



THE
AMAZON
CODE

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Introduction

Amazon offers budding entrepreneurs the world's largest platforms for ecommerce, with a database of millions of customers it is no wonder why so many savvy business owners are exploring dropshipping as a viable business and alternative to their day job.

This isn't to say that just anyone can be successful selling products on Amazon, there is a steep learning curve and a lot of variables to consider. With this guide, we take the novice entrepreneur on a journey to not only successfully formulate and validate their product idea but also to walk you through the process of designing that product and sourcing valuable suppliers.

Understand that ecommerce is a multibillion dollar industry and that there is a still largely untapped market ripe for exploitation and profits. This guide explores the basic terminology and communication nuances that are instrumental in formulating successful relationships with suppliers, helping you source your first product and the essentials involved in creating a private label brand. It is not as simple as just sourcing a product and selling it, your product needs to serve a particular market and have that something special that will set it apart from competitors, giving your customers a solid reason why your brand is the number one choice.

Once your product is listed, the work doesn't stop there. We will also walk you through creating an effective listing and a successful launch, followed by an advertising campaign that generates a serious return on investment.

This guide will cover everything that you need to know to get your foot in one of the greatest opportunities that exist on the web today and how you can work alongside one of the largest and fastest growing companies in the world, sharing in their overwhelming prosperity.

Chapter 1: Idea Strategies

What Makes a Good Idea?

The question that comes to mind for most aspiring entrepreneurs when they begin their journey of starting an Amazon business is “What should I sell?”. Searching for an idea is a highly important process as it sets into motion how every following task will be performed. If you have a generic, uninspired idea or follow the crowd, you will find it may be much more difficult to complete the follow steps towards building a profitable business.

Following the crowd is never a profitable plan. This is vastly different from following emerging trends which in many cases will be profitable. Following the crowd is picking up where many entrepreneurs have left off after they followed trends and made the majority of their profit. Once a niche becomes profitable, everyone else joins in and it is highly likely that this oversupply will struggle to meet waning demand that’s not even considering the increase in competition which will drive down profits and make the process that much more difficult.

The solution then, is to come up with ideas that are untapped yet hold huge potential when it comes to customer demand. It is important to consider that ideas will be first needing to be validated to ensure they are suitable to take the next steps. This means we will be going over a check list with each of our ideas to determine whether it will be a profitable idea worth pursuing. You will notice that our used the plural, ideas, no single idea should be pursued just for the sake of it since this can lead to attachment and a confirmation bias.

The first step towards going through our idea validation strategies is to grab some paper and a pen and simply brainstorm all the ideas that you feel would be interested to research further into. You will want to take an interest in what you are selling as you will later find that this can affect your performance going forward. If you are working on something that you have no passion for, you are less likely to see it through to the end which is where you will be making the majority of your profit. Don’t just go with ideas that you feel would bring in the most money as there will be times where you are yet to see a profit and having an item that you don’t particularly care about can cause you to throw in the towel too early before you hit the gold mine.

Three Strategies for Discovering a Profitable Product

There are three main strategies for determining whether your ideas will make profitable products and it is wise to explore each of these strategies before proceeding further into validating your idea. Each of these strategies will reveal the current demand for your potential idea which allows you to understand whether customers are searching for these products and have a need for them.

Amazon Engine

The first strategy is to make use of Amazon itself. You are able to have a read into those products that are currently selling successful on Amazon by using the search bar. By typing just a single letter, you are met with a drop down box of products that are currently suggested due to the fact that people are searching for. This is where you are able to determine whether there is a demand for your products and is the first step towards determining whether your idea has any value.

For example, if you were to search for Dog, you will find that there are multiple suggestions with the preceding word “dog”. This might include dog toys, dog bed, dog trees as well as dog harness and dog great. This gives you a nice list of potential ideas worth exploring which are related to dogs. This is also an indication that people are frequently searching for these types of items meaning there is a demand for these types of products and they are being sold.

One way you might like to do this, if you are really strapped for inspiration, is to go through each of the letters of the alphabet, A, B, C etc. This will display results for some of the hottest items starting with that letter. You can then add a second letter such as AD, AN, which will provide even more ideas for you to add to your brainstorming list.

Another way you are able to use the Amazon engine to your advantage when collecting ideas is to click through and see what customers of certain products have also been viewing in addition to the one that you are looking at. This gives you a deeper insight into the niche that you are researching and can also unveil many fun and interesting products that may spark your interest. This also works well if you are just viewing categories alone. Amazon has many categories available for you to search through which will explore later in this book.

Similar to the previous method, the final way you can make use of the Amazon engine is by viewing what customers have also purchased in addition to the item that you are searching. This is incredible useful as it can provide you with information on how the niche performs and makes their purchases, going from one item to another.

While this may not be the best way to determine whether ideas are profitable, it does give you an unlimited source of new ideas if you are struggling to come up with something new or if you're list of items is largely common items that can be picked up just about anywhere. Remember it helps to source ideas that are unique yet in high demand and looking around your house for common items isn't going to yield too many results that would make a successful Amazon business so by using the engine, you are able to collect information and add to your brainstorm for further research.

Golden Touch

If you prefer to take a little more time to research your product ideas and find that sitting in front of a computer can hinder your creativity this method might help get those creative juices flowing and you are able to incorporate it into your day to day life. This method involves

taking note of everything you have touched within the last hour. This might seem like a huge undertaking, but it gives you the chance to see the items in your immediate surroundings that you might overlook on a regular basis.

This technique is best for when you are totally out of ideas and really need to get your mind working in an innovative way and start gathering ideas at an accelerated. For example, you would wake up in your bed, your sheets, pillow, pillow case, alarm clock and maybe a bottle of water would likely be some of the first things you touch. This gives you an instant list of five items and you haven't even gotten out of bed yet! As you can see this can be an incredibly useful technique. As time goes on, you will find that there are more and more items which you interact with in your daily routine that are worth exploring further.

Keep in mind that the items on this list are not product ideas for your business. Instead they are items you would go further into detail with as you go further and further into the function of these items and their current form in your hands. Work on this technique for at least a week. There are many items that wouldn't even cross your mind as you go about your day but when you make the habit of writing them all down, you will soon find that inspiration starts to flow through you and ideas for innovative products or improvements on those items around becomes second nature.

The main idea behind this strategy is that since you are a consumer or user of this product, you will have a greater understanding of how it can be improved or provide additional value for the user. With this in mind, you can start branching out your product ideas further by brainstorming new ways in which this product can deliver its value.

Offline Retail

The third method involves some offline research. This is one in which the pioneers of ecommerce performed in order to determine which items would be best sellers online. Essentially, you need to travel to a big box retailer such as Walmart, Target, Best Buy etc. and take a look at what is stocked on the shelves. Explore across the various departments such as toys, electrical, homewares and take note of the items which are centrally placed which is a good indication that they are selling well. Many of these items, you will find are also selling quite well on Amazon but there are likely to be some hidden gems that haven't quite reached an online customer base on a mass scale and this is where there is opportunity to take advantage of hot items.

We will explore further into some marketing techniques you are able to employ when scoping out big box stores, so you may want to hold off on this strategy and actually do them both at the same time to maximize your efficiency and get the ball rolling much faster.

JungleScout

There is one other research method which far outstrips all others. You are able to virtually source an unlimited number of validated items which you are able to sell on Amazon and make a significant profit as well as create a brand around them. JungleScout is a paid service, \$49 a month, however there is enormous value provided and if you are prepared to take this business seriously, it is well worth the investment.

The premise behind JungleScout is that you are able to sort through the entirety of Amazon's database using filters that you put into place in order to fine tune your search. There are over 20 million products in Amazon's database which is expanded every single day and by using certain filters you are able to really hone in on an untapped niche and exploit a high demand product where not many businesses are supplying.

JungleScout will only display products which are successfully selling so you are able to really see which products are bringing in the most profit for their sellers. You can sort by market, price and reviews as well as the quality of listing which is the most important. By searching those listings which are underperforming with highly profitable products, you can see where the market is failing consumers and essentially do it better than your competitors.

Read through the reviews of these items as well as this gives you an indication of quality. Those that are not being reviewed well but remain high in demand are gold mines, providing you with the opportunity of making the product better and selling to a large market who are dissatisfied with the current offering.

JungleScout offers much more than a standalone program, you are also able to plug it in as a Chrome extension when browsing the Amazon website. This will provide you with information on every listing you pull up regarding the estimated revenue, estimated sales, all the review numbers, the ratings, how the item is being sold, the prices offered. You are also able to see whether an item is currently on an uptrend indicating if it is growing in demand or slowing down in sales.

Using JungleScout means you have a powerful tool at your disposal. As you begin to grow in the Amazon business, you are able to take advantage of the data offered by this program. If you are just getting started and don't have too much capital at your disposal, you may want to just pay for a single month to avoid committing in the case that you may change your mind later but if you plan on creating a long term business using the massive market that Amazon offers then JungleScout takes away most of the guesswork when it comes to generating new ideas.

To setup a Jungle Scout account [click here](#)

Chapter 2: Validating Your Idea

Now that we have explored the various ways in which you can have the creative juices flowing to generate potential ideas for your Amazon business, we will continue the chapter by moving towards the next step which is to assess whether the idea has potential value or if it is better off left to someone else. This is your final step towards accepting the idea as your niche prior to entering the market. Idea assessment provides the background research you will perform to determine if the idea has any value.

There are a number of criteria we will be using to assess our ideas. These are demand, competition, profit, passion and customer lifetime value.

Demand

This is the first of the criteria we will be using to validate our idea. Demand is highly important, which is why it is chosen as the first of the criteria. If there were no demand for a product, no customers would be looking to purchase from your business meaning the idea will struggle to make a profit. It is best to supply a product to a market with a high demand, that is, many people out there looking for that exact product. This will mean they are searching for similar products through the search engine and hoping to use it in their day to day life. If you happen to be supplying this product to a demanding base of customers, your product will be successful and continue to see.

It all starts with demand and this is why it is the most important of all the criteria. Demand can be further broken down into three criteria to determine the intensity of the demand. The first of the three criteria is the revenue earned by your product. You are able to determine if a product is high demand by how many sales it is currently making with your competitors. If there are sales being made in the niche, this means there is still significant profit to be made selling that product and if there was to be another player entering the market such as yourself, then you should be able to capture a share of this market.

The next criteria are uptrends. Certain niches will experience uptrends and downtrends in their popularity as interests shift and change over the year. One product might be a hot bestseller early in the year only to have cooled down and sitting on the shelves the next. One example of this could be fidget spinners. They saw immense popularity in mid-2017 which resulted in a huge number of sellers getting involved to make money off the trend. What soon happened was the supply did not meet the demand as the trend waned and many businesses were left with an overabundance of stock that they could not move, many of these businesses may not have focused on the downward trend towards the end of the year. This could also be the case for seasonal products which may experience an uptrend at certain times of the year and remain more stagnant at other points in the year. Keep an eye on the trends and see where they are moving as time goes on and also consider how much longer this trend could remain in force.

The final criteria can be seen as a way to valid the previous two criteria in order to determine your overall demand. Using the 10-4 rule you are able to see which products are experiencing a strong demand and how consistent that demand is. It can be possible to sell products cheap in order to boost rankings and this can skew the data to show that they are selling quite well when it may not be the case if they are not making any sales at their regular price. The 10-4 rule works like this. The four of the 10-4 is four thousand dollars. This means that at least two to three products should be making around four thousand dollars plus a month.

Competition

Competition in many ways is the antithesis to demand. Often times where there is high demand there is plenty of competition, it is a delicate balance that must be understood before entering a market. If the balance is thrown in the way of the supplier, there is simply too much competition for the current demand and this is where prices start to be slashed and profit margins will drop. In cases where there is still high demand and little competition, this is where there is serious money to be made. You will want to find your place in the market where you can work with low competition and everybody is able to enjoy the profits in the niche.

There is a rule when it comes to Amazon for validating your competition and whether it remains a desirable market to enter. The rule is three by a hundred, three hundred. What this means is you will want three products to be on the first page with less than a hundred reviews. You will also want lower than 300 reviews on average on the first page. This is mainly because you will want your product to be appearing on the first page of Amazon when you search for it rather than a few pages in. This is because most people, seeing what they want on the first page, are unlikely to continue scrolling once they see that most items are within the same price range and being offered conveniently in front of them.

The advantage of having competing products with less than 100 reviews means you are able reach that number in a short amount of time and in effect, rank higher than them in the search engine, making more sales. Ideally, you will want to avoid anyone selling a product which has a few thousand reviews as this is a strong indication that the competition might be too powerful, making it more of a challenge to enter the market successfully. This is generally found in products which have very powerful brands such as athletic wear with brand such as Nike. As You can imagine, these would be incredibly difficult to compete with particularly at the same price point and in terms of quality. For this reason, it is best to niche down further to create a product without any major players.

The rule can be flexible and is up to your discretion. Around 300 is generally the best indication that the product you are researching has a high demand while also not having any particular brand standing out. The higher the competition, the less profit you will stand to make. Keep in mind that high profit, low competition, doesn't generally last long. There are many sellers who are researching a wide range of products and therefore wide open niches

will not take too long to fill. This should act as a primary motivator for you to act when there is an opportunity to be able to exploit the high profits while they are still there and not delay your actions.

Competition can also be differentiated in order to boost your potential to take a larger market share. This can be done through innovation and development of your product. We will be exploring this further along in this book.

Profit

The third element of Amazon product validation is profitability. Profit is essential in order to continue your Amazon business and ensuring that your products create a healthy return on investment. The last thing you would want to do is to invest a great deal of money and effort in shipping products only to find out that they are not profitable, causing you to experience a loss on your initial investment. This is something that cannot be left to chance and it is therefore incredibly important that research and due diligence precedes your decision for which product you would like to sell on Amazon.

There is an [official Amazon FBA calculator](#) that you are able to make use of specifically designed for the purpose of FBA. This will let you know exactly how much money will be going to your bank account upon every sale you make on Amazon, leaving nothing to chance. To get started, open [Jungle Scout](#) and for this example we will be looking into kitchen and dining. The price point that we will be exploring we will be the \$12 to \$60 rank, between 1 and 2,500. Start by sorting in terms of pricing and then estimated revenue from highest to lowest. The first that you will see are likely to be around the half a million a month range. Open up one of the products and see what the average price for that particular keyword is or the product itself. You will want to check out a few different prices as there is a good chance that the price could be over inflated or underpriced.

