

How to Sell on Amazon for Beginners

Amazon is the [world's largest marketplace](#) that provides incredible sales opportunities.

However, if you're new to Amazon selling, it can be challenging to figure out where to start and how to avoid silly mistakes and loss of money.

This guide will help you get started, understand the basics of Amazon selling, and explain in simple words how it all works.

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Introduction

Before you start selling, briefly glance at a few key things to remember about Amazon sales. It is important for better understanding what to expect from Amazon sales

Good to know before you start selling on Amazon!



Get familiar with Amazon

Take some time to learn the basics about selling on Amazon, like how to list products and get them shipped to customers. This will help you avoid any bumps along the road.



Pick products that sell

Don't just sell anything! Look for items that people want to buy and that don't have a tons of sellers offering them already.



Right pricing for making money

Before you offer anything to customers, figure out all the Amazon fees involved (like a selling fee) so you can price your products high enough to make a profit after all fees are paid.



Focus on profit, not volume

Focus on making money on each and every sale, not just selling a bunch of stuff super cheap. Remember, you're running a business and your target is to make money.



**SELLER
ASSISTANT**



Build slow and steady

Growing a successful Amazon business takes time and effort. Don't get discouraged if you don't see results overnight. Keep putting efforts into your work, and it will be a really rewarding experience.

Related: [Amazon Glossary for Sellers](#)

How Does Selling on Amazon Work?

Understanding how Amazon sales work comes down to answering 10 key questions. Here you will find short answers, while below we will discuss each of them in detail.

1. What do I need to start on Amazon?

To start selling, you must register as a seller. To do that, you must choose a selling plan and create an Amazon seller account, called Seller Central account.

Individual plans are for casual sellers who sell a limited number of products, while Professional plans are creates sellers with many products for a monthly subscription fee.

2. How will I sell?

On Amazon, sellers most frequently use 5 selling strategies called business models: online arbitrage, retail arbitrage, wholesale, dropshipping, and private label. All of them are reselling models, which means you get a product for a lower price at any retailer and resell it for profit. You can also sell products you created yourself, like handmade items, custom designs for t-shirts or mugs, or books you wrote.

Most popular models and sellers' ratios using them are:



Private label



Wholesale



Retail
Arbitrage



Online
Arbitrage



Dropshipping



**SELLER
ASSISTANT**

3. What will I sell?

The next thing you need to do is to pick the products you are going to sell. Amazon sellers call this process product research.

Typically, you will look for a product with good market demand (popular with Amazon customers) and low competition (to be able to sell it for the price you planned). Also, it should not have any problems (be restricted or have other flags).

Most Popular Amazon Product Categories



Most sellers use product sourcing tools to find products for Amazon. One of the most popular product sourcing tools is [Seller Assistant](#).



Powerful Amazon Product Research Tool for Online Arbitrage and Wholesale Sellers

Advanced IP Alerts & Restriction Checker

Quick View

ASIN: B00U26V4VQ
#474 in Toys & Games
FBM: \$11.45 | FBA: \$12.59 | Amazon

Price: 26.99 | COG: 12.59

Price	26.99	COG	12.59
Profit	9.12	FBA	1.72
ROI	65.99	F15%	4.05
Margin	33.79	FBA	7.33

FBM & FBA Profit Calculator

Keapa Graph



4. Where do I get a product?

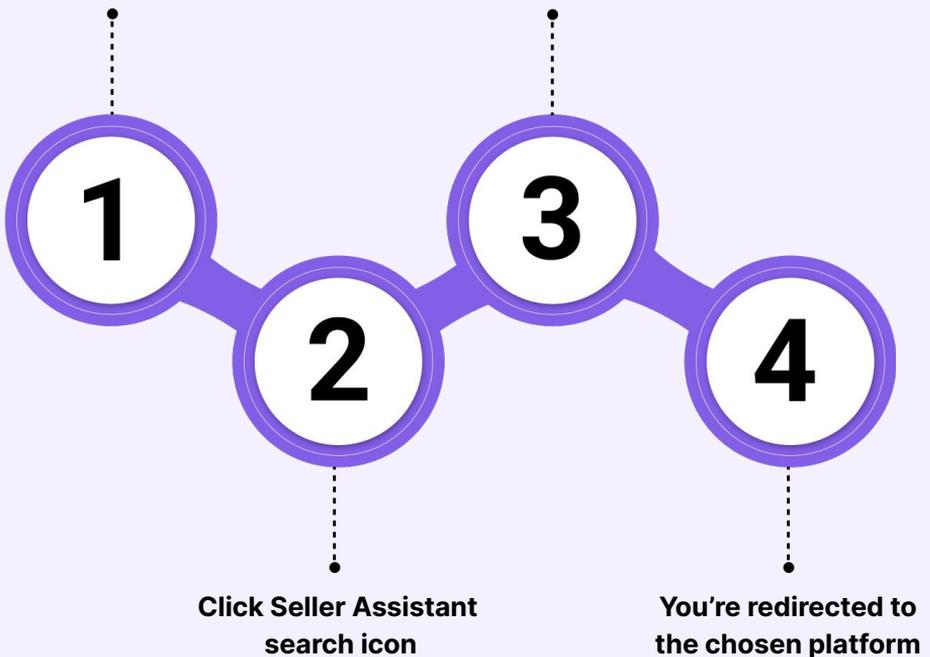
After you have ensured that the product will sell, you must check it will generate good profit. You must find a product supplier who offers a price substantially lower than it sells on Amazon.

At the same time, a supplier must be reliable, offer good quality products, and have dependable lead times. Depending on the business model, you will use different types of suppliers.

Choosing Amazon Suppliers

Search for product
on Amazon

Choose a supplier that
meets requirements



5. How many products should I buy?

In all business models except dropshipping you need to buy your products before reselling them on Amazon. In this a case, you must decide how many products you need. That is called inventory management.

You can get guidance on how many units you can sell from the estimated sales number in [Seller Assistant](#). The general advice is not to buy too many products (inventory) at the beginning of your journey.

6. How to add my product to Amazon?

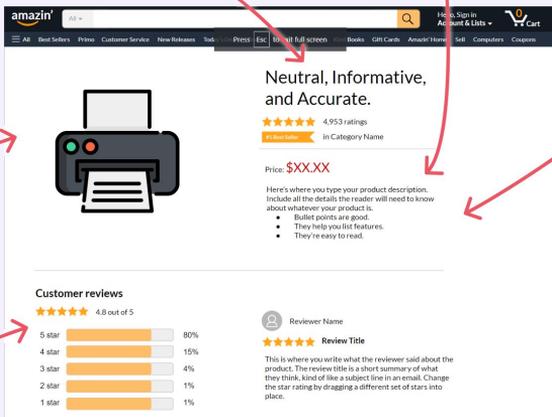
When you have a product ready to sell, you must add your offer to Amazon. The Amazon **product page** is called product listing, while the process is to **list a product**. That is a place where all buyers get all the details about item when they look for a product on Amazon.

You can either add your offer to an existing Amazon listing (if it already exists) or create a new one (if a product doesn't exist on Amazon).

Optimized Amazon Product Listing

Title

Bullet points



Don't create a new listing if your product already exists on Amazon. Amazon doesn't allow multiple listings of the same product. Add all offers of the same product to one listing.

7. How to ship the order to the customer?

When you list a product, Amazon will ask you how you are going to ship it to the customer. That is called the fulfillment method.

You can fulfill orders yourself (with Fulfillment by Merchant, FBM) or use Amazon's Fulfillment by Amazon (FBA) service, where they handle storage, picking, packing, shipping, and customer service for a fee.

See the difference between fulfillment methods on the next page

FBA



Your store



Amazon



Customer

FBM



Your store



Customer

FBA is a convenient service, but you must take into consideration for all related fees so that they don't absorb your profit margins. You should also remember, that with FBA you must package the product in line with Amazon's requirements and send it to fulfillment center.

8. How to price a product?

Pricing competition is the key because Amazon chooses what offers it shows based on the price (that is called a **Featured Offer, or Buy Box**).

Research what similar products are selling for and consider all your costs (including Amazon fees) to ensure you make profit on each sale. Use Seller Assistant's [FBM&FBA Profit Calculator](#).



Calculate ROI and Profit with FBM&FBA Calculator

VAT calculator

COG	12.59	\$
Cost of Goods	VAT	<input checked="" type="checkbox"/>
excl. VAT	VAT 20%	incl. VAT
40	8	48

Advanced FBA and FBM Calculator

	FBM	FBA
Profit	9.12	1.72
ROI	65.99	12.45
Margin	33.79	6.37

Amazon Fees and Logistics Expenses

FBA ~			
Fees	11.45	3PL:	0.8
F15% ~	4.05	Ship	0
FBA	7.33	Prep	0.8
Sto	0.7	Frgl	0

Price 26.99 \$ COG 12.59

74.12% Avg BB: \$25.9~ BB: \$25.9~ Min FBM: \$28.9~ Min FBA: \$28.9~



9. How to know if my product was sold?

If you use Amazon FBA, they take care of shipping orders (buyer's purchases) to the customers. You don't need to know exactly when you receive each order because you don't have to send it to the customer.

However, if you are an FBM seller and ship orders yourself, you will immediately know how much time does it take to timely process and ship it out. You can get this information in your [Seller Central](#) and the [Amazon Seller App](#).

10. How will I get money for the sold products?

Amazon takes money from the customers and then pays you what you've earned. They will deposit your earnings from sales into your seller account, minus any applicable fees. You can then transfer these funds to your bank account.

Related: [How to Sell on Amazon Without Inventory?](#)

How to Create an Amazon Seller Central Account?

Creating an account in Amazon Seller Central step-by-step

- **Step 1.** Prepare your **business and personal details**

What you need to register a Seller Central account:

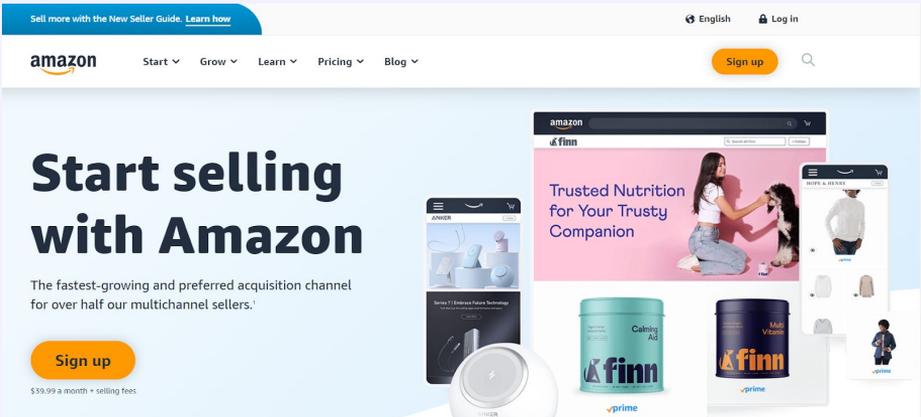
- valid ID or passport;
- bank account or credit card statement;
- valid credit or debit card;
- mobile phone.

- **Step 2.** Choose an **Individual** or **Professional** selling plan

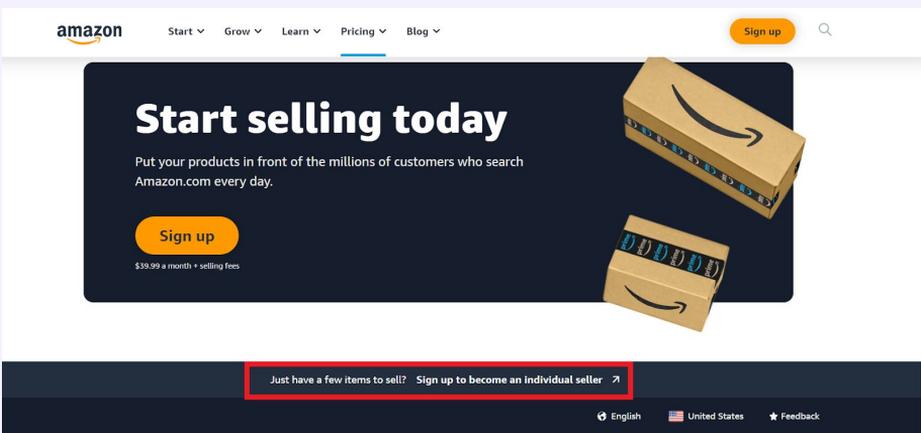
Plans	
Individual	Professional
\$0.99 / item sold + additional selling fees	\$39.99 / month + additional selling fees
Overview	
This plan might be right for you if...	<ul style="list-style-type: none">• You sell fewer than 40 units a month• You're still deciding what to sell• You don't plan to advertise or use advanced selling tools
	<ul style="list-style-type: none">• You sell more than 40 units a month• You want to advertise your products• You want to qualify for top placement on product detail pages• You want to use advanced selling tools, like APIs and reports• You want to sell products in restricted categories



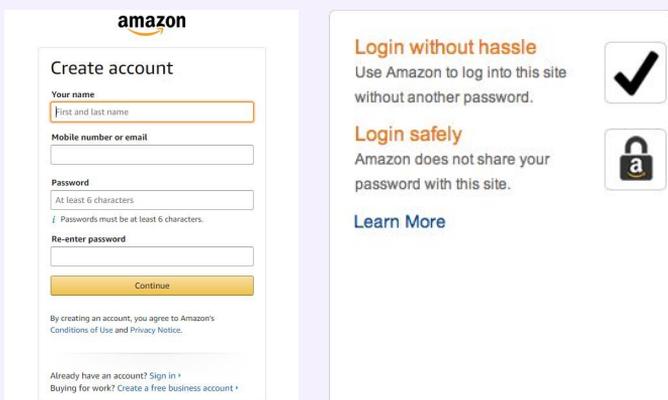
- **Step 3.** Open the '[Start selling with Amazon](#)' sign-in page.
 - If you want to register for a Professional plan, click the Sign-up button.



