

11 Ways to be a Successful Amazon Seller



Contents

	Foreword	3
1	How to Win the Amazon Buy Box <i>by RepricerExpress</i>	5
2	How to Stay Competitive on Amazon Using Repricing Software <i>by RepricerExpress</i>	10
3	How Your Feedback Rating Can Increase Conversions on Amazon <i>by FeedbackExpress</i>	13
4	How to Rank Well on Amazon <i>by FeedbackExpress</i>	18
5	How to Find Profitable Inventory for Amazon FBA Sourcing	24
	<i>by Stephen Smotherman (Full-Time FBA)</i>	
6	Selling Multichannel <i>by Skubana</i>	29
7	How Top Sellers Avoid Suspensions <i>by Ecommerce Chris</i>	33
8	How Online Sellers Can Beat Currency Market Uncertainty	37
	<i>by Currencies Direct</i>	
9	Sales Tax 101 for Ecommerce Sellers <i>by Taxjar</i>	40
10	Funding Options for Amazon Sellers <i>by Kabbage</i>	44
11	Optimised Inventory Management <i>by Forecastly</i>	47
	Special offers and contributor links	50

**Foreword by
Andy Goldman**



Welcome to 11 Ways to be a Successful Amazon Seller

In this guide, you will hear from a fantastic range of experts about some of the most important aspects of selling on Amazon. Being educated and informed is a crucial tool in the Amazon seller's arsenal.

Before you dive in, take some time to understand all the different ways to sell on Amazon. There are many different business models you can follow, and they differ widely in the amount of time and investment needed – and in the potential rewards too.

You can move between models as you progress in your Amazon selling career. Some approaches are great for learning the ropes, but hard to progress beyond a part-time income. Others are a big challenge to get started, but the possibilities are almost unlimited.

The most popular business model for Amazon sellers right now is private labeling. This involves buying unbranded products from a factory in China, and selling them on Amazon. To make it their own, some sellers simply add a brand name to the listing title, while more advanced private labelers completely redesign the product and packaging.

With private labeling, a lot of time and money goes into product selection and marketing. Competition is fierce and the risk of losing your shirt is high. But get it right and you can make a killing.

Alternatively, you might try your hand at retail arbitrage. This involves using a mobile app to scan products in bricks-and-mortar stores, to compare the price in-store to the price on Amazon. If there's a big enough difference, you can buy the item there and then and make an easy profit when you sell on Amazon. Online arbitrage is basically the same, but you buy products from online stores instead.

Arbitrage selling can be very attractive to new sellers, because little cash is needed to get started. But it takes a lot of time to find profitable deals, and prices change so quickly on Amazon that you can get caught out by sudden drops.

You'll also find resellers on Amazon. They buy products in bulk from wholesalers, distributors and manufacturers, then sell them on to consumers. There isn't much hype around the reselling model – it's simply traditional retail shifted to the internet – but sales and profits can be very high, particularly for those who develop exclusive selling rights with niche brands.

Another option is to sell liquidated stock – products that can't be sold for full price through a retailer's normal channels. Sellers buy this stock at heavily discounted prices, usually from specialist wholesale clearance companies. It can be profitable, but sellers need to be very careful in checking the condition of items they are buying, as well as Amazon's category and brand restrictions, to avoid serious problems down the line.

Selling used items is probably the least glamorous way to sell on Amazon. But there is plenty of money to be made through this model, especially with rare items like some text books and video games. A title that makes pennies in a library sale can sometimes fetch a hundred dollars plus online.

Used items are perhaps the best product to begin with for new Amazon sellers. You can start small and learn what's involved in the process, with little risk and a decent profit potential. Just watch out for all your time disappearing at book sales and flea markets!

Whichever model you choose, now or in the future, there is one key theme: learn as much as you can about selling on Amazon, put it into practice, and keep learning and updating your skills. Online selling is full of opportunities, but also bear traps, and guides like this one will help keep you on the right path.

Happy reading!

A handwritten signature in black ink that reads "Andy Goldman". The signature is written in a cursive, flowing style.

01



How to Win the Amazon Buy Box

Did you know that 90% of all Amazon sales happen through the Buy Box? And, even more for mobile; if you're not in the Buy Box, your chances of making a sale are slim.

For most products, there will be several buying options for the buyer. When a buyer selects, 'Add to cart', the seller who has the Buy Box at that moment in time gets that all-important sale.

Amazon's net revenue sales have grown steadily over the last ten years reaching almost \$136 billion in 2016. With an estimated \$111 billion worth of sales coming through the Buy Box, it's vital for sellers to know how it works and what they can do to win a share of it.



How the Buy Box works

The Buy Box algorithm starts by analysing each offer by all sellers of the product. It then evaluates each offer based on seller history, price and many other variables. After carrying out the analysis, Amazon rewards the Buy Box to what it deems as the best buying options for its customers.

Amazon no longer awards the Buy Box to one seller but instead rotates the Buy Box between multiple sellers.

Buy Box factors

Whilst, Amazon doesn't disclose the specific performance metrics for the Buy Box, we can divulge a list of the most likely factors, which vary in importance, that Amazon considers before awarding sellers the much-coveted Buy Box.

Excelling in these factors and delivering an outstanding customer experience is the best way to win a share of the Buy Box.

Fulfilment method, very important

Fulfilment is probably the most important variable considered by Amazon. Fulfilment can now be done in three ways, through FBA (Fulfilment by Amazon), FBM (Fulfilment by Merchant) or Seller-Fulfilled Prime (SFP).

Amazon gives FBA a perfect score for multiple variables including shipping method, on time delivery and inventory depth. This makes it highly unlikely for merchants to beat FBA sellers.

However, in 2015 Amazon introduced Seller-Fulfilled Prime which allows FBM sellers to reach Amazon Prime members without housing the goods in Amazon's fulfilment centre. This is of interest to sellers of heavy goods as they can make savings on shipping.

Sellers enrolled in Seller-Fulfilled Prime will have a greater chance of winning the Buy Box than FBA sellers. Sellers who wish to enrol in the program must have strong performance metrics and a proven record of meeting customer's expectations.

Landed price, very important

There are two prices on Amazon, the price you list an item and the landed price which includes shipping and VAT (UK and EU only). It's important to take these things into consideration when pricing your products.

A common misconception is that sellers who have the lowest price think they will win the Buy Box. Whilst having a lower price will increase your chances of winning a share of the Buy Box, it is only one of the criteria for it, albeit, an important one.

If your seller performance is higher than your competition for a product, you may be able to raise your price and still get your share of the Buy Box.

Shipping time, very important

The amount of time a seller takes to ship an item is known as the shipping time. This has a high impact on winning the Buy Box, particularly for products such as birthday cards and perishable items.

Shipping time is arranged into the following brackets, which only includes working days: 0-2 days, 3-7 days, 8-13 days, 14 or more days.

The shipping time can be seen on the product detail page where it states the date the item should arrive between.

Order defect rate, important

Order defect rate (ODR) comprises of three different metrics: negative feedback rating, A-Z guarantee claim rate and service chargeback rate.

Amazon calculates these three metrics to find out the number of orders which were defective. According to Amazon, the ODR should be below 1% and any sellers above this will be penalised.

Valid tracking rate, important

This is a new performance metric from Amazon, which is the percentage of total packages shipping with valid tracking.

Valid tracking rate is considered based on the last seven and 30 days. In order to protect your Buy Box eligibility, valid tracking numbers should be provided for 95% of packages shipped. Anything less than this could affect their chances of winning the Buy Box and even selling in a certain category.

Late shipment rate, important

Late shipment rate is the number of orders shipping later than the expected ship date. You can set your handling time in Seller Central, sellers who don't will be given the default shipping time of 1-2 business days.