Once you have the average price locked in, insert that into the data and then what you would do is go over to [Alibaba](#) or whichever wholesale site you will be using such as [Salehoo](#) or [Oberlo](#) and search for the exact same item. You will want to match the data up with what was being sold on Amazon. You can easily search for the average price and you will likely get a wide variety of prices with many items coming with various accessories. Ensure that the listing is for the same product on Amazon to create accurate data otherwise you will be off in your calculations.

Once you have the average price from the supplies, you are able to enter that data into the [calculator](#) and this way you are able to see exactly how much you are able to earn once all the fees are considered. Their calculator will detail the costs that will be involved when selling and you are able to customize this to your needs depending on how you will be operating your business. This would include warehousing, shipping from the factor and shipping to and from Amazon itself. You will also want to consider a figure for advertising your products as you wouldn't want this to drastically affect the profitability of your items. High profitability right

out of the gate is ideal and with the calculator you are able to get an estimate of how much net profit you would be earning per sale.

Products that are priced under \$12 are generally not worth selling on Amazon. This is largely due to the fees that are incurred and other costs that are involved with selling which fast eat away any profits, leaving not much left in your bank.

Using the calculator, you are able to see which products offer a high profit margin and those that are not worth taking on the risk. If your revenue is approximately three times as much as your purchase price then you will stand to make a sizeable profit with your item, taking all fees and charges into account. When examining profit, consider the other factors that you are using when validating your product idea as they will each play a part in how a product will perform. For example, lower profit margins might seem like there will be a risk but if demand suggests that it is a product that people are looking for, you could potentially sell a greater volume whereas high profit margins and low demand might mean that your product may not move as fast.

Research a number of products before coming to your final decision, particularly when it comes to profitability as there is a lot to consider and oftentimes there may be a reason why a product with high potential for being profitable may not be selling as well as it could be on Amazon.

Passion

Why do some of the world's richest people continue working well into their old age? It's not that they need the money, or they are terrified of losing it all once they are retired. They absolutely love what they do for a living and this keeps them working harder because it is their passion. Equally, you will find that when you pursue something solely for the money, you can lose passion incredibly fast simply because there is no pleasure in exerting effort for material gains, there will never be enough to satisfy you.

This is where passion becomes one of the most important yet overlooked aspects of having a successful Amazon business. If you do not enjoy doing what you do, you will not be able to overcome many of the challenges which comes along with starting your own business. You are far more likely to succeed if you have a passion for the product you are selling and that you know it well, perhaps even having one yourself. This will help you identify ways of improving the product and what to do in case something goes wrong, improving your customer service.

Finding your passion is not always an easy thing to do. Some people can take many years before they finally discover what they love to do and therefore you will need to ask yourself two very important questions to boil down the essence of what your ideal product would be. The first of these questions are "What are your interests or hobbies". These questions will help you get to the bottom of which categories of products would be best suited to your individual interests. The second question is "If you made no money, what kind of product would you

launch". This takes money out of the question as a motivator and leaves just your raw emotion and unique preferences towards which products you would work best with. It also opens up the bigger picture and reveals your true motivation to launch a product that you are able to improve and do better than many of your competitors.

While passion isn't essential to make money, it is likely that without passion, you will not be able to persevere through the hard times in this business. Profitable niches may last quite a while but as soon as a competitor starts offering a product that is an improvement on your own and your sales suffer, you may not have the motivation to better your own product and instead may start again from scratch or give up entirely.

Customer Lifetime Value

While not considered by too many who are getting into the Amazon business, Customer Lifetime Value is of high importance and often one of the most overlooked essential aspects of your business.

When looking for a product to launch to the market, you are not simply looking for a product which will sell well or makes a good profit. Instead, you are thinking of the long term vision, that is a product that you are able to build an entire brand around. This allows you to scale your product to larger heights and continue building what you have created rather than have a product that will sell over a few months while you are busily preparing for the next one. While you would still make money that way, it is simply not efficient or scalable and you are most likely to reach a plateau in your earnings and go no further.

Ideally, you are looking for a niche that you are able to make around 3 to 5 profitable products and begin building brand loyalty. You don't need to have every single one of these products bringing in huge amounts of products, that is not the point. These products will simply create the brand image for your business and more than likely you will have one or two standout products that will be generating around 80 percent of your profits. The idea here is that once you have launched your first products and set up your email list of loyal customers, they will be ready and waiting for the next product launch. A general rule is that it is around 7 times easier to sell to an existing customer than a new one, meaning you will be able to leverage your existing customer base over your competition when releasing a product in the same niche.

An example of how this would work is if you had a list of customers that had purchased your product and you were preparing to launch a new one, you would send an email blast to this list as well as establish ads to retarget them. You might like to offer them an existing customer discount for their loyalty and in most cases, you will have quite a few buy your next product simply because they were satisfied with the first.

This way, by creating a similar product over a completely unrelated one, you are able to utilize all the same marketing techniques that you have in place as opposed to going through the entire process again.

Let's have a look at this as a working example with a real product. If I were to sell splatter screens in the kitchen niche, take a look at what customers have also been purchasing in addition to this product to give you an idea of where you can explore next. You will notice that there is an abundance of products in the same niche as splatter screens such as pans, pan scrubbers, chopping boards etc. You will see that if I were to release another product such as one of these and a customer had just purchased my splatter screen, they would have a better incentive to purchase another product of the same brand to keep that consistency.

Focus your products on the greater vision of your business and brand rather than just on individual products. You will find that this opens up your perception to greater opportunities that can often be missed when focus is finely tuned on just a single product. It doesn't have to be five, but this provides a good base to start from to start leveraging existing customers and tailoring your products to their needs.

Mistakes to Avoid

Not everyone will be perfect when they are starting out in a new business. There is plenty of factors to consider, many of which can be easily overlooked. The best course of action for a new seller is to learn from mistakes of past sellers who have gone through it all and come through with a solution. In this part of the chapter, we will be taking a look into some of the mistakes that sellers make, the common ones that can be easily avoided by simply being aware of them.

These mistakes can be quite detrimental to your business and therefore it is important to steer away from making to avoid wasting time and thousands of dollars invested in a product that for one reason or another won't sell at the volume you expected it to.

Oversized Product

The first mistake is selecting an oversized product. This is defined by Amazon and is a product that they will charge additional fees for storage. You are able to determine what makes an oversized product by searching "[oversized products Amazon](#)" on Google. From there you are able to pull up the [fee schedule for FBA fulfillment on amazon.com](#). Having an oversized product is not the end of the world and doesn't necessarily need to be avoided at all costs but it is crucial to consider that an item larger than you expect could be quite heavy and this would mean the fees will be much greater, enough to shrink that healthy profit margin you had been calculating.

Gated Categories

These are products which require additional checks, reviews and qualifications in order to be approved to be sold on Amazon. Your product cannot come from just any supplier in this case and it would be best to contact Amazon beforehand to ensure that the supplier you have sourced is a trusted supplier. You are able to simply source for which products are in gated

categories and those that are not.

An example of a gated product could be a men's watch under the jewelry category. There will be a number of requirements you will need to fulfil in order to sell in that category. There are many gated categories across a wide variety of niches. Selling in a gated category is by no means negative, if anything, it offers further protections for your niche against competitors. It is important, however, to consider the additional requirements that are involved when you would like to sell in these niches.

Patents

This can cause a massive headache for a number of sellers who are trying to sell products on Amazon. They might have a product that they feel is selling really well for a number of months until they receive a dreaded message that the product that they are selling is actually patented in the U.S.A. They will then be required to take down their listing which will cause the income to cease and they are still left with the unsold stock, gathering fees for storage.

This can easily be prevented by doing another search, this time through [google.com/patents](https://www.google.com/patents). This resource provides a database of patents that you are able to review. If you are investing a substantial sum into a product or project, such as tens of thousands of dollars, it would be worthwhile to hire a patent lawyer to search for existing patents that your product could infringe on. While this may cost a few hundred to a thousand dollars, for a project of this magnitude, it would be well worth the cost to avoid your business coming to a grinding halt.

For a simple product that you are just importing, it would be better off for you to just do the search yourself using the appropriate keywords. Additionally, you will need to consider trademarks as part of your patent checking process. Trademarks can be quite similar, and you are able to search for them just as easily. Using [USPTO](https://www.uspto.gov), you are able to search through brand names and slogans which may be similar to your own and therefore could possibly infringe on the property of others.

Sourcing Suppliers

The final mistake that many people can make is having difficulty when searching for a supplier. This is quite a simple step that we will be exploring much later in this book. It should be worth saying here though that it should never be too difficult or stressful when sourcing a product or communicating with a supplier.

For example, if you were hoping to launch Christmas collars for cats and spent a great deal of time trying to find a supplier that will print Christmas patterns on the collars then this should be a red flag. It would not be worth spending over a week, contacting over 20 suppliers and coming up short, with no suppliers wanting to take on the assignment. There are many products out there that are really quite simple to source and carry far less stress.

This is not to say that you should give in at the slightest portion of resistance but rather it

should mean that if you are hitting the pavement trying to move a project forward and every way you turn is just hitting another wall, then it may not be worth your time or effort. Unless you were well aware that these particular products will be incredibly profitable and all your research would suggest evidence for this, then maybe it would be worth to continue pushing but keep in mind that every day you are not selling the volume that you have in mind, you are losing revenue and this should not be taken lightly with a fast moving business such as Amazon.

Chapter 3: Brand Design

Now that you have your ideas locked in, it is time to create a unique product with those ideas. This involves bringing your idea into reality and making your product real. You would want your product to be superior to your competitors, giving your customers a stand out reason as to why your product is the one to solve their problems.

The idea behind branding is show your customers that you have exactly what they want and why it will provide them with advantages over competing products, this known as your unique value position and is essentially what makes your product stand out from the rest. By creating effective branding, your product will should be able to catch the eye of potential customers who are searching through amazon using the keywords that you have selected for your product. This is fundamentally important as it will be your first point of contact for your customers and in that fraction of a second, they will take the first step towards making a purchase by clicking on your item and going through the finer details. This is why it is so important to get branding right, it is much more than just fancy design, packaging and style, it is quite literally the first impression your customers will have of your business.

Branding doesn't stop there either. Once your customer receives their product, you want to give them the impression that they have their hands on a high quality product with superior packaging. We be exploring this much further throughout this and the following chapter on how you are able to do this.

Branding and Competition

Before we continue, it is important to understand what exactly marketing is and how it is related to branding. In order to explain these concepts, we are going to be using an example product which is toothpaste. With nothing more than toothpaste, if we were to strip away all branding and marketing, we are left with nothing more than just toothpaste on its own. Now without any information, we would have no idea what brand this toothpaste is or what the specific benefits are. Similarly, we wouldn't be able to smell it either since the minty smell is a large part of the branding.

Now if we were to compare with a box tube of toothpaste, we would see that it vastly different. The product information listed on the packaging, the colors and graphics also provide us with further imagery of what to expect when we purchase this toothpaste. If these two products were to be placed right next to each other, which one would the customer choose. Unless the prices were substantially different, and the customer had an aversion to higher prices for whatever reason, they would most likely choose the heavily branded toothpaste over the generic. This example probably feels quite obvious and it is but when it comes down to it, customers will always select the branding they feel is most in line with what they are expecting from the product. They don't want any surprises or something they don't understand so the more information we can give them and the more inviting we make the

product, the higher our chances are of having a sale.

We can break down exactly what the difference is between these two products to demonstrate the effectiveness in the marketing. Firstly, we are able to see that a rectangular box holds more volume and is a greater size. The packaging provides opportunities to add further information such as a label that says it is newly launched as well as details on how well it protects your teeth. This is where the brands unique selling position comes in. Rather than just being a product to clean your teeth with and give you good breath, this particular product offers benefits for protecting your teeth and gums, focusing on the health and dental hygiene aspect.

Furthermore, there is generally directions and diagrams on these packages to show how to use the product and the advantages it has for your teeth. You will also notice that there are logos and specific theme colors across the diagrams explaining what each element of the product does and is specifically designed this way to show the technical side of the product to create trust and faith that the product will provide you with you with advantages over inferior products.

This is essentially what branding is. The goal is to get the point of the product across to the customer and with a heavy investment in market research, you are able to determine what exactly your customer wants when purchasing a particular product and then use your branding to reflect that your product answers many of their desires. The unique selling position is necessary since this is where you focus your efforts on solving a certain set of problems rather than everything at once which will overcomplicate things and make the product more confusing rather than a simple answer.

Unique Selling Position

As mentioned before your unique selling position is what will set you apart from your competition and present your product as the ideal solution to your customers product. This means you have to get your unique selling position right otherwise your competitions might offer a greater advantage leading your customer to choose them over you.

There are a number of ways you can really fine tune your unique selling position. The first is to research the reviews on some competing products. This provides you with a wealth of information since customers are letting you and your competitors know exactly what they are need and whether the product did a good job of meeting that need. Furthermore, we will also be closely examining what exactly customers are asking for and from there we will be able to develop a clear succinct unique selling position that we are sure will meet their needs which we will then be able to carry over to our branding and marketing.

With our unique selling position, we are able to combine both our marketing and our product together to inform the customer and help steer them towards making their final decision.

What Do Your Customers Want?

Large companies can spend many millions of dollars trying to determine what exactly it is that their customers are looking for in a particular product or niche. It is not always an easy task and can take much time and resources to get to the bottom of it. To determine what your customers want, it is best to take down notes in their exact words. Doing so will allow you to capture their exact thoughts and feelings towards certain products and their experience with them rather than your own interpretation which can leave room for error.

For example, if someone stated that they wanted a premium product rather than a high quality product, you would then look for what they would determine to be a premium product. This could mean that there are extra features, more attractive packaging and additional services and support associated with it. Higher quality on other hand could simply mean the materials used to design the product are of a higher quality while the product itself offers not additional benefits. Different phrases do mean different things to different people. The word premium could create images in your mind that are quite different from that of another person, so it is best to capture in detail exactly what they want rather than making up your own mind and risk missing the mark.

