

# **JUMPSTART AMAZON**



**BUILD A SUCCESSFUL  
AMAZON FBA BUSINESS**

**STEPHEN SMOTHERMAN**

# JumpStart Amazon: Build a Successful Amazon FBA Business

Stephen and Rebecca Smotherman

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## Chapter 1 – Introduction

Welcome to the *JumpStart Amazon* course! I am so excited you are reading this book and watching these videos so you can build a solid foundation when it comes to your Amazon FBA business.

If you're taking this course, you are likely already aware of **these amazing benefits of running an Amazon business:**

- Be your own boss
- Escape the 9-to-5
- Freedom of schedule and of decision-making
- Freedom to work from many locations
- Freedom to travel if/when you want to
- Unlimited growth potential as you outsource certain aspects of the business

### **Just imagine the possibilities!**

What is your dream? What excites you and makes you happy to get up in the morning? How can running an Amazon business help you achieve that dream? We all have goals for our lives and for our families, and maybe Amazon FBA can help you achieve those goals. Before we go much further, let me share a little about myself and how selling on Amazon has helped me and my family.

### **About Me**

My name is Stephen Smotherman, and I'm honored you've chosen to read this book. You might be wondering, "Why should I trust this guy?" That's a great question that I'll answer for you here. You see, I've been selling online for about 20 years. Back in 1998, I discovered selling on eBay and got hooked. Selling on eBay was a fun hobby for me for over a decade, and it helped pay some of the bills. I became an eBay PowerSeller with Top Rated Seller Status and held those honors for many years.



In 2011, I found myself desperately looking for a good paying job. I was a single dad trying to find a way to raise my 4 young boys without having to put them all in daycare or after-school care. I needed a way to work from home and make a full-time income. In late 2011, I discovered selling on Amazon via FBA. My whole e-commerce business began to transition from selling on eBay to selling on Amazon. I still sell on eBay every now and then, but Amazon gets the bulk of my business. In fact, Amazon has recognized me as a Top Holiday Seller. That means out of all sellers on Amazon, my sales were in the top 25% as well as having an A+ customer satisfaction rating. Amazon no longer awards sellers for being Top Holiday Sellers, but it was a fun honor at the time to receive that award.

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Selling on Amazon has helped move my e-commerce business from a hobby to the way I now earn a full-time income. I've made a full-time income as an online reseller since 2012, and I absolutely love it. I enjoy being my own boss, working from home, and setting my own hours. I love being able to go treasure hunting and get paid for it. The freedom that working FBA provides is awesome.

In my personal life, my story changed forever for the good in 2013 when I married Rebecca. She began working part-time with me on my Amazon business shortly before the wedding, and we have loved being partners in life and in business. Rebecca has increasingly taken on more responsibility in our Amazon business, and since 2015 she has been in charge of all of our online arbitrage (OA), while I am responsible for our retail arbitrage (RA) and wholesale sourcing. We love being able to work together on our business, have flexible schedules, and do a little traveling here and there. We especially love the flexibility Amazon FBA gives us when it comes to spending time with our kids.



Since we are able to earn a full-time income by selling online and spending only part-time hours, we decided to blog about it. If you're ever curious how we are able to sell on Amazon via FBA and earn a full-time income, then come join Rebecca and me over at [www.fulltimefba.com](http://www.fulltimefba.com). You can subscribe to updates, get a bunch of freebies, and hear our stories. We offer tons of free tips and tricks on how to best manage a full-time FBA business. We update the blog often and are always offering fresh content to help our readers turn part-time hours into a full-time income selling on Amazon.

### What to Expect in This Course

**The *JumpStart Amazon* course is a step-by-step guide to starting an Amazon FBA business.** We'll go over everything from the right mindset to start with to how to make good business choices when you're just getting started.

We'll also show you the right tools to use as you're getting started, and we'll always give you both the free and the paid options for setting up your business. **We know what it's like to start out with very little financial capital to work with** (that's exactly where we started!), so we'll show you ways to use free options to allow your business to grow. If you have more money to start off with or if your business has grown to the point where you now have more money to work with, we'll also give you some paid options for services and tools that can really save you time and help you leverage your efforts in your Amazon FBA business. Eventually, if you're wanting to make a full-time income at Amazon FBA, you will need to make the mindset shift away from only using free services and tools towards finding the right paid services and tools to give you the most bang for your buck when it comes to expanding your business and freeing up

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your time for more profitable tasks — and we'll talk about that mindset shift along the way, as well.

Please know as I share with you about the paid services and tools that I use in my own business, some of the links to those services and tools are affiliate links. However, I only promote products that I personally use and have found success with in my business. This has always been my policy on the Full-Time FBA blog and my ebooks and courses, and it always will be my policy. **I only want to share with you tools and services that have helped me get to where I am today in my business.** There are certain tools that have helped me leverage my time in remarkable ways and grow my business more than ever would be possible by only using free products, and I'm happy to share those tools with you.

### Mindset Matters

Anyone who has read the [Full-Time FBA blog](#) for any amount of time or watched my YouTube videos will know how important mindset is to me as a person and as a business owner. We will be talking a good deal about mindset throughout the *JumpStart Amazon* course because it's one thing to know all the practical steps to take in setting up a business, but it's another thing altogether to have **the right psychological mindset to put those steps into practice and achieve success.**

The ways that we think and the things we believe really do affect the outcomes in our business. Our thoughts and beliefs can sometimes hurt us and our businesses — or they can help us. Throughout the course I will explain different ways our mindset can either help us or hurt us in the context of the business steps we are covering in each section.

### Glossary

There may be times throughout this course that I use a word related to Amazon FBA or business in general that you're not sure of its meaning. Don't forget to stop and take the time to look up those words in the **PDF bonus glossary** that comes with this course. **You can download the PDF glossary from the course materials in your Full-Time FBA account under the bonuses for the *JumpStart Amazon* course.**

As you're getting started with *JumpStart Amazon*, it's a good idea to open up the glossary PDF and scroll through to see how many of the terms you already know. Then as you're working through the course, if you come to an unfamiliar word you can refer back to the glossary for an explanation.

If you try to look up a word in the glossary and it's not there, please email me and let me know. I always want to improve my course materials, and I would love to add more words to the glossary as I find out what FBA learners are curious about.

### Worksheets

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Throughout the course I have included some worksheets to help cement the information that I'm teaching you. Reading a book or watching videos is a great start to learning about Amazon FBA, but working through the supplemental materials on your own will help firm up the knowledge you are gaining and make it practical to your own Amazon FBA business.

**Do the worksheets!** These worksheets can be downloaded from the course materials in your [Full-Time FBA](#) account under the bonuses for the *JumpStart Amazon* course. These worksheets include the following:

- Discover Your Why
- Goal Setting Worksheet
- How to Calculate ROI and Profit Margin Percentages
- Disbursement Decisions Worksheet

When it comes time to take action on the topics you've learned in this course, you will be able to act more quickly and confidently if you've already done the worksheets.

### How to Get the Most from This Course

The most important step I can ask you to take as you are starting this course is to **FOCUS**. Remove any distractions. Turn the TV off in the background while you're reading the ebook. Don't watch or listen to the videos in the course while also scrolling through Facebook. **You're just not going to get as much out of the course if you're distracted by other media, and I truly want you to get the most for your money from this course.** Multitasking while trying to learn is not going to help you towards success in your FBA business. Our minds just cannot function at their best if they are pulled in too many directions while we're trying to learn.

I'm saying this as a reminder for myself when I'm learning new topics too! Turn your phone to vibrate, close out all the extra tabs on your computer, shut down your email so you don't get any notifications, and remove any other distractions while you're going through the course.

### Binge vs. Action

Whether you are watching the videos for the *JumpStart Amazon* course or you are reading through this ebook, there is a ton of information to consume. Some of you might be the type who sit down and watch all the videos or read the whole book from start to finish in just one or two days. I get it. I've gone through courses in the past where I was so excited about the material, I just wanted to go through it all as quickly as I could.

Now, I know this course is no *Game of Thrones* or *The Marvelous Mrs. Maisel*, but the temptation to binge on this material is real. I want to warn you, though, that if you binge watch or read the course, you won't get as much out of the information as you would **if you watch/read a portion and then take action on what you just learned.** I highly recommend reading a chapter, then taking action; reading a chapter, then taking action; repeat, repeat, repeat.

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Put all of this information into action, test it out in your own business, and you'll get the most out of this course.

### Momentum of the Book

This course is designed to be read in order, chapter by chapter. There may be times when you're tempted to skip around or you don't think the next topic sounds as interesting as future topics — but **please don't skip any of the chapters**. I'm building each chapter upon the previous ones, and I don't want you to miss out on anything important.

Of course, I know there are certain times when you have a particular question you need answered and you look ahead to find that answer. That's fine, I get it. But please go back after you've got your answer and read the content you skipped over. Please trust me here — you will benefit from the momentum of reading the chapters in order, building a solid foundation, and then moving on to the more advanced aspects towards the end of the book.

### Take Time to Review

As you're going through the course, take the time to review any chapters necessary. **Building an Amazon FBA business is a marathon, not a sprint**. There's no reason to rush through the materials and not take the time to review topics that you want to establish more firmly in your knowledge bank. Don't fall into the trap of psychologically checking a chapter off your list without truly internalizing the knowledge it contains.

Also, if you're following my advice of putting the chapters into action as you are reading each one, you might come across a section where you put your action steps into practice but things don't go quite as planned. If this happens, please don't move forward to the next chapter just yet. Take the time to pause in the process and review the chapter.

### Disclaimer

While the purpose of this book is to show you how to set up a solid foundation for building an Amazon FBA business, I know that each person reading this book will have results that are his or her own. The contents of this book are based on my opinions and experiences with selling online and are not a guarantee that the reader will be able to replicate the formulas contained in this book. Unauthorized distribution, reselling, or copying of this material is unlawful. No portion of this book may be copied or resold without explicit permission from the Publisher.

I disclaim any personal liability, loss, or risk incurred as a result of any information or any advice contained herein, either directly or indirectly. All mention of promises to earn money, either implied or not implied, are strictly based on my opinion. I do not intend to render any legal, accounting, tax, or other professional advice in the document contained herein. I am not associated with or a representative of eBay, Amazon, or any other company mentioned herein



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unless specifically noted. I may receive affiliate revenue if you purchase or click-through any of the links within this book.

### Conclusion

I hope you're as excited about getting into the first steps as I am, but the first step is surprisingly not opening up your Amazon account. The first step is actually laying down the proper foundation and framework for building up a successful Amazon business. To do that, we need to focus first on why Amazon is the best place to build up a profitable business. When you have that mindset (of Amazon being the best place for us as sellers), then you're going to be set up for longer lasting success. OK, let's not waste another second and jump right into the next chapter.

## Chapter 2 - Why Sell on Amazon?

In this chapter we're going to cover the reasons why you should be selling on Amazon and why now is the perfect time to get started selling on Amazon.

Some of you might be saying, "Stephen, I'm already convinced. Get on with teaching me how to find profitable inventory!" But I'm including this chapter to cover several facets of selling on Amazon that you might not have considered before, and **I want to make sure you are fully prepared** to take advantage of everything being an Amazon third-party seller has to offer.

### Amazon FBA

Hands down, the number one reason you should be selling on Amazon is **the FBA program: Fulfillment by Amazon**. This amazing program gives you access to sell to all of Amazon's customers, as well as providing those buyers with Amazon's customer service and fulfillment service. Here are a few aspects of the FBA program that make it so attractive for online sellers:

- **3rd-party sellers on Amazon** — Many people assume Amazon is the only seller on their website, but 3rd-party sellers make up a significant amount of the sales on Amazon. In fact, in 2018 it was announced that Amazon 3rd-party sellers accounted for \$160 billion in sales compared to Amazon as a seller who sold "only" \$117 billion. In 2019, Amazon announced that 3rd-party sellers account for over 58% of sales on Amazon. We 3rd-party sellers are doing amazing on Amazon.
- **Over 175 Amazon warehouses/fulfillment centers all over the world** — Amazon's desire as a company is to bring their products to customers in countries across the globe.
- **Amazon packs and ships orders to customers** — This component of the FBA program frees up the time and energy of 3rd-party sellers to focus on other aspects of their business, particularly finding more inventory to ship to Amazon warehouses.
- **Amazon deals with most customer service issues for FBA sellers** — For the most part, FBA sellers do not need to interact with customers and handle any issues that come up related to orders. If the customer has a question about their order, wonders when their order will arrive, and any number of other customer service questions, they can address those questions to Amazon's call center. Again, this frees up 3rd-party sellers to focus on other aspects of their business.
- **Amazon deals with returns** — Returns are an inevitable part of doing this type of business, but in general FBA sellers are free from the burden of dealing with returns. Again, Amazon customer service handles all returns for FBA orders on behalf of FBA sellers. Also, Amazon makes returns super easy for their customers, which on the

face of it seems like a bad thing for us as sellers — don't we want to *avoid* returns? But if customers know they can trust the return process if they happen to need it, they will stay loyal to the store, leading to more sales for Amazon and more sales for us as FBA sellers.

### Here's how the FBA program works:

1. **You buy inventory.** You can buy your inventory in retail stores, online, garage sales and thrift stores, wholesale distributors, manufacturers — you can even find inventory to send to Amazon sitting around your own house right now!
2. **You ship your inventory to Amazon warehouses.** Amazon has warehouses (or fulfillment centers) all throughout the United States, and they will assign locations where you ship your inventory so it is spread out across the country and convenient for shipping to their customers.
3. **Amazon stores your inventory.** While your inventory is waiting for a sale, Amazon stores it for you for a small monthly fee. No need to have storage space in your garage, closet, or spare room, and no need to find and pay for your own warehouse space! Amazon catalogs your inventory and knows right where it is when a customer buys it.
4. **Customers buy your inventory.** Either through browsing the Amazon catalog or searching for specific items, customers buy your inventory from the Amazon website at the price you set for it.
5. **Amazon ships your inventory to the customer.** When you make an FBA sale, an Amazon warehouse worker picks and packs your inventory and ships it to your customer. No need to ship tons of boxes to customers each day! You ship the inventory once (to the warehouse), and then you sit back and let Amazon take care of the rest.

Before I started selling through the FBA program, I was an eBay Power Seller. I had hundreds of items listed on eBay and stored in my garage. Sometimes when an item sold on eBay, I would sigh and say to myself, “Now I need to go find that thing in the garage.” I was happy for the sale, but I dreaded needing to track that thing down...not to mention needing to find the right size box for shipping it and the right kind of packing materials to keep it safe during shipment, having to print shipping labels, and then hauling all of those items to the post office each day. I was also constantly concerned about whether or not the post office would get that item delivered fast enough to keep the buyer happy. **It was a ton of work!**

Selling through FBA really was a game changer for me. Now I am able to focus solely on buying inventory to sell — not on storing, cataloging, and fulfilling that inventory. Amazon takes care of all the fulfillment issues for FBA sellers, and the customer chooses the type of shipping they want through Amazon's website. I'm not responsible for making sure an FBA order makes it to the customer on time — that's Amazon's job, once my inventory is shipped to the warehouse.

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If you're curious to see more about how the whole process works at an Amazon fulfillment center, check out this video at [https://youtu.be/sK195ohi\\_fU](https://youtu.be/sK195ohi_fU).

### Growth of Amazon

Another huge drawing factor for online sellers to the Amazon platform is the tremendous growth Amazon has seen in the past two decades — and the ongoing potential Amazon has for growth.

Would you believe there are still a ton of people out there who think of Amazon only as a bookstore? **But Amazon's founder and CEO Jeff Bezos wants Amazon to be known as The Everything Store, and he is well on the way to achieving that goal.**

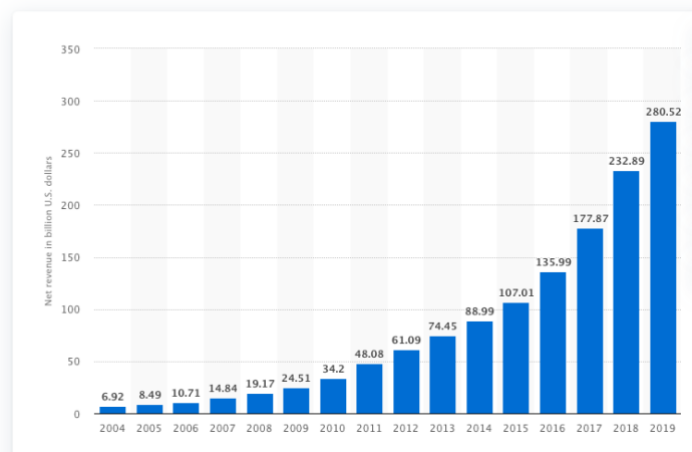


Amazon is now a place where customers can find toys, health and beauty items, groceries, automotive parts, clothes, shoes, and so much more. Every day new customers are discovering just how robust the choices are for categories of online shopping on Amazon. In addition, those customers are falling in love with (and becoming increasingly dependent on) Amazon's two-day Prime customer shipping.

**Amazon is now the biggest store on the planet.** In 2016 Amazon surpassed Google for originating the most number of product searches on the internet. People have come to understand that Amazon has pretty much anything you can imagine for sale, and they skip Google and head straight to Amazon when searching for items to buy online. This is a huge development for both buyers and sellers! As an online seller, I for sure want to be a part of this enormous business.

The growth at Amazon is just phenomenal. In 2010, Amazon saw \$34 billion in net revenue for the year. In 2015, that figure shot up to \$107 billion. By 2019, the net revenue hit an amazing \$280 billion. Third-party sellers are a significant part of those sales, and the potential for profits from those sales is great. As new customers continue to shop on Amazon for more than books, those sales will continue to grow in the years to come.

Annual net revenue of Amazon from 2004 to 2019  
(in billion U.S. dollars)



## Amazon Prime

A third huge reason to become a seller on Amazon's platform is the **Prime membership** for their most dedicated customers. My wife and I have been Prime members for years because the benefits for us as buyers are pretty cool, but we have come to love the program even more because of how it benefits us as sellers.

**Here are just a few of the benefits for customers who are Amazon Prime members:**

- Free two-day shipping (and if possible, free next day shipping)
- Overnight shipping option for a relatively small fee
- Same day shipping for another small fee

More and more often, customers have come to expect super-fast shipping on their online purchases. Amazon guarantees their two-day, overnight, and same day shipping for Prime members, and customers are extremely loyal because of that guarantee. **If an item doesn't arrive on time, Amazon will refund the fees for the overnight or same day shipping upgrades, as well as give the customer an extra month of Prime membership for free.**

How does this Prime shipping guarantee benefit us as FBA sellers? **FBA inventory is included in Amazon's Prime customer two-day shipping program**, so customers are drawn to our items over other items that don't guarantee two-day shipping. Why risk buying from a seller who doesn't offer Prime shipping when as a Prime member you have this awesome guarantee from Amazon?

**Because of the reliability of Prime shipping, many customers are willing to pay a bit higher price for an item that comes with Prime shipping.** We've been talking so far in this course about sellers in the FBA program on Amazon, but Amazon also allows Merchant Fulfilled sellers to sell on their platform. Merchant Fulfilled means the seller stores the inventory at their own place of business or house, and they ship the item out directly to the customer when it sells. Merchant Fulfilled (MF) sales are another very valid method of making money on Amazon. **However, because of Prime shipping, many customers will choose an FBA item over an MF item, even if the FBA item is priced slightly higher.**

## Outsourcing Potential

The potential to outsource many aspects of an Amazon FBA business is another huge part of why sellers are drawn to the Amazon platform.

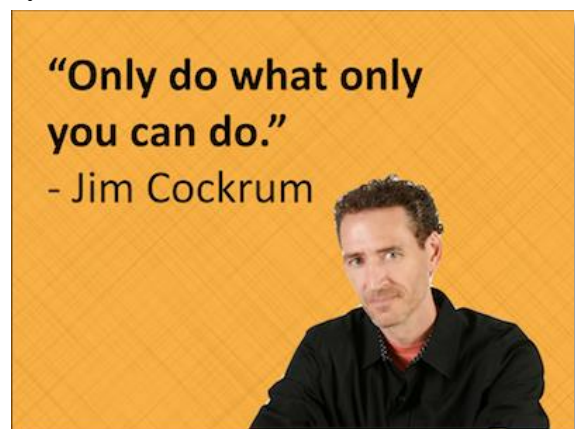
**Outsourcing in an FBA business can include several strategies:**

- **Buying a program** to save yourself time and energy in your business, allowing you to make more money from the business.

- **Hiring a virtual assistant (VA)** to handle online tasks related to your FBA business (like feedback removal requests, fixing stranded listings, etc.), allowing you to focus your time and energy elsewhere.
- **Hiring a person in your physical location** to help with your FBA business, including prepping, listing, and packing your inventory for shipment to the FBA warehouse.
- **Hiring people to find inventory.** After you know for yourself how to find profitable inventory, you can hire and train other people to work for you in finding inventory. You will need to provide them with the tools they need to find inventory, and we'll go over those tools later in the course.
- **Buying lists to find profitable inventory.** Other Amazon sellers often find more great deals for resale than they can buy with their own capital, so they put together lists of deals for sale among the online reseller community.
- **Buying programs to find profitable inventory.** If you decide to do online arbitrage (we'll get into more details about this type of sourcing for inventory later in the course), there are programs you can buy to greatly reduce the time it takes to analyze potential buys.
- **Using a prep center.** There are now many locations across the country where you can ship your inventory (or drop off, if local), and these prep centers will prep your inventory (take off price stickers, poly bag, bubble wrap, affix labels, anything else, and ship to Amazon) for a reasonable fee.

**Overall, the entire concept of the FBA program is based on outsourcing.** FBA sellers outsource their storage to the Amazon warehouse. They outsource the fulfillment of their orders, their customer service, their returns. Many sellers find that the further they get into selling through FBA, the more attractive the prospect of outsourcing most, if not all, of their business becomes.

One of my online mentors, Jim Cockrum, is known for saying, "Only do what only you can do." I could not agree more with his statement. As an online seller, I want to focus only on the things I am best at doing, and I can then outsource the rest of the work. Focus on the best, outsource the rest.



If you can learn how to outsource well, you will begin to experience more growth than would ever be possible if you don't outsource. If you try to do everything in your business by yourself, you are limiting your growth.

Below is a graphic that shows how outsourcing can impact your growth:



Amazon FBA truly is a business where you can outsource most, if not all, of the business to other people or programs. If you choose to outsource the majority of your business, you will be freed up to do what you want with your time and the profits from your business. **This type of freedom can't be achieved overnight, but it is a realistic goal if you set your business up the correct way and work towards a mostly outsourced business.**

As of this writing, my wife and I are in the third level of outsourcing I describe above: lots of outsourcing and huge growth. We've been doing FBA as a business for several years now, and we have experienced huge growth because we have strategically implemented lots of outsourcing in our business. We've also freed up a lot of our time from our FBA business so that we can pursue other endeavors, including producing blog content, videos, and this course you're working through right now.

Now, please understand, some sellers do not *want* to outsource, and that is perfectly fine. Some sellers really enjoy different aspects of running an FBA business, and they don't want to pass those tasks along to someone else. Not everyone shares the same goals, and not everyone shares the same passions. **If you enjoy any part of the process of selling on FBA that other people like to outsource, don't feel like you need to outsource just because everyone else is.**

## Conclusion

There may be other reasons for other sellers, but the list below sums up why I personally have chosen to sell on Amazon and why I think others should also:

### 1. Amazon FBA program

**2. Continued growth of Amazon**

**3. Amazon Prime benefits**

**4. Outsourcing potential**

Ultimately, FBA can mean freedom for many online sellers: freedom financially, freedom from the 9-to-5, freedom to be your own boss, freedom to run your own business, freedom to live the life you want.

One of the main reasons why I love helping people learn how to build an Amazon FBA business is that the FBA program has so much potential to help sellers earn substantial profits and move towards a life of freedom. **I love seeing people achieve their goals and make great choices for their families.** I believe success in Amazon FBA could be possible for you too, and I'm excited to continue teaching you how to build an FBA business through the rest of this course. It really is possible to earn a full-time income through Amazon FBA while only spending part-time hours doing it!



## Chapter 3 - Amazon Success Essentials

As we're building our foundation for an Amazon FBA business, I want to make sure we cover the essentials for Amazon success. **I truly want you to find success, not just build a mediocre Amazon business.**

### Start with Why

For any business, not just an Amazon business, it's important to start with why you are doing this business in the first place. A couple of years back I read the book [Start with Why](#) by Simon Sinek, and it really made an impact on how I think about building my FBA business. I encourage you to read the book too, but I'll give you a few highlights here.

- Why are you doing what you are doing?
- Why do you want to build an Amazon business?
- Why do you want to work from home?
- Why do you want to be your own boss?
- Why is Amazon the answer to your current problems?

**If you dig deep to figure out what your “why” is, it will help you know which direction you should take your life and your business.** If you can identify your “why,” it will become the fuel in your business to take you further than you could without a “why.”

**Your “why” keeps you going when you want to quit.** Your “why” helps you avoid burnout. Amazon FBA is a great way to make money, but it is work. Don't be fooled into thinking this business will be easy or that it's always an exciting treasure hunt. It will require hard work. When that work becomes tedious or frustrating, you need to be clear on your “why” so you will be encouraged to keep going.

Your “why” also helps you avoid “shiny object syndrome.” That may sound like a funny name for a disease, but this syndrome tends to occur in businesses such as Amazon FBA where you have a ton of different directions you could focus. Shiny objects steal our attention. You're looking in one direction, catch a glimpse of a shiny object, and start heading off in that new direction to chase the shiny object rather than keeping your focus and sticking with your original goals. This problem tends to pop up in Amazon FBA when it comes to new categories and new sourcing methods. Rather than mastering one or two categories, you can get distracted when you hear how well someone else is doing in this other category, and you abandon your first categories before you achieve success. **But if you remember your “why,” you can remain dedicated to mastery in what you are learning.**

After you know your “why,” I recommend posting it somewhere you will see it on a regular basis: next to your computer, on the bathroom mirror, on the refrigerator, wherever works for

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you. If you see a visual reminder of your “why” from time to time, it will spur you on to stick with your business for the sake of your “why.” It will encourage you and give you fuel to keep pursuing success in your FBA business.

I took a few moments to write down my “why” as a reminder for myself. I’ll share it with you here:

*The reason I sell online via Amazon FBA is so that I can build up a solid income that will allow me to be my own boss, work from home, spend more time with my family, and travel whenever I want to. My “why” includes building up my Amazon business income so that I can impact the world by giving more to my church, to missionaries, and to causes I care deeply about.*

As I look through my “why” I see three main themes:

- Family
- Freedom
- Giving

Your “why” may be similar to mine, or it may be very different. Your “why” may include becoming debt free, paying off your mortgage, being able to travel the world, covering medical expenses, or any number of things. **Whatever your “why” might be, be sure to write it down now so that you will not lose sight of it.**

## Goal Setting

Many people tend to talk about goal setting at the beginning of the year in the context of New Year’s resolutions. **I would like to challenge you now, no matter what time of year it is, to set some goals for starting your Amazon FBA business.** Setting a few goals can impact your business more than if you just try to sell a few items online and not have any distinct objectives in mind.

You have to be careful when you’re setting goals for your FBA business, however, and make sure you go through the goal-setting process in such a way that it truly assists you in finding success. Some people will set a goal by saying, “I want to make a lot of money” or “I want to be able to pay off debt.” Neither of those objectives is *bad*, but they’re pretty weak goals. They’re vague and difficult to measure. If you have weak goals, you’re going to have weak results in your business.

**Instead of setting weak, vague goals, I want to show you how to set SMARTER goals.**



**S = Specific** — The better you know your objective, the easier it will be to attain it. Saying “I want to sell a bunch of stuff and make a lot of money” is so general you would never be able to know if you actually achieved this goal. How much is “a bunch” or “a lot”?

**M = Measurable** — Can the results be measured and compared to the goal? If your goal involves money, come up with an exact amount of money. Think of exact numbers of inventory items rather than “a bunch of stuff.”

**A = Actionable** — Can you take action steps to meet this goal? Do you know what you need to **do** to meet this goal? Instead of saying “I want to earn \$1000 a month on Amazon” and stopping there, be sure you know how to make that goal happen. For instance, you could say “I want to earn X amount of money a month on Amazon by selling X number of units per week.”

**R = Realistic** — Are you both willing *and* able to meet your goal? If you’re just starting on Amazon right now and your goal is to make \$1 million in profits your first year, your goal probably isn’t very realistic. Sure, in the right circumstances it would be *possible* to accomplish that kind of sales in your first year, but for most of us it’s not at all realistic.

**T = Time Bound** — When do you want to accomplish this goal? Some people set monthly goals, and others set goals for the end of the year or the end of the quarter. It’s up to you what kind of time frame you want to work towards, but make sure you give yourself some kind of deadline. It’s great to have a dollar amount as a goal, but if you never give yourself a deadline for when you want to achieve it, you could end up working forever toward that goal. Setting a goal for the quarter or the year gives you more of an incentive to stay on track.

**E = Exciting** — Do your goals get you excited about your future? Having exciting goals is another incentive to stay on track towards success. When you’re going to bed at night and getting up in the morning, are you excited about working towards your goals? The more excited you are about the goals you’ve set, the more likely you will be to follow through and achieve them.

**R = Relevant** — Do your goals match up with the current season of life you are in? You might think it's a good idea to set a goal of going out to find inventory for five hours a day, five days a week, but you need to look at your season of life and see if that kind of goal makes sense. If you have a full-time job right now, five hours a day of sourcing would be difficult to manage. If you have small kids at home or other responsibilities at home, five hours a day of sourcing might not work out. Think through these types of questions to make sure your goals match where you are at this stage of your life.

Right now would be a great time for you to take a moment to pause going through this course and work on setting some goals. **You will find a PDF included with the bonus materials of the JumpStart Amazon course to help you set your SMARTER goals for your Amazon FBA business.** Be sure to download the Goal Setting Worksheet and complete it now.

If you feel like it's too early in the course to set goals because you don't know enough to be specific and measurable, be sure you don't forget to come back to this section at the earliest possible moment to complete this section. You won't regret it and the impact it will have on your business.

Be sure not to skip the step of writing these goals down on your worksheet. There is something special that happens when you move your goals from your head to your hand on the paper. You become more determined and more aware of the power of your goals, and you are one step closer to achieving them when you write them down.



### Break down your goals

Another key strategy to successful goal setting is to break down your goals into manageable chunks. It's hard to know if you will be able to reach a long-term goal without knowing what kind of progress you are making along the way. We all know the old saying, "How do you eat an elephant? One bite at a time." **If you set an elephant-sized goal, break down that elephant into bite-sized pieces.**

For example, if you set an annual sales goal, think through where you should be in respect to that goal at the end of six months. And to make that six month target, where should you be at the end of three months? Or if you have a monthly sourcing goal, how much will you need to source each week in order to meet that monthly goal? How much will you need to source each day in order to meet the weekly goal?

### Put your goals on your calendar

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Whether you choose to put your goals in your phone calendar, on your computer, or on a paper calendar, write down your goals on the actual dates by which you want to achieve them. Include mile markers on your calendar for your long-term goals, so you have a visual reminder of when you need to accomplish short-term tasks in order to maintain your trajectory toward overall success.

Productivity expert Michael Hyatt says, **“What gets scheduled is what gets done.”** If you don’t take the time to put your goals on your calendar to remind yourself of what you are working toward, you are much less likely to actually reach those goals.



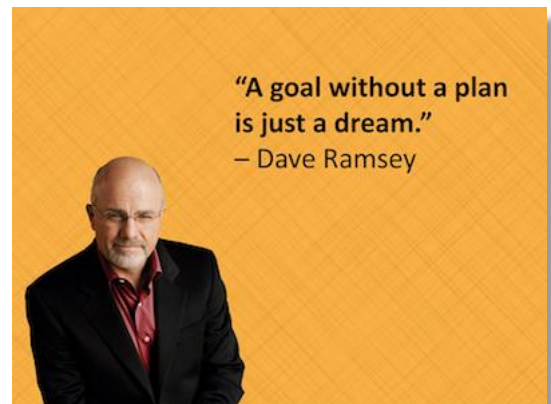
### Find accountability for working on your goals

Like so many areas of life, working on our goals becomes an easier journey if we have someone going along with us for the ride. If you know someone you trust and feel safe talking with about your goals, share with them about your plans and about your goals. Having an accountability partner can spur you on to keep with your goals and not give up on working towards them when the going gets tough. Ask them to check in on you and see what kind of progress you’re making on a regular basis, whether it’s a week from now, a month from now, next quarter, or later this year.

### Review your goals regularly

My wife and I meet once a month to have a budget meeting for both personal and business finances, and at the same time we always review our annual goals. Every year we set personal, family, and business goals. Each month we take a look at the goals to make sure we’re still on track and to decide what our next action steps need to be.

To wrap up this section on goals, I will leave you with a quote from Dave Ramsey, author of [\*Financial Peace University\*](#) and [\*The Total Money Makeover\*](#): “A goal without a plan is just a dream.”



There’s nothing wrong with having a dream, but do you want to achieve that dream? Turn it into a goal, come up with a plan, and take action towards achieving it.

### Focused Learning

I mentioned *focus* briefly earlier in this course, but now I want to spend a bit more time covering the importance of focused learning as an Amazon success essential.

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You may have heard me talk about the FOCUS acronym before: **Follow One Course Until Successful**. Focus on what you are doing or learning until you find success at it and have mastered it, before you move on to start something new.

You really need to take things one step at a time as you are learning how to build an Amazon FBA business. In the world we live in, everyone wants to get to our destination as fast as possible — and this includes the destination of success. But it's those FBA sellers who take baby steps and go one step at a time in the beginning, until they get solid footing, who will find true long-term success. Building up a strong foundation and focusing on the basics will equip you to achieve your FBA goals.



It takes patience to work through these FBA fundamentals — **there isn't really a way to leap frog and get to \$100,000 in sales without working through the basics of building an FBA business**. One way I've found to work through my impatience on certain aspects of FBA is to write down my ideas on a notepad or document on my computer. If I have ideas of things I want to do or learn in my business but I'm not quite at that level yet, writing them down for the future helps me not to be distracted by those ideas in the present. I keep this running log of ideas so that I can come back to them in the future, once I've mastered the step I'm currently working on.

As you focus on learning FBA, I want to stress to you again to always turn what you're learning into action steps. There are so many great courses and articles and videos out there with a ton of excellent information on Amazon FBA, but you don't want to get caught up on focusing so much on learning that you never actually *do* anything. Put some of your learning into practice, come back and review and assess what you've practiced, and then move on to the next step you want to learn.

### Marathon Mindset

Another book I recommend for Amazon sellers who are working on Amazon success essentials is [Grit](#) by Angela Duckworth. Take a look at this quote from Duckworth:



**The type of path Duckworth describes is the path I've been on since I started my Amazon FBA business in 2011.** My business has always been a marathon, not a sprint. It has required a great deal of patience to get where I am in my FBA sales. I believe the same type of business growth is possible for you starting out now, if you work towards your goals with patience and grit. Amazon FBA has the potential to be a business you could be doing for years to come, not just a band-aid to get a little extra income in the short-term. It is completely possible to make a full-time income at FBA with only part-time hours, but you have to have the marathon mindset.

Think about that marathon mindset for a moment and compare it to a sprint. In a sprint you are running as fast as you can for a short amount of time, and then you're done. Pretty much anyone who is able to walk could start and finish a 100 yard sprint. Some people are going to finish it faster than others, but most people are likely to at least finish, even if they haven't run any distance before today.

But a marathon is a completely different story. If I decided today that I want to run a marathon today, I wouldn't last very long, even though I typically go for a run several times a week. Earlier this year I ran a 5k race, and now I'm working on building up to 10k. It would be great to run a marathon one day...but not today. I would need to work my way up to that distance.

Anyone who has run a marathon will tell you the hard work and time it takes to build up to completing the 26-mile race is worth the amazing feeling you have at the end of the race. But you don't just wake up one morning and start running a marathon. You need to build a foundation first. You need to get your body in shape first. You need to build endurance — and endurance takes time. You cannot build endurance in one day or one week or even a month.