A late shipment rate below 4% will aid your chances of winning a share of the Buy Box. This metric can be viewed for the last seven and 30 days in Seller Central.

Delivered on time rate, important

The percentage of orders that buyers received by the estimated delivery date. Sellers should aim for a percentage of 97% or greater. This metric can be viewed for the last seven and 30 days in Seller Central.

Feedback rating, important

Feedback rating is the culmination of all feedback score the seller has received over the last 30 days, 90 days and 365 days, with the most recent feedback having the greatest impact. Your feedback rating can be seen in Seller Central.

Customer response time, important

Again, Amazon checks responses for the last seven, 30 and 90 days and compares them for all competing sellers. It is considered, that replying to customers within 12 hours increases your chances of winning the Buy Box.

If more than 10% of messages were replied to after 24 hours or never replied to, this can have an adverse effect on the ratings. However, by marking as no response needed, the seller can save themselves from negative points.

Feedback count, important

Feedback count is the number of buyers who have given seller feedback. A higher feedback count can lead towards winning the Buy Box.

Inventory depth/sales volume, somewhat important

Amazon prefers sellers who have enough inventory to deal with the demand which the Buy Box can create. As a result, sellers with a large inventory, consistent sales, and good stock history can be granted a higher Buy Box share.

If you're frequently out of stock, your chances of winning the Buy Box are slim to none.

Cancellation and refund rate, somewhat important

The number of orders cancelled before being shipped by the seller and the number of orders refunded after being shipped make up the cancellation and refund rate. A rate higher than 2.5 % could affect your chances of winning the Buy Box. New metrics, no impact currently.

Amazon recently introduced two new seller metrics aimed at improving the buying experience, the Return Dissatisfaction Rate and the Customer Service Dissatisfaction Rate.

Although Amazon is not currently considering these two metrics as Buy Box factors, it's worth keeping them in good health as they are likely to be factors soon.

[RepricerExpress](#) is the Amazon and eBay repricing solution that's super easy to set-up and use. Sell more and keep your listings competitive 24/7 without constant attention.

Get your free 15-day trial today and start winning more Buy Box!

02

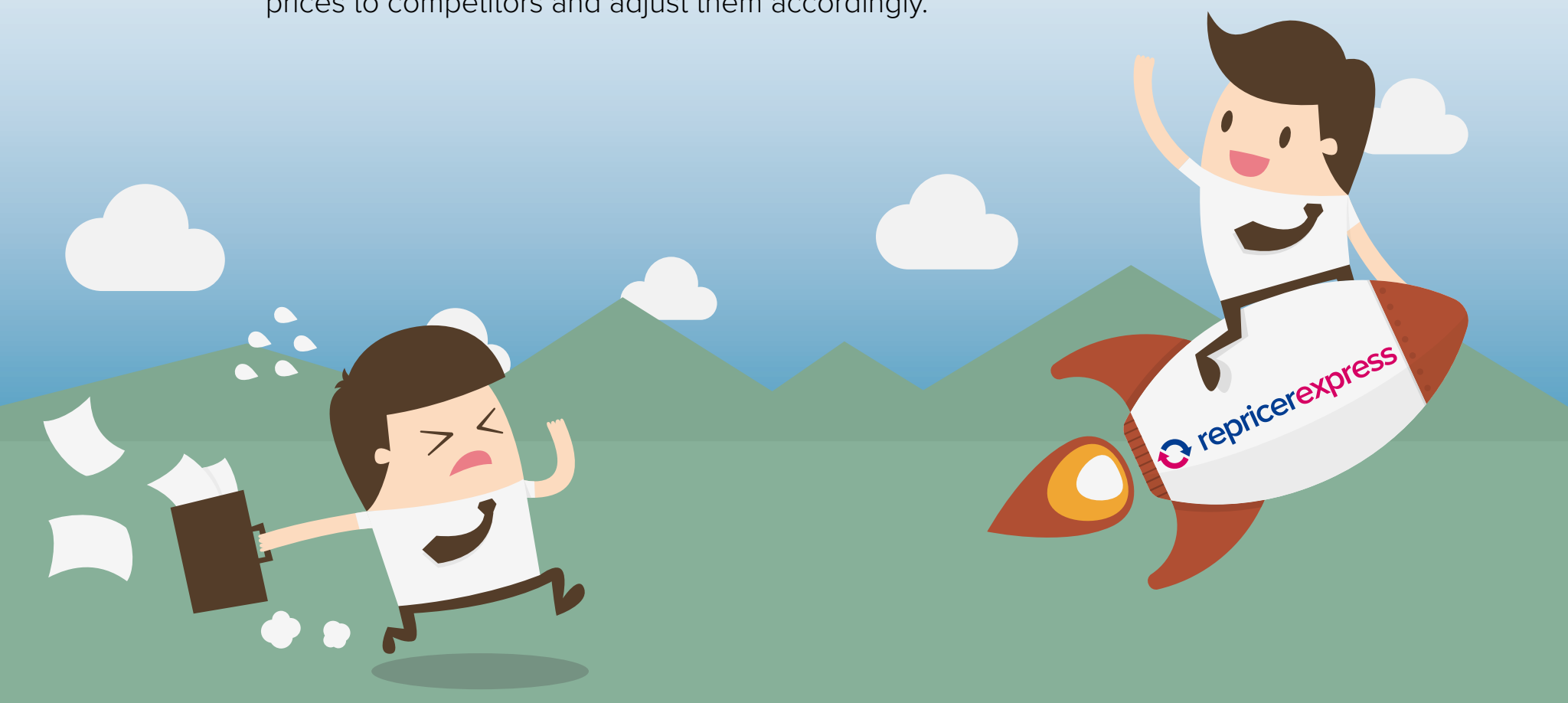


How to Stay Competitive on Amazon Using Repricing Software

Competition on Amazon has never been more intense. Staying ahead of your competitors, retaining sales and Buy Box placement are the biggest challenges third-party sellers face. That's where repricing software can help.

What is repricing software?

Repricing software allows Amazon sellers to automatically compare their product prices to competitors and adjust them accordingly.



Sales data shows that price matters (as well as other seller metrics including your seller feedback rating). Price can have a major impact on your sales, product visibility and Buy Box chances. Therefore, sellers need to continually ensure their products are priced competitively.

When you have hundreds or thousands of products to reprice regularly, doing this manually becomes unrealistic—so many sellers turn to repricing software. Repricing software like RepricerExpress can help sellers to automatically manage the prices of their products, adjusting them regularly to ensure they are well ranked and visible—even when they're asleep!

Sellers are required to set minimum and maximum (floor and ceiling) prices for their products so they can ensure they sell an item at the margin they want, and never outside of the range they're comfortable with. Within these set parameters, the software automatically manages the prices and adjusts them continuously.

If you're a serious seller, moving to an automated repricing software to keep your prices competitive is a smart move.

5 reasons why sellers are turning to repricing software

1. To save time

The number one reason that people switch from manual to automatic repricing is time. Automated repricing frees up time from your busy schedule—sometimes hours, if you have a lot of SKUs. You'll have more time to spend improving other areas of your business or simply relaxing with friends and family.

2. To increase profitability

The number one reason why people don't use repricing is they (wrongly) believe it is a race to the bottom. It's not. A good repricing solution will encourage sellers to increase their prices when the circumstances are right.

For example, when your competitor(s) sells out. Or, when your metrics are superior to other sellers and you can squeeze a bit more profit out whilst retaining your share of the Buy Box.

3. To understand your costs better

Before you start using repricing software, you should understand all your costs. As, when you get set up, you'll be required to enter a minimum price for your listings. Consider ALL your costs and note the minimum price (including shipping) you're prepared to sell your product at to ensure you are making a profit.

