

# amazon: Setup for Success

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Brought to you by: Joshua Jackson & Owen Haacke



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# Benefits of Selling on Amazon

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Access to a vast and diverse customer base



Convenience of logistics and customer service through FBA



Opportunity to leverage Amazon's trusted brand for increased credibility



Potential to reach new markets and expand business reach

# Risks of Selling on Amazon

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Increased competition from other sellers and Amazon itself



Fees associated with selling on Amazon, including referral fees, fulfillment fees, and storage fees



Limited control over branding and customer relationships



Need to carefully consider risks and weigh them against potential benefits

# FBA vs FBM

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## Fulfillment by Amazon (FBA)



Products are stored, picked, packed, and shipped to customers by Amazon after sellers send them to Amazon's fulfillment centers.



Amazon manages customer service, returns, and refunds for FBA orders.



Sellers can access Prime shipping benefits, potentially enhancing visibility and sales.



Sellers incur fees for storage, picking, packing, and shipping services, along with a referral fee for each item sold.



FBA is ideal for sellers seeking to delegate logistics and customer service to Amazon.

# FBA vs FBM

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## Fulfillment by Merchant (FBM)



Sellers store, process, and ship products to customers.



Seller handle customer service, returns, and refunds.



Sellers can customize shipping rates and delivery speeds, enhancing their control over customer experience.



Amazon charges fees for various services and a referral fee per sale.



FBA is ideal for sellers outsourcing logistics and customer service.

# Product Research: Unveiling Market Opportunities

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## Understanding Market Trends

Product research on Amazon is crucial for sellers. It helps identify profitable products, understand market demand, and determine customer preferences. By conducting thorough research, sellers can make informed decisions about what to sell, how to price products, and how to market them effectively. This reduces the risk of financial losses and improves the chances of success on Amazon.

# Product Research: Unveiling Market Opportunities

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## Product Research

Identify	Identify Market Trends <ul style="list-style-type: none"><li>• Analyze Search Words</li></ul>
Explore	Explore Customer Preferences <ul style="list-style-type: none"><li>• Analyze Customer Reviews</li></ul>
Assess	Assess Demand <ul style="list-style-type: none"><li>• Analyze Sales Trends</li></ul>
Evaluate	Evaluate Competition <ul style="list-style-type: none"><li>• # of Competitors</li><li>• Pricing</li><li>• Reviews</li></ul>



# Product Research: Unveiling Market Opportunities

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## Niche Selection

- Choose a product niche that aligns with your interests, expertise, and market demand.
- Consider products with:
  - a. Consistent Demand
  - b. Manageable Competition
  - c. Good profit Margins

# Product Research: Unveiling Market Opportunities

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## Amazon's Policies

Ensure your chosen product complies with Amazon's policies and guidelines. Certain categories may require approval, and compliance is crucial to avoid potential issues. Familiarize yourself with Amazon's restrictions, prohibited items, and any necessary approvals before proceeding.

# Total Costs: Budgeting for Success

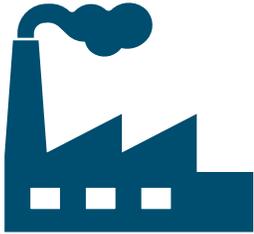
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Sellers on Amazon must have a thorough understanding of all expenses, not just the product's cost. Failing to do so is a common reason for sellers to struggle. Simply raising prices to preserve margins can backfire, potentially pricing products out of the market and giving competitors an edge with better pricing.