Right now we're in only the third chapter of this book, and you may be thinking, "Get on with it! I want to know how to get my Amazon account going! I want to talk about finding profitable inventory!" But what we are doing now in this chapter is setting you up for marathon training. **We are training now so that you will be ready to run the marathon of a successful FBA business, not an FBA business that has a great sprint and then is done.**

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I want to make sure you have the correct expectations for Amazon FBA. A lot of people are making a lot of money from Amazon FBA, and a lot of people will talk up the business as a way to get rich. If you hear me say anything in this training course, please hear this:

Getting a lot of sales and making a lot of money on Amazon does not happen automatically.

**Success at FBA comes with times of failure. It requires a lot of hard work.** It requires being able to adapt and deal with change, as the Amazon selling platform is constantly evolving. I want to set you up for success through this course by helping you establish a marathon mindset where you know how to build a business for the long run and be ready for any changes that may come in the future. I believe that if you trust the process of learning and building this business with patience and endurance, you can accept and learn from your failures, build upon your successes, and ultimately achieve the type of results you desire from your Amazon FBA business.



## Chapter 4 - Arbitrage Basics

Now we are going to get into the basics of arbitrage: what it is and how to do it. We're going to cover different types of arbitrage and the tools you can use (both free and paid) to make arbitrage easier.

### What is Arbitrage?

The fancy definition of arbitrage is the purchase and sale of an asset in order to make a profit from a difference in the price. It is a trade that is profitable because of the price differences of assets in different markets.

That's a lot of words to give a fancy definition of a concept that can be described more simply this way:

**Arbitrage is the process of buying low in order to sell high for a profit.**

Now, back to the fancy definition. Let's look at the concept "*price differences of assets in different markets*" and how that applies to us as Amazon third-party sellers. Our goal is to buy an item at a low price at a particular location in order to sell it for a higher price at another location (in our case, on Amazon). So you might buy an item at Walmart for \$5 in order to sell it on Amazon for \$20, and after you subtract your fees, the remaining money is your profit.

You can sum up the concept of arbitrage in four simple words: **buy low, sell high.**



Once a new seller is tuned in to the amazing possibilities of arbitrage on Amazon, the typical next question is this: **Where** can I buy items at a low price to sell them for a higher price on Amazon? The short answer is *everywhere*, but we'll spend some time now going into a longer answer.

## Types of Amazon Arbitrage



If you can buy products at any particular location, chances are you can find something at that location to sell for profit on Amazon.

- **Garage sale arbitrage** — You would be amazed at the items you can find at garage sales to resell on Amazon. Most garage sales are on Thursday, Friday, and Saturday mornings, sometimes Sunday mornings, and for a very low price you can find new and used books, new and collectible toys, games, and other factory-sealed items you can sell on Amazon to make a profit. If you are interested in learning more about garage sale arbitrage, you can check out my [webinar on Garage Sale Profits](#).
- **Thrift store arbitrage** — Similar to garage sales, thrift stores have a ton of profit potential for new, used, and collectible items you can buy low and sell high on Amazon. Typically the items at thrift stores have been donated and are being sold for a low price to support a cause.

The upside of buying items at garage sales and thrift stores is the prices are usually extremely low, and you can make a great profit and high return on investment (ROI) when you sell the items on Amazon. The downside, though, is that you usually can only find one of each item you are sourcing at a garage sale or thrift store. If you find an item you know will sell well on Amazon, you won't be able to buy two, ten, twenty of that item to increase your profits. **The profit potential may be high at these types of locations, but the ability to grow your profits is limited** compared to other types of arbitrage, which we will cover below.

- **Retail arbitrage (RA)** — You can find multiples of items that are great to sell on Amazon by going to retail stores to do your sourcing. You can buy items at clearance price, sale price, or sometimes even full retail price and sell them for higher prices

on Amazon. For example, you might go to a Walgreens and find a toy that is selling for twice the price on Amazon as it is in Walgreens. You might think, “Why would someone pay more on Amazon? Why don’t they just go to Walgreens and get it for cheaper?” But not everyone lives in a place that has a Walgreens available, and not everyone has the ability to go to the store whenever they want — **there are many reasons why shoppers are willing to pay more to buy an item on Amazon.** Think of national chains like Target, Walmart, Tuesday Morning, TJ Maxx, Marshalls, and many others when it comes to doing RA, but also think of local and regional stores where you can also find some great deals.

- **Online arbitrage (OA)** — Some Amazon sellers do not like to go out and drive around to retail stores to source for items, or they have a time or scheduling constraint preventing them from driving around for RA. Others live in areas of the country (or the world!) that don’t have lots of retail stores within driving distance. For those sellers, online stores provide a great source of items to buy low and sell high on Amazon. Online stores are similar to brick-and-mortar stores in that you can find items at clearance prices, sale prices, and full retail prices that are priced higher on Amazon. You can often buy multiples of items online and have them shipped to your house so you can inspect them and ship them to Amazon for resale.

**Being able to buy multiples of good selling items is an important component of growing the profits of your Amazon FBA business.** RA and OA give you the possibility of “going deep” on items by buying multiples that you can sell either quickly or over a period of time and make more profits with less work than going to many garage sales and thrift stores to find the same number of items. The profit margin and ROI are often higher on an individual item you can find at a garage sale or thrift store, though, so there is a bit of a trade-off when it comes to choosing your sources for arbitrage.

- **Wholesale arbitrage** is a way to go even deeper on one item than you could go through RA and OA. Through wholesale arbitrage, you develop relationships with wholesale manufacturers or distributors, and you are able to purchase at much lower prices than you could at retail or online stores, giving you a higher ROI on your sales. Many times RA sourcers get frustrated when they see competitors selling the same items for cheaper prices on Amazon, and they know they would lose money if they priced their items that low — but if those competitors are buying the items from a wholesale source, not RA, they are likely getting a much better price and can still make a profit by selling it lower than the RA sourcer does. You can also buy larger quantities of items, which can be a huge time saver when you don’t have to continually go out and search for new items to sell.

Besides the locations I’ve mentioned above, Amazon sellers have other sources for finding profitable inventory. Some sellers like to shop at liquidation stores or buy liquidation pallets (often sight unseen) to find items going for a higher price on Amazon. I don’t recommend buying liquidation pallets to sell on Amazon for a few reasons:

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- You have no way to verify the authenticity of the items on a liquidation pallet, and you are rarely given a line-item invoice.
- You have no way to know before purchasing and inspecting the liquidation items whether they are still in new condition. They may have been used, returned, and put back in the original packaging, but you can't tell until you've already made your purchase.
- You may not be able to do research on every item in your liquidation purchase ahead of time, so you might end up with 90% junk that can't be sold on Amazon and only 10% potential Amazon inventory.

For me, the risks are too high, and I don't recommend liquidation as a sourcing method for Amazon. I know other sellers have done well with liquidation sourcing, but it's not for me.

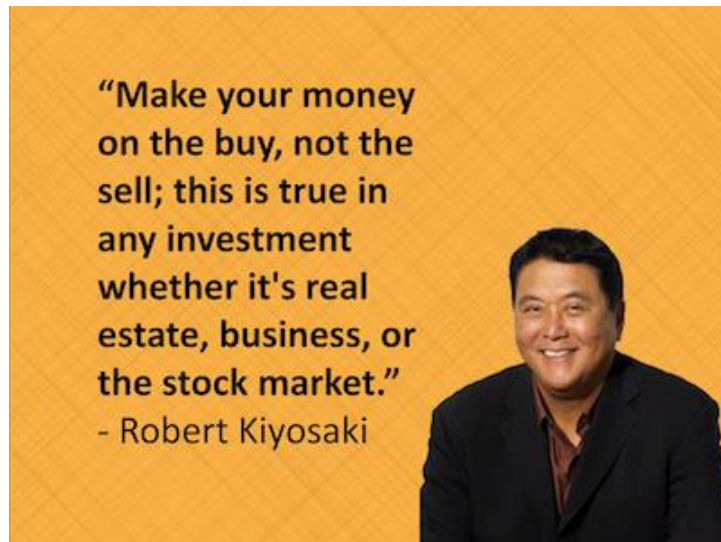
Another popular method for selling on Amazon is to create private label product listings within the Amazon catalog. There are a couple of different ways to go about doing private label on Amazon: creating your own product to sell or selecting a product from a manufacturer and putting your own label/brand on it. I don't have any experience in private label selling on Amazon, so I do not teach it in this course.

Overall, when new sellers are getting started on Amazon, **I recommend starting with garage sales and thrifting**, so that you are spending a low amount of money while you are getting comfortable with how Amazon works and you have less risk as you're learning the selling process. Once you've gained some experience, you can start venturing into RA, OA, and wholesale sourcing, which require more money (and therefore, more risk) to make inventory purchases. The timing of how long you spend trying different types of sourcing and gaining experience as a seller is different for everyone, so you really need to be patient and reflective as you figure out for yourself what is best for the growth of your business. Can you skip over thrifting and go straight to buying from wholesale sources? Yes, of course. But I think there is a great benefit to building a foundation by learning Amazon with lower amounts of money and risk involved, especially if you have no previous business or selling experience.

### Tools to Find Inventory

Now that we know the types of locations where we can buy low to sell high on Amazon, an obvious next question to ask at this point in the learning process is "How do I know which items to buy?"

An important concept that I want you to remember as you are looking for Amazon inventory is **you make your money when you buy**. When I first heard that idea, it made no sense to me. It seems backwards. But check out this quote from Robert Kiyosaki, author of the *Rich Dad Poor Dad* books:



When it comes to sourcing decisions in your Amazon FBA business, you want to make sure you are making your money on the buy. Make sure you are making the best decision possible about how to spend your sourcing money. **Don't focus so much on selling that you don't make a good buy.** You can really end up with some crummy inventory that isn't worth being purchased in the first place, if you aren't careful and make good buying decisions on quality inventory at great prices.

Thankfully, we have available to us as Amazon FBA sellers some great tools, both free and paid, that make the process of deciding which inventory to buy much easier.

**Smart phone apps** — You can use your smart phone to scan the barcodes on items and find profitable inventory at garage sales, thrift stores, and retail stores.

**Free: Amazon Seller app** — Scan items with the Amazon Seller app to see vital information about the item on Amazon. You can see the Amazon sales rank, the product category, the profit (after Amazon fees) if you sell that item at the current price on Amazon, and other information. When it comes to sourcing inventory, though, the Amazon Seller app provides limited information compared to other third-party apps. The Amazon Seller app is sufficient for just getting started on Amazon, but if you want to go further with your Amazon business and make smarter sourcing decisions, you will likely want to use a paid sourcing app.

**Paid: Scoutify** — I use the Scoutify app every time I go out to do RA. The Scoutify app comes bundled with the [InventoryLab](#) inventory processing software, which costs a monthly fee. (We'll cover inventory processing and the software you can use for it later in this course.) There's no extra charge to use Scoutify if you are using InventoryLab.

When you scan a product with the Scoutify app, you can see the profitability of that item, how much the Amazon fees will be, how much your inbound shipping to the FBA warehouse will be, and other key information for making your buying decisions.

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There are other scanning apps on the market for Amazon sellers, but these are the two that I personally use. **I use Scoutify as my main sourcing app and Amazon Seller app for other functions, such as checking sales, responding to buyer emails, and repricing inventory items on the go.**

Each of these apps has similar information when scanning potential inventory, like title of product, sales rank, category, and different pricing options along with your potential profit. If you look at the numbers in the comparison photo, however, you will see that the gross proceeds is different on each app.

- Amazon Seller app = \$4.65
- Scoutify = \$4.10

This difference is one of the big reasons I do not use the Amazon Seller app for sourcing. The Amazon Seller app does not give you the option to include inbound shipping costs in the calculation of your profit on the item. So if you were to buy the *Parks and Recreation* Andy Dwyer Funko Pop toy shown in our photo, and then you sold it for \$8.99 (the current low price at the time of these photos), **the “Gross Proceeds” listed on the Amazon Seller app of \$4.65 would not include the amount of money you will pay to ship that item to the FBA warehouse before you sell it.** If you look at the Scoutify amount for gross profits, the amount is lower, only \$4.10, because Scoutify includes the cost of inbound shipping. Now, this might not seem like a big deal seeing that the difference is only \$0.55 for this example, but for items that are higher in cost, the difference starts to add up.



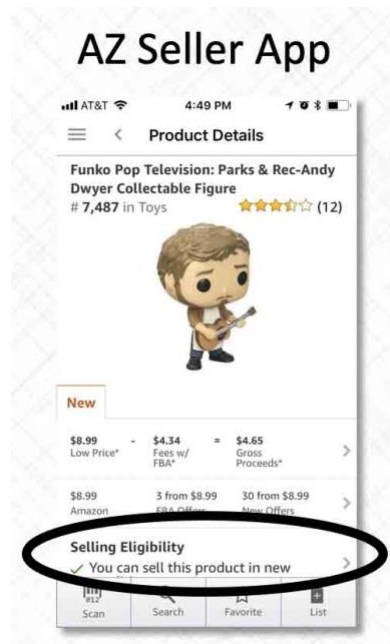
It's important to know the entire fee when you're making your sourcing decisions. The size and weight of each item in the Amazon catalog is different, and a larger, heavier item is going to have higher inbound shipping costs, affecting your profit from that item. **Leaving out the inbound shipping in your calculations could cause you to buy an item for resale that has lower profit potential than you realize.** As Amazon FBA sellers, we get a great partner rate for UPS and FedEx shipping to the Amazon warehouses, but it still costs money, and that money adds up quickly if you're not keeping an eye on it.

**Another reason I prefer third-party scouting apps is that the Amazon Seller app only shows the current low price of an item.** You can't see it on the photo of the Andy Dwyer toy above, but on Scoutify you can scroll down and also see the other higher priced offers for the item. It's just one more detail I can use in assessing the competition on the item and making a good sourcing decision.

**A pro for the Amazon Seller app is that right on the main screen for an item, you can see your selling eligibility for that item.** If you are not restricted from selling an item in new condition, it will show your eligibility at the bottom of the screen. If you tap that line on the

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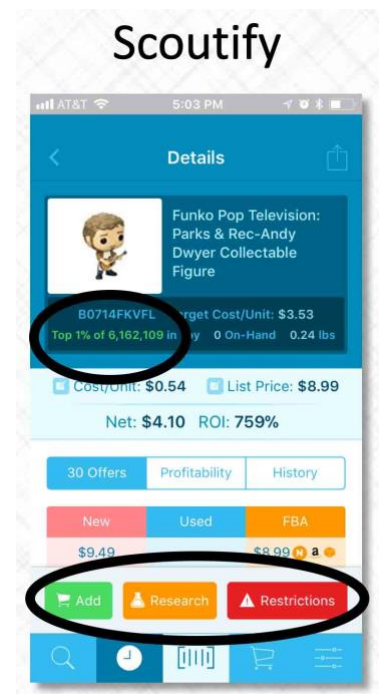
screen, it will take you to a screen showing more details about your selling eligibility for the item, whether you have any listing limitations: whether you can sell the item in new, used, or collectible condition.



Scoutify has the same restriction information on the main screen, but to see the details of the restriction (what condition is restricted or allowed for you), it takes an extra click to get to the information you need.

**I prefer to use the Scoutify app as my main sourcing app for several reasons, a lot of them found within the colorful buttons on the bottom row of the app:**

- Click the “Research” button to be able to navigate to the Amazon product page (to see all of the Prime-eligible offers), as well as the ability to [add quick links to Keepa](#) for pricing and sales rank history, allowing you to determine the average sales rank and average price for the item over time. (Learn more about Keepa [here](#)). Prices change on Amazon all the time, and sales rank is updated once an hour – so it’s good to look at the history for the item, not just the current numbers.
- If you see the “Restrictions” button pop up (because it only pops up on the screen if there is a restriction), then you can click it to see your specific selling eligibility and restrictions. For example, you might be approved to sell an item in new condition, but not in



used condition. This quick link will show you what you're approved and what you are not approved to sell.

- **Another huge reason I prefer to use the Scoutify app is the green "Add" button located in the bottom left corner of the app.** When I'm out sourcing and I find an item I'm going to purchase at a retail store, I click this "Add" button, and I can enter information about the item to make the listing process easier for me later, including the cost of the item I'm purchasing and the store I'm purchasing it from. Once I've finished sourcing for the day, I can email myself the file from Scoutify with the information about all the inventory I've purchased, and then I can upload that file to InventoryLab and automatically create a shipment to the Amazon warehouse. The process of listing my inventory is streamlined between Scoutify and InventoryLab, saving me a ton of time and effort.

We will talk more about InventoryLab later in the course, but if you want to get a free month trial of the Scoutify app and InventoryLab software, you can [sign up through my link](#).

Another feature I love on the Scoutify app is the ability to click on the sales rank number to see where that number stands in correlation to its main Amazon category (Top 1%, 2%, 3%, etc). For example, the sales rank might say the rank is 57,000 in the Toys & Games category, but if you click on the sales rank number, it will instead tell you that the sales rank number is in the top 1% of the total Toys & Games category. This helps you better understand where the sales rank number stands in relation to the entire category.

Now that we have taken a look at the tools you can use for finding inventory through retail arbitrage, let's move on to look at tools for finding inventory through online arbitrage. Don't worry, though; we'll come back to retail arbitrage later in the course and go over some more tips and tricks for RA.

### Find Inventory Online

Just as we did above for sourcing apps for retail, garage sale, and thrift store arbitrage, let's discuss both the free and the paid methods of doing online arbitrage (or OA).

**Free: All retail websites** — You can go to any retail store's website and compare the items from their online store to the items for sale on Amazon. [Target.com](#), [Walmart.com](#), or pretty much any other retail store you can think of is a possible source of OA inventory. If you start browsing the internet in search of new stores, you will be surprised at the online stores out there that hardly anyone has heard of — some of them with great inventory you can buy to sell on Amazon! It is possible to look up the items for sale on a website, compare them one by one with items in the Amazon catalog, and find matches by UPC or keywords and title. **You can do this type of search and find items selling low on one website but selling high on Amazon.**



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As you can imagine, individually searching for each item on a website can be quite time consuming. I prefer to use paid resources for finding online inventory much faster than looking each item up myself. My wife Rebecca and I use a couple of different paid tools for speeding up the process of doing OA.

**Paid: OAXray** — A Chrome extension that allows you to go to an online store’s website and scan a page of items to find matches in the Amazon catalog. [OAXray](#) has a long list of websites compatible with their software, some with UPC searches and some with title searches. From the Google Chrome browser, you can navigate to a page within an online store, click the OAXray extension, and scan the page to turn it into a spreadsheet of items with links to the Amazon product page, links to Keepa data, and columns of info on pricing, sales rank, profit, and ROI, among other things. OAXray also shows you if the item is selling on other websites, where you might get a better buying price. If you want to check out an extended 10-day free trial of OAXray, go through the link [www.fulltimefba.com/oaxray](http://www.fulltimefba.com/oaxray). Using the OAXray extension saves literally hours each day of matching items from online stores to the Amazon catalog.

**Paid: Tactical Arbitrage** — Online software that allows you to scan an entire category of a store’s website to find matches in the Amazon catalog, either by UPC or by product title. [Tactical Arbitrage](#) allows you to set up multiple pages and multiple websites to scan at one time, so that you can start a scan and come back to it later after it has finished. The results of a Tactical Arbitrage scan show you links to product pages on the online store’s site and Amazon, links to Keepa, and columns of info on pricing, sales rank, profit, and ROI, among other things. Tactical Arbitrage has other features and methods for doing reverse scans, Amazon flips, and more. The time you can save using Tactical Arbitrage adds up to hours per day. If you want to check out an extended 10-day trial of Tactical Arbitrage, be sure to use the code **FULLTIME10** when signing up at [www.fulltimefba.com/TA](http://www.fulltimefba.com/TA).

**If you do decide to do a trial of either OAXray or Tactical Arbitrage, I highly encourage you to make sure you are prepared to spend a significant amount of time during that trial learning the software and scanning websites.** You don’t want to sign up right when you are going out of town on vacation or right when you have a busy week of doing some other task. Make sure you can spend several hours going through tutorial videos and practicing what you are learning. If you dedicate the time to learning the software during the trial, you should be able to find enough items to resell that you can pay for at least a month of subscription for the service.

In addition to assisting in OA, both Tactical Arbitrage and OAXray are also useful for scanning spreadsheets of wholesale inventory. If you have a spreadsheet from a wholesale company or distributor, you can run it through Tactical Arbitrage or OAXray to find items within your buying parameters.

## Profitable Inventory

When it comes to any type of arbitrage, it is important to make sure you are looking at the right information on whichever app or software you decide to use. You can boil down a “good buying decision” to a couple of different basic factors. **You want to find items with the following characteristics:**

**1. Good ROI** — Will this item make you a profit after fees? The apps and tools we've discussed above will allow you to easily look at the potential ROI for an item and quickly know if you can make a profit on this item by selling it on Amazon.

**2. Good average sales rank** — Will this item sell fast? We'll talk more later about sales rank and how to know if an item has a good one, but for now I want to say that using the apps and tools above will help you see info about an item's potential to sell quickly.

If you can find items with a good potential ROI and a good average sales rank, you can increase your possibility of selling that item for a high price and making a good profit. We will build on these concepts as we get further into the course and discuss in more detail how to find inventory and make smart sourcing decisions.

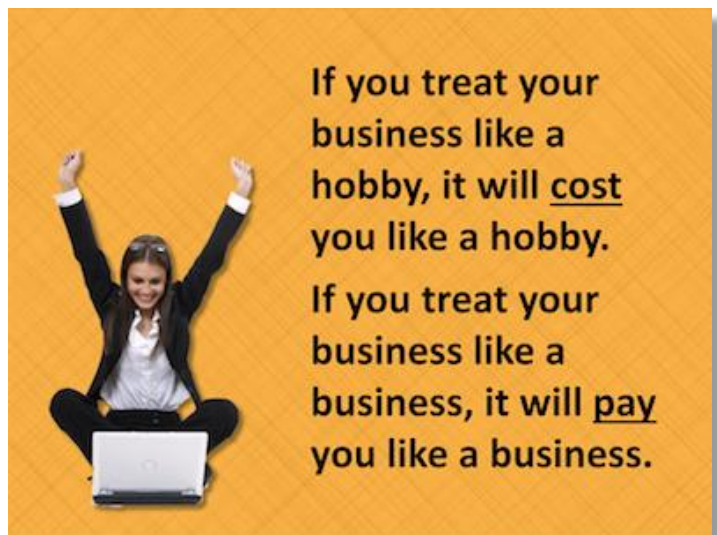
## Chapter 5 - Business Basics

In this chapter we’re going to tackle Amazon business basics — how to run your Amazon FBA business *like a business*. Some sellers taking this course may have a background in business, while others are new to running a business. I want to make sure all our bases are covered and you have a solid introduction to some business principles that will set you up for success as you’re starting out in Amazon FBA.

### Business Mindset

I want to start us on the topic of business by talking about what is going on between your ears. What is your *mindset* when it comes to running an Amazon FBA business? **Do you have a business mindset?**

Many people start off selling online as more of a hobby than a true business, whether they start off selling on eBay, Amazon, or another platform. If you want to start earning a solid income, however, whether you want to do it full-time or part-time, you need to make sure you have a business mindset and you treat your business as a business, not as a hobby.



**Here are a few comparisons of Amazon FBA as a business versus FBA as a hobby:**

Business	Hobby
Focus on profits; concerned about making money; understands the bottom line; enjoys the experience, but prioritizes the profits.	Focus on the experience; enjoys the thrill of finding the next big deal; doesn't pay attention to all the numbers involved.
You gotta spend money to make money; willing to spend money on tools and services for the business, but expect to make profits in return.	Expenses aren't always tied to profits; sometimes spend money without expecting money in return.
Continuing education; learns more in order	Mostly experimenting and testing ideas in order to further the hobby and gain new

<p>to earn more; the business mindset is constantly absorbing new ideas, through free and paid content. Our recommended resources are found here: <a href="http://fulltimefba.com/resources">fulltimefba.com/resources</a>.</p>	<p>experiences; not as concerned about making profits off what is learned.</p>
<p>Outsourcing in order to scale the business; understands that you can't do everything by yourself; willing to build a team in order to grow.</p>	<p>Doing everything yourself because you want to; enjoys doing all aspects of online selling; not interested in growing to the point of needing a team.</p>

If you desire to grow an Amazon business to the point where you can make a significant income from your profits, you will need to have a business mindset. You will need to treat your business as a business. That may seem like an oversimplified statement, but I've seen it so many times — online sellers want to earn a full-time income from Amazon FBA, but they can't get beyond treating it like a hobby. **You have to change your mindset if you want your FBA business to grow.**

One important item to note: Even if you personally think you have a hobby mindset, not a business mindset, the IRS considers Amazon FBA a business. **From the IRS's point of view, if you are making any profits, you are running a business — and as a business, you are responsible for taxes on your profits minus your expenses.** To get more information specific to your state, please contact a CPA in your state to make sure you are following all applicable state and federal laws when it comes to running your FBA business. For more information about state sales tax and other tax issues, I also recommend checking out the information at [TaxJar](http://TaxJar).

(Note: I am not a tax or accounting professional, and I am not giving you any tax or accounting advice. Please seek the help of a CPA or tax professional.)

### Business Entity Choices

When you are getting established as a business, you have three main options for the types of business entity you can set up.

1. **Sole proprietorship (self-employed)**
2. **LLC (limited liability company)**
3. **S-Corp (S-corporation)**

In this section I'm going to give you some basic information about what each of these types of entities is. I am not giving you legal advice about which type of entity you should choose for your business. You need to make that decision with the help of a CPA, tax accountant, attorney, or other professional in your own state.

### Sole proprietorship (self-employed)

**As the name implies, in a sole proprietorship you yourself own and run the business.** There is no legal paperwork required to set up a sole proprietorship, but some states, cities, or counties might require a permit or license. You will need to do your due diligence to make sure you are complying with state and local regulations.

With a sole proprietorship, you can use your own name for your business, or you can choose another name as long as no other business has already claimed it. Sole proprietors file taxes with the IRS as an individual, and the individual is responsible for paying all self-employment taxes.

**A major area of risk for sole proprietors is that there is no legal separation between you as an individual and you as a business.** If an Amazon customer decides to sue your Amazon business and you are a sole proprietor, you as an individual would be responsible for that lawsuit, and both your business and personal finances would be at risk.

If you decide to do business as a sole proprietorship, please consult with a professional in your state to make sure you are following all federal, state, and local regulations.

### LLC (limited liability company)

**Establishing an LLC gives business owners a layer of protection when it comes to legal liability.** An LLC separates you as an individual from you as the business owner in case of a lawsuit. As a legal entity, an LLC must be registered with the state where it does business. Each state's requirements for registering an LLC will vary, so you will need to do your due diligence to find your own state's requirements. In general, you will need to file your articles of organization as an LLC using a distinct name. You might also need local or state licenses or permits, so be sure you have done your due diligence to comply with these regulations.

The IRS does not consider an LLC a separate entity for tax purposes, and members of the LLC are considered self-employed and will need to file with the IRS as an individual. The individual will be responsible for all self-employment taxes based on their income, including that of the business.

If you decide to establish an LLC, please consult with a professional in your state to make sure you are following all federal, state, and local regulations.

### S-Corp (S-corporation)

**An S-Corp is a legal entity named from the subchapter S from the IRS code.** An S-Corp is similar to an LLC in that it is not taxed as a separate entity. Profits and losses of an S-Corp are passed to the shareholders.

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At this point in the conversation you might be thinking, “Whoa, I have to have shareholders and shares and all that stuff?” Don’t worry, you don’t have to have outside shareholders to form an S-Corp. The shareholders can be just you or just you and your spouse. You would own all the shares.

Even though profits and losses of an S-Corp are passed to the shareholders, there are some tax advantages to establishing an S-Corp over an LLC. The members of an LLC must pay taxes on the entire net income of their business. With an S-Corp, though, the members pay income tax on the wages they receive from the business, and if they take out any additional distributions from the business, they would also pay income tax on it, but at a lower tax rate.

An S-Corp is the type of business entity my wife and I have set up for our Amazon FBA business. Every month Rebecca and I each receive a paycheck from our business. If we have extra money we want to take out of the business, we write a separate check as an owner’s draw.

Some people might be tempted to say, “Hmmm, that sounds like a deal. I’m going to set up an S-Corp and pay myself a \$5 paycheck every month, and then I’ll pay a lower rate on all the other money I take out of the business.” You won’t get very far if you try that, though. The IRS requires you to pay a fair market rate for your wages, and if you try to game the system, they will notice, you will earn yourself an audit, and you will be penalized. Don’t do that. Follow the rules.

If you decide to establish an S-Corp, please consult with a professional in your state to make sure you are following all federal, state, and local regulations.

Regardless of which type of business entity you choose to operate under, I’m sure by now you have noticed a theme in what I am saying: **I highly recommend finding a good CPA or other tax professional who can help you make sure you are following all the appropriate rules and regulations for doing business in your location.** A good CPA is worth every penny you pay for their services. It’s best if you can find a CPA who understands online sales and other aspects of e-commerce, in addition to understanding your local and state regulations.

You can begin your search by looking for a CPA within your state or within your ZIP Code, but I recommend interviewing the individual before you hire them. You want to find someone who has the “heart of a teacher” (to quote Dave Ramsey) and who will be willing to work with you on aspects you don’t understand about setting up a business. You don’t want to hire someone who talks down to you or tries to make you feel inferior for not understanding everything there is to know about the tax code. You want someone you can trust, someone who will have a good working relationship with mutual respect.

## Business Bank Account

Another important aspect of establishing a good foundation for your Amazon FBA business is to set up a business bank account separate from your personal bank accounts. You can easily set up a business checking account at the same bank where you do your personal banking, and you

would then typically be able to use the same username and password to log in for online banking for both accounts.

**It is crucial that you keep your personal money separate from your business's money for several reasons we will go into below.**

- **Simplify organization.**

Keeping a separate business account ensures there's never any gray area where you are looking at your account balance and wondering, "Now, is that money I can spend on inventory, or was that set aside for groceries for the family this week?"

- **Clarify profitability.**

With a separate business bank account, you can easily calculate your business income and expenses to determine if your business has positive cash flow. It is important to know whether your business is making money or losing money — but if the money for your family's electric bill and your kid's piano lessons is coming out of the same account as your money for inventory and other business expenses, it's hard to know without doing a lot of math and maneuvering whether or not your business is profitable.

- **Keep a professional mindset.**

When personal and business finances are separate, it becomes easier to run your online selling activities like a true business. You won't be tempted to dip into personal savings to buy inventory if you have separate accounts. Instead, you will be forced to start making sharper business decisions about how you spend your business finances.

- **Simplify tax concerns.**

The IRS recommends keeping a separate business account so that you can easily show them the difference between your business and personal income and expenses. Taxes are complicated enough on their own, without adding an extra layer of confusion by having one checking account for both your personal and your business expenses. Opening a business account is a simple step you can take today to prove to the IRS that you want to be above board as a business in how you handle your taxes.

Opening a business bank account is an action step you can take very soon, if you have not already. I highly recommend opening your business bank account before moving on to the next section of this course. A checking account is sufficient, but a business savings account can also be useful for setting aside money for your business, whether as a rainy day fund, a legal services fund, or a fund for buying large amounts of inventory during Q4.

## Know Your Numbers

We've been leading up to this last point all throughout this chapter. **If you want to have a successful Amazon business, you need to know your numbers — know the numbers related to different aspects of your business.** If you don't know how your business is performing in certain areas in terms of cold, hard data, how can you really know whether your business is winning or losing?

**Certain numbers are even more important in the early stages of your business.** As your business starts to grow, you can stop paying attention to some numbers as often as in the early stages, but you will still want to check in regularly and know how your business is doing in those areas. You might move from checking these numbers daily to checking them weekly, or from weekly to monthly.

- **Cash flow**

Cash flow basically offers a bird's eye view of the financial state of your business. You determine cash flow by **subtracting your operating expenses (all the money you need to run your business) from the amount of money your business makes** during the course of normal business activities.

**In the case of an Amazon business, you have a disbursement you receive from Amazon, and you subtract from it the amount it takes to buy new inventory and any types of fees for services, supplies, and other expenses.** You need to make sure that your cash inflow exceeds your cash outflow. If you have more money going out than you have coming in, you need to take a close look at the details of your income and expenses to figure out what's going wrong.

- **Profit and loss**

Your business's profit and loss is related to cash flow. Profit and loss is a snapshot of your company's income during a specific time period: **sales and revenues minus your expenses during that time period.** Knowing your business's profit and loss over time allows you to figure out your projected earnings and make realistic plans for the future, both short term and long term.

For example, you might hear about some great software to help you with your Amazon business. If you know your income is increasing at a certain rate, you can make better decisions about investing in that tool for a monthly fee with the goal to increase your income even more. On the other hand, you might see that your income hasn't increased to the level to be able to afford the tool each month, and you will need to wait and let your income grow before investing in it. Without knowing your profit and loss over a period of time, you cannot make wise decisions for your business.

- **Sales**

I think it's safe to say that sales is the number most Amazon sellers focus on more than any other number. Getting sales is fun, and it means we're getting money towards our next disbursement. Keeping an eye on our sales is important, though, because a sustained dip in



sales could be a sign of trouble. In the same respect, a sustained increase in sales is also important to notice. **If you can determine why you are having an increase in sales, you can replicate your efforts and continue to grow. On the flip side, with decreases in sales you can learn from your mistakes and move on.**

Many times it's easier to make these types of judgments around the time that the change in sales is happening, rather than looking back six months later to try to figure it out. It might be hard to remember the circumstances that far back in time, so you want to stay on top of trends in sales as they are happening.

- **Gross margin**

The meaning of the word “gross” here isn't yucky. **Gross margin or gross profit reflects how much money remains after the actual cost of your inventory is subtracted from your disbursements.** If this figure is low and not sufficient to cover your operating costs (your supplies, fees, inventory, etc), then either you are not charging enough for your products or your expenses are too high. You will need to find items you can sell for higher prices or higher ROI.

- **Average selling price (ASP)**

ASP is calculated by taking **the overall dollar amount of your sales and dividing it by the number of units you've sold to come up with an average.** You want to make sure that your ASP grows over time as your Amazon business grows. It is easier to grow your Amazon business overall if you are selling higher priced items on Amazon. Here's a quick example of why:

If I sell 10 items at \$10 a piece, I have \$100 in sales. But I have to process and ship 10 items, requiring time and energy for each item. I could also sell one item at \$100 and make the same amount of money in sales, but it would require one-tenth of the time and energy to process and ship that item. The same goes with fees. I will spend less on fees for the one \$100 item than I would for the 10 \$10 items.

Now, some sellers make a lot of money selling a high volume of low-priced items. It is a valid business model. But if you want a sustainable business that truly allows you to leverage your time, energy, and money to its maximum potential, I recommend increasing your ASP as your business grows.

- **Total inventory**

You need to monitor your inventory levels on a regular basis to ensure they are healthy. **By tracking your inventory levels you can spot problems early enough to avoid the consequences of having excess inventory (leading to storage fees) or not enough inventory (leading to being out of stock on items you could easily replenish).**

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In the case of excess inventory at the FBA warehouse, you will end up paying storage fees if you do not sell your inventory fast enough. Amazon charges monthly storage fees for items that have been at the warehouse for longer than a month. The monthly storage fees aren't very high; in fact, I find the monthly storage fees to be very reasonable, especially compared to the cost I would have to pay for storage somewhere else.

But if you leave inventory at the warehouse for an entire year, that monthly storage fee multiplied by twelve gets to be pretty high — especially when you consider that Amazon also charges a separate long-term storage fee on top of their monthly storage fees. Twice a year (on February 15 and August 15), Amazon charges a long-term storage fee on items that have been in their warehouse for longer than six months. These fees are much higher than monthly storage fees, so you want to avoid them by selling your inventory within six months. At the time of this writing, the long-term storage fee is \$11.25 per cubic foot for items at the warehouse for longer than six months and \$22.50 per cubic foot for items stored longer than twelve months.

The storage fees you pay on these items would then be part of the cost you need to subtract to come up with your overall ROI on the item, so you want to be careful not to have excessively high storage fees that eat into your ROI and profits. **(Be sure to check out the printable PDF bonus in your JumpStart Amazon course materials. The PDF shows you how to do the math to calculate ROI and profit margin.)**

We can all probably agree that you should know your numbers in your business in order to be successful, but how can we all do a better job of knowing and tracking our numbers?