It's also important to set max prices for all your listings. Your max price should be realistic and will kick in when certain scenarios arise. If you have a ridiculously high price, you run the risk of being penalised by Amazon for pricing a product above the manufacturer's suggested retail price (MSRP). Amazon will delist products that have max prices outside of what it considers a reasonable price

4. To decide who you want to compete with

There are many factors you can compete with other sellers on, including fulfilment, seller rating, Buy Box Eligible status and more. A good repricer will have competition settings which let you decide who you want to compete with and how.

For example, you'll easily be able to avoid competing with sellers who want to engage in a price war/race to the bottom. And, if you're an FBA seller you may want to exclude certain categories of sellers, such as those with poor metrics and using Merchant Fulfilled Network (MFN).

5. To win the Buy Box more often

With close to 90% of all sales on Amazon going through the Buy Box, every seller should be aiming to win a share of it. There are many factors that go into Amazon's Buy Box algorithm, not just price. Established sellers who have shown they can be relied upon will have the best chance of winning a spot in the much-coveted Buy Box.

[RepricerExpress](#) is the Amazon and eBay repricing solution that's super easy to set-up and use. Sell more and keep your listings competitive 24/7 without constant attention.

Get your free 15-day trial today and start winning more Buy Box!

03



How Your Feedback Rating Can Increase Conversions on Amazon

Sales on Amazon continue to grow each year and that's good news for third-party sellers on the marketplace who experienced record-breaking sales last year.

Amazon is a very rewarding place to sell but also a very competitive one. To be successful on Amazon, you need to meet buyers' needs and ensure the transaction is a positive one.



After a transaction is complete, buyers get an opportunity to rate seller performance from one-star (awful) to five-star (excellent). The feedback a seller receives makes up their Amazon feedback rating which is a key factor when Amazon considers which seller to award the Buy Box to.

And, with close to 90% of sales on Amazon going through the Buy Box, any seller who wants to be successful on the platform, needs to win a fair share of it. A great feedback rating will boost your Buy Box chances and also help buyers make a purchasing decision.

Consumers are savvier than ever and around 92% of us will check online reviews before making a purchase. On Amazon, it is very easy to compare sellers and see which one looks the most reliable and trustworthy.

Imagine, you're buying a product that is similarly priced, are you more likely to buy from a seller with 100% positive feedback or one with 94% positive feedback? The vast majority of consumers will always go with the seller with the better feedback rating, which is why collecting positive feedback and removing neutral/negative feedback quickly is so important.

Seller A Stores

★★★★★ 100% positive

over the past 12 months.

(227,045 total ratings)

OR

Seller B BitsNBobs

★★★★★ 94% positive

over the past 12 months.

(345 total ratings)

How can you get positive feedback on Amazon?

Simply put, you need to meet (and if possible) exceed customer expectations and then ask for feedback in the right way. Amazon wants sellers who provide excellent customer service and meet their high standards when it comes to customer satisfaction.

Let's look at some of the things sellers can do to deliver an awesome customer experience and increase the likelihood of a buyer giving them a five-star review.

Sellers should ensure they ship on time in order to protect their Buy Box eligibility. Valid tracking numbers should be provided for 95% of packages shipped.

With Fulfilment by Amazon (FBA), Amazon will store your goods, then pick, pack and ship the order on your behalf. One of the big advantages of FBA from a feedback perspective is that if anything goes wrong with fulfilment, Amazon will take responsibility for it and it won't affect your Amazon feedback rating.

Sellers should aim to respond to customers within 24 hours of receiving the message. It's also worthwhile personalising your communications as this will lead to higher engagement rates. Remind buyers that customer satisfaction is important to you — many buyers don't realise they are buying from third-party sellers and not Amazon itself.

When it comes to listing items, sellers should provide accurate product descriptions, clear product titles and high-quality images. Well-written descriptions with effective bullet points can have a huge impact on your conversion rate.

Finally, Amazon expects your prices to be competitive which isn't the same as having the lowest price. One way to ensure that your prices remain competitive 24/7 is by using an automated repricing solution such as RepricerExpress.

Seller tip: The Amazon Seller app is a useful free tool which allows you to contact Amazon and respond to customers.



How can you prevent negative feedback on Amazon?

Negative feedback occurs when you fail to meet customer expectations.

On Amazon, sellers should always consider the customers' needs.

Unfortunately, even if you do your best to ensure you deliver an amazing customer experience, things can go wrong and you may find yourself getting a negative review.

However, if this happens...don't panic!

Check that the feedback left is valid. As mentioned earlier, if there was a problem with shipping and you're an FBA seller, Amazon will take responsibility and it won't affect your seller rating.

Amazon will strike through the feedback and add a comment to say, "This item was fulfilled by Amazon, and we take responsibility for this fulfilment experience."

Amazon will also remove feedback which includes obscene language or personally identifiable information. Or, if the seller feedback contains a product review, they'll also remove that as seller feedback should only be about the services provided by the seller.

If the feedback left is within Amazon's guidelines, then you'll want to contact the buyer and attempt to resolve their issue. Feedback on Amazon can be removed for up to 60 days.

If an order arrived late, you can apologise and offer a partial refund or a full refund for any shipping charges. If you hear back from the customer, you can politely ask them to consider removing the negative feedback. However, you can't connect the refund to the feedback removal.

Receiving negative feedback doesn't always have to be a bad thing. It could be an opportunity for you to improve an area of your business where you are weak and provide a better customer experience.

Seller tip: Neutral or three-star feedback can also affect your conversion ratio, so treat this the same as you would negative feedback.

Conclusion

Positive feedback can help you increase conversions by building trust with the buyer and showing Amazon, you can be relied on to deliver an awesome customer experience.

If you opt to use software to automatically request feedback for every transaction, choose a solution which is fully compliant with Amazon and designed to increase conversions such as FeedbackExpress.

When requesting feedback, don't ask for a positive review or offer incentives as this is against Amazon's policy.

If something goes wrong somewhere along the line, do your best to try to resolve any issue quickly. Removing just a handful of negative reviews can make a big difference. However, you should never pressure buyers into removing feedback.

Maintaining an Amazon feedback rating of 95% or higher will increase your chances of winning the Buy Box more often. And, more Buy Boxes means more sales and increased profits!

[FeedbackExpress](#) is a powerful, cloud-based software solution that helps Amazon sellers automate and manage their feedback communication with buyers.

The software is proven to help sellers get more positive feedback and product reviews as well as removing any negative and neutral feedback quickly and effectively.

Get your free 30-day trial today!

04



How to Rank Well on Amazon

Having a high product ranking on Amazon is a great way to increase your sales. To rank successfully on Amazon, it's important for sellers to understand how Amazon's search algorithm (called A9) works.

Amazon's product search algorithm (A9)

Amazon's product search algorithm is completely different to Google's. When a buyer searches for a product on Amazon, results are delivered through a two-step process. Firstly, they pull relevant results from their catalogue and then they rank them according to relevancy.



Amazon wants to maximise revenue per customer. They continually evaluate their algorithms “using human judgments, programmatic analysis, key business metrics and performance metrics”.

Core pillars of the A9 algorithm

Amazon has three equally important ranking factors.

- **Conversion rate** – Factors that Amazon have found to have an effect on conversion rates including reviews, image quality and prices. It’s vital for sellers to keep their prices competitive to maintain a good conversion rate. This is just one of the ways repricing software can help your Amazon business.
- **Relevancy** – Factors that tell A9 when to consider your product page for a search result. To rank higher, your product needs to be relevant.
- **Customer satisfaction and retention** – Factors that aid customer retention including seller feedback and order defect rate (ODR). Make customers happy and they’ll keep coming back. The more positive seller feedback and good reviews you get, the more likely it is that you’ll win the sale.