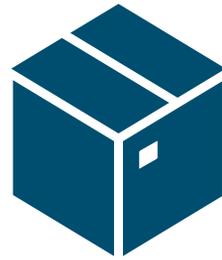
# Total Costs: Budgeting for Success

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## Product Costs



Cost to manufacture or produce  
product



Cost of packaging



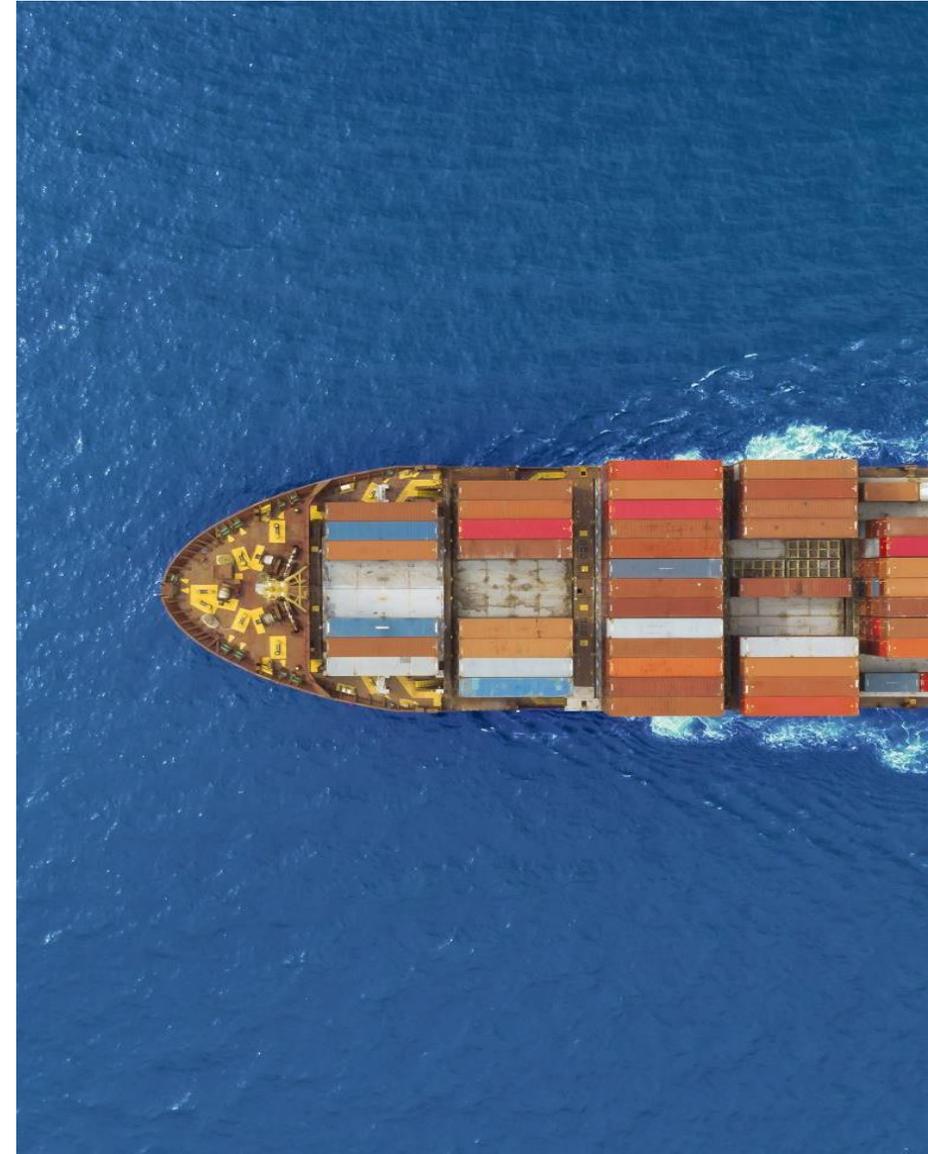
Cost of labeling and branding

# Total Costs: Budgeting for Success

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## Shipping Costs

- Calculate the cost of shipping your products to Amazon's fulfillment center or 3PL.
  - Ocean Freight: Less expensive but slower (30 – 60 days)
  - Air Freight: More expensive but much faster (10 – 20 days)
  - Courier Service (UPS, FedEx, etc.): Most expensive and fastest (2 – 10 days)
  - \*\*utilize Amazon's contracted Courier Service: ½ the price of Courier Service with same speeds.



# Total Costs: Budgeting for Success

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## Shipping Costs

- Actual vs Dimensional Weight: Couriers and Freight Forwarders bill for whichever is greater.
  - Dimensional Weight (imperial) =  $(L \times W \times H) / 139$
  - Dimensional Weight (metric) =  $(L \times W \times H) / 5000$

# Total Costs: Budgeting for Success

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## Understanding the Customs Relationship

Customs, and the relevant duties and fees, can have a significant impact on your costs and profitability.

- Guam has its own customs regulations and duties for imports into Guam.
- Insular possessions not part of the US customs territory include Guam.
- This means that products entering the USA are subject to the general duties (Column 1) of the Harmonized Tariff Schedule of the United States (HTSUS).

