

Starting Your Amazon FBA Journey



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Getting Started

Now that you have an idea about how Amazon FBA works, you should now learn the step-by-step procedure for getting started on your e-commerce business. It is not as difficult as you think. Maybe as you are starting, you find it a bit challenging with all the people, tools, and processes involved. But as you progress, the entire process will become second nature to you. And the more you feel comfortable doing it, the more efficient your business will be.

Steps on how to start private label selling via Amazon FBA

This is assuming that you already have the money to start a business, because it's easier to progress when you have the financial wherewithal. If you haven't got the money, don't worry. The last chapter of the book, *Credit Card And Credit Repair Secrets* goes into detail with regards to different sources of funds you can explore for your business. Later on, you will get a lot of information regarding the costs and fees involved in starting an Amazon FBA private label business. For now, here are the things that you need to do to get started. Although each of these will be discussed in length and depth in the next few chapters, you still need to have a clear idea of the step-by-step procedure that you need to do to start a private label business via Amazon FBA.

1. Determine the product that you want to sell

This requires a lot of brainstorming and research on your end. You cannot just simply start selling a product because that's what you like - although selling something that you like is also important because it adds passion to what you do. You should be selling products that the market demands for. Otherwise, no one will buy your goods.

You can research about the types of products that are selling online. Your first stop should be Amazon itself. Check the different categories and look for interesting products. There is one category called "Hot New Releases" and you might just be able to get ideas from here. You can also simply Google the top-selling products on Amazon. You can also look for unique products in different social media platforms. Check the pages of popular influencers and find out what they are currently using or wearing.

Sometimes, inspiration will strike when you are not looking for it, maybe when you are window-shopping in your favorite boutique or even when you are having a conversation with your friend. You will know and feel when your idea is worth pursuing because you will feel excited to start your business.

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2. Look for a manufacturer or supplier

Now that you already have an idea about the kind of product that you want to sell, you should now start searching for a supplier who can manufacture the products for you. If you can find a manufacturer or a supplier in your area, lucky you because you can easily visit the company in person and check the products that they make. You can also talk to them in person, which makes it easier to communicate your needs. If not, you can always check overseas suppliers.



A lot of Amazon private label sellers get their products from manufacturers located in China. How do they find these Chinese suppliers? Through Alibaba, AliExpress etc. Alibaba is like the yellow pages of Chinese manufacturers. You can contact the manufacturer through the app. You will see the retail price per unit and the minimum number of orders that they accept. You can also ask for a sample if you want to see if the quality of their products is up to your standards. It is best to contact more than one supplier, maybe 3 to 5, just to give you more options and to get the best deal.

3. Finalize your brand

While you are waiting for your products, you can use your time creating your brand. That is, if you have not created it before you started searching for the product. You might already have a vague idea of what you want your brand to look like but you still need to finalize everything. Since you are selling private label products, you can put your brand name or logo on the packaging or on the product itself. In some cases, it is best to already have a finalized brand name and logo so that the manufacturer can already add it to your product, for example, if you are planning to sell clothes. If not, you can always use other ways to incorporate your brand to the product.



You can maybe add a sticker or a tag that carries your brand name and logo. You can also design your own packaging, although it will still be hidden inside the poly bags that Amazon requires you to use and the final layer of packaging for when the item is going to be shipped to the customer. You should try to include your shop's contact details on the packaging or tag, such as website URL, phone numbers, social media pages, and other useful information that will lead the customer to your shop.

4. Create your Amazon account

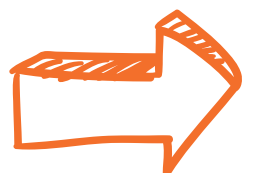
This may be complicated for some people, but you have to master the Amazon website because this will be your selling platform. All you need to do is to go to the website and sign up if you do not have an Amazon seller account yet. If you do, you still need to create your Amazon FBA account by simply going to the Amazon FBA home page. The step-by-step procedure for creating your Amazon FBA account will be discussed later on in this chapter.