In order to read exactly what it is that your customers are looking for, go onto the Amazon website and [click on the bestseller ads](#). These will be first place to start when looking at a product that is highly regarded by customers but even these you will see, have their fair share of one star reviews. This is perfectly normal. You will notice that both the five star reviews and the one star reviews are at the extreme end of the spectrum and this is generally just people acting on their emotions, it is either a product they really love and they want to let the seller know or it is something that they didn't have a good experience with and they want to use the review system to vent. The real value is found in the four, three and two star reviews. These are people that may take reviewing a lot more serious and offer actual information on the product rather than just expressing their feelings.

Now to get started on narrowing down your unique selling position, you will need to open up a word processor in order to start taking notes on each of the reviews to detail them down further. This will take some time, perhaps even a number of days, as you will need to explore quite deep with each review and start developing your notes from the initial comments and start discovering what it is you can do for your own product that will have a vast improvement over your competition. The reviews won't be limited no simply your product but also across your branding, marketing and through to your sales and customer service. You will want to have all bases covered as the difference it makes will be phenomenal.

You will find that after going over a number of reviews that several will be saying the exact same thing. It is important to make this known in your notes. Add an x to your note where you had mentioned it the first time for each time that it is mentioned. This allows you to keep track of what customers are asking for the most and this way you can get closer to what your unique selling proposition will look like.

Another way this could be done is to go onto writewords.org.uk. What you can do here is look at the word frequency counter and copy and paste the reviews into this tool. This will then take count of all the words used in the reviews and detail exactly how many times it has come up. You will have a number of words that are not relevant to the product, especially with the method of copying, so continue searching until you come across a common word related to the product. With this word, you can then get an idea of not only what you may be able to offer in your unique selling proposition but also for your title, keywords and marketing since this is what your potential customers are all talking about in their reviews.

Once you have noticed a trend in the number of reviews which are suggesting similar things of your competing products, you will then have an idea of your unique selling position. This could be, for example, that the product is poor quality, perhaps it breaks easily.

Creating Your Unique Selling Position

Now that you have a good idea of what it is your customer would like and the challenges they are facing with your competitor's products, it is time to use that information to essentially boil down a single unique selling position for your product. You will ideally want to specialize in a single area as this will be the most straight forward for your customer to understand and give them the overall idea of what your product represents. This could be a certain feature of the product, the quality or any other advantage it has over competing products.

Having a single objective for your product to follow has advantages over trying to be the best at all things as you can really target what it is your customers want and when they have that problem on their mind, seeing your product will be the optimal solution for them. After reviewing your notes, you should have a good idea of what currently stands out.

To get a better understanding of what your unique selling position could be, it would be worthwhile to search through listings of certain items to see what makes each one stand out, particularly those that are at the top of the results page. As an example, let's look into [iPhone 7 cases](#). You will notice that this is an incredibly saturated market, with many sellers and the products have little room for innovation. Take a look at some of those listings around the top. Avoid looking at items that are listed as "Sponsored" as these are artificially ranked higher due to the paid advertising, so we won't be able to receive the same level of information.

Around the top, it can be seen that there are features such as anti-scratch and slim design. These are examples of unique selling position in a market where it would be very challenging to stand out. Customers will gravitate towards these listings if they have experienced scratches on their phones due to an inadequate cover or if the cases they have had in the past have been too bulky to fit in their pocket or wallet.

One thing you might notice when scrolling through these listings is that it doesn't necessarily have to be the product that has a unique selling position, it could also be the listing itself. An

example of this we can see in the iPhone case niche is that some listings state their product is premium. This allows the product to stand out from other covers in the market since many are cheaply made and mass produced. Having a product that is perceived as premium not only demands a higher price tag, which will stand out also, but it can create a greater perception of higher quality and a more comfortable design.

The listing could also go the other way. You may find there are products listed that offer the cheapest prices and this is highly advertised on their listing. Another alternative that many people specialize in is having the most reviews in your market. This is particularly useful for those niches that don't have too many reviews such as those between 100 and 300. Customers are usually drawn to those products that appear to be selling in volume and are the most popular with the reviews being the telltale sign.

A few other unique selling positions you will come across, using the iPhone cover market, is shockproof, engaging graphics, ultra-light design, RFID blocking wallet.

If you are looking for ways to improve your current product idea, one of the easiest yet most effective methods is to take a look at what customers have frequently bought together. This gives you an idea of the items that people are purchasing in addition to the one that you are thinking of selling. What you can then do is combine these items together such as with accessories or bundling the two items together. As you can imagine, this will put you far ahead of competitors because rather than having to buy two items separately, customers will choose your brand simply because it will take them less effort and likely less cash to purchase the two items listed in your product. A fantastic example of this using our iPhone covers is those that come with screen protectors or styluses. It provides that extra incentive that is often just enough to bring them over the line and settle on purchasing your item.

Chapter 4: Visual Elements of Branding

This is one of the most exciting parts when bringing your product to market. This is where you can create how you want your product to look and the associated branding. The appearance of your product is ranked quite high on how your brand will be perceived by your customers. It is essentially taking your idea and bringing it to life.

How Do You Want Your Product to Appear?

The first step in creating the visual image of your brand is communicating your ideas to your suppliers. In this chapter we will also be exploring how we are able to take your unique selling position from a bunch of concepts and words and bring it into reality through workable solutions that your suppliers will be able to build, design and manufacture. This is where we will be moving from the idea phase and start creating some tangible results. If you have made it this far in your business, you should be very proud as many people struggle to go beyond the idea phase due to fear and a lack of confidence in the ideas that they have come up with.

In order to ensure that your product is unique and will stand out, you will want to go through current listings and see what your competitors are creating to get some inspiration. Many products you will find are quite generic. They lack color and additional design features, and this is where there is room to exploit these advantages.

Once you have a basic understanding of what improvements you would like for your product over your competitors, move over to Alibaba.com to start searching for the base product you would like to work with. This should essentially be the general idea of what you would like your product to look like. Looking at the products that are listed on Alibaba, you are searching for inspiration and selecting products that you feel would be a good start to build upon for your unique selling position.

Gather a collection of images that represent the style and features you would prefer for your product. The next step is to open photoshop and start editing the images to give your suppliers a better idea of what the product should look like. This doesn't have to be an overly professional design, it is simply a tool to use to better explain you requires to your suppliers. It is recommended that you use labels to best illustrate what each of the features will be to avoid back and forth communication and further explanation.

If you don't have the funds for a designer, you still do it yourself and do your best to provide answers to those questions and keep in mind you will be ordering a sample to begin with, so you have a good idea of what your product will look like and what still needs fine tuning.

Before sending your image over to your supplier, ensure that there are no third party logos. Create a logo for your brand and use this for your images since this will paint your business in a more established and professional light.

Hiring a Designer

If you prefer, you could also hire a professional designer from a freelancer marketplace and they would be happy to help you refine your image and give it a more professional appearance. This will be useful and worth the investment, particularly if you are just starting out since your suppliers are likely to come back with a number of very specific questions regarding the design and specifications of the product and for most people, they would have no idea. An industrial designer will be able work with you and provide a more detailed image which will help in the communication process.

One of the cheapest and most simple to use is [Fiverr.com](https://www.fiverr.com). From there you are able to search through graphic designers who are advertising their services. The prices vary from \$5 and up depending on the services involved and the skills of the designer. There are quite a few advantages to having a designer as part of your team as you go deeper into the Amazon business. You will be able to have a professionally designed logo, packaging, products, sketches and branding. You may also be able to receive advice on certain elements of your designs which can help lower the learning curve when building your product and your brand.

There are a number of services, particularly on Fiverr, that are specifically targeting Amazon sellers, and these will be the guys to look out for. They have worked with sellers in the past and they know exactly what to expect when it comes to designing for suppliers.

Chapter 5: Package Design

Having an attractive package design does far more than just act as a container for your product to be shipped to the consumer. Your package design is an extension of your branding, unique selling position as well as your marketing therefore it is essential to get your packaging right.

Package design has three very crucial elements which will need to be considered in order to create the ideal packaging for your product. These are high quality photos, how the product will look and feel in the customers hands and the third is to portray your unique selling position. Throughout this chapter, we will be taking a look at each of these key elements in greater detail.

High Quality Photos

Having high quality photos might seem like a no brainer but if you have a look through the search results in your niche, you are likely to find a great number of photographs and product packages that are poor quality or don't fully capture what they should to portray the product. The idea is to have your product stand out and capture as many reviews as you can. This means using the photographs to your advantage by having the highest quality photos that are available to you.

You are forbidden to have any text over your photos by Amazon but what you are able to do is have text on your packaging and use your photographs to display this text. For example, if your product happens to offer a free recipe book along with a garlic press, use your packaging to show this as it will offer something unique that a number of similar products wouldn't do as standard.

Keep in mind that you want to provide the maximum value through your packaging and that no space goes wasted. You may notice that many packages have images that don't necessarily sell the product, they might look nice, but they don't provide value and are really just wasted opportunities.

When it comes to provide an accessory or bonus item that is bundled with your product, consider adding a splash of color. This will appear in the search results as a contrasting color from many of the other products. For example, if you were selling frying pans, much of the color would be silver, grey and black. By adding an accessory such as a recipe book with it, you have the opportunity to add a variety of colors that will catch the customers eye when they are exploring the search results.

Packaging Materials

Think outside the box (excuse the pun) when it comes to deciding on packaging. It doesn't have to be a simple cardboard box, instead it can be an opportunity to really stand out.

Alibaba offers a wide variety of packaging, depending on the product. For example, if you were to search for a wooden box, this can be a far cry away from what many competitors are using to package their items. Wooden boxes have a much more premium look and feel, and this can be reflected in your price tag and you are likely to receive far more favorable reviews as well as more of them with something that surprises your customers.

Portraying Your Unique Selling Position

Your packaging is an opportunity to further show your customer what makes your product special and why they should purchase it. With your unique selling position in mind, ensure that your packaging reflects the solutions to your customers problems. This can be far more than just the materials you used or the images that are on the packages itself. It could also be in the wording and the branding displayed on the packaging, even the colors used.

Generic and low effort packaging gives customers the image that the product is cheaply made and not of great quality. You have seen this time and time again with generic brands found in your local supermarket. While the product inside may be exactly the same, the impression you have of these products is almost always that they are not on par with the branded products and this is precisely why creating a brand with a unique selling position will be much more advantages to you and your sales volume!

Chapter 6: Minimum Viable Product

Now that you have a good idea of how your package will look for customers, successfully portraying your unique selling position, your next step is to act on what you have created. It is this step that truly separates those who explore ideas and research ceaselessly and those that are people of action who are able to implement those ideas and scale their business to create success.

Allow this chapter to be your transitional step. If you have been mulling over ideas, going back to the drawing board multiple times, this is where you have the opportunity to take the plunge and move forward on an idea as opposed to revamping it for perfection. Understand that there is no true definition of perfection and in many cases in the business world, perfection can be a setback rather than an advantage. Whichever product you have decided on will always have room for growth and improvement, we will take a look further at this throughout this chapter.

What Is Minimum Viable Product?

Your minimum viable product can be defined as a development technique in which a new product is developed with sufficient features to satisfy early adopters. This allows you to receive feedback and advice from those who are first to purchase your products allowing you to have a better understanding of what can be improved. Following this, the final complete set of features can then be developed after careful consideration of that feedback from the products initial users.

What does this mean for you and your Amazon business? Ideally you want to have your MVP released as soon as possible as this is one of the greatest hurdles to your success on Amazon and will define the rest of your journey. If you are struggling with an idea or unsure whether a product will work or not, suffering from fear and doubt, oftentimes the best way to overcome these blocks is to release your MVP to market and allow your first users to provide the answers to those uncertain questions for you.

Using this concept allows you to work smarter and avoid pushing back deadlines under the pretense of improvement and upgrading until you are happy with the product. Keep in mind that done is far better than perfect and perfection can sometimes feel unattainable because every individual has a different concept of perfect.

Opportunity Cost of Delaying Progress

One of the roadblocks we suffer when preparing to release our products is the lack of urgency. If you are used to working for someone else rather than for yourself, you are would have grown used to deadlines and in many cases have come to resent them. Bringing these feelings over to your own work, you begin to start enjoying your new found freedom and virtually

unlimited time to complete projects and this can soon turn to a lack of action.

Without deadlines or urgency, the necessary steps can be delayed for far longer than they should be. One way you might like to view this is through opportunity cost. This basic economic concept can be seen as the cost of giving something up in exchange for something else. In the case of our Amazon business, this would be the cost of not acting and having your product up versus having your MVP brought to market and making sales.

Let's use an Amazon business with around \$10,000 a month profit. This is quite attainable once everything is full swing and there are a number of practical steps that you can take to get there. Now if this was the case, you would be losing approximately \$333 every single day across an average month that your product is not being offered to the market. That is \$333 today, tomorrow and the next day. Imagine that. Having \$333 and giving it away every single day because you are not taking the steps you know full well you should be taking.

Using this calculation, you should know exactly what you should be doing each and every day in order to truly earn what you are potentially losing through your opportunity cost. This means moving to the next stage, communicating with your supplier to ensure everything is on track and even just getting to the next chapter of this course.

Incremental Improvements

Keep in mind that even if you are not happy with how your product looks, the materials it is made of or the colors of your branding, this can always be changed and altered down the line. For example, if you were to order 1,000 units of your product, knowing full well that within a month or two you are going to need to order another batch within a month or two, you will then have a 30 to 60 day period where you are able to continue tweaking your product and also be considering the feedback of your first 1,000 customers.

This gives you the peace of mind to know that whatever you bring to market can always be improved through the next round of orders. You can start small, improving small details with every new purchase. This can be improvements in the products, the packaging perhaps even some of the features. Your products will be selling either way since you have the first round selling consistently as your MVP while they are also being improved and upgraded behind the scenes.

Therefore, even if you were to release the bare bones of your product to begin with, you have an understanding that quality is going to be what sells over the long term and you are able to focus on this when the timing is right.