Unit of Quantity	RATES OF DUTY ⓘ		
	1		2
	General	Special ⓘ <small>UM, P, PA, PE, S, SG</small>	
	5.3% <u>1/</u>	Free (A, AU, BH, CL, CO, D, E, IL, JO, KR, MA, OM, P, PA, PE, S, SG)	40%

*For more info, see  
General Note 3(a)(iv)  
of the Harmonized  
Tariff Schedule of the  
United States*

# Total Costs: Budgeting for Success

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## Duties and Fees Shipping to the USA

Depending on your product and where you are sourcing either the product or ingredients/components from, you may be subject to import duties for shipments to the USA.

- Certain products sourced and produced in Guam do not pay any duties when imported to the continental U.S., but they must meet foreign content rules.
- There is a percentage of local content rule that applies. The product will not qualify if foreign materials comprise over 70% the value of the goods (50% for certain textiles).

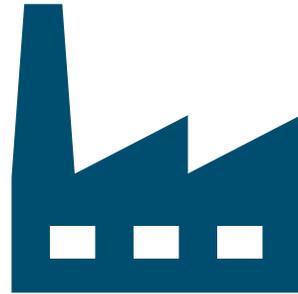
China Components (30%) + Vietnam Sewing (50%) + Guam Assembly (20%)

Does it qualify for duty free treatment?

# Total Costs: Budgeting for Success

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## Inspection & Certification Fees



Foreign Manufacturing: ensure Quality Control by contracting with a factory and/or pre-shipment inspection service.



Food Product: make sure to include FDA fees in your forecasting and projections.

# Total Costs: Budgeting for Success

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## Amazon Fees

- FBA
  - FBA Fee
  - Storage Fee
  - Referral Fee
- FBM
  - Referral Fee
  - Per Item Fee

[FBA Size Tiers](#)

[FBA Pricing by Size Tier](#)

[FBA Prep Services \(if needed\)](#)

# Perfect Launch

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Brand Registry



A+ Content



Fulfillment by Amazon



Automated Pricing



Advertising

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## Brand Registry

01

Enroll in Amazon's Brand Registry for brand identity establishment and protection.

02

Access a suite of tools tailored for brand growth and protection.

03

Tell your brand's story and create a trustworthy shopping experience.

04

Provide Amazon with data to prevent intellectual property infringements proactively.

# Perfect Launch

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## Brand Registry (links)

- [Amazon Brand Registry](#)
- [Benefits of Brand Registry](#)
- [Eligibility Requirements](#)

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## Trademark Registration

To enroll in Brand Registry, you'll need a registered trademark for your brand. Consider registering your trademark with the relevant authorities to strengthen your legal rights and gain access to the full benefits of Brand Registry.

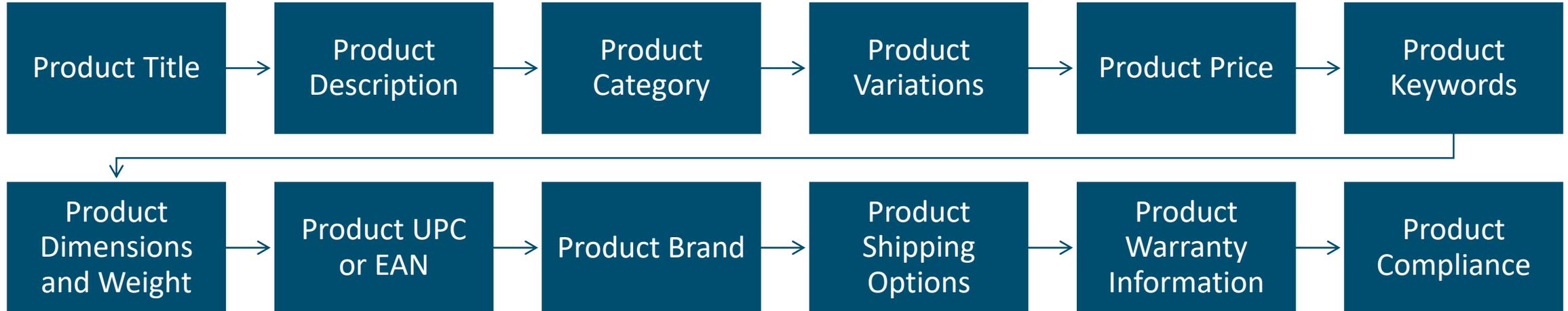


# Perfect Launch

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## Product Profiles

After establishing your account and trademark registration, the next step is to configure your products and complete all pertinent information, including:



