# 12 THINGS YOU NEED TO KNOW ABOUT SELLING ON AMAZON



WE OUTLINE 12 COMPONENTS OF A SUCCESSFUL AMAZON SALES STRATEGY

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## 01

# Amazon Unveiled: Decoding the Marketplace

#### Let's dive in!

This phase is fundamental, as it lays the foundation for your entire Amazon journey. Understanding the marketplace's intricacies is an important step to navigating its unique features and running your new eCommerce channel successfully.



#### The Main Considerations

How does an Amazon account fit into your current business model?

For many smaller sellers, Amazon will comprise of up to 80% of eCommerce revenue, thus taking priority when it comes to strategic decision making - but, for more established businesses, a holistic decision-making process is vital. This eBook is directed towards small to medium sized businesses that have or plan to have Amazon as their leading channel.

- 1. Market, Category and Product Research: Thorough market research and category understanding is vital to any strategy. DO NOT SKIP THIS STEP; the repercussions can significantly impact stock value, profits & international compliance regulations.
- 2. Fulfilment Operations: Learn about Fulfilment by Amazon (FBA) and Seller-Fulfilled Prime (SFP), understanding how each affects inventory management, customer experience, and logistics costs. (more about logistics later)
- 3.**Profit Margins:** Yes, we are already discussing profit margins. Many Amazon sellers are unaware of the money they are losing each month. Amazon makes it challenging to determine your profitability metrics, often giving sellers a false sense of success. In reality, Amazon fees, COGS & Advertising fees leave little on the table for small to medium business owners. (*more about profits later*)

# Before setting up your Seller Account

Without a properly set up seller account, you can't list or sell products on Amazon. Here are the crucial steps in establishing your seller account and making sure it stands strong in the bustling Amazon marketplace:



#### **Legal Requirements**

Compliance with legal requirements is the cornerstone of a secure and trustworthy seller account. It not only ensures a smooth relationship with Amazon but also builds a foundation for transparent transactions. Stay informed about changes in regulations and proactively update your account to remain compliant.



#### **Account Verification**

Account verification is the security checkpoint for your journey on Amazon. Make sure you understand the verification process, including the importance of accurate information and how it impacts your ability to sell on Amazon.



#### **Choosing a Business Model**

Selecting the right business model sets the tone for your Amazon journey. Will you manage a Vendor account or a Seller account?

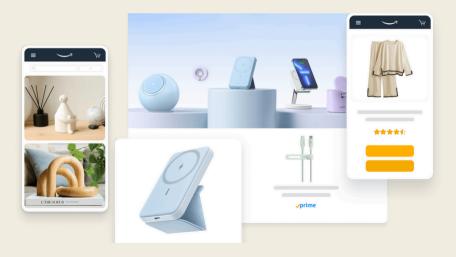
It's the initial decision that aligns with your business scale and goals. Assess your business size and frequency of sales to decide between an Individual Seller account (suitable for occasional sellers) or a Professional Seller account (ideal for high-volume sellers).

# Product Selection: Building your catalogue

Choosing the right products is crucial for success on Amazon. In-depth research helps identify profitable opportunities, understand demand, and find products with a competitive edge. This step directly influences the long-term viability of your business.

#### In-depth product research involves:

- Market Analysis: Utilise tools like Jungle Scout, Helium 10, or Viral Launch to analyse market trends, competitor products, and potential demand for your chosen niche.
- Identifying Profitable Products: Evaluate profit margins, taking into account product costs, Amazon fees, and potential advertising expenses.
- **Niche Selection**: Consider entering niche markets with less competition, where you can establish a unique selling proposition.



# The Art of Strategic Product Sourcing

Your choice of suppliers will impact your business in a big way. This step recommends that you establish strong partnerships, negotiate favourable terms, and maintain consistency in product quality, leading to customer satisfaction and repeat business.



#### **Supplier Vetting**

Develop a systematic approach to vetting suppliers. including checking references, requesting product samples, and assessing manufacturing capabilities. Implement risk assessment criteria to identify and mitigate potential challenges, such as production delays or quality issues.



