

# A'ZON FBA 101

LEARN TO MAKE BIG PROFITS WITH THE FBA PROGRAM!



## Legal

No part of this publication may be, including but not limited to, reproduced, in any form or medium, stored in a data retrieval system or transmitted by or through any means, without prior written permission from the publisher. The information contained herein has been obtained from sources believed to be reliable at the time of publication. The opinions expressed herein are subject to change without notice.

The publisher disclaims all warranties as to the accuracy, completeness, or adequacy of such information. The publisher assumes no liability for errors, omissions, or inadequacies in the information contained herein or from the interpretations thereof. The publisher specifically disclaims any liability from the use or application of the information contained herein or from the interpretations thereof.

## Table of Contents

Legal.....	2
Table of Contents .....	3
Introduction .....	5
What is Amazon FBA? .....	6
How FBA Works .....	7
Individual or Professional .....	8
Finding Products.....	10
About Competition .....	11
Cashing In On Holidays.....	12
Getting Started .....	14
Conclusion.....	18
Resources .....	19



## Introduction

Amazon is the world's biggest and most popular ecommerce website, and the 8<sup>th</sup> most popular website in the United States. Millions of people shop the site every day, and Quantcast estimates over 71,000,000 people visit the website each month.

<https://www.quantcast.com/amazon.com>

Unlike most other ecommerce websites, Amazon isn't actually self-contained. A large number of the products sold through their website are sold by other companies and individuals, making it an incredible opportunity to reach a built-in audience that shops there religiously.

One of the major ways Amazon has accomplished such a vast marketplace is through their Amazon Prime program. This program allows people to get greatly reduced 2-day and overnight shipping on a large number of items on the Amazon website for a yearly fee. The ability to get inexpensive shipping, and the fact that people have already paid money for the Prime annual fee, means some of those customers shop almost exclusively at Amazon.

If you'd like to learn how you can access these millions of passionate shoppers, read on. In this guide, you're going to learn the basics of Amazon FBA, and how it can make you big money without a lot of upfront investment.

## What is Amazon FBA?

Amazon's FBA program, which stands for Fulfillment By Amazon, allows companies and individuals to sell products on the Amazon website. You send your products to Amazon fulfillment centers, and they handle all of the shipping and customer service. Once you've send your products to Amazon, they handle all of the hassles.

Some of the features of the FBA program include:

- ☐ Free shipping for orders over \$35
- ☐ Amazon Prime shipping
- ☐ Competitive pricing to encourage purchases
- ☐ Customer service

If you're looking for a business that is nearly passive income, Amazon FBA is a great option. Sure, it's not entirely passive. You will have to search for inventor, upload information about your products, and ship the products to Amazon's warehouse, but you don't have to handle shipping the products to individual customers, tracking inventory, dealing with customer service, complaints, and returns, or any of that.

The FBA system just makes it incredibly easy to sell online, and it costs very little to get started.

## How FBA Works

The FBA process is actually a lot simpler than most people think. It's a 5-step process that requires you to send your inventory and upload your listings.

You can also sell on Amazon without having any inventory, allowing you to use drop shipping. We'll cover that in a later chapter. Drop shipping is a way you can get started without spending money on inventory upfront.

The process is simple:

1. Upload your listings to Amazon's Seller Central.
2. Send your products to Amazon's warehouse.
3. Amazon receives your inventory and handles inventory management.
4. A customer orders your product.
5. Amazon locates your product in their warehouse and ships your product directly to the customer.
6. Amazon handles any customer service issues and returns.

As you can see, most of the work is done by Amazon. Once you've uploaded your product information to their website and sent the products, Amazon handles everything else. This allows you to sell your products without the hassle of owning your own ecommerce website.

## Individual or Professional

There are two types of accounts that can sell items through the Fulfilled by Amazon program: Individual and Professional.

The **Individual** level is free, and allows users to sell on Amazon without paying a monthly fee, but you must pay a \$0.99 per item fee for every item you sell, on top of paying the standard fees (referral fees and closing fees.) If you think you will sell more than 40 items per month, it makes sense to go ahead and sign up for the professional account, because you'll end up paying the equivalent of the \$39.99 in all those \$0.99 charges, anyway.

The **Professional** level is currently \$39.99 per month. You still have to pay the referral fees and closing fees for the items you sell, but you do not have to pay the \$0.99 per item fee, which means you can virtually sell an unlimited number of items with that \$39.99 account.

