller communications. Look for claims, messages, and feedback that could link a buyer or a product to the suspension.

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Go through your database and look for items returned in recent days. Draw up a list of the reasons these items were returned.

## Get Your Act Together

If you have a pretty good idea what caused the suspension, it's time to check other factors and effects.

Let's say there was a delayed shipment from a supplier. So you shipped a 'Like New' unit you had on hand to avoid a drop in metrics. You then have 3 issues: the supplier, the stock-out, and the listing.

Then take a long, hard look at the way you run the business. A change is probably in order. But if you're going to come up with ways to change the status quo, you should start with your performance metrics.

If possible, you should bring all your metrics back into "the green" before you submit your appeal.

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## Choose Your Words Wisely

You should measure your words so that you convey as much information as possible clearly and in as few words as possible.

Your tone should be apologetic but firm.

You should take full responsibility for the suspension, even if you did nothing wrong.

And you should proofread the text before you submit it.

When it comes to corrective and preventive measures, Amazon wants to see actionable ideas. It expects examples and proof.

When you submit your POA, you should have already tested some of your ideas. So, if possible, attach graphs, diagrams, workplace policies, a pro forma invoice from a new supplier, etc.



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## Attach Supporting Documentation

*For seller support staff, the shorter your POA the better.*

So, if you have supporting documents (e.g. invoices), share them with Amazon and refer to them in the body of the POA. A picture is worth a thousand words. So, relevant images (e.g. product, packaging, or inventory images) are also welcome.

## Submit When Ready

Once you submit an appeal, Amazon will only discuss it with you if you contact the relevant team or open a case.

So, if you're happy with your POA, submit it and play the waiting game. If you're not, you should probably reconsider sending it.

Here are 10 situations where you would do well to reassess your options:

- Your POA reads like an essay, not a line-up of steps and solutions.
- There are no actionable steps in the POA because you've done nothing wrong.

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- Some of the steps are missing, incomplete, or implausible.
  - There's no prioritization or timeline for your steps.
  - There's no reflective cycle showing what you learned.
  - You didn't pinpoint the cause of the suspension.
  - You discussed several issues together without linking each one to a corrective measure.
  - There's no link between different solutions, so their individual impact can't be monitored.
  - Your POA is brief and well worded, but poor formatting makes it hard to follow.
  - The plan is flawless, but there's no supporting evidence.

Next we'll be focusing on two very important topics: risks and strategies for Amazon sellers

# How to Sell on Amazon in 2020:

## VIII. Risks Of Selling On Amazon

Before we move on to the final and most important piece of the puzzle - *selling strategies* -, let's go through some of the risks of selling on Amazon. After all, every grand endeavor comes with its challenges.

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# The 7 Most Serious Amazon Seller Risks

## Slow Payouts

Only the lucky few have a grandfathered account on Amazon. These Amazon sellers can ask for disbursements 24 hours after payment clears.

But if you're not one of them, you'll have to wait 14 days for Amazon to transfer the money you made to your checking account by direct deposit.

And you won't get all of it either.

Amazon Reserves take 7 days from the maximum EDD to clear.

So, part of your earnings will always show up as Unavailable Balance.

Then there's also the Permanent Hold.

If your account is suspended, Amazon can withhold your funds for 90 days or longer. More on this [here](#).

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Not having access to your earnings right away affects your liquidity. This then affects your stock levels, your selling price, your sales, your growth, and your overall performance.

Unfortunately, there are only 3 ways to deal with the payout delay, and they don't all apply to every Amazon seller:

- Upload tracking numbers as soon as you have them.
- Set daily disbursements, if the option is available.
- Switch to FBA to avoid having too much money tied up with Amazon.

## Hidden Costs

You could say that hidden costs are one of the biggest Amazon seller risks.

Most MFN merchants think that Amazon fees make up the bulk of their costs.

But while referral fees, closing fees, and uncovered shipping expenses amount to about a quarter of earnings, there are many other costs to consider.

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Staying competitive on Amazon isn't cheap.

Running ads takes a big chunk out of profits - \$381 per day on average.

Then there's winning the Buy Box. It's the sine qua non of selling on Amazon in 2020. And it's near impossible without tools like Sellery that keep tabs on the competition and keep prices in check.