- If you want to register for an Individual plan, scroll down the page and click "Sign up to become an individual seller."



- **Step 4.** Enter your e-mail address and password
When you enter your e-mail address and password. Amazon will send the verification code (OTP) to your e-mail. Type it in the "Enter OTP" field.



- **Step 5.** Add your business location and business type
 - Enter the country where your business is registered or the country where you live.
 - Choose your business type from the drop-down; if you are not a business owner, select “None, I am an individual.”

- **Step 6.** Enter your personal and business details
Add your first, middle, and last name, and tick the box “I confirm my business location and type is correct...”

- **Step 7.** Fill in and verify the primary contact person information
Add your country of residence and birth, the address where you live, date of birth, and mobile number, Amazon will send an SMS with a one-time verification pin to it. Click the “Send SMS” button, receive the one-time verification pin, and enter it in the pop-up window.

See the screenshot on the next page

1 Seller information | 2 Billing | 3 Store | 4 Verification

Primary contact person information

First name: Middle name(s): Last name:

Enter your complete name, as it appears on the passport or ID

Country of citizenship:

Country of birth: Date of birth: Day: Month: Year:

Residential address: ZIP / Postal code:

Address Line 1: Address Line 2:

City / Town: State / Region:

Receive PIN through: SMS Call

Type the characters above: **5t6gb3**

Phone number for verification:

SMS verification language:

- **Step 8.** Enter your payment method
Add your credit card number, expiration date, and cardholder name.
- **Step 9.** Submit your Amazon store's name
 - Choose any name for your Amazon store that doesn't exist on Amazon (you can change it later if necessary).
 - Confirm that you have the Universal Product Codes (UPCs) for your products. If don't know them, click "Yes" because the majority of the products have these codes.

1 Seller information | 2 Billing | 3 Store | 4 Verification

Store and Product Information

Answer a few questions about your business so we can best assist you during onboarding. The answers you provide do not impact your ability to register for a selling account.

Store name:

Enter a name for your store

Do you have Universal Product Codes (UPCs) for all your products?
 Yes No

Do you own a brand? Or do you serve as an agent or representative or manufacturer of a brand for any of the products you want to sell on Amazon?
 Yes No Some of them

- **Step 10.** Verify your identity
 - Upload images of your passport or driving license, and a bank statement or credit card statement

See the screenshot on the next page

Seller Information
 Billing
 Score
 Verification

Identity and Address Verification

Primary contact person information

Name
 Date of birth
 Country of birth
 Country of citizenship
 Identity data

Residential address

Passport document

Proof of Address
 Bank account statement

- Schedule a video call with an Amazon associate to complete the verification and confirm the data you have provided.

Identity Verification

Please connect with the next available Amazon associate to complete your identity verification now using a video call

Current wait time for next available associate is 1-6 mins
 Standard operation hours : Sun 7:00 PM - Fri 7:45 PM Eastern Standard Time

You can also click [here](#) to schedule an appointment on a future date and time.

Device & Documents

You'll need the following:

1. Laptop, desktop computer, or a cellular/mobile phone with a front-facing camera.
2. Compatible browser (Chrome/Safari) with permissions to access camera and microphone.
3. **Original** valid government-issued photo ID document.
4. **Original** bank or credit card statement issued in the last 180 days.

[More document guidelines >](#)

Language for video call

The call will be held in **English**. If your preferred language of communication is not supported, please bring a translator/interpreter with you to the appointment.

Recording Notice

Your video call may be recorded for quality and audit purposes. We will not share your video with any external or third parties.

- Any personal data you provide to us will be handled in accordance with Amazon's Privacy Notice.

Amazon takes safety and security of our store seriously and we may investigate, report to law enforcement, and/or pursue legal claims against individuals who provides false information or complete identity verification on behalf of someone else to circumvent Amazon's security systems.

- **Step 11.** Wait until Amazon approves your account.

Related: [How to Create an Amazon Seller Central Account](#)
[How to Sell on Amazon as an Individual Seller - Complete Guide](#)

What Are Amazon Business Models?

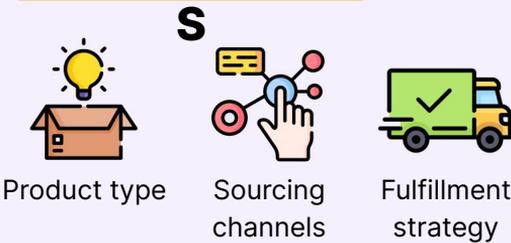
Amazon business model is the way how you sell products. It defines the kind of product you sell, how and where you get it (sourcing), and the method you deliver the order to the customer (fulfillment).

Five popular Amazon business models include online arbitrage, wholesale, dropshipping, retail arbitrage, and private label.

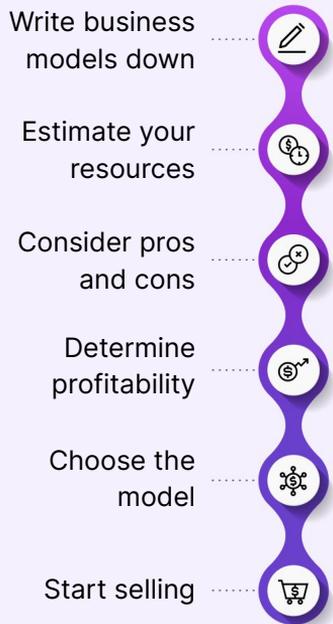
TOP MODELS



PARAMETER



PROCESS



Selecting the right business model is the key to your success in the long run. It helps launch, establish, and structure your Amazon sales correctly.

However, there's no one-size-fits-all solution, and you have to choose your own business model wisely.

Now we'll explore the different Amazon business models and provide insights to help you choose the one that aligns with all your goals and strengths.

Online Arbitrage

Amazon online arbitrage (OA) is a business model of buying cheaper-priced products from one online retailer and reselling them for profit on another marketplace — Amazon.

How does online arbitrage work?

The main target of online arbitrage sellers is to find profitable deals. That means, finding a product on any online retailer, discounter, or other store to resell on Amazon with essential profit.

NUMBERS



out of all sellers

>50% makes
5000\$ monthly

MODEL



Buy low price



Sell high price

CATEGORIES

- | | |
|--|---|
|  Beauty |  Health |
|  Clothing |  Cell Phones |
|  Home |  Electronics |
|  Games |  Automotive |
|  Sports |  Grocery |

PROCESS

Conduct product research

Find product suppliers

List products on Amazon

Fulfill the orders

Calculate profit

Repeat



Must know about online arbitrage



Winning product is the key

The most important step in online arbitrage is to find the right product to sell. You have to choose a popular product that is not sold by many sellers. It must not have issues like restrictions and other alerts. This product should bring the profit you want.



Product research takes time

Choosing a product for Amazon is called product research. This task is challenging and can take time and effort, but it's essential to do it right in order to avoid costly mistakes. You can use Amazon seller tools such as [Seller Assistant](#) to simplify your product research.



Check products for restrictions and flags

Before selling any products, you must always check them for restrictions (if you need Amazon's approval to sell them), and other flags (fragile, meltable, oversize products, etc.). It is important because all the above may cause you either extra hassle or costs. [Seller Assistant](#) detects these product issues.

How much does it cost to start online arbitrage?

Online arbitrage is low-cost to start, the main cost is buying products. You can start this business model with approx. **\$500**.

Related: [Amazon Online Arbitrage: How to Make Money Online Arbitrage for Beginners](#)
[10 Reasons Why People Fail With Amazon FBA Online Arbitrage](#)

Check the wholesale model on the next page

Wholesale

Wholesale is a business model of purchasing products in bulk at a discounted price from a manufacturer, supplier, or distributor and then reselling them to Amazon customers for a profit. The profit comes from selling the products at a higher retail price than the wholesale price.

How does wholesale work?

Wholesale differs from other business models by selling products in large quantities. The main target of wholesale sellers is to obtain the lowest possible prices for popular products and the best purchase conditions.

MODEL



PROCESS



LOGISTICS

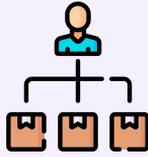


Must know about wholesale



High profits are generated by big investment

Wholesale sellers get low prices directly from brands and can get a good profit on each product. Multiplied by a large number of purchased products they generate thousands of dollars when sold.



Finding wholesale suppliers is a challenge

Popular brands often have an established sales distribution network. That makes it challenging to convince them to sell to one more seller. Persuading a brand to work with you requires building up a relationship and demonstrating how your business can benefit theirs.



Product research helps avoid risks

Wholesale sellers buy products in bulk and have to invest significant upfront amounts. Therefore, it's essential to ensure that the products you buy are profitable and won't create issues while selling them, such as intellectual property complaints, restrictions, or product flags, which can lead to financial losses. Wholesale sellers avoid risks with product-sourcing tools such as [Seller Assistant](#).

How much does it cost to start wholesale?

Starting wholesale is costly. Initial investment can be **over \$2000**.

Related: [Amazon Wholesale: All You Need To Know](#)
[How To Negotiate Prices With Amazon FBA Wholesale Suppliers](#)
[Online Arbitrage vs Wholesale on Amazon. What is the difference?](#)
[How to Find Amazon FBA Wholesale Suppliers](#)

Check the dropshipping model on the next page

Dropshipping

Amazon dropshipping is a business model where a seller lists products on Amazon without physically holding the inventory. The dropshipper lists the product on Amazon, receives an order from the buyer, and then requests the supplier to ship it directly to the consumer.

How does dropshipping work?

With dropshipping, the seller selects a profitable Amazon product and finds a supplier that agrees to ship it directly to the customer. The seller then lists the product on Amazon and notifies the supplier when a customer places an order. The supplier ships the product directly to the customer, and the seller acts as a middleman between the supplier and the customer.

The profit is generated by the difference between the supplier's lower price and the seller's high price.

MODEL



PROCESS

- Do product research
- Find dropshipping supplier
- List products on Amazon
- Receive the order
- Forward the order to the supplier
- The supplier ships the order

NUMBERS

~300\$
you need to start

Amazon Seller Plans	
Individual	Professional
20 categories	30 categories
Can't do ads	Can do ads
\$0.99 per item sold	\$39.99 per month

Must know about dropshipping



Amazon dropshipping policy

Dropshippers must issue all product-related documents in their name. Additionally, dropshippers must remove all third-party retailer signs from the product and packaging.



IP complaints are a challenge

As a dropshipper, you often resell other brands' products. However, some brands have policies against reselling their products, and they may file intellectual property complaints to Amazon. That may result in listing or account suspension and money loss. To avoid this issue, sellers can use Seller Assistant's [IP Alert feature](#), which alerts them about such products.

IP-Alert by Seller Assistant App

High-Risk Product

Our database records indicate that sellers have previously had account health issues related to this product or brand.

Verified data:

2022-01-20: Product Authenticity Customer Complaint

Product Authenticity ASIN

POE_WARN: POE. Counterfeit Warning;

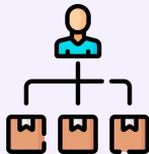
2022-01-18: Suspected Intellectual Property Violation

Automated Brand Protection ASIN

Suspected Intellectual Property Image Reason;
ABP: ABP. Trademark Logo Asin Suppression Amazon
Reinstate;

Avoid IP Complains with Advanced IP-Alert

*account health issues are collected automatically **daily**



Choose a supplier with extra care

As dropshippers don't deal with the inventory, they have little control over the product quality and shipping time. To reduce these risks, you must choose a reliable supplier that will ship your products on time and in saleable condition.

How much does it cost to start dropshipping?

This model is the least expensive to start. You don't need to invest in inventory upfront. Your only costs are Amazon fees and product-sourcing software.