5. List your items

After creating your Amazon seller account, you can now start adding your listings. You can do this even when the products haven't arrived yet as long as you already have the photos and the specifications of the products. Be sure to tick the box that says you want Amazon to ship your products and to provide customer service to take advantage of Amazon FBA.

6. Prepare your inventory

Once the manufacturer is done with your orders, you can now start preparing your inventory to be shipped to Amazon's fulfillment center. You can hire a prepping company to do this for you, as discussed previously. Or you can do it yourself if you think you can follow Amazon's policies regarding product prepping.



7. Ship your items

Your products are now ready to be shipped to Amazon. Once your products arrive at Amazon's fulfillment centers, your listing will become active.

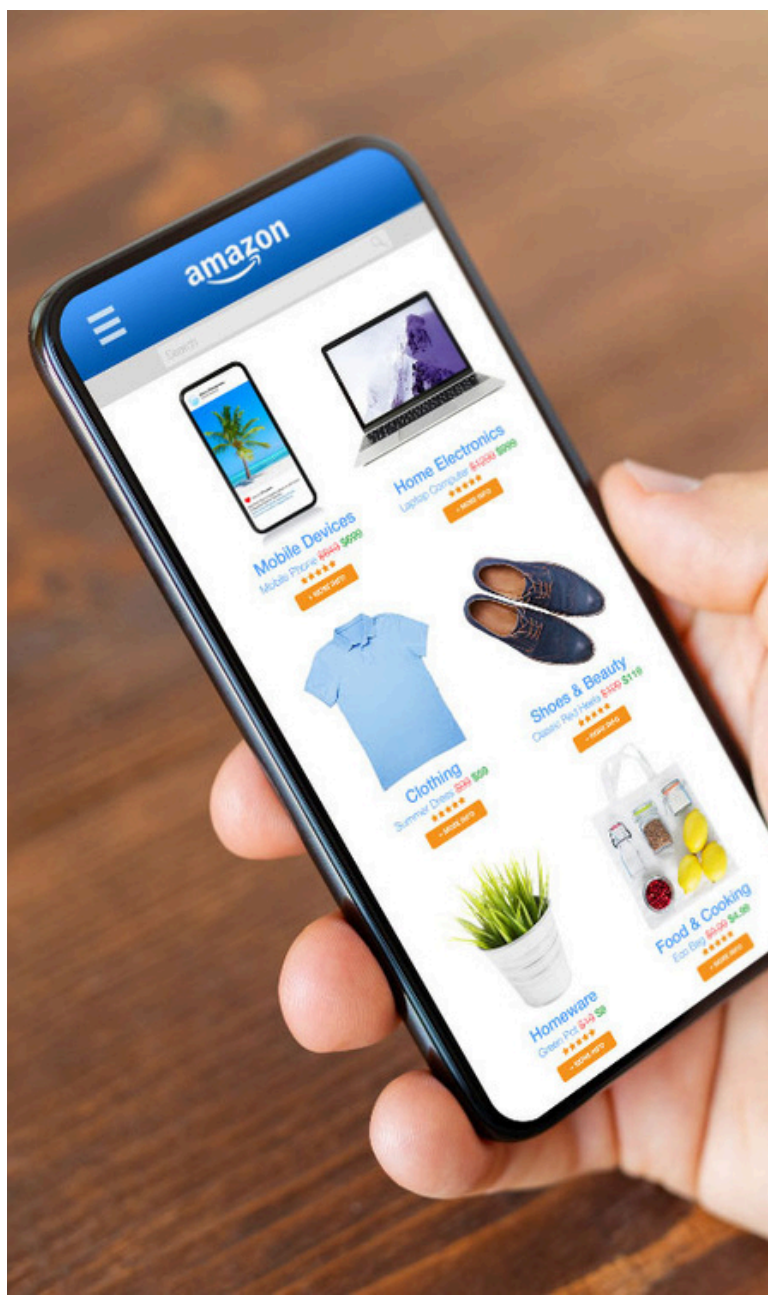
Once your products reach Amazon's warehouse, the rest of the process is pretty much Amazon's responsibility. You can sit back and wait for the orders to come in, but it is also important to keep promoting and advertising your business so that your products and brand will become more visible.