**You need to make sure your numbers are recorded somewhere so that you can analyze and understand them.** You can keep records through several different accounting or bookkeeping methods, including the following tools and services:

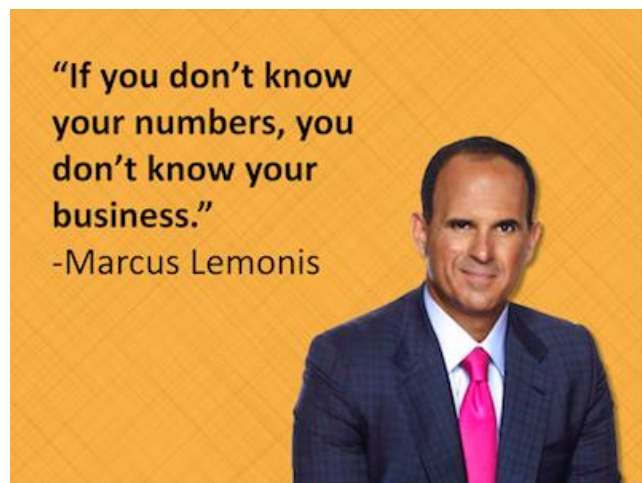
- **Use an accounting program or spreadsheet.** You can use a Google or Excel spreadsheet that you create on your own, but the process of creating it can become time consuming. When I first got started with my Amazon FBA business, I used a profit spreadsheet that I purchased to make the process easier, with the rows, columns, and formulas already set up for me. You can find that spreadsheet for sale here: [www.fulltimefba.com/spreadsheet](http://www.fulltimefba.com/spreadsheet).
- **An even better option for bookkeeping is [InventoryLab](#).** If I were starting over again today, I would use InventoryLab from the very beginning. I mentioned this product earlier in the chapter on scanning tools and the Scoutify app, which comes bundled with InventoryLab. The InventoryLab software allows me to streamline the listing process of my Amazon inventory, but it also allows me to keep track of my product buy costs, sales, profits, and so many other numbers related to my Amazon inventory. If you are interested in checking out a free month trial of InventoryLab, be sure to sign up through [this link](#).

- **Another option for bookkeeping is the GoDaddy accounting software, which can be found through [this link](#).**
- **Ultimately, the best way to ensure you know your numbers in your business is to hire a CPA.** I mentioned this earlier, and here I am bringing it up again — but it is essential to your business’s success to make sure you are handling the financial aspects of Amazon FBA correctly. Hiring a professional is the most efficient and reliable way to know your books are being handled correctly. Your goal as an Amazon seller should be to eventually get to a place financially in your business where you can afford to hire a CPA. I say “eventually,” but I recommend this be your goal sooner rather than later. A good CPA is worth every penny you pay for their services.

## Conclusion

Marcus Lemonis of the TV shows *The Profit* and *The Partner* says, “If you don’t know your numbers, you don’t know your business.” If you are serious about finding success at Amazon FBA, you *must* know your business’s numbers.

**Part of the business mindset we discussed at the beginning of the chapter means having a mind tuned in to how the numbers of your business are working together.** Part of knowing your numbers means knowing what type of legal entity works best for you and your business. Yet another part of your Amazon business basics is to make sure you have separate business and personal bank accounts.



Each of these components works together to give you a solid foundation for basic business success. **Add to these basics the component of hard work, and you can move forward with confidence in your Amazon business.**

Don’t be fooled by anyone who would tell you that Amazon FBA is completely passive income because you send in inventory to the warehouse and your work is done. Yes, *part* of the business is passive income in that you don’t have to fulfill the orders yourself, but the bulk of an Amazon business *does* require work. That work can totally pay off and be completely worth it if you approach it as a business, not a hobby. We will get into more details about finding inventory and making sales in other sections of this course, but I want to make sure you understand these business basics before we move on to those points. **You won’t regret laying this foundation for your business!**



## Chapter 6 - Opening Your Amazon Seller Account

Are you ready to open your account by now? It's exciting to take this next step and make your Amazon seller account a reality. Before you start the actual process of opening your account, however, I want to spend the beginning part of this chapter going over some important points to consider about your seller account. The second part of this chapter will be the nitty gritty details of how to open an account, including a walk-through of the process.

### Requirements

First off, I want to make sure you understand Amazon's requirements for sellers before you open your account. **You will need to have the following required information ready to enter in your application:**

- **Current contact information** - name and address
- **Current phone number** - in case Amazon needs to contact you during the process of setting up your seller account
- **Internationally-chargeable credit card with billing address** - for the purposes of collecting fees, including the monthly fee for professional sellers
- **Your tax identification information** - your Social Security Number for sole proprietors or EIN (employer identification number) for LLCs or S-Corps

### Individual vs Pro Seller Account

Amazon typically gives you two options for how you can set up your seller account: as an individual seller or a professional seller. I always recommend setting up as a pro seller, and you'll understand why after I present the differences between the two accounts below.

Individual Seller Account	Professional Seller Account
No monthly fee; \$0.99 fee per sale	\$39.99 monthly fee; unlimited sales
Sell in 20+ open categories in the Amazon catalog; anyone and everyone can sell in these categories on Amazon	Sell in 20+ open categories in the Amazon catalog; anyone and everyone can sell in these categories on Amazon
Can't apply to sell in 10+ additional gated	Can apply to sell in 10+ additional gated

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categories	categories
Can't use third-party tools to upload inventory; includes listing software, sourcing apps, and repricers	Can use multiple third-party tools to upload, source, and reprice inventory
Can't use Amazon's advertising or promotional tools to draw more buyers to your items	Can use Amazon's advertising or promotional tools to draw more buyers to your items
Not eligible for the buy box	Eligible for the buy box

For more information about the differences between individual and pro seller accounts, you can visit the Amazon guidelines [at this link](#).

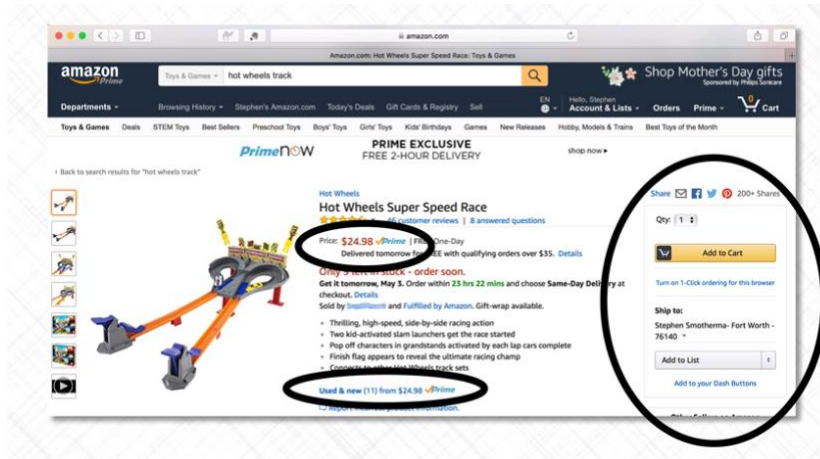
*(Note: Amazon appears to be phasing out the individual seller account, and not all sellers will see this option when signing up for an account. This is even more reason to sign up now for a professional seller account.)*

**Not all categories on Amazon are open.** Some are “closed” or “gated,” meaning they require approval before you can sell in those categories. Being able to get approval for gated categories is a big deal for sellers because it opens up the possibilities for you to have more inventory to sell and more customers you can reach. We will talk more about the different categories and the ungating process in a later chapter of this course.

**Eligibility for the buy box is another huge deal for Amazon sellers.** Getting the buy box means getting more sales — and you can't get the buy box if you aren't eligible for it. I have the buy box circled on the Amazon sales page below:

Amazon has said that over 80% of all purchases on Amazon are made through the buy box. That's an astounding amount! Obviously, you want your inventory to be featured in the buy box on Amazon product pages. Most customers see the “Add to Cart” button and click it to make their purchase, without doing further investigation on other sellers or prices. **Most Amazon customers do not know you can click another link to see more used and new offers for items when they are available, circled at the bottom of this screen shot:**

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If you sign up as an individual seller on Amazon, you will only be able to have your products listed and available for sale if customers click the link for other offers. **Unless you have a pro seller account, you won't be eligible for the buy box and the "Add to Cart" button.** If you are serious about selling on Amazon, you want to be eligible for the buy box.

Have I convinced you yet that you need to be a pro seller? I hope so! I want you to be successful, and you are *much* more likely to find success as an Amazon FBA seller if you can get the buy box. **That reason alone makes it worthwhile to be a pro seller, but the other reasons are vital as well:**



Remember how important your mindset is to your Amazon business. **Having a professional seller account contributes to your professional mindset, and having a professional mindset leads to professional results.** A professional makes good money at what they do — you want to be a professional seller, not an amateur one.

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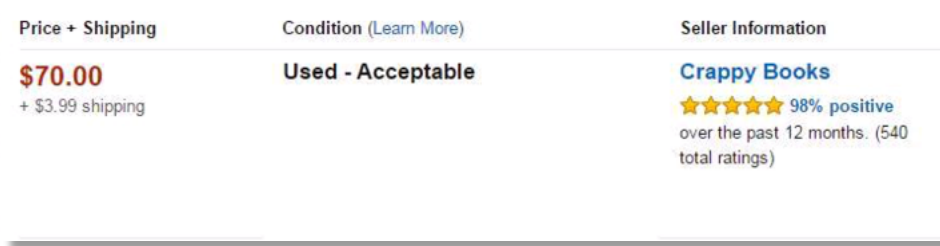
I often hear beginning sellers say at this point, “But it will cost me \$40 a month to set up a pro account. I’m just getting started and don’t want to eat up all my profits. I can’t afford \$40 a month!” And I get it. It’s hard to pay a monthly fee when you are just getting started. But the problem is that if you only go with an individual seller account, you’re only going to get a trickle of sales.

**If you set up a pro account, you will get a great deal more sales and will easily be able to pay for the \$40 a month** — not to mention the fact that at \$0.99 per sale in fees for an individual seller, all you need is 41 sales as a pro seller and you’re paying less in fees. Imagine if you sold 50 items a month, 100 items a month, or 500 items a month. Paying a \$40 a month fee is nothing at that point — and it’s totally possible to work your way up to selling that many items. Once you get started sending in inventory, you will be able to build momentum and take the profits from your sales to buy more inventory to make more sales and then buy more inventory and on and on, until you have a snowball of sales and profits and disbursements. It is extremely hard to get that kind of momentum going, however, if you don’t have a pro seller account.

### Amazon Storefront Name

You also need to choose a professional Amazon storefront name before you set up your Amazon seller account. Your storefront name is connected to all of your inventory on Amazon and is visible to your potential customers. Ultimately, you want to pick a storefront name that customers can trust, not one that is going to turn customers away.

**Make sure the name you choose is professional.** Your storefront name is not the place to be funny, sarcastic, or ironic; your potential customers might not share your sense of humor and choose not to buy from you because of your storefront name.

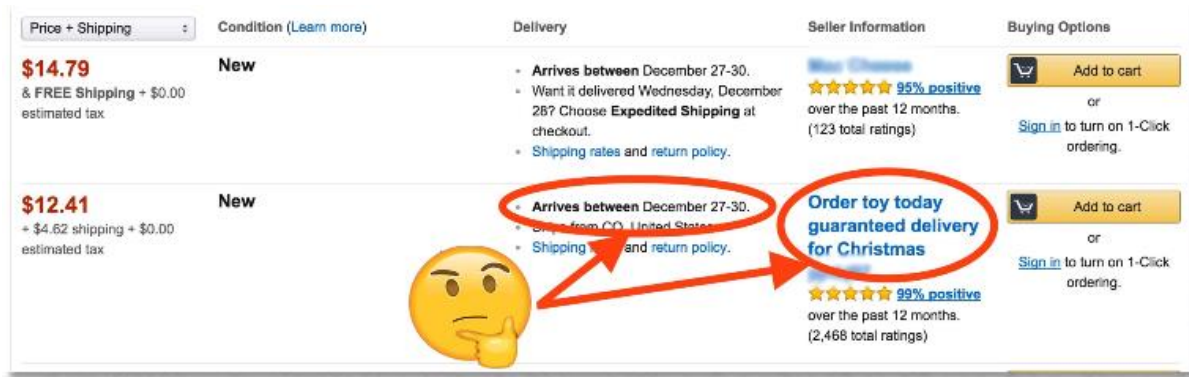


Some buyers might not be concerned about a name like Crappy Books, but others would choose to pay more for an item from a different seller, just because they’re turned off by that storefront name.

Your storefront name is also not the place to advertise. Some sellers change their storefront name during Q4 in an attempt to advertise that their product or shipping is better than other sellers. Check out this screen shot:



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Notice anything fishy here? The seller is advertising in their storefront name that if you order today, it's guaranteed to arrive by Christmas...BUT the delivery date is listed as December 27-30. Not cool. You're just begging for negative feedback with a storefront name like that.

Now, you might think that including words like "Amazon" or "Prime" in your storefront name will help you gain trust with potential customers. **Be aware, though, that those names are trademarked, and if you use them (or any other trademarked or copyrighted names) in your storefront name, you could face charges of intellectual property infringement.**

Go ahead and choose your name now, but know that if you end up deciding to change it later for some reason, it is completely possible to change your Amazon storefront name at any time. Don't get too caught up in thinking you have to make your final choice on the name right now.

### Opening Your Amazon Seller Account

At this point we're ready to walk through how to open an Amazon seller account and go over the application process. Before we get too much further into this section, **I want to remind you of one of the bonuses of the *JumpStart Amazon* course: The Fast Start Bonus Video.**

**Please look over that bonus before you open your Amazon account.** The timing of opening your seller account is important, and I cover that topic and make some suggestions in the bonus that you should find helpful. So if you want to go ahead and watch that video now, you can come back and pick up here when you've finished watching it.

Have you finished watching? Okay, here's the quick link to the web page where you can open an Amazon seller account:

[www.fulltimefba.com/startnow](http://www.fulltimefba.com/startnow)

That link will take you directly to the Amazon page where you can open an account. At the time of this writing, the page looked like the screen shot below (it will likely look somewhat similar when you open yours):



You should see a button on the page that says “Start Selling.” Click on that button and let’s get started!

Next you should see a page with text boxes to enter some basic user information:



You will need to have a few pieces of information handy to enter into the application, so be sure you know these items beforehand:

- **Legal name** — Your legal name could be the name of a person or a company name. If you are a sole proprietor, you would put in your name. If you have an LLC or S-Corp, you would put in the company name. Basically, the legal name you enter here

is the name Amazon will need to use on IRS paperwork, including the 1099 you will receive for your earnings for the year, so make sure you enter this info accordingly.

- **Read the Amazon terms of service agreement** — Don't just click "agree" or "I've read it"! You need to actually read these terms. If you don't read and understand what is in the Amazon terms of service, you are putting your seller account at risk of suspension.
- **Display name** — This is the name of your Amazon store. Remember, we went over this topic above. You want to pick a professional display name, and you can choose to change it at a later date.
- **Valid address and phone number** — If you are a sole proprietor, this would be your personal address and phone number. If you have an LLC or S-Corp, you would use your business address and phone number.
- **Credit card information** — You will need to enter your personal or business credit card information, including the number, expiration date, and 3-digit code.
- **Verify your identity** — Amazon will call or text you with a PIN, which you will need to enter in the application to verify your identity.

If you encounter any questions in the application process that are optional or you don't know, just leave that section blank. It's better to leave an optional section blank than to guess at the information.

Your legal name or company name can be updated at a later time. If you decide to put in your personal name now and then form an LLC or S-Corp later, you can always go back into the system and update the name. Same goes with your display name. There is no need to get hung up on not moving forward in the process of opening your account because you don't have the perfect company name just yet.

**The next section of the application is where a lot of new sellers get a little nervous: the tax interview.** Don't worry, this isn't like a job interview. It's a simple set of questions:

- Are you a US citizen? If yes, Amazon will ask one set of questions. If no, Amazon will ask another set of questions.
- What type of business do you have? Sole proprietorship, LLC, S-Corp?
- Valid address and phone number?
- Your SSN or EIN? If you're a sole proprietor, you will enter your Social Security number; if you have an LLC or corporation, you will enter your EIN (employer identification number).

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Lastly you will need to double check all the information you have entered and then give your electronic signature consent, which takes the place of a written signature. Click “Complete Registration” and you are finished! Congratulations! Your Amazon seller account should now be active, and you can offer your inventory to be sold to all customers within the United States.

### One Final Caution

Now that your seller account is active, you are ready to start listing inventory and making sales. One word of caution about new seller accounts: Sometimes Amazon will suspend new seller accounts within the first couple of days of their opening and ask you for more proof of identity or residency. If this happens to you, it is not something to worry about. Simply provide the information Amazon requests to prove your identity or residency (usually in the form of a utility bill or similar document), and they will reopen your seller account.

**IMPORTANT** – It’s very important, when signing up for an Amazon account, that all of your information matches perfectly. If Amazon decides to ask you to provide an electric bill as a proof of residency, you need to be sure that the information on the document and what you type into Amazon match perfectly. For example, if your address on your electric bill says you live on “123 Main Street,” then you need to enter that information exactly the same when filling out the forms online. If you type in “123 Main St” instead, then Amazon will flag this as being inconsistent, and your Amazon account will become temporarily suspended until you can fix this. And let me tell you, the stories of how long it takes for Amazon to reinstate applicants because of this issue are very sad and frustrating. Bottom line is this: if you want your application process to be as problem-free as possible, then make sure your information matches perfectly.

Ok, now that you’ve got your Amazon account set up, it’s time to make sure that your foundational understanding of Amazon is strong. So let’s get into the most important things beginners need to know when starting to sell on Amazon!

## Chapter 7 – Understanding Amazon

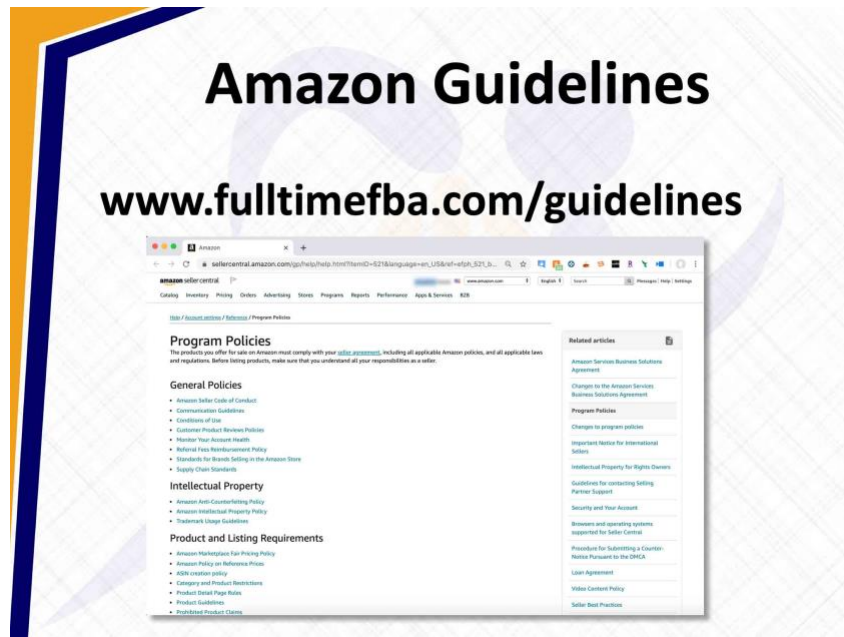
We’re going to be covering some aspects in this chapter that you might be tempted to skip over, but please don’t! These topics are of great importance, even if they seem boring.

### Amazon Guidelines

**In particular, the Amazon guidelines are extremely important for you to know and understand if you want your FBA business to be successful.** Over the long run you can’t maintain a thriving, profitable FBA business without a solid foundation in the Amazon guidelines and a deep respect for those guidelines and why Amazon has them in place.

You have to understand that selling as a third-party seller on Amazon means that you are playing on Amazon’s playground. **Amazon gets to set the rules, and they can change the rules whenever they want.** When the rules change, we need to be diligent to study those changes and continue to abide by them.

Throughout the course of this book or any time afterwards while you’re selling on Amazon, if you need a quick link to look at the Amazon guidelines, you can go to [www.fulltimefba.com/guidelines](http://www.fulltimefba.com/guidelines). That link will take you directly to the Amazon page with the seller regulations and guidelines.



You can see in this screen shot, when you go to the guidelines page there’s a long list of topics on the left side of the page underneath “Program Policies.” Scroll down to see all of the topics covered in the Amazon guidelines.

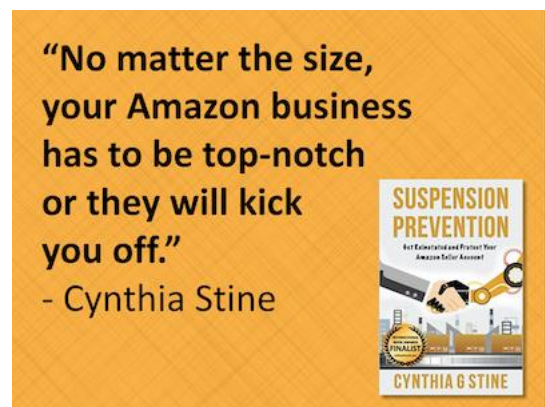
**Also, don't forget to look up keywords in the search bar if you want to find a specific topic quickly, or you can click the "Help" button to ask a question directly to a Seller Support representative.** When you do ask questions about the guidelines through the "Help" button, you should always ask the representative to include a link to the section of the guidelines that verifies their answer. Sometimes a representative might not know the exact answer and will give their best effort at answering you, but unless you have a link to the official guidelines you won't really have the final say on your question.

### No excuses for breaking the rules

Bottom line, you need to be familiar with all the rules when it comes to selling on Amazon. Think about it: If a baseball player doesn't know all the rules of the game, he's not going to get very far in a baseball league. There are no excuses for breaking the rules of selling on Amazon, either. **Your selling account and your potential income are at stake, so you don't want to try to plead ignorance if you are caught breaking the rules.** That might work once, but ultimately Amazon is going to hold you responsible for reading and following their rules. If you won't follow their rules, they will suspend your account and no longer allow you to sell on their platform.

Cynthia Stine, author of the book [\*Suspension Prevention\*](#), says **"No matter the size, your Amazon business has to be top-notch or they will kick you off."**

Whether you are a huge multi-million dollar seller or a newbie just getting started, you must become an expert in following Amazon's rules, or you risk having your account suspended.



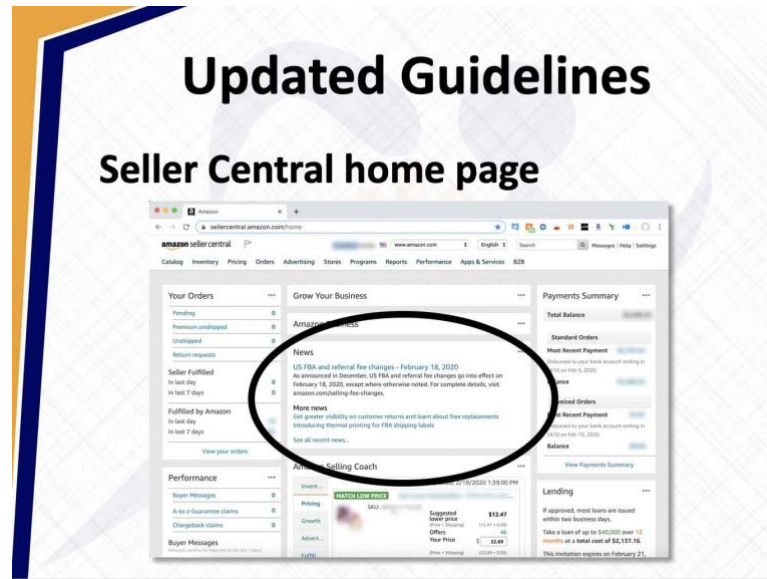
I'm not trying to scare you by saying these things; I'm just wanting to emphasize the importance of being compliant with Amazon guidelines. At any point that you have a question about whether you can try a certain technique or method in your business, you can always refer back to the rules to get an idea of what the guidelines say. And you *should* always refer back to the guidelines — don't rely on Seller Central representatives to be your definitive word. Again, make sure they give you proof via a link to the guidelines to back up what they are saying about the Amazon rules. **You should also save any emails from Seller Central reps where you've received information about guidelines, just in case you need the paper trail as protection in the future.**

### Don't blindly trust other sellers

I also want to urge you not to rely solely on what other sellers say on Facebook, in blog articles, or in a YouTube video about the Amazon rules. Those sources can be a good starting point, but unless they can give you a link to a specific guideline, you have no way of knowing whether their answers are based on assumptions. I'm saying all of this as a blog writer and a video creator

myself! **I love creating content to help other FBA sellers, but you should always compare what I'm saying to the guidelines.**

Keep in mind, the guidelines are continually being updated. You will need to review the guidelines from time to time. One place you can find out about changes and updates to the guidelines is on the Seller Central home page, in the **News section**.



**Another place you can find out about updates to the guidelines is in your emails from Amazon.** I know, I know, we as sellers receive dozens of emails from Amazon all the time, telling us all sorts of information we may or may not want to know. It can be easy to get in the habit of automatically deleting or disregarding these Amazon emails, but please don't! You want to make sure you're receiving and reading email newsletters from Amazon to find out timely information such as the following:

- Fee changes
- Rule changes
- Policy changes for particular time periods (especially Q4)
- Long-term storage fee removal policies
- Announcements of free removal promotions
- Updates to possible FBA storage limits
- And many other possibilities!

**Be sure you have the email newsletter settings turned on in your seller account, and make sure you thoroughly read every email you receive from Amazon.**

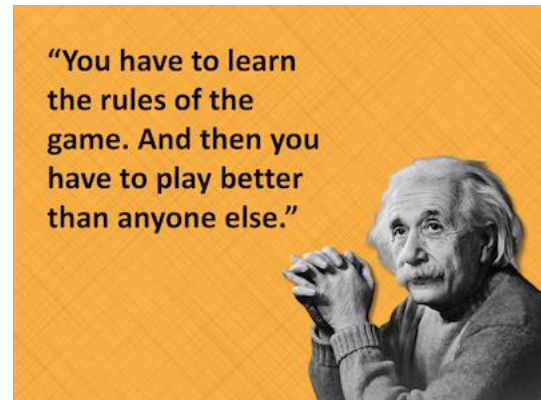
One item of note when it comes to Amazon newsletters: They don't always do a great job of making it clear what the main topic of their email is. In the journalism world, this is called "burying the lede," when you start off your news story with a bunch of nonessential details that distract from your main point. As frustrating as this may be, sometimes the most important point

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of an Amazon email might be one sentence in the middle of paragraph two. You need to be diligent and think critically as you read these emails, so that you don't miss out on what your main takeaway should be.

### Wrapping up on the guidelines

Some folks attribute the quote to the right to Albert Einstein, but regardless of who said it, the concept is crucial when it comes to your Amazon FBA business. If you want to be one step ahead of your competition on Amazon, you can start off by becoming an expert in the Amazon rules. You would be surprised how many sellers skip over this vital first step to selling on Amazon. Take some time to read the guidelines (here's the [quick link](#) again), and you'll already be ahead of the game.



### Understanding the Buy Box

We already touched on the topic of the Amazon buy box (also called “Featured Offer” by Amazon) in the section where we covered opening your Amazon account, but now we are going to go into a bit more detail about what it is, how important it is, and how to win the Amazon buy box.



As a reminder, the Amazon buy box is the “Add to Cart” button where over 80% of Amazon sales are made. **When a seller owns the buy box, their price is featured in the center of the Amazon product page, and clicking the “Add to Cart” button will put that seller’s item in the shopping cart.**



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It's still possible to get sales if you don't own the buy box, but it's a lot more difficult. You can see in the above screen shot there's a link circled that will take you to all other used and new offers for the item. It's possible for a customer to click that link and choose to buy a different offer — but it's a lot less likely than the customer buying from the buy box. Most Amazon customers don't even know to click that link, so they aren't likely to buy those offers.

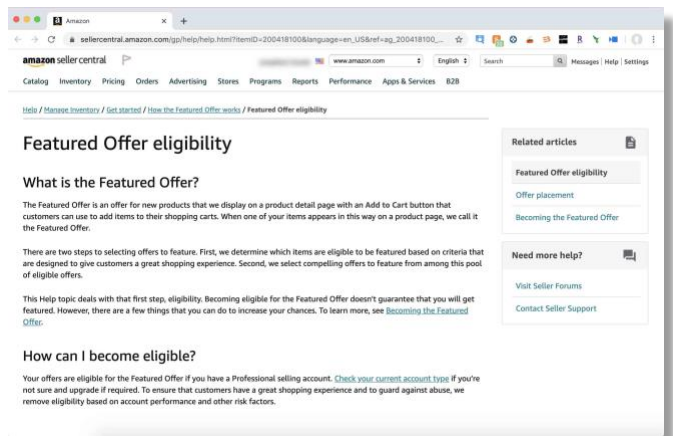
Let me be clear: You want your items to be in the buy box. It is the most effective way to get sales on Amazon.

### Other things to know about the Amazon buy box:

- **For most items on Amazon, the buy box will only show offers for new items.** The exception to this rule is with media items (books, movies, and music), where you will see two buy boxes, one for new and one for used.
- **No one really knows how Amazon's algorithm works for determining who wins the buy box.** Amazon seems to be continually tweaking the algorithm and updating it with new factors. We'll talk more later in this section about some of those factors and how to try to win the buy box.
- **The buy box rotates among sellers on a product listing.** One seller doesn't always own the buy box 100% of the time (unless they're the only seller on the listing, of course). Now, if Amazon is one of the sellers on an item, they tend not to share the buy box or let it rotate to other sellers. But if Amazon isn't one of the sellers, the buy box will rotate among those sellers who are eligible for it. For example, if there are 30 sellers eligible for the buy box on an item, then those 30 sellers will take turns in the buy box.
- **Some sellers get more time in the buy box than others;** therefore, you want to make sure you're doing everything you can to spend more time in the buy box. Again, we'll cover this topic more in just a moment.

For more information about the Amazon buy box, you can check out the Featured Offer page at this direct link:

[www.fulltimefba.com/buybox](http://www.fulltimefba.com/buybox)



Be sure to scroll down on that page for the complete information about the Buy Box.

### How to win the buy box

You want to win the buy box on your Amazon inventory so that more customers will see your items for sale and, therefore, more customers will buy your items.

Here are a few ways to help win the buy box:

- **Make sure you have a professional seller account.** As we discussed earlier, you will not be eligible to win the buy box if you have an individual seller account. You must be a professional seller to be eligible for the buy box.
- **Make sure you are selling FBA, not merchant fulfilled (MF).** If your items are being stored at an FBA warehouse, you are much more likely to win the buy box than if you are storing them yourself and fulfilling them yourself. The exception to this seems to be if the MF price is significantly lower; then the MF seller might get the buy box. But sometimes even a significantly lower price will not cause an MF seller to win the buy box, particularly if the customer is a Prime member and has their settings set to only see Prime-eligible offers. In that case, only FBA items will be eligible for the buy box.
- **If you have multiple units in stock, you are more likely to get the buy box.** The reason is that the multiple units will likely be stored in various FBA warehouses throughout the country, making them easier to ship to customers across the US via Prime 2-day shipping. Think about it this way: I'm located in Texas, but you may be located somewhere in the north, the east coast, or the west coast. When you and I go on the Amazon product page for a particular item, we might see two different sellers in the buy box for the same item. That's because Amazon is giving the buy box to a seller whose item is located closest to the customer viewing the item. Logistically, Amazon wants to send an item the least amount of distance to reach their customer. So if you have multiple units for sale via FBA, Amazon will spread them throughout warehouses across the US, and you will be more likely to get the buy box.

The logic behind spreading inventory throughout the US is something to keep in mind as you begin sending in your inventory to FBA warehouses. You will notice that Amazon splits up your shipment and requires you to send one box to one state, one to a second state, and one to third state. This can be frustrating for new sellers because it means more boxes to pack and more inbound shipping costs. However, Amazon is splitting up your shipment to make sure it ends up at a warehouse close to the customers who need access to it, so it's in your best interest to send in those split shipments. You are more likely to win the buy box if your inventory is spread out across the US. (We'll cover split shipments more in a future chapter.)

- **Make sure your items are priced competitively.** Notice I did not say, "Make sure you have your price set to be the lowest." There's a difference between having the lowest price and being priced competitively. Just because you have the lowest price doesn't mean you will automatically win the buy box. Many new sellers make the false assumption that the lowest price will get the buy box, but that just is not true. There is no need to price your item one penny cheaper than the cheapest price. This

is how the “race to the bottom” begins: one seller prices a penny lower than the lowest, then the next seller goes a penny lower, then another, then another. Next thing you know, the price has fallen significantly. But pricing a penny lower does not guarantee the buy box, so why do it?

A good way to check whether you are priced competitively is to see what the current buy box price is. Most sellers have found that pricing the same as or even 1% to 2% higher than the current buy box price will make them eligible to share in the buy box rotation. Again, there’s no way to know Amazon’s algorithm for sure, but many sellers have experienced getting the buy box with prices set higher than the current lowest price.

- **Make sure you have the highest seller feedback score possible.** Many sellers have observed that sellers with the best feedback scores win the buy box rotation more often. This is anecdotal, not statistically proven, but sellers have observed that having a 100% positive feedback score means you get the buy box more often than a seller with a 99% feedback score or lower. (We’ll talk more later in this course about how to build up positive seller feedback in your account.)
- **Make sure you keep great customer service metrics.** These metrics include answering customer emails in a timely manner (within 24 hours). Even if you get an email from a customer that you feel like you should just ignore, make sure you send some type of response. For instance, if a customer emails you “thank you very much,” Amazon still views that email as a “question” and expects you as the seller to respond. Make sure you send at least some type of short response because you don’t ever want Amazon’s metrics to reflect that you are ignoring a customer. Always make sure you have the last word in the email communication, or at the very least check “No response needed” before ending the conversation. Keeping your customer service metrics up will help you be more likely to win the buy box.

There are no guaranteed ways to win the buy box 100% of the time, but you can greatly increase your chances if you keep the above points in mind.

### What Can I Sell?

At this point I want to spend some time walking you through what you should be able to sell on Amazon. Remember, Amazon likes to call themselves The Everything Store, **but sellers aren’t allowed to sell everything on Amazon.** Furthermore, not every seller is allowed to sell the same items or types of items. Some items are open to every seller, while some items are restricted for some sellers.

Before we continue, let me bring some clarity to some terms that are used interchangeably in regards to whether or not Amazon will allow you to sell an item on Amazon.

Restricted = gated = not approved = you **are not** allowed to sell this item on Amazon

Unrestricted = ungated = approved = you **are** allowed to sell this item on Amazon

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Now that we have that cleared up, let's spend some time discussing which items you are approved to sell, as well as how to possibly get approval to sell more types of items so you can expand your inventory and increase your sales and profits.

### Category restrictions

One of the things you need to know about selling on Amazon is that Amazon updates their rules and guidelines often. Overall, it's a good thing that Amazon is constantly changing and evolving the way things are done because the overall goal of these updates is to create the best buying experience possible for the customer. The more customers love and trust Amazon, the more they come back to buy more and more in the future.

One aspect of selling that Amazon updates from time to time is what items sellers are allowed to sell on Amazon. Some categories that were once closed to new sellers have now become open. And, once in a blue moon, a category that was open to new sellers becomes gated and requires approval to sell in. But most of the time, more and more categories open up to new sellers as Amazon continues to grow.

As of writing this course (mid-2020) the current categories (with a few caveats) that are open to all sellers are the following:

Baby *	Musical Instruments
Beauty +	Office Products
Books	Outdoors
Camera & Photo	Personal Computers
Clothing & Accessories	Pet Supplies
Consumer Electronics	Shoes, Handbags, & Sunglasses
Grocery & Gourmet Foods	Software
Health & Personal Care +	Sports
Home & Garden	Tools & Home Improvement
Industrial & Scientific (BISS)	Toys * +
Kindle Accessories	Video Games
Luggage & Travel Accessories	

\* Some additional restrictions during the holiday selling season (Q4)

+ Includes some sub-category restrictions

Be sure to notice the asterisk next to the Baby and the Toys & Games category. During the holiday selling season (usually around November and December), Amazon typically closes those categories to Merchant Fulfilled sellers who do not meet certain requirements. FBA sellers, however, receive automatic approval in those two categories for Q4 sales.

