



SellerEngine

# **The 17 Biggest Seller Mistakes and How to Avoid Them** *Checklist*

# The 17 Biggest Seller Mistakes and How to Avoid Them

## Checklist

A seller's worst nightmare? Having an account suspended, with expensive items stuck in a fulfillment center, funds withheld, and a lifetime ban from Amazon. This happens more often than you'd think. The reason?



## 1. Unwittingly violating Amazon's selling policies.

Here are the most important rules and policies:

### **Amazon Fair Price Policy**

Amazon Fair Price Policy covers unreasonably high or misleading prices (e.g. charging more for a multipack than a single unit, inflating the MSRP, hiking up shipping prices).

### **Minimum and Maximum Price Validation**

Minimum and Maximum Price Validation rule says you can't raise a price to more than 6 times its recent value or lower it to less than the minimum referral fee for its category.

### **The Seller Code of Conduct**

The Seller Code of Conduct covers unethical behavior, such as soliciting reviews, hijacking a competitor, and other examples of 'gaming the system'.

### **Communication Guidelines**

Communication Guidelines cover messages to buyers that are forbidden (redundant emails, repeat requests, conditional requests, content with links to the business, opt-out links, contact information, product images, poorly formatted or misspelled emails).

### **The Customer Product Review Policy**

The Customer Product Review Policy covers things like reviewing your own product or a competitor's, incentives and refunds linked to reviews, joining review clubs, diverting negative reviews, collating reviews with product variation, etc.

### **MAP policy**

MAP policy doesn't apply to Amazon, but it can apply to you, as a reseller. To stop Amazon bringing prices below what the manufacturer is comfortable with, you need to opt out of the Discounts Provided by Amazon program, making your entire stock ineligible.

### **Supply chain**

Supply chain standards enable Amazon to suspend accounts and dispose of inventory at the seller's expense if there are credible reports that your supplier offers unsafe working conditions, uses forced or child labor, etc.

### **Standards for Brands**

Standards for Brands set out minimum requirements in terms of price, variety, stock levels, delivery experience, etc.

### **Conditions of Use**

Conditions of Use are Amazon's T&Cs that cover things like intellectual property, content, permission, sanctions, and handling legal disputes.

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## 2. Running Multiple Accounts on the Same Venue.

This is such a common issue that it deserves its own section.

Amazon allows you to hold one account per venue. And thanks to unified accounts, you can trade across entire continents with a single account.

So, unless you sell multiple brands through separate business entities, or join an Amazon program that requires you to open additional accounts, there's no just cause for running more than one account on a single marketplace.

Also, running multiple accounts opens you up to even more scrutiny. Should you open a second one without permission or let any of your accounts perform badly, Amazon will shut them all down for breaching the Seller Code of Conduct.



## 3. Ignoring or Misinterpreting Amazon Reports.

Amazon places a series of reports at your disposal.

You can look for reports pertaining to MFN and FBA items, Business items, your registered brands, etc.

You can then browse and download this information, as shown below.

The Selling Coach in **Seller Central** will reveal the inner workings of Seller Central.

It features walkthrough demos for Amazon's inventory, sales, payments, and removal reports. But some of the most interesting reports are only available to registered brands, as explained here.



## 4. Ignoring Amazon Notifications.

Whenever Amazon's Seller Performance Team flags up a negative change in your performance metrics, it sends a warning message and places the account under review. The warning can also be triggered by claims that a product is **restricted**, fake, poorly described, etc. As of last year, these warnings tend to be preceded by a phone call.

The SP team may be able to offer concrete information about the ASIN and the claim that you can't find on the Health Dashboard.

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## 5. Underestimating the Competition.

It's not unusual for sellers to start listing their products without looking into their competition.

But as explained here, with a keyword lookup tool, as well as some **storefront** research and competitor profiling, you should get a pretty good idea.

However, if you sell **Private Label** or products that aren't unique, you're also competing against others.

Take, for instance, Amazon's own brands and promos, and other PL sellers. Sellery can help you see them all, so that you can adjust your strategy to include them



## 6. Splashing Out on Amazon PPC.

The pandemic has caused PPC **campaign** budgeting to soar on Amazon.

Sellers spend *\$11k per month*, on average, to boost visibility for their products. As we explained in our earlier post on PPC profitability, campaigns are only worth it if margins are high and ACoS is low.

But as of last year, Amazon's A10' algorithm no longer prioritizes Sponsored Ads when it determines keyword ranking.

Instead, organic sales, CR, CTR, impressions, and seller authority matter this year.



## 7. Getting Titles, Images, and Keywords Wrong.

When you start listing on Amazon, it's a steep learning curve. And just when you think you've got the hang of it, Amazon will come up with new limits and restrictions. So, you'll probably go back to the drawing board every few months.

Going over a limit will basically render your listing inactive. Here are some of the listing limits currently in place:

- 249 byte limit on backend keywords (used for indexing only);
- 50-character limit on product titles for FBA listings;
- 80-character title limit for European 3rd party sellers;
- 100-character limit for Key Product Feature lines (bullet point), up to a total of 500 per listing.