Here's a list of 21 factors across conversion, relevance and customer satisfaction that Amazon's algorithm considers when ranking your product.

Conversion rate factors

1. Sales rank

Sales rank (also known as Amazon's best sellers rank) is one of the most important ranking factors.

More sales = higher rankings and higher ranking = more sales!

2. Customer reviews

The number of product reviews you receive and the quality of these reviews are important ranking factors.

3. Answered questions

Answered questions are listed at the top of the product page and play an important part in conversions.

4. Image size and quality

Sellers should follow Amazon's image guidelines to ensure their listings are not suppressed. By using high-quality images of a minimum of 1,000 x 1,000 pixels you can enable the zoom feature which allows buyers to see your products in more detail.

5. Price

As well as being one of the most important Buy Box factors, the price of your products also strongly influences conversion rates and sales.

6. Parent-child products

By using Amazon's parent-child product functionality you'll direct customers to a single product page. This will help maximise your customer reviews. Learn more about parent-child relationships.

7. Time on page and bounce rate

The amount of time a customer spends on your listing will show Amazon how interested customers are in your product.

8. Product listing completeness

The more complete your product listing is, the better. Try to complete every single field in the listing setup page.

Relevancy factors

9. Title

A good product title will increase your conversion rate. To optimise your Amazon product title, it should contain keywords, be easy to read and be under 200 characters.

10. Features/bullet points

Displaying the product features in detailed bullet points which include keywords (like below) is a great way to increase conversions.

11. Product description

Use the product description to expand on your features and include your keywords. It's worth putting the effort into getting this right as a great product description will increase your customer engagement and conversion rates.

Likewise, a product description which isn't up to scratch could mean you lose sales (to a competitor) or result in negative buyer feedback. To find out how to remove negative feedback on Amazon, check out this article.

12. Brand and manufacturer part number

If appropriate, you should always include the brand in your title. This helps buyers searching by brand name to find your products.

13. Specifications

The specifications section is where you should list the technical and physical details of your product including size, shipping weight, colour etc. Completing this section shows Amazon that you're diligent when it comes to listings.

14. Category and sub-category

When setting up your product listing, make sure you select the most relevant category for your product.





15. Search terms

Amazon gives you five fields with a character limit to specify the search terms that you want to be associated with your product. You can use Google's Keyword Planner to help you.

Here are Amazon's best practices for providing keywords.

- **Don't provide inaccurate, misleading, or irrelevant information.**
- **Don't provide excessively long content. Respect the limits that are set for different fields.**
- **Don't provide redundant information that is already captured in other fields such as title, author, product description, bullet points, brand, etc.**
- **When entering several words as a search term, put them in the most logical order.**
- **Use a single space to separate keywords. No commas, semicolons or carets are required.**
- **Don't include statements that are only temporarily true, e.g., "new," "on sale," "available now".**
- **Don't include subjective claims such as amazing, good quality, etc.**
- **Don't include common misspellings of the product name.**
- **Don't provide variants of spacing, punctuation, capitalization, and pluralisation.**
- **Don't include terms that are abusive or offensive in nature.**
- **Abbreviations, alternate names, topic (for books etc.), and key character (for books, movies etc.) could be included as keywords.**

Customer satisfaction and retention factors

16. Negative seller feedback

All negative feedback counts against you equally in terms of product search results. Your feedback rating is also an important factor for your Buy Box chances.

17. Order processing speed

To be successful on Amazon, you need to ship fast and accurately. You'll also rank higher with efficient order processing.

18. In-stock rate

Poor inventory management can result in popular products going out of stock. Amazon likes sellers who keep a high in-stock rate to minimise refunds and pre-fulfilment cancellations.

19. Perfect Order Percentage (POP)

Sellers who achieve a higher percentage of perfect orders will rank higher than those who experience order issues. Learn more about POP.

20. Order Defect Rate (ODR)

If a customer makes a claim against an order, this is considered an order defect. Defects include negative buyer feedback, A-to-Z Guarantee claim, shipment problems and chargebacks. Note, if the feedback is later removed by the buyer, this won't count against your ODR. So, it's worthwhile trying to resolve any issues that might occur. Check out this article to improve your order defect rate.

21. Exit rate

Your exit rate is the percentage of times a customer views your listing and then exits Amazon. Products with a lower exit rate will rank higher and convert more.

Conclusion

To rank higher on Amazon, you need to optimise your product listing. By providing relevant and complete information for your product, you can increase your product's visibility and sales.

[FeedbackExpress](#) is a powerful, cloud-based software solution that helps Amazon sellers automate and manage their feedback communication with buyers.

The software is proven to help sellers get more positive feedback and product reviews as well as removing any negative and neutral feedback quickly and effectively.

Get your free 30-day trial today!

05



How to Find Profitable Inventory for Amazon FBA Sourcing

During just one week (or even a day!), it is possible to come across thousands of items you could potentially resell on Amazon.

Obviously, not all those items are going to make the cut and end up in your shopping cart. Some items are a no-brainer purchase. Some are definitely NOT something you should buy for resale. And some items are kind of iffy – should you buy it or not?

How do you know whether to buy an item or just pass and move on to the next item? For the rest of this article, I want to talk with you about how to find profitable inventory to sell on Amazon – more specifically, I want to show you my thought process when I'm deciding whether or not to buy an item.



First things first: I want to make sure you are using the right tools when you are sourcing. When I am doing retail arbitrage (RA), I always use the Scoutify app on my smartphone to scan inventory and see all the necessary numbers to make a smart sourcing decision:

- **Sales rank**
- **Price**
- **Fees**
- **Profit**
- **Number of competitors**
- **Historical sales rank and pricing**



Some sellers choose to use only the Amazon Seller app for doing RA, but I have found the info it returns to be incomplete. I prefer more information at my fingertips when I make a sourcing decision, so I use the Scoutify app that comes bundled with the listing software Inventory Lab.

OK, now that we have that covered, let's look at my thought process when I'm making a sourcing decision. This process works whether you are doing RA, OA, wholesale purchasing, or any other type of sourcing for Amazon FBA.

I typically ask myself four main questions when I'm making a sourcing decision:

1. **What is the return on investment (ROI)?**

We're all in this business to make money, so we want to make sure the items we're sourcing have a good ROI.

When you are first starting out at Amazon FBA, I recommend finding items that have a 100% ROI. If you have a higher percentage ROI, you have a lot more wiggle room to make some mistakes and adjust your price if necessary.

As you gain more experience and confidence, you can begin sourcing items that have a lower ROI. Some sellers stick with 75% and above, while others stick with 50% or above.

If you find an item that will sell very quickly, you can even go as low as 30% ROI. The main point here is to find items that have a good ROI, whatever the parameter is that you've set.

If you can't make money on your investment, you want to move on and look for different inventory items.

2. Am I approved to sell the item?

Some categories are gated for certain sellers, and some brands are restricted to sellers.

The second thing I look at when I'm making a sourcing decision is whether I am approved to sell an item. If I can't sell it, there's no real point in continuing to consider it.

You can see whether you are approved to sell an item from within the Amazon Seller app, but Scoutify also has a link to show you whether or not you are restricted for the item.

3. What is the sales rank?

The sales rank of an item is how I can tell whether or not the item will sell quickly on Amazon. Amazon tells us the current sales rank of every item in their catalogue, and we can see that information when we scan an item with a sourcing app.

You want to make sure, though, that you are considering the average sales rank when you make a sourcing decision, not just the current sales rank. Amazon updates sales rank frequently throughout the day, so you need to know how much that sales rank varies over time.

You can look at graphs on CamelCamelCamel and Keepa to figure out the average sales rank in a glance; both Camel and Keepa have quick links through the Scoutify sourcing app.