As for those who sign up to FBA, things like fulfillment and storage fees might not jack up their monthly bill. But overage fees, long-term storage fees, prep services, label, and refurbishing services can all add up over the years. So too can return, disposal, and removal order fees for items Amazon deems unsellable.

## Inventory Eligibility

Speaking of which, your inventory can become worthless overnight. It's not just damaged, dangerous, or fake items that get snubbed, either.

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Amazon can impose selling restrictions on new, safe, and genuine branded items bought from the manufacturer. And ungating a brand isn't easy.

At the brand owner's request, Amazon can suspend listings or boot off sellers with no prior warning.

This tends to happen when brand owners partner up with Amazon.

But thanks to the Brand Registry, brand owners can take matters into their own hands. And it's up to the sellers to cover any FBA removal costs.

## Account Suspensions

Account suspension isn't a matter of if but when.

One of the most common risks of selling on Amazon is having it happen to you just before the holiday season, Prime Day, or other major sales event.

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And when it happens, all sales are suspended. Worse still, Amazon places a permanent hold on your funds.

An Amazon seller risks having their account suspended even if they did nothing wrong. Hacked accounts, hijacked listings, fraudulent seller claims, and unfounded buyer complaints can get you suspended.

And even words like “fake” in a buyer’s message can be picked up by a bot, triggering a suspension.

You have 17 days to file an appeal, but it can take longer than that to reinstate your selling privileges.

And as for the 90-day hold on your funds, it can take longer than that to clear, whether your account is reinstated or not.

Meanwhile, expenses like FBA storage and overage fees might start to accrue.

So, it’s anyone’s guess when your account will be suspended. But when it is, you’ll need to make some tough choices – and fast.



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If you want to get your account back, it always pays to get your appeal right the first time around. That's why we recommend the Account Rescue service.

## Price Wars

On Amazon, profit matters more than turnover. That's why top sellers use sophisticated repricing software to stay competitive.

And when you outprice one competitor, you set off a chain reaction. Every competitor's repricer wants to undercut you. Before you know it, your price spirals out of control.

## Unfair Competition

One of the most serious risks of selling on Amazon is dealing with a dishonest competitor.

Retailers source their inventory from the same suppliers. And be it generic, PL, or own brand, the product isn't really unique. So, from the moment they list, every Amazon seller risks stepping on one too many toes.

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Dishonest sellers often use black hat SEO tactics. Aggressive pricing strategies and unscrupulous upselling tactics are also unfair to the competition. And some go so far as to hijack listings or hack accounts. Here are some of the best ways to fight a competitor who doesn't play fair with Sellery:

- Blacklist them with the 'filter specific sellers' feature using their seller ID.
- Give Sellery a list of honest sellers to compete against.
- Use the 'based on their price + shipping' option to weed out unreasonably high or low offers.
- Analyze your competitor's price strategy by checking your Smart Lists and downloading data.
- Set ceiling prices for all the items you sell against a dishonest competitor.
- Check MSRPs and report sellers if they inflate them.
- Set up rules so that your price reflects your stock levels and competitors don't buy your last units.

- 
- Use the 'Do Not List' rule if you're happy to wait until the competitor runs out of stock.
  - Time your listings and reschedule repricing with the 'Ignore' feature.

## Competing with Amazon

Sellers sometimes forget that Amazon is not a single entity; it's a trinity.

Amazon is the market, the seller, and the buyer. And it can pull the rug out from under you anytime. Not just by suspending you, but also by doing what you do better and cheaper.

Our Brands @ Amazon.com have steadily taken over a huge share of the market. The AmazonBasics brand alone is known for everything from Xbox controllers to pet beds. But there are 26 Own Brands in all, and hundreds of Exclusive Brands.

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So, if you're wondering how to sell on Amazon in 2020 and avoid losing your entire business to the single-most powerful competitor of all, we have 3 pieces of advice to offer:

## 1. Maintain Your Own Website

At the risk of repeating ourselves, please don't put all your eggs in one basket. Especially since the price parity rule no longer applies and you can make your webshop offers much more appealing than your Amazon listings. Buyers are slowly waking up to the fact that Amazon isn't always cheaper or faster.