HOW TO CREATE AN AMAZON SELLER CENTRAL ACCOUNT

This is what will connect you to Amazon. You cannot do business with them without an account, especially if you are planning to sell via FBA. Assuming that you don't have an account with Amazon yet, here are the steps that you need to follow.

1. Go to Amazon website

Just go to this [website URL](#) and click the Start selling button. Since you do not have an account yet, just click the Create your Amazon account button and enter the following details: your name, your email address (it is better to use a business email address, which is different from your personal email), and password (should be at least 6 characters).



2. Professional vs. individual

You need to choose what type of account you want to have as a seller –professional or individual. You might say, of course the obvious choice is professional because this is your business. However, it is important to note the differences between the two so that you can choose which plan will work best for you.

For both plans, you will have the option to sell via FBA. The main difference between the two is the number of items that you can sell per month. If you are going to sell more than 40 items per month, then it is best to choose the professional account. If your inventory will only have less than 40 items per month, then choose individual account. A professional seller plan also has a monthly fee of \$39.99 per month while an individual seller plan doesn't require you to pay an upfront fee. However, individual sellers are required to pay \$0.99 every time they sell an item. This fee is waived for professional sellers. If you are confident that your items will sell like hotcakes, then go ahead and pay for the professional seller plan.

If you are not yet sure, you can always try the individual seller plan first, then later on upgrade to professional plan as you start getting the hang of selling on Amazon.

3. Seller information

The details that you need to provide after creating a username and password are your legal name (for taxation purposes), the name of your business (or your display name) and the website URL (if you are already selling online), and your contact number (mobile or telephone). You can choose whether you want to receive a phone call or an SMS for your PIN verification. Read the seller agreement and tick the box. If you are an international seller, meaning you don't reside in the US, you need to read additional important information, which is also on the same page



When asked to provide your business display name, it is best to use your brand name because this is the one that buyers will see next to your items. It should represent the kind of products that you sell and it should also be easy to remember.

Click next.

4. Verification

You will receive a phone call or a text message to verify your phone number and your account.

5. Set up your billing method

You also need to provide your credit card details for billing and bank account details for deposits. Just give your bank account number and routing number that you can find in the package given to you when you first opened your bank account or if you already lost it, you can just contact your bank. You will also see here your selling plan (professional vs. individual) and the corresponding fees that you need to pay. This is also the part where you can choose Amazon FBA as a way of selling.

6. Provide your tax information

This is a mandatory step and basically, it is just like filling out your W-9 form. You will be asked different questions about your tax information such as the income beneficiary, if you are a U.S. citizen, your name as shown on your income tax return, and your federal tax classification. This will be validated by Amazon.

7. Product information

This is an optional step for account setup. You can do this later if you are pressed for time. The questions that you will be asked are if you have Universal Product Codes (UPC) for your items, if you manufacture and brand your products, and the number of different products that you want to sell.



Voila! Your Amazon seller account is now set up! The next step is exploring your seller central space, which is all about managing your inventory and orders. This is where you will add your listings. It has several tabs that include Inventory, Pricing, Orders, Advertising, Reports, and Performance.

What tools are required?