I recommend checking out an Amazon sales rank chart to make sure you know what is a low or high sales rank for the category of the item you are looking at. Our blog offers a monthly updated sales rank chart for subscribers. You can use the chart to see if an item's average sales rank falls in the top 1%, 3%, 5%, 10%, or higher for its category.

If you're interested in learning more about sales rank, we offer an affordable mini-course called The Reseller's Guide to Sales Rank: Understanding Amazon Best Sellers Rank for Maximum Profits. I've included in the mini-course everything I know about sales rank to help you get started with making smarter sourcing decisions. I make my sourcing decision based on how high or low the sales rank of the item is. If an item has a low average sales rank, it is a faster selling item. If the average sales rank is high, the item will sell more slowly.

4. What is the competition?

Unless no one else is selling a particular item, you are going to have competition if you sell that item. There are two main competitors you need to consider: Amazon and other third-party sellers. When it comes to competing with Amazon, I generally choose not to buy items that Amazon sells. I always look to see if Amazon is in stock on an item or has been in stock recently. If so, I typically pass on that item unless I can price it significantly lower than Amazon.

Generally, Amazon does not tend to share the Buy Box, and since the Buy Box is where over 90% of Amazon sales come from, I don't want to risk buying inventory where I will never have a chance to get that Buy Box.

To see the history of Amazon being in stock or out of stock on an item, I check the Keepa graph for the item through the Scoutify app.

I also like to look at the other third-party sellers who are priced competitively on the item. I'm only interested in those sellers who are priced within 1% or 2% of the buy box price. Anyone priced higher than that isn't truly going to be my competition. I want to make sure there's a relatively low number of sellers priced competitively so that I can be assured of getting time in the Buy Box.

The higher the sales rank, the fewer competitors I want on the item. If the sales rank is lower, I am more willing to tolerate a relatively higher number of competitors – with a low sales rank, the item will be selling fast enough that I can still get time in the buy box and make my sales.

Those are my four main deciding factors when I am making a buying decision for my Amazon FBA business. As with anything, there are some exceptions that come up when I'm looking at this criterion. The more comfortable you are with your experience at making these decisions, the more you will be able to see when there are exceptions to the buying parameters you set up for yourself.

There are other less important factors I sometimes consider, as well, such as number of reviews and whether or not they are positive. I tend to use other factors in my decisions when I'm on the fence about a buy.

Stephen Smotherman loves helping people turn part-time hours into a full-time income with Amazon FBA. He has been using Amazon FBA since 2011 and has been able to completely support himself and his family almost from the beginning.

On his fantastic blog, [Full-Time FBA](#), Stephen and his wife team up to provide free Amazon FBA related tips, tutorials, walk-throughs, videos, and so much more.

06



Selling Multichannel

You don't plan for retirement by sinking all your money into a single stock. You don't get super fit by working a single muscle group. Selling is no different.

Smart ecommerce sellers sell across multiple channels, diversifying their income and serving a large customer segment. That way, if Amazon suddenly changes the rules or suspends your account, your business survives.

Anyone can setup multiple accounts, upload inventory files and create product listings on different platforms. But, if you want to succeed you can't afford to use a one size fits all approach. If you want to sell on multiple channels there are a couple of things you can do to stay competitive.



1. Make inventory management your top priority

Your inventory is a physical representation of your assets. It's the heart of your business. Selling on more channels means that you need a central system that can keep track of sales in real time. The last thing you want is to list an item on Amazon, only to find out you sold everything out through your listing on eBay and the next shipment isn't due for another few weeks. This road leads to negative reviews, loss of confidence and potential suspension!

Using a robust multichannel inventory management software like Skubana will allow you to manage all your inventory through a single interface. This way, you can focus on increasing sales and creating a better customer experience.

2. Devise a custom strategy for each channel

You don't use the same marketing strategy on Twitter and Facebook. The same rule applies to omnichannel selling. If you want to maximize sales through Amazon, Walmart, Jet and your own website, you need to dig deep into the analytics and understand how your customers interact with each platform.

If you are just starting out, you may be tempted to jump on all the channels at once. More listings mean more sales, right? The reality is more complicated than that. Start with one channel at a time. Optimize your listings and create a marketing and sales strategy that aligns with your overarching goals.

Let's say you start out selling on Amazon. Dive into the research and optimize the entire process first. Create a marketing strategy that gives your listings their best shot. Compete for the buy box and drive organic and/or paid traffic to your products. Once you've built a process and analysed the results, move to the next channel. This gives you time to integrate each channel into your overall sales strategy, creating a cohesive customer experience across the board.

3. Customer experience is the new frontier

The Multichannel Digital marketing report found that 46% of organizations deliver a poor customer experience. As a result, potential customers abandon their carts and move to other channels.

As more businesses move into the online space and compete for your customer's attention, sellers that create a stellar customer experience will come to the forefront. Amazon is a master at winning customer loyalty.



Amazon's A to Z policy, Prime membership, free shipping over \$25, hassle free returns and easy to use interface come together to make the customer feel at ease. They know that Amazon is reliable and if something goes wrong, it will get fixed. You need to create a similarly stellar experience across all your channels.

Always deliver on your promises. If a product gets damaged or doesn't meet your customer's expectations, fix it. Offer a returns policy that doesn't scare people from buying. AllBirds, an e-commerce shoe seller, have a 30 day no question asked returns policy. Customers can try the shoes out in the real world and return them. The company's sheer confidence in the product and simplicity of their policy enhances the customer experience and sets them apart. Outline your policies and then apply them to all the channels you sell on.

4. Build a repeatable, semi-automated process

A great sales process is cyclical: it's a series of repeatable steps that get improved during each cycle. Research and purchase product. Create and optimize listing. Market and sell product. Analyse the metrics. Rinse and repeat. If you want to successfully sell across multiple channels, you need to create a process that can be semi-automated.

Use software tools to take care of the boring grunt work like creating orders for your approval when you run low on stock. Use powerful analytics software to gather data so you can interpret what's working and what isn't. Consider repricing software to help you stay competitive and in line for the buy box. Get a CRM that helps you create quality nurturing campaigns for buyers that visit your own site or social media pages. A streamlined process makes it easy to keep track of what's going on and scale and grow your omnichannel business.

Making the most out of multichannel selling

Selling on multiple channels has many benefits. Selling on a marketplace like Amazon helps you get your foot in the door. Expanding into other marketplaces and building your own website helps you grow, reach more people and diversify your income source. Your multichannel selling and marketing strategies should work together, supporting each other and paving your way to success.

[Skubana](#) is an all-in-one ERP system and operations platform designed for high volume sellers to run and automate their business. By unifying point solutions in one place, sellers can now diagnose what used to take weeks in seconds.

t integrates with most ecommerce marketplaces, 3PLs and warehouses, provides profitability and multi-channel inventory management and compiles all of your marketplaces on a single convenient dashboard.

Reach them at info@skubana.com with any questions, or sign up for a 14-day free trial.

How Top Sellers Avoid Suspensions

We're heading into the holiday peak season of selling on Amazon, Q4, which is the worst time of year to face listing restrictions or an account suspension.

Being in touch with groups of sellers (and even consultants) who understand the inner workings of Seller Performance and Product Quality teams while following along with changes as they happen is one place to start, of course.

But what to do on a day-in, day-out basis when it comes to your own account? I recommend that you focus on the quality of your products, your supply chain documentation, and the quality of your communication back to Amazon when they warn you about an account problem, of any kind.



Showing Amazon that you read and react to their notifications will pay dividends later if/when an investigator is reviewing you for something else, but discovers that you've examined and acted upon each reported issue as soon as they arise. It could even go a way toward preventing a manual investigation of your account from turning into a suspension, as they weigh the options in front of them. Why risk it? Reduce that chance by communicating solutions, not silence.