Related: [Online Arbitrage vs Dropshipping](#)
[New Dropshipping Strategy That Complies With Amazon's Policy](#)

Retail Arbitrage

Amazon retail arbitrage is a business model where sellers buy products from brick-and-mortar stores retail stores at a discount and resell them on Amazon for a profit.

How does retail arbitrage work?

Amazon retail arbitrage seller's target is to find in offline retail stores the products that are priced lower than on Amazon. To do so, they visit stores that offer products at low prices. When they find such products and make sure they are profitable, buy them and list them on Amazon

MODEL



Buy with discount



List on Amazon



Deliver to client

PROCESS

Install the barcode scanner



Visit a store, scan products



Find the matching listing on Amazon



Research the product



List your product on Amazon



Sell the product



SOURCING



Big box stores



Discount stores



Department stores



Liquidation stores



Online marketplaces



Clearance sections



Thrift stores



Online deal websites



SELLER ASSISTANT

Must know about retail arbitrage



You have to research products in-store

With retail arbitrage, you should use a barcode scanner to scan product codes with a mobile app in-store to match them with Amazon products. That is necessary for the app to show you which listing corresponds with your product on Amazon. The app will show product profitability and some other data, and you have to decide on the spot if you should buy it in that retail store or not. You have to do it quickly and instantly buy the products (the next day, the discount may be gone).



Time-consuming model

It takes much time to physically travel from one store to another in order to find profitable deals and choose products. You have to scan their barcodes and check all products one by one manually.



You have to replenish inventory physically

With retail arbitrage, you have to go to the physical store to get your inventory restocked. That requires additional time, effort, and patience.

How much does it cost to start retail arbitrage?

To start retail arbitrage on Amazon, you don't need much money. You pay Amazon fees and buy cheaper-priced products to sell on Amazon. The startup cost can be **around \$500**.

Related: [Online Arbitrage vs Retail Arbitrage on Amazon](#)

Private Label

Private label (PL) is a business model where sellers create and sell products under their own brand instead of reselling existing brands. These products are typically manufactured by a third-party manufacturer but customized, packaged, and marketed by the seller to establish their brand identity on Amazon.

How does private label work?

With private label differs from other models by creating your own brand. You can either manufacture the products yourself or hire a company to make them for you. You must identify profitable product opportunities through extensive market research, find reliable manufacturers, and develop your brand including the name, logo, and packaging design.



Develop your brand



Manufacture the product



Deliver product to customer

Must know about private label



Private label brand is an asset

One of the advantages of the private label model is that you own both the brand and the product. This makes PL a valuable asset. If your Amazon business is successful, you can sell it, and the purchase price is often higher than with other business models.



Lower-competition model

A private label product is trademarked, and you have exclusive rights to it. Therefore, other sellers cannot sell these products, and you can be the only seller in the Buy Box.





Higher investment and risks

Compared to other models, starting a private label business takes more time and effort. You need to select a product and arrange its manufacturing. Typically, it takes 4-6 months to launch a PL product. Because a private label brand is new to the market and has no sales history, it is difficult to predict how well it will sell. Therefore, there is some risks involved when investing money in a PL business.

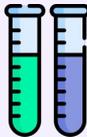
How much it cost to start a private label?

Launching a private label product requires huge investments to produce and promote it. On average, Amazon sellers spend **\$2,500 or more** to launch private label products.

Related: [Amazon Business Models Guide 2024](#)

How to choose a model for Amazon business?

Your choice of a business model has to be individual, and depend on your resources, sales experience, and product type. Below you can find some tips to help you select the one that fits you.



Tip 1. Start small and test

Start selling with one of the business models that are easy to set up and don't require a high upfront investment. That will help you learn to sell on Amazon without much risk. Dropshipping or online arbitrage are good options if you want to start selling on Amazon.



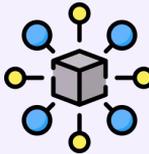
Tip 2. Consider your budget

Look at the startup costs associated with each model. Private label and wholesale models require more upfront capital than online arbitrage, retail arbitrage, and dropshipping models.



Tip 3. Consider your product knowledge

Assess your product research skills. While online arbitrage and dropshipping require product research, product sourcing tool Seller Assistant, can essentially simplify this task. Wholesale sellers can also use it to validate wholesale products. On the other hand, with the private label, you need to do extensive market analysis and understand the product manufacturing process, branding, and marketing.



Tip 4. Don't focus on one model

Choosing the right business model is an ongoing process. As you gain experience and scale your business, you can adapt your business model type to your new needs and goals. For example, many successful Amazon sellers have grown their online arbitrage business to wholesale.

Related: [Amazon Business Models: How to Choose the Right One?](#)

What to Sell on Amazon?

Choosing what to sell is one of the most important tasks for any Amazon seller. Ultimately, the right product makes money, while with a problematic item, you can lose all you have invested. But how do I select what to sell? What should I look at?

Choosing what to sell consists of **3 parts: choosing a product category, product research** (checking the product for the criteria we will discuss below), **and finding a product supplier.**



Note. In some business models, the process will look differently, however, you will still need to conduct product research. For example, wholesale sellers start by finding a supplier, then research the list of products they get from that supplier, and choose the most profitable of them to sell (direct sourcing, discussed below).

How to choose a product category to sell?

Amazon uses categories to group similar items together. This makes it easier for shoppers to find what they're looking for and for sellers to list their products in the right place. Amazon divides products into main categories and subcategories.

Example: If you sell a smartphone, you must list it in the "Cell Phones & Accessories" subcategory under the larger "Electronics" category.

Some product categories are more popular than others, and you have to remember that while choosing a product. Below you can find the categories [rated](#) by popularity among sellers.

Top Amazon product categories

Category	Rating
1. Home & Kitchen	35%
2. Beauty & Personal Care	26%
3. Clothing, Shoes & Jewelry	20%
4. Toys & Games	18%
5. Health, Household & Baby Care	17%
6. Baby	16%
7. Electronics	16%
8. Sports & Outdoors	16%
9. Arts, Crafts & Sewing	14%
10. Books	14%
11. Grocery & Gourmet Food	13%
12. Office Products	13%
13. Pet Supplies	13%
14. Tools & Home Improvement	13%
15. Appliances	12%



Tips for choosing what Amazon category to sell

If you are not sure how to choose the category, you can use the tips below.



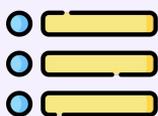
Tip 1. Check if the category is restricted

Start by finding out if the category is restricted (gated). Gated categories require Amazon's approval to sell. In addition, as a new seller, Amazon may not approve you to sell in a restricted category, so it's better to avoid such categories.



Tip 2. Look for a balance between popularity and competition

Some categories are more popular than others. However, selling in popular categories often means higher competition because everyone wants to sell popular products. Look for categories with a good balance of demand and competition



Tip 3. Consider subcategories

Don't just focus on the main category, explore subcategories. A subcategory might offer a more targeted audience – customers looking for products of your kind.



Tip 4. Use your knowledge and experience

Start selling with what you are interested in and have knowledge about. That will be easier for you to handle and get involved with.

Related: [Top Amazon Product Categories](#)

How to choose your first product?

When you've chosen the category for your products, it's time to start looking for your first product. In essence, that means you must ensure it meets specific criteria for best-selling products. This is called product sourcing.

To simplify this process, sellers use a product research checklist and make sure the product meets that checklist. If it does, that's a profitable deal you can sell it without hesitation.

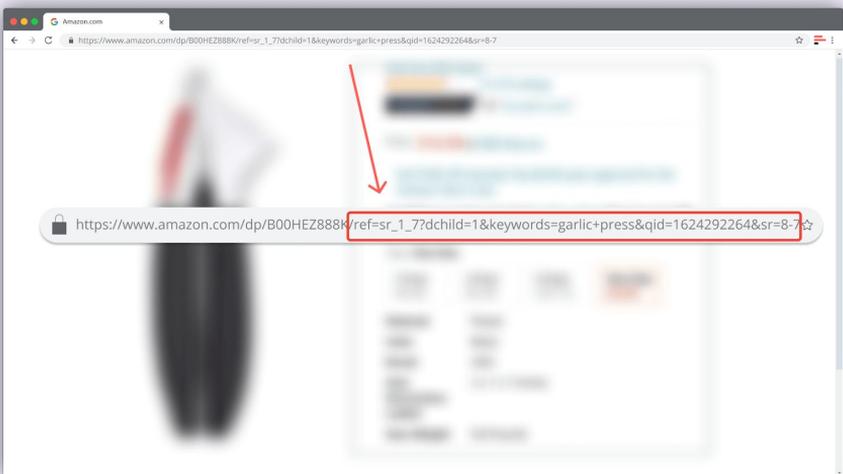
To research a product, we will use [Seller Assistant](#), a popular and effective product-sourcing platform. It allows you to choose items with good profit potential and no issues. It also helps find reliable suppliers with competitive prices.

13 steps to choosing your Amazon product

- Step 1. Remove the referral from the product link

Make sure the product link you use doesn't contain a referral (part of the link, starting with ref=). It can give you wrong information about the product. For example, you may not see all seller offers or product variations (different sizes and colors of the same product).

How to do it. Delete the part of the link, starting with ref= and refresh the page.

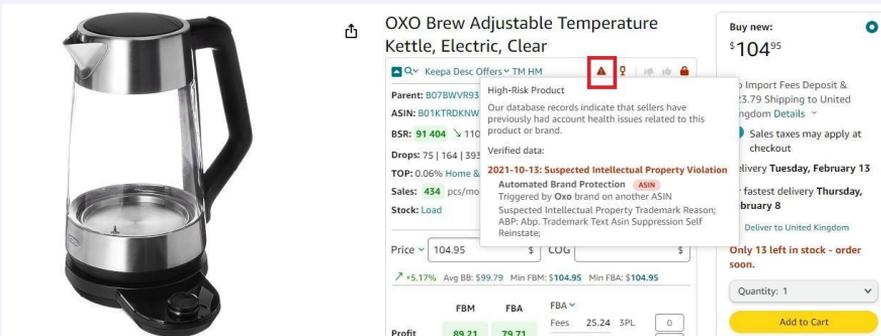


- Step 2. Check a product for IP alerts

Before selling a product you must make sure it doesn't have any IP (intellectual property) complaints.

IP complaints happen when brands complain to Amazon that other sellers resell its product without permission. Amazon will not allow you to list such products because they are trademarked.

How to do it. You can detect products with IP complaints with Seller Assistant's [IP Alert](#) tool. It shows the red triangle icon if a product has IP complaints and the type of IP complaint. That means you have to stay away from that product and brand.



- Step 3. Check competition by FBA seller count

The next step helps avoid products with high competition. If many sellers compete, they drop the price and you can lose much of the profit.

The «good» count of FBA seller offers must range from 2 to 15.

- The minimum number of 2 sellers shows that a product is not sold by a brand owner and it doesn't file IP complaints if someone else sells that brand's products;
- The maximum number of 15 sellers shows that the competition is too high. If that is the case, the product price can drop because the sellers engage in a price war. That means price dumping and low profits.

How to do it. You can see the count of FBA sellers with Seller Assistant. It shows the count of FBA and FBM sellers on the product and search pages. The number on a blue background is the count of all FBA or FBM sellers. The number on the white background next to it is the count of FBA or FBM sellers offering the Buy Box price +5% (your potential competitors).



Oneida T837045A Lincoln 45-Piece Flatware Set, Service for 8 Silver

Parent: B09XRK5VRR | UPC: 781147920023
 ASIN: B000OCMRKK | EAN: 0781147920023
 BSR: 67 348 | 36 138 | Model: T837045A
 Drops: 42 | 109 | 240 | Size: L Std | PQ: 45
 TOP: 0.19% Kitchen & Dining | Seller: LifeAtHome
 Sales: 143 pcs/mo | FBM: 3 2 | FBA: 2 1
 Stock: Load | Est: 0 | Est: 71.5
 \$0 | \$1 002.43

Price: 85.64 \$ COG: 50 \$

+3.37% Avg BB: \$82.85 Min FBM: \$104 Min FBA: \$85.64

	FBM	FBA	FBA		
Profit	22.79	14.02	Fees	21.62	3PL
			R15%	12.85	Ship
					0
					0

Related: [How to Avoid a Price War on Amazon](#)

- Step 4. Check if Amazon is a seller

Amazon can sell some products as a seller in its own marketplace. If Amazon sells a product, it is not suitable for selling. That is because it is almost impossible to compete with it. As a huge retailer, it always get the best offer. Therefore, it's better to find another product to sell.

How to do it. You can see if Amazon is a Buy Box seller with [Seller Assistant](#). It shows the Red Amazon icon on the product and search pages.