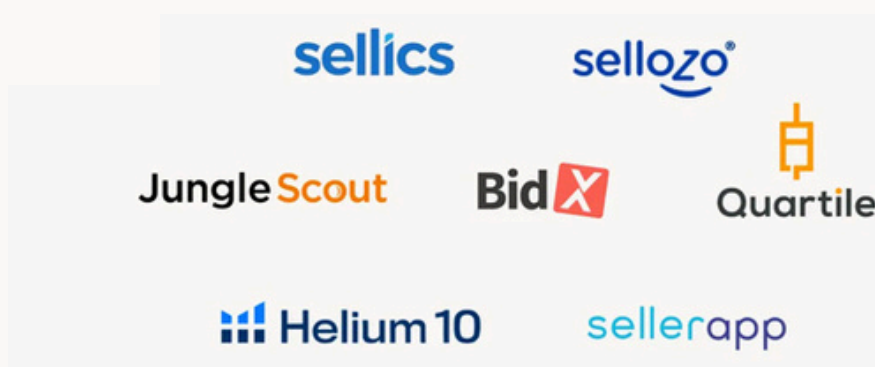
When it comes to selling online, you will have a lot of options with regards to different tools that you can use to help you boost your brand and sales. These tools also help you run your business more smoothly and efficiently. Some of the tools that you should know as an Amazon FBA seller are as follows:

For niche research

If you have a product in mind and you want to know if it has a good market, you can use certain software for niche research such as Viral Launch . It'll help you find the best ideas with regards to what products to sell, sales estimates for these products, competitor tracking, opportunity scores (products that are considered good opportunities will be given a high score), and many more. You cannot simply rely on your gut instinct when it comes to choosing the best products to sell, especially if a lot of money is involved.

For keyword research

In the world of online selling, keyword is KING. You may have the best products, but if you are not using the right keywords for them, people will still not see them.



You need to familiarize yourself with SEO and how it works in online selling. Viral Launch also provides keyword research assistance. You can also try Merchant Words , Keyword Tool and Sonar-tool.

For URL shortener

You do not want to scare your customers by giving them links that are too long, and include so many weird looking characters. You should shorten your URLs using software such as Bitly and Google Short URL.


For calculating profit margins, fees, etc.

There is a tool called FBA Calculator for Amazon (you can't get any more specific than that!) that helps you calculate your profit margins. Calculating your profit margins while selling via Amazon FBA is not as simple as calculating typical profit margins because there is a lot of fees involved. There is also a specific calculator for freight rate called Amazon FBA Freight Rate Calculator.

For managing feedbacks and reviews

This type of software helps boost your rating as a seller because it helps you send feedback request emails to customers. Sometimes, customers do not make an effort to write a review when they purchase a product because no one is urging them to do it. When they receive an email from you asking them to write a review, they will remember and will be more than willing to do it because you made a specific request. One example of this type of software is AMZFinder. It gives you 500 free auto-emails per month that will help you receive more positive reviews, which can in turn boost your sales and ranking.





RETURN POLICY

For managing reimbursements

Amazon may be a huge company that has topnotch facilities and efficient staff but just like all companies, they still make mistakes. Sometimes, these mistakes can cost sellers money. Maybe they mishandled a product and when the customer received it, it's already damaged. Or maybe they unknowingly received a counterfeit item from another seller, and they sent out this particular item to your buyer, and when the buyer received the item, he understandably returned the item and asked for a refund. Things like these can happen, and it is a normal part of running a business. But you can minimize your losses using software such as AMZ Refund and Refunds Manager that help manage eligible reimbursements.

For multi-channel selling and inventory management

If you are selling on other platforms and websites, or if you have a high volume of inventory, you should consider using a tool that will help you manage all your listings. They will let you know when you are running low on supplies so that you can restock. They can also help integrate multiple online selling platforms into one system to make it easier for you to track your sales, orders, and inventory. Some examples of these software are Brightpearl, RestockPro, and Forecastly.

For product content optimization

Sometimes, duplicate content makes it difficult for search engines to choose which version is more relevant. Search engines also penalize duplicate contents, which is why some pages do not get high rankings even though they have similar content to those that are on the first few pages. Maybe you have been penalized by Google, and you just don't know it. Certain tools can help you with these kinds of issues such as Content26, Geek Speak Commerce, and mobiReady.