Chapter 7: Technical Flow of Your Amazon Product

Throughout this chapter, we will be detailing the more technical side of Amazon shipping. Your products will need to be barcoded before they are shipped from China to the Amazon warehouse and then finally to your customers door. Labels can often be confusing to those who are just getting started so the idea behind this chapter is to not only familiarize your with UPC codes but also to help you understand the entire process before getting started.

What Is a UPC Code?

UPC stands for Universal Product Code. You are likely to see a UPC on many products you use on a daily basis. They are used to help track products moving throughout the network from shipping to being on the shelf at the store to finally being purchased and taken home by you, the customer.

Creating your own barcodes for your items is quite easy and inexpensive. In order to do this, one website that we can recommend is speedybarcodes.com. From here you are able purchase UPC and have it created into a barcode once you are ready to ship to Amazon. If you have just a single product, you only need to worry about purchasing one code at this point, however soon you will be purchasing multiple codes once you increase your product range.

Submitting Your UPC Code to Amazon

Once you have purchased your UPC, you are able to take the next step and submit this to Amazon in order to connect the UPC to your particular product. To do this, you will need to go to the seller central home page and click the manage inventory tab.

From click on the listing that corresponds with the product you are looking to label. Select your item and click edit which will open up a new tab where you are able to view the product ID where you are able to paste your UPC.

Once you have done this, you are able to save the changes and go back over to the manage inventory tab. Here you click on the drop down next to edit and you will find that you have the option to print item labels. You will also notice that you have the option to have your listing either fulfilled by Amazon or fulfilled by merchant. By selecting fulfilled by Amazon, you are then able to register your item to be fulfilled by Amazon and from there you will be able to select the print item labels tab.

The option to print your time labels will bring up options to select the size of your label. It is best to create quite a large label as it will be easier during fulfillment and for scanning. Click print labels and download the PDF file. This will be the barcode for your product so what you

will want to do is copy this information and send that that over to your supplier who will then print the barcode and prepare a label for your product. This will help speed the process up for you immensely as these warehouses have processes in place to have products labelled quite quickly and inexpensively.

Once your products are individually labelled, they will need to be placed in a larger box to ship them internationally. This will require the box to have its own shipping label. In order to do this, we will need to go back to seller central and back into manage inventory. You will see that at first it says zero available, so we will need to click the drop down and select send and replenish inventory. From there, you will be provided with another label to attach to the large box but before we are able to do that we need to provide some additional information.

Firstly, you want to provide information on how large box will be. Don't panic if you are unsure. As an example, let's say you are predicting around 100 products, 10 by 10 by 10 inches and you are shipping 100 items each in two boxes, so 200 items total. Now each of these need to be labelled so then create the shipments. What you will find is that Amazon designates where these items will be shipped two in order to ensure that your customers are never too far that products take longer than two days to reach them.

You are able to review each shipment that Amazon has provided and who will be doing the shipping. The great thing about Amazon is that it has subsidized shipping with UPS and this allows you to have the best price on your shipping. Now they are going to need information on how heavy the box is, we will just say 10 pounds for our example. Now you can calculate the shipping cost on a box of that size and weight and Amazon will ask if you are prepared to ship at that price. Once you have accepted, you can then print the box labels and attach them to the front of those boxes which will then be shipped to the corresponding locations.

To summarize the workflow, you first need to acquire a UPC which will be used to identify your items. From there, submit that information to Amazon to turn your UPC into a barcode for your items which will be individually labelled from their original location with your suppliers. The items will then be placed into a large box which will you provide an additional label from Amazon to determine the warehouses they will be shipped to. These will be delivered to the warehouse where you will be able to see in your inventory management screen and once they are available, your customers can then start purchasing your items as they are ready to be shipped to their final location.

Chapter 8: Connecting with Suppliers

Your suppliers should be thought of as your business partners. You don't want to work with just any supplier as you will soon come to depend on them for your business to run smoothly. The success of your business will depend on how successful your supplier is at managing and fulfilling your orders. If you have reason to believe that your supplier is not well established or that they have issues in their own business management, they are best to be avoided regardless of how good the deal appears. Throughout this chapter we will be exploring the various platforms that you are able to contact suppliers as well as the pros and cons of each.

Your ideal supplier will be one that is able to offer assistance when challenges occur, and they are able to walk you through the process of building your business, as you grow, they will grow and working with someone you trust will expedite this process significantly.

Deciding on Which Platform to Use

The good news is that with the ecommerce sector growing massively over the last decade is that many factories throughout China have adapted to producing an excess of goods at quite low prices meaning they are seeking entrepreneurs who are willing to be the middleman between the factors and the final consumers, which is where we come in to take our piece of the pie.

With this being said, there are many services that allow factories to display their products for bulk purchase and shipping. In order to find these types of websites that offer these services, you simply need to google private label and the product of your choice. **Let's use our splatter screen example to bring up the results.** You will notice that many of the websites that will first appear are those that offer drop shipping and private labeling. These are **Alibaba**, **AliExpress**, **Oberlo**, **Thomas Net** as well as a number of smaller ones such as **eBay** and **Global Sources**.

Which Platform Works for You

Deciding on the platform that is right for you depends on your individual circumstances and the particular product you are hoping to source. Keep in mind that some of the more established services such as **Alibaba** and **AliExpress**, have greater protections and customer services than some of the smaller services which may not have a proven track record for protecting customers as well as their suppliers.

Certain platforms will also specialize in certain categories for example, **Global Sources** will be dedicated more towards electronic products which as a first time seller, might be a little out of depth for most people. The reason being is that there is a greater deal of quality assurance required and this can result in a greater number of returns and refunds for faulty products which can affect your motivation as a seller in the beginning. It is best to focus on simple products that you have a good understanding of before moving into more advanced niches.

Pros and Cons of Each Platform

We will start with **Global Sources** since we are on the topic. This platform is great for more advanced users due to the fact that it is mainly focused in electronics. If you are looking for suppliers in electrical products, it will work quite well, however if you are a beginner, it can be a little confusing as the process is a bit more complicated.

DHGate is similar to **AliExpress** in that you are able to purchase a variety of products direct from China. The advantage is that they have quite a large selection, representing many suppliers. One of the largest advantage is the low minimum order quantity or MOQ. This is where you have an advantage as a beginner since you are able to do smaller trial runs of certain products rather than having to purchase a large quantity only to find that your product is not performing as well as you had expected, or you would like to move onto something else. The prices will be higher per unit with lower quantities purchased.

AliExpress as mentioned is quite the same. There is a huge selection of products with many different suppliers being involved. **AliExpress** is quite easy to use and give you the flexibility of having lower MOQ. The disadvantages here are the higher prices per unit as well as stricter rules on customization. This means that if you want to bring about improvements on your products you will be restricted in what you can change. **DHGate** and **AliExpress** will offer more generic products. This is quite a significant downside since your success through Amazon is built upon how well you can create additional value for your customers and what will allow your product to stand out from the competition.

Alibaba is the largest of all the supplier markets. Not only this, they also have a much more stringent process for becoming a trusted seller meaning you have a greater chance of finding a reliable supplier than another marketplace. This also means that you are able to review a greater collection of information on each supplier to come to a more informed decision. This is useful for avoiding fraud and middlemen who are posing as suppliers without having any interest in ensuring your shipments are fulfilled. There are many cases of this happening in some of the other marketplaces and this is can cause huge headaches further down the line. A large majority of Amazon sellers work through **Alibaba.com** and for the purpose of this course, we highly recommended that as a beginner, you do the same.

Joining Alibaba takes no more than a minute for you to register and begin the communication process. Before you do begin, go through and have a look at some of the suppliers offering products in your niche and start shortlisting them, we will take a closer look at this in the following chapter, but it is good to get the process moving right from registration.

Chapter 9: Deciding on A Supplier

Now that you have a greater understanding of the various platforms available to you to search for suppliers, it is time to make narrow down your search and create a list of suppliers that you would like to get in touch with. This is no simple task and is not just a matter of who looks good. There are some criteria which must be followed to ensure that the supplier you decide on is able to accommodate exactly what you require, and they will be reliable enough for you to do business with on a long term basis.

For our example, we'll be using Alibaba since this is where most Amazon sellers select their suppliers and is the best platform for beginners who are just getting started. When searching for a supplier, you want to make sure that they have a good reputation and you can rely on them. To do this, Alibaba provides you with some options that help narrow down your search. So, when you are searching for a product, you can refine the search terms and the engine will present you with three options that can be checked off. Two of those options are quite important and it would be recommended that you select them with the third being of less importance and in most case better that you don't select it.

Trade Assurance

Trade assurance is one of those options and is essential when you are first entering the market. Trade assurance is essentially an agreement between Alibaba and the supplier which offers a guarantee that if the seller doesn't fulfil their end of the bargain following payment, you will not be required to pay that invoice. For example, if the trade assurance is \$20,000 and your order totals over \$20,000 and falls through, that is to say that seller does not ship your order, you will not be required to pay that \$20,000. This option simply provides you with the peace of mind that you will not be held responsible for a missing or unshipped order.

Most Amazon sellers will only go with suppliers that offer trade assurance and I would suggest that you do the same.

Gold Supplier

The next check box that is offered to you is the gold supplier box. This is a supplier that has met some very specific criteria from Alibaba and has earned their gold supplier status. This means that they have supplied their financial information and there is much greater scrutiny on this supplier to ensure that they are performing above board. This might involve inspections of their manufacturing plant and their organization to ensure they meet the criteria.

This is always a great sign of a reputable supplier since they have likely been working with Alibaba for quite some time and there have been a large multitude of products being shipped from their plant by a great number of purchasers. You are able to see exactly how long the

suppliers has held gold supplier status and while you don't need to pay too much attention to the length of time, the longer they have been a gold supplier, the more beneficial to you. For example, if you were to have two suppliers that were essentially equal, and you were trying to narrow down your decision, with one being a gold supplier for 3 years and the other for 5 years, it is safe to say that the supplier that has held the status for longer would be the more beneficial option.

Minimum Order Quantity and Unit Price

The next step towards selecting your supplier is to start narrowing down the results of items that are a close match to what you are looking for. There will be a number of items under your search terms that may not be closely related to the product you are seeking to order, and these should be largely ignored.

The reason being is that you want to have a supplier that offers a product that can be marginally improved upon rather than something quite different from what they are used to. This will not only require additional instructions to get the product right but will also be much more expensive.

When you see a product that is a close match, open it up in a separate tab and begin adding them to your favorite. You will need to have a look at their minimum order quantity or MOQ as well as their unit price. You will want to have the unit price fall somewhere in the range of what you would expect depending on the quantity you order. Obviously the greater the volume you order, the cheaper per unit you will be paying.

You can always negotiate on minimum orders depending on the supplier. For example, if the supplier checks all the boxes yet has a minimum order quantity of about 2,000 and you are only willing to purchase 1,000 for your first order, let them know you are searching for a new supplier and would like to have a trial batch to get started, there is a good chance they will budge especially when there is a high chance you will be a repeat customer.

The next step, once you have your list of favorited suppliers, is to start contacting them through emails. Alibaba will supply you with their contact name and email. It is best to use a template to avoid going back and forth with questions and confusion on both ends. Here is template that has been prepared and also put into action, it has been found to work quite well:

Dear SUPPLIERNAME,

My name is SELLERNAME, and my company is looking to expand our line of TYPEOFPRODUCT products for customers across the COUNTRY. We have been receiving quotes on SIMILAR PRODUCTS for YOUR DEMOGRAPHIC and are interested in discussing a sample order with you.

The quality of your PRODUCT looks great and are very close to what our business would like to brand and sell to customers across the United States.

I am interested in discussing the idea of working together and would like to speak with you in regard to the per-unit price for the PRODUCT designed like the pictures attached, with our company’s branding and logos on the PRODUCT and the OEM packaging.

Colors for units: YOUR DESIRED COLOR OR COLORS

Design Specifications: YOUR DESIRED PRODUCT SPECIFICATIONS - SIZE, WEIGHT, THICKNESS, MATERIAL, ETC

Our company’s specific logo and packaging design specifications will be provided when we reach an agreeable sample agreement.

1. How much would 2 samples cost, including DHL Express Shipping to zip code YOUR ZIP CODE?
2. How long would it take to receive 2 samples?
3. Our firm would like to pay using PayPal or escrow if it is suitable for you.
4. How long will manufacturing take once we place an order?
5. Could you please let us know the pricing of your company’s products per the specifications provided above, in the table provided below?

MOQ	MAIN PRODUCT 1	ADD-ON PRODUCT 2	DESIRED PACKAGING	(SHIPPING OPTION 1) Express Shipping to ADDRESS	(SHIPPING OPTION 2) Sea Shipping to ADDRESS
500					
750					
1000					
1250					
1500					

Once we can compare to our other bids, we would love to move forward with the process of working together. Our initial order will be between LOWER RANGE OF MOQ and HIGHER RANGE OF MOQ units, with larger orders after that initial order.

I very much look forward to speaking with you. Please reply to YOUR EMAIL to have your bid considered. If the bid is comparable to the others we have received, we will reach out to you within a few days.

Best Regards,
YOURNAME

As you can see from this template, the conversation is quite formal and professional. We will be exploring communication with your suppliers further along in chapter 11 but now the idea is to present your business and yourself as an official company that has been in this sector for a number of years. This template will also allow you to get answers to very specific questions and provide your potential supplier with the opportunity to give you the best answers, moving the process along at a much greater speed.

Chapter 10: Terminology of Private Labeling

Before we go into greater detail of how to communicate with suppliers, it is first necessary to go over some of the terminology that you will be using throughout your communications. The reason for this chapter is that if you are communicating with a supplier and there is a part where you may not understand what they are asking, it is best to educate yourself rather than try and sound professional by taking your best guess. This will not only damage your reputation, but you could potentially lose a valuable supplier.

This terminology is not just exclusive for sellers on Alibaba or those that are shipping products to be fulfilled by Amazon, it is the lingo of the entire physical product shipping industry, therefore it is worthwhile learning.

Throughout this chapter, we aim to cover just the basics. Understand that there is a long list of other terms that are worthwhile knowing however in order to get you up and running as soon as possible, it is best to cover those that you must know in order to make your first shipment rather than those that are more for advanced sellers.