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## Product Photos

- High-Quality Images:
  - Invest in professional, high-resolution images that showcase your product from various angles. High-quality images not only enhance the visual appeal of your product listing but also instill confidence in potential buyers. Follow Amazon's image guidelines to ensure compliance.
- Lifestyle and Contextual Images:
  - Include lifestyle or contextual images that illustrate the use and benefits of your product. Help customers envision how your product fits into their lives. Lifestyle images can significantly impact conversion rates and set your listing apart from the competition.

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## Product Photos

- Image Requirements:
  - Adhere to Amazon's image requirements, including image size, format, and background specifications. Consistency in image quality and style across your product listings contributes to a cohesive brand image and professionalism.
- A/B Testing:
  - Experiment with different image variations and conduct A/B testing to determine which visuals resonate best with your target audience. Monitor performance metrics and adjust your image strategy based on customer engagement and conversion data.

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## A+ Content



A+ Content empowers brands to tell their unique story and emphasize features directly on product detail pages.



It allows for detailed product descriptions, comparisons, and rich content like images and videos.



Effective use of A+ Content can lead to higher conversion rates and increased sales.

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## Benefits of A+ Content

1

Telling your unique product and brand story, which can help differentiate your products from competitors.

2

Reducing customer returns and negative feedback by providing comprehensive and accurate product information.

3

Encouraging repeat purchase behavior by creating a positive shopping experience.

4

Adding Basic A+ Content can increase sales by approximately 5.6%.

5

Adding Premium A+ Content can lead to a sales lift of roughly 20%.

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## Benefits of A+ Content (links)

- [A+ Content One Pager](#)
- [Create A+ Content](#)
- [Complete Brand Owner Guide to A+ Content](#)
- [Premium A+ Content](#)

## Examples

- [Lemme](#)
- [Celsius](#)
- [Marlowe](#)

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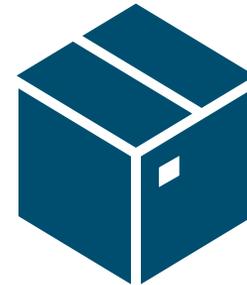
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## Product Prep, Labeling & Shipping (to Amazon)

When preparing products to be shipped to Amazon's FBA (Fulfillment by Amazon) warehouses, it's important to follow specific guidelines to ensure your products are received and stored correctly. Here are some tips:



Labeling: Each product must have a unique barcode (Amazon or manufacturer). Ensure it's scannable and properly affixed. Use Amazon's labeling service or print labels yourself.



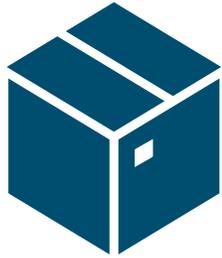
Packaging: Use sturdy, protective packaging to prevent damage. Avoid excessive packaging to minimize dimensional weight.

[Shipment checklist \(PDF\)](#)  
[Send Inventory to FBA](#)

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## Product Prep, Labeling & Shipping (to Amazon)



**Bundling:** If you're sending multiple units of the same product, you can bundle them together to save on packaging and shipping costs. Make sure the bundle is clearly labeled and packaged securely.



**Product Condition:** Products should be in new condition with no damage or signs of wear. If you're sending used or refurbished items, make sure they're labeled as such.



**Documentation:** Include a packing slip or shipment ID in each box so Amazon can easily identify your shipment. You'll also need to provide a shipping plan in your Amazon seller account.

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## Product Prep, Labeling & Shipping (to Amazon)



Compliance: Make sure your products comply with Amazon's policies and guidelines, including restricted products, hazardous materials, and product safety standards.



Shipping: Use Amazon's partnered carriers or your own. Follow Amazon's shipping guidelines and provide tracking info for each shipment.

By following these tips, you can ensure your products are properly prepared and shipped to Amazon's FBA warehouses, which will improve your chances of a smooth and successful selling experience on Amazon.