Do you know how to respond correctly? At this point, all policy warnings and blocked listings should be addressed with a Plan of Action. That's why we created an [Amazon appeal blueprint](#) of my proven method for writing Amazon appeals. It guides you through the steps you need to take, and how to present Amazon with the information they want. This should be a part of your standard operating procedures for you and your staff.

1. Respond to product quality-related notifications

Warned about the quality of an item you sold that generated too many returns, or buyer complaints about defects, functionality, or consistency with your listing details? Take action to review internally all of your processes around the sourcing, inspection and listing content of your item to make sure you demonstrate capabilities for operational improvement.

Out of stock, and not planning to list or sell the item again? Make sure the listing is deleted, locate and remove any remaining inventory (if there's any left in FBA), then communicate to Amazon what you did to fix the problem. Request an account annotation and further solidify in their minds that you've taken the reported problem seriously enough to determine the nature of the shortcoming while offering your already-executed Plan of Action.

What will this show them? You're a hands-on seller willing to remove inventory or delist products, even if it means a few lost sales, to protect the buyer experience on the site. You're regularly checking return reasons, looking over buyer messages about their dissatisfaction with orders, and taking steps to prevent future problems from future orders. You're participating in the marketplace by truly managing your account, not participating as the bystander type of seller would, listing and selling and hoping to repeat enough sales to increase profits month over month minus real due diligence.

How do you tell them? You find the best writer at your company, well-versed in the art of communication of ideas, and put them front and centre in charge of notification replies. This may not necessarily be the owner or manager of your teams, or someone that high up in your operations. This needs to be part of your standard operating procedures.

Make sure that all extraneous, unrelated information is nowhere to be found. Remove comments about metrics, plans to sell other things soon, or how much you'd like it if Amazon called you to explain their approach. This should be detailed, but concise, and cover the specific item quality matters at hand. Are you changing suppliers and sourcing somewhere else? Show them verifiable info on that supplier, and tell them why the change eliminates the problem. Are you aware of safety incidents around a particular product, and have temporarily delisted it in order to pull back products from FBA to inspect them further? Tell them this, in detail, and make it look and sound like a comprehensive Plan of Action. They'll hold you to what you say you're doing, so it's not just for show. This is the real deal -- make sure you do it, and effectively.

2. Stay informed: don't be a stranger!

Don't live in a small Amazon bubble of your own making, when there are mountains of resources out in the world to guide you, and in fact warn you, of incoming threats.

Not so savvy on social media? Just like having your best writer draft your correspondence to Seller Performance or Product Quality, make sure someone in your Amazon account management circle pays attention to policy warnings that other sellers receive, instead of disregarding any actions that don't happen to you.

What happens to someone else in your category today could happen to you tomorrow, so stay active in Facebook groups (here's mine) or email newsletters containing updated info in what teams like Product Quality are doing.

I understand that Amazon often appears to operate with impunity and turn on a dime, but that is NOT always the case. Frequently, sellers contacting me indicate that they had no idea a certain brewing storm that led to their account suspension approached weeks in advance and came as no surprise to informed sellers.

In 2017, notably sellers suspended for product review abuse or Notice Claims of infringement often told me they had no idea what they had practised might turn into restrictions. In our world, both of these matters were visible for months out. Many of those suspensions could have been prevented.

3. And finally—and perhaps most obviously...

Pull problematic product! For the ever-common “inauthentic” warnings, don’t blame buyers or competitors and assume it will all go away with a simple email to Amazon, invoice attached, pointing out how many sales you had without bad feedback or claims.

Don’t cling to selling something that attracts the ire of your customers on a regular basis, leading to listing removals, warnings, and further scrutiny of your Amazon account. When in doubt, throw it out! Especially during Q4, when you can hardly risk having one troubled item pull your entire account down during the season of your highest sales!

If it’s your top selling listing and you have way too much of it to turn back now, make sure you figure out fast the reasons why people keep complaining about it. What you learn today from a negative buyer experience alert on a listing you still have access to could prevent the permanent revocation of that listing tomorrow! Make a solid risk assessment and value judgment before you simply deny that you could possibly consider deleting a favourite.

Proactive, two-way communication with Amazon is THE most important thing you can do to protect your account. Look at the information they and their customers are giving you in your account and respond accordingly. I’ve broken down my 4-step proven [Amazon Appeal method](#) into easy to follow steps for you and your staff. Get your sneak peek now.

You’ve put a lot of time and money into your Amazon account. Protect your investment with expert advice. As a former Amazonian, [Ecommerce Chris](#) shows sellers how to keep their accounts healthy.

08

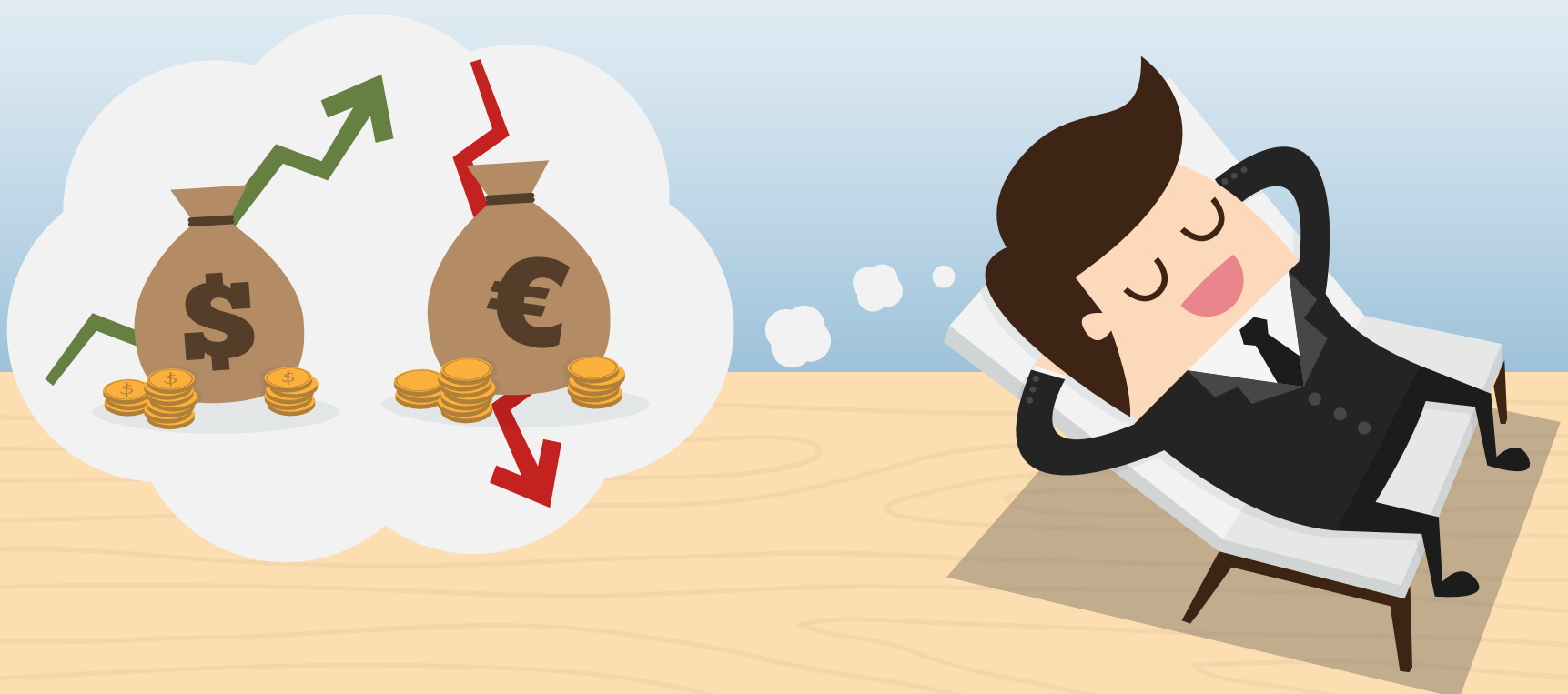


How Online Sellers Can Beat Currency Market Uncertainty

Foreign exchange rates are notoriously volatile, and their unpredictability can create major headaches for online sellers who aren't properly prepared.