For pricing solutions

In such a huge market platform like Amazon, you will surely have several competitors, no matter how unique your niche may be. And if there are multiple sellers selling the same product, where will the buyer take his business? To the seller which offers the lowest price. This is also what you will do if you are the buyer. This is why it is important to monitor and compare prices of the kinds of products that you sell. You can use certain tools designed for this such as Price Checker 2.0, Appeagle, and Feedvisor.

For product launch

You need to launch your product, especially since you are a private label seller. The main goal of doing a product launch is to let people know about your products and also about your brand. Certain tools can help you with this such as Viral Launch, SnagShout, and iLoveToReview.



For accessing online courses, mentors, and community of sellers

Beginners like you will benefit a lot if you have someone who can give you advice regarding selling on Amazon. If you have extra money, you can hire a mentor in consulting marketplaces such as Clarity, where you have to pay per amount of time spent with the mentor. For an online course, you can try Proven Amazon Course,



which includes Proven Private Label. You can also search for online communities of Amazon sellers. Some forums that you should check out are Ecommerce Fuel, Amazon Seller Central, and Reddit's Fulfillment by Amazon Subreddit.

These are the basic tools that can help you with your journey as a beginning Amazon private label seller. You will find out what tools you really need as you start selling.

WHAT ARE THE COSTS INVOLVED IN SELLING VIA AMAZON FBA?



1. Sourcing the product

This is the initial cost that you need to cover because without products, you will not be able to start your business. The product cost depends on the number of units you want to order from the manufacturer. Since you are a beginner and you do not want to shell out tens of thousands of dollars right away, let's assume that you only want to order about 200 to 300 units of the product that you have in mind.

Wholesale orders usually run from \$0.50 to \$10 each unit. This is again dependent on the kind of product that you want to order. Let's say you want to order 300 units of canvas bags with fun prints and the price of each unit is \$2 each. You have to pay \$600 to the manufacturer. The cost of sourcing your product is less than \$1000.

2. Shipping

You still need to do a little shipping even if you are selling via Amazon FBA. You need to ship the items to Amazon and you can use your own courier if you want to. Shipping fees depend on how you want the items to be shipped—by air or sea. Air cargo is more expensive than sea cargo, although air is much faster than sea. This is why people who want to expedite the delivery of something usually use air cargo. If your products have regular size and weight, the typical computation of the shipping fee is about 60% to 80% of the cost of the product. This percentage already includes the courier fees and the declared value of your items. Going back to the example in the previous point, if your manufactured products cost \$600, your shipping cost would be around \$360 to \$480.

3. Branding and logo

This is an optional cost, but if you want your brand and logo to look professional, you might want to hire someone who can do it for you, unless of course you are good at doing such kinds of things. You can easily hire someone to work on your branding and logo on Fiverr .

You just need to pay \$5 (hence the name Fiverr). Aside from Fiverr , you can also search for freelancers on other sites (e.g. upwork). They can provide you with your logo and packaging design. Let's say you will spend around \$50 for this.

4. Photography

Online selling requires great photos of your products because this is what your future customers will see. Although this is also an optional cost, having professionally done photos will make your products stand out among the rest. You will notice the difference when you browse through the different listings. It might be easier these days to take great photos even by just using your phone's camera but it is still a better idea to have professional-looking pictures.

These professionals know things that an amateur photographer might not know such as the right way to take pictures of certain items, lighting, and so on. Again, you can use the same website that you used for finding a freelance graphic designer. You might have 300 items but they are more or less the same so you do not really need to take a picture of each. Let's just say for all the photos that you need, maybe 10 different shots, you have to pay \$100.



5. Online tools and software

These include product and keyword research tools, calculators, profit monitoring software, product tracking software, pricing tools, and so on. For beginners, you probably won't get all of these software tools at once. You will probably only get the one with the most features, say, Viral Launch . They offer different packages for beginners which cost \$29, intermediate for \$59, and pro for \$99. If you decide to get the intermediate version like most sellers, you have to pay \$59.