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## Amazon Deals



**Amazon Best Deals:** Best Deals are curated collections of discounted products that are featured on the Amazon Best Deals page. These deals offer discounts on popular products and can be found in various categories, such as electronics, home, and fashion.



**Amazon Prime Early Access Deals:** Prime Early Access Deals are exclusive deals that are available to Amazon Prime members. These deals offer discounts on select products and can be found on the Amazon Prime Early Access Deals page.



**Lightning Deals:** Limited-time promotions with deep discounts. Last for a few hours or until claimed by a set number of customers. Available to all Amazon customers on the Amazon Deals page.



**Prime Exclusive Discounts:** Discounts exclusive to Amazon Prime members. Offered on select products and found on the Amazon Prime Exclusive Discounts page.



**Amazon Outlet:** Section on Amazon featuring discounted products from various categories. Includes open-box or used items sold at a discount.

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## Amazon Coupons

**Eligibility:** Sellers must meet certain eligibility criteria to create coupons. This includes having a Professional selling plan, having a good performance rating, and having products that are eligible for the program.

**Types of Coupons:** There are two types of coupons available: 'Money Off' coupons and 'Percentage Off' coupons. 'Money Off' coupons offer a fixed discount amount (e.g., \$5 off), while 'Percentage Off' coupons offer a percentage discount (e.g., 10% off).

**Duration:** Sellers can set the duration of the coupon, which can range from a few days to several months.

**Budget:** Sellers can set a budget for the coupon, which is the maximum amount they are willing to spend on discounts. Once the budget is reached, the coupon will no longer be available.

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## Amazon Coupons

**Visibility:** Coupons are visible on the product detail page and can also be promoted through Sponsored Products or Headline Search Ads.

**Reporting:** Sellers can track the performance of their coupons through the Advertising Console.

**Restrictions:** There are certain restrictions on coupons, such as not being able to use them on products with a price of \$10 or less, or on products that are already discounted.

**Benefits:** Coupons can help increase sales, attract new customers, and encourage repeat purchases.

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## Amazon Coupons (links)

- [Amazon's Coupons](#)
- [Coupons](#): video in Seller University
- [How do coupon budgets work?](#)
- [How does coupon targeting work?](#)

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## Sponsored Products

A pay-per-click advertising program for sellers on the Amazon platform. Ads appear in search results and on product detail pages, targeting customers based on search terms and browsing behavior.

### Key Points:

- Pay-per-click advertising for Amazon sellers
  - Ads appear in search results and on product detail pages
  - Targeted to customers based on search terms and browsing behavior
  - Powerful tool for increasing sales and reaching new customers
  - Sellers should consider goals and budget before creating campaigns
  - Monitor performance to achieve desired results
- [Intro to Sponsored Products](#)
  - [Create Your First Campaign](#)
  - [Adjust Bids By Placement](#)
  - [How To Increase Impressions in a Campaign](#)
  - [Understand Your Metrics](#)

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## Sponsored Products (links)

- [Intro to Sponsored Products](#): Introduction and benefits of Sponsored Products.
- [Create Your First Campaign](#): A step-by-step guide to create your first Sponsored Products Campaign
- [Adjust Bids By Placement](#): Instruction and information non how to adjust bids by placement.
- [How To Increase Impressions in a Campaign](#): Strategic information on how to effectively increase campaign impressions.
- [Understand Your Metrics](#): A guide to understanding the metrics available in Campaign Manager

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## Sponsored Products



**Eligibility:** Sellers must have a Professional selling plan and products that are eligible for the program to participate in Sponsored Products.



**Types of Ads:** Keyword-targeted ads appear in search results and are targeted to specific keywords chosen by the seller. Product-targeted ads appear on product detail pages and are targeted to similar products.



**Budget:** Sellers can set a daily budget for their Sponsored Products campaigns, which is the maximum amount they are willing to spend on advertising each day. Sellers can also set a bid amount, which is the maximum amount they are willing to pay for each click on their ad.



**Reporting:** Sellers can track the performance of their Sponsored Products campaigns through the Advertising Console. This includes metrics such as impressions, clicks, click-through rate, and sales attributed to the ads.



**Benefits:** Sponsored Products ads can help increase visibility and sales for sellers' products. They can also help sellers reach new customers and drive traffic to their Amazon store.



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