Within all of these categories, some brands and some specific items are gated and require approval, but overall you should be able to sell in these categories without prior approval. For

up-to-date information on which items you can sell, you can visit [www.fulltimefba.com/whatcanisell](http://www.fulltimefba.com/whatcanisell) to see within the Amazon guidelines which categories require approval and how you can gain approval.

### Other restrictions

- **Some brands require approval.**

Even if you're approved to sell in a specific category, if an item in that category has a brand restriction, then any type of item within that brand and carrying its logo would need approval. For instance, many sellers require approval before being able to sell the Nike brand, including shoes, hats, clothing, or anything else with the Nike brand. Some exceptions might come up, however, where a particular item in the Amazon catalog might sneak through and not be gated even though its brand is gated. Be aware, however, that if you do find one of these products and are able to sell it without having approval for the brand, at any time Amazon could fix the glitch and remove your ability to sell that particular item. If that is the case, you could be stuck with inventory you can no longer sell on Amazon.

- **Some sub-categories require approval.**

In some instances, the overall root category might not be gated, but the sub-category *is* gated. One example is the sub-categories of Infant Toys or Learning Toys. The overall category of Toys & Games is open to all sellers, but those two sub-categories are closed so that sellers require approval to sell those types of items.

- **Some themes require approval.**

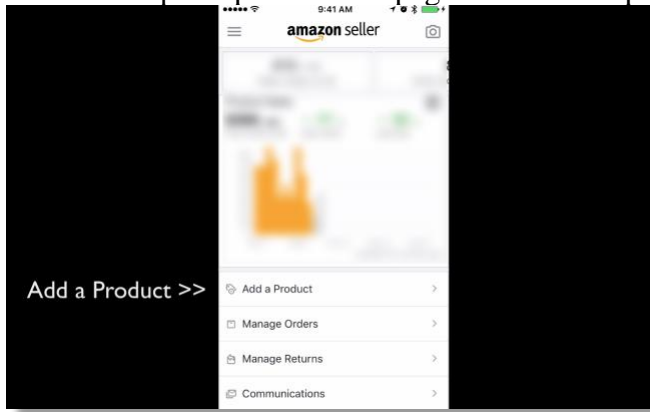
Sometimes a popular movie or a fad might become gated so that any item related to that movie or theme would require approval to sell on Amazon. Popular examples of this phenomenon are the movies *Frozen* and *Star Wars*. Unapproved sellers are not able to sell items related to those movies in the Toys & Games category, even though the overall category is open to all sellers. Usually this barrier is put in place to prevent counterfeiters from entering the Amazon market on extremely popular items that sell very quickly. Again, please be aware that exceptions might come up where a particular item in the Amazon catalog might sneak through and not be gated even though its theme is gated. If you do find one of these products and are able to sell it without having approval for the theme, at any time Amazon could fix the glitch and remove your ability to sell that particular item. If that is the case, you could be stuck with inventory you can no longer sell on Amazon.

### How can I find out?

As I've mentioned above, the link [www.fulltimefba.com/whatcanisell](http://www.fulltimefba.com/whatcanisell) will take you to the **Amazon page with a list of both open and restricted categories**. This page will show you which categories and sub-categories will require approval for you to sell them on Amazon.

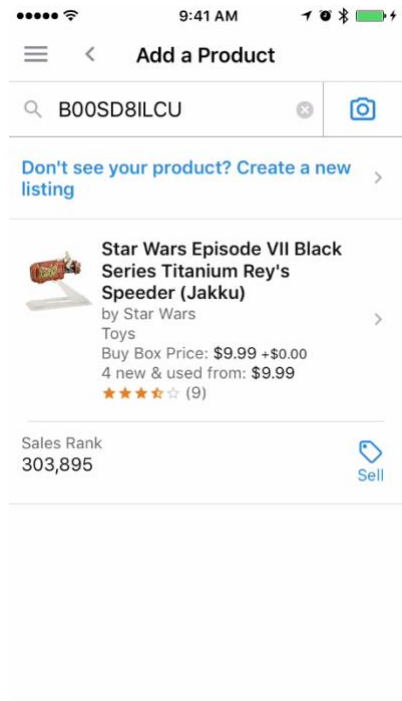
## JumpStart Amazon

If you are interested in finding out whether or not you can sell a particular individual item, you can look on the **Amazon Seller app**. On the main screen of the app, you can click “Add a Product” to pull up the search page for Amazon products.



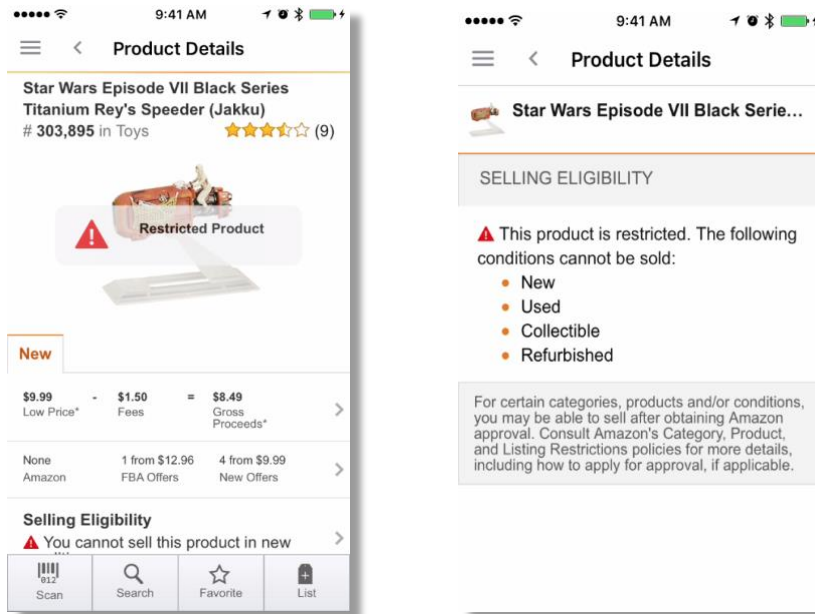
On the Add a Product page you can enter a keyword, title, UPC, or ASIN to pull up a specific product. You can also tap the camera button in the top right to allow the app to visually identify the product or scan the barcode.

As an example, let's look at Star Wars Episode VII Black Series Titanium Rey's Speeder (Jakku).



## JumpStart Amazon

Once you have pulled up the item in a search, you can tap the item on the screen, and it will pull up a screen that tells you whether or not you are restricted for the item. At the time of this screen grab, I was not ungated in *Star Wars*, so this item showed as restricted for me.

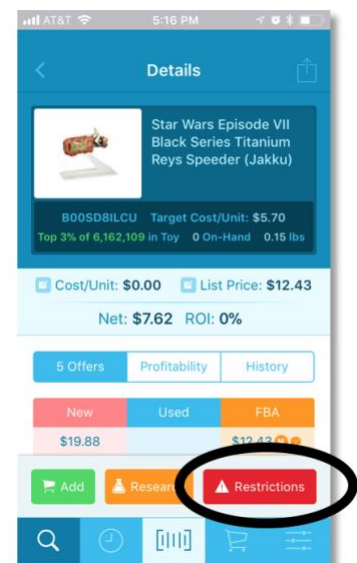


If you look to the bottom of this screen, there's a button for "Selling Eligibility." Tap on that button to find out more information about the conditions of items and your selling eligibility. Always be sure to double-check this selling eligibility screen to find out all the details about your particular ability to sell the item. Some types of items might be restricted in new condition but not used, and some might be restricted used but not new.

I also want to take a moment to show you how to check your selling eligibility on the **Scoutify** app, which comes bundled with the [InventoryLab](#) listing and accounting software. Scoutify is the app I use when doing RA sourcing, and I depend on it to tell me which products I can buy and which I'm restricted for.

On the main page of the Scoutify app, you have the option to scan the barcode or enter text or numbers in the search bar. If we enter the information for the same Star Wars Rey's Speeder that we were previously looking at on the Amazon Seller app, we will see similar information: the title of the product, category, sales rank, and pricing info. I also want you to notice in the bottom right corner there is a red "Restrictions" button — it's circled in the screen shot to the right.

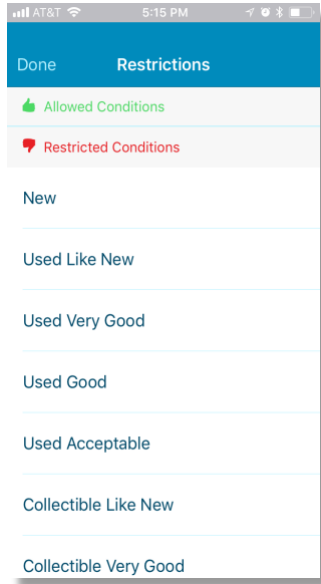
If you tap that button, it brings up a list of conditions which you are approved to sell (noted by the green thumbs up icon) as well as the conditions you are not approved to sell (noted by the red



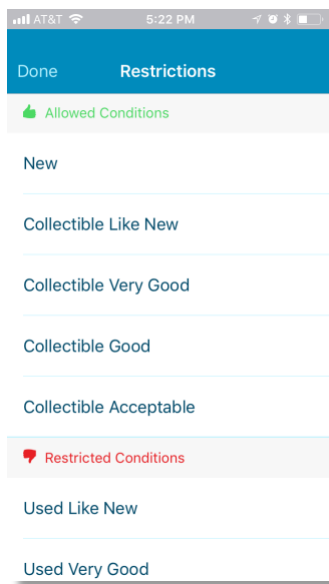
## JumpStart Amazon

thumbs down icon).

As you can see, the image below shows I am restricted from selling this item in all conditions, since there is not a single condition where I am approved to sell.



This is not always the case, as sometimes a seller is approved to sell in some conditions, but not in all. You can see an example of this in the image below:



### Why are there restrictions?



All of this talk about restrictions for selling certain products on Amazon can be frustrating for sellers, especially new sellers who can feel very limited by the rules. **I want to spend a little time now going over why Amazon puts these restrictions in place.** My hope is that if you understand the reasoning behind it, you will be able to see the wisdom in Amazon's actions, rather than feeling like the rules are arbitrary and harsh. I also want to remind you that there are literally millions and millions of items on Amazon that aren't restricted to sellers — it truly is possible to find profitable items among those millions, so don't give up!

**Let's look at a few reasons why Amazon puts selling limitations in place:**

- **Counterfeiters**

Amazon prides itself on being a selling platform customers can trust. The **customer experience** is of the utmost importance to Amazon as a corporation. If counterfeit merchandise is sold on their platform, customers have a horrible shopping experience on Amazon, and they may decide never to shop on the website again. Amazon does not want to lose the trust of their customers, so they put selling limitations in place for certain products, categories, and brands that are most susceptible to being counterfeited. They want sellers of those items to be able to prove with invoices from a manufacturer or wholesale source that their items are authentic.

- **Protect buyers**

Again, Amazon is wanting to **protect the customer experience**. Selling limitations are not a way that Amazon has devised to punish certain sellers. Their reason for the limitations is to protect customers who want to have an easy, worry-free buying experience. This protection extends not only where counterfeiters are concerned, but also when it comes to sellers who don't know what they are doing on Amazon. **Part of the approval process for certain categories and brands is to make sure that sellers understand the Amazon guidelines for selling those categories and brands** — and remember, those guidelines are in place so that buyers can have a great shopping experience on Amazon and keep coming back for more.

- **Protect sellers**

Amazon is also concerned about **protecting sellers**. Believe it or not, Amazon wants third-party sellers to succeed on their platform. It is in our own best interest to read and understand the guidelines for selling on Amazon, and the approval process helps ensure that we are familiar with what is required for selling in gated categories and brands. Sellers who want long-term success in an Amazon FBA business will embrace these types of barriers and do what it takes to learn and get approval.

- **Protect brands**

Amazon wants to make sure that certain brands are available for purchase on their website. Sometimes selling limitations are put in place to **protect a brand's reputation**, especially if they are susceptible to counterfeiting or black market merchandise. Both Amazon and the brands

in question want to make sure that sellers have a legitimate source of inventory and go through an approval process before selling on the Amazon platform.

### How to get approved

As you go through the approval process for some of these categories or brands, you will see how the competition to sell those items is much lower than in ungated categories and brands. Some sellers aren't able to get approval, and some aren't willing to get approval. Yet another reason why I encourage sellers to get a professional seller account! You want to make sure you can sell items with low competition, and getting ungated in some categories or brands is a great way to lower your competition.

The approval process works slightly differently according to which category or brand you are wanting to be approved for.

#### **Here are a few different scenarios you might see when applying for approval to sell:**

- **Automatic approvals**

Sometimes you luck out, and Amazon is doing automatic approvals for brands or categories. In these cases, when you click on the button to request approval for a brand, you are automatically given approval. Sometimes you will have to answer a few questions before getting approval, but you still don't have to provide further documentation or attachments before getting automatic approval.

- **Approval with consistent high-quality seller metrics over time**

Other approval situations require that you as a seller prove to Amazon you can maintain outstanding seller metrics over a period of time. **For long-term sellers, these types of approvals become similar to automatic approvals in that you can request approval and gain it without providing further documentation** — Amazon already knows your metrics, and they give you immediate approval. For newer sellers, it requires waiting until those metrics have built up and trying to apply again. These metrics might include good feedback scores, good responses to customer emails, a good return rate, a good product defect rate, and things like that. Amazon wants to see that sellers are consistently trustworthy before giving approval in these cases.

Here's a quick homework assignment:

*Mark the date three months from now and six months from now on your calendar. Mark it with "brand approval" or "category approval." When that date arrives, try to apply for a category or brand and see if you can get approved with the past several months of seller metrics you have acquired. No one knows for sure what the algorithm is that Amazon uses to decide automatic*

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*approvals based on seller metrics, so it's worth it to try after three months and every three months after that to see if you can be auto-approved eventually.*

Rebecca and I tried this with our business recently, and Amazon gave us approval for several brands of shoes that we had previously been restricted from selling. We were only able to sell those brands after a year or more of consistently excellent metrics in the Shoes category.

- **Approval with a large fee**

In some cases, Amazon puts the barrier of a large fee (we're talking thousands of dollars) for gated categories or brands. I personally have never attempted to become ungated in a brand that requires a \$2000 application fee, so I can't advise how to do it. Realistically, if you want to become ungated in a brand that requires such a steep fee, you need to have a lot of money to invest in inventory and an amazing source to buy inventory from at a great price with a great ROI.

- **Approval with invoices and/or letter from manufacturer**

A fairly common scenario for gated brands is that Amazon requires a letter from the manufacturer stating you have permission to sell the products, along with invoices proving you have purchased directly from the manufacturer or wholesaler. You would need to be doing wholesale sourcing in order to get approval for this brand; retail or online receipts will not suffice for proof of purchase to get approval.

- **Approval with uploaded photos and answer a short quiz**

For certain categories (Shoes and Clothing, in particular, at some points in the past), Amazon might require a seller to upload product photos and answer a few short questions about the category before you can be approved to sell. Amazon wants to make sure sellers in certain categories are familiar with the product photo guidelines and other aspects of selling in the category before giving approval.

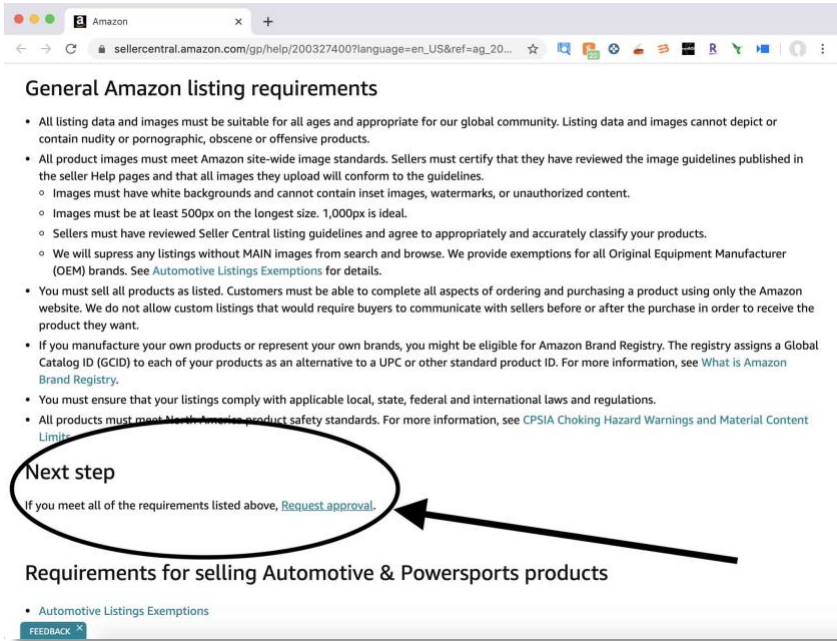
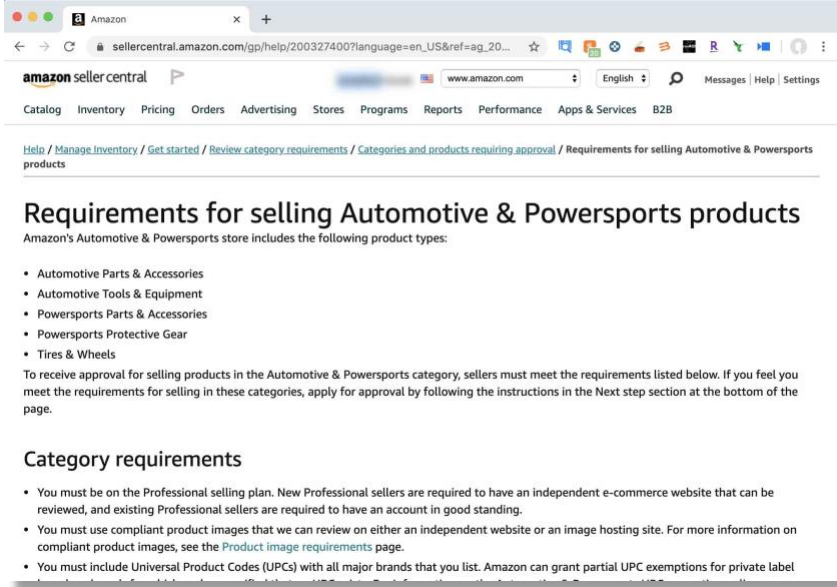
So how do you go through the actual process of getting approval? Let's look at getting different types of approval on Amazon:

- **Gated categories**

If you go to the link <https://www.fulltimefba.com/applytosell>, it will take you directly to the page on Amazon showing the list of categories and products requiring approval.

As an example, let's look at the requirements for the first category, Automotive and Powersports. So click on "View requirements" to go to the page with details about that category. Be sure to read through everything on the page that comes up; don't just scroll down to the bottom for the next step. It's in your best interest as a seller to set yourself up for long-term success by reading through the guidelines Amazon gives you on this page.

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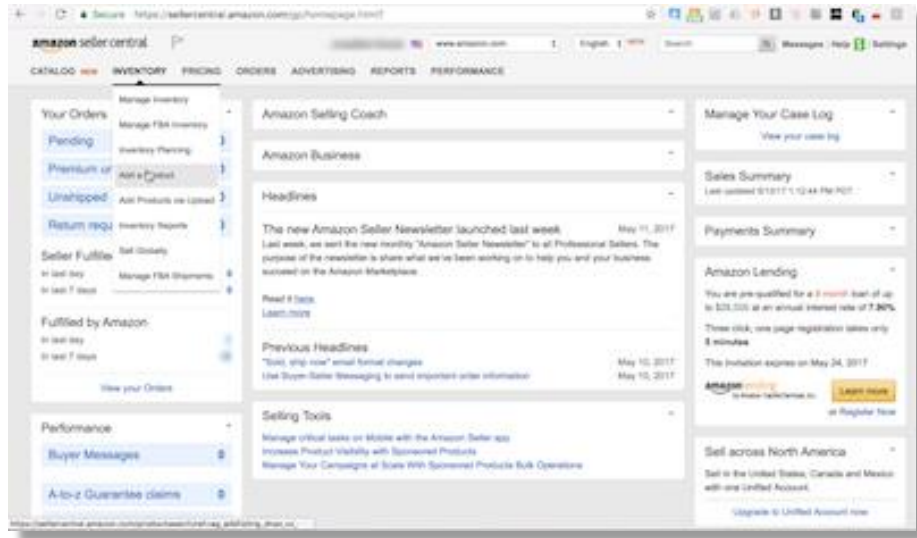
Once you've read through it, you can click the button at the bottom that says "Request approval." At that point you will be prompted with what you need to do next in the approval process.

- **Gated brands/themes**

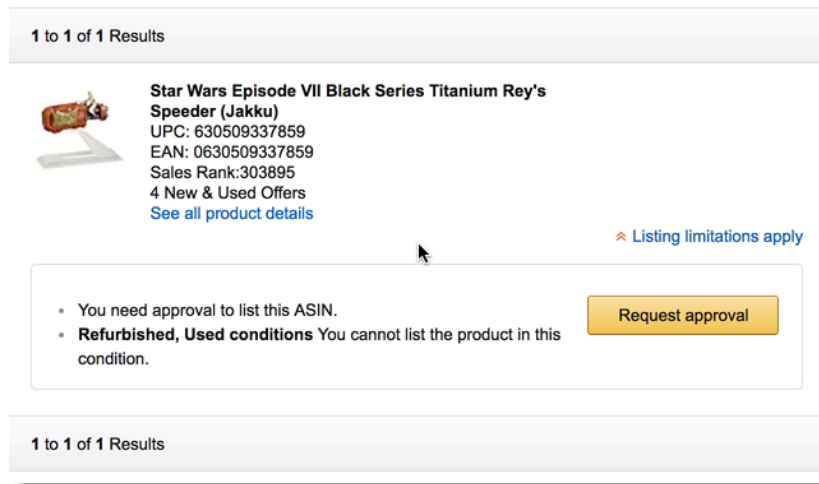
There are a couple of ways to apply for approval to sell in gated brands or themes.

**Go to Seller Central > Inventory > Add a Product**

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On the Add a Product page, enter in the search bar the UPC, ASIN, or product name to find the product you are interested in seeing your approval status for. Below we have entered and located the Star Wars Rey's Speeder we were looking at before. I was not approved to sell Star Wars items, so when I click on "Listing limitations apply," I get more information.



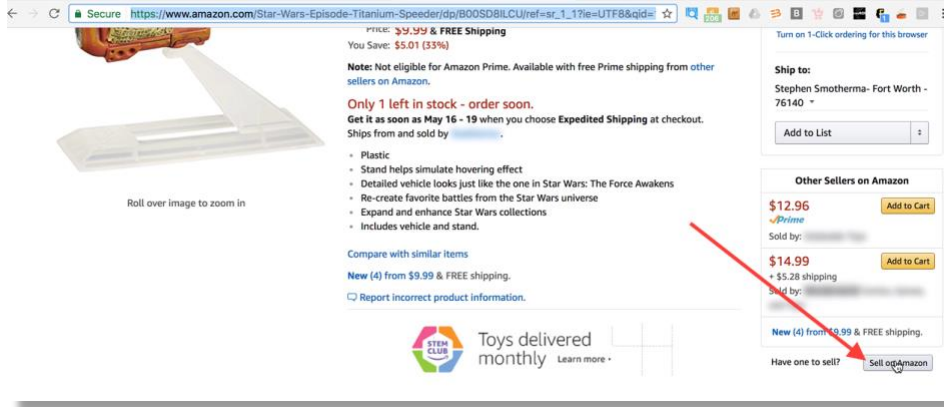
It says I need approval to list this product, and there's a button that says "Request approval." If I click that button, it will let me know the requirements for approval, such as a letter from a wholesale source along with invoices to prove authenticity of my inventory.

The second way you can get approval for brands or themes is located directly on the Amazon product page.

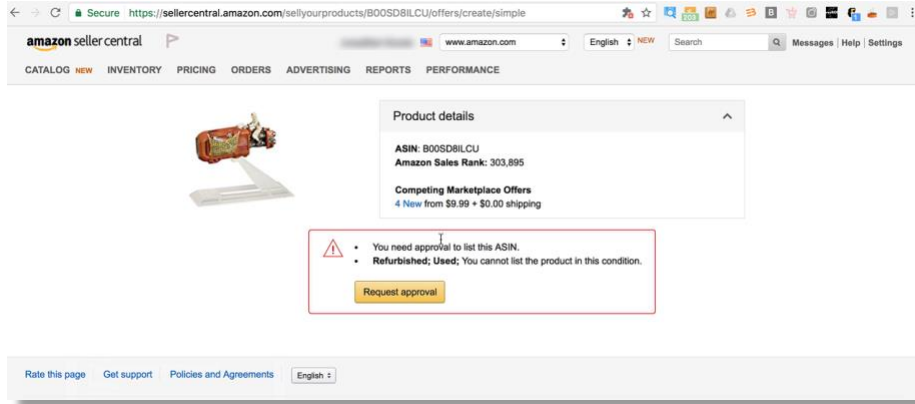
### Product page > "Sell on Amazon" button

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In the screen shot below, we're on the product page for Rey's Speeder, and we scroll down past the buy box and the offers for the product. We can see the button that says "Sell on Amazon."



If you click the "Sell on Amazon" button, a new page loads within your Seller Central account where you see your seller limitations and the "Request approval" button. If you click that button, it will let you know the requirements for approval, such as a letter from a wholesale source along with invoices to prove authenticity of my inventory.



Again, from time to time Amazon will update how they do things in Seller Central, and as of this writing, they are updating the format of their "Add a Product" process. This means that the exact process you see might be different for you, but the overall framework should be the same.

We've spent a lot of time in this chapter focusing on what is restricted for sellers to sell. It can be frustrating and depressing to think about those things that are restricted to us as sellers, those things that are keeping us from making big profits by selling those items.

**But now I want to point our attention back to what we *can* do as sellers when we run into roadblocks of gated categories.**

We need to focus on the things in our business that we do have control over, rather than stressing out about the things that are out of our control (e.g., restricted products, categories, and brands). **Here's a short list of the things that you do have control over (and I'm sure you can think of more things to add to it):**

- You have control over whether or not you seek approval for categories and sub-categories on Amazon.
- You have control over building up your seller metrics over time so you are eligible for more gated categories.
- You have control over setting an alarm to remind yourself to reapply three months after you start selling on Amazon (and every three months after that).
- You have control over going out and finding quality, profitable inventory to sell on Amazon right now.

**Don't get caught up in thinking the grass is greener in other categories.** I get a lot of emails that say, "If only I could get approved in this gated category, my business would start doing a lot better." Or "If only I could sell this restricted brand, then I could make great profits." **But those statements just aren't true!** Yes, you could make good profits in other categories or with other brands — but that's not the *only* way to succeed on Amazon. You don't want to let those restrictions become a stumbling block for every other area of your business. Work hard at building up your seller metrics in the categories and brands you are approved in, and you will earn the opportunity to get approved for more.



### The three best categories for beginners

As a way to help you focus on what you can control as you're starting out your Amazon FBA business, I want to share with you what I think are the three best categories for beginners to start selling in.



- **Books**

The Books category is the foundation of the Amazon website. Seriously, there are some customers who still think of Amazon as mostly a bookstore! You can buy books to resell in both new and used conditions, and you can find them just about everywhere you can think of for sourcing inventory: retail stores, new and used bookstores, garage sales, thrift stores, on your own shelves at home. You can spend a very small amount of money to get a great ROI, making it easy to build up a snowball of profits to continue reinvesting in new inventory. Think about it: you can find books for sale for 25 cents that will sell on Amazon for \$50. That's amazing ROI!

- **Toys & Games**

My second favorite category for beginners is Toys & Games. You can sell Toys & Games on Amazon in most sub-categories (there are a few exceptions) in both new and collectible condition. Note that you cannot sell used toys or games, only collectible. Again, you can find games and toys in many locations for a low buy price and a high potential ROI: garage sales, thrift stores, clearance aisles at retail stores, or even sale or regular price at retail or online stores.

You'll notice that both of these categories have a couple of things in common: **You can find them in a lot of locations and you can find them for a low buy price and a high ROI.** But there's another reason I recommend starting out in these categories. Books and Toys are a great way for new sellers to get started selling on Amazon and learn how different categories work as far as **sales rank and sales velocity** is concerned. The Books category works a bit differently than the Toys & Games category, and we'll get more into that in the upcoming section on sales rank.

- **Your comfort zone category**

Once you feel like you've got a handle on how sales rank and sales velocity works in Toys and Books, I recommend starting with a third category based on your own personal comfort zone. Look at the list of categories you're already approved in, and decide which one you feel you



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know the best. Maybe you're a mom with a young baby — you might know the Baby category pretty well. Maybe you're a dog lover and know all about pet accessories — you could check out the Pet Supplies category.

If you find a comfort zone category plus Books and Toys & Games, you should have three solid categories you can sell in, build a foundation for your FBA business, and figure out how to expand from there.

### Understanding Sales Rank

When new sellers first get started with selling on Amazon, they usually have one primary goal: Find lots of inventory that will both sell for a nice profit and sell quickly. The act of finding and buying inventory is called “*sourcing*.” Most “how to sell on Amazon” courses teach Amazon newbies to look at two crucial aspects of every item they are sourcing to sell on Amazon: **ROI and sales rank**. Each potential inventory item needs to pass the test of good ROI and the test of a good sales rank. Only by passing both tests can you deem an item worthy of buying to sell on Amazon.

**The ROI (return in investment)** is usually simple enough to figure out. To calculate profits, many sellers use smartphone apps or computer programs to tell them if the items they are looking at would be profitable to sell on Amazon. If the ROI shows a nice profit, then it has passed the first test. **Remember, we have included a PDF showing the math for calculating ROI in your bonus materials for the JumpStart Amazon course.**

Here's an example of looking at ROI when making a purchase:

Item A can be purchased for \$5, sells on Amazon for \$25, and after Amazon fees are taken out, Amazon pays the seller of that item around \$19. Well, \$19 minus the initial investment of \$5 brings back a profit of \$14. That's an ROI of 280%! That's great ROI.

**The second test is all about finding an item with a good sales rank.** As Amazon sellers soon find out, this task is a lot more complicated than figuring out profits... and that's why we need to dedicate an entire section of our course to sales rank.

Understanding sales rank is vital to a building a successful Amazon business. Once you know the story behind the sales rank numbers, that knowledge will help you build a faster growing Amazon business leading to more profits, faster sales, and less loss.

When it comes to understanding sales rank, a good Amazon seller needs to understand multiple layers of information in order to interpret the sales rank of an item on Amazon. **Here is just one example of how confusing sales ranks can be:**

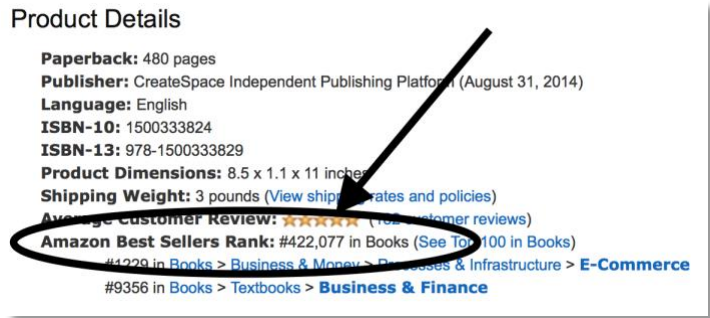
Item B is a book and has a sales rank of 400,000, and this is considered to be a good sales rank. Item C is a toy and has the same 400,000 sales rank, but that's considered a bad sales rank. Why is that? (Don't worry, we'll get into that in more detail later in this section).

## How to find sales rank

There are a few ways you can find the sales rank:

### 1. On the Amazon product page

The sales rank can be found on most Amazon product pages in the Product Details section. Most of the time, you'll need to scroll down the product page in order to find the Product Details section and to see the sales rank. To the right is a picture of the Product Details section with the sales rank circled.

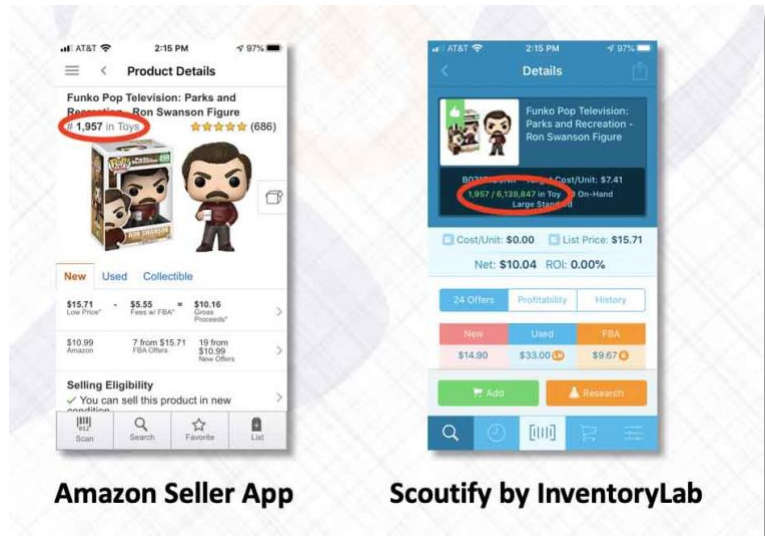


If there is no line that states the sales rank, then most likely the item does not have a sales rank. We'll talk later in the course about how to deal with products that don't have a sales rank. The Product Details section also includes information on sub-category sales ranks. These sub-category ranks are not as important, but are still helpful. We'll go into a little more detail about sub-category sales ranks later in the course.

### 2. With an Amazon scanning app

All of the main Amazon sourcing apps provide you with the sales rank. To the right are screen shots of the Amazon Seller app and Scoutify (by [InventoryLab](#)).

Both of these apps show sales ranks. In fact, I'll circle the sales rank in both of these screen shots.



## Sales rank basics

The best way to understand sales rank is to pay attention. Unfortunately, Amazon does not publicize the algorithm it uses to calculate sales rank. The only way we can try to understand sales rank is to look at the limited data we have and then use that data to make the best decision possible.

Here are a few basics you need to know about sales rank:

### 1. Sales rank is like a snapshot in time telling how well an item has recently sold.

Imagine scanning two different books. The data for Book A shows you it has a sales rank of 500,000 and Book B has a sales rank of 501,000. Even though both of these books have very similar sales ranks, it doesn't mean that both books have the same amount of sales velocity. In fact, Book A could be consistently selling once a week, while Book B could have sold yesterday, but that was the only time this year that book sold. The only thing the two books have in common is they have both sold somewhat recently.

### **2. Amazon updates the sales rank of most items in their catalog about once every hour.**

About once an hour, Amazon takes all of the sales it has registered and incorporates that information into the sales rank algorithm for almost every item in their product catalog. I say "almost every item" because I've recently discovered that Amazon does not regularly update sales rank numbers for items that have super high sales ranks. These are the items that get almost no sales ever and it's not worth it to Amazon to check in on them hourly. These super high ranking items have sales ranks that are updated about once a day, so they're still updated frequently enough. Getting the sales rank directly from Amazon gives you the most recent and most reliable information.

### **3. Just one sale can have a dramatic effect on the sales rank number.**

Almost every time a product sells on Amazon, its sales rank improves. Sometimes, though, the sales rank number can improve a little bit, and sometimes it can improve significantly. Remember Book A and Book B from above? Book A sold once a week and usually has a sales rank around 500,000. After a few days of no sales the rank might get up to around 900,000... but with each sale it jumps back to around 500,000 again. On the other hand, Book B has a current sales rank of 501,000 but only averages about one sale per year. If Book B sold this morning and shows a sales rank of 501,000, it's possible that just yesterday Book B was ranked around 5 million, but jumped to 501,000 just because of that one sale. After a few months of zero sales Book B's sales rank would probably return to 4 to 5 million again. Wow! Did you catch that? Just one sale can cause an item to have a huge temporary jump forward in sales rank.