Issues like Brexit, the US Presidency and central bank interest rate outlooks have all been inspiring significant currency movement since 2016. With geopolitical tensions fraught, uncertainty is high and trade relationships could change dramatically.

And it's not just businesses selling in overseas territories that can be affected by currency volatility; if you're importing stock to sell online domestically, using services based abroad, or paying staff around the world, your business is exposed to currency risk.



As nothing stays still for long, it becomes impossible to accurately forecast your cash flow – but fear not. Although selling online opens your business up to currency risk, there are ways to protect yourself and your bottom line.

So, what issues will you face, and how can you overcome them?

Repatriating revenue from overseas sales

Problem: The risk when repatriating sales revenue from overseas using an online marketplace is twofold.

Firstly, Amazon charges a conversion fee for paying your profits into a bank account in a currency other than USD. This can be as much as 4%.

On top of this, fluctuations in exchange rates can mean that the same revenue is worth several percent more or less one month than the next. This can cause problems for your cash flow projections and make it difficult to maintain your bottom line while investing in growing your business.

Solution: Have your online marketplace transfer your sales revenue into a collection account located in the same country in the national currency. These collection accounts can hold multiple currencies and give you live access to your balances.

Your specialist currency broker can then transfer it back to your domestic account fee-free and at a competitive exchange rate. By controlling when your profits are repatriated, you retain the freedom to get quick access to the funds if you really need them, or wait until the exchange rate is particularly good and transfer to maximise your earnings.

You can even automate the process, instructing your broker to repatriate profits when your account balance reaches a certain level, or each time funds are paid in.

Paying overseas invoices

Problem: Whether you're buying stock from overseas suppliers or using service providers abroad, currency fluctuations can increase the cost of settling invoices if the markets move against you.

An invoice for \$100,000 requires you to send £76,799 when the GBP/USD exchange rate is \$1.3021, but you would need to send £77,833 to settle the same invoice if GBP/USD dropped to \$1.2848. Those figures were taken from the highs and lows seen in one week during August 2017.

Fluctuations of this scale - or even larger - on a weekly basis are common, with exchange rates often rising or falling by 5% over the course of a month.

This can inhibit your ability to forecast cash flow accurately and cloud the future of your business.

Solution: Use a forward contract to fix an exchange rate for up to a year and know exactly how much your overseas payments will cost in Sterling in advance.

In the example above, if you had used a forward contract to fix the higher GBP/USD exchange rate of \$1.3021, you would have been able to use that and send £76,799 to service your \$100,000 invoice, regardless of the fact that the market later weakened. You'd save £1,034 on paying that invoice alone; savings like that quickly add up on monthly expenditures.

With the use of handy hedging tools like forward contracts, you can budget your outgoings much more effectively, freeing up cash flow to focus on expanding your business.

Maximising opportunities, minimising risks

Marketplaces like Amazon position your products in front of international consumers, maximising your opportunities for growth. With the addition of a collection account for your profits and a simple hedging plan, you can easily minimise the risks attached to being exposed to the foreign exchange markets.

Preparation is key. You will have spent a lot of time researching overseas markets, what customers want and how much they're willing to pay for it. Now is the time to think about what happens after they've paid; locking in your profit and protecting your bottom line.

Currencies Direct work with thousands of online sellers. We help collect money from overseas online marketplaces quickly and easily. When you sell products on an overseas marketplace, your customer buys in their own currency – not yours.

If you do not have a Collection Account, the online marketplace will charge around 4% to convert your sales revenue into your home currency.

Sales Tax 101 for Ecommerce Sellers

One of the lesser-talked-about but necessary parts of your ecommerce business is dealing with sales tax.

This guide will walk you through the six steps to sales tax compliance for online sellers so that you can conquer this administrative hassle.

The six steps to sales tax compliance are:

1. Know where you are required to collect sales tax

In the US, you are only required to collect sales tax from buyers in states where you have “[sales tax nexus](#)”. Sales tax nexus is just a fancy way to say a “significant presence” in a state.



The following business activities create sales tax nexus:

- **A location** – your home, an office, warehouse, store, or other physical place of business
- **Personnel** – an employee, contractor, salesperson, installer or other person doing work for your business
- **Inventory** – Most states consider storing inventory in the state to cause nexus even if you have no other place of business or personnel
- **Affiliates** – Someone who advertises your products in exchange for a cut of the profits creates nexus in many states
- **A drop shipping relationship** – If you have a third-party ship to your buyers, you may create nexus
- **Selling products at a tradeshow or other event** – Some states consider you to have nexus even if you only sell there temporarily

If you have nexus in a state, you are required by the state to collect sales tax from buyers in that state. You can [read what each state's laws say about what creates sales tax nexus here](#).

2. Determine if your products are taxable

In most cases, the sale of tangible personal property is taxable. So, if you're selling furniture or coffee mugs, you'll likely be required to charge sales tax on those items. (Unless you happen to only have nexus in one of the 5 U.S. states without sales tax – Alaska, Delaware, Montana, New Hampshire or Oregon!)

In some states, though, clothing, grocery items, medicine and medical supplies and other product categories are not taxable. You can [check with your state's department of revenue to find out if the items you are selling are taxable](#).

3. Register for a sales tax permit

Once you have determined in which states you have nexus, your next step is to register for a sales tax permit so you can legally collect sales tax from your customers. Here's [how to register for a sales tax permit in each state](#).

Once you register, your state will assign you a sales tax filing frequency and due date.

Though it varies by state, you will generally file either every month, every quarter or once per year. The day of the month when sales tax is due varies from state to state, too. If you are registered to collect sales tax in more than one state, be sure to keep track of your sales tax due dates.

4. Collect sales tax

Now that you have a sales tax permit, your next step is to begin collecting sales tax from your customers. Luckily, the major online shopping carts and marketplaces all have automatic sales tax collection built in. You just need to set up sales tax collection before you begin selling. You can find [guides to sales tax collection on the major online shopping carts and marketplaces here](#).

If you charge shipping, keep in mind that some states require you to collect sales tax on shipping charges and others do not. You can [find out which states require sales tax on shipping here](#).

5. Report the sales tax you collected

When your sales tax filing due date rolls around, it's time to report the sales tax you've collected. This is where sales tax gets tricky.

Most states want you to break down how much sales tax you collected from buyers in each city, county and other special taxing district. This means determining if your buyer's address falls inside or outside the city limits, or if they fall into a special transportation taxing zone. That's where [sales tax automation](#) comes in. With sales tax automation, you connect your online shopping carts and marketplaces and your software will let you know which city, county, etc. each of your customers lived in, and will provide you with all the info you need to file a sales tax return.

6. File your sales tax return

Last but not least, you need to file your sales tax return and remit the sales tax you collected to the state. Be sure to do this by the due date to avoid fines or penalties. Also, even if you didn't collect any sales tax over the period, but sure to file a return. You can be charged a penalty for late filing even if you didn't have any sales tax to remit!

Also, some states provide online sellers with [sales tax discounts](#). This means they let you keep a small (1-2%) amount of the sales tax you collected. Don't forget to take your sales tax discounts, because they're free money!

I hope this post has helped you get a grip on sales tax. For much more, check out our [Sales Tax 101 for Online Sellers guide](#).