Sourcing Suppliers

MFR

This one you will notice is used quite a lot, particularly on Alibaba. This is just a shorthand for manufacturer. The MFR is an indication that the supplier you are contacting is the manufacturer, rather than a third party, middleman, trading company or wholesaler. You will ideally want to deal with the manufacturer directly rather than a third party since this will be where you secure the best price.

When searching through suppliers on Alibaba, ensure that the MFR tag is used to show that it is the manufacturer rather than someone else dealing on their behalf.

MOQ

You will recall that MOQ is an abbreviation for minimum order quantity and that this number will vary from product to product and company to company. This is generally the price at which it will be profitable for the company or manufacturer to produce the product. Anything below this point is unlikely to be shipped due to the fact the company will be unable to make a sizeable profit to make such an order worthwhile.

QC

This is quality control. This means that the products are checked and reviewed to ensure they are all in working condition, unbroken and of reliable quality. Ideally, you want to work with a supplier that has high stands of quality control to avoid having to deal with a high volume of refunds, returns and in worst case scenario, bad reviews.

OEM

This stands for original equipment manufacturer. This is an indication that the supplier has designed and created the product themselves meaning you are able to use their molds and essentially get creative with what they have built. You are able to use your own branding and logos on the packaging as well as the product, this is a great advantage in private labeling.

ODM

This is original design manufacturer and suppliers that have this tag offer greater flexibility in what they can do with their products since they were original designers. This allows you to send through specifications which they are then tasked with designing and manufacturing on your behalf. You are essentially able to create an entirely new product or change every single aspect of an existing product. This is more for advanced sellers who are highly specialized on a particular product and know exactly what to create. For beginners, it is best to stick with OEM suppliers.

Trade Assurance

We talked about this much earlier but just to recap, this is Alibaba's way of protecting their customers and keeping suppliers accountable. These trade assurances will vary from supplier to supplier. Stay at a level you are comfortable with and avoid going over that figure since this is a very important for your protection and the health of your business.

Payment Terms

TT

This is shorthand for wire transfer. This means that the funds will go directly to the bank of the supplier. This is one of the easier ways to make payment however it does carry additional costs and can be more of the more expensive methods of payment, depending on the bank. You will need to be cautious to have the correct bank details. Many suppliers, particularly those that you will be working with in the long term will prefer this method of payment since there are no fees for them.

Western Union

You may have heard of Western Union in the past, it is a service that allows users to send money to anywhere in the world using just a name or a bank account. This allows the recipient to pick up the funds at a physical location that is convenient for them rather than waiting for the money to be deposited into their account which can take some time.

Western Union is quite a flexible method however there are additional fees and there can risks involved since the money does not leave a paper trail, so it would only be recommended if you have built up a trust with your supplier.

PayPal

This would be the most recommended method, especially for beginners. PayPal allows you to send money to any other PayPal account and has additional protections for both parties when sending and receiving money. Your first transaction should be with PayPal or trade assurance to allow for you to ease yourself into the process and prevent you from falling victim to a scam.

Escrow

Escrow is when funds are held in a third party account until the transaction has been completed and both parties are satisfied. The idea here is to protect both the buyer and seller until the deal is done. For example, if you would like to purchase \$10,000 worth of stock and would like to make sure your shipment has been fulfilled before releasing the money, you can use an escrow service to show the supplier that you have paid the funds and will release it once the goods have been received. The escrow service will typically take a small percentage of the funds.

Escrow can be quite expensive and when using Alibaba there isn't too much of a point to it since you have the options of trade assurance or PayPal. Escrow would only ever be useful for beginners since the higher cash value of your orders, the more expensive and less worthwhile it would be.

Shipping Terms

FOB

You will see this term quite often. FOB simply means Freight on Board. This is an indication that the product will be heading to a specified port. For example, it may say FOB Shanghai, FOB Ningbo and this will show the ports that are included in the cost. This means that if your products are to be shipped to a particular port, you will be responsible for moving it from that port to the next destination. This could either be through another shipping company or using a freight forwarder.

The alternative to this would be cost insurance and freight and what this means is that the supplier will cover all the costs in order to get the products all the way to your location.

EXW

This means that the suppliers will produce the products for you and from there it will be your responsibility to get it from the factory to the port and then to the final destination. You are more likely to see FOB than EXW and occasionally you will have the supplier ship the products directly to your warehouse.

Chapter 11: Communicating with Suppliers

Now that we have an understanding of the terms and we have made our first contact with our potential suppliers using the template, it is time to close the deal and get started. Before we do this, it needs to be understood that business is done in a very specific way in China and for the best results and treatment, you will need to know how to best communicate with your suppliers. This will help avoid any misunderstandings and confusion between both parties and to make sure that business is handled smoothly.

Cultural Differences

Business in China is performed in a very formal manner. While in Western cultures, it is often found that communication through emails can be casual at terms or at the very least there is no great importance and being overly formal. In China, it is a little different, formality is highly regarded and for this reason it is best to address all emails with Mr. or Mrs. and the surname. Casual conversational openings such as his first name or hello first name should be avoided, particularly in the first few emails. You should always let the supplier take the lead when it comes to communication to make sure they are comfortable addressing you in a more relaxed manner.

If you are unsure of their surname or title, it is best to address them as Sir or Madam. This will also present your business in a more professional manner rather than a solo operation where you are just beginning so this is always essential advice to follow.

This would also mean to keep your emails professional. Avoid include any emojis or humor in your communication. This is a vastly different landscape than a group chat with your friends, there is a time and a place for casual chats and doing business with Chinese companies is certainly not it.

Be sure to be clear with exactly what you require. In the US there is often room for assumptions and for your business partners to determine what it is you want based on your communication and experience. Chinese culture is a little different in that they generally don't make assumptions and instead will take everything at face value so for this reason it is important that everything is clear and outlined to be straightforward.

Time Zone Differences

Depending on where you are in the world, China is likely in a drastically different time zone than your own. If you are in the United States and North America, China is generally the opposite to your own time zone. This means that when it is during business hours in the United States, it is overnight in china. This means that when you send through an email to your supplier, it is unlikely that you will receive a response anytime soon since they are likely to be outside of business hours and the recipient is asleep.

Negotiation

In Western Culture, negotiation is often frowned upon for being cheap or trying to rip the other party off however in Eastern cultures, negotiation is expected. In first few communications with your supplier, you want to show that you are serious in dealing with them and this requires negotiation in order to get the best deal on your supply contract.

Negotiation still requires a basis. You want to let your potential supplier know that you have many other additional offers and suppliers that you are communicating with and you are hoping to get the best deal before settling on a business partner. If they come at you with a price, there is a good chance that this price will be higher than what they are hoping to secure. Your supplier will make room for negotiation and you should let them know that you have had offers that have been much lower.

You don't need to be rude or cocky, remember to maintain your professionalism. Instead, do the opposite, act as though you would like to do business with them as they are a stand out supplier, but you have a strict budget and would like them to bring the price down just a little further.

Language Barriers

Communication isn't always easy when doing business with international companies. Language isn't always straight forward, and this can lead to some misunderstandings. When posing questions, make sure that they are clear and straightforward. Avoid using terms that may not be common and stick to around three questions in a single email. Be sure to number each of your questions to let them handle each one individually and none of them get lost in the process and you don't want to have to ask them again.

In Chinese culture there is a tendency, if they do not understand a question, to say that they do understand rather than attempt to clarify. This is generally more accepted and shows that they are taking initiative rather than questioning your statements. This can lead to mistakes and errors such as having a product produced that is the wrong size or dimensions. For this reason, it is best to lay everything out in your email and then ask them to repeat it back to you such as the dimensions, colors and the appearance of the product then simply ask them to confirm. This way everyone is on the same page and no one is confused.

Chapter 12: Tuning Your Company for Success

This could very well be one of the most underrated chapters of this guide. For one, most people will underestimate the importance of many of these concepts. It is crucial that you have an understanding of what is explained throughout this chapter, mainly because it will determine the trajectory of your business performance over the next few months and once on the right track, the next few years.

For this reason, it is important to get this right because many people attempt to get involved in an Amazon business and either they get caught up in the early stages while they are still learning, hit a roadblock and then give in or they are continuing with mediocre results and never truly get the most out of what they set out to achieve. I don't want to see this happen to you so let's take a look at what it is that sets a successful business apart from those that fail.

Why Do Some Companies Thrive While Others Fail?

If you are still locked into full time work and looking to start an Amazon business as a means of transitioning to self-employment, chances are you are struggling to find time to invest in your business. There is no shame in this, you might do some tasks on your Amazon business late at night once you have finished your day job, other days you might feel exhausted and can't put in the same amount of time. Perhaps you put in a long day over the weekend and then go another three days without putting any work at all in. This is where a lot of entrepreneurs start their journey and is a standard experienced.

This inconsistency should not be made a habit however. Researchers Jim Collins and Morton T Hanson had set out to discover what made some companies fail while others were able thrive, regardless of the conditions of the economic landscape. What they found was that those companies that were most successful were creating plans that they were able to methodically stick, constantly moving forward. On the other hand, those that failed were more general in their approach, often hoping for the best while their team were lost and unfocused.

What does this tell us about our Amazon business? Having a plan and sticking to it will allow you to create consistent results and reach goals that had been set earlier as opposed to simply doing your best. The reason being is that with a plan, you are able to work towards that goal and focus all your attention on it rather than putting in work when you feel like it and checking the results off as you go. This can lead you to being unfocused and distracted.

Cultivating Good Habits

Changing your habits is a small step in the moment but the knock on effects will change your results drastically. The key to changing your approach is to break major tasks into small manageable steps towards your goal every single day and remain consistent in that goal. What you will soon find is that you are able to tackle your goal in less time it would have taken you

to approach in a more chaotic manner.

If you happen to be working full time, set a time when you will consistently arrive home or wherever you are planning on working on your Amazon business and set a certain duration that you plan on working. This could be an hour, perhaps two or three. Start small and manageable so let's say 1 hour. You can always increase this if you feel that you can do more but the important aspect is to keep it consistent so once you increase, you will want to avoid going backwards.

From there, you can decide what you would like to do with this one hour. Ideally, you will have one major task that would need to be completed within that hour, this will be your focus for that entire hour. You will want to avoid getting to this hour and just having a general idea of what you want to work on as you will find that your mind aimlessly wanders onto various tasks to keep you busy without actually achieving anything significant.

Taking Manageable Steps Towards Your Goal

List two or three priorities for your hour, in the case that you don't get them all done, just allow them to roll over to the next day. As long as you make a commitment that you will do all you can do get them done in that hour, you will start to see the results.

Take this book for example. Each chapter offers a tangible step towards your business. If you were to take an hour to go over each chapter, take notes and create actionable steps you could make significant process. If you instead choose to read it when you had some free time and wanted to relax, chances are you wouldn't take it as serious and second you would be far more inconsistent in your approach. This will also prevent you from being burnt out early on and struggling to make up for it over the next few days and then feeling that struggle which can cause you to fall further behind.

Your number one priority will change day to day but the time you spend on it will remain the same and this will help you avoid those distraction since your brain will be trained to focus intently in that single hour and has plenty of opportunity to wonder or explore other options after that hour. This is why it is also great to keep other elements consistent also such as the room you are working in, the desk, the time, your laptop and notepad even down to what you were doing an hour beforehand.

Chapter 13: Determining Your MOQ

Having been communicating with your supplier for some time, you should have made some good progress in hashing out your deal. The next question you would be asking yourself is what should your minimum order quantity be? This can be a tricky question since it will be different for every person and every individual business. It will largely depend on your own circumstances however the purpose of this chapter is to assess your own situation and determine what is best for your business moving forward.

Keep in mind that mistakes can be made, particularly at this stage and that this should not be something you fear. You will be faced with challenges and make mistakes more times than you can count when going into business for yourself and that fearless is what helps you grow and learn from your errors. The best course of action however, is to learn from others and that is what this chapter is all about.

Risk Management

Making the decision of which order quantity comes down to one piece of your strategy and that is risk management. This is where you are able to take your emotions out of the game and assess a situation based on your circumstances and what would be best for the financial health of your business.

Let's take a look at two options you are facing. One is to take a smaller order quantity of 500 units, the other is a little larger with 1,000. The more units you are purchasing, the greater the risk of your investment. Of course, with a larger order quantity you stand to make greater profits seeing as the items would be cheaper in greater volume and shipping would also cost less. Equally, you could be faced with items that you are struggling to sell, and your investment may take much longer to pay for themselves, if at all.

If it is a product that you have not sold before, as is the case here when deciding the size of your first order. While you might feel resistance to getting your feet wet and placing a large order, keep in mind how it appears to your suppliers. These guys deal with multiple orders every day as well as countless enquiries. If you are placing a small order of say 200 to 500 units, these guys won't value your business as much as a buyer who is placing an order for say 5,000 units. More than likely, they aren't going to take you seriously.

With so many entrepreneurs dropping shipping in recent years, they are going to see a pattern. With those that are fearful and only ordering a couple of hundred items, they know you are just a one person operation and that the likelihood of you sticking around and being successful is quite low and perhaps not even worth their trouble.

Let's talk about fear. Fear is often a barrier that keeps us from acting and in business fear is more of a hindrance than the protective instinct that it was designed for. Let's face it,

in business, mistakes are only there to serve you and help you grow as a person and a professional. If you are prepared to take this business seriously, you will need to put yourself on the line and that means commitment.

Secondly, with all the knowledge that you have gained through this course such as idea selection and product innovation, you should be assured that your product will be successful, if not, then it shows that you still have much to learn and that you will continue to learn through your challenges.

Pros and Cons of a Low MOQ

Having a lower MOQ provides you with the flexibility of having a lower initial investment. There are many cons to making lower quantity orders however such as the higher price per unit. While this might not seem as though it would be a problem, particularly when you are paying less for your initial batch, you are decreasing your profit margins which can affect the longevity of your business. Making less profit can mean that you have less to reinvest in the second order which means the next order may not be as large as you would like, repeating the process.

You will also run the risk of being a lower priority for your supplier. Keep in mind that you are not their only customer, they will have hundreds of orders each month to fulfill and if you are placing small orders while the rest of their customers are making large orders, they are going to allocate more resources in serving their larger customers, leave you to be phased out.