#### **Negotiation Tactics**

Understand negotiation strategies to secure favourable terms on pricing, minimum order quantities, and shipping arrangements. Negotiate with a long-term perspective, fostering relationships that allow for flexibility and adaptation to evolving business needs.



#### **Quality Control**

Quality control is the guardian of your brand reputation. Implementing rigorous processes ensures that every product aligns with your standards and delights your customers. Establish a feedback loop with suppliers, allowing for open communication and continuous refinement of quality control processes.

## Inventory Insights: Streamlining for success

#### **Inventory Management**

Managing inventory (also called stock or goods) is the backbone of any eCommerce business. In traditional retail and eCommerce models, the business (you) purchases bulk inventory from a supplier and then resells individual units directly to customers (D2C), ideally for a profit, of course.

Dropshipping, on the other hand, involves facilitating purchases between a customer and a seller. This means the dropshipper does not own any inventory, but that's not the focus of our discussion here."

#### **Efficient inventory management**

The quality and consistency of your Inventory Management directly impacts customer's buying experience and trust in your brand. Furthermore, Amazon rewards product listings for quick, reliable deliveries and penalises stock outages and faulty shipments.

As sales increase, forward thinking and thorough preparation become more and more necessary, particularly when your supplier has longer lead times. Accurate forecasting and proper storage solutions help optimise availability & cash flow, while minimising storage costs, and improving overall operational efficiency.



# Navigating FBA and SFP for Amazon Success

Choosing the right fulfillment method is a pivotal decision that can shape the efficiency and customer experience of your Amazon business. Let's explore the dynamics of Fulfillment by Amazon (FBA) and Seller-Fulfilled Prime (SFP):

**FBA** provides a range of benefits that can significantly streamline your business operations and enhance customer satisfaction.

#### **Advantages:**

- Hands-Free Shipping: Amazon takes care of the entire shipping process, from order packing to delivery, relieving you of logistical burdens.
- Customer Service: FBA handles customer service inquiries and returns, providing a seamless and professional experience for buyers.
- Prime Access: By utilising FBA, your products become eligible for Amazon Prime, granting customers access to fast and reliable shipping.

Seller-Fulfilled Prime offers more control over the fulfillment process, making it an attractive option for certain sellers with specific logistical preferences. SFP allows you to manage and control shipping speed, enabling you to customise delivery options to meet customer expectations. Sellers can have more control over shipping costs, potentially reducing expenses compared to FBA. It also allows you to maintain greater control over the packaging and presentation of your products, contributing to a consistent brand image.





# The Importance of **Compelling Storytelling**

A well-crafted listing is your virtual storefront. It influences customers' purchasing decisions by providing clear information and appealing visuals. Optimising product listings enhances visibility and improves conversion rates.

The title is one of the first things potential customers see, and it plays a significant role in search ranking.

#### Tips:

- Relevance: Ensure that your title accurately reflects the main features and purpose of the product.
- Keyword Placement: Incorporate high-impact keywords early in the title for maximum visibility.

· Conciseness: Keep titles concise and easy to read, avoiding unnecessary information that may confuse

The product description is your opportunity to provide customers with detailed information about your product, addressing their potential questions and concerns. A compelling description can influence purchasing decisions.

Images are a critical factor in customers' decision-making process. High-quality images not only showcase your product but also build trust and credibility. Customers can't physically touch or try your product online, so the images must provide a comprehensive visual experience.



# Mastering Amazon's Cadence for Maximum Visibility

Effective SEO ensures your products are discoverable. By researching and strategically placing relevant keywords, you increase the likelihood of your products appearing in customer searches, driving organic traffic to your listings.

Competitor Analysis: Analyse competitor listings to identify effective keywords and optimise your own listing accordingly.

While learning from competitors, focus on differentiating your product by identifying unique selling points





**Keyword Placement**: Strategically placing relevant keywords is the cornerstone of effective Amazon SEO. It's the language that communicates your product's relevance to both customers and Amazon's search algorithm.

**Utilising Backend Keywords**: Leverage backend search terms to include additional relevant keywords that may not fit naturally into your product listing. Think beyond direct product names and brainstorm synonyms, variations, and alternative terms.