## 2. Have a Unique Branded Item

Shopping habits are changing. But people still crave an exciting shopping experience, even if they check out on a mobile phone. An alluring logo, clever custom branding, space-saving packaging, and eco-friendly credentials will bring buyers to you and lower the costs and risks of selling on Amazon.

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### 3. Keep Up

Every Amazon seller risks wasting an opportunity to be successful on Amazon if they don't stay up to date with the trends. To minimize the risks of selling on Amazon, read up on policies, join seller groups, sign up to newsletters, follow blogs like ours, and sign up for some software tools before you start selling.

# How to Sell on Amazon in 2020:

## IX. Amazon Seller Strategies

In the final edition of our “How to Sell on Amazon in 2020” ebook we bring you a handful of Amazon seller strategies and tips.

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# 1. Marketing Strategies

## Be Customer-Centric

Amazon's mantra is 'customer obsession'. And if you're selling on Amazon, it follows that you should have a customer-centric approach too.

But it's hard to make customers happy if you don't know what their tastes, budgets, and life circumstances are. Which brings us to buyer demographics...

## Understand Your Customers

On Amazon, a buyer's personal information is encrypted. So, you don't have enough buyer data to inform your marketing strategy and boost customer engagement. Unless you sign up for Brand Registry, that is. It enables you to get to know your buyer. That's crucial if you want to be good at selling on Amazon.

When you sign up for Brand Registry, you gain access to the Brand Analytics tool.

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Aside from valuable SEO data, this tool features the Consumer Behavior Dashboard. It's here that you'll find your Buyer Demographics data. You'll be able to see the buyer's age, gender, marital status, education, and income.

This dashboard breaks down your sales into age groups and income brackets.

It gives you a rough idea who to target with your campaigns.

So, you can choose your keywords and phrase your listings in such a way as to attract that specific demographic (e.g. wealthy baby boomers, single millennials, etc.).

## Advertise with Intent

There are many tools you can use when you're selling on Amazon to make your products reach more buyers.

You can make your listing more appealing with the [A+ tool](#), for instance.



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But when you're new to selling on Amazon, PPC campaigns are the most convenient way to highlight your offers.

You should opt for both Sponsored Brands and Sponsored Products campaigns until you get the hang of things. Make sure your brand banner and USPs display well.

And as for your sponsored product, check the look and location of your ad snippet on various types of devices.

The advertising stats below will help you gauge your returns. But before you spend on ads, make sure these products are what the buyers wanted.

Rather than rely on Amazon's Automatic Targeting tool, alternate between manual and automated campaigns. And pay extra attention to negative keywords!

## Average Advertising Stats for Amazon Sellers

# daily clicks per user	374
# conversions/day/seller	35
PPC conversion rate on Amazon	9.47%
click-through-rate (CTR)	0.36%
ACOS	34.42%
cost-per-click (CPC)	\$0.97
daily spend on Amazon ads	\$381
daily revenue for advertising sellers	\$1,050

## Know Your Products

There's a page in Seller Central that shows you what your customers think of your products, among other things. It's called Voice of the Customer.

It enables you to see buyer comments, edit listings, create removal orders, and resolve item issues quickly.

Products rated 'Fair' or worse could be troublesome.

The screenshot shows the 'Voice of the Customer' dashboard. At the top, it says 'Voice of the Customer Beta' with links for 'Learn more' and 'Tell us how we're doing'. Below this is a message: 'Use this page to understand the Customer Experience (CX) Health of your offers, review product or listing feedback from customers, and take action to fix product and listing issues.' A notification bubble says: 'Thank you for visiting the Voice of the Customer page. The goal of this page is to help you identify product and listing issues affecting customers. The CX Health of your listings does not affect your overall account health. This page is currently in beta. Please tell us how we're doing. Your feedback is invaluable to us.'

The 'CX Health breakdown of your listings' section shows a bar chart with five categories: Very poor (2), Poor (0), Fair (10), Good (52281), and Excellent (64). Each category has a 'See listings' link.

Below the breakdown is a search bar with 'Search title, ASIN' and a 'Search' button. To the right, it says 'Filters: applied 0' and '10000 Offer listings'.