The Professional level also has a few other benefits, such as:

- ☐ The ability to use third-party apps like Scoutify
- ☐ The ability to sell items that are not already listed on Amazon
- ☐ The ability to sell in the restricted categories (such as grocery, beauty, entertainment collectibles, health & personal care, clothing, shoes, and many others)
- ☐ The ability to create bundles of items



You can see a full list of the restricted categories here:

<http://www.amazon.com/gp/help/customer/display.html?nodeId=14113001>

This page lists those categories that one must get approval to sell in, and Individual Sellers can **NOT** apply for approval. This means Individual Sellers are listed to only a very small number categories, which, of course, limits potential income and profits, as well.

If you don't have the \$39.99 available to join, there's a 1-month free trial, but keep in mind that you'll also be buying items to send to Amazon, which means you need some cash available for that, as well.

Overall, it's a very good idea to go ahead and get the Professional Seller account. If you're serious about making money on Amazon, you're likely to make up for that fee quickly. However, wait to sign up for the paid account until you have inventory ready to send to Amazon, because you don't want to waste any of your monthly fee while you're still looking for something to sell.

## Finding Products

The first thing you need to do is figure out what type of products you'd like to sell. You may already have products you're interested in selling, but if not, you'll need to source products.

You can use one of several apps to scan barcodes for products you're interested in selling in order to find out how well that item is currently selling, how much it is currently selling for, and how much profit you're likely to make on that item.

Here are some of the most popular apps for this:

- ☐ Profit Bandit
- ☐ Scoutify
- ☐ Seller Mobile
- ☐ FBAScan

These apps can be found on the iOS app store, and some are also on Google and other Android app stores.

Many beginning sellers use apps such as these to scan products they find on sale locally to see if they can make a profit.

Some places you can search for items to sell include:

- ☐ Wholesale warehouses like Sam's Club and Costco
- ☐ Clearance racks
- ☐ Thrift stores
- ☐ Garage sales
- ☐ Flea markets
- ☐ Discount stores
- ☐ Auctions
- ☐ BOGO (buy one, get one free) deals
- ☐ Bulk deals
- ☐ Overstock stores and websites

Be sure that anything you buy is in the best possible condition, because if a customer returns an item, you are responsible for that. For example, if Amazon has already paid you (and you've had no new sales since then) and a customer returns an item, Amazon could charge your credit card for the full price that buyer paid. Otherwise, the amount will be deducted from whatever Amazon currently owes you.

### **About Competition**

You need to consider is competition. If you find a product you're interested in selling, it's important to be sure there aren't already a large number of sellers who are selling exactly the same product, because it will cut into your profits if too many people are selling it.

## Cashing In On Holidays

If you want to make the most money possible from the Amazon FBA program, it's very important to cash in during the holidays. The season between Halloween and Christmas is, by far, the biggest shopping time of the year, and many sellers report as much as half of their yearly Amazon income being a result of the holiday shopping season.

Toys, of course, are the biggest seller. Any type of holiday jewelry and clothing items are usually big sellers. Holiday decorations are usually hot sellers, especially those things that tend to sell out near Christmas, such as twinkling Christmas lights and ornaments that feature popular characters.

The main reason this season is so lucrative is that people will often pay a lot more money for an item if it is an item on a loved one's Christmas list.

Remember the 80s and 90s when there were physical fights over Cabbage Patch Kids and Power Rangers? These days, people aren't as likely to fist fight over a doll as they are to just go online and search for that toy. And they're willing to pay a premium to avoid the hassle of pushing through a crowd to try to find that item locally.

Pay close attention to pricing during this season. You want to price around the same as the lowest current price, but not too much. Let's say the lowest price seller has only 20 of a particular item. If it is a relatively

popular item, that seller will probably sell out quickly. If you've priced lower than they have, you'll sell yours first, BUT you will lose out on some profit. If you price the SAME as the lowest seller, theirs may sell first, but yours will likely still sell and you will make more profit than if you'd priced lower.

There may be times when someone comes along and prices far lower than you, and this may persuade you to lower your own price. This is rarely ever a good idea, especially during the holidays. If their price is far lower, they will probably sell out very quickly, and then your price will be lowest again.

Be patient!

## Getting Started

Let's go over the basic process you'll probably follow every time you purchase anything to sell on Amazon.

### 1. Remove Labels

If you've purchased items retail (on clearance, for example), you will have to remove any of the stickers and labels the store may have put onto the product.

You can use a product like Goo Gone to remove the labels, or use an item called Scotty Peelers to make the job easier and faster. Just be careful, as you don't want to damage the product or its packaging when removing the labels. Some sellers also swear by using rubbing alcohol and a scraper.