Visit the Amazon Essentials Store

Amazon Essentials Women's Cotton Bikini Brief Underwear (Available in Plus Size), Multipacks

Parent: B0CM135865 | UPC: 195111243207
 ASIN: B08CZ461J | EAN: 0195111243207
 BSR: 47 | 115 | Model: WA89087FL18
 Drops: 28 | 88 | 146 | Size: L Std | PQ: 1
 TOP: 0.01% Clothing, Shoes & Jewelry | Seller: Amazon
 Sales: 79 580 pcs/mo | FBM: 0 0 | FBA: 1 1
 Est: 0 \$0 | Est: 0 \$0

Price: 11.1 \$ COG: \$

-19.91% Avg BB: \$13.86 Min FBA: \$11.1

	FBM	FBA	FBA		
Profit	9.21	4.55	Fees	6.55	3PL
					0

\$11¹⁰
 0% claimed
 No Import Fees Deposit & \$10.78 Shipping to United Kingdom Details
 Sales taxes may apply at checkout
 Delivery Friday, December 29
 Or fastest delivery Wednesday, December 27
 Deliver to United Kingdom
 In Stock
 Qty: 1
 Add to Cart
 Buy Now
 Ships from Amazon.com
 Sold by Amazon.com

- Step 5. Check out the listing age

The product listing must be old enough so that you can see how the product sales and price behaved over time. The «good» listing age is half a year or more.

How to do it. You can see that on the chart integrated within [Seller Assistant](#) (it's called Keepa charts). If a product is new, the chart will not show you any data before a certain period.



Oura Ring Gen3 Horizon - Smart Ring - Size First with Oura Sizing Kit - Sleep Tracking Wearable - Heart Rate - Fitness Tracker - 5-7 Days Battery Life

Parent: B0CVQY791J | EAN: 6430060151697
 ASIN: B0CSRN5Z8P | Model: J290-S1383-06
 BSR: 139 | Drops: 38 | 38 | 38 | Size: L Std | PQ: 1
 TOP: 0.01% Cell Phones & Accessories | Sales: 23 050 pcs/mo | Seller: Amazon
 Stock Load | Price: 499 | COG: | FBA: 1 | Est: 0

Profit	FBM: 452.09	FBA: 447.89	FBA Fees: 51.11	3PL: 0
ROI	90.6	89.76	R5: 4%	46.91
Margin			FBA: 4.19	Ship: 0
			Plmt: 0	Prep: 0
			Sto: 0.01	

Roll over image to zoom in

8 VIDEOS

Jan 04 2024 to Apr 05 2024

All | 365 | 180 | 90 | 30 | 14 | 7

BSR: No data (red arrow up)

AMZ: No data (red arrow up)

FBA: No data (red arrow up)

BuyBox: No data (red arrow up)

Offers: No data (red arrow up)

Reviews: No data (red arrow up)

Visit the CJMBA Store

- Step 6. Find out how well the product sells

Amazon doesn't show how many products are sold per month. However, you must know how much you can sell.

Amazon has a special indicator called **Best Sellers Rank (BSR)** to estimate how good (or bad) the product sells, but it doesn't give you the number of sales. It shows the sales trend. The lower the rank, the better the product sells. It constantly changes, so you must look at the average BSR over 90 days.

How to do it. [Seller Assistant](#) calculates **how many products you can potentially sell per month** in the **Sales field. Drops (BSR drops)** show **how many products were sold** during 30, 90, and 180 days.

You can also see BSR figures with Seller Assistant. If the BSR number is green and the arrow beside it points down, the product is a good option for selling. If the BSR number is red and the arrow beside it points up, the product is not a good option for selling.

Visit the Joomla Store
 Joomla Whitin Men's Supportive Running Shoes
 Cushioned Athletic Sneakers

Keepa Desc Offers TM HM

Parent: B0CNRSJ7G5 Size: L Std PQ: 1
 Seller: taikex sport

ASIN: B087BK1HP5
 FBM: 0 FBA: 1

BSR: 7176 349
 Est: 0 Est: 3 945
 \$0 \$121 545.45

Drops: 61 | 152 | 287

TOP: 0.01%
 Clothing, Shoes & Jewelry

Sales: 7890 pcs/mo

Stock: Load

Price: 43.99 \$ COG \$

-1.7% Avg BB: \$44.75 Min FBA: \$43.99

Related: [Amazon Best Sellers Rank – Everything You Need to Know](#)

- Step 7. Estimate the selling price

Look at the maximum and minimum price and average Buy Box price (the offers Amazon considers the best and shows on the listing).

How to do it. [Seller Assistant](#) shows the average Buy Box price (Avg BB), and if it goes up or down compared to a 90-day price (green arrow up or red arrow down). It also shows the lowest FBA (Min FBA) and lowest FBM (Min FBM) prices. You can set your price somewhere in between. You can use this price level to calculate if your product will bring profit.

Decoration Set - Artificial Flowers with Roses, Home Accessories or Valentine Décor for Him and Her, Gift for Valentines Day, Botanical Collection for Adults, 10280

Keepa Desc Offers TM HM

ASIN: B08HWT175J UPC: 673419340526
 EAN: 0673419340526

BSR: 165 319
 Drops: 208 | 517 | 1 060

TOP: 0.01% Home & Kitchen
 Size: L Std PQ: 1

Sales: 57297 pcs/mo
 FBM: 37 4 FBA: 18 1
 Est: 0 Est: 28 648.5
 \$0 \$952 562.63

Stock: Load

Price: 47.99 \$ COG \$

+0.02% Avg BB: \$47.98 Min FBM: \$59.5 Min FBA: \$47.99

Related: [What is Buy Box? How to Win Buy Box on Amazon](#)

- Step 8. Research if the product has variations

Amazon variations are different attributes of the same products such as size, color, style, etc. grouped on one listing.

If a product has variations, not all of them will sell equally well. **If you want to sell a product with variations, you must select one of the best-selling variations.** However, the BSR doesn't show which sells the best because it is calculated for the whole variation family.

How to do it. Seller Assistant's Variation Viewer lets you quickly see all variations' rating share, total ratings, and the rating percentage per variation (Share). The highest **percentage indicates the most profitable variations**. Variation Viewer also shows if a variation is out of stock. (if your Amazon Seller Account is connected to Seller Assistant)



View Variations and their Rating Share

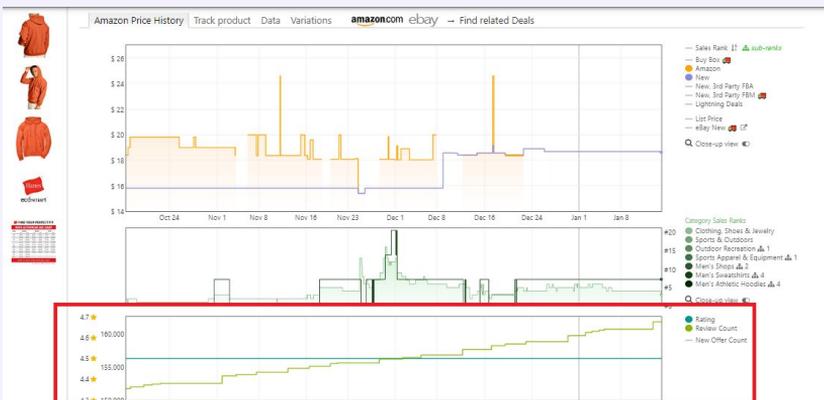
Image	ASIN	Variation	Ratings	Total	Share
	B074BW31L5	Black XXL	9320	14426	65.00%
	B074BVNM37	White S	3177	14426	22.00%
	B06XSHMGBB	Black XL	450	14426	3.00%
	B06XT2BNT7	Grey L	337	14426	2.00%
	B06XT31PCZ	White L	261	14426	2.00%
	B0916CWZB6	Blue XL	195	14426	1.00%
	B0916BMXWJ	Black L	129	14426	1.00%
	B08L5KKSCR	Black M	56	14426	0.00%
	B09YFK682X	Red M	28	14426	0.00%
	B09FR4BWXM	Green L	28	14426	0.00%

Related: [How to Add a Variation to an Existing Amazon Listing](#)

- Step 9. Look at product reviews

Reviews are buyer feedback about a product in the form of a star rating or a text. The rating ranges from **1 to 5 stars**. If a shopper rated your product over three stars, it is a positive review. If the product has less than three stars, it's a bad review.

How to do it. [Seller Assistant](#) shows reviews on the separate Keepa chart. **A «good» product must have reviews.** If it doesn't, it has too recent sales history or doesn't sell. **The average rating must be 4-5 stars**, and it must not have many negative reviews.



- Step 10. Verify selling eligibility and restrictions

Certain products require Amazon's approval for sale. You may not be eligible to sell some products on your account. You must check that before buying products because Amazon may not allow you to add them to the listing.

How to do it. [Seller Assistant](#) shows a green open lock icon if you can sell a product and a red closed lock icon if you can't. (if your Amazon Seller Account is connected to Seller Assistant)



- Step 11. Check product for flags

Product flags are alerts notifying that a product can create problems when you sell it on Amazon.

Examples are oversize, fragile, meltable, hazmat, adult, and other products. Most of them are restricted categories. Even if not, they require extra shipping costs like heavy and bulky, hazmat, and fragile, or you can't add your offer to the listing like with generic brands.

Also, some are not sold all year round like meltables. Some categories are processed in special Amazon fulfillment centers, which delays shipment (oversize, hazmat).

That means **it's better to avoid such products.**

How to do it. [Seller Assistant](#) shows all product flags directly on the Amazon product and search pages.

Seller Assistant flag icons legend

- Closed Red Lock icon — you can't sell the product on your account, or it belongs to a restricted category;
- Red Triangle icon — IP alert;
- Red Box icon — the product is oversized;
- Red Glass — the product is fragile;
- Red Drop — the product is meltable;
- Hazmat icon — the product belongs to the hazardous materials;
- 18+ — the product belongs to Adult goods;
- Red Amazon icon — Amazon is a Buy Box seller;
- GB — generic brand (you can't add your offer to the listing).

SELLER ASSISTANT

ASIN: B01N1081RO
 BSR: 84 | 1 396
 Drops: 26 | 26 | 26
 TOP: 0.01% Video Games
 Sales: 7 782 pcs/mo
 Stock: 2

UPC: 651307199579
 EAN: 0651307199579
 Model: 1014265
 Size: Sm Std | PQ: 1-
 Seller: Philly Games

FBM: 26 | 1 | FBA: 31 | 14
 Est: 0 | Est: 518.8
 \$0 | \$10 853.3

Price: 26.99 \$ COG: 12.59 \$

4.12% Avg BB: \$25.9- BB: \$25.9- Min FBM: \$28.9- Min FBA: \$27.7-

	FBM	FBA	FBA	Fees	11.45	SPL:	0.8
Profit	9.12	1.72					
ROI	65.99	12.45	F15%	4.05	Ship		0
Margin	33.79	6.37	FBA	7.33	Prep		0.8
			Sto	0.7	Frgl		0

Stay Informed about Product Restrictions

- 18+ Adult flags
- HazMat
- Fragile
- Meltable
- Amazon is BuyBox Seller
- Oversize
- Generic Brand

- Step 12. Assess estimated sales

Estimated sales are how many product units you can sell per month. Your target estimated sales depend on how much you plan to make to cover expenses and make enough profit.

How to do it. Seller Assistant calculates **estimated sales for each product if you become one more seller** on the listing. The figure appears in the 'Est' line. This helps you understand if you can sell as many units as you expect.

Wireless Speaker with 24W Loud Stereo Sound, Deep Bass, Bluetooth 5.3, RGB Lights, Dual Pairing, 30H Playtime for Home, Outdoor, Party

ASIN: B08FDPW8KR
 BSR: 459 | 330
 Drops: 100 | 272 | 571
 TOP: 0.01% Electronics
 Sales: 10 774 pcs/mo
 Stock: Load

EAN: 6291948017067
 Model: x10
 Size: L Std | PQ: 1-
 Seller: USAWAKJ

FBM: 0 | 0 | FBA: 1 | 1
 Est: 0 | Est: 3 387.6
 \$0 | \$198 377.6

Price: 37.99 \$ COG: \$

+5.15% Avg BB: \$36.13 Min FBA: \$37.99

	FBM	FBA	FBA	Fees	8.59	SPL:	0
Profit	34.95	29.4					
ROI	0	0	R8%	3.04	Ship		0
Margin	92	77.39	FBA	5.51	Prep		0
			Sto	0.04			

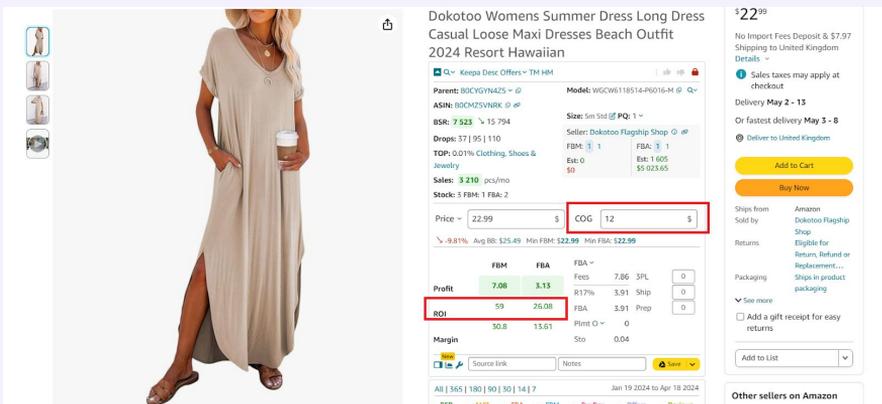
- Step 13. Calculate product profitability

ROI (Return on Investment) shows how profitable your Amazon business is. **Typically, anything above 10% is considered a “good” ROI** for your Amazon business. If your ROI is more than 10%, the product is OK to sell. To calculate ROI, you must divide net profit by total investment.