### **What is a good sales rank?**

When it comes to sales ranks, each different Amazon category acts in its own unique way. I like to look at it as if each major category on Amazon has its own personality. **While a sales rank of 400,000 in books is often a quick sale, a sales rank of 400,000 in toys is a really slow mover.**

Not only do items with similar sales rank numbers act differently depending on the category they are in, but each category also has a different personality when it comes to what sales rank ranges are the best ranges to buy in. In some categories, it's a good idea to try and buy items that are usually in the top 5% of sales. In other categories, you probably need to focus more on the top 3% of sales or the top 1%. The more experience you have with buying and selling in each of these categories, the more comfortable you'll get with knowing what sales rank ranges you like to stick with.

To flesh out this concept of sales rank ranges a bit more, let's take a look at an archived sales rank chart:

**Amazon.com Sales Rank % Chart**  
 As of 02/01/2020  
 Courtesy of Full-Time FBA

**Full-Time FBA**  
 Turn part-time hours into a full-time income via Amazon FBA

Category	Total	Top 1%	Top 2%	Top 3%	Top 5%	Top 10%
Appliances	1,060,566	10,606	21,211	31,817	53,028	106,057
Arts & Crafts & Sewing	3,183,406	31,834	63,668	95,502	159,170	318,341
Automotive	16,587,279	165,873	331,746	497,618	829,364	1,658,728
Baby	1,518,333	15,183	30,367	45,550	75,917	151,833
Beauty	1,959,284	19,593	39,186	58,779	97,964	195,928
Books	55,746,042	557,460	1,114,921	1,672,381	2,787,302	5,574,604
CDs & Vinyl	7,027,434	70,274	140,549	210,823	351,372	702,743
Cell Phone & Access.	22,866,688	228,667	457,334	686,001	1,143,334	2,286,669
Clothing Shoes & Jewelry	18,613,292	186,133	372,266	558,399	930,665	1,861,329
Collectibles & Fine Art	16,996,080	169,961	339,922	509,882	849,804	1,699,608
Computers & Access.	19,208,496	192,085	384,170	576,255	960,425	1,920,850
Electronics	31,599,199	315,992	631,984	947,976	1,579,960	3,159,920
Everything Else	512,980	5,130	10,260	15,390	25,650	51,300
Grocery & Gourmet Food	992,491	9,925	19,850	29,775	49,625	99,249
Handmade	408,358	4,084	8,167	12,251	20,418	40,836
Health & Personal Care	5,534,256	55,343	110,685	166,028	276,713	553,426
Home & Kitchen	64,272,169	642,722	1,285,443	1,928,165	3,213,608	6,427,217
Industrial & Scientific	21,553,547	215,535	431,071	646,606	1,077,677	2,155,355
Movies & TV	1,396,824	13,968	27,936	41,905	69,841	139,682
Musical Instruments	872,137	8,721	17,443	26,164	43,607	87,214
Office Products	6,810,035	68,100	136,201	204,301	340,502	681,004
Patio, Lawn & Garden	3,005,180	30,052	60,104	90,155	150,259	300,518
Pet Supplies	1,124,262	11,243	22,485	33,728	56,213	112,426
Software	421,349	4,213	8,427	12,640	21,067	42,135
Sports & Outdoors	24,066,308	240,663	481,326	721,989	1,203,315	2,406,631
Tools & Home Improv.	11,179,123	111,791	223,582	335,374	558,956	1,117,912
Toys & Games	5,682,335	56,823	113,647	170,470	284,117	568,234
Video Games	475,273	4,753	9,505	14,258	23,764	47,527

The example chart I'm giving here is the exact sales rank chart I offer to my newsletter subscribers on the Full-Time FBA blog. If you go to [www.fulltimefba.com/salesrank](http://www.fulltimefba.com/salesrank) you can subscribe to the blog and get an updated PDF of the Amazon sales rank chart with the latest numbers delivered to your email inbox each month. You'll also get a few other free PDF downloads when you subscribe, so be sure you [sign up now](#).

**On the left side of the chart are all the main Amazon product categories.** The Amazon product catalog is divided into many different categories. From Appliances to Video Games, Amazon organizes all of the products for sale on the website into each category. Within each category are subcategories, but for the purposes of making smart sourcing decisions, we only need to look at the main Amazon categories.

**On the top of the chart from left to right are the current total number of items for sale in each category, followed by the percentage breakdowns.** Here, we can see just how large (or small) each of the Amazon categories are. This number changes daily, which is why it's so important to have the most up-to-date sales rank chart. I currently update the Full-Time FBA sales rank chart every month. Since products are added to (and subtracted from) Amazon almost every day, having a sales rank chart that is as recent as possible is important for making smart sourcing decisions.

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You'll notice there are columns for the top 1%, top 2%, top 3%, top 5%, and top 10% of each category. An item with a sales rank in the top 1% of its category is going to sell more than an item in the top 3%. Likewise, the top 3% will sell faster than the top 5%, and so on.

Over time, sellers develop comfort zones for each category's sales rank ranges. **When you are starting out, though, I recommend new sellers to stick to items in the top 1% of the category, sometimes the top 2% or 3% as you develop more confidence.** I rarely buy anything in the top 10%, and I'll only buy in the top 5% if the ROI is very high and the competition is very low or none (we'll cover more later on the topic of how to know your competition and their stock level).

Don't forget, make sure you're signed up to the [Full-Time FBA newsletter](#) so you get the updated sales rank chart delivered to your email inbox every month.

With the sales rank chart you can be sure to make smarter sourcing decisions!

### Why a zero sales rank?

Sometimes when you're looking at items to potentially buy to resell on Amazon, you'll come across an item with a sales rank of zero or "N/A" (not available). Every once in a blue moon, items show zero sales rank because of a glitch with your sourcing app. Most of the time, however, zero sales rank is Amazon's way of telling us something about the sales of this item. **Here are a few possibilities for what a zero sales rank means:**

- Item is brand new to Amazon
- Item has never sold
- Item has not sold in a long time

### More on sales rank

I could literally go on for another 30+ pages about sales rank, but that's not the main focus of this *JumpStart Amazon* course. If you want to go more in depth on the topic of sales rank, I recommend checking out my very affordable mini-course, [The Reseller's Guide to Sales Rank: Understanding Amazon Best Sellers Rank for Maximum Profits](#). The mini-course is a combination ebook (30+ pages) and video course (almost 2 hours) with the same content in both formats.



**For More on Amazon Sales Rank**

**The Reseller's Guide to Sales Rank**  
Understanding Amazon Best Sellers Rank for Maximum Profits

35 page ebook & almost 2 hours of video training

**Only \$17 \$12**

[www.fulltimefba.com/salesrankcourse](http://www.fulltimefba.com/salesrankcourse)

Save \$5 with coupon code: SALESRANK

The graphic features a central image of the course materials, including an ebook cover titled 'SALES RANK' and a video thumbnail showing a line graph and the text 'What is a Good Sales Rank?'. Below the image, it says 'EBOOK & VIDEO COURSE ON SALE TODAY!'.

**Sales rank is easily the most misunderstood aspect of selling on Amazon.** I'm here to tell you it doesn't have to be that way! You can get the clarity you need on the issue of understanding Amazon sales rank numbers. I've made the mini-course very affordable so that as many sellers as possible can get a greater understanding of this concept. Be sure to use the coupon code **SALESRANK** to get \$5 off the price, making it only \$12 for the course.

## Item Conditions

Most people (whether sellers or buyers) have a basic understanding that items for sale on Amazon can be in either new or used condition. Item conditions, however, are in fact a bit more complicated than simply new or used. As an Amazon seller, you need a thorough understanding of how to classify the condition of an item according to Amazon guidelines, as well as an understanding of which categories allow which types of conditions.

### Basic conditions

Amazon allows items to be sold in four basic conditions:

1. New
2. Used
3. Collectible
4. Refurbished

We will go into more details on the specifics for new, used, and collectible conditions in the sections below. For both used and collectible items, you can sell items graded as like new, very good, good, or acceptable. **An item is considered collectible instead of used if the item is rare, autographed, out of print, out of production, or in some other way a type of item that someone might want to collect.**

We're not going into any details in this course as far as the refurbished condition is concerned because typically you must be the manufacturer of an item in order to refurbish it and sell it as refurbished condition.

### New condition

New condition is just as it sounds: absolutely new condition. According to Amazon's guidelines, items in new condition must be brand-new, unused, unopened items in their original packaging, with all original packaging materials included and intact. If the item has an original manufacturer's warranty, that warranty must still apply in order for the item to be sold in new condition on Amazon.

1. New	
2. Used	
Like new	Good
Very good	Acceptable
3. Collectible	
Like new	Good
Very good	Acceptable
4. Refurbished	

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New condition means perfect, pristine, gift-quality condition. New condition **does not** mean an item has merely not been used. New items also **would not** be in a damaged box; if the item is not damaged but the box is damaged, the item is not considered to be in new condition. New items would also need to have their original instructions; if the instructions are missing, the item is not new.

Amazon **does not** allow condition notes for items in new condition.

New = gift quality condition

New ≠ not used

New ≠ in a damaged box

New ≠ missing instructions

### Like new condition

Items can be graded as like new in either used or collectible condition. Like new items are untouched items in perfect condition. The original protective wrapping (like shrink wrap) may be missing, but the original packaging is still intact and pristine. The item should have absolutely no signs of wear, either on the item itself or on the packaging. The original instructions are included with an item in like new condition.

In a nutshell, like new condition means a new item that has been opened. Like new **does not** mean the box has a scratch on it. Like new **does not** mean there's only one mark or tear on the box; it means zero marks or tears on the box.

Like New = perfect condition

Like New ≠ scratched box

Like New ≠ only one mark or tear

### Very good condition

Going down a notch, items can be graded as very good in either used or collectible condition. Very good condition is defined as a well-cared-for item that has seen limited use but remains in

## JumpStart Amazon

great condition. The item is complete, unmarked, and undamaged, but may show some limited signs of wear. A very good item will work perfectly.

Very good condition **does not** mean an item works great but has only one mark; Amazon considers an item to be in very good condition if it **doesn't have any marks** on it. Very good **does not** mean an item only has one tear; Amazon wants very good items to have zero tears.

Very Good = great condition,  
limited use

Very Good  $\neq$  only one mark

Very Good  $\neq$  only one tear

### Good condition

Amazon considers an item to be in good condition if the item shows wear from consistent use, but it remains in good condition and works perfectly. The item may be marked, have identifying marks on it, or show other signs of previous use.

Items in good condition, however, **do not** have many marks on them. Items in good condition do not have any damage to them.

Good = works perfectly, consistent  
use

Good  $\neq$  many marks

Good  $\neq$  any damage

### Acceptable condition

Amazon defines items as being in acceptable condition if the item is fairly worn but continues to work perfectly. Signs of wear can include aesthetic issues such as scratches, dents, and worn covers. The item may have identifying markings on it or show other signs of previous use.



Acceptable items are obviously used – and they have been used well. But if you notice a trend in each of the conditions listed above, all of the items you can sell on Amazon (including in acceptable condition) need to work perfectly.

**Acceptable items must work perfectly, even if they are very worn looking.** Acceptable condition **does not** mean an item is broken. **You cannot sell broken items on Amazon**, even if you state the item is broken in the condition notes.

**Acceptable items must be complete.** Acceptable condition **does not** mean an item has missing pieces. **You cannot sell an item with missing pieces on Amazon**, even if you list the missing pieces in the condition notes.

Acceptable = works perfectly, very worn

Acceptable ≠ broken

Acceptable ≠ missing pieces

### Tips concerning condition

#### 1. Not all items can be listed in all conditions.

Some items can only be listed in new condition, such as baby items, shoes, clothing, and others. Toys and games can only be sold in new or collectible condition, but not in used condition. If you attempt to send items to an Amazon warehouse listed in conditions other than what Amazon allows, the items will go straight into your unfulfillable inventory, and you will have to have them returned to you in order to list them in the correct condition.

You may also encounter seller-specific restrictions on conditions of items. For some items, you as a seller might only be allowed to sell them in one condition, but not another. When you are using an app like Scoutify for sourcing, you can use the restrictions button to see which conditions you are approved for and which you are not approved for.

#### 2. Most categories have specific condition guidelines.

I gave you some definitions above for how each of the conditions is generally defined on Amazon. However, you will want to check on specific guidelines for the different conditions in any category you're selling in. You can check out [fulltimefba.com/conditions](https://www.fulltimefba.com/conditions) to see Amazon's guideline page concerning conditions in different categories.

### **3. When picking a condition, always round down, not up.**

I make this suggestion so that you can protect your seller feedback on your Amazon seller account. When you pick the condition of an item as you're listing it to sell and you're not sure if it's like new or very good, list it as very good. You want the customer to receive the item and be pleasantly surprised at how great the condition is. You do not want the customer to receive the item having expected it to be in better condition than you listed it.

If the customer is pleasantly surprised, they are more likely to leave positive feedback for you as a seller. If they're disappointed in the condition because they expected otherwise based on how you graded it when you listed it, they're more likely to leave you negative feedback. Remember, even one negative feedback can affect your seller metrics enough to change how often you get the buy box – which can affect your sales on Amazon. It's not worth the risk to your account to round up on the condition of items. Always round down.

### **4. Reject selling items that are in acceptable condition.**

This point is a personal decision I have made, and others may disagree with it. But I've made this choice for my business as a way of protecting my seller account. I've made this choice purely to prevent negative feedback on my account. In the past I've seen that selling items in acceptable condition is much more likely to lead to disappointed customers who leave negative feedback, and I just don't want to risk that feedback on my account. You can't round down from acceptable; it is as low as you can go. If I always want to round down on condition, then I have to exclude acceptable items from my inventory. One person's *acceptable* is another person's *unacceptable*, so I just don't deal with that condition.

As we close out this chapter, remember that if you have any questions about how to grade the condition of an item, you can use the quick link [fulltimefba.com/conditions](http://fulltimefba.com/conditions) to take you straight to the Amazon guidelines for conditions in the different categories. If you still don't see an answer to your question after reading the guidelines, you can post a question in our Facebook group at [fulltimefba.com/facebook](http://fulltimefba.com/facebook), and hopefully someone in the Full-Time FBA community can share their experience in answering your question. You can also use the search bar in the Facebook group to see if someone else has already asked a question about your topic, and you might find lots of great info from previous threads.

## Chapter 8 - How to Find Profitable Inventory

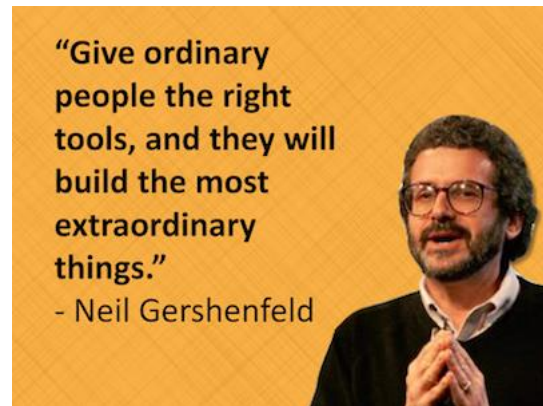
The next big question we need to cover is *how do you find profitable inventory?*

Later in this course we will talk about several different types of places **where** you can find profitable inventory for your Amazon FBA business, but for now I want to dive deeper into **how** to find inventory, particularly if you are sourcing at garage sales, thrift stores, or retail stores.

### Sourcing Apps

If you have the right tools, you can build just about anything in this world, including a successful Amazon FBA business.

**We want to build our businesses with success in mind, so I want to start you off with the most efficient and helpful tools I have found in my own Amazon business.** I don't know about you, but I'm a pretty ordinary person — yet there are some pretty extraordinary tools out there that have allowed me to build a successful FBA business.



As always, I want to show you both the free and the paid apps available to help you with sourcing for inventory. Free apps can be great because of the cost savings, but paid apps have more features and options to help you with your business.

#### 1. Amazon Seller app

I use the Amazon Seller app every day in my FBA business. The app is free to use with your seller account login information, and it has many great Amazon-focused features:

- communicating with customers
- pricing your inventory
- checking notifications from Amazon
- checking pending sales
- viewing your upcoming disbursement amount
- and many more features

The Amazon Seller app also has the ability to help you with sourcing inventory, whether you are sourcing garage sales, thrift stores, or retail stores. You can scan the barcode of an item and bring

## JumpStart Amazon

up the product listing on Amazon to check whether it would be profitable for you to resell. You can check on the pricing of the item, the fees, and the number of competitors. For a free app, the Amazon Seller app gives you useful but limited information to help you know if something is worth buying or is a pass.

### 2. Scoutify app

I've mentioned Scoutify already several times in this course; the Scoutify app comes bundled with the [InventoryLab](#) listing software. The Scoutify app itself is free to download, but it only works if you have a pro seller account and log in with your username and password from your InventoryLab subscription.

The research features included on the Scoutify app far exceed those offered by the Amazon Seller app. As much as I depend on the Amazon Seller app for other aspects of my business, I cannot source without Scoutify. When I try to source with just the Amazon Seller app, the information I pull up is incomplete, and I always feel like I don't have enough info to make a good sourcing decision. Scoutify provides essential research features my business relies upon for finding profitable, fast-moving inventory.

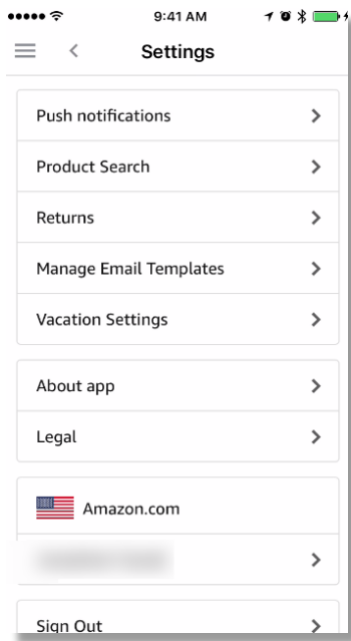
### Walk-through of how to use the free apps

I want to show you a few screenshots to help you understand the basics of using a couple of free scanning apps, starting with the Amazon Seller app. **Please be aware, however, that the video portion of this course includes a more thorough walk-through of how to use the app and might be more helpful than simply looking at screenshots.**

*Note: Some information is blurred in these photos and videos; the blurred info is specific to my business and not necessary for you to understand how to use the app.*

The very first thing you want to do when you start using the Amazon Seller app is set up your account settings correctly. You will do this by **tapping the menu button at the top left corner** of the screen to pull up the menu options, including the settings cog at the top right of the menu. **Tap on the cog to pull up the settings menu**, and be sure to go through each of these settings to set them up correctly for your Amazon seller account.

## JumpStart Amazon



For the purpose of sourcing, you want to make sure the “Product Search” section is completed within settings. **Tap on “Product Search”** in the settings menu to bring up that page. You can then fill out the boxes as you want them for your product searches:

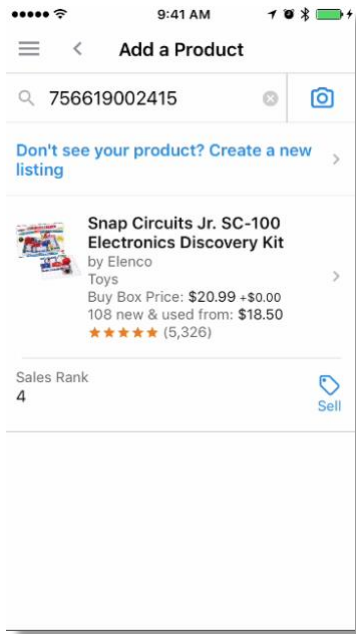
- **Show Product Conditions** — I always look at New, Used, and Collectible.
- **Default Fulfillment Channel** — I always look at Amazon Fulfilled (or FBA).
- **Default Low Price** — I prefer to see FBA Low Price as my default.
- **Shipping to Customer** — I don’t ship directly to my customers, so I don’t change this setting.
- **Shipping to Amazon** — I usually keep the Cost by Weight setting at \$0.40 per pound for my inbound shipping to the Amazon fulfillment centers.
- **Cost of Purchase, Eligibility, Prep Requirements** — I keep these boxes checked.

Note: Amazon says they will tell you within the app what the prep requirements are for items to be sent to their warehouses; however, they are not very consistent with this feature in the Seller app.

Once you have those Product Search settings completed, you can navigate back to the app’s home page and start sourcing!

You can start sourcing by tapping the camera icon at the top right of the screen. That camera icon will activate your phone’s camera, allowing you to scan an item’s barcode. Once the camera focuses on the barcode, it will pull up the item within the Seller app.

# JumpStart Amazon

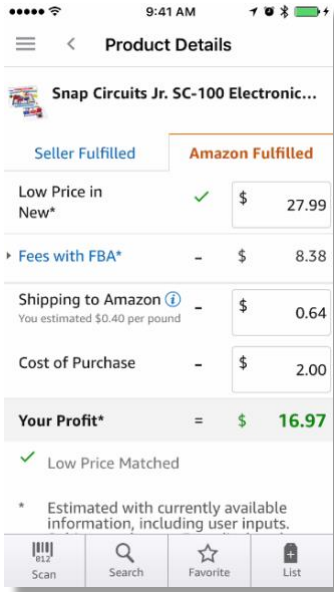


If you tap on an item's title, the app will pull up even more information about the item on Amazon. You can make a buying decision about the item based on the category, sales rank, current price, fees, gross profit, etc. You can also see on this item that Amazon is in stock at a lower price than the lowest third-party seller price, so you can factor that info into your buying decision as well.



## JumpStart Amazon

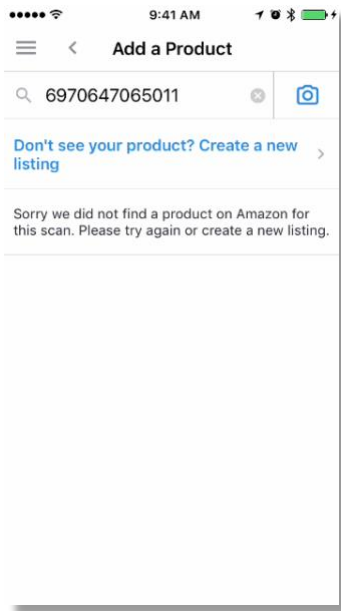
You can also scroll down the page to find where to tap for more information on your eligibility to sell this particular item. We talked quite a bit about how to look up your restrictions in a previous chapter, so I won't go into more detail here. For now, let's look more at the info the app pulls up if you tap on the line with \$27.99 for third-party price:



Tapping the \$27.99 line brings up all the calculations within the app to show your fees and gross proceeds. You can adjust the price and your cost of purchase to come up with new calculations for your gross proceeds to help with your buying decision. You can also expand the line with the fees to see a more detailed breakdown of what is included in the fees for the item.

In some cases, when you scan an item's barcode the Amazon Seller app will not return results for an item in the Amazon catalog.

## JumpStart Amazon



If you see the above message, you should not automatically skip to creating a new listing. First you need to do a manual search for the item, in case it is listed under a different UPC. Tap on the search bar at the top of the screen, and use keywords to search for the item by title.

### **Competition stock levels – Amazon app**

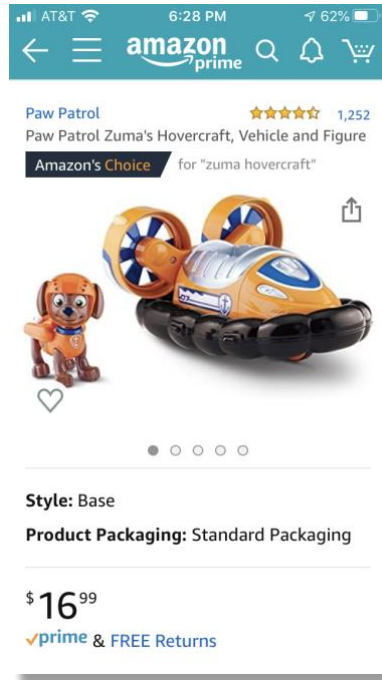
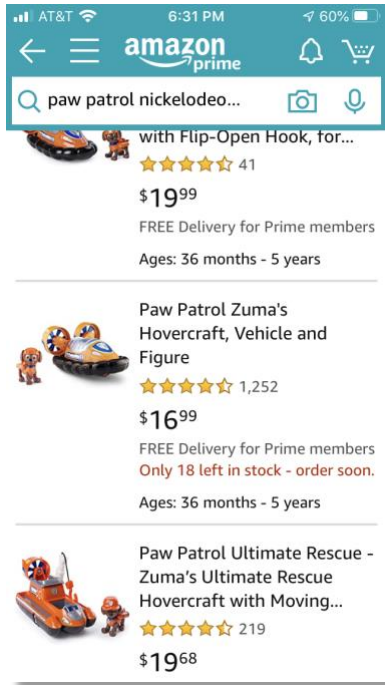
One bit of extremely useful information to know before you buy an item for resale is how much inventory your competition has in stock. Let's say you find a potentially great item with only four or five competitors — but you still need to know if those competitors have just one or two units in stock versus hundreds in stock.

To find out this information, you can use the Amazon app (not the Amazon Seller app... you know, the regular old one you use for buying items off Amazon) to look at your competition's stock levels. Let's take a look at how to check those stock levels through some screenshots below, noting again that the video portion of this course includes a more thorough walk-through and might be more helpful than simply looking at screenshots.

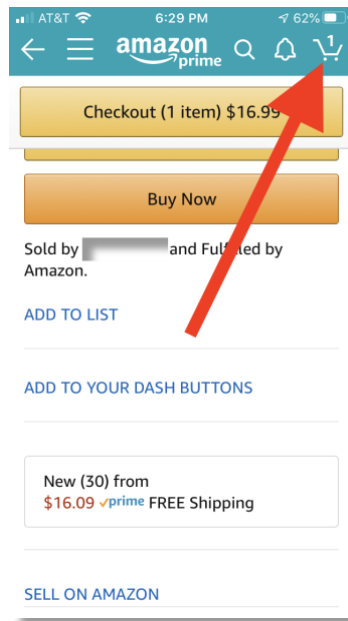
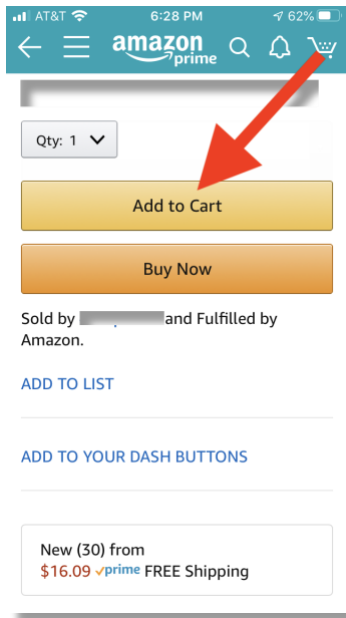
Let's start off by opening up the Amazon shopping app, and enter in the keywords to search for a Paw Patrol Hovercraft toy. Tap on the line for the item you want to look up. Here I'll look at Zuma's Hovercraft.



# JumpStart Amazon



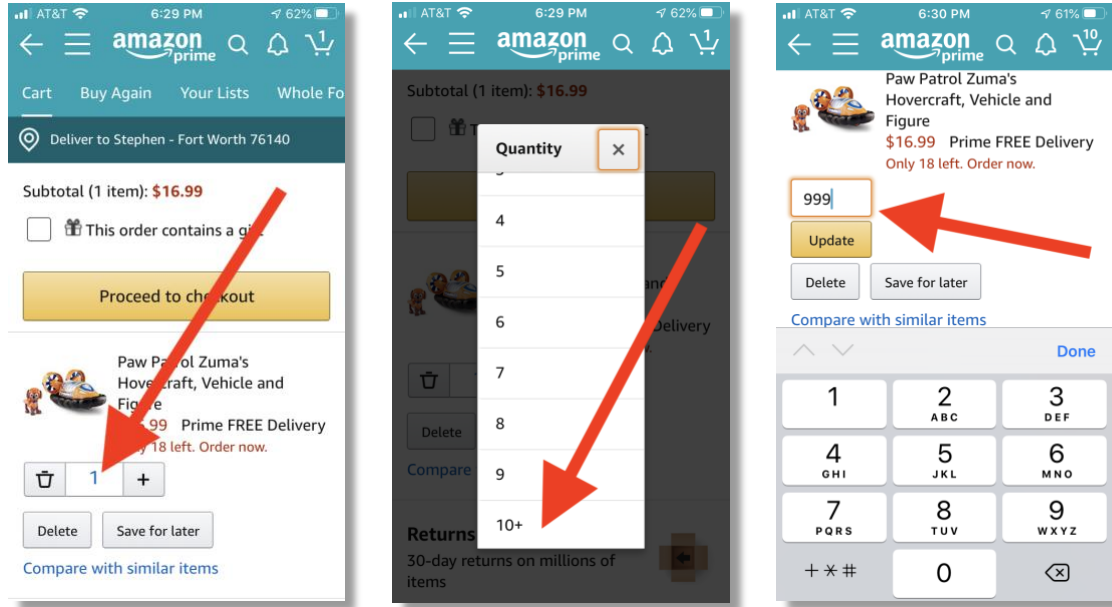
Next you want to scroll down on the page and look for the buy box, where you can add the item to your cart.



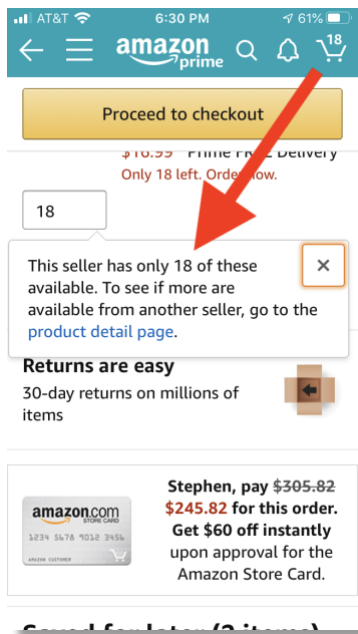
As you can see above, when I add it to the cart, it only adds one item. I can click on the shopping cart icon in the top right of the screen to play around with adding more than one item to see if the app will allow me to add multiples to my cart.

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If it will allow multiples, I know that seller has at least that many items in stock, if not more. In fact, I can click the number in the box below, click on the 10+ (so I can type in a number more than 10), type in 999, and then press enter. Then I'll be able to see exactly how many that seller has in stock.



Now look at what the Amazon app says after I try to put in a quantity of 999:



In the example screenshot above, the app is telling me that the seller of this item has 18 in stock.

## JumpStart Amazon

Now, if you've been paying very close attention, you might have seen that Amazon was actually telling me this seller only has 18 in stock before I even did this trick. Multiple times, in the red small print, Amazon was saying "Only 18 left. Order now." This red small print does not show up for every item on Amazon, so I wanted to teach you the process of finding out the stock levels if Amazon isn't already telling you, "Only X number left."

If I were to do this same exercise with a few of the other sellers of this toy, I would see that another seller has only 1 in stock, but a different seller has over 127. This is good information to have when you're seeing how much competition you'll have if you decide to buy this item to resell. The more items your competitors have in stock, the slower you'll be able to sell your item.

Now, don't forget, when you're done trying this exercise, delete the items from your cart so that you don't accidentally buy a large number of items that you don't actually want. .

### Walk-through of how to use the paid apps

Now, there are also some paid apps for scanning and researching items to buy for Amazon FBA inventory. I want to quote Benjamin Franklin before I move on: "**The best investment is in the tools of one's own trade.**" I know it's hard to justify paying for apps at times, but you have to think of paid subscriptions as an investment in your business. If a paid app can help you make better buying decisions for your business, then the cost of that app is worth it.

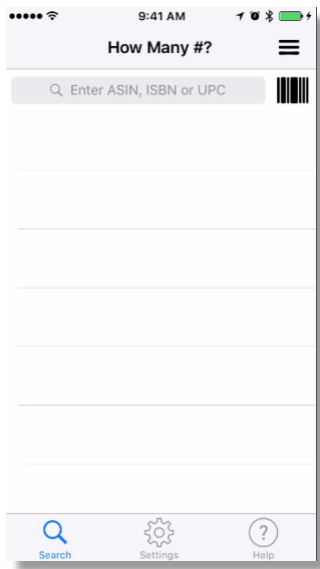
I already covered the basics of what the [Scoutify](#) app is earlier in this section. I want to take a deeper look at how to use the app when you're sourcing and how to maximize the app as a research tool. Rather than give you a bunch of screenshots in this section, **I am asking you to watch the video module 8.1 How to Find Profitable Inventory – Sourcing Apps to see Scoutify in action. You can skip forward to the 14:12 minute mark to pick up in that module with the walk-through of Scoutify.**

I am confident that the walk-through of Scoutify in the screen capture video portion of that video module will equip you to get started finding great, profitable inventory using the Scoutify app.

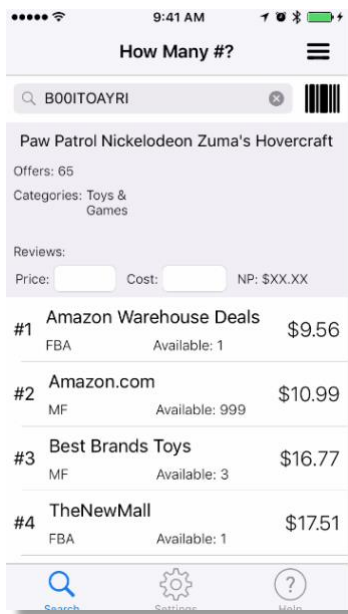
### Competition stock levels – the How Many? app

When it comes to researching your competition's stock levels, if putting 999 items into your shopping cart on the Amazon shopping app isn't appealing to you, the [How Many?](#) app is a paid option to consider. The How Many? app does just what it says — shows you how many units each seller has in stock of an inventory item. Here's what that looks like:

## JumpStart Amazon



From the home page of the How Many? app you can scan a barcode or enter text to search for the item you want to research. Often I choose to copy and paste an ASIN as I am sourcing on my phone. Tap the search button and the app will begin to make calculations before bringing up the results.



You can see that the app returns results in the form of a list of the sellers for the item, along with their price and the number of items available (or in stock). In the example above, the app shows Amazon having 999 items available, but 999 is just the maximum amount Amazon's website will allow you to see available. That means Amazon has *more* than 1000 units in stock and is likely not a competitor you want to mess around with!

## JumpStart Amazon

A quick tip when it comes to checking Amazon's stock levels manually (using the 999 strategy): At times you will see that Amazon has 2 or 3 units of an item in stock. This doesn't necessarily mean that Amazon actually has only that number in stock; it means Amazon has a purchase limit of 2 or 3 items per customer. In these cases, it's only possible to tell exactly how many units total Amazon has available with the How Many app. This app shows you the true stock level numbers past Amazon's buyer limit number. This is a big piece of information to have when you are deciding if you want to compete with Amazon or not.

Knowing how many units your competitor has available is crucial information when making a buying decision for Amazon FBA inventory. If you are interested in using the How Many? app, you can go to [www.fulltimefba.com/howmany](http://www.fulltimefba.com/howmany) to sign up today and begin using it, along with the companion Google Chrome extension bundled with the app.

Now that we've covered the basics of how you can use these free or paid apps to find profitable inventory, in the next section I will walk you through my thought process for how I make my buying decisions — from the time I pick up an item until I've decided whether to buy or pass.

## Sourcing Decisions

Regardless of where I am sourcing (whether in person or online), I always ask myself the same four questions about a potential item of inventory. I want to take you through each of those four questions in turn and set you up to start making good sourcing decisions.

### 1. What is the 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 (return on investment).** 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 or not I am approved to sell an item. If I can't sell it, there's no point in continuing to consider it.

### 3. What is the sales rank?

## JumpStart Amazon

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 catalog, 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 the item's [Keepa](#) graph to see the average sales rank at a glance. Don't worry, we will cover using Keepa more in the following sections of this chapter.

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. [Subscribing to the Full-Time FBA 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%, 2%, 3%, 5%, 10%, or higher for its category.

I make my sourcing decision based on how high or low the average 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 for selling 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. As a general rule, Amazon does not tend to share the buy box, and since the buy box is where over 80% 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.

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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 criteria.** 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 these other factors in my decisions when I'm on the fence about a buy.

### Introduction to Keepa

So far in this course, you've heard me mention Keepa every so often and you might be wondering what in the world is this Keepa tool that I keep talking about.



**Keepa is an invaluable tool that tracks the price history and sales rank history** for almost every item in the Amazon catalog (plus a whole lot more, but let's not get too far ahead of ourselves). Play along with me by pulling up [Keepa](#) on your computer so you can see for yourself what it looks like compared to when I created this course.