The main table lists two items:

Image	Product name ASIN	SKU Condition	Fulfilled by	NCX rate	NCX orders	Total orders	Last offer closed date	Last updated	CX Health	Action
	Your College Experience: Strategies for Success 1319068308	qz-ftp-dhl4hxnmtzzwtggeh New	Merchant	42.86%	3	7	--	Oct 22, 2018	Very poor	See details
	The Instruction 389385567X	qa-hon-ltlzkafbtzz3nny Used	Merchant	66.67%	2	3	--	Nov 5, 2018	Very poor Listing deleted	See details

A 'FEEDBACK' button is visible in the bottom left corner of the screenshot.

## 2. Sales Strategies

### Keep Tabs on the Competition

Being successful at selling on Amazon comes down to profit, not turnover. And competitors can be a major thorn in your side when it comes to profit.

That's why it's a good idea to keep up with the competition. Monitor their storefronts, listings, sales volume, keywords, and promotions as shown [here](#).

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Place some test orders to get an understanding of their packaging, equipment, locations, business model, internal practices, etc.

## Monitor Your Own Sales

Obviously, the faster you sell the greater the demand for your product. But sales velocity also ties in with stock levels and pricing.

Assuming you don't reach your velocity limit, you can use sales velocity data to streamline your inventory management, boost turnover, and maximize profits.

## Manage Your Costs

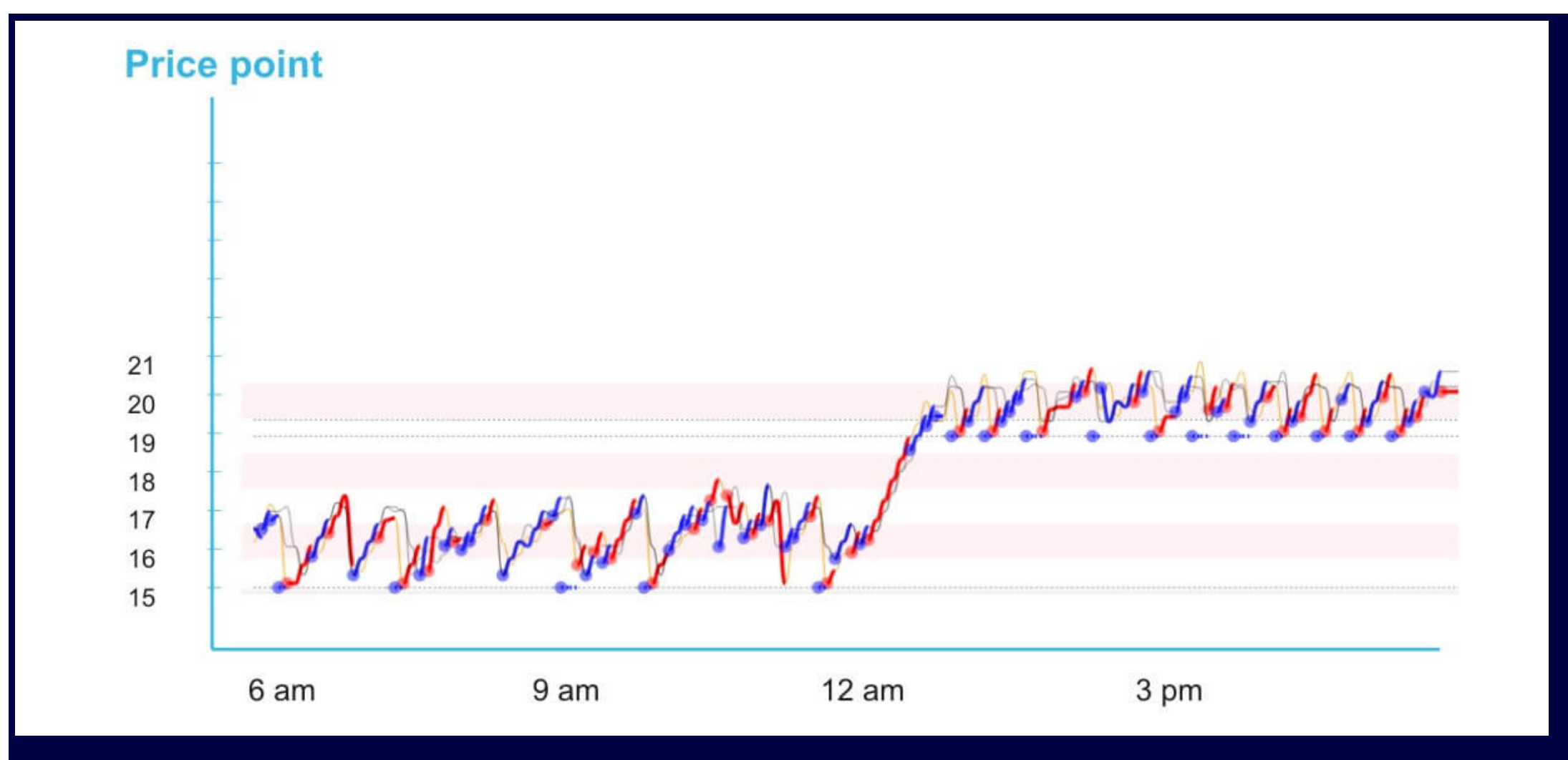
The funny thing about the cost of selling on Amazon is that it's not so straight-forward. Sure, you have up-front costs like Amazon's selling fees, which amount to about a quarter of your revenues. But there are many other add-on fees for returns, chargebacks, FBA slow-movers, etc.