Most people would feel that having a lower order quantity will prevent them from running the risk of having too much stock on hand in the case their product doesn't sell. While this could be true, you are almost setting yourself, expecting even, to sell less stock than you would like. To understand this, let's switch the scenario. If your product was to sell really well, you can easily run out of stock which will cause backorders and customers who are waiting for a product that can take weeks to fulfil, causing your business and Amazon ranking to suffer. This is an incredibly dangerous scenario and would be far more detrimental than if you had unsold stock leftover if we recall the opportunity costs of having a product off the shelf when it could be making money and even worse if that listing is driven to the ground because of back orders.

Pros and Cons of a High MOQ

Having a higher order quantity, while it may seem as though it is a greater risk with a higher initial investment, does have a greater number of pros than cons. The cons are far and few between other than the fact that it does carry the risk of having a product that does not sell as well as you would expect, it may take you much longer to see a return on your investment. It is quite unlikely that you would make a loss on your products, given the fact that you would have spent the first part of this course researching products that would work with specific formulas.

If you had carried out your research well and you have the confidence and faith to bring

your product to market, there should be no other reason not to purchase a higher minimum order quantity. The pros are numerous. You would be paying far less for each individual item meaning your profit margins would be much higher. This allows you to make a greater return on your investment providing you with greater capital to purchase your next order.

Furthermore, you would also avoid the risk of running out of stock if your item does sell much better than you expect. Your returns from those initial sales will allow you to carry out another order to have stock delivered before your inventory is liquidated. You will also be a higher priority for suppliers who will be dealing with multiple customers with varying order sizes.

A high MOQ for your first order should be around 1,000 to 1,500 units, certainly no less than that.

Calculating What MOQ Works for Your Business

As mentioned at the start of this chapter, your MOQ will vary depending on your individual circumstances, your product and your business. There is a way to work out what MOQ will work for you and get a clearer picture of the risk and reward for each shipment size.

You can work out your inventory turnover by taking your order size, say 500 units and then then dividing this by how many sales you would expect to make each day. For example, if you were selling 20 units per day, your inventory turnover would be 25 days. This means after 25 days you would run out of stock. You should have an idea of how long it will take for your shipment to arrive at the warehouse before being sent to your customer and if this is longer than your inventory turnover time then you will be running the risk of running out stock.

You will also need to determine how much it would cost to ship each item. This will vary depending on your item size and weight therefore if you are purchasing smaller items, you have greater flexibility in order a greater number but if your items are quite large than you might want to order a smaller number to begin with.

There will be other variables involved as well such as how long it will take your supplier to create and manufacture the item ready for shipping. Combining all these figures you should be able to have a rough estimate of what would be the best MOQ for your budget and risk appetite and then adjust this accordingly when you have no information. Keep in mind that perfection is an illusion and any mistakes or errors that add to your costs can easily be rectified down the line, it is all a learning experience.

Chapter 14: Managing Your First Import

This is where things start to get really serious but at the same time, very exciting. Your business is now in operation, you have placed your first order and your supplier is managing your first order. This is where you will need to maintain a level of communication to keep your supplier accountable and also to keep yourself in the loop to ensure your first import runs smoothly.

This is not the time to set back and wait for the money to roll in, this is where you will need to be disciplined focused as there is more than just you involved, your supplier will expect you to be on call in case there are any questions or issues which will need to be tended to which is where you will need to establish a method of communication.

Methods of Communication

There are a number of ways you will be able to communicate with your suppliers. Thankfully we are living in a time where communication is more simple and easy than ever, you are able to send a message and receive a reply within mere minutes and do business faster than ever. In this portion of the chapter, we will be taking a look at the pros and cons of each of the methods of communication, the main methods that we would use day today are email, Skype, WhatsApp as well as a number of lesser used methods.

As we mentioned in chapter 11, Chinese businesses prefer a higher level of formality than businesses in the western world and for this reason, we would first want to start off with email. We would use this one firstly to establish the relationship and when first making contact, formality is highly regarded. From there you are able to loosen up a bit as you become more familiar with working with certain people and grow more comfortable together.

The reason why email is the best to use when first communicating is that as the level of convenience and frequency increases with the method of communication, the level of formality will decrease. Email, for example, is not considered the most convenient and frequently used method of communication these days therefore it should read more like a letter whereas programs like WhatsApp is designed for more frequent and accessible communication meaning it will be more casual.

Aside from convenience another considers you would need to make is how easy it is to track communication and documents that would be attached which email would also be the best to use to begin with since it has easy to use search functions and you are able to categorize and recall threads quite easily.

As you grow further into your business relationship with your supplier, you will be able to use less and less formality. With this, you are then able to use more convenient and accessible methods of communication such as WhatsApp and Skype. Each method also has it's time and

place for example, email is good for outlining instructions and tracking communications as well as documents. Skype is ideal for working through a list of details and having a meeting that requires direct attention and finally WhatsApp is more situations that require an urgent response such as getting shipping labels last minute or a fast answer to a question.

Email

To begin with, email is essential. It will provide your business with a high level of formality and professionalism that is difficult to portray when using the instant messaging apps. Using email will allow you to track and categorize documents such as invoices, messages, certain subjects and you are also able to use the search function to reference something from earlier. Email is a much slower process as well, giving both parties time to do respond at their own pace meaning there is less familiarity which a good thing in the beginning is while you are both still getting to know each other.

WhatsApp

Once the formality has become more relaxed and both parties are used to dealing with each other, you can begin using instant messaging services such as WhatsApp. This allows you to keep in touch with your supplier at a much faster pace and more frequent. The downside to using WhatsApp is that there is a lack of tracking meaning it can be difficult to recall messages and important documents which email is better suited for.

Furthermore, if you were to send through a list of questions, it may be more difficult to get a response since WhatsApp is set up more for short sharp messages therefore you would be better of emailing larger communications whereas WhatsApp is suited for shorter, faster communications.

Skype

The middle ground here is Skype. If you slowly downgrading the formality and becoming more comfortable with your supplier, consider transitioning over to Skype as this allows you to still asking a great number of questions as well as attach documents however it does not excel in either of those departments, instead it is easier for a sit down conversation at a scheduled time to work out an issue or to gain an understanding of something but not really to send documents or send a short burst of messages.

If you were to make a call over Skype, you are able to get straight to the point when asking a large list of question s however you will ideally want to have those questions recorded through an email so once you have that conversation it is good to send a follow up email following a Skype call just to have it all in writing and to allow both parties to document the communication.

Chapter 15: Sourcing Product Samples

Define Your Exact Product

This is where things get exciting, you are now presented with an opportunity to have a potential product in your hands. Your first product sample will be uniquely created for your brand and business, this will be what you are shipping to your customers, so it is important that you have a sample of a product that you can be proud of and you know that your customers will be satisfied with.

Having your sample branded is crucial as this will give you an idea of the final quality and if there are any issues that could arise, you have the chance to rectify them before the product goes into mass production.

Your product needs to stand out and in order to do that you must let your supplier know exactly what it is you require from them. With so many variables worked into designing your product there is a high chance that things may turn out not the way you would expect them to and this is precisely why you need to order a sample to check and make sure it is what you asked for.

Screening Suppliers

You might be wondering how many samples you should be ordering, and this comes down to another question which is how many suppliers are you in contact with and considering for the job?

When it comes to creating a new product, you will want as many doors open as possible and this means talking to as many suppliers as possible. A general rule of thumb would be to reach out to 10 suppliers for each new product. This allows you to screen your suppliers and get a better understanding of the larger market and gives you room to cut suppliers that you feel aren't suited to take on the assignment or are perhaps difficult to communicate with.

Comparing Samples

One sample is often never enough so you will want to order at least three as this will give you a good idea of the company's quality. By the time you are ready to order that first sample, you should have a good idea of the company you would like to work with and this will allow you to compare each of the product samples together to see which truly stand out in terms of quality and practicality.

Negotiation and Moving Forward

Having three products in your hand from a variety of companies at the top of your talent

pool will also provide you with some additional leverage when it comes to negotiation. You can describe the benefits of each one to your supplier and express that you would like to see certain features or design elements from their company instead of the one that you had received a sample from and perhaps they can make it happen at a better rate.

Once you have a good idea of the company you would like to work with, be sure to purchase an additional sample just to get a greater understanding of the quality they are offering. Oftentimes the first sample is produced with much higher quality and attention to detail while the second is more of an indication of how the product would be over the long term and this is the product your customer would be receiving so it is best to have a look over it and make sure it is still up to your standards.

Shipping your first sample will require some questions to be asked such as how much will it cost, where does it get shipped to, how will it be shipped? The shipping cost will fall somewhere between \$40 and \$150 for a single sample, depending on the weight. These will be expressed shipped since there is little time to waste and the shipping will be direct to your home or business. You will want to avoid falling into a bottleneck by checking out samples, so it is best to streamline this process as much as possible.

Payment for your sample should be made over PayPal since it is only a small amount and shouldn't incur any large fees as would be the case if you were shipping an entire lot. From there you will need to start working towards purchasing your first lot and the logistics involved in having it shipped to your location. Your suppliers will generally have outlined their prices in response to the template that you had used earlier.

Chapter 16: Page Ascension Principles

Page ascension principles is an essential set of knowledge for any Amazon seller. Your expertise in page ascension principles will mean the difference between your product ranking well or falling behind a few pages, not getting the attention that it deserves.

Page ascension is crucial in that every single product when launched is going to start near the bottom of the search term ranking regardless of the search term that you have used. This is because the product has never been sold on Amazon previously and there is no way for Amazon to know whether the product is relevant for the search term.

There are rules you can work with that allow you to climb through the rankings and reach the top of the search results. This could be one of the most time consuming areas of study along your Amazon journey.

Keyword Density

This is essentially the search terms that you would be putting into your listing. This allows the Amazon search engine algorithm to relate your keywords back to the customer search terms that they are looking for. For instance, if a customer searches for a garlic press and you have used the keyword “garlic press” throughout your listing, your product is far more likely to show up. This is also dependent on how many times you have placed the search term in your listing as well as in certain locations.

Ideally, you will want to have your keywords target exactly what customers are searching for which is why keyword density is incredibly important, we explore this a little later on in detail but for now we will just cover the basics. Your title will be the first piece of the puzzle that Amazon will take into account. Having a title that matches the most important keywords is essential to reaching the top of the page.

This is followed by your bullet points then the description. Optimizing your keywords throughout the listing to match those that are being searched for is the key to having your product ranked highly and this in turn leads to a higher number of clicks on your page. Keyword density should never be underestimated.

Conversion Rate

Conversion rate is what tells Amazon how many people who actually click on and visit your link are actually buying. This is a good indication that what the person searched for was found in your listing. If you happened to be using keywords for garlic press when you are actually trying to sell a vegetable peeler, you would find that your conversion rates are much lower, and Amazon’s algorithm would adjust your listing to appear lower in search terms ranked with garlic press since it has been shown to not match up well with these search terms.

In optimizing your conversion rate, you can adjust the various variables which are presented on your page, splitting them up and testing the alterations you make to see which works best. You will notice that many times, conversion rate is affected by the keywords and search terms you are using on your page. This is because the number of visitors you have on your listing is determined by how well your search terms match up with what keywords are being entered. The better the match, the more clicks and if they are closely related to what the customer was searching for, you will naturally have more conversions.

Sales Volume

Your sales volume is arguably one of the most important pieces of sales ascension. This is made up by both your conversion and your keyword density. The more optimized your listing is with the Amazon search engine and the higher your conversions, the greater your sales volume will be. There are many ways in which you can increase your sales volume and it will largely be a result of the previous two elements of page ascension.

For the reason, it is incredibly important to get both your targeted keywords and conversion rates as highly optimized as possible as this will be the defining factor in how many overall sales you will experience on a listing.

Chapter 17: Optimizing Product Categories

Now that you have a product and are beginning to sell it, you can start figuring out where exactly on Amazon it will fit best. Finding your place on Amazon is important because it determines exactly how you'll compete with other sellers. There's more to it than just choosing a category – you have to choose the best possible category.

Amazon will have some say over which category you belong in, so it's important to get things right the first time. And if you're in the wrong category, you'll fail to move stock, because people won't find your product. Your conversion rate and business will suffer. On the other hand, if you choose wisely, your conversion rate will soar, and you'll win invaluable seller tags that mark you as an exceptional seller. As you can see, choosing the right category is priceless.

So, what goes into choosing a category? Ideally, you'll want to be found by customers, you'll want to be in a category that accurately describes you, and you'll want to be in a category that makes competition easy. Without further ado, let's look at these things now.

Niche Categories

One way of advancing your product is to pick a niche category to be a major player in -- in other words, try to be a big fish in a small pond. Your goal should be to compete with others, but also to face the least amount of resistance. Major categories are very crowded and difficult to compete in, so you should look for a smaller one. Try to choose a category that isn't competitive, but make sure that the category is still relevant to your product.

Don't be afraid to leave a major category and enter a smaller one, as long as it still describes your product. A lot of customers will find your product by searching for keywords, as we'll see later, so you don't have to worry about people not finding the category. Furthermore, buyers might not see exactly the same categories that sellers do. So, don't worry about picking too obscure a category.

Seller Tags

On Amazon, there are "new release tags" tags (also called either a "#1 new release" tag or a "hot new release" tag) for products with an excellent sales history in each category. You don't have to have the very best sales to get that tag - there is a "best seller" tag for that. But it's quite likely that you can earn a "new release" tag.

So how do you get the "new release" tag? Just remember that, by picking a smaller and less competitive category, you're more likely to get that tag. This will increase the traffic you get and sales that you make, and in turn it will increase your conversion rate. Your product doesn't have to be particularly new to earn a "new release" tag, either - there are no definite rules as to what qualifies as "new."

Also, be sure to avoid using misleading tags. Some people put fake tags on their products, which -- first of all -- isn't allowed, and which -- second of all -- makes the product look worse. Don't feel like you need to compete with sellers who do this -- their fake tags are not a threat to your business, and fake tags won't earn them anything.