To use Keepa, you'll need to set up a free account. Currently, there is a free limited version for Keepa and a paid subscription-based version of Keepa. The free version will give you price history and a few other interesting data points, but the subscription service will give you sales rank history, buy box price history, and other valuable data points that help you make better Amazon sourcing and pricing decisions.

### Searching for products on Keepa

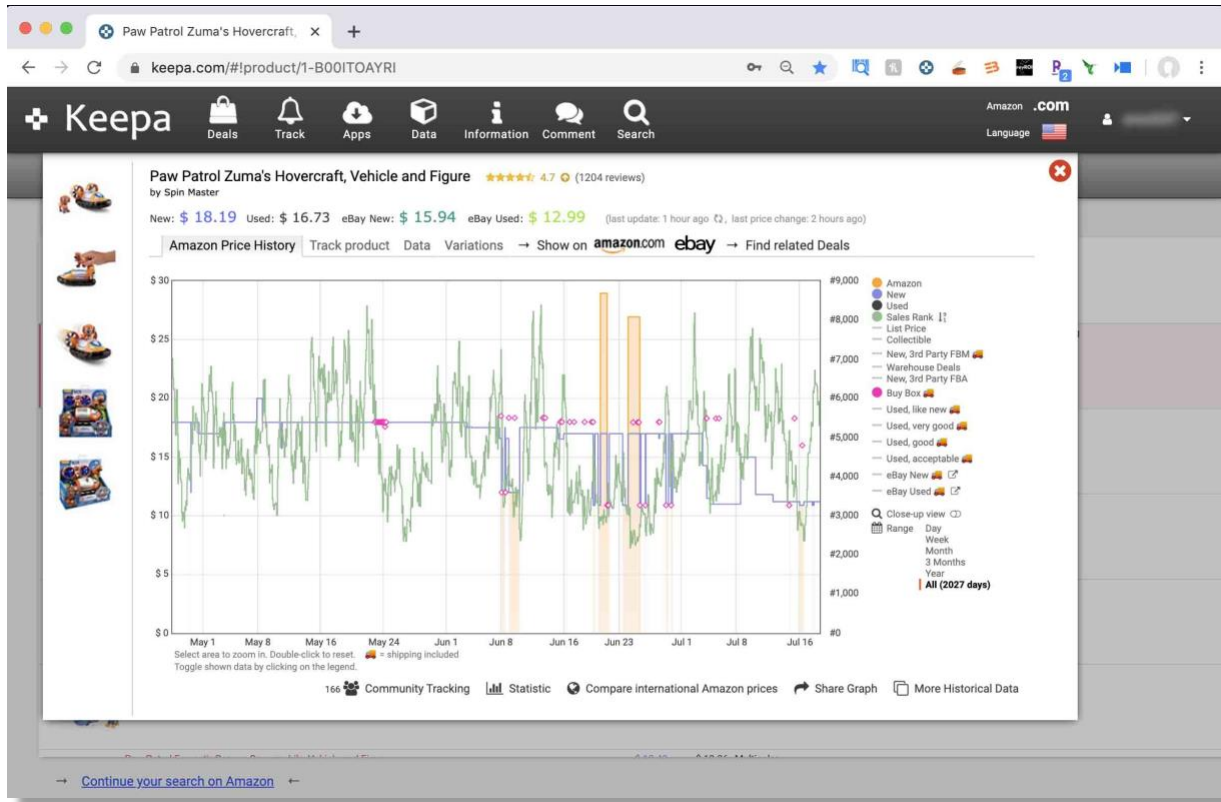
In the top right corner of the Keepa home page, you will find where to set up your account, as well as the option to select your language and your locale (which country of Amazon's catalog you would like to search). Once you've set up your Keepa account, you can start looking around the website to familiarize yourself with its many features.

To find items for researching Amazon products, you can click on the "Search" tab to bring up a search field where you can enter title, keyword, ASIN, or UPC. As an example, try searching for an item right now on Keepa. If you need an idea, try typing "Paw Patrol Zuma's Hovercraft, Vehicle and Figure" into the search field to look for this toy. This search brings up a list in grid form of all the items on Amazon.com that fit this description. You can also just type in the item's ASIN (for this example - B00ITOAYRI) and you'll find the Keepa graph much quicker.

### Closer look at Keepa data

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Here is the detailed Keepa graph for the Paw Patrol Zuma's Hovercraft, Vehicle and Figure (ASIN B00ITOAYRI).



Notice beneath the product title is the current low prices from different conditions and platforms). Below this basic information about the product, you'll see the Keepa graph. At first this graph can look like nonsense – just a lot of blue and green squiggles with some orange and white shading, and then maybe a few black lines and dots thrown in for good measure. All of these colors and lines have a purpose. If you look to the right of the graph, you'll see a box with a key to the colors on the graph:

**Amazon price = orange**

**Marketplace New price = blue**

**Marketplace Used price= black**

**Sales Rank = green (only available with the paid subscription)**

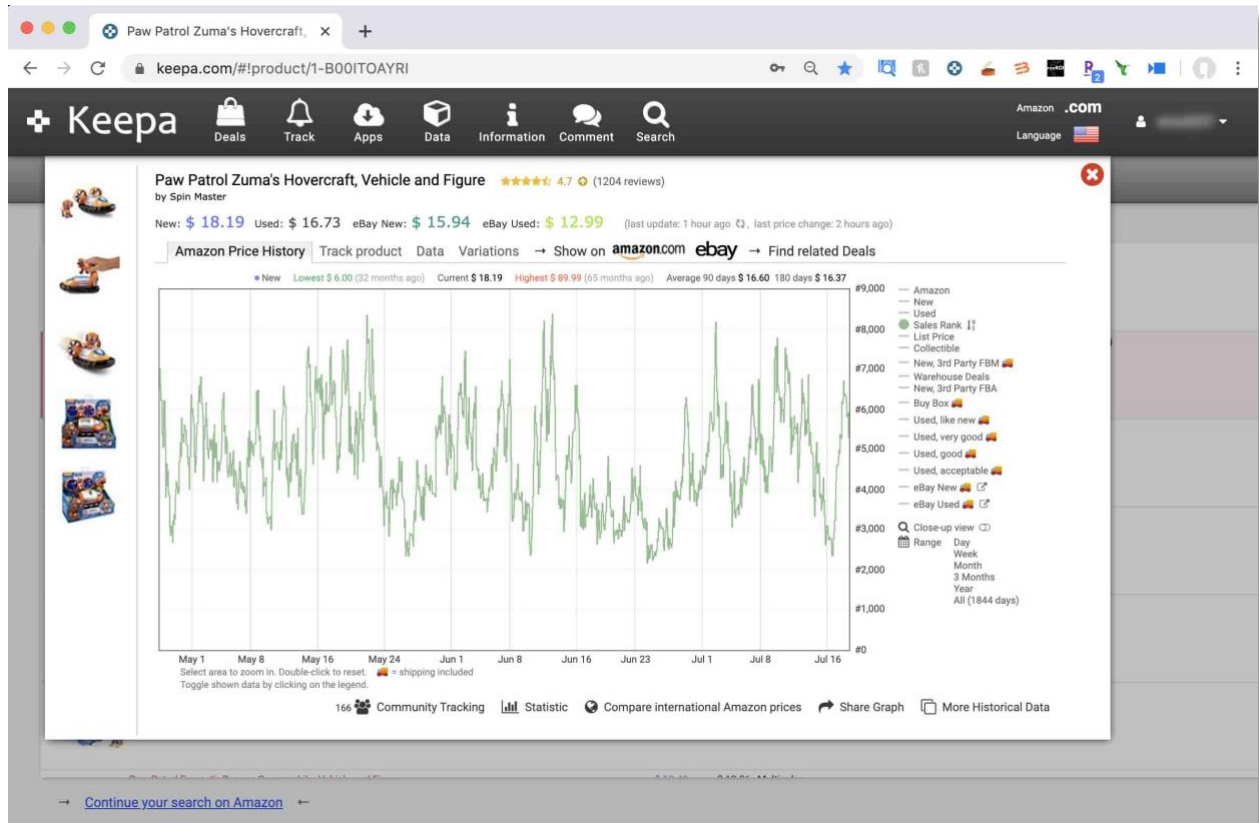
Keepa shares a wealth of information about the price history:

- The current low price of the item
- The historical lowest low and highest low price of the item
- Fluctuations of lowest price over time
- Differences in new and used prices
- Differences in prices for both types of seller (Amazon and third-party seller)
- Trends in prices at certain times of the year



## JumpStart Amazon

Now, if you have the paid Keepa subscription, we can clean up this graph so we only see the sales rank history. **Click to turn off all of the colored circles except for green**, which represents the sales rank on a Keepa graph. Once all of the other colored circles are turned off, you will now see a graph that only shows the sales rank history of that item.



Along the bottom of the graph are **the dates you have selected for the graph**, with the most recent date on the right and the oldest date to the left. Along the right side of the graph are **the sales rank numbers**, with the lowest at the bottom and the highest at the top. You can see that during the three-month period in our photo of the Paw Patrol Zuma's Hovercraft, Vehicle and Figure, the item has ranked somewhere around 2100 all the way up to around 8000 in the Toys & Games category.

### Keepa graph data options

The sales rank line on a Keepa graph is presented with the higher sales rank number at the top of the graph and the lower sales rank number at the bottom. **The sales rank line of a Keepa graph has a drop in the graph to indicate that the sales rank has lowered.**

You can also change the date range of your Keepa graph's sales rank history. Simply click on the different possible date range options and



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you'll see the difference in the graph when looking at the entire date range versus a 1-year, 3-month, 1-month, 1-week, or 1-day time period.

### Reading the sales rank graph

Any time the sales rank drastically improves (goes from a higher number to a lower number) then that means at least one sale. Notice that I said "at least" one sale. The closer the sales rank number is to being in the top 1% of its category, then one drop in the sales rank chart can mean multiple sales during that drop. When you first look at a Keepa graph, it takes some time to understand what the graph is telling you about the sales rank history, but **the more time you spend with Keepa, the faster you'll be able to see and understand what it all means in just a split-second glance.**

### Using Keepa while out sourcing

I depend on the information from Keepa while I'm out doing retail arbitrage and making sourcing decisions. I use the Scoutify app on my phone for RA sourcing, and I'm able to [add a quick link to Keepa inside Scoutify](#) so I can easily see the Keepa graphs while sourcing.

### Tip of the iceberg

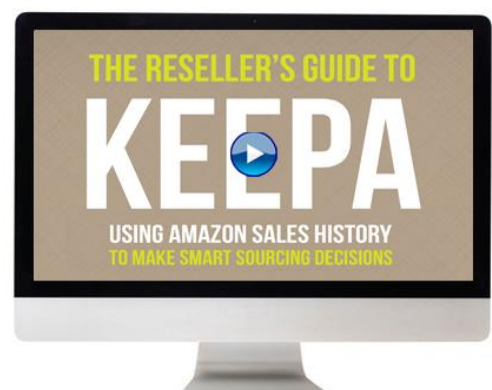
The information we have here is just the tip of the iceberg compared to all of the features Keepa has available for you. What else can Keepa tell you about almost every item on Amazon? How about this:

1. How to know if Amazon is in stock, or was in stock recently
2. How many sales an Amazon product has experienced
3. How many total sellers there are per item and per condition (plus whether the number of sellers is trending upward or downward)
4. What the buy box price was on specific days in the past
5. Lowest price history on specific conditions (like new, very good, and good)
6. See the average sales rank of an item so you know what to expect

AND SO MUCH MORE!

I've shared with you so much about the pricing and sales rank graphs for Keepa, but there is a lot more to learn that can help you source better, faster selling inventory! For more information on mastering Keepa, check out our

[www.fulltimefba.com](http://www.fulltimefba.com)



## JumpStart Amazon

video course, [\*The Reseller's Guide to Keepa: Using Amazon Sales History to Make Smarter Sourcing Decisions\*](#). It's one of our most popular courses and is really helpful once you get started selling on Amazon and are ready to improve your both your pricing and sourcing skills.

### Sales Tax

I want to close this chapter of the course with an introduction to sales tax. Before we get into this section on sales tax, I want to make sure you understand I'm not a tax accountant or specialist, and I am not intending to give out tax advice. All I am doing is pointing you in the right direction to get the best information available on handling sales tax in your Amazon FBA business.

### Resale certificate

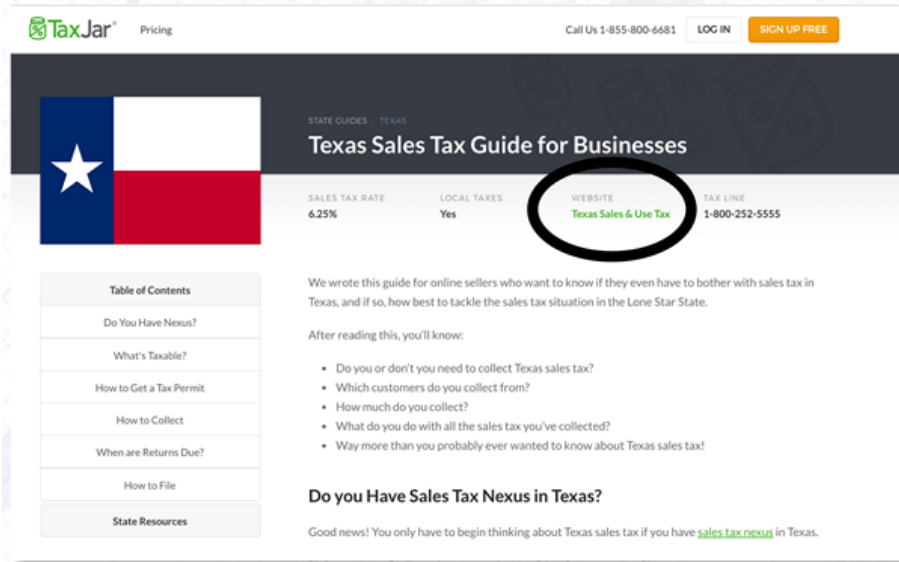
Your business can apply for a resale certificate within your state in order to become exempt from paying sales tax on items you purchase for resale. If you are going to resell an item on Amazon, the sales tax can be paid by the Amazon customer.

To request a resale certificate, you can visit [www.fulltimefba.com/states](http://www.fulltimefba.com/states) to bring up a U.S. map that is clickable by state, provided by our partners at TaxJar.



On the map on the [TaxJar website](#), simply click the state where you live, and it will bring up the information about collecting sales tax specific to your state, including links to take you directly to your state's website about sales tax where you can apply for your resale certificate.

Here's an example of what the web page looks like if you click on Texas on the U.S. map. The link to apply for the resale certificate is circled on this screenshot:



## Collect sales tax on Amazon

Since Amazon updates the guidelines regarding sales tax often, I'm going to send you to a link where you can read and learn about [the latest Amazon sales tax guidelines](#). This is not something to skip over, but an important topic related to your Amazon business you need to read about thoroughly.

**I also highly recommend checking out the information on the TaxJar website** for more about collecting sales tax at [www.fulltimefba.com/salestax101](http://www.fulltimefba.com/salestax101). TaxJar holds to a similar philosophy as I do — they show you how to collect sales tax for free, but they also offer a paid service to make the process more efficient and pain-free.

TaxJar also offers an ebook at [www.fulltimefba.com/salestaxbook](http://www.fulltimefba.com/salestaxbook) that will walk you through many aspects of collecting sales tax at the state, county, and local level. If you are ready to sign up to have TaxJar take care of collecting your sales tax for you, you can go to [www.fulltimefba.com/taxjar](http://www.fulltimefba.com/taxjar) for more information about signing up.

## Using a sales tax certificate

In most cases, you can use your sales tax certificate (also called reseller certificate or tax exempt certificate) at retail stores, so that you do not need to pay sales tax at the time of your purchase. The process in which you will use this certificate varies depending on which store you are in, but there are some general guidelines you can follow for any store where you are doing RA sourcing:

### 1. Set up with customer service.

On your first visit to a store to do RA with your reseller certificate, you will want to visit the customer service desk and ask how they prefer you handle using your certificate in their store.

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Some stores will set you up with a sales tax card for their chain, which you can then use any time you come back to shop in their store. Some stores assign you a number specific to their own branch. Every store and chain is different, so you need to ask how to handle tax exempt purchases at each store.

### 2. Show your certificate at checkout.

Some stores prefer that you simply present your sales tax certificate at checkout when you are purchasing your items. In fact, some stores or some cashiers will want to keep a copy of your certificate at the time of purchase, so be sure to keep a few copies of your certificate in your car for these occasions if they arise. Always make sure you keep the original of your certificate in your possession at all times.

### 3. Show the employees a little patience.

Another thing you will want to show the cashiers or managers is a little patience while they are figuring out what to do with your sales tax certificate. Sometimes you will be dealing with a new employee who has never handled a tax-exempt purchase before. If they have to call over a manager to help walk them through the process, be kind and understanding.

### Not reseller friendly

As we are finishing up this chapter on how to find profitable inventory, I want to let you know about a few places that are not very reseller-friendly. **Some retail stores do not want resellers to purchase items from them with the purpose of selling on Amazon.** If they find out or even suspect you are a reseller, they will ask you to leave their store, or they will cancel your online orders. Retail and online arbitrage are perfectly legal, but some stores still frown upon it as their store policy. Kohl's and Target in particular are not reseller-friendly.



If you are buying items to resell from a store that isn't reseller-friendly, I recommend not using your resale certificate to get your items tax-free when completing your purchase. If you find profitable items from these stores, you can still buy them to resell, but you would need to pay the sales tax yourself and work the amount into your ROI calculation. It's better to just pay the sales tax yourself than to get kicked out of the store.

## JumpStart Amazon

**In conclusion,** check out [www.fulltimefba.com/salestax101](http://www.fulltimefba.com/salestax101) for more info from TaxJar about collecting sales tax— and ultimately, you should consult a CPA or tax professional for your state to make sure you are handling all of your business's tax concerns correctly.

## Chapter 9 – Where to Find Profitable Inventory

This chapter of the course covers what a lot of new sellers are most eager to find out — where can I buy profitable inventory to resell on Amazon?

**Each section of the chapter will cover a different general location or method of sourcing:** garage sales and thrift stores, retail arbitrage, online arbitrage, wholesale sourcing, and other strategies for sourcing. We will start off with garage sales and thrift stores because those locations are a great place for beginners to get their feet wet at sourcing. Retail arbitrage and online arbitrage will be next because those methods work well for Amazon sellers who have a bit more experience under their belt, as well as more sourcing money to spend. Wholesale requires more experience and more money to work with, so it will come next in the chapter. We will wrap up with a few miscellaneous other sources of inventory and my thoughts on how well they work for Amazon FBA.

### Garage Sales and Thrift Stores

Many online sellers like to source at garage sales and thrift stores for items to resell because of the **low buy cost** and **potential high profits** on both new and used items. Yes, there is the potential to buy *new* items at these locations!

People may have brand new items lying around their house, either from gifts or purchases they've never used. Eventually those items may end up as donations to thrift stores or as part of the next family garage sale. You can find all sorts of awesome inventory new, unwrapped, still in factory-sealed condition — everything from housewares to board games to pricey books.

You can also find plenty of items in *used* or *collectible* condition that will make good profits on Amazon. Depending on the category, Amazon allows certain items to be sold as used and other items to be sold as collectible. The Books category allows both used and collectible conditions, while the Toys & Games category allows only collectible, not used.

Most of the finds at garage sales and thrift stores are going to be **unique** — something you will likely only find one time to resell. A lot of times these items are referred to by Amazon sellers as **1-off items**. You may find it for a low buy cost and a high selling cost and make a huge profit off of it, and then you won't ever see that item for sale again. The nature of 1-off items gives sourcing at garage sales and thrift stores the feel of a treasure hunt. You never know when you're going to find an amazing book that you can buy for a quarter and resell for \$50. You never know when you're going to find a rare board game that you can buy at a thrift store for \$2 and resell



for \$100. It's such a rush to scan items at garage sales and thrift stores and come across this kind of buried treasure.

One-off items are great for beginners, not just because of the low buy cost, but also because **you are not tempted to “go deep” on any one item that might be a risk.** Going deep means buying multiples of an item, not just one or two. Once you have built up some experience and confidence in your sourcing skills, you can start going deep on items through retail arbitrage, online arbitrage, or wholesale. But until then, it's a wise idea for new sellers to stick to 1-off items and not risk being stuck with expensive inventory that ends up not selling for great profits. If you end up buying a dud 1-off item, it's just one item you have to worry about being stuck at the FBA warehouse, not 10 or 20 or 100.

As we mentioned above, inventory from garage sales and thrift stores has the **potential to earn a high ROI** or return on investment. (Remember to check out the printable PDF bonus in your *JumpStart Amazon* course materials for how to calculate ROI and profit margin.) The buy cost for items at these locations is so low — often less than a dollar or only a couple of dollars at most. You can find books, toys, and games at these locations that you can sell for many times the buy cost, giving you incredible profit potential.

Garage sales are also a great opportunity for beginners because you can **do all your sourcing on the weekends.** Many Amazon sellers get started with an FBA business while they have a part-time or full-time job during the week. Most garage sales are only open on the weekends, with possibly an additional Thursday or Friday morning. Saturday mornings are a perfect time to get out and do some FBA sourcing while you have the day off from your main job.

Sourcing at garage sales and thrift stores also has the **potential for outsourcing your buying.** Once you get the hang of sourcing for yourself, you can potentially train someone else (even multiple people) to do your sourcing for you, allowing you to multiply the amount of inventory you're able to buy in a given day. Family, friends, or students are all possible folks you can hire and train to help you source at garage sales and thrift stores.

### How to find garage sales

Some resellers set out to find garage sales on a Saturday morning by just driving around town seeing what they can find. It's possible to find garage sales this way, but it's a pretty disorganized method and not always successful. Some folks leave up their garage sale signs for weeks after the sale is over, and you can't be guaranteed to find a sale at the location the signage indicates. Rather than driving around town with my fingers crossed, I prefer to take a more organized approach to finding garage sales.

The first step I always take when I'm figuring out which garage sales to source at for the week is to enter my city or ZIP Code into [Craigslist.org](https://www.craigslist.org) and check out the sales posted online for the week. In my town alone (not counting a couple of neighboring towns that I also check out), it's not unusual to find two or three dozen garage sales posted on Craigslist in one weekend. You can read through the description of the sale to find out some valuable info about the sale, including whether it's a multi-family sale and what type of items they may have for sale.



**City websites** also might have a weekly list of garage sales posted online. Some cities require a permit to hold a garage sale, and the city will provide a list of all permit-holders for the week, including their addresses. This list is another great way to find all the upcoming garage sales in your area.

You can also check out specialized **garage sale websites** and **garage sale mobile apps** for postings of sales going on in your area. My two favorites are [Yard Sale Treasure Map](#) and [gsalr.com](#). Both of these sites give you the closest garage sales according to your location.

Some folks still post their garage sale information in the **local newspaper**, particularly if the sale is being conducted by an older person. It doesn't hurt to check your local paper to see if they have garage sales listed. You can also just be on the lookout as you're out and about on the weekends. **BOLO** is a term you'll hear many FBA sellers refer to — be on the lookout. Even though I don't just start out randomly driving around town for garage sales, I do keep my eyes open on the weekends, and I'll stop at any garage sale I happen to come across that's not on my main route.

And lastly, I suggest heading back to Craigslist to do another search, this time expanding your search to include words like “**neighborhood sale,**” “**church sale,**” or “**rummage sale.**” You might be able to find more sales in your area with even more potential inventory if you search for unique terms aside from simply “yard sale” or “garage sale.” I even search for these types of larger sales in towns that are a bit further from home, just in case I can find something worth the drive. I won't drive 25 or 30 minutes from home for a single-family garage sale, but I would definitely consider it for a large neighborhood sale with 20+ families participating.

### Optimize your route

Once you've compiled a list of addresses for your garage sales for the week, you will want to optimize a route for traveling to all of those sales. I want to make the most of my time while I'm sourcing, so I always prepare an efficient driving route ahead of time. I use a couple of different methods for optimizing my garage sale route:

**Google Maps** — I can type in the addresses on my list or just copy and paste them into Google Maps. Then I arrange the addresses in the list according to where I'm starting off and where I want to end up. One limitation with this method is that Google Maps only allows 10 stops along one route, which can be a problem if you have more than 10 garage sales you're wanting to visit.

**Speedy Route** — For a more robust route with more than 10 stops, you can use [SpeedyRoute.com](#) to make your garage sale route. You can upload as many stops as you want, give it a starting and ending destination, and it will tell you the most efficient route with the lowest mileage.

### Finding profitable inventory

## JumpStart Amazon

You've made a list of garage sales. You've optimized your route for the day. Now it's time to get out there and find some profitable inventory to sell on Amazon!

Note: All of these techniques can also be used at thrift stores, in addition to garage sales.

- **Use a sourcing app**

We have already covered sourcing apps in great detail earlier in the *JumpStart Amazon* course, but I want to make sure you know that you will need an app for your mobile phone to scan and find profitable inventory. I use [Scoutify](#) as my sourcing app, and I can easily scan the barcode or enter the title or keywords of the item. I then use the information provided on the screen to make a smart sourcing decision.

- **Scan every new item**

When you get out of your car at a garage sale, start looking through all the items for anything still in new condition. I always scan any new item I find. Look for items that are factory-sealed or shrink-wrapped and never opened. Don't make assumptions that an item wouldn't sell well on Amazon — you just never know what people are buying! Scan anything that is still brand new.

- **Selectively scan used items**

Used items that work well on Amazon include used books and some board games. If you find a game to sell on Amazon, you will need to list it as collectible, not used. You will also need to assure it includes all the pieces; you cannot sell incomplete items on Amazon.

The more practice you get scanning at garage sales and thrift stores, the more you will be able to show up at a sale and know with confidence which items are worth scanning and which items should be skipped. Practice, practice, practice to get a feel for how sourcing works, especially when it comes to scanning used items.

- **Look under things**

Not everyone keeps their garage sale super organized, especially when it gets towards the end of the day and things are pretty picked over. You don't want to miss out on finding awesome treasure, so be sure to look under anything stacked on top of boxes and covering up the true contents of the box. I once picked up a crumpled bed sheet thrown on top of a box at a garage sale, and underneath it I found a stack of educational books worth hundreds of dollars on Amazon. You never know what you will find!

- **Look everywhere twice**

Many times we get in a hurry and just skim over things on top of tables, under tables, in the garage, out in the yard — but you might miss something if you're in too big of a hurry. I can't tell you how many times I've found something worth selling on Amazon simply because I did a double-take and looked at everything from a different perspective. Typically I will approach a garage sale by walking up one side of the driveway, going into the garage, and walking back out

the other side of the driveway. Instead of getting in my car at that point, I turn around and walk back through the garage sale a second time in reverse. Many times I don't find what I'm looking for until I'm on that second loop through the garage sale.

### Finding the best stuff

The two main items I look for at garage sales and thrift stores are **books and board games**.

**1. Books** — You will start to notice you can find books everywhere. You will find books you've never heard of that sound really weird. You'll find books on topics you would never imagine anyone ever wanting to buy in a million years. Those are the types of books you want to scan.

If you see popular books that everyone is reading, particularly fiction, you aren't likely to find any profit there and can just skip scanning them. Popular books tend to have hundreds, if not thousands, of sellers and will end up *costing* you money to sell them, rather than making you money. You are looking for unusual, hard-to-find, niche topic books, particularly non-fiction.

**2. Board Games** — Many people buy board games or are given them as a gift, and they never open them or play with them. It is not unusual to find board games at garage sales or thrift stores that have never had the shrink-wrap or factory seal removed. You can also find games where the box has been opened, but none of the pieces were removed from their packaging, making the game in *collectible - like new* condition. You can sell these types of games on Amazon for great profits year round, but particularly at Christmas-time during Q4.

Many sellers assume that used or collectible items are not as profitable as new ones, but you can't operate with that assumption or you'll miss out on big profits. I have sold collectible board games for over \$200 and used books for over \$100. Don't assume that an item won't be profitable just because it isn't new!

**One word about sourcing books:** It isn't wise to try to sell a book in new condition if Amazon has the book in stock. Amazon hogs the buy box 100% of the time on new books, and you will likely never sell your book, even if you are priced at a fraction of Amazon's cost. If I find a book Amazon has in stock as new, I will sell it as *used - like new* if the competitive price is high enough for me to make profits. Even if the book is in new condition, you can grade it as like new, and your customer will be pleasantly surprised.

### How to get the best deals

Garage sales are a great place to work on your negotiating skills. Over time you will find that developing relationships and learning how to negotiate will give your Amazon FBA business a competitive edge.

I have learned over the years that there are two types of garage sales: **money-focused garage sales and liquidation-focused garage sales**. Some people want to make a lot of money at their

garage sale, and others are just wanting to get rid of stuff. In an ironic twist, my own experience conducting garage sales at my house has shown me that I make more money when I want to just get rid of stuff than if I try to drive a hard bargain and charge a lot for each particular item. Garage sales tend to make more money when they actually sell stuff — and a lot of it.

You can use this information about how garage sales work to your advantage by **creating a win-win situation for both yourself and the garage sale owner**. Here are a few tips for getting the best deals at garage sales:

- **Never pay the asking price (unless it's already extremely low)**

Most people running a garage sale understand their customers are going to negotiate, and they are ready to bargain with you. If you see an item priced at \$2, don't be afraid to say, "Hey, would you take \$1 for this?" I usually offer half-price or a little above half-price when I start off with my negotiating. Often when I offer half-price, people are more interested in getting rid of the item than making full price, so they give me the deal. Sometimes they will counter offer, and we can work out a way to meet in the middle.

Now, be reasonable when negotiating, and don't try to bargain on an item that's already priced super low. It's just stingy to try to bargain a 25 cent book down to a dime.

- **Use the cash-in-hand method**

If you try this cash-in-hand method, you will likely find that it works like a charm. Let's say you find a brand new board game priced at \$5, but you want to negotiate the price down to \$2 or \$3. You can get out two or three \$1 bills and put them in your hand for the garage sale owner to see when you say, "Would you take \$3 for this?" You can go so far as to extend your hand and offer the \$3 as you are saying it. It's hard for the owner to pass this up — 99 times out of 100, they will take the money as you're handing it to them, and they'll just agree to your price.

- **Use the bundle method**

Another great method is to bundle items you find to get a lower total price. Let's say you find a garage sale where you have a stack of items you want to purchase — you might find 20 books or 5 board games at one garage sale. This is a perfect opportunity to try to bargain for the lot. You could then approach the owner and say, "If I take all of this, what kind of deal can you give me?" Usually the owner will give you a great deal at this point, but sometimes they will ask you to name a price, so be sure you have a fair price in mind before you ask.

- **Be kind at all times**

Kindness will be rewarded, whether now or later.

One time I was at a garage sale where it was pretty windy, and it blew over a clothing rack the owner had set up outside the house. The clothes were all over the grass, and it was just a big mess. Without even thinking, I started picking up the clothes and putting the hangers back on the

rack. The owner was very touched and thanked me profusely. When it came time for me to bring over my items to buy, they ended up just giving me the items because they were so appreciative of my help. I hadn't helped out with the idea of getting free goods, but it worked out that way. You don't always get free stuff when you help people out, but being kind is just the right thing to do, no matter what. You reap what you sow in life, so be sure you are always spreading kindness wherever you go.

### The biggest garage sale mistake

By now I hope I've convinced you how much profit there is to be made at garage sales. At this point I want to make sure you don't miss out on some awesome profits by making this one mistake: **Don't judge a garage sale by its driveway.**

How many times have you driven up to a garage sale, looked at what is presented on the driveway, and totally dismissed that sale? I've done it many times. I think to myself, "This one's a dud — I'm not going to waste my time even getting out of the car."

BUT NOT ANYMORE! One of the things that really stood out to me in Chris Green's book, [Arbitrage](#), is to not be the lazy competition. Lazy equals less money. So now I always get myself out of the car and spend a few minutes exploring the whole garage sale. Sure, there have been many times I judged a garage sale by its driveway and have been proven correct, BUT there have also been many times when I assumed the place was a dud and have walked away with hundreds of dollars of potential profit.



One time I drove up to a garage sale, and it looked like all they were selling were clothes. I saw baby clothes, kid clothes, and adult clothes. I saw boxes under the tables overflowing with even more clothes. I saw nothing else. I really just wanted to move on to my next stop. But I didn't. I decided to take a two minute gamble, got out of my car, and inspected the garage sale. I was overjoyed to find that in a few of those boxes under the table were 100+ teacher and education books. I ended up buying 36 books at \$0.50 each with a potential profit of \$300! I almost drove past hundreds of dollars!

Another time, I drove past a garage sale that wasn't even on my route. When I drove past this garage sale, all I saw was big furniture out in the driveway. If it weren't for the garage sale sign in their front yard, I would have assumed they were moving. Again, the thought entered my mind to just move on, but I didn't entertain that thought for long. I turned around and stopped and was so glad I did. In the garage, stacked over to the side, were some brand new (still sealed) board games. I was able to pick them up for \$2 each and sell them for \$150 profit.

## JumpStart Amazon

I have more stories, but I think you get the idea. Needless to say, I don't think I'll judge a garage sale by its driveway again.

### Make sure new is new

This tip applies to both garage sale and thrift store sourcing. When you find an item in new condition, be sure to do your due diligence and ensure the item is truly new.

One of the worst things you can do as an Amazon seller is to list an item as new when it's actually in used condition. Cynthia Stine, author of the book [\*Suspension Prevention\*](#), says that a high number of the Amazon account suspension cases her company deals with are due to sellers having too many instances of claiming an item is new when it is actually used.

If you have any doubt whatsoever about whether an item is new, do not list it on Amazon as new. If you think for a second that a customer will question whether an item is new, do not list it on Amazon as new. It is much better to make a lower amount of profits by selling it in like new or very good condition than to damage your seller metrics and potentially have your account suspended.

### Thrift store sourcing

If you can't wait until the end of the week to go to garage sales and you want to up your sourcing game, I have good news for you: You can source at thrift stores all week long!

Thrift stores are another great location for sourcing both used and new items to sell on Amazon. Many of the tips I gave above for garage sales will also apply for thrift stores.

Here are a few tips specific to thrift stores:

- **Best days for thrifting are Monday and Tuesday**

If garage sales are on the weekends, then what do you think people do with all the stuff they didn't sell at their garage sale? They drop it off at the thrift store after the garage sale is over. Or people who are just cleaning out their house, attic, or garage will do all their organizing on the weekend and drop off their old stuff at the thrift store on Saturday and Sunday. When Monday and Tuesday roll along, the thrift stores have had time to sort through the weekend donations and put items out on the shelves, where it is just waiting for you to come along and scan it. It is



possible for you to spend Friday/Saturday garage saling and Monday/Tuesday thrifting every week!

- **Best time of the year to source?**

I have found that donations to thrift stores increase the last week of December and the first two weeks of January. Once Christmas has passed, many people decide to clean up the house and organize their belongings. They may need extra space for the new gifts they've bought or received, or they may make a New Year's resolution to become more organized. All of that stuff they are cleaning out of the house? You guessed it — it ends up on the thrift store shelves. It's too cold to have a garage sale in the winter, so many people decide to just donate their old stuff instead. Many thrift stores have too much new inventory at this time of year and end up needing to throw stuff out or donate it to other charities. I have actually gone to thrift stores at this time of the year and worked a deal with managers who had too much inventory on their hands, and I was able to walk away with great inventory for my business — absolutely free!

- **Shop frequently to find more items**

People drop stuff off at thrift stores every day of the week, and it will benefit your business to develop a routine for visiting thrift stores on a regular basis. The inventory at thrift stores is constantly turning over and changing, so you will want to go back periodically to look for new items. You will get to where you can instantly recognize items you have already scanned, so you can save a bit of time. You should be able to walk into a thrift store where you are a regular customer and almost immediately recognize when new items have been added, and you can snatch up those items new in the package.

- **Shop high-end neighborhood thrift stores**

Another great technique is to get out into the higher-end areas of town to check out their thrift stores. Wealthier parts of town tend to have nicer thrift store inventory, including some of the most unique books I've ever found to resell.