Sellers might also not factor in their start-up costs, trademark registering fees, or the cost of sourcing UPC labels, for instance. Then there are repackaging, restocking, and removal costs. And let's not forget that Amazon's fees change all the time.

### 3. Pricing Strategies

#### Make the Most of Buy Box Rotation

Gone are the days when sellers decided what and for how much to sell based on abstract numbers. More specifically, sales rank and lowest price. Today it's all about the Buy Box. Owning it for just a few hours can make up for hefty losses due to undercutting.



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The Buy Box gets a reshuffle every few minutes, as shown above. The zigzagging offers pictured in red and blue take turns owning it. These sellers raise their price (gray line) as soon as they seize the Buy Box. But there's also a third seller at the bottom (also blue) who doesn't reprice.

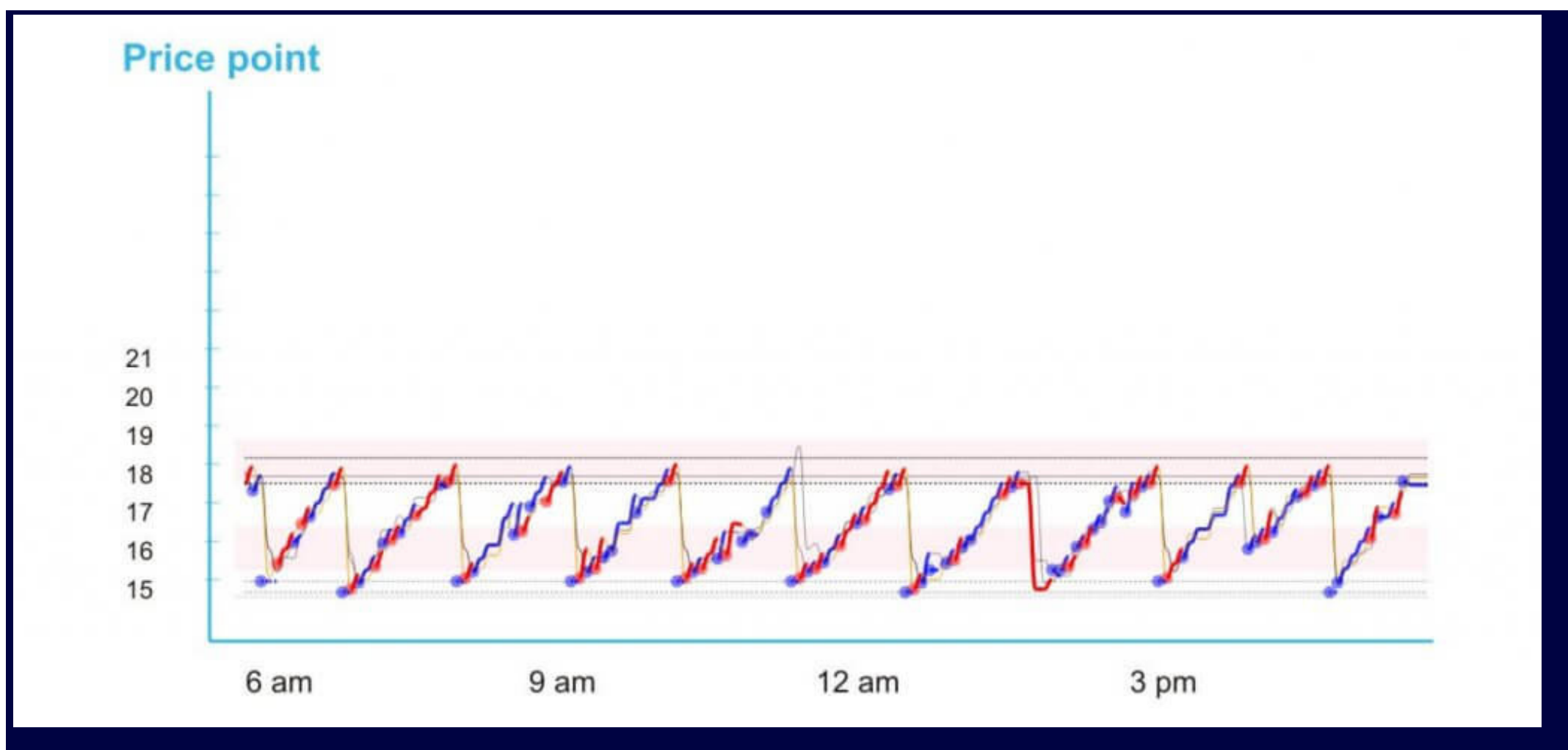
That's a missed opportunity. The Buy Box gets reshuffled when sellers change their prices (either lowering or raising them). So, you won't earn the Buy Box just for having the lowest price. As seen above, sellers with flexible pricing sell for more and for longer than those who stay put.