How to do it. At this point, you will only need an estimated ROI to have an idea if a product is profitable or not. To calculate ROI, you must know the Cost of Goods Sold (COG, the product price at the supplier's site). You can look up the price at several suppliers and take the average. Seller Assistant's Quick Links allow you to quickly search products on Google, Google Shopping, eBay, Walmart, Target, Katom, The Home Depot, and Alibaba, and find the suppliers and prices. To do that, click on the search icon, and in the drop-down, select a website you want to search the product on. You will be redirected to search results.



Then, you can quickly **calculate ROI with Seller Assistant's [FBA&FBM profit calculator](#)**. It will be displayed on the Amazon product pages. Aim for Return on Investment (ROI) above 10% to ensure profitability.



How to find your product supplier?

After you made sure the product you plan to sell meets all the above criteria, you have to look for a reliable supplier who offers low prices for your product. That will give you a good profit when you sell your product on Amazon.

Finding a product and its supplier for your chosen product is called **product sourcing**.

You can conduct product sourcing in several ways. The two most popular are called – **direct and reverse sourcing**.

Direct Sourcing



Reverse Sourcing



How to find a supplier with direct sourcing?

The first way to find a supplier is direct sourcing. With this method, **you select a product from the supplier and find its match on Amazon**. That means you find a product at a low price at a supplier's site that has a much higher price on Amazon.

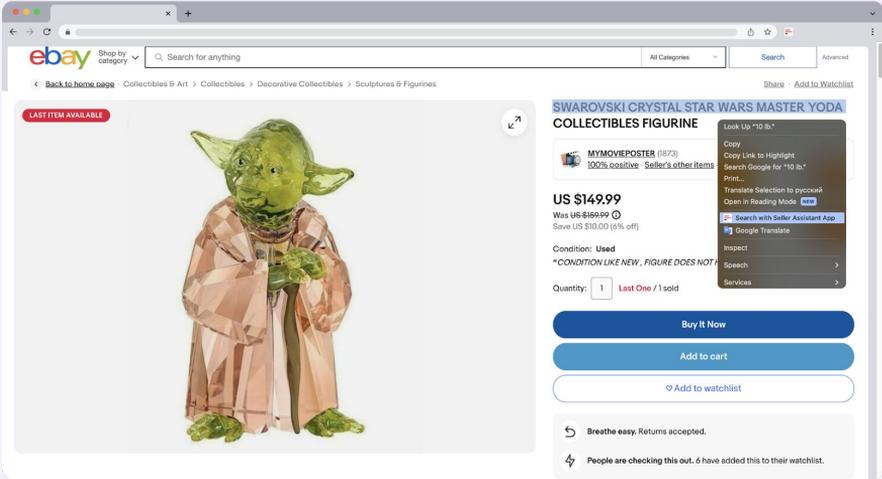
Direct sourcing is often **used by wholesale sellers and those sellers who have existing suppliers**. This is suitable if a supplier gives you a good discount and offers you a big price list of their products. You can select the items from that list to resell on Amazon for profit.

Other reasons to use this method are if a supplier offers you large discounts for bulk deals, or if you know that the supplier is reliable and delivers orders to Amazon's fulfillment centers fast.

Direct sourcing step-by-step

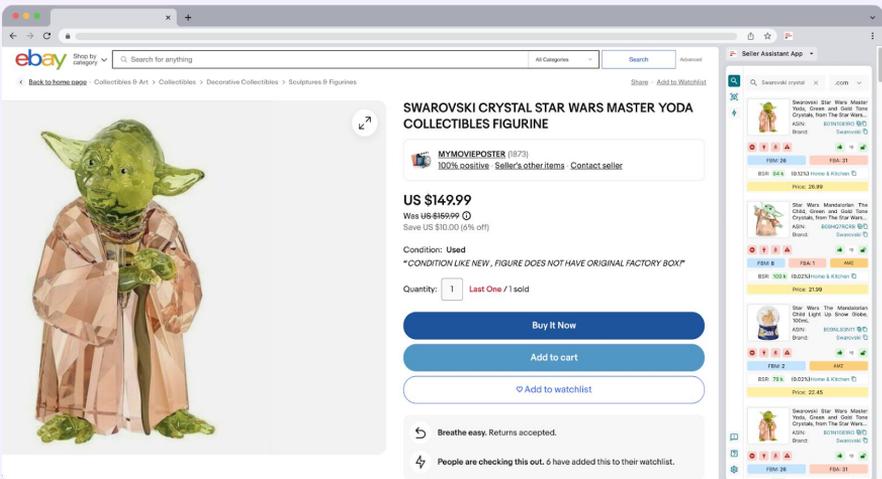
- Step 1. Open the supplier's website.
- Step 2. Open Seller Assistant's [Side Panel View](#).

Side Panel View will appear on any website and show you a match on Amazon for the product you selected on that website. On the supplier website, select the text you want to search (product title, brand, or model), then right-click, and choose "Search with Seller Assistant".



- Step 3. Find your product on Amazon

Side Panel View will show you all available Amazon offers of similar products. Find the one you want to sell.



- Step 4. Make sure the product matches the item on Amazon. Open the product and make sure it exactly matches the one on the supplier's website. Compare the brand name, model, size, color, materials, and pictures to make sure they are identical.

- Step 5. Conduct product research

Because in this method we start by finding a supplier, we need to conduct product research afterward. Go through all 13 steps of product research we discussed above to make sure the product is suitable for selling.

- Step 6. Calculate profit and ROI with Seller Assistant's [FBA&FBM profit calculator](#)

Enter the Cost of Goods, choose the fulfillment method, add prep center or 3PL costs if you use these services, get the profit and ROI figures, and see if they meet our criteria.

Dokotoo Womens Summer Dress Long Dress Casual Loose Maxi Dresses Beach Outfit 2024 Resort Hawaiian

Price: \$22.99 | **COG: 12** | \$

	FBM	FBA	FBA +	Fees	3PL	
Profit	7.08	3.13				0
ROI	59	26.08		R17%	3.91	0
Margin	30.8	13.61		FBA	3.91	0
				Print O		0
				Sto		0.04

- Step 7. If everything looks fine, order the product from the supplier.

How to find a supplier with reverse sourcing?

The second way to find a supplier is **reverse sourcing**. **With this method, you select a product on Amazon and find its match at the supplier's site.** That means you find a suitable product on Amazon and look for the same product at a much lower price at the supplier's site.

Reverse sourcing is often used by online arbitrage sellers and dropshippers because they source many products from different suppliers, and the decisive factor for a supplier choice is the low price.

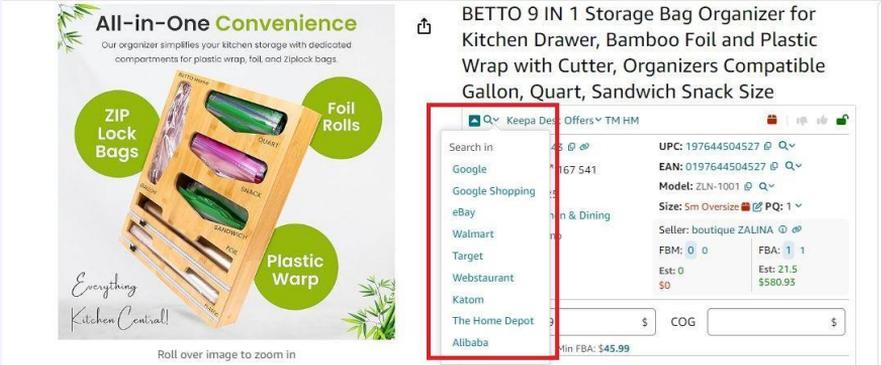
Reverse sourcing step-by-step

- Step 1. Open on Amazon a product you want to sell.
- Step 2. Explore supplier options

Open [Seller Assistant](#) and click the search icon on the top left corner. Seller Assistant will display a drop-down list with the most popular supplier websites

Seller Assistant supplier links

- Google Shopping;
- eBay;
- Walmart;
- Target;
- Webstaurant (Home and Kitchen supplies);
- Katom;
- The Home Depot;
- Alibaba (for international sourcing).



- Step 3. Redirect to search results

Select a supplier website from the list and Seller Assistant will then redirect you to the search results page for that product on the chosen supplier's platform.

- Step 4. Make sure your product on Amazon matches the one at the supplier's website.

Open the product with the best price. Activate the Seller Assistant's Side Panel View icon. It will automatically appear on the supplier's website. Compare all product information on Amazon and at the supplier's website: brand name, model, size, color, materials, and pictures to check if they are identical.



- Step 5. Calculate profit and ROI with Seller Assistant's [FBA&FBM profit calculator](#)

Enter the Cost of Goods (product price at the supplier's website), choose the fulfillment method, add prep center or 3PL costs if you use these services, get the profit and ROI figures, and see if they meet your criteria.

- Step 7. If everything looks fine, order the product from the supplier.

How Many Products Should You Buy?

When you first sell a product, you don't know how fast it will sell. However, you must determine how many products you need to buy. Here are several ways to do that.

Tips to calculate the number of product units to buy



Look at estimated sales and BSR drops

You can get guidance on how many units of a product you can sell from the estimated sales number in [Seller Assistant](#). It shows 3 figures related to potential product sales: Est (your sales potential per month if you become one more seller on the listing), Drops (BSR drops during 30, 90, and 180 days, showing how many products were actually sold), and Sales (sales estimation based on BSR). Use them to understand how many products to buy. The general advice is not to buy too many products (inventory) at the start.



Research competition

Analyze how many units competitors have in stock. This can help you determine a strategic amount to order without overstocking. Seller Assistant's Stock Checker shows how many product units are available in stock.

4 Pack Stackable Plastic Storage Basket Closet Organizer Bin Foldable Clothes Organizer Storage Drawer Shelf Container for Living Room Bathroom Kitchen Office (4L)

Price: \$7.99 | COG: \$ | FBM: \$32.29 | FBA: \$22.4

Stocks: 773 pcs/mo | Stock: 30 FBA: 30

FBM	FBA	FBA
32.29	22.4	Fees: 15.59 SPL
0	0	815% 5.7 Ship
85	58.96	FBA 9.17 Prep
		Print 0
		Sto 0.72

Profit: 0 | ROI: 0 | Margin: 85

Source link: Notes | Add to Cart | Buy Now

How to List a Product on Amazon?

There are two types of products on Amazon — those that already exist in the Amazon catalog and those that don't. You must list these types of products in different ways.

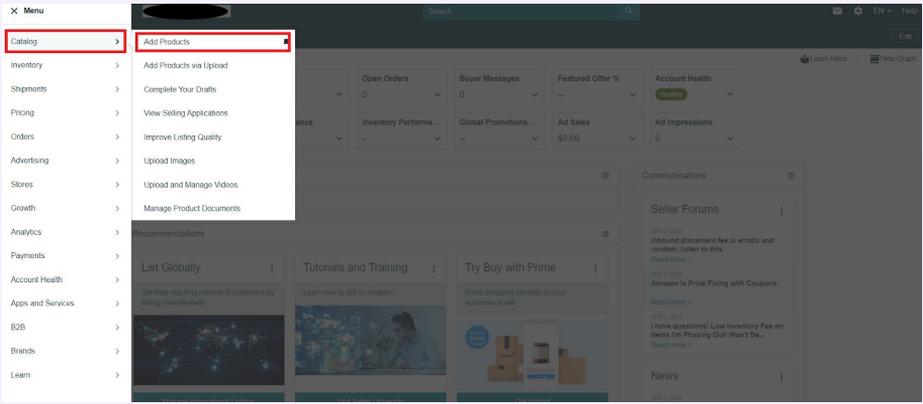
Listing existing Amazon products

Existing products are added to the listings already created on Amazon.