Amazon also has a few restrictions. If you don't comply with them, they'll simply suspend your listings. Here are some of the restrictions new sellers find it hard to comply with:

- HTML code and URLs are forbidden in title, images, and descriptions;
- ALL CAPS text is a big no-no;
- Symbols (&, @, etc.) are not allowed;
- Promotional or boastful information like "x% off", "**Lowest Price**", "Best", "Free", "Sale", etc.

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### 8. Misreading the 3 'S's (Stock - Seasonality - Sales Velocity).

You can think of stock, seasonality, and sales velocity as a triad. All three affect your sales price.

Our post on Boosting Private Label Sales looks into this relationship and shows you how to adjust your pricing strategy based on seasonality and stock levels to boost sales.



### 9. Not Meeting Amazon's Customer Support Standards.

Amazon is very particular when it comes to customer satisfaction.

For this reason, it will often grant a customer's A-to-Z claim without much scrutiny. This problem is made worse by the fact that buyers often don't read everything.

To comply with Amazon's customer service standards, it's important to state your policies clearly and in plain sight.

Also, reiterate your product's attributes, be prompt and courteous in your replies, grant buyer requests quickly, and never request positive **feedback**.



### 10. Settling for Subpar Amazon Tools.

Not doing your research and settling for any old repricing tool is a Himalayan blunder on Amazon.

Nowadays, it's virtually impossible to win the Buy Box with anything other than a real-time repricer. And it's hard to make a profit if it doesn't even come with price limits.



### 11. Mispricing.

Overpricing can block your product listings. But underpricing is also a problem. Amazon sellers are constantly undercut by competitors, including Amazon itself.

To keep their edge, they use repricing software, bringing prices down automatically and drawing in more customers.

Unfortunately, if prices stay down and items sell for less than intended, then all that work was in vain.

BuyBoxBuddy can reprice in real time, while also using your price limits so you never sell at a loss.

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## 12. Not Budgeting Properly.

Aside from the fees and commissions Amazon charges for MFN and FBA items, there are several hidden costs sellers tend to disregard.

But whether you're selling books on Amazon or Private Label, it's important to read our post, [10 hidden costs of selling on Amazon](#).

It reveals the expenses you're likely to incur for referral, fulfillment, removal, overage, long-term storage, refund administration, and high-volume listing.

And it also mentions some of the lesser-known fees sellers often pay, such as placement or prep fees.



## 13. Ignoring Customer Pain Points.

It's not immediately obvious, but on Amazon you're not just selling a product. You're selling a solution to the customer's problem. So, before you even think about drafting your product page or **condition** notes, you should draw out a buyer's main pain points.

Then translate these into bitesize keyphrases. Ideally, these keyphrases should be part of the title or bullet point section, but if that's out of the question, then consider uploading at least one photo that shows how your product can help, with brief explanations like 'works with x & y', 'fits model a & b', 'pocketsize', 'waterproof', 'recyclable packaging', 'better signal', etc.



## 14. Charging Too Much for Shipping.

Amazon buyers prefer free shipping, and many sign up to Prime for it.

Charging too much for shipping may eventually bring your **feedback** and product ratings down. Customers who find your product cheaper elsewhere won't hesitate to express their dissatisfaction when Amazon asks for their feedback.

If you don't charge standard shipping rates, then try to offset shipping charges by raising the item price slightly. Bear in mind that if you go overboard, you'll push customers away.

After all, comparing prices online is the norm now, not the exception. Finding the right price point can be very tricky, but that's precisely what Sellery is for.



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## 15. Shipping Too Late.

An Amazon seller's supply chain can be very complex, but it needs to be streamlined. Drop shipping is standard practice on Amazon.

Outsourcing storage to specialized warehouses and fulfillment centers is also common. As long as sellers comply with guidelines and invoicing requirements, there's no reason not to sell on Amazon.com even if you don't store all your products.

**Note: selling requirements may vary based on venue, product categories and selling plan.**

But all sellers must dispatch and deliver on time. If, for any reason, you're unable to ship in 2 business days, then your shipping policy should clearly stipulate that your lead and shipping times are longer. Some sellers work weekends or odd hours to comply with the 2-day requirement. Test your shipping capabilities before you state your dispatch policy.



## 16. Incentivizing.

If you ship your own products and you resort to aggressive promotional techniques, you're walking on thin ice.

Some customers don't appreciate being offered large discounts or freebies for a review or second buy if that means previous (exaggerated) reviews were based on the same incentive.

Now that incentivizing has been banned and there's no more fake upvoting on Amazon, they expect reviews to be entirely honest. You abide by the Seller Code of Conduct, or you're out.



## 17. Not Making Store Policies Clear.

Amazon expects sellers to match or even outdo their return policies. Even so, sellers are free to determine their own return policies, as long as their storefronts clearly indicate what these terms are.

Unfortunately, most buyers don't take the time to read even the full product description, let alone the return policy. To avoid unnecessary refunds or to promote a generous returns offer, mention your policy every chance you get, including the product description.

It's time to wrap up, but we're very excited for our readers who want to start selling on Amazon, and we wish them smooth sailing.

With so many policies, guidelines, and requirements for selling on Amazon, it's no wonder that Amazon seller mistakes are common and diverse.

**How about you? Have you made any not-so-typical Amazon seller mistakes that you'd like to share? If so, then we're willing to learn. And we're also happy to draw one of your answers for a free Amazon Business Coaching Session from one of our Amazon experts.**



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