[TaxJar](#) is a service that makes sales tax reporting and filing simple for more than 10,000 online sellers. Try a 30-day-free trial of TaxJar today and eliminate sales tax compliance headaches from your life!





Funding Options for Amazon Sellers

If you're looking to expand your Amazon store, one of the most vital ways to do so is through expanding your inventory (especially around the holidays).

However, this requires a large amount of funding, and if you don't have enough cash saved up, you might not know where to go for help.

An issue that Amazon sellers might face is being rejected by traditional banks. First, they tend not to lend smaller amounts of funding, and second, they're not quite sure how to handle online businesses. Here, we'll show you four alternative funding options to expand your Amazon store's inventory.



1. Amazon lending

Why not go straight to the source? Amazon offers direct loans to small businesses who sell on the Amazon marketplace, so it's specifically tailored to help you finance your store. The tricky part of Amazon Lending, however, is that you don't apply for a loan. Instead, Amazon reaches out to you if you're a top performer in the marketplace. Along with increasing your revenue, being a top performer guarantees you a spot for Amazon financing.

The loans from Amazon range from four-to-six-month terms with competitive interest rates (10 percent for four months and 14 percent for six months) and can come with amounts from \$1,000 to up to \$800,000 – that's a lot of funding! With this loan, you can only use it for inventory funding, however. So, if you're looking for funding to optimize your store in other areas, you may want to look elsewhere.

2. Merchant cash advance

Merchant cash advances work by, quite literally, getting cash in advance based on your future credit card or debit card sales. With this funding, you don't have a regular fixed payment, but the lender collects a set percentage of daily sales. There usually isn't a fixed interest rate for merchant cash advances, but it can still be an expensive option.

3. Business line of credit

Another way to get funding for your inventory is through a line of credit like Kabbage. Lines of credit vary greatly from traditional business loans. They offer flexible funding amounts for short-term needs (usually six-to-18-month terms), and you don't start paying back the loan until you've taken out funding. Because of the shorter-term lengths, some lenders tend to charge higher interest rates on your loan. One benefit that Kabbage offers is an early repayment benefit where customers can save on fees when they pay back early. Lines of credit can typically be applied and qualified for quickly online. Within minutes, you can see how much you're qualified for and start borrowing funds.

4. Peer-to-peer loans

Peer-to-peer lending (P2P) is funding between individuals. With P2P, you can remove the middleman (the financial institution), but it comes with greater risks, time and effort. One advantage of P2P lending is your ability to negotiate the terms of your loan, and they provide capital for your store should you be unable to get funding elsewhere. The loans will generate income via interest, which, unfortunately can be higher than traditional loans since there's larger risk for the lender.

Conclusion

These four alternative lending options can help you expand your Amazon store when you may not have the cash flow to do so. Of course, inventory is vital to your online store, so ensuring you have enough for expansion – or even for the holidays – can help take your success as a small business owner to the next level. If you've been rejected by traditional lenders, don't fret. Consider these alternatives to get the financing you need.

[Kabbage](#) empowers small businesses through straightforward, flexible access to capital. We've extended more than \$3 billion directly to small business owners and powered automated funding for other organizations all over the globe – all while maintaining a remarkably high laughter quotient.



11



Optimised Inventory Management

Some products are more important to your business than others. The Pareto Principle (the 80/20 Rule) tells us that roughly 80% of the effects come from 20% of the causes.

Segment your products

When selling on Amazon, this means that 80% of a seller's profit can be attributed to 20% of their products.

Your inventory management strategy should focus extra time and resources on the top 20% of your products. You want to ensure these inventory levels are optimized so that you don't run into an extended stock-out for one of these products.



Build strong supplier relationships

Having a strong supply chain is one of the keys to having a scalable and sustainable business on Amazon. A strong relationship with your suppliers will prevent issues throughout your business. Weak supplier relationships can be extremely expensive and even force the business to shut down.

From the beginning of your relationship with your suppliers, be sure to stress the importance of clear and honest communication. Be transparent with your supplier about why you need to know an honest timeline for manufacturing. You'd rather know that it's going to take 40 days to manufacture your product, versus having them tell you it's going to take 30 days and it ends up taking 40. If your supplier is up front with you then you can plan ahead.

A mutually agreed upon quality assurance (QA) document is imperative for preventing product quality issues that lead to negative customer reviews. This document should outline your product, packaging, and shipping box expectations.

Documented business processes

If you want to scale your Amazon business to the top of the marketplace then you'll need to document all of your business processes. Yes, a standard operating procedure (SOP) sounds like something that only large businesses need to do, but even the smallest of businesses should do this from the beginning.

Experienced entrepreneurs understand that it's difficult to improve on what you're currently doing if you don't have it written down. Writing down your business processes will also allow you to hire additional team members when you are ready. Not only will you have a clear definition of what your new team members will handle, but they'll also have a documented process to make training easier.

Don't like writing? Try making screen recordings of your tasks and sending them to a virtual assistant (VA) who can write a SOP. Here at Forecastly, we record all tasks using Camtasia and then have a team member turn the video into a written SOP for all team members to use.

Your SOPs should include an inventory replenishment process. It's easy to get distracted by new marketing tactics, but you should focus on boosting the profit of your inventory first. Most sellers know that stock-outs are expensive, but only the best sellers know how important avoiding a stock-out really is.

Your inventory management SOP should include specific criteria that you use during your replenishment process. Here are some examples:

- **How often do you place replenishment orders?**
- **What is the maximum cash investment for new products?**
- **What is the minimum return on investment (ROI) percentage you need from a product?**
- **How do you determine the number of units to be replenished?**

Having specific criteria that you use during the replenishment process will also allow you to delegate the entire process – another positive move for scalability.

Use data to predict demand

The top Amazon sellers know how to utilize data to improve the accuracy of their demand forecasting. Every product on Amazon shows some level of seasonality and trend. If you don't account for seasonality in your inventory replenishment strategy then you'll have expensive stock-outs and excess inventory.

You can use a tool like Google Trends to give some insight into the seasonality of your product category. Tools like Forecastly use seasonality and trend data from millions of products on Amazon to give you an extremely accurate prediction of how your products will perform in the future. This ultimately results in higher revenue from reduced stock-outs and improved cash-flow from lower excess inventory levels.

As an Amazon seller, you have a plethora of data available to you. Find tools that can help you utilise this data to improve all aspects of your business and you'll beat your competition.

[Forecastly](#) is an analytics tool to help Amazon FBA sellers boost their sales through automation and efficiency. Built to optimize the FBA inbound process.

Special offers

and contributor links



Amazon repricing software

FREE 30-day trial

[Get the offer](#)

Use promo code **TOPSELLER**



Amazon feedback software

FREE 45-day trial

[Get the offer](#)

Use promo code **TOPSELLER**



Simple Sales Tax Filing for
Amazon Sellers

10% OFF annual plan

[Get the offer](#)

Use promo code **SELLER**



Predictive Analytics and Demand
Forecasting for Amazon FBA Sellers

25% OFF first 2 months*

[Get the offer](#)

Use promo code **rpex17-ks3**



Foreign exchange services

[Get a free quote](#)



Business loans

[Apply now](#)



Multichannel ecommerce software

[Book a demo](#)



ecommerceChris

Amazon suspension advice

[Get expert advice](#)



Ecommerce advice

[Get great advice for Amazon sellers](#)



Ecommerce news

[View great blogs and reviews](#)

* Includes free 14-day trial. New subscriptions only. Must redeem by 12/31/2017.



Amazon and eBay repricing software
trusted by thousands of sellers.

www.repricerexpress.com

USA
280 Madison Avenue
#912 – 9th Floor
New York, NY 10016

UK/Europe
16-18 Strand Road
Derry, Northern Ireland
BT48 7AB

Sales:
+44 (0)28 7136 3727