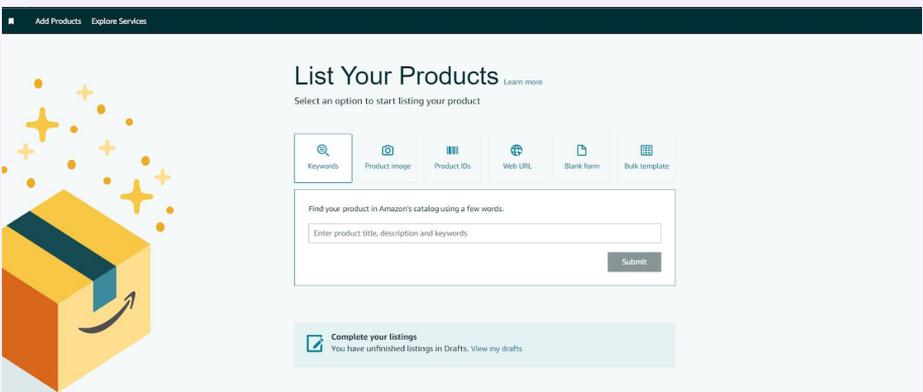
If you resell other brands with online arbitrage, retail arbitrage, wholesale, or dropshipping, your products likely already exist on Amazon. According to Amazon rules, **you can't create duplicate listings of the same product.** Your offer must be added to the same listing alongside other sellers' offers.

Listing existing products step-by-step

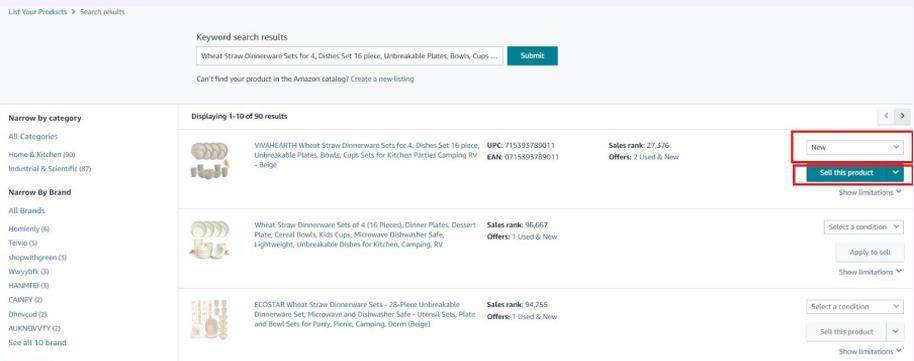
Step 1. Go to your Seller Central account. In the side navigation menu, select Catalog > Add Products.'



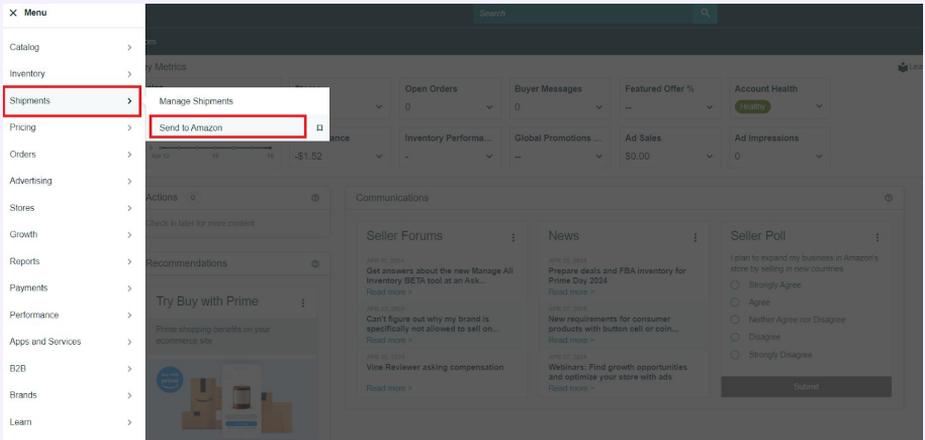
- Step 2. In the search bar under 'Find your products in Amazon's catalog,' find your product by title, description, or keywords.



- Step 3. Find your product in the list, select condition, and click 'Sell this product.'



- Step 4: Create your offer: add your selling price (Standard Price), product condition (Offering Condition Type), and fulfillment channel ([Fulfillment by Merchant — FBM](#), where you fulfill products yourself, or [Fulfillment by Amazon — FBA](#), where Amazon picks, packs, and ships your products for a fee).

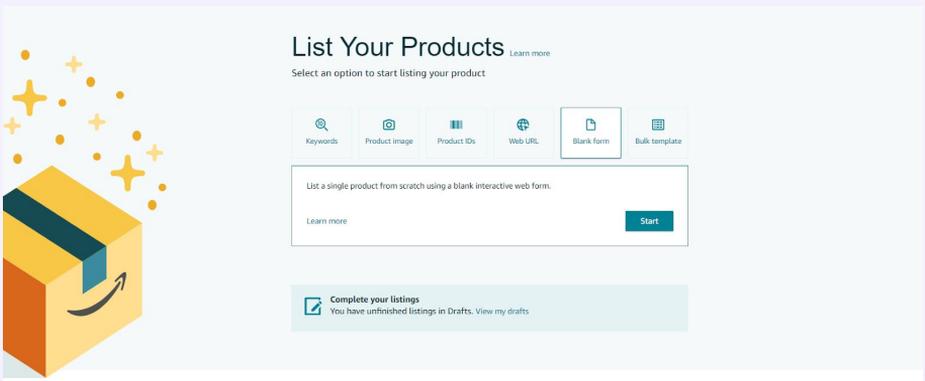


How to list new products on Amazon?

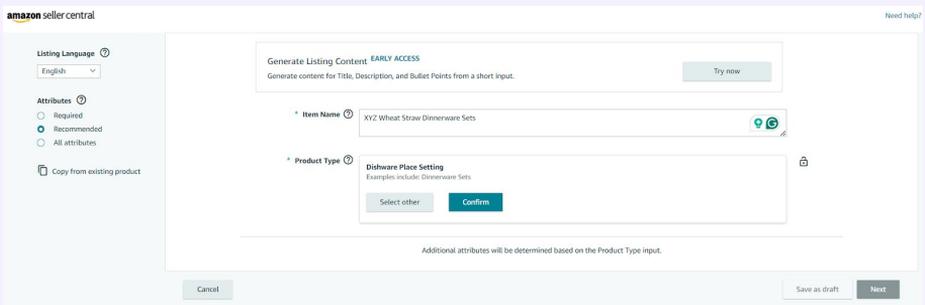
If you're going to sell a product that doesn't exist on Amazon, you have to create a brand-new listing. Majorly, new products are private label.

Listing new products on Amazon step-by-step

Step 1. Go to your Seller Central account. In the side navigation menu, select 'Catalog' > 'Add Products' > 'List Your Products.' Click the 'Blank form' button above the search bar and the 'Start' button below.



- Step 2: Enter the product name and confirm the primary product category specified by Amazon (or change it).



- Step 3. Add a brand and product ID, and click 'Next.'

amazon seller central Need help

Product Identity | Description | Product Details | Offer | Safety & Compliance

Generate Listing Content **EARLY ACCESS**
Generate content for Title, Description, and Bullet Points from a short input. Try now

* Item Name

* Product Type **Dishware Place Setting** | Edit
Examples include: Dinnerware Sets

* Item Type Keyword

Variations This product has variations

* Brand Name
 This product does not have a brand name Learn more about the brand name policy

External Product ID

I don't have a Product ID

- Step 4. Amazon will ask you to get brand authorization. Click 'Apply to Sell' and provide the necessary information. Wait for approval.

Need help

Product Identity | Description | Product Details | Offer | Safety & Compliance

Generate Listing Content **EARLY ACCESS**
Generate content for Title, Description, and Bullet Points from a short input. Try now

* Item Name

* Product Type **Dishware Place Setting** | Edit
Examples include: Dinnerware Sets

* Item Type Keyword

Variations This product has variations

* Brand Name
 This product does not have a brand name Learn more about the brand name policy

External Product ID

I don't have a Product ID

Brand Authorization Required: The ability to create or edit ASINs using this brand name is restricted to authorized sellers. You need to apply for approval to add or modify products for this brand.

- Step 5. When you get the approval, fill in the description, product, and offer details, and add safety and compliance documents, if necessary.
- Step 6. Click 'Save and finish.'

Related: [How to List Products on Amazon in 2024 - Complete Guide](#)

How to Ship Your Amazon Orders to Customers?

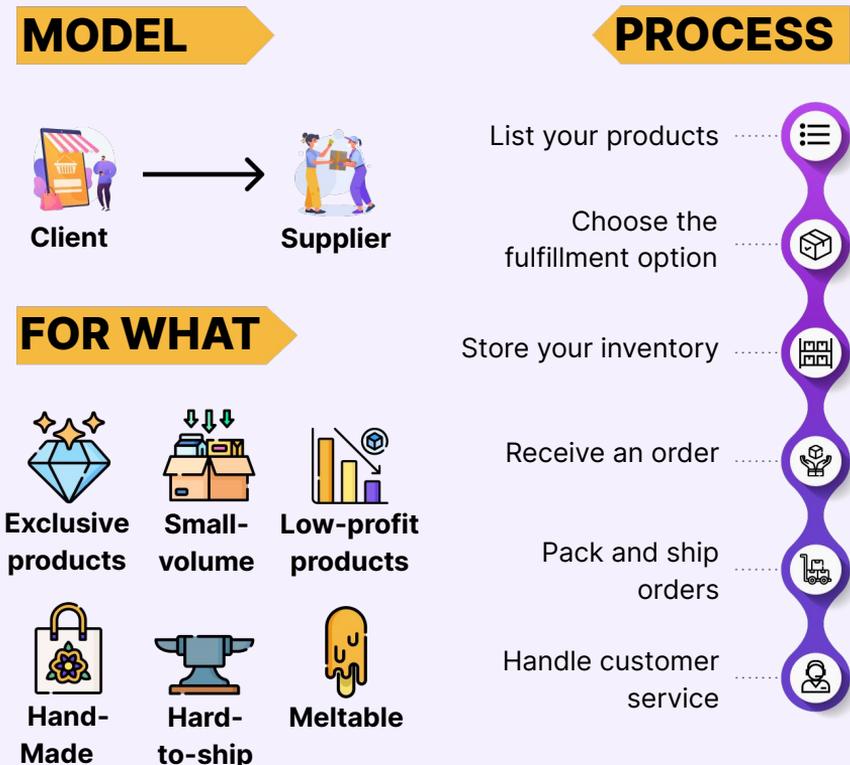
When you add your products to Amazon, you must specify how you will ship orders to the customers. Delivering your orders to customers is called **fulfillment**.

On Amazon, there are two most popular fulfillment methods: [FBM, or Fulfillment by Merchant](#), and [FBA, or Fulfillment by Amazon](#).

Fulfillment by Merchant

Amazon FBM, also called self-fulfillment, is when you, as a seller, handle the packing and shipping of orders yourself. FBM puts you, the seller, in control of all aspects of the fulfillment process.

This method works well for **sellers who don't have many orders** and can take care of packaging and sending them on their own. However, you must remember to package (prepare) your orders securely and add all necessary barcodes and labels. Another common reason to use FBM is **when you sell bulk or other non-standard products** and Amazon fees are high.



How Amazon FBM Works

- Step 1. Choosing FBM

When adding a product offer in Seller Central, under "Inventory > Add a Product," select "I will ship the item myself" in the Fulfillment Channel section. This indicates you'll handle shipping instead of Amazon's FBA service.

- Step 2. Inventory storage

With FBM, you're responsible for storing your products. This could be a dedicated warehouse, a spare room, or even your garage.

- Step 3. Packing and shipping

Once a customer buys your product, you're responsible for securely packaging and shipping it to them. Ensure you use appropriate packaging materials and choose reliable shipping carriers.

- Step 4. Customer service

You'll have to handle all customer inquiries and issues, from answering questions about the product to resolving any problems that might arise after the sale.

Related: [What is Amazon FBM and How Does it Work?](#)

Fulfillment by Amazon

MODEL



PROCESS

Add inventory to FBA

Prep & send inventory

Amazon stores products

A customer makes an order

FBA fulfillment

Manage inventory

BENEFITS



Storage



Faster shipping



Fulfillment



Customer service



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FBA is when you send your inventory to Amazon's warehouses, and the platform handles the picking, packing, order shipping, and customer service on your behalf for a fee.

With FBA, Amazon handles your logistics, saving you time and hassle. However, keeping track of your inventory levels and ensuring you're sending enough stock to Amazon's warehouses to replenish your stock is still important. Also, you must take care of shipping inventory to Amazon's fulfillment centers.

How Amazon FBM Works

- Step 1. Selecting FBA

When you list a product on Amazon, in Seller Central, under "Inventory > Add a Product," choose "Fulfillment by Amazon" in the Fulfillment Channel section. This puts Amazon in charge of fulfillment.

- Step 2. Sending inventory to Amazon

Once you have products ready, you'll create a shipment plan in Seller Central and send your inventory to Amazon fulfillment centers. Make sure to follow Amazon's detailed instructions on packaging and labeling requirements.