- **Sale days and discount cards**

Be sure you participate when thrift stores have sale days or if they offer discount cards. Every little bit of discount you can get on your inventory will ultimately add to your business' bottom line. Some thrift stores have an email newsletter, so make sure you subscribe to stay up-to-date on any promotions they're running.

**Garage sales and thrift stores are both excellent ways to find low-priced inventory that you can sell for a high ROI, making them a perfect way to gain experience as an Amazon seller.** Once you become comfortable selling in a couple of different categories, you can move beyond garage sale and thrift store sourcing if you desire. Many sellers become addicted to the rush of finding profitable treasures at garage sales and thrift stores, and it can be hard to get out of the habit of stopping when you see those great sales!

## JumpStart Amazon

As you develop confidence in sourcing, you will be able to take the profits you are making from garage sales and thrift stores and see a **snowball effect**: You earn high ROI, reinvest the money in more inventory, get more profits, reinvest it, and over time you've built a snowball of greater and greater profits. **Eventually your business will be making enough money that you will want to start investing in items with a higher buy cost.** In the next section, we will cover retail arbitrage, a method of sourcing items at retail stores that are higher priced than garage sale and thrift store inventory.

### Retail Arbitrage

When I got started selling on Amazon back in 2011, I mostly sourced inventory from garage sales and thrift stores. I was able to gradually build up my Amazon disbursements by buying inventory at ridiculously low prices. My ROI during that time was always over 100%, usually over 200%, and often as high as 1000%.

**Eventually I built up large enough Amazon disbursements that I didn't have enough time to spend going to garage sales and thrift stores looking for enough inventory to reinvest all of my sourcing money.** It can be time consuming going on a treasure hunt every day, and I needed to find a way to balance my time and my money. When I had more time than money, I needed to go to garage sales and thrift stores. When I started to have more money than time, I needed to expand into retail arbitrage.

Once I added retail arbitrage to my garage sale and thrift store sourcing, I was able to make a full-time income at selling on Amazon. For me, this process took about 6 months, and I was able to support myself and my family using my Amazon profits.

### What is retail arbitrage?

**Retail arbitrage (also commonly referred to as RA) is the process of buying items at retail stores for the purpose of selling those items on another platform for a profit.**

Retail arbitrage has the potential to streamline your Amazon FBA business by allowing you to buy multiples of items, possibly over and over again. With garage sales and thrift stores, you could spend all day sourcing 50 items, and you will never find those same 50 items again. You will enter those 50 items in your inventory, sell them, and then never need that listing again. But with RA, you can potentially buy 50 of the same item and enter it in your inventory only once. You can potentially find items through RA that you can go to the store and buy over and over again to resell on Amazon. **RA can save a ton of time and energy, both in sourcing and in inventory maintenance.**

You likely will not find an item you can buy in multiples of 50 every time you go out to do RA sourcing, but you probably will find things you can buy 5 of, 10 of, 20 of — every time you source! Sometimes you will find those items on the clearance shelf, but other times you can find inventory that is selling full-price in retail stores and can make a profit on Amazon.



## JumpStart Amazon

Sometimes people wonder — is retail arbitrage even legal? I mean, the concept sounds kind of weird: going into a store, buying stuff for really cheap, and selling it online for a higher price. **But yes, retail arbitrage is totally legal in all 50 states.**

**In summary, here is retail arbitrage in a nutshell:**

- Find both clearance and full-priced items to sell for a profit on Amazon
- Totally legal in all 50 states
- Find multiples of great products
- Find replenishable products (also known as replens) that you can buy over and over again to restock your inventory

**I love RA opportunities where I'm able to follow this formula:**

- Buy an item
- Send it in to Amazon FBA
- Make a sale on Amazon
- Get my Amazon disbursement
- Go back and buy the same item again
- Repeat this process indefinitely

Talk about streamlining your business!

### Retail arbitrage strategies

**Every seller likes to do RA a little differently, and it's really a matter of trying out different things to see what you prefer.** Everyone also has a different schedule, different family commitments, different number of stores available within driving distance. Some sellers like to go out to do RA for a couple of hours every day while their kids are in school. Others can only go on the weekends or evenings when they're off work from their 9-to-5 job.

For me, I typically spend one full day doing RA every one to two weeks. That amount goes up during Q4 (October, November, and December), but throughout the rest of the year I stick with this schedule. I would rather spend all day driving to different stores and get all my sourcing done in one day, instead of breaking it up and doing a little here and there each day.

When I spend a day doing RA, I have two main strategies for how I spend my time:

#### **1. Source all the stores in one area**

One strategy I use is to choose an area of town where I will focus for the day. The benefit of using this method is that **I can hit a large number of stores in a small amount of time with minimal driving.** I use this strategy when I don't have very much time to spend driving, and I don't have any good leads on items that I already know I want to buy.

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After I decide on the neighborhood, I plan out a route on Google Maps where I go to that neighborhood's Walmart, Target, Kohl's, TJMaxx, Marshalls, Walgreens, etc, one after the other. The next time I'm doing RA, I'll pick a different neighborhood and plan a similar route.

**Using this strategy also helps me try out new stores that I've never sourced at before.** I might be in a TJMaxx parking lot and see a World Market, and I take the extra effort to go to that store and check it out for the first time.

**This particular strategy also allows me to find BOLOs** — items that you should “be on the lookout” for. Let's say I'm sourcing in Target and find an awesome item I wish I could source more of. That item is now a BOLO for me, and I can search for other Targets nearby to go source that item.

Some towns have more stores than others, so you may have to drive to another city to do this type of sourcing, depending on where you live. I frequently will drive to a nearby town and source every store I can find within a small radius, just to have a different set of stores to source than the ones near where I live and always source.

## 2. Source multiple locations of one store

The second strategy I use for RA is when I have a good lead on some items to source at one particular retail store. Maybe there's a big **store-wide sale** going on at a chain of stores, or maybe I have some **replens I need to restock**.

In these instances I plan my driving route for the day to cover a larger radius from my home, but I only put one or two stores in the route. For example, I might go to every Target in a 30 mile radius in one day. Depending on where you live, a 30 mile radius might be too many Targets for one day – in that case, using this RA strategy could give you several days worth of work.

I also use this method when I know a chain is doing a **big seasonal clearance**. I'll even call ahead to the store branches to make sure each one in the chain is already doing the clearance before I drive all the way out there.

And of course, if you have identified a BOLO, you'll want to shop for it at each location of the store while you're out sourcing for the day. In this way, you are **combining the first RA strategy with the second RA strategy**: source all the stores in one location until you find enough BOLOs at one or two particular stores, and then switch to going to as many locations as possible of those stores with the BOLOs.

**Over time you will see that RA finds come in waves.** Sometimes one store is hot, so you follow that wave until it runs out. Then suddenly another store is hot, so you hop on that wave and ride it as long as you can. You will begin to get in a routine of finding the best retail stores for your business model, making the most of the opportunities while you can, and always looking for ways to expand to new stores.

## Retail store walk-through

At this point in the chapter, I want to take you through my thought process when I walk into a retail store to do RA. Here's how I approach RA, step-by-step:

### 1. Find clearance sections

Every store will have clearance items they're trying to get rid of and make space for new inventory. Each store arranges their clearance items differently, whether it's on a clearance aisle, on end caps (the ends of aisles), or randomly scattered through the regular inventory. I like to look at the clearance section right off the bat because those items are typically the lowest priced items in the entire store, and often they're the most likely to have a good ROI on Amazon. The more you source in each type of retail store, the more familiar you will become with how each store organizes their clearance merchandise. You will also start to become familiar with different stores' clearance schedules, and you can even develop relationships with managers who can notify you when clearance merchandise has been placed on the shelves.

### 2. Popular full-priced items and hard-to-find items

The next place I look in a retail store is at the popular full-priced items I know are good sellers. Some super popular items (particularly toys) can be difficult for Amazon to keep in stock, so if you can find them in retail stores, they can sell for two, three, four times as much online as the retail price. I keep a running list of these types of items that I always look for when I'm doing RA; this list changes over time, depending on what's hot and what's not. You may think to yourself that it's ridiculous for people to pay that much more for an item on Amazon, rather than just going to Walmart and buying it for cheaper — but you have to remember, some people don't live anywhere close to a Walmart, and other people are very busy and don't want to go to Walmart. These people are willing to pay a premium to get items on Amazon.

### 3. Local and regional products

I also like to source for local products in retail stores in my area. Sometimes a person will move away to a new area, and they can no longer find a local or regional product they always bought in their old town. I can buy those products at my retail stores and sell them on Amazon for a profit. Many times these types of items are grocery items — a particular salsa or barbecue sauce or some other specialty item the area is known for.

### 4. Sale or coupon products

RA can become an even sweeter deal if you find a great sale or a great coupon to make your buy cost even lower and your ROI even higher. In particular, some stores have coupons where you can get \$10 off a \$30 purchase, 50% off everything in a certain department, or a similar type of deal. With the right strategizing, you can get an awesome ROI by making the most of these types of sales and coupons.



## 5. Look up and down!

One last item of note — as I'm walking through retail stores, I make sure I'm always looking both up and down at the top and bottom of the shelves. I don't want to miss out on anything profitable because I'm only looking at the middle shelves. A lot of times stores keep overstock items on the top shelves, and if those items sell out on the middle shelves but the employees are too busy to restock, you can miss out on profitable inventory right there in the store. Same with the bottom shelves, especially towards the back of those shelves. It can be hard to see, and you may have to get down on the floor to look all the way to the back, but it can be totally worth it to check the tops and bottoms of shelves.

### Clearance sales

Let's take a look at the clearance stickers from a few retail stores to see what kind of info they contain.

#### Target



On this Target sticker you can see the price was \$9.99, but now it is \$2.98. Notice the number in the top right corner — that's the percentage off. Target usually puts a new clearance sticker on top of old ones, so if there are several clearance stickers, you know that item has not sold at lower percentages off.

#### Walmart



Walmart stickers are similar to Target in that they show both the original price and the clearance price. You can see I've circled a date in the center of the sticker — that is the date the sticker was printed. This date will give you a clue as to how old the item is and how long it has been on clearance. Sometimes Walmart will update the prices in their system but not put new stickers on the items. If the date is really old on that sticker, I often check the item at a price checker to see if it's even lower than the clearance sticker.

## Walgreens



Walgreens uses these orange clearance stickers, and they put a date in the corner of the sticker to tell how long that price is good for. Odd, I know, but their clearance sales only last for a limited time. Also, Walgreens often does not put the sticker on the actual item, but on the rack or the shelf where the item is located.

## TJMaxx and Marshall's



Both TJMaxx and Marshall's use the same type of stickers, and they put a red clearance sticker over the original white price sticker. They will put a new sticker on the item as the price lowers, often ending with a final yellow price sticker with the lowest price.

## Big Lots



Big Lots uses a few different types of stickers. I've circled the clearance stickers here to show you the difference from the other types.

## Tuesday Morning



Tuesday Morning uses an interesting system of colored stickers to show their clearance prices. The meaning of the colored stickers rotates and changes in percentage over time. In the picture I have here, orange is 20% off, yellow is 40% off, teal is 60% off, and purple is 80% off. After three or four months, Tuesday Morning will replace the sign on the shelf with a new code for the colors. Most likely everything with purple stickers will have sold out by that point, so everything with a teal sticker will become 80% off. Yellow stickers will become 60% off, orange will be 40% off, and 20% off will be a new color.

### Regular-price finds

**While I love shopping clearance aisles, I also find a lot of great merchandise to resell from the regular-price aisles.** Here are a few strategies I use for sourcing regular-price items:

- **Choose a store with multiple locations all around your town.**

You want to be able to buy multiples of an item if you find a great regular-price BOLO. If you find it at one store, you'll likely find it at others. You can maximize your sourcing if you scan at stores with multiple locations within driving distance of your house.

- **Pick an aisle and scan everything!**

I know it sounds extremely boring to just go down both sides of one aisle scanning everything, but using this methodical technique is part of the price you pay for finding great items at full-price that you can buy at multiple stores. You will get faster at scanning over time, and there really is no other way to find great inventory than to *scan everything*. Skipping around and scanning randomly makes you more likely to miss out on a great deal.

- **Scan items in your comfort zones.**

Remember, we talked about sourcing in your comfort zone category before. Let's say you have a small child at home, so you know a lot about baby items. You could pick the baby aisle at a retail store and scan everything on both sides of that aisle.

- **Scan items outside your comfort zones.**

If you have a little more time, I also suggest making the effort to scan items outside your comfort zone. If you mostly sell toys, this might mean scanning everything on the aisle of kitchen gadgets. Stepping outside your comfort zone opens your eyes to new possibilities and new profits.

- **Once you find some good leads, go find them at other stores in your area.**

After you've spent some time scanning everything on a few aisles in the store, you might have a good working list of BOLOs you could find at the same store in other parts of town. Now is when you could branch out and switch strategies to just take your buy list and go to as many of that store as possible, not spending the time to scan an entire aisle, but just walking in the store and automatically knowing what you need to buy.

### RA expectations

Mindset is crucial if you want long-term success at sourcing through RA. A lot of folks out there in the Amazon FBA community talk about how wonderfully amazing RA is, and it's easy to think, "Oh my word, all I have to do is go to one store, and I'll be able to fill up a cart full of inventory. Score!"

Please take a deep breath and a step backwards...RA isn't as easy as that. There is a learning curve to RA, and it truly is *work*, not just a get-rich-quick scheme. I want to set you up for success by giving you correct expectations when it comes to doing RA:

- **Don't be discouraged if you don't find anything.**

I admit it: I've been to retail stores and walked out without finding anything to purchase for my FBA business — and that's ok. Don't let one bad sourcing trip ruin your whole day. Many times people will start out sourcing for the day and not find anything at the first store, only one thing at the second store, and they think to themselves, "I'm done. I'm heading home." But you never know when it's going to be the third store or the fourth store you visit when you will fill up your shopping cart.

- **Some stores will be awesome, some not.**

I said before that retail arbitrage opportunities come in waves. You have to keep this in mind as you're sourcing, and just know that sometimes a store is going to be a dud, even if it was amazing for you last week. I can remember a time when I would go to Walgreens on a regular basis, all across the Dallas-Fort Worth area, and I could fill up my minivan just from shopping at that one chain of stores. A month later, I couldn't find a thing at a Walgreens worth sourcing.

Ride the waves, don't get discouraged when the wave changes, and remember there is more inventory to find at another store.



- **Some days will be awesome, some not.**

The same thing goes for days spent doing RA. Some days you're going to find a ton of stuff, no matter which chain of stores you go into. Other days, it's just going to be bone dry out there. But you can't give up. You have to keep pressing on, riding out the wave, looking for a new opportunity.

- **The more you scan, the better your sourcing skills will become.**

Remember, we want to view our Amazon FBA business as a marathon, not a sprint. We have to train ourselves and develop our skills over time. The more you do RA and get out there and scan in stores, the better your sourcing skills will become and the more inventory you will be able to find in a short amount of time. You have to build up to it, though. You have to work at sourcing and practice scanning, and before you know it you will be able to scan quicker, analyze your scouting app quicker, and fill up a cart quicker. You will develop the ability to make better sourcing decisions — and do it in a shorter amount of time.

### Sourcing with confidence

I want to teach you more than skills as you learn how to run an Amazon FBA business. I want to teach you how to do your work with confidence. I want you to have a solid mindset that will set you up for success in your business.

As you head out into retail stores to source for inventory, here are a few tips to give you confidence and help you grow in your experience as a business-person:

- **Retail arbitrage is not illegal.**

Sometimes new Amazon sellers can be timid when sourcing in retail stores. They are shy about scanning items in public and worried they could get in trouble for what they're doing. Now, some stores frown upon resellers, so the store policy might prevent you from scanning freely — but retail arbitrage is not illegal. You are not doing anything against the law by scanning inventory in a retail store, so scan with confidence. Respect the store policy, but don't be afraid that you're breaking the law.

- **Grab a cart!**

Always think positively when you enter a store. If you go in with the mindset, "Oh, I probably won't find anything — I'll just come back for a cart if I need one," then you're setting yourself up for failure. Grab that cart as you're heading into the store and set yourself up to fill it to the brim!

- **Handling customer questions**

If customers ask you why you're scanning items or why you have a cart full of toys, don't be afraid to briefly and truthfully answer their questions. You don't have to elaborate if you don't want to, but you can always give a short statement like, "I have an online store, and I'm buying toys to sell on Amazon." There is no reason to be deceitful; sometimes people are just curious, not judgmental. A short, truthful answer is much better (and less suspicious!) than acting weird, evading the question, or just running away and hiding.

- **Handling employee questions**

The same thing goes with employees — if a store employee asks what you're doing, give them a short, honest answer. Again, some stores are not reseller-friendly, so be careful about sourcing in those stores. Many stores, however, are more than open to the idea of Amazon sellers sourcing their inventory from their shelves. Many times I've had a store employee ask what I'm doing, and when I answer that I'm looking for deals to sell on Amazon, I get the answer, "Oh, we have more stuff in the back you can look at." They actually help me find even better deals!

- **Develop good relationships with employees and managers.**

If you make it a habit to be truthful and friendly with store employees and managers, you will begin to develop relationships with them and have even more opportunities to buy amazing RA deals. I've had store managers ask for my contact information so they can let me know when a new round of clearance is coming up. I've had opportunities to ask store managers if they can give me an even better discount on already low clearance prices if I buy out all of a certain item. Being friendly and personable can go a long way in this business!

- **Leave the store better than you found it.**

We talked about kindness in the section on garage sales, and the same principle applies when you're sourcing in retail stores. Some stores don't like resellers because they come in and trash the clearance aisle, and store employees have to clean up after them. Don't be that way! Always straighten up after yourself, and offer to help organize inventory or clean up an aisle if you see an opportunity. Whether you get anything out of it or not, it's just the right thing to do to be helpful and not destructive.

- **Know the return policy of the store.**

In the unfortunate event that you aren't able to sell an item on Amazon after you've purchased it, you will need to know the return policy of that store. Do your research up front so that you can make wise decisions about how to handle any possible returns and protect yourself and your finances.

**The potential to make amazing profits at RA is very attractive**, and I hope you can use the info in this chapter to get started strong. Next up, let's look at how to make some equally amazing profits from the comfort of your own home through online arbitrage!

## Online Arbitrage

### What is online arbitrage?

Online arbitrage (also known as OA) is the process of buying items at online stores for the purpose of selling those items on another platform for a profit. **Basically, OA is RA done online.**

Many of the principles for OA are the same as RA, and many of the benefits are similar as well:

- Find both clearance and full-priced items to sell for a profit on Amazon
- Totally legal in all 50 states
- Find multiples of great products
- Find replenishable products (also known as replens) that you can buy over and over again to restock your inventory

**OA has some additional benefits that you won't experience if you're strictly sticking with RA:**

- **Online stores are open for business 24/7.**

Some brick-and-mortar stores don't open until 10am and then close as early as 7pm. Some aren't open on Sunday mornings. This can be a huge limitation for folks trying to do RA when they're not at their full-time job. With OA, any time of the day or night that we feel like shopping, we can work at sourcing for FBA.



- **OA saves wear and tear on our vehicles.**

In the course of just a couple of years, my wife and I put tens of thousands of miles on our vehicles from doing RA. Of course, those miles are deductible when it comes to filing our taxes, but I still would rather not have to replace my vehicle so quickly. Once my wife Rebecca started doing mostly OA, the number of miles she was putting on her car for business purposes dwindled down to almost nothing.

- **Inventory shipped right to your location.**

For some people, having OA inventory shipped right to their doorstep is the only way they can keep an Amazon FBA business afloat. Some people need to stay home because they are a caretaker for a family member. Some people don't live in an area with enough stores for a

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thriving RA sourcing strategy. Others just prefer to stay at home. With OA as a sourcing strategy, you can have your inventory delivered right to your doorstep.

- **Free shipping boxes and dunnage.**

When we receive an OA shipment from a retail store, we're often able to ship the items out to the Amazon warehouse in the same box. We can save time and money by not having to make trips to Home Depot or Lowe's to buy shipping boxes.



Dunnage is the stuff that goes in the empty spaces of a shipping box you're sending to the FBA warehouse. We can reuse the air pillows, paper, and even small cardboard boxes that come in OA shipments as dunnage in our Amazon shipments, saving time and money from having to get that dunnage elsewhere.

- **Online-only deals.**

Many stores offer promotions or sales that are available online only, not in stores. Using an OA strategy can help you find products at lower prices than what other Amazon sellers are finding in person in retail stores.

- **Unlimited stores and products.**

With RA you are physically limited by how far you can drive and how much inventory you can scan in a given time. OA opens up new possibilities, giving you access to an unlimited number of stores outside your physical location. You have online access to thousands of products you might have never heard about or seen in your own local stores.

- **Great OA tools available.**

Developers are working all the time to make awesome tools to streamline the process of doing OA. You can use both free and paid tools to make the process of finding inventory easier and faster. We'll cover some of those tools in more depth later in this chapter.

### Online arbitrage strategies

Because of the plethora of online stores available to you for sourcing, it can be overwhelming to know where to even begin when it comes to finding inventory online. I recommend picking an OA sourcing strategy and sticking with it for a while, testing it out, and then trying a different

strategy to see if you can improve your results. **I will share with you a few of my favorite strategies below:**

### **1. Source your favorite stores online**

If you have a favorite store for RA sourcing, see if you can source their online store as well. Get to know their website and look for a clearance tab where you can browse all the clearance-priced items on one page. You can also sign up for their store email newsletter to get notifications for sales, special discounts, or coupon codes.

Look through the website to find out how they sort their inventory, whether it's possible to sort items by popularity or by rating. If an item is a best seller on one store's website, it might very well be a best seller on Amazon also. Compare the prices on the two websites, and look for items to buy low on one store website and sell high on Amazon. Now, this process can be quite time-consuming, but we will cover some tools in just a moment to help make this process easier.

### **2. Source your favorite categories**

Another great strategy for OA is to find ways to source your favorite Amazon categories. As I've recommended before, it's a good strategy to go with what you already know when you get started sourcing. If you know a lot about home improvement, maybe start out sourcing online stores that sell tools. If you are interested in cooking, check out online stores with kitchen gadgets and cooking utensils.

Sticking with a familiar category is a great way to expose yourself to new online stores that you may have never seen in your own town. Do a Google search for online stores with items in your category, and start looking for inventory in the search results. Again, sort items by popularity or ratings to find out what is selling well online and possibly will sell well on Amazon too.

### **3. Expand to new online stores and categories**

After you've gotten your feet wet with the first two strategies, I recommend branching out to this third strategy. Online arbitrage truly opens up doors of opportunity that are just not possible if you stick to your normal geographic location. Once you are familiar with how to do OA in your comfort zone stores and categories, begin to play around with new stores and categories. Get out of your comfort zone, and you'll be able to source hundreds (if not thousands!) of new stores. Don't be afraid to source at smaller, regional online stores in addition to the big box online stores everyone likes to source at. You would be surprised what you can find to resell at smaller websites from regional stores — stores that other sellers aren't even thinking to look at.

**The more comfortable you get with doing OA, you also will start to follow rabbit trails and find even more inventory that you never would have dreamed of sourcing.** A rabbit trail is when you start out looking at one product, and then you see a suggested product on the same web page, and you click it to find out more info — and the next thing you know, you're four web pages away and have found a great buy for Amazon that is only slightly related to the page you

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started out on! **Rabbit trails are a great way to find inventory for Amazon that other sellers aren't even considering.**

### Google Chrome browser

Some sellers shy away from doing OA because of the tedious nature of sitting at a computer for hours at a time, clicking on websites and doing endless comparisons. But the sellers who excel at OA know that the process becomes much easier and more streamlined with the help of a few basic tools.

The number one tool I recommend for assisting sellers in OA sourcing is the [Google Chrome web browser](#). You may be accustomed to using a different browser on a regular basis, but I highly encourage you to download the free browser and become familiar with it. Google Chrome is truly the best browser for doing OA because developers have come up with a ton of great extensions (or add-ons) to make OA much simpler. **A Chrome extension is a mini-program or tool that you can add to the browser to complete a specific function without having to leave a web page.** Chrome extensions can save a ton of time by performing automatic calculations or searches with just one or two clicks.

Some of the programs or Chrome extensions for OA we will discuss in this chapter are free, but some are paid. I will only share with you extensions and programs I've personally used and benefitted from. The Google Chrome browser is free, and I highly recommend downloading it now, if you haven't already: [www.google.com/chrome/browser](http://www.google.com/chrome/browser).

### OA money savings

Another great benefit to doing OA is the potential to save a ton of money by shopping online, something many stores are eager to encourage customers to do. Here are just a few ways you can save money sourcing online versus in person in the store:

- **Store email newsletters**

We've already discussed how stores send out newsletters to subscribers, but I want to encourage you again to sign up for deals delivered to your inbox each day. Many sellers choose to use a separate email address for their OA subscriptions so they don't have advertisements junking up their regular inbox. Be on the lookout for coupon codes, sale notifications, and promotions for online-only events where you can save money doing OA.

- **Cash back programs**

Many online stores partner with cash back programs to offer a percentage discount if you shop through their website's link. The prices on the online store remain the same for you, but you can receive anywhere from 1% to 15% in cash back, depending on the store and the time of year. I typically use [Rakuten](#) as my main cash back program for OA



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purchases. You can find out more and sign up to get cash back at [www.fulltimefba.com/rakuten](http://www.fulltimefba.com/rakuten). You'll even get \$10 added to your account the first time you use Rakuten. Another good cash back program is called [TopCashBack](#).

- **Online coupons**

Some websites also specialize in providing coupon codes for online retailers. Rather than searching around by yourself to see if there's a code available, you can look at the coupon website to find any active codes. I like to use [Honey](#) to find coupon codes for OA purchases. You can find out more about Honey (and sign up for their cash back program as well) at [www.fulltimefba.com/honey](http://www.fulltimefba.com/honey).

### OA time savings

We all love to save money when we're sourcing, but we also need to be aware of ways we can save time at sourcing. Let's discuss a few ways we can trim some time off our OA sourcing tasks.

- **Buy OA product lists.**

One way to save time at OA is to buy a product list from another seller or a service. Some sellers find so many great deals while they're sourcing (or they have hired a virtual assistant who finds a ton of great deals for them), they can't possibly buy all of them for their own business. Rather than letting those deals go to the wayside, they put together lists of OA finds and make them available for purchase. Buying an OA list can be a great way to shave hours off your OA sourcing each day.

You can buy OA lists specific to a particular store, in a specific category, or purely randomized. It's up to you to decide which type of list you might be interested in. One thing to be aware of is that if someone is selling a list to you, they're also selling it to someone else. You want to make sure you are only buying lists with a cap on the number of buyers, otherwise you might end up buying inventory that will soon have a high amount of competition on Amazon.

- **Buy OA-focused tools.**

Free and paid OA tools can save a tremendous amount of time by streamlining the sourcing process for you. You can download tools for the Chrome browser to help you quickly analyze data, make calculations, or organize products — literally saving hours a day. We will go into more detail below on both free and paid OA tools to help you save time and money in your business.

### Free online arbitrage tools

- **Rakuten**

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We've already talked about it above, but I want to mention again that [Rakuten](#) is a great way to get cash back on your OA purchases. Be sure to install the Rakuten Chrome extension to make getting cash back even easier, just one click before you make your OA purchases.

- **Honey**

[Honey](#) also has a Chrome extension you will want to install on your browser. One click with the Honey extension, and you will see all the available coupons for a particular website.



- **Amazon Assistant**

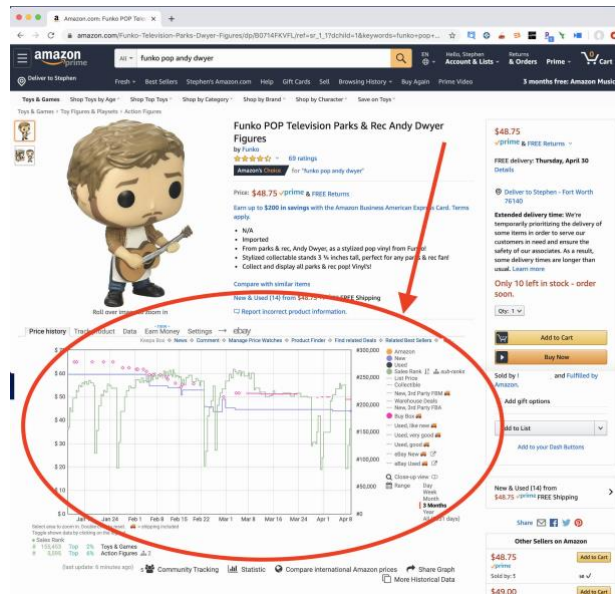
A great way to save steps opening tabs in your browser is by using the [Amazon Assistant](#). When you're looking at a product on a retail store's website, click on the Amazon Assistant extension to bring up potential matches for the product on the Amazon website. Easy peasy. (Notice I said *potential matches*. As always, do your due diligence to make sure items are a true match.)

- **Priceblink**

Whether you're on an Amazon product page or a retail store website, [Priceblink](#) will attempt to find a better price on the item you're looking at. It's a good practice to always glance at Priceblink and see if you could be making your OA purchase for less money at another website.

- **Keepa**

Hands down, my most used Chrome extension for OA. I look at the data from my [Keepa extension](#) first thing every time I pull up a potential OA buy. Keepa has both a free and a paid subscription plan, so for this paragraph, I'll focus on what I like about the free account. The Keepa extension puts a Keepa graph showing the free price tracking data right on the Amazon product page, below the product title and picture, and lets me see at a glance whether Amazon is in or out of stock on an item, as well as other valuable information.



## Paid online arbitrage tools

- **Keepa**

While the main price history data is the main feature of the free version of Keepa, the paid subscription plan is probably one of the best bargains in regards to the cost versus the amount of



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valuable information you can see about a product, thanks to the Keepa graph. With a [Keepa paid subscription](#), you can see the sales rank history, the buy box pricing, the number of Amazon sellers selling that item, and so much more. For a quick overview of what Keepa has to offer, check out this blog post where I walk you through [how to read and understand a Keepa graph](#). I seriously will not make a sourcing decision without looking at the Keepa graph on the items I'm considering to buy for resale. I'm completely spoiled by this extension.

- **RevSeller**

RevSeller is another handy Chrome extension that allows you to see crucial information directly on the Amazon product page. Once you install the RevSeller extension, you will see a box below the Amazon product title like this:

The screenshot displays the RevSeller extension interface. At the top, it shows navigation links: Menu, Camel, Amz Calc, Reviews, Links, and Sell Yours - New?. The main section features a green banner for 'Rank: 16 in Toys & Games Top 1%' with a '90 Day Avg | \$49.84(3p) \$53.28(Az) Rank 35' below it. A table compares MFN (56 Offers) and FBA (64 Offers) pricing. The MFN column shows a Sell Price of \$59.00 and a Buy Cost of \$28.00, resulting in a Net profit of \$10.89. The FBA column shows a Sell Price of \$59.00 and a Buy Cost of \$28.00, resulting in a Net profit of \$15.14. To the right, an 'FBA Net Proceeds Estimate' table lists various fees: Referral Fee (15%) at 8.85, Pick & Pack at 1.04, Other Handling at 1.00, Weight Handling at 2.76, 30-day Storage at 0.29, Other at 1.00, Buy Cost at 28.00, and Inbound Shipping at 0.92, totaling a Net of 15.14. The ROI is 54% and the Profit Margin is 26%. A 'Variation Viewer' button is visible at the bottom left.

Category	MFN (56 Offers)	FBA (64 Offers)
Sell Price	\$ 59.00	\$ 59.00
Buy Cost	\$ 28.00	\$ 28.00
<b>Net</b>	<b>\$10.89</b>	<b>\$15.14</b>

59.00	Price
- 8.85	Referral Fee (15%)
- 1.04	Pick & Pack
- 1.00	Other Handling
- 2.76	Weight Handling
- 0.29	30-day Storage
- 1.00	Other
- 28.00	Buy Cost
- 0.92	Inbound Shipping
<b>Net 15.14</b>	
<b>ROI: 54%</b>	<b>Profit Margin: 26%</b>

The extension shows you the following information:

- Real-time calculator (similar to what we covered on the FBA Calculator web page)
- Sales rank and percentage (more conveniently located at the top of the product page)
- 90-day averages for price and sales rank
- Number of offers from other sellers
- Variation viewer
- One-click restriction checker
- And more

RevSeller is a very useful app that can help you in multiple ways. [Click here](#) to get a free trial to see for yourself. If you decide to sign up for RevSeller, be sure to use the coupon code **FULLTIME** so you can save \$20 off your first year.

- **OAXray**

[OAXray](#) is an extension you use with the Google Chrome web browser to enhance the online arbitrage process. One click of the extension when you're on a search page within a retail



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store's website, and you get a spreadsheet with links to the products' matches on Amazon, the sales rank, the potential ROI, potential net profit, and links to important data on Keepa.

The OAXray extension opens up so many more doors for me to buy inventory online. I can scan page after page after page on a growing number of websites (OAXray adds new websites to their supported list all the time) and find way more deals than I have the time or money to buy. Even better, I can also use the CSV feature to upload spreadsheets from wholesale contacts to quickly analyze product catalogs, saving hours and hours of time.

OAXray has an excellent YouTube channel with videos about the extension's features, as well as walk-throughs of how to use the extension on the various retail store websites they support. I highly recommend taking the time to watch these videos before you get started, to help flatten the learning curve a bit and make sure you're taking advantage of all the extension's features.

Note: OAXray has generously offered Full-Time FBA readers an extended 10-day free trial of their product, if you click to [sign up through this link](#).

- **Tactical Arbitrage**

Another amazing OA tool I love to use is the [Tactical Arbitrage](#) program. Tactical Arbitrage is similar to OAXray, but it works a bit differently in that it's not a Chrome extension. It is a powerful, robust program that can scan entire categories in an online store in one scan, giving you potentially thousands of results in one scan.

Tactical Arbitrage produces a page of results in spreadsheet format with links to the products' matches on Amazon, the sales rank, the potential ROI, potential net profit, and links to important data on Keepa. Unlike OAXray, Tactical Arbitrage can be set up to run scans on multiple pages at once, and you can walk away from it for hours and come back to see your results once it is finished.

Honestly, I am blown away by the power of [Tactical Arbitrage](#) when it comes to doing OA. I am overwhelmed at times by the number of amazing finds Tactical Arbitrage produces for me in just a short amount of time. The learning curve for Tactical Arbitrage can be a bit steep, as you learn to set up your scans correctly and work with your filters to get the type of results you're looking for. But if you put in the time up front to learn it, you will save hours and hours of time each week in looking for OA inventory.

Note: Tactical Arbitrage has generously offered Full-Time FBA readers an extended 10-day trial of their product, if you click [to sign up through this link and use the coupon code \*\*FULLTIME10\*\*](#).

When it comes to beginners at Amazon FBA in general and OA sourcing in particular, **I recommend starting with a product like OAXray and then moving to Tactical Arbitrage.** It can be hard to manage both mastering Amazon FBA and learning a new, powerful computer program at the same time, and you should ease into it. Even though I don't recommend starting

out with Tactical Arbitrage, I want to make sure you know it exists, so you can decide later on if it's the right tool for you.

Both OAXray and Tactical Arbitrage come with a substantial monthly fee, which is another reason why I don't recommend starting out with them right away when you're first starting your Amazon FBA business. Once you have some experience and a steady stream of monthly sales on Amazon, though, the fees for such paid OA tools are well worth the price in order to save a ton of time.

### OA expectations

You should know me well enough by now to know I'm not going to close out this section on OA sourcing without setting you up with correct expectations about OA!

- **Doing OA manually can be very time intensive.**

You will definitely need to exercise your patience and endurance to do OA sourcing manually. That's why I shared with you the free and paid OA tools to help you speed up the process and minimize the frustration of the amount of time it takes.

- **Consider shipping times.**

With retail arbitrage, you can ship your inventory to Amazon the same day or next day after you purchase it — but with OA you have to wait for the inventory to arrive at your destination before processing it and shipping it to Amazon.

- **Consider paying for faster shipping.**

For the above reason, it might be worth it at times to consider paying for faster shipping when you make an OA purchase. Particularly during Q4, it can be worth it to pay a few extra dollars to get your OA shipment faster, so you can turn it around and send it to Amazon as soon as possible.