Tip #1: When you have the Buy Box, steadily increase your price until you lose it.

## Target the Buy Box Winner

Buy Box rotations aren't just fast. They're also biased. Usually towards the seller with the best 'price + customer experience' combo.

That last part has a lot to do with the fulfillment channel. FBA and Seller-Fulfilled Prime take precedence here. But switching fulfillment isn't the end-all for 3P sellers.



If there's a clear "favorite", ignore other sellers. Undercut their price only, like the red seller did in the graph above. But be sure to only take into account the Buy Box price that corresponds to your condition category. If you're selling a used item, undercutting the New Buy Box price won't work.

Tip # 2: If you don't have the Buy Box, undercut the winner in your category (Used/New).

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## Get a Fast Repricer

Using a repricing tool like Sellery can be of great help in a highly competitive landscape.

You can't change your prices manually several times per hour, 24 hours a day. So, your chances of winning the Buy Box without an automated repricer are virtually null. And it's not just the rate with which you reprice.

Speed matters too. Whenever you edit a listing manually, there's a time lag before the change goes live, as shown below. But in that time, your competitor's software will have picked up on your upcoming price change. And as your price goes live, their new one does too. Can you guess who has the better price?

That's where Sellery has the upper hand. It can reprice in real-time, making your price change instantaneous.

Tip # 3: Real-time repricing means you're always 2 steps ahead of the competition.



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This brings our ebook to an end, but you can be sure that we'll be coming up with many more tips and tricks for people selling on Amazon.

If you've enjoyed learning how to sell on Amazon in 2020, please feel free to start testing our Amazon seller strategies and tips right away.

And if you'd like to have access to our future blog posts, eBooks, newsletters, and SellerEngine product updates, please subscribe to our newsletter.

While we have your attention, we'd love for you to check out our software suite and our service package for successful Amazon sellers. Please scroll down to find our contact info, and get in touch to learn more about how we can help you scale your business.