Finding an Ideal Category

To choose a category, log in to your Amazon Seller Central account. Go to the catalogue and add a product, which will give you several options, one of which is to classify your product. You can either browse a tree of categories, or you can search for your product name and see which categories are suggested. You might spend about half an hour looking through these categories.

Once you find the most relevant categories, use Jungle Scout to look up those categories and find out which categories are selling the least. These are the categories that you can compete in easily, and in which you might become a first-page product. Remember that some categories won't fit your product at all. If you choose a category that is too different from your product, your product may be corrected by Amazon. However, a few categories will fit, and some categories will be almost identical - that is, one subcategory can be under two different categories.

Also note that there are some categories, like health and personal care products or jewelry, that require approval. Selling in these categories is a trade-off; they may be less competitive, but you will need to wait a few days to get permission to sell in those categories.

Finally, ask yourself a few questions when picking a niche category. What is your product? Is it a must-have product, or a novelty or a luxury? Is it something that people will always need, or is it a fad? Is it something that there is an audience for, or is the category not competitive because there is no audience? In all of these cases, the former option is a better niche category.

In addition, remember that your goal is to help your customers find what they need. You won't do them any favors by trying to game the system - so try and choose the correct product category for their sake as well. This will reflect well on you and on your sales.

Chapter 18: Product Descriptions

You're finally on your way to creating a display page for your product. It's time to determine what people will see, and to decide how to market to them. In this chapter, we'll see that there are actually several parts to an Amazon product page.

One part is choosing the correct keywords to describe your product. As we'll see, keywords largely work under the hood and are hidden from customers, so you'll have to do some digging to get the correct keywords for your product. It's important to use the same keywords that other people are using, so we'll look at some tools that allow you to do that. And it's also important to use keywords in an optimal way.

The other part involves composing the information that your customers will see, like your title, description, and bullet points. It's important to be descriptive, concise, and readable, but above all, you must be personal. Your description is a chance to come across as a human being rather than a faceless company.

Of course, it's also important to have good reviews and an attractive price for people to see, so we'll look briefly at those things as well.

Choosing Keywords

One way of finding keywords and key phrases is to simply to find your competitors' titles. As long as it is not a brand name or a trademarked product name, it is okay to use their titles as your keywords. You can also use bullet points from their descriptions as your keywords. It's okay to copy and paste because these keywords aren't actually part of the description that your users will see -- they're just synonyms that Amazon's search engine is using.

You can also look at the suggestions that drop down from the search box on Amazon, which will provide several synonyms. There is usually a common term that most sellers use, and you will want to be using the same terms. However, there will be second- and third- most common terms as well. Your goal should be to find and include as many alternate terms as possible in your keywords.

You can also use a tool called Keyword Inspector (at keywordinspector.com). You'll have to create an account and buy credits to use the site, but it is an invaluable tool. This site allows you to look up products and find out what keywords the product is using. You won't see this information on Amazon's site, so it's important to use this tool if you can.

Log in to Keyword Inspector and go to the reverse ASIN function. Find another seller that sells your product and enter his ASIN number. This will give you the keywords that the seller ranks for. It won't give you detailed information about his traffic, though. Don't worry about most of the keywords; just take note of the most viewed keywords.

Ideally, you should have hundreds of keywords. They're not showing up for your users, and are just being used by the search engine, so there is no disadvantage to using a lot of keywords. They won't clutter your description or distract users. They'll just return your product more often in search results.

There is a lot of debate about whether to use the same word twice. For example, if you are using "splatter screen" and "splatter guard", there is a question of whether you should reuse the word splatter more than once. It's possible that Amazon is only optimizing for a limited number of keywords, so in that case, you would want to use as many different keywords as possible rather than using the same keywords over and over. It's up to you; try it both ways and decide.

Optimizing Keywords

When you're choosing keywords, you want to draw in people who are actually looking for your product. This will lead to a higher conversion rate. Remember, your conversion rate is determined by how many people who see your product buy it -- not by how many people simply see it. It's no good to have lots of views if nobody who sees your product wants to buy it.

Consider a niche product. For example, with a blanket with a picture of a dog eating a bone, you might want to optimize for the words "blanket" and "dog." Most people who are simply looking for blankets will want something plainer, so "blanket" alone isn't enough to differentiate you from plain blankets. And people probably aren't looking for such a minor aspect of the product that they're looking for a blanket with a bone - if they search for "dog" and "bone", they're probably looking for an actual bone. However, they may very well be looking for a blanket with a dog on it, so it's important to optimize the word "dog" as a keyword. This takes some judgment, but it is easy to get the hang of.

Also, beware of synonyms. You want to differentiate your products from others. If someone searches for a "screen", they could be looking for a screen door or a computer screen. In this case, you'll need more keywords than just "screen" no matter what you're selling. If you're selling a computer screen, you'd want to add "monitor" as another keyword; if you're selling a screen door, you'd want to add "door" as a keyword. There's no point in attracting one type of customer when they really want the other product.

The bottom line is that you don't simply want as many views as possible -- you want as many views as possible from people who actually will want to buy your product. So, optimizing keywords is about weeding out people who don't want your product as well as attracting people who do want it.

Creating a Title

When you create a title, it's one of the most important things you do for your product. First of all, your title simply displays the product to potential buyers. Remember, there are a lot of different ways of saying what a product is, and you can use any term you like. Try to pick a term that explains both what the item is and what the item does or use a combination of two different terms. Use both verbs and nouns in your description. For example, "Soft Squeezable Hand & Finger Exercising Ball | Stress Relieving Tool" is a good example of a title that both explains what the item is, and what it does.

Second of all, your title should have keyword density. Amazon mainly indexes your title in addition to indexing your keywords. You want a lot of keyword density -- make sure that your title is mostly keywords and has no irrelevant information. The keywords that are most frequently searched should be at the beginning of the title, with the latter part of the title serving as a description.

However, your title should also use natural language. Don't just throw in keywords that make no sense when read; make sure real people can read your title. Use punctuation and you'll have a more legible and sensible title. Remember, real people are always on the other end of a purchase and you should cater to them, not just the search engine.

Additionally, you should also make clear in the title your Unique Selling Point. For example, you might say that your product is better than any other or works with specific items. Your Unique Selling Point can be anything you like, as long as it's not that your product is the cheapest -- that won't make you any money!

Finally, don't make simple mistakes that are easy to avoid. Check the spelling of your title before publishing it. It's not easy to change the title afterward -- you'll have to go through support -- so make sure everything is correct to begin with.

The Product Description & Creating a Human Connection

Once you have your title and keywords set out, you're ready to move on to bullet points and a product description. This is easy to do and won't take too long.

Use bullet points to set out your Unique Selling Point. A list of bullet points is an appealing way to set out information briefly without overloading the senses of your potential customers. You can try to use icons like emojis or check marks as bullet points to spice up the appearance of your list, but make sure that they actually display properly on Amazon.

When writing the actual content of the bullet points, don't spend too much time describing the item's specifications. Make sure you write persuasively and tell your customers why they should have your product, not what it is. It's all about making a human connection.

In your product description, you can write more in-depth information. Not everyone will read this, but it's important to cater to people who pore over every bit of information as well as people who glance over your bullet points. In the product description, make sure to include two or three sentences about your company and your product. Again, it's all about making a human connection: you want your customers to know you're a trustworthy and dependable company with real employees who care. People generally would rather buy from an actual person than a faceless company. That's why it's important to have people represented in the description.

Reviews and Pricing

Related to your product description are written reviews and your star rating. Like descriptions, these are one of the first things your customers will see, but unlike descriptions, you can't just add these things directly. Ideally, you should have at least four and a half stars, and have twenty or more written reviews. We'll see later how to increase your reviews and rating, but for now, just remember that you need to have them to make customers feel comfortable buying from you.

Also consider the price that your customers see - you don't want to have the cheapest price, but if you increase your price too much, less people will make purchases and your conversion rate will probably fall. We'll look more at these in later chapters, but for now, remember that reviews and pricing are two of the first things that your customers will see, and that they are just as important as your title, product description, and keywords.

Chapter 19: Creating Images for Your Listing

Once your description is written, you can start thinking about images for your product. There's more to images than just taking a picture with whatever device you have at hand. So, we'll talk briefly about composing photos and setting the stage for a great image. You'll want an image that displays your product as maximally as possible, showing off all of its great features. You'll also need several secondary photos. Your images shouldn't rely on post-effects or be over-designed -- they should speak for themselves.

All this is easier said than done. Of course, you might choose to have an image professionally done, so we'll talk about that as a serious option, which will make your image even better. You can also use stock images to save money. There may be a temptation to save money further by Photoshopping images, but that's something that you really shouldn't do.

The bottom line is that your images should be a serious investment. Images are one of the things that will really draw in customers, so you shouldn't scrimp on photos when you get them. So, let's look at how to get the best you can, and as much as you can, when it comes to photos.

The Main Image

It's important to make a good first impression, and images are a major part of that. You'll want to include images for your product. Amazon makes it simple to upload images, but it takes time to create a decent image. So, put a lot of thought into your images.

Your product image should stand out and be different from the rest. Don't necessarily use a still shot of the product -- use an image of the product in use. If your product comes in different colors, by default, show your product in a color that is vibrant and eye-catching.

Your images should be as large as possible. Of course, you have only a small square to work with, but make sure that the images take up as much of that space as possible. Also, make sure that the image is in high resolution, so that when people click on your image they can see it in detail. Basically, make the image work in both large and small formats.

If you decide to take the photograph yourself, make sure that the image is composed decently. Don't use an iPhone camera -- use a proper camera. Avoid problems like graininess and glare. If you edit the image, do only minor touch ups -- it's usually a bad idea to add extra designs or text. Remember that a photograph can only look as good as your product. If your product doesn't look good, it won't look as good in the picture as your competitors' products do.

Better yet, don't create the images yourself, and have the picture professionally created. If your product is already in wide circulation, there may be stock images that you can purchase and use. But if your product is different from others, you may have to actually have a

photograph taken. Hire a professional photographer if possible.

Secondary Images

Amazon allows you to use up to six images on your product page. Ideally, you should use a mixture of on white images and lifestyle images.

On white images are simply pictures of your product on a white background. These are good because they simply display the product as it is. It's important for people to see all the features of the product, so it's good to have a close up of the product from a few different angles. Also make sure all of the products' parts are shown.

Lifestyle images are pictures of your product in use. It's important to show the product in actual use, don't use Photoshop to compose a fake picture of your product in use. Unless you've invested in an expert, people can tell when you've Photoshopped your images. People want to see your product actually being used. Also, if you show the product in use, try to avoid showing things that aren't included. For example, don't show flowers in a vase if the vase isn't included.

Again, photographs are one of the most important investments you can make, so make sure you get several good images to work with.

Chapter 20: Launching Your Amazon Product

You're almost ready to go live with your product. In this chapter, we'll show you how to build momentum during your initial launch. You'll be building a snowball that will accumulate and launch you down a hill at top speed. During the initial launch period, you'll want to get as many sales and reviews as you can. It's all about reaching out to people and using your connections.

First, we'll show you how to use coupon codes and discounts as a way to attract customers. In turn, you'll get into the best seller ranks and come up earlier in search results. Then we'll show you how to get reviews, which are a draw to customers – people trust other customers more than anything. We'll see how to do all of this in accordance with Amazon's rules – giving out great deals in exchange for the customer feedback you need.

In the beginning, this may come at a cost, and you'll be spending money to gain sales and reviews. After the initial launch, you'll be working hard to maintain the customer base and sales rate that you've built up. So, let's look at how to build up your snowball and launch your product.

Amazon Snowball Launch

To understand how Amazon sellers reach the best seller rank, it's important to understand the concept of a snowball launch. The snowball launch is simply an accumulation of initial sales that propel you into the best seller ranks.

First of all, you need to have a lot of initial sales. You want to spend money, time, and resources in the beginning in order to sell your product. You'll have to put money up front before you sell a product. Don't expect to make a profit in the very beginning. The goal is to make enough sales, packed together like a snowball, to roll down the hill and make it into the bestseller rank. Ideally, you should have between 5000 and 10,000 sales during your launch.

After the first two weeks of your launch, you'll enter a stagnant phase. You probably won't be able to increase your daily number of sales, and you'll be working hard to stay in place. You'll rely on advertising and other things to do so. It's all about keeping up steady and continuous sales. But before thinking about that, focus on your initial launch. The bottom line is that it's important to make as many sales as possible in the initial launch period.

Critical Launch Factors

The two most critical launch factors are sales and reviews. As we've already seen, initial sales determine the size of your "snowball" and how far you'll roll towards the top of the bestseller ranks. So, remember, initial sales are one of the most critical launch factors.

Reviews are the second critical launch factor. It's important for customers to hear about your

product from someone who is independent of you, the seller -- naturally, customers put a lot of trust in other customers. You'll want to use a combination of promotional giveaways, social media, and pay per click advertising to gain reviews and sales.

However, reviews and sales work differently. Making more sales will get you ranked higher. Earning more reviews will not automatically get you ranked higher; some items you see on a first page will have hundreds of reviews and others will have no reviews. However, reviews are important because you need reviews to make sales. People will probably not believe in a product that nobody else has taken the time to review!

Discount Coupons for Launch

One way of gaining sales and reviews during the initial launch period is by giving your potential customers an item in exchange for a review. Unfortunately, Amazon no longer allows customers to leave reviews for products they received for free. However, you can offer high discounts (up to 90%) instead. You're virtually giving the product away, but Amazon still makes some money on the transaction, and you gain customers.

So, you can make a coupon code that offers a discount in your Amazon account. Log in to your Amazon Seller's page, go to the "Promotions" page, and choose the "Percent Off" coupon. Make sure you create a single use coupon code, not a regular coupon.

You can set the percent rate of the discount you want to offer, and you can also set the maximum number of coupons. As a guideline, begin with discounts of 50 to 90%, and limit the number of coupons to 100 or so.

Beware! If you make the wrong type of coupon or forget to limit it, it can be used over and over, and your entire inventory will be gone very quickly!

Amazon will let you download a file full of your coupon codes, which you will then have to distribute. One way of doing this is to distribute the codes manually on social media or by word of mouth. You can also use tools like [AMZ Tracker](#) to distribute codes. It costs money to register for [AMZ Tracker](#), but it makes it easy to automate the distribution of codes. You can choose how many coupon codes are issued each day. Don't become a spammer -- try to limit the coupons you give out to a few per day so that you don't violate Amazon's rules.