### 2. Package the Products

Next, you must package the items for shipment to Amazon's warehouses. Amazon is particular about the type of packaging it wants you to use. Once you get used to this, it will be easier. At first, you'll have to carefully check Amazon's requirements before you package the items.

Generally, you'll have to place items into poly bags to protect them during the shipping process. Anything fragile (like glassware) must be wrapped in bubble wrap.

### **3. Enter the Inventory**

You can use a service like Inventory Lab ([www.inventorylab.com](http://www.inventorylab.com)) to manage your inventory and make your job a lot easier. This service has a lot of helpful features, but it comes with a monthly fee of \$49 per month. If you can't afford this at the moment, you can certainly enter your products manually.

Here's a page that tells you more about how to enter your inventory:

[http://www.amazon.com/gp/help/customer/display.html/ref=hp\\_rel\\_topic?ie=UTF8&nodeId=200242990](http://www.amazon.com/gp/help/customer/display.html/ref=hp_rel_topic?ie=UTF8&nodeId=200242990)

### **4. Choose your Pricing**

Most people suggest that you should match the second or third lowest price that is currently available on Amazon for your product, but you're not likely to move inventory very quickly that way. If you want to move inventory quickly, instead, try matching the current lowest price. (Don't undercut, or you will probably end up losing out on some profit.) Only undercut when it is clear your products are not going to move without doing so.

### **5. Label Products**

It's a good idea to label every product, because Amazon will usually have you send multiple shipments of your products so you can send some to one warehouse and some to another.

This helps them save money on shipping, and get products to buyers faster, because they keep products at multiple warehouses and ship from whichever one is closest to the buyer.

Labeling every single product, and not just those Amazon asks you to label, will help you keep track of your shipments easier. You will be able to tell if you've correctly packaged each shipment, which will save you time.

The Dymo LabelWriter is a product that isn't extremely expensive, but will save you a lot of time. You can print your labels with it (these labels go over the existing UPC to identify the product to Amazon as YOURS, specifically) and will just make your job a lot easier.

## **6. Box Items**

You can get boxes for around \$1 to \$2 each at office supply stores or Walmart. You might be able to get them cheaper in bulk, and if you can do that, it's a good idea to do so. Anything you can do to save money is a great idea.

## **7. Weigh the Packages**

Once you've packed your items into shipping boxes the way Amazon has instructed you to do, it's time to weight the packages. If possible, invest in a shipping scale so you can be certain you've got the right weight. A good



shipping scale may cost over \$100, but if you can't afford that, you can weigh yourself on a bathroom scale, then weigh yourself holding the package, and subtract the difference.

This isn't nearly as accurate as using a shipping scale, but it will do until you can get one.

## **8. Print the Labels**

After you put the weight of your packages into Amazon, they'll generate shipping labels for you. These labels come in two parts. One is for UPS to use in shipping, and the other is an inventory control section for Amazon so the warehouse knows what is inside the box when they receive it.

Simply print the labels, cut them out, and tape them to the top of the box. You can put one label on each flap of the box so they aren't damaged when the box is open. Be sure to cover the labels well with packing tape to keep them from getting damaged during shipping.

## **9. Ship the Packages**

Finally, it's time to ship the packages to Amazon's warehouses. You can either take them to a UPS store or have UPS pick them up from your house. The choice is yours.

## Conclusion

Amazon's massive built-in market is just waiting for sellers like you to access them. They're looking for products to buy right this moment, and if you aren't selling, you're missing out on the potential of big profits.

Remember, selling on Amazon isn't a guaranteed way to make a profit. You still have to make wise purchases, price correctly, and follow trends. You must also make sure you get in on the extremely lucrative holiday season.

Don't forget to try out some of the apps that make finding products to sell a lot easier. These apps could mean the difference between making a decent profit and losing your shirt.

You might be tempted to give up if your first few products don't sell quickly, but don't. Most sellers find that if they stick with it, they do eventually end up learning which products will sell and which will not, making it a lot easier to make a profit. Don't give up!

I wish you the best of luck with our endeavors, and may you find plenty of profitable products!

Good luck!

## Resources

Here are quick links to the resources mentioned in the guide:

Restricted Categories:

<http://www.amazon.com/gp/help/customer/display.html?nodeId=14113001>

Submitting Inventory:

[http://www.amazon.com/gp/help/customer/display.html/ref=hp\\_rel\\_topic?ie=UTF8&nodeId=200242990](http://www.amazon.com/gp/help/customer/display.html/ref=hp_rel_topic?ie=UTF8&nodeId=200242990)

Inventory Lab:

<http://www.inventorylab.com>