- Step 3. Storage, picking, packing, and shipping

Amazon stores your products in their warehouses until a customer orders your FBA product. Then they pick, pack, and ship it directly to the customer. They handle packaging materials, shipping costs, and carrier selection, for a fee.

- Step 4. Customer service

Amazon manages most customer service inquiries related to FBA orders, including questions about delivery or returns. You can set preferences for how you want to handle specific issues.

- Step 5. Inventory management

You must track your FBA inventory levels and manage product reordering. Remember that with FBA you'll have to pay Amazon storage fees based on product size and storage duration.

Note. Amazon will ask you a question about your fulfillment method when you list your products, and it's necessary to select FBA or FBM. You can change it at any time if you need.

Related: [How Does Amazon FBA Work. Is Amazon FBA Worth it?](#)

How to choose between FBA and FBM?

If you are not sure what is better for you: FBA or FBM, look at these factors to pick the best fit for your business.

Choose FBA if



Sell many products



Don't have experience



No place for inventory



Standard-size tier products

Choose FBM if



Slower-moving inventory



Have a partner



Have expertise



Items are unique or non-standard

Go for FBA

- If you sell many products

FBA can help you handle large order quantities you can't manage yourself. Amazon's fulfillment centers ensure efficient picking, packing, and shipping, freeing you to focus on growing your sales.

- If you do not have experience with fulfillment

Amazon has strict packaging requirements. If you fail to prep your inventory in line with their rules, they will charge you extra for prep services. That can also create unnecessary delays. If you are not sure how to prepare your products, you can use Amazon's services.

- If you don't have a place to store inventory

If you don't have a warehouse where you will keep your products until they are purchased, Amazon will store them in their fulfillment centers. However, you must remember about the storage fees.

- If your products have standard-size tiers

FBA works best with products that fit within their standard size tiers. Amazon charges bulk and heavy products differently from standard items, and the fees are much higher.

Go for FBM

- If you have slower-moving inventory

For products that don't sell quickly, FBM can be more cost-effective. You avoid storage fees associated with slow-moving items in Amazon warehouses.

- If you have logistics expertise

If you have experience in packaging, shipping, and customer service, you can save money by handling fulfillment yourself with FBM.



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- If you have an existing shipping partner

If you already have a reliable shipping and delivery partner, FBM allows you to leverage their services and potentially negotiate better rates than FBA fees.

- If your items are unique or non-standard

If you sell handcrafted or exclusive products, you may want to buy custom packaging, while Amazon offers standard solutions. Then you can fulfill these products yourself. Also, if your products have non-standard sizes or require special handling, third-party solutions may be cheaper than Amazon.

How to Package Amazon FBA Products?

Proper packaging ensures your product arrives safely and keeps your customer happy. It is also important to stick to Amazon's requirements because Amazon can charge you for improper packaging because they will repackage the product.

Steps to package your product

- Step 1. Select the right-sized box

Use a box that fits your product. Avoid excessive empty space that can cause items to shift during transit. Amazon recommends using new, sturdy boxes to ensure they can withstand the shipping process. Repurposed boxes might not be strong enough.

- Step 2. Secure the product

Use void-fill materials like packing peanuts, bubble wrap, or air pillows to prevent your product from moving around inside the box. Ensure the product is well-cushioned, especially for fragile items.

- Step 3. Label orders clearly

Adhere to the Amazon shipping label provided with your order clearly on the outside of the box. Ensure the barcode is easy to scan. Use a special internal Amazon barcode, FNSKU, if Amazon requires it. Don't include any other markings or labels on the box unless they're part of Amazon's labeling requirements.

- Step 4. Include a packing slip

While not mandatory, including a packing slip with the customer's order details inside the box can help ensure that everything you sent was received. This can also help with order discrepancies or returns.

- Step 5. Remove the supplier's pricing

Don't leave any original pricing information on the product or packaging.



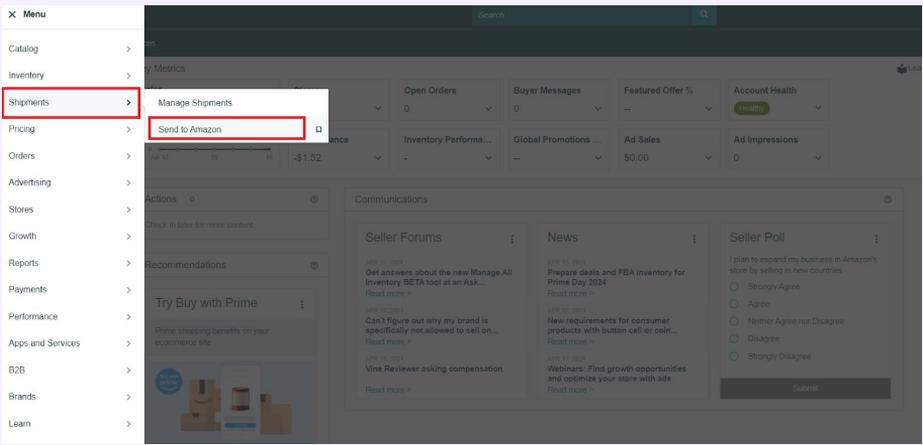
How to Ship Inventory to Amazon FBA?

While Amazon does the majority of fulfillment jobs if you use FBA, you still need to send your inventory to Amazon's fulfillment centers. To do that, you must prepare (package) products as per Amazon requirements and create a Shipping plan in your Seller Central to tell Amazon what and how you will send.

Steps to send products to Amazon FBA

- Step 1. Create a Shipping Plan

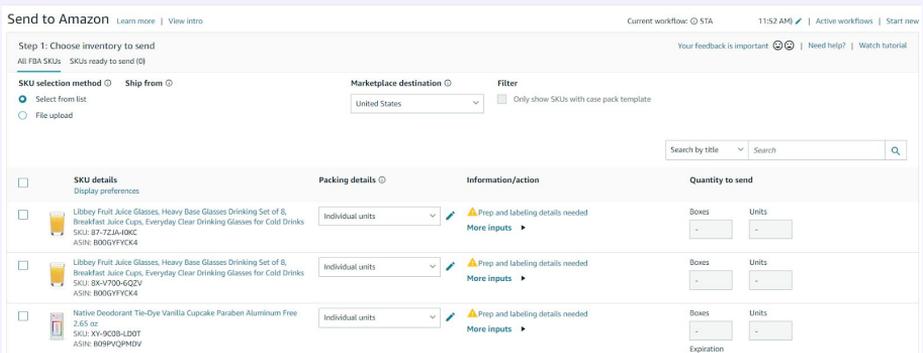
In your Seller Central side menu, go to Shipments > Send to Amazon.



- Step 2. Select products and quantity

Select the products you want to send to Amazon and specify the quantity for each item.

Ensure the product information (size, weight, etc.) matches your listings to avoid processing delays.



- Step 3. Prepare your products

Package your products individually according to [Amazon's guidelines](#) we discussed above. Then, confirm the shipment.

- Step 4. Print box labels

Each box must have a unique FBA box ID label printed from your shipment workflow. If your product requires FNSKU labels, print them and apply them to the package. Check that the barcodes are visible on your box, and are not covered, also don't fold over the edges. Make sure the labels are in line with Amazon's requirements.

- Step 5. Send your package to Amazon

When you have finished the steps above, send your package to the carrier you've selected to be delivered to Amazon.

How to Price Your Amazon Products?

When pricing your products, you must always make sure your sales generate profit. When you resell something on Amazon, the profit is the selling price on Amazon minus all costs.

If you want to get profit from sales, you must price your product in such a way that it includes the profit you want to get, the cost of the item you resell (Cost of Goods Sold, COG), Amazon fees, shipping and handling costs (fulfillment), and other expenses.

On the other hand, your price must be competitive. That means it must be attractive to Amazon customers. It can be equal to 2-3% or higher than the Buy Box price.

Therefore, to set the «good» price, you must maintain the balance between your costs and profit on one hand, and the Amazon Buy Box price, on the other hand.

What are Amazon sales costs?

When you calculate your selling price, you must include such costs as COG, all Amazon fees, shipping and logistics, and sales tax and VAT if applicable.

Cost of Goods Sold

COG (Cost of Goods Sold) is the price you paid for the item you resell.

Amazon fees

All Amazon sellers selling plan fees and referral fees. Also, there are optional fees. You pay them if you use additional Amazon services.

- **Selling plan fees**

- The **Individual plan** costs \$0.99 per unit sold, and the Professional plan costs \$39.99 per month, no matter how many units you sell;
- The **Professional plan** will save you money if you sell more than 40 units per month.

- **Referral fees**

The referral fee is paid for each item you've sold on Amazon. The fee is a percentage and depends on the product category. Most referral fees are between 8% and 15%. However, in some categories, like Amazon Device Accessories, it hits 45%. In some cases, a minimum referral fee is applicable.

- **Fulfillment costs (FBA or FBM)**

- **FBA fees**
 - **Fulfillment fees** are charged per unit. They are calculated based on the weights and dimensions of the product. The fees differ for standard and oversized products and depend on the size tier. Also, some products that require special care (hazmat, fragile, etc.) may be charged extra;
 - **Storage fees** are charged for storing inventory in Amazon's warehouses. These fees are calculated based on the daily average volume of the space inventory occupies. The rate is based on product type, size tier, and time of year.
 - The **inbound placement service fee** is the cost of spreading inventory across Amazon's fulfillment centers close to customers. The fee was introduced on March 1, 2024.

- **FBM fees**

Unlike FBA, FBM sellers pick, pack, and ship your products and handle customer service by themselves. FBM sellers don't pay for these to Amazon. They pay to third-party service providers.

- **Other fees**

Amazon may charge you other fees in some categories (Closing fees for selling media products), High-volume listing fees if you have more than 100,000 products listed, and Refund administration fees if the customer asks for a refund.

- **Logistics costs**

Logistics costs are expenses for preparing orders (packaging and labeling) and delivering them to the customer (FBM sellers) or Amazon's fulfillment center (FBA sellers).

- **Shipping to Amazon and prep center costs (FBA)**

- Shipping to Amazon includes the cost of shipping from the supplier to the Amazon fulfillment center.

- **Prep center fees**

- If you sell many products, you can use a specialized service - preparation (prep) center. The prep center is a service provider preparing your inventory for fulfillment according to Amazon standards. Prep center fees vary depending on which prep center you use.

- **3PL costs (FBM)**

- 3PL is a third-party logistics service provider preparing your inventory and shipping it to the customer.

- **Sales tax and VAT**

- **Sales tax** for Amazon sellers is typically collected by Amazon on behalf of sellers. But in some cases, depending on where your business is located, you will need to collect it yourself;
 - **VAT (Value Added Tax)** is paid when you sell internationally.

Related: [Amazon FBA Fees 2024](#)
[Amazon FBA Storage Fees Explained](#)
[Amazon FBA and FBM Fees in 2024](#)

Profitability and break-even point

When you set your price, you have to know how much money you will get after all costs are being paid, and how profitable is your investment in the product.

Profit

Profit is calculated the selling price minus COG, referral fees, FBA fees (for FBA sellers), monthly storage fees sales (for FBA sellers), tax and VAT (if applicable), and logistics (3PL) costs (for FBM sellers).



Profit

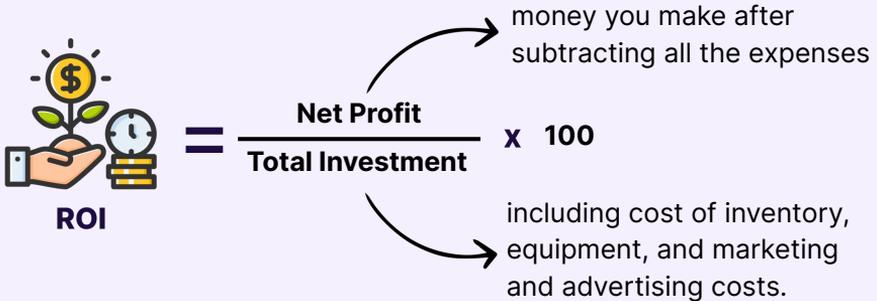
$$\text{Profit} = \text{Selling Price} - \text{Total Expenses}$$



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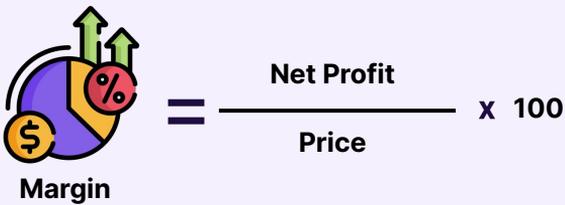
ROI

ROI (Return on Investment) is the profitability of investment expressed as a percentage. ROI is calculated profit divided by COG, sales tax, and 3PL costs and multiplied by 100%. A «good» ROI is more than 10%.