Chapter 21: Launch Marketing

As your launch period goes on, you'll need to find new ways of bringing in sales and reviews. You already know how to use discounts to gain these things, so in this chapter we'll explore alternate strategies.

First, we'll see how to create ads the right way, and how to fine tune them so that you're spending the right amount of money. Amazon offers a great ad model that lets you bid on ad space, but only makes you pay when your ads are clicked on. Using ads in combination with the right keywords will bring in tons of sales, which is invaluable during your initial launch period.

Then we'll see how to get reviews from your social circles. This includes friends and family, as well as existing customers. It also includes setting up a physical storefront if you can, even if it's only a temporary one. Anywhere you can reach out to customers gives you a place to ask for reviews and offer something in return. Remember that reviews are what your customers want to see and will give them the confidence to buy from you.

So now let's see how to head deeper into your launch period and keep up your momentum.

Pay Per Click Ads

Ads are an important way to increase your sales and build the size of your snowball. Remember, making more sales means that you'll be ranked more highly in Amazon's search results. So, without further ado, let's look more closely and see how to place ads on Amazon.

The first thing to know is that when you [run an ad on Amazon](#), you will have to set a daily budget. That means that you pay only when your ad is clicked on, so you might not spend your entire daily budget. But at least some visitors will click on your ads. Consider starting with a \$100 a day budget, which you can raise and lower depending on how much you are comfortable with spending. You can expect to earn some or all of this back. Even if you don't make a profit, a little ad spending is an acceptable loss in exchange for the initial product sales that will build up your snowball.

Amazon will show you your ad revenue in dollars, but this won't take into account how much you've spent, so you'll need to calculate your total profits. It's more important to look at the percentage Amazon shows you, which will tell you how much of what you've made you've spent on ads. Remember, even if you don't make a large profit, you'll be building up your snowball and bringing in sales, which will increase your position in the Amazon search results.

You'll also be bidding on ad space, which determines where your ads appear, and whether they'll show up. Typically, your bid will be around one or two dollars for ad space. The cost varies, though -- there are about four different spaces on Amazon's pages that you can bid on, and each will cost a different amount. Naturally, less visible spaces are cheaper. Again, you

might not pay your entire bid -- how much you pay depends on what other people are bidding.

You have a few different choices when it comes to targeting your ads: you can choose between automatic targeting and manual targeting. Automatic targeting pulls in data and will suggest keywords for your ad to show up under. So, in that case Amazon is basically suggesting search terms for you to bid on. Manual targeting lets you enter your own terms to bid on. You also have a choice between your ad showing up for a phrase and showing up for exact keywords.

Don't worry if you pay more than you make back. In the beginning, earning a top rank is as important as making a profit, so it's okay to pay money to make a sale. You need to get your product out in the open and build your snowball.

Getting Reviews

Gaining reviews is the second part of building up your snowball. Remember, reviews won't get you placed higher in Amazon's search results. What they will do is increase your conversion rate: people buy products much more confidently and more often when a product has a lot of reviews than when a product has no reviews. So, gaining reviews should be one of the things you put the most effort into during the initial launch period.

One way of gaining reviews is by spreading the word to your friends, family, and immediate community. Amazon's rules are becoming stricter, and they now disallow reviews from family, but it shouldn't be difficult to find some people in your social circles who are willing to leave reviews. The key is to only give the product to people who actually want it, and to not obtain too many reviews at once. Even if you only get five reviews to begin with, that is better than no reviews. Over time, you can slowly reach milestones in which you'll have dozens or hundreds of reviews.

Don't worry too much about how many reviews you have. Just think about finding people who are interested in your product. You can use the networks you've built up across social media, but you can also search for groups relevant to your product and join them, then offer your products at a discount. Also look for demographics who are typically interested in your product. If someone asks about your product, give them a further discount. Be creative and interact with people wherever and whenever you can. Be extremely reliant on social media and word of mouth to spread news of your product.

The more people you interact with, the more people you can ask to leave a review. Again, you're not allowed to give away items in exchange for a review. But as long as you don't require people to leave a review, it's okay to ask for one. Simply be helpful and generous with your discounts, and politely give the customer the option of leaving a review.

Leveraging Existing Customers

Every connection you have in the beginning helps, so gather lists of people who are your existing customers. It doesn't matter if you have an already existing online store or just a few customers from sites like [Craigslist](#) -- every connection counts. Offer those customers a discount code on your latest product, and you'll build up a base of dedicated customers, increase your sales, and increase the size of your "snowball."

So simply offering promotions and discounts to past customers is one way of getting more sales. You can take this a step further and make deals for customers who refer a friend. Tell your customers that their friend can receive a discount too, and that if both they and their friend make a purchase, they'll both get higher bonus discounts. Or you can run a contest and offer a prize for whoever can refer the most friends -- this is useful if you don't have any large lists of existing customers.

Ideally, you should contact people by email, not via social media. People are usually slow to respond on social media and are more likely to respond to personal email messages. As always, it's important to be personable. But if you have existing customers that you can only contact on social media, contact them that way. We'll look more closely at how to take full advantage of social media in the next section but note for now that social media's usefulness is limited. Use social media to contact customers only if it's your only option, or if you already have an existing presence with a lot of followers.

If you have a physical storefront, you can also run promotions there. You don't have to have a building or a store in a mall -- you could have a booth in a fair, a lot at a market, or some other inexpensive temporary location. You can offer discounts and free extras, and you'll be sure to attract even more customers, since there will be a lot of people browsing for deals.

The bottom line is, as always, this: be personal and persuasive. Offer a great deal and you'll turn your existing customers into a larger customer base. One contact can generate multiple sales. Make sure to follow up with them, offer them further discounts on future products, and ask for reviews.

Social Media

Social media is useful, but there are some downsides. It's time consuming to build up a social media presence due to the sheer number of platforms, and it's more difficult to build up an audience on social media than it is to do so through advertising and promotions. So, it's probably not worth investing a lot of time in running a social media profile for your business. You can if you want to, but it's not as valuable as some people might claim. Of course, if you do have a successful social media presence already, use it as much as you can.

But what if you don't have a social media presence? Instead, you can leverage other people's social media. Find a successful social media account and offer to pay the user to post a

recommendation for your product, or an image of your product, with a discount code. Let them propose the price first, if you can afford to do so. Otherwise, make an offer. This strategy will probably go over better with groups rather than individuals, but don't be afraid to ask. So, find your target demographic and offer them cash in order to borrow their social media presence. It's far more time effective than attracting followers yourself.

Marketing Maintenance

There are a few things you should check on over the first few weeks of your launch. Of course, you'll want to monitor and take note of your number of sales, and you'll want to watch to see how many four- and five- star reviews you're getting. Also, be sure to check on your sales rank -- your goal should be to reach the top 10,000 to 5000.

If any of these numbers enter a decline, fall back on the strategies we've already covered. Double-down on pay per click advertising. Keep distributing discounts to more people and leverage your existing customers. If you don't have enough reviews, give better discounts and better incentives for customers to leave reviews.

Try new ways to get more sales and reviews. Be creative and take advantage of whatever personal connections and places in your community you have access to. At this point, you should be doing everything you can to keep up what you've accomplished.

Chapter 22: Taking Care of Business

You're successfully selling your products and you're a true business! But there's more. You have to declare yourself a business and do all the requisite paperwork and jump through the legal hoops. You also have to pay taxes. You're also probably thinking about trademarking your brand. If you're selling internationally, there's even more you have to do. This is all a hassle -- you don't want to waste time on it when you could be out there marketing yourself.

But don't despair – this can all be made easy. So, in this chapter, we'll see how to take the path of least resistance and become a registered business in the simplest way possible. We'll also see how to organize your bank accounts to make it easy to do taxes when it comes time to do so. You'll do the bare minimum of work but get all of the necessary benefits. You can save time and get back to running your business.

Structuring Your Business

Sooner or later, you're going to have to structure and register your business. This is less complicated than it sounds. When you're first starting a business, and not moving a lot of product, you don't need to do very much in this regard. You don't need to incorporate or register as an LLC, although you can do so in the future. In the beginning, all you need is a sole proprietorship.

So, what is a sole proprietorship? It's a legal status that gets you access to various business services and practices. Having a sole proprietorship will allow you to get an EIN, or employment identification number, which will allow you to report your income and get benefits like business checking accounts and business credit cards. A sole proprietorship will also allow you to use Amazon's tax services. In short, it will give you everything you need to run a business on Amazon.

It's fairly simple to register for a sole proprietorship. If you go to your state's Department of Revenue, it should give you directions on how to complete the process, and you can usually do it online. It typically only takes about an hour and a half. Rather than navigating your state's website, you can just Google the name of your state and "sole proprietorship," and you should find a direct link to the registration page.

Additionally, your sole proprietorship applies to any business you run. So even if you end up selling beyond Amazon, you'll still have something valuable when you register for a sole proprietorship. You can use it no matter how you're running your business. So, getting a sole proprietorship is an important first step in running your business, and you should do it as soon as possible.

If you don't have time, or don't want to register for a sole proprietorship yourself, you can go to [LegalZoom](#) or [Nolo](#), which will carry out the registration on your behalf. You just have to fill

out a few forms, which they will check and forward to the relevant government agencies. Then they'll send you back the resulting documents. These sites are valuable time savers, so there's no reason to put off registration. Do it as soon as you can.

Trademarks and Patents

Patents protect your intellectual property. If you innovate and introduce a product with a radical new feature, you would patent those features. So, in actual fact, you don't really need a patent. You only need a patent if you are creating a revolutionary new product, and the truth is that you are probably selling something that plenty of other people are also selling. Neither you nor they need a patent at all; instead, you need a unique selling point.

Trademarks, on the other hand, protect your logos and slogans. It's reassuring to think that nobody can use the branding that you've created. But the truth is that you probably don't need a trademark, either. People who are making more money than you don't have the time, or anything to gain, from stealing a new seller's branding. They've already accomplished a lot, and they didn't get there by stealing.

The only people that have an incentive to steal your branding aren't making any money, and they probably won't get very far by trying to do so. You'll be far ahead of them because you've actually spent time marketing your product in the most effective ways.

At the very least, you don't need a trademark, not at first. Once you start making several thousand dollars a month in profit, it is an appropriate time to trademark your brand. However, make sure that you actually have a brand worth trademarking! Make sure you have a logo and slogan that you're going to stick with and that people actually want. A brand is worth nothing unless you've done the marketing behind it.

So, until then, don't worry about trademarking. The bottom line is that you have better things to spend time on than drawing legal boundaries around yourself. If all you do is build legal fences, you'll have nothing to show for it but those fences. So, focus on your launch and focus on gaining sales and reviews, and after that, focus on reaching out to customers and running a quality business.

Income Tax

Nobody likes to pay income tax, but everyone has to do it. Remember, the good thing about taxes is that if you're paying taxes, that means you're making money!

That doesn't make it any less unpleasant when it comes time to file your tax return, though. There are ways that you can save time and hassle. The best thing you can do is to get a business checking account and business credit card. That means that you don't have to go through your personal accounts every year and try to figure out which expenses were personal

expenses and which expenses were business expenses.

Once you get your business accounts, set rules for yourself to follow. Make sure that you actually spend on things you can justify as business expenses on the business account, of course. But don't spend business expenses on your personal card just because you keep it handy. If you don't follow a system, you'll be back where you started, and at the end of the year, you'll have to separate all of your personal and business expenses.

If you have your EIN, or employment identification number, you're ready to get your business accounts. To get a checking account and a business credit card, all you have to do is go to your bank. You might also want to sign up for a separate PayPal account for business. After that, it's just a matter of redirecting your Amazon income to those accounts.

Additionally, you can hire someone to do taxes for you. One way is to hire a personal accountant that you know how to work with and get a lot of face time with. Another way is to use a service like **Greenback**, which will automate your tax filing for you. Some services and some people are better at business taxes than others, but there are plenty of services to choose from. Don't be afraid to spend money on this; remember, the time that you save on taxes is time that you can re-invest in running your business.

Becoming an International Seller

You can sell on **Amazon.com** even if you don't live in the United States. You can visit Amazon.com and find a list of countries that you can sell from. If you live in one of those countries, you're permitted to sell as an International Seller.

You do need a few things to become an International Seller. First of all, you need a US-based phone number, a mailing address in the United States, and a U.S. bank account. You can get a phone number through Skype, an address through myUS.com, and a bank account at Payoneer. All of this comes at a price, but it's an acceptable price to pay in order to participate in a market as large as Amazon.

Alternately, you can set up a business through **LegalZoom**. This saves you a lot of effort, and all you have to do is contact them and tell them the name of the business you want to sell under. Provide them with a little more information, and they'll do the rest.

Conclusion

Through this comprehensive guide, you have learnt and gained an understand of the insider secrets to establishing and successfully growing an Amazon business as well as a private label brand. The knowledge that has been passed over to you is designed to allow you to establish yourself in a niche market and set yourself apart from competitors offering similar yet substandard products.

This is a powerful accomplishment to have reached this far in starting your own business, you have likely met many obstacles along the way but is the steps that you take from here which will be the driving force of your success and the base in which you will be rewarded upon your achievements.

Throughout this guide, you have discovered how to identify potential markets in need of innovation and improvement over what your competitors have offered. You have learnt how to validate an idea through the various channels as well as how to redesign and recreate a product to add a unique selling position which will be the backbone of what sets it apart from the competition.

From there we deal with negotiation and communication with suppliers to establish long term successful relationships. We then moved into creating your first listing and how you are able to rise to the top of the Amazon search engine using targeted keywords and effective sales copy. This was followed by creating images to capture customer attention and how to utilize marketing avenues to create profitable advertising campaigns.

Towards the end of this guide, you were given the final words on how to structure your business and establish lasting success in not just the Amazon marketplace but also in building a brand that your customers know and trust, allowing you to continue growing your business well into the future.

We wish you the best of luck in this journey and recommend that you sign up to [Amazon Code Pro](#) and take your Amazon Selling to the next level!