6. Inspection service

This is another optional cost because this depends on how much you trust your supplier. If your products are simple, like canvas bags, then hiring a company that provides inspection services is not necessary. But if your product is kind of complicated and the manufacturer is from abroad, you might want to have your products professionally inspected. This will cost you around \$100 to \$300.

7. UPC barcode

You can send a UPC barcode to the supplier so that you can have it printed on your products before they get sent out to Amazon. This will cost around \$5.

8. Running ads

As a seller, you have the option to have your products sponsored. You can choose products and keywords that you want to appear for on Amazon's specific pages such as product detail pages and in searches. The cost of sponsored products and brands depends on how many times your ads get clicked. You can also set the budget that you want to spend for your ads. For instance, the minimum daily budget for keyword targeted ads is \$1.



9. Amazon costs

Amazon will not be doing all of these for free. There must be some fees involved. And you are right. In fact, Amazon sellers pay a lot of different fees for different purposes .

Product fees

There are three types of product fees that sellers pay to Amazon.

- Referral fee - 6% to 20%, average is 15%, based on category and selling price
- Minimum referral fee - \$0-\$2, if referral fee is smaller than minimum fee, based on category
- Variable closing fee- \$1.80, for all media categories

To illustrate, let's say for instance you are selling 4 pieces of mugs for \$5.99. The 15% referral fee would be \$0.89 and the minimum fee for this category is \$1. Since the referral fee of \$0.89 is smaller than the minimum fee of \$1, you will pay \$1 to Amazon. Let's take another example. If you are selling a set of four fleece blankets for \$24.99, your referral fee will be \$3.75, which is bigger than the minimum fee of \$1. In this example, you will pay the \$3.75 referral fee.

Variable closing fee is a flat rate of \$1.80 no matter how much the product costs. This will be added on top of the referral fee. Some examples of media categories where you have to pay variable closing fees are video games, video game consoles, software, music, DVD, and books.



Seller account fees

As discussed earlier, there are two types of seller accounts—individual and professional. Individual seller accounts have no monthly fees, but they have to pay a \$0.99 listing fee when the item is sold. This account is ideal for occasional sellers. On the other hand, professional sellers, or those volume sellers and businesses, have to pay \$39.99 per month, but they no longer need to pay \$0.99 per listing.

Amazon FBA fees

The two major fees that you will pay if you decide to use FBA are:

- Fees for picking, packing, and shipping
- Monthly fees for storage (which means that the longer your products stay in the fulfillment centers, the higher your fees will be)

These fees are based on the size and weight of your products. They divide the product size into two categories—standard size and oversize. Any item with dimension less than 18"x14"x8" and weighs less than 20 pounds once packaged are considered standard-sized. Oversize products, on the other hand, are anything exceeding the dimension and weight mentioned above.

Amazon further divides each of these product size categories:

Standard-size:

- Small standard size that weighs 1 lb or less- \$2.41
- Large standard size that weighs 1 lb or less- \$3.19
- Large standard size that weighs 1 to 2 lbs- \$4.71
- Large standard size that weighs over 2 lbs- \$4.71 for first 2 lbs + \$0.38 per additional lb



Oversize:

- Small oversize- \$8.13 for first 2 lbs + \$0.38 per additional lb
- Medium oversize- \$9.44 for first 2 lbs + \$0.38 per additional lb
- Large oversize- \$73.18 for first 90 lbs + \$0.79 per additional lb
- Special oversize- \$137.32 for first 90 lbs + \$0.91 per additional lb

The abovementioned fees include picking, packing, handling, shipping, customer service, and returns. Storage fees, on the other hand, are based on the volume of your inventory and the calendar months.

Standard size:

- Jan-Sept: \$0.64 per cubic foot
- Oct-Dec: \$2.35 per cubic foot

Oversize:

- Jan-Sept- \$0.43 per cubic foot
- Oct-Dec- \$1.15 per cubic foot

These are the basic fees that you need to know as an Amazon FBA seller.