## Profit Prowess for Competitive Success

"Effective pricing is not just a numbers game; it's a strategic dance between understanding your competitors, adapting to market rhythms, and ensuring your costs are covered."



Understanding Amazon's fee structure and implementing smart pricing strategies ensure you remain competitive in the marketplace while maintaining healthy profit margins.

Regularly assess competitor prices to stay competitive within your niche. Consider using dynamic pricing tools to adjust your prices based on market trends, competitor pricing, and other relevant factors. Understanding Amazon's fee structure is vital for setting prices that not only cover your costs but also allow for a reasonable profit margin.

## Mastering Marketing Alchemy on Amazon

"Marketing on Amazon is the art of weaving spells that captivate the attention of your audience. From the enchantment of PPC campaigns to the allure of social media, each strategy adds a stroke to the masterpiece that is your brand's magnetic momentum."



In the vast Amazon marketplace, effective marketing and promotion strategies are the main levers that boost sales by placing your offer in front of new buyers. Let's delve into the key elements that can elevate your brand's visibility and engagement:

- Amazon PPC Campaigns: Utilise Amazon Sponsored Product, Brand and Display campaigns to increase product visibility and drive targeted traffic. Utilise strategic keyword targeting, set a realistic budget and manage bids every 2 weeks.
- Social Media Integration: Leverage social media platforms to promote your products and drive external traffic to your Amazon listings. Identify the social media platforms most frequented by your target audience, foster engagement and maintain a consistent brand image.
- Discounts, Deals & Promotions: Implement different pricing strategies in order to remain competitive, reach new customers and boost ranking. Deals can be scheduled ahead of time, particularly during event periods like Black Friday and Prime Day.

# Elevating Customer Satisfaction and Reputation

Excellent customer service builds trust and loyalty. Handling returns, addressing complaints promptly, and actively managing feedback contribute to a positive seller reputation, fostering customer satisfaction and repeat business

**Timely Responses:** Timely responses are the heartbeat of exceptional customer service. They demonstrate your commitment to customer care and can turn a potential issue into a positive experience.

Set realistic expectations for response times and consistently meet or exceed them.

Handling Returns: Efficient return processes contribute to customer satisfaction and trust. Clear return policies and procedures can turn a return situation into an opportunity to showcase excellent service.

Analyse return data to identify trends and proactively address potential product issues.

#### **Proactive Feedback Management:**

Managing feedback proactively is instrumental in building and maintaining a positive seller reputation on Amazon.

- Delight customers with exceptional service to naturally encourage positive reviews.
- Address negative feedback promptly, demonstrating your commitment to resolving issues.
- Craft professional and courteous responses to both positive and negative reviews.



# The Art of Scaling **Your Amazon Empire**

As your business grows, scalability becomes crucial. This step provides insights into expanding your product line, exploring new markets, and leveraging Amazon's tools to sustain and amplify your success.

**Diversification** breathes life into your brand, offering customers a broader range of choices and solidifying your presence in the market.

#### Strategies to follow include:

- · Market Demand Analysis: Identify emerging trends and assess market demand for potential product expansion.
- products that complement your existing line, encouraging cross-selling.
- quality and consistency that customers associate with your brand.

#### **Market Expansion:**

Expanding into new markets opens doors to fresh opportunities, untapped customer bases, and increased revenue streams. Conduct thorough market research before expansion to assess competition, demand, and potential challenges.

#### **Amazon Tools:**

Leveraging Amazon's suite of tools empowers you with data-driven insights, advertising capabilities, and operational efficiency.



### What's next?

As you can see there are a large number of steps and details to consider when launching your Amazon business.

Therefore, we strongly recommend that you do your own research before stumbling into problems and likely losing your "dinheiro".

Do not be ashamed to ask for help, there are plenty of consultants & agencies that will be able to advice you on the intricasies and point you in the right direction.

Hire someone in-house..
Partner with a consultant ,)
Hire an agency...
Virtual Assistants (VAs)..
Freelancers everywhere!

We are always up for chat

Send your questions to consultants@tdstrategists.co.uk

We are quite literally always online