# Our Software Suite



## SELLERY

The most powerful  
Amazon repricer



## PROFIT BANDIT

The #1 mobile  
scouting app



## SERVICES

Everything software  
can't do

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## Twitter

[twitter.com/sellerengine](https://twitter.com/sellerengine)

## Facebook

[facebook.com/SellerEngine](https://facebook.com/SellerEngine)

## Instagram

[instagram.com/sellerengine](https://instagram.com/sellerengine)

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# Meet Us

## Contributing team



### MELANIE BLADE

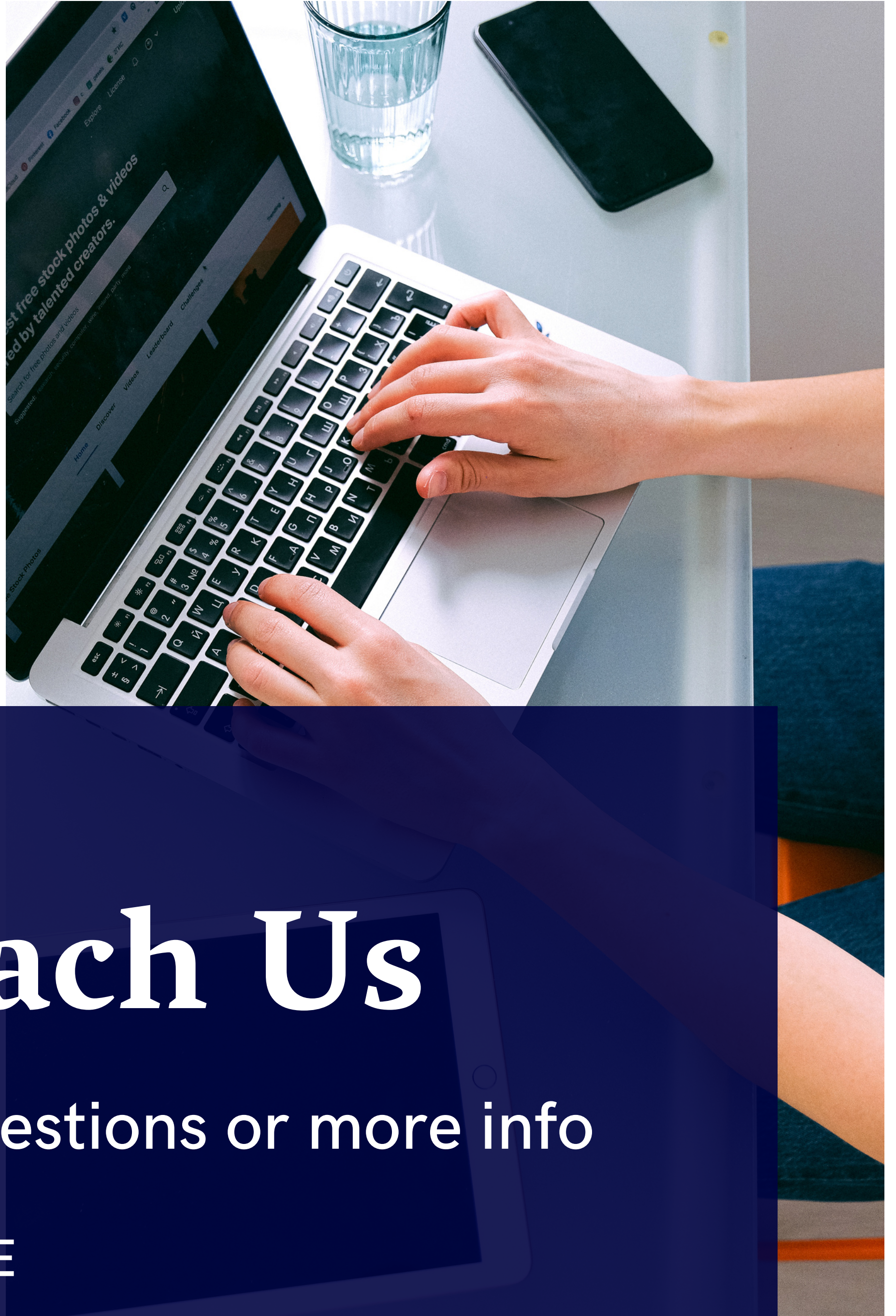
Melanie takes an active interest in all things Amazon. She keeps an eye on the latest developments and keeps Amazon sellers up to speed. Melanie is Content Creator here at SellerEngine.



### ADRIANA ANDREI

Adriana is one of SellerEngine's Amazon Business Development team members. Her main focus is helping sellers understand Amazon's intricacies and helping them get things rolling on the platform. She believes that approaching things with calm and honesty solves 50% of the issues you may be facing with Amazon.

A SELLERENGINE COLLECTION



# Reach Us

For questions or more info

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