The diagram illustrates the ROI formula. On the left, there is an icon labeled 'ROI' showing a hand holding a plant with a dollar sign on top, a clock, and a stack of coins. This is followed by an equals sign and the formula:
$$\frac{\text{Net Profit}}{\text{Total Investment}} \times 100$$
 To the right of the formula, two curved arrows point to explanatory text. The top arrow points to the text 'money you make after subtracting all the expenses'. The bottom arrow points to the text 'including cost of inventory, equipment, and marketing and advertising costs.'

Margin

The profit margin shows the profit percentage generated by sales. It is calculated profit divided by price and multiplied by 100%. A «good» margin is 10-15%.

The diagram illustrates the Margin formula. On the left, there is an icon labeled 'Margin' showing a pie chart with a dollar sign and a percentage sign, and two green upward-pointing arrows. This is followed by an equals sign and the formula:
$$\frac{\text{Net Profit}}{\text{Price}} \times 100$$

Break-even price point

When you set your price, you have to calculate the break-even price point (your minimum selling price). A break-even price is the price point at which you earn zero profit, and will only cover the costs if you sell a product.

It's important to set the break-even in such a way that you won't lose money when you reprice the

How to calculate costs, profitability, and price?

The most convenient way to calculate costs and profitability is Seller Assistant's [FBA&FBM calculator](#). It helps you calculate your expenses and product profitability.

You have two options: products fulfilled by Amazon (FBA) and products fulfilled by sellers (FBM). You can quickly calculate product profitability, fees, and logistics expenses for FBA and FBM separately.

Steps to calculating product price

- Step 1. Set your desired price

[Seller Assistant](#) shows you the maximum FBA and average (over 90 days) Buy Box prices (the best price offer). Click the small arrow beside the "Price" to set the Buy Box +2, 5, and 10%.

Price

%	BuyBox	90d Avg BB	Min FBM	Min FBA
0	29.99	29.99	0	29.99
+2%	30.59	30.59	0	30.59
+5%	31.49	31.49	0	31.49
+10%	32.99	32.99	0	32.99

Margin: 44.98, 13.44

- Step 2. Calculate your Amazon fees

Enter the Cost of Goods Sold (product price at the supplier's site) in the COG field. Select your fulfillment method (FBA or FBM). For FBA, you can choose the inbound placement fee option in the Plmt field (by default it is set to Optimized shipment split, \$0). The calculator shows you all Amazon fees.

Profit

	FBM	FBA
Profit	13.49	4.03
ROI	112.42	33.58
Margin	44.98	13.44

- Step 3. Enter logistics costs

For FBM, add 3PL (Ship + Prep + Frgl) and shipping costs, for FBA add prep center fees (if you use that service), and shipping to Amazon costs.

KOMUEE Glass Meal Prep Containers 2 Compartments, 5 Packs 36 oz, Airtight Glass Lunch Bento Box with Lids, Glass Food Storage Containers, BPA Free, Microwave, Freezer and Dishwasher Friendly

Price: 29.99 \$ COG: 12 \$

	FBM	FBA	FBA %	Fees	15.96	3PL	0
Profit	13.49	4.03	R15%	4.5	Ship	0	0
ROI	112.42	33.58	FBA	8.92	Prep	0	0
Margin	44.98	13.44	Plmt O	0	Frgl	0	0
			Sto	0.54			

- Step 4. Choose the minimum and maximum prices. Estimate the product's profitability. The calculator automatically shows your profit, ROI, and margin. Hover your mouse over the ROI figure, and the calculator shows you the selling price with 0, 10, and 20% profit and ROI. Choose the minimum and maximum prices with the profit levels.

KOMUEE Glass Meal Prep Containers 2 Compartments, 5 Packs 36 oz, Airtight Glass Lunch Bento Box with Lids, Glass Food Storage Containers, BPA Free, Microwave, Freezer and Dishwasher Friendly

Price: 29.99 \$ COG: 12 \$

	FBM	FBA	FBA %	Fees	15.96	3PL	0
Profit	13.49	1.83	R15%	4.5	Ship	1	2.2
ROI	112.42	12.89	FBA	8.92	Prep	1	1.2
Margin	44.98	6.1	Plmt O	0	Frgl	0	0
			Sto	0.54			

- Step 5. Go to the Amazon repricer. In your Seller Central menu, go to Pricing > Automate Pricing

Navigation menu items: Catalog, Inventory, Shipments, Pricing, Orders, Advertising, Stores, Growth, Reports, Payments, Performance, Apps and Services, B2B, Brands, Learn.

Pricing sub-menu items: Pricing Health, Manage Pricing, Automate Pricing, Negotiated Pricing.

- Step 6. Configure pricing rule

Select the pricing rule you want to use, and the number of SKUs, and click edit SKU.

Pricing Rules

Automated Pricing is undergoing updates. We're working on upgrading your Automated Pricing experience.

Automatically update prices across your entire catalog based on rules you manage. Try a pre-defined rule to start pricing right away, or create a custom pricing rule to meet your specific business need.

Select marketplace: United States (US)

Rule name	Rule type	Rule summary	Marketplace	Number of SKUs	Rule status	Action
Competitive Price Rule by Amazon	Competitive Featured Offer rule	Match the Featured Offer price, on all offers for the same ASIN and condition. Also compare with prices from retailers outside Amazon. Continue automated pricing after updating prices elsewhere.	United States	0	Active	Edit SKUs
Business Catalog Rule by Amazon	Business Price and Quantity Discounts rule	When active, this rule is applied to your entire catalog (including newly added SKUs) across all marketplaces and will set your Business Price dynamically relative to your Standard Price. SKUs with Business-Only Offers will not be repriced. SKUs that are assigned to other Business Pricing rules will be excluded.	United States	0	Inactive	Set up rule
Test_Repricer_Rule_1	Competitive Featured Offer rule	Match the Featured Offer price, when offers are in the same fulfillment channel. Repricing will pause after updating price elsewhere.	United States	0	Active	Edit SKUs
test_bb_minus	Competitive Featured Offer rule	Stay \$0.01 below the Featured Offer price, when offers are in the same fulfillment channel. Also compare with prices from retailers outside Amazon. Repricing will pause after updating price elsewhere.	United States	0	Active	Edit SKUs

- Step 7. Set minimum and maximum prices

Enter your selling price, minimum and maximum price levels you have calculated with [Seller Assistant](#) in step 4, and set the rule. Amazon Automate Pricing will automatically adjust your product prices against your competitors to increase your chances of winning the Buy Box. It will automate your product price changes as they change on Amazon within the set limits.

Automate pricing » Edit SKUs

Manage SKUs Learn more

Adding SKUs to your "Competitive Price Rule by Amazon" rule

You have chosen to add SKUs via the listing interface one marketplace at a time. You can add SKUs to this rule in Amazon.us, Amazon.eu, Amazon.ca, Amazon.com.br, Amazon.es, Amazon.co.uk, Amazon.de, Amazon.com.

If you want to manage your SKUs via file upload across all marketplaces, click here.

Filter by marketplace: Amazon.com

All listings: In other pricing rules | In this pricing rule | Not in any pricing rule | Minimum price reached | Maximum price reached | Paused

Image	SKU	Product name	Date Created	Your price	Your minimum price	Your maximum price	Rule name	Action
	Condition: Fulfillment Channel	ASIN	Status Changed Date	(Price + Shipping)				

There are no listings in this category.

10 results per page

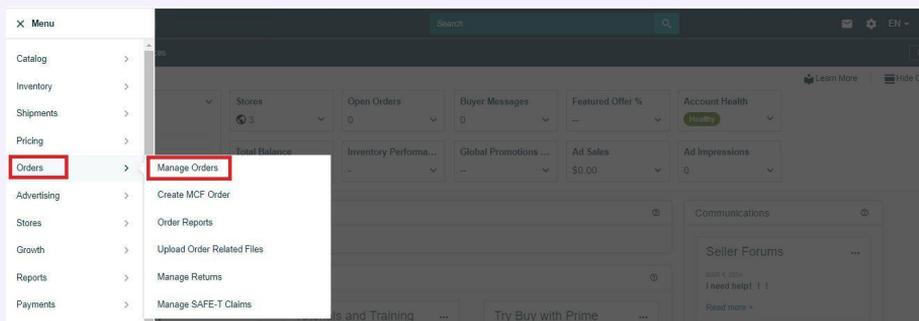
How to Know if My Product Was Sold?

When you use Amazon FBA, they take care of all order fulfillment processes, and you don't need to know exactly when you receive each order. However, as an FBM seller, you must know it immediately to timely process and ship it out.

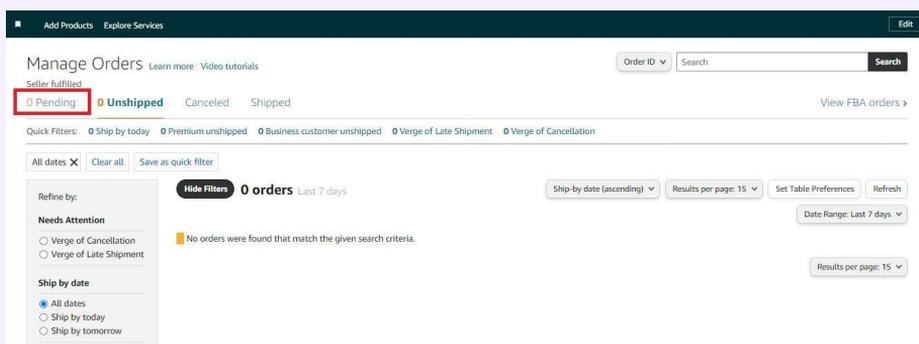
You can get this information **in your Seller Central Order and the Amazon Seller Mobile App.**

How to check product sales in Seller Central?

To check when a product sells in Seller Central, from the Menu, go to Orders > Manage Orders.



In the Manage Orders, you will see the customer orders in 'Pending.' After Amazon confirms the purchase, the status will change to 'Unshipped.' That means it's time to ship the order.



How to check if product sales in the Amazon Seller App?

In the [Amazon Seller App](#), you will be automatically notified when it's time to ship out the order.

How will I get money for the products I sell?

Amazon pays sellers every two weeks, **on the 1st and 16th day of each month**. The terms of Amazon payouts to sellers for their orders are called **Amazon Seller Payment Schedule**.

To get paid for your sales, you must add your bank account and a valid credit card to Seller Central. That is where Amazon will send your payments. Your account must support Automated Clearing House (ACH) transactions.

You can see how much and when Amazon pays you on the [Payments dashboard](#) and [Payments report](#).



Bank account with positive balance

3-5 business days



Receive your money



01

Amazon pays on the 1st and 16th day of the month



Orders must be delivered 7 days ago



Amazon fees and returned orders are deducted

Amazon seller payment process

- Positive account balance

You must have a positive or zero account balance to receive a payment. Amazon Pay will automatically send your funds to your bank account on the next scheduled settlement date. After Amazon sends it, it takes 3-5 business days for your money to arrive to your bank account.

7-day holding period

Orders must be delivered at least seven days ago. Amazon gives buyers seven days to return or inspect their orders, so your payments will be held until that period has passed.

Deductions

Payments are for orders that were successfully delivered. In case of customer returns, chargebacks, and A-to-Z guarantee claims, Amazon will deduct the cost from your payment. Amazon fees are deducted from your payments as well.

Related: [Amazon Seller Payment Schedule: Everything You Need to Know](#)

Scroll for More Help



SELLER ASSISTANT

Grow with Seller Assistant



Of all your Amazon sales processes steps, product sourcing research is the most important. It helps you choose profitable products and make money.

In a lot of cases, it takes sellers many hours a day to browse the internet searching for product ideas. Knowing this, we created software that helps you find winning products to sell and grow your business.

[Seller Assistant](#) is a powerful tool that combines all product sourcing features to find inventory for your store. With it, you'll get access to [Side Panel View](#), [FBM&FBA Profit Calculator](#), [Quick View](#), [ASIN Grabber](#), [Restrictions Checker](#), and other product research functionalities, in one tool.

Try it now, [register](#) for our 14-day trial, and grow your Amazon business with confidence.

Powerful Amazon Product Research Tool for Online Arbitrage and Wholesale Sellers

Quick View

ASIN: B00U26V4VQ
#474 in Toys & Games
FBA: 5+ FBM: 5+ Amazon

Advanced IP Alerts & Restriction Checker

Keapa Graph

FBM & FBA Profit Calculator

Price	26.99	COG	12.59
Profit	9.12	1.72	
ROI	65.99	12.45	
Margin	33.79	6.37	

FBM	FBA	FBA	Fees	11.45	3PL:	0.8
			F15%	4.05 <td>Ship</td> <td>0</td>	Ship	0
			FBA	7.33 <td>Prep</td> <td>0.8</td>	Prep	0.8
			Sto	0.7 <td>Frgl</td> <td>0</td>	Frgl	0