- **Some items will be delivered damaged.**

We live in an imperfect world, and shipping damages are inevitable. Be sure you are familiar with the online store's return policy so you can either return or exchange any items that are damaged in shipment. Some stores may ask you to make returns in person at a brick-and-mortar store if there's one nearby.

- **Other order mistakes (wrong item, no item, etc).**

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Along the same lines, you may have other mistakes with your OA order, such as receiving the wrong item, the wrong number of items, or no shipment at all. Again, be aware that you will need to have a process in place for how to handle mistakes in your orders when dealing with OA shipments.

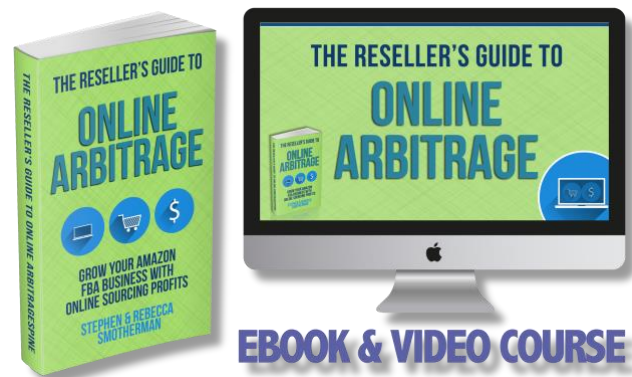
- **Keep track of orders.**

You will also want to have a process for keeping track of your OA orders, whether it's a log book, a spreadsheet, or an email folder. You want to be able to quickly find any orders that haven't come in yet, as well as look at order history to assist you in making any repeat orders.

### Further learning

I've given you a foundation to get started on the right foot with OA, but there is so much more to be covered on the topic than is possible to include in this chapter.

I know we've covered a lot of territory in just a short amount of time in this section, but hopefully I've given you some useful tools to get started with OA. **The profit potential with OA is phenomenal, as is the ability to save a lot of time and effort in sourcing.** OA isn't for everyone, but it can be a great way to grow your Amazon FBA business.



If you're interested in going to the next level with OA, I recommend our course [\*The Reseller's Guide to Online Arbitrage: Grow Your Amazon FBA Business with Online Sourcing Profits\*](#). You can find out more about the OA course by clicking the link in this paragraph.

Wanna save some money? Since we've already given you the foundational aspects of OA in this *JumpStart* course, here is a coupon code where you can save \$20 off the cost of *The Reseller's Guide to Online Arbitrage*. Just use the coupon code **ONLINE20** and you'll save \$20 off today.

### Wholesale

**Wholesale sourcing for Amazon FBA means buying items (usually in large quantities) directly from a manufacturer or distributor for the purpose of selling those items for profit.**

One of the first things you need to understand when it comes to wholesale sourcing is the difference between **a manufacturer** and **a distributor**. A manufacturer is the maker of the product. A distributor acts as a middle man between the manufacturer and retailers.

When you are sourcing for wholesale products, you can get the best deals on prices if you source directly from manufacturers. Sometimes, though, you want to buy a smaller number of items, so you'll need to buy from a distributor. You won't be able to get as low of a price from a distributor, but they have smaller order minimums.

Many Amazon sellers who start out doing garage sales, thrift stores, RA, or OA have misunderstandings about how to get started doing wholesale sourcing. Many beginning-level sellers are confused about how wholesale sourcing works and believe a lot of myths about wholesale which, frankly, some of the more experienced sellers are content to spread around as truth in order to intimidate newbies. I want you to understand the truth, though. Wholesale sourcing comes with a different learning curve than other types of sourcing, and it requires more sourcing money to make wholesale purchases — **but wholesale purchasing is not too far above your head that you cannot figure it out when it's the right time for your business.**

Here are a few myths about wholesale sourcing, along with the truth I want you to know instead:



<u>MYTH</u>	<u>TRUTH</u>
Need tons of money	\$100 minimums
Need a warehouse	Garage space is fine
Need a loading dock	Trucks have lift gates
Can only buy overseas	Tons of US wholesalers
No Amazon sellers allowed	Amazon sellers allowed for many wholesalers

## Why wholesale?

### 1. Profit potential

We're all in this business to make profits, right? Well, selling items sourced via wholesale has huge profit potentials. You can find items with great ROI for resale on Amazon because you buy them at a low wholesale price, compared to what other sellers are getting by buying from retail sources.

## 2. Go both wide and deep on inventory

Buying via a wholesale account gives you the opportunity to search a catalog for several different profitable items in one product line, and you can then buy larger quantities of those items than you would be able to if sourcing via RA or OA. Once you've done your research on the sales history data on [Keepa](#), as well as researching how much your competition has in stock (we use the [How Many?](#) extension for doing this research), you can make an informed decision and buy as many of an item as you feel comfortable buying, rather than being limited to what's on the shelf at the retail store.

But you don't have to worry about making a huge wholesale order of only one item to meet a company's minimum purchase requirement. You can order a few of several different items, test them out, assess the results of your sales, and make a decision about reordering and possibly going deeper.

## 3. Opportunity for consistent replens

"Replen" is short for replenishable. A replenishable item is one that is profitable to buy over and over again because you can sell through the item at a decent rate. Replens can be a lovely cash cow for your business, since all you have to do is order, send to FBA, sell, order, send to FBA, sell, and repeat, repeat, repeat. Finding a replen today saves you time tomorrow by not having to repeat your sourcing research once the item sells out. You've already done the research – now all you need to do is reorder and send that item in again. It's a much more time-efficient process than the 1-offs that come with RA, OA, garage saling, and thrifting.

## 4. Potential for less competition

If an item isn't available from retail sources at a low enough price to resell on Amazon BUT you can find it at a wholesale source, you will have lower competition. If you're sourcing items anyone can find at a retail store and resell for profit, it's often only a matter of time until a ton of sellers jump on that listing. Sourcing via wholesale opens the door of opportunity to find unique items that RA and OA sellers can't source at your buy cost.

## 5. Predictable cash flow

Once you have found several replens through wholesale sourcing, you can get to a place in your business where you have more predictable cash flow. Often with RA, OA, and thrifting, you will see ebbs and flows with your sales throughout the year, depending on what's going on in your part of the country or in the stores where you like to source. Wholesale sourcing can provide more stability when it comes to ordering products to sell consistently throughout the year.

## 6. Saves time

Like I said above, finding a wholesale replen saves you a ton of time when it comes to not having to constantly be out sourcing for more 1-off



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items to resell. It could take you all day to drive around town and spend \$800 on RA finds, or you could spend a couple of hours doing wholesale research and find a great replen, place an \$800 order, and then just reorder when you've sold out.

Another way wholesale saves time is when it comes to prepping your inventory. Wholesale items won't have stickers to remove, and they often (though not always) come already poly bagged. You also can save time in listing the items. Instead of having to list and price 20 1-offs from RA clearance, you could list and price one item with 20 multiples from a wholesale source.

### 7. Easier to scale the business

As your FBA business grows, you will need to find ways to scale the business. Scaling your business means being able to increase your output. There are only so many garage sales in your town every week, so unless you hire folks in other towns to source for you, you can't scale an FBA business based on garage saling. Same with retail arbitrage – you only have so many hours in the day to drive to retail stores, so you will need to hire someone else to source if you want to scale your RA business. But with wholesale, it is much easier to keep your business simple, source large amounts of inventory, and process it without needing to hire help. In fact, if you use a prep and pack center to process your inventory, you can grow your Amazon FBA business even more through wholesale.

### 8. Protect your seller account

Many Amazon FBA sellers experience great anxiety over the thought of being suspended because of claims by customers, especially claims of inauthentic products. As of this writing, Amazon is accepting retail receipts as proof of your source for inventory, but it's often more difficult to prove your case with Amazon using retail receipts than using wholesale invoices – not to mention, at any point Amazon could stop accepting retail receipts altogether. Adding wholesale sources to your Amazon inventory gives you a level of protection for your seller account.

### 9. Become a brand approved seller

Brand restrictions on Amazon can be tricky when you're looking for good retail sources for inventory. There's nothing worse than finding an awesome item for resale, only to discover you are restricted from selling that brand. But with wholesale sources, you have the potential to work with Amazon and the manufacturer to become a brand approved seller. It requires some time and effort to get approval, but if you're successful, you have the potential to make even more profits with even lower competition.



#### How to find wholesale accounts

With finding wholesale suppliers, your possibilities are really only limited by your creativity. Ultimately, you want to find unique wholesale accounts where you can **develop a great business relationship** with your supplier and **provide an awesome product** to Amazon customers.

**Let's discuss the top four ways you can make that connection and find profitable wholesale accounts:**

### **1. Trade shows**

All throughout the year you can find a trade show going on in areas all across the U.S. (or in other countries! Don't limit yourself geographically) and in all niches of products. Think trade shows for toys, bridal products, baby items, kitchen gadgets, home and garden, crafts, you name it.

Beyond those niche trade shows, you can also find larger trade shows and markets where you can find products across all categories presented in one show. The biggest trade show out there is called ASD, and it happens in Las Vegas every March and August.

If you live in a big city, chances are there are trade shows and markets happening nearby throughout the year. I recommend doing a Google search for trade shows in your town or somewhere you can travel to, and check out what's coming up in the months ahead. Most of these types of shows are free to enter, and you can walk around the exhibits, talk with the exhibitors, and see what types of products are available at the different booths.

One thing you should keep in mind is that two different types of exhibitors set up booths at trade shows: **manufacturers and distributors**. A manufacturer would be a direct connection to the source of the product, without any middle man. If you get a wholesale account with a manufacturer, you will likely need to make purchases in larger amounts, but you will get a better price per unit. With a distributor, you are usually dealing with a middle man. You can make smaller purchases, but you will pay more per unit.

### **2. Trade show websites**

Even if you can't attend a particular trade show, you can benefit from signing up for the show and doing research on the exhibitors. On the trade show website you can get access to the vendor list and their contact info, which you can then use to call or email for more information on the products they offer.

Whether you attend in person or make contact through the trade show website, it's all about making connections with the vendors, asking good questions, and developing a relationship that could lead to a mutually beneficial arrangement. You will need to have a resale certificate to open a wholesale account once you have made that connection, so be sure you have your certificate on hand before starting the process to open an account.

If you are interested in more details about how to maximize the opportunities on trade show websites, check out the book [\*Trade Show No Show\*](#) by Jim Peterson and Jim Cockrum.

### **3. Product packaging**



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This may seem overly simplistic, but finding wholesale sources really doesn't have to be that complicated!

Pretty much every product you can imagine is going to have the manufacturer's name and contact info printed right on the product's packaging. If you can only find the name or part of the contact info, use Google to find the rest of the info, and you're one step closer to making contact and finding out how to open a wholesale account.

If you have an awesome retail find you would love to sell more of, check out the product packaging for that contact info and see if you could start buying that product at wholesale prices.

One strategy you can use to get an edge on your competition is to think of products that are made locally to your town or area. What is your area known for? Food products can be especially profitable, if there's a local favorite that can't be found in other parts of the country. Find these types of products on your local shelves, get the manufacturer's info off the packaging, and start making contact.

### 4. Amazon Best Sellers



Again, it doesn't have to be overly complicated to find great ideas for wholesale sources. You can research the popular items in your favorite category by checking out the Top 100 sellers and looking up their manufacturer's info online.

To make it even easier, we have created a quick link, [fulltimefba.com/bestsellers](http://fulltimefba.com/bestsellers), to take you right to the Amazon Best Sellers page, where you can drill down from the main Amazon categories. Once you find a product you are interested in researching, click to go to the product page, and you should see the name of the manufacturer listed below the product title. You can then do a Google search for their contact info and start the process of opening a wholesale account.

*Note:* I do not recommend opening wholesale accounts with companies when Amazon is selling the product. Even if you think you can get a great wholesale price, Amazon is likely getting an even greater volume discount, and it's too hard to compete. You should also check out the sales history on [Keepa](#) to see if Amazon is out of stock now, but might have been on the listing in the past. There are plenty of other products out there, so move on to ones where Amazon isn't currently on the listing or doesn't seem like they'll come back in stock in the future.

### Get a wholesale account

When you're first getting started with wholesale sourcing, the actual process of opening wholesale accounts can seem intimidating, but it really doesn't need to be. You need to know up front that sometimes wholesale companies will be eager to work with you and open an account for you, while other times they will not let you have an account. **That's just part of the business, and you can't take it personally.**

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Here are a few things to keep in mind as you are setting up wholesale accounts and increase your chances of getting a “yes” answer:

### **1. Need a resale certificate.**

In order to make wholesale purchases, you will need to have a resale certificate for your business. Getting a resale certificate is fairly easy; you just need to apply with your home state. You can do a Google search for “resale certificate in...” your state to find out more information for how to apply where you live.

### **2. Find fast moving products on Amazon.**

You want to make sure you are opening accounts with companies who have products with great ranks on Amazon, so you can buy products from them that will sell fast. You can refer again to the [Amazon Best Sellers](#) list for tons of ideas of fast moving products on Amazon.

### **3. Find products with at least 30-50% ROI.**

You might see those ROI numbers and get scared off, if you’re accustomed to sourcing at garage sales and thrift stores with 100% or even 200% ROI. You need to be aware that wholesale sourcing is a different ball game when it comes to ROI. You aren’t going to be looking for hidden treasure that you can sell one time to make a ton of profit in one sale. **You are looking for wholesale products you can buy in larger quantities and make your profits in many repeat sales.**

### **4. Extra mile — create your own web store.**

Some wholesale account managers are more likely to give you an account with their company if you can show them a link to your web store and if you email them from an associated professional email address. Having your own domain name and email address is perceived as more reliable and professional than communicating with wholesale account managers with a Gmail address. Your web store doesn’t have to be fully functioning, but if you have some form of web store to show account managers, it can go a long way in setting yourself apart from other buyers. I set up my web store through [Wix](#) and had it up and running in just 30 minutes.



### **5. Contact manufacturers.**

Once you have the steps above completed, you are ready to start contacting the account managers at different manufacturers or wholesale companies. You can either email the account manager or use the contact form on the company’s website. All you need to send in your initial communication is your name, company name, and that you’re interested in setting up an account

and placing an opening order. It doesn't have to be any more complicated than that! Keep it simple, to the point, and professional. You may receive some follow-up questions from the account manager at this point, which you should answer as soon as possible.

### **6. Set yourself apart from other buyers.**

When you are communicating with account managers, make sure you find ways to show how your business is unique and you are different from other buyers. What can you bring to the table? Don't just try to see what you can get out of this account, but think through how you can be of benefit to the wholesale company. How can *you* help *them*? How can you be an asset to them?

## **Wholesale expectations**

As always, I want to make sure you have correct expectations as you're considering getting started with wholesale sourcing.

### **1. Better chances of getting wholesale account the more professionally you present yourself.**

I can't emphasize this point enough. You have to present yourself in a professional manner to wholesale companies if you want to get wholesale accounts.

### **2. Some won't want to sell to Amazon sellers.**

Some companies are completely opposed to Amazon sellers, while others already have several sellers with accounts who sell on Amazon. You can't take it personally if someone turns you down for a wholesale account because you're an Amazon seller. Just move on to the next account and keep trying to find great inventory to sell.

### **3. Many are willing to work with you.**

On the flip side of the above point, many many many wholesale companies are very willing to work with Amazon sellers and will be happy to give you an account. Don't get bogged down in any rejection emails, but move on to find those companies who are excited to hear of your interest in their products. You can even find a list of wholesale companies that are happy to sell to Amazon resellers with a service called [Worldwide Brands](#). Note: The Worldwide Brands website also mentions dropshipping, but we don't encourage that strategy because of the risk levels involved. We'll talk more about dropshipping in a moment, but you can use Worldwide Brands right now to find wholesale accounts to sell on Amazon.

### **4. Shipping lag time usually longer than OA.**

Many OA companies make a point to ship their products within only a day or two. Wholesale companies, though, don't always move as quickly as retail stores. You need to prepare yourself to accommodate for a slightly longer lag time in shipping when you're placing wholesale orders.

### **5. Many have occasional sales — jump on these!**

One time I got an email from a wholesale company stating they were having a 50% off sale on a certain line of items in their catalog. I stopped everything I was doing to figure out how much I wanted to include in my order for that sale — other buyers are going to want to take advantage of these sales too, and items can sell out quickly.

### **6. Unlimited number of wholesale accounts.**

Please understand the amazing potential to set up a seemingly unlimited number of wholesale accounts and find inventory for your Amazon FBA business. **You are only limited by the amount of time and effort you put into finding wholesale accounts!**

#### Further learning

We've only scratched the surface on how to get started with wholesale sourcing for Amazon FBA. If you want more information about learning wholesale sourcing, I highly recommend a course called [The Wholesale Formula \(TWF\)](#). The cost of the course is steep, but it is well worth it to get yourself started in wholesale sourcing. I took a couple of other wholesale courses that didn't work for me before I took The Wholesale Formula, and TWF completely turned my wholesale sourcing around.



[The Wholesale Formula](#) is only available to the public once a year, so be sure you get on their waiting list if they're not open when you first contact them.

#### Other Sourcing Strategies

We've already covered several of the most popular methods for Amazon FBA sourcing, and now I want to go over a few other ways sellers find inventory to send to Amazon FBA. These last few strategies are ones I either have not ever used or have used so seldom that I don't feel qualified to expand upon them in detail. I can introduce these sourcing strategies to you, but if you want to learn in more detail, you will have to dig deeper through other resources I will point out along the way.

#### Private label

There are a couple of ways to do private label sourcing:

- 1. Take a current product in the Amazon catalog and put your own label on it.**

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This type of private label sourcing is done in partnership with the company who owns and manufactures the product; you don't just buy someone else's product and relabel it as your own without their permission.

You might be wondering, "How is that even possible? Is it even legal?" Yes, it is legal! Retail stores do this type of private labeling all the time when they make store brand products available to the public, such as the Great Value brand sold at Walmart. The products in the Great Value brand aren't being manufactured by Walmart — they are being manufactured by another company who then partners with Walmart to put the Great Value label on them.

### 2. Create your own product.

Maybe you know of an existing product and you have a unique way to improve upon it (without breaking any patent or copyright laws, of course). You can create your own product and label it to sell on Amazon.

It's rare, but some sellers are able to start out immediately selling on Amazon through private label sourcing, but **as a general rule I don't recommend new sellers start out with private label**. It's generally a wise choice to start out with other types of sourcing to learn how categories, sales rank, etc, work on Amazon before investing a lot of money in building your own private label. Personally, I focus on teaching people via RA, OA, and wholesale to find items that are proven successful sellers and to sell those items on Amazon. With private label, you have no guarantee that the product you bring to the market will sell, and it's just too risky for new sellers to attempt, in my opinion.

## Liquidation

Liquidation sourcing can be a great way to find products at an extremely low price, giving you a high ROI to resell on Amazon. There are a couple of main types of liquidation sourcing:



### 1. Liquidation lots

With liquidation lots, you buy products in bulk, usually sight-unseen. A liquidation lot might come on a pallet, and you won't be able to see what's in the middle of that pallet until after you've made your purchase. You generally don't receive an itemized invoice with liquidation lots, and you won't be able to research the sales rank, pricing history, or other information about the products in the lot before you make your purchase. These lots can be purchased either online or in person, and often they are store returns or items whose expiration date is fast approaching.

I stay away from liquidation lots because I always want to know exactly what I'm buying ahead of time when I'm sourcing for Amazon. I don't want to assume an item is new and then find out

later (usually when it's too late) that the item was used and repackaged to look like it's new. This type of sourcing is just too risky for me.

### 2. Liquidation stores

A liquidation store sells items that have been liquidated (sold off at an extremely low price) from other local stores. Liquidation grocery stores are common ways for retailers to liquidate grocery items whose expiration date is getting too close to keep on the shelves for retail customers. If you source for Amazon inventory at liquidation stores, you want to double and triple check the expiration dates for any grocery items you're buying. Always check the [Amazon guidelines](#) to be up-to-date on the latest regulations about expiration dates for grocery items being sent to Amazon FBA warehouses.

Other types of liquidation stores sell home goods, toys, kitchenware, and other categories of items that are ideal for resale on Amazon.

### Drop-shipping

I hesitate to even include this sourcing strategy in my Amazon FBA course because **I don't recommend this strategy at all**. I only want to mention it here to let you know the reasons why I highly recommend you stay far, far away from drop-shipping.

Drop-shipping is listing an item on Amazon, but not actually having the item in stock. When the customer buys the item from you on Amazon, you order the item from an online store and have them ship the item directly to the customer. As you can tell, drop-shipping isn't done via Amazon FBA, but through Amazon Fulfilled by Merchant.

**The practice of drop-shipping is extremely risky for your Amazon seller account because you are depending on another store to fulfill orders you have committed to Amazon you personally will fulfill.** If the online store doesn't have the item in stock when a customer orders from you on Amazon, your Amazon account will get dinged. If the online store sends the wrong item, your Amazon account will get dinged. If the online store never sends the item, your Amazon account will get dinged. You should be getting the picture here.

Drop-shipping does not allow you to have any control over how your orders are fulfilled for Amazon customers. Just don't do it, at least not if you value your Amazon seller account.

### Final Thoughts: Abundance vs Scarcity

Whew! We've covered a ton of territory in this chapter, and you may be feeling overwhelmed with the amount of information I've thrown at you. Before we move on to the next chapter, I just want to wrap up our discussion of where to find profitable inventory by making sure you know the difference between having an abundance mindset and scarcity mindset.

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I have seen the difference in these two mindsets in Amazon sellers over the years, and ultimately the happiest, most successful sellers are the ones who predominately have an abundance mindset. Note the differences between these two mindsets:

### 1. Abundance mindset

*“There are tons of products to find and sell on Amazon.”*

*“There are tons of stores (online and offline) where I can find inventory.”*

*“There is plenty of inventory to go around for everyone.”*

### 2. Scarcity mindset

*“There aren’t very many products to find and sell on Amazon.”*

*“There aren’t very many stores where I can source inventory.”*

*“There’s not enough inventory out there for everyone.”*

Now, you can’t just *think* about something and be successful at it — **but how you think does affect whether or not you are successful.** You can’t just think about having a successful Amazon FBA business with lots of inventory all around you, and *poof*, it happens — but I guarantee you won’t be successful if all you ever think about is how little inventory you have available and how it’s too difficult to find great products to sell.

You see this scarcity mindset all the time in Amazon FBA circles, especially in Facebook groups. One seller will post a picture with four carts of inventory they bought at a retail store, and other sellers are tempted to feel discouraged and think, “They bought everything, now I won’t be able to find anything.” But you just can’t waste your time thinking that way, or you’ll never get ahead in your business!

**Scarcity mindset is focused on the short term, not the long term.** You end up making mistakes and cutting corners with the scarcity mindset, all in the name of making a quick buck, when long term success depends on doing things the right way and protecting your FBA business and your seller account. Don’t forget that your Amazon FBA business is a marathon, not a sprint. Focus on the long term.

**Scarcity mindset also creates sadness, discontent, and jealousy of other sellers.** You become upset when you see other people succeeding, rather than feeling inspired at the

**“Most people are deeply scripted in what I call the Scarcity Mentality. They see life as having only so much, as though there were only one pie out there. And if someone were to get a big piece of the pie, it would mean less for everybody else.”**

- Stephen Covey



type of success that can be possible in this line of business.

**Ultimately, a scarcity mindset makes it much easier for you to give up on your goals for your FBA business.** Remember at the beginning of this course, we discussed setting some goals for your business? Those goals are only achievable if you keep an abundance mindset and don't become hypercritical of any little setback. You need to put aside scarcity and stay focused on what you are accomplishing each day.

**I always want you to remember this:** *There is plenty of inventory out there for everyone! There are plenty of stores for everyone to source at! All you need to do is go out there and find it!*

How can we begin to move from the scarcity mindset to an abundance mindset? Let's look at a few scenarios and how you can change your thinking and affect your success:

**Scarcity:** I didn't find any inventory. There's nothing to be found anywhere anymore.

**Abundance:** After a day like today, I'm so thankful I have hundreds of other stores to source at.

**Scarcity:** It looks like everyone else got all the good stuff at Big Lots already.

**Abundance:** I'm so thankful there are other stores I can go find inventory at.

**Scarcity:** Wow! That guy's "slow day" of sales is better than my best days. I'm never going to make it in this business.

**Abundance:** Good for him! If he can do it, I can do it too.

### Abundance mindset

Abundance mindset focuses on the long term and understands the need for patience. You're in this business for the long haul, for lasting success — not short term profits. If you don't find enough inventory while you're sourcing today, there's always the potential to find more tomorrow, even double what you usually find in two days!

**Having an abundance mindset helps you create positive feelings, optimism, and opportunities in your business.** You aren't swayed by setbacks, but rather challenged to find success in the face of adversity. You have a much easier time reaching your goals when you have an abundance mindset. A seller with the abundance mindset finds joy in reviewing their goals and figuring out ways to improve on past performances. A seller with the abundance mindset doesn't make comparisons with their business and other sellers' businesses, but with their own progress on Amazon.

**"The Abundance Mentality, on the other hand, flows out of a deep inner sense of personal worth and security. It is the paradigm that there is plenty out there and enough to spare for everybody. It opens life to possibilities, options, alternatives, and creativity."**

- Stephen Covey





## JumpStart Amazon

The way you think and the amount of time you spend dwelling on certain aspects of business has a profound effect on your Amazon FBA success. You are equipped with a powerful arsenal of tools to find great inventory to sell on Amazon — now you just need to get out there and do it.

## Chapter 10 – Sending in Your First Shipment

At this point you likely have gone out and sourced, and you have some items you want to send to the Amazon warehouses. Let's get ready to send in that first shipment!

### Inventory Prep

The first step for sending in a great initial FBA shipment is to make sure every item is prepped the way Amazon wants it to be.

#### Prep requirements

##### 1. Stickers removed — items cleaned up

If your items have any price stickers or store labels, you need to remove them before sending in to the FBA warehouse. You do not want the customer to see the price you paid and compare it to the price they paid — that would only lead to an angry or disappointed customer.

Also, if the item is from a clearance shelf, it might have been sitting in the store for several months acquiring dust. You want to make sure that any dust or dirt from the shelves is cleaned up and removed before sending the item in to the warehouse.

**For the following prep requirements, you will need to check each item to see which steps are required.** Not all items need all of these steps, and I will show you how to know which steps are needed.

##### 2. Poly bagged with suffocation warning label

Some items will need to be covered with a poly bag to protect the inventory from collecting dust or dirt within the FBA warehouse. Additionally, any time you use a poly bag, you will need to make sure the bag has a suffocation warning label either printed directly on the bag or attached as a sticker.

##### 3. Bubble wrap to protect against a 3-foot drop

Breakable or fragile items will need to be bubble wrapped to provide an extra layer of protection during shipping. Any bubble wrapped item needs to be able to survive a 3-foot drop without the item breaking.

##### 4. Shrink wrapped

## JumpStart Amazon

Some items need to have shrink wrap applied before sending to the warehouse. You will need to wrap these items with a special type of plastic and heat it with a heat gun to shrink it around the item.

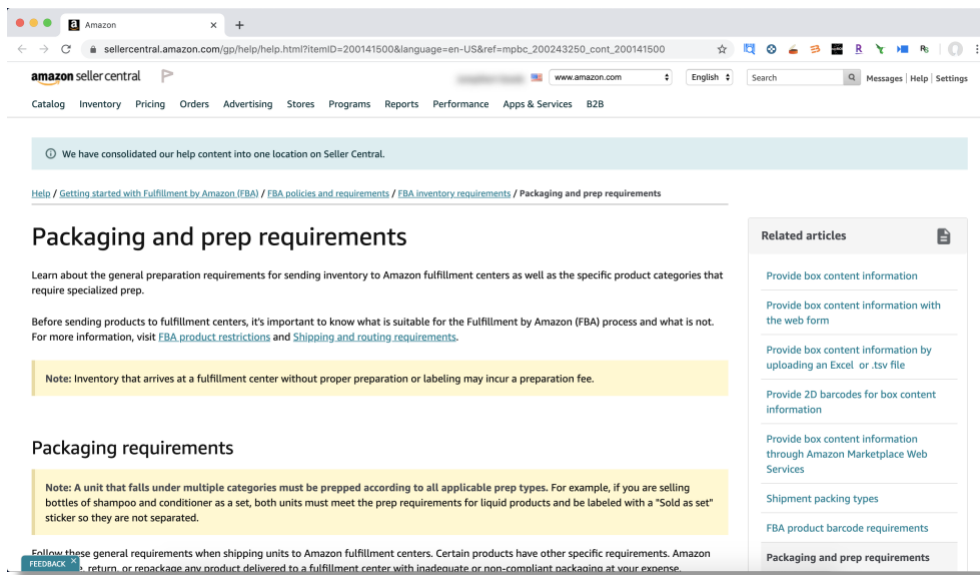
### 5. Double boxed

Certain fragile items should be double boxed to protect from breakage or to keep pieces together as one unit for the customer.

### 6. Expiration dates

Grocery items and some health, beauty, or personal care items might have expiration dates on them. If the item does not have a clear expiration date on it or if you are bundling or creating multi-packs, you might need to attach a label with the expiration date more clearly marked for the customer.

If you want to **read through more information about the prep requirements** for your FBA inventory (and I highly encourage you to do so), you can go directly to the Amazon information page through this quick link: [www.fulltimefba.com/prepandpack](http://www.fulltimefba.com/prepandpack). Look throughout the entire page for different types of prep requirements.



### Videos for prepping your inventory

I've put together several blog posts and YouTube videos demonstrating how to prep your inventory that you should find helpful in getting ready for your first shipment. These videos and blog posts also include links for where to find the tools I use to prep inventory.

**How to Remove Price Tags:** [www.fulltimefba.com/sticker](http://www.fulltimefba.com/sticker)

**How to Use an Impulse Sealer for Poly Bagging and Shrink Wrapping:**

[www.fulltimefba.com/sealer](http://www.fulltimefba.com/sealer)

**A Look at All the Items in My Shipping Station:** [www.fulltimefba.com/shippingstation](http://www.fulltimefba.com/shippingstation)



**Listing on Seller Central**

**In this section we will walk through the process of listing your inventory for sale on Amazon through Seller Central.** The process is fairly simple on Seller Central, but it can be time consuming. I prefer to use [InventoryLab](#) to streamline and shorten the process, but as always, I want to make sure you have a free option available to you if you prefer to go that route.

**Here are the steps involved in listing your items on Seller Central:**



One item of clarification: an **FNSKU sticker** includes a barcode as well as an alpha-numeric code, the item's title, and the condition. **The FNSKU connects this item to you and your account.** You use the FNSKU sticker to cover up the UPC barcode before sending the item to the FBA warehouse.

You will need to go to [sellercentral.amazon.com](https://sellercentral.amazon.com) to walk through the steps of listing your inventory.

**At this point, I would like to direct you to the video portion of the JumpStart Amazon course for the detailed walk-through of how to list inventory on Seller Central.** In video 10.2 I show you step by step on my computer screen how to list inventory and create a shipment. If you start the video at the 1:23 mark, you will skip the introduction and pick up where the screen capture video starts.

### **Listing on InventoryLab**

Now that we have covered listing your inventory through Seller Central, I want to show you the way I list my inventory through [InventoryLab](#), which I find to be more efficient and streamlined than Seller Central.

**First let's look at the step-by-step process of listing inventory through InventoryLab:**

## Step By Step

1. Add a product to your inventory via Inventory Lab
2. Enter in pricing, condition, etc.
3. Label your inventory with FNSKU sticker
4. Repeat 1-3 until batch is completed
5. When batch is completed, submit info to Amazon with just one click
6. Finish shipment in Seller Central



I want you to see this step-by-step process in action, and the best way to do that is through a screen capture video of me on my computer. **I've included that video as part of this course, so be sure to check it out in the video modules in video 10.3.** If you want to skip the introduction to the section and go straight to the screen capture, you can start at the 1:06 point.

InventoryLab does come with a monthly fee, but I strongly feel the fee is well worth all the bells and whistles you get along with an easier, more efficient listing process. Using InventoryLab helps me reduce the time I spend listing, eliminates the need to handle my inventory multiple times during the listing and packing process, and assists me in making better pricing decisions for my inventory.

You can get a free month trial of InventoryLab to test it out for yourself by following my link: [www.fulltimefba.com/inventorylab](http://www.fulltimefba.com/inventorylab). Don't forget, you can also test out the sourcing app Scoutify during that free month as part of your InventoryLab subscription!

## Listing on Inventory Lab



# InventoryLab

[www.fulltimefba.com/inventorylab](http://www.fulltimefba.com/inventorylab)

**We also have some blog posts on the Full-Time FBA blog where you can learn more information about InventoryLab:**

- Review of InventoryLab: [www.fulltimefba.com/ILReview](http://www.fulltimefba.com/ILReview)
- Top 5 features of InventoryLab: [www.fulltimefba.com/inventorylabtop5](http://www.fulltimefba.com/inventorylabtop5)
- How to add a Keepa link to InventoryLab and Scoutify:  
[www.fulltimefba.com/ASINlink](http://www.fulltimefba.com/ASINlink)
- How to use the supplier profitability feature in InventoryLab:  
[www.fulltimefba.com/supplierprofitability](http://www.fulltimefba.com/supplierprofitability)

## Pack and Ship

The next step in processing your first shipment to Amazon is to pack up your items and ship them off to the warehouse. Let's go through the process step by step:

### **1. Use strong corrugated shipping boxes.**

You don't want to use a box that will fall apart or allow your items to be damaged in transit. I typically use the moving boxes you can buy at Home Depot or Lowe's, the kind that come in small, medium, large, and extra large sizes. These moving boxes are the cheapest type of boxes I've been able to find locally.

### **2. Put larger, heavier items in the bottom of the box.**

### **3. Put smaller, lighter items near the top of the box.**

### **4. Use approved dunnage to make sure there are no open spaces in the box for items to move around.**

You can use air pillows, newspaper without any printing on it, and other items for dunnage, as described in the Amazon [guidelines for inbound shipments](#).

### **5. Tape the box closed securely.**

I prefer to use 3" tape with a 3" tape gun to save time and tape compared to using a 2" tape gun.

To see all the Amazon guidelines for sending in your inventory to the FBA warehouse, you can follow the quick link [www.fulltimefba.com/prepandpack](http://www.fulltimefba.com/prepandpack) and scroll down for the examples of ways to pack and ship your inventory.

## JumpStart Amazon

Another helpful tool for packing shipping boxes, in addition to the 3” tape gun, is a box sizer tool. This tool allows me to save time and money on cutting down boxes to a smaller size or lengthening them by cutting and telescoping two boxes together. You can check out my blog post review of the box sizer tool, including a video demonstration of how to use it, at the link [www.fulltimefba.com/boxsizer](http://www.fulltimefba.com/boxsizer).

### Shipping process

Once your boxes are all packed up and ready to go, you need to finish out the shipping process in Seller Central. Here are the steps in that shipping process:



I want to make sure you get a thorough walk-through of what this process looks like first hand, so I put together a screen capture video of me on my laptop finishing up a shipment in Seller Central. **Be sure to watch the video module 10.4 to see that video walk-through.** You can pick up at the 7:22 point to skip the content before the walk-through.

### Box level detail

Amazon likes for third-party sellers to **provide box level details for their shipments to the FBA warehouse**, to facilitate the process of checking your shipments in to FBA. They want to make sure items do not get lost during the check-in process, so they need a log from you as a seller of which items are in which boxes.

**Amazon has varying rules for varying shipment situations you may encounter:**

1. If you only ship one box at a time, there is no need to provide extra box level details.



## JumpStart Amazon

2. If you ship multiple boxes, but there is only one SKU per box, there is no need to provide extra box level details.
3. If you ship 25 SKUs or fewer in multiple boxes, you can provide box level details through the web-based form in Seller Central.
4. If you ship more than 25 SKUs in multiple boxes, you need to provide box level details through an Excel spreadsheet uploaded to Seller Central.
5. You can use a third-party listing software to provide box level details.

You can see more details about how to provide box level contents for your shipments on my post at [www.fulltimefba.com/boxlevel](http://www.fulltimefba.com/boxlevel).

### Finishing your shipment

#### **A few more things you need to know as you are finishing up your first shipment:**

1. Each box needs to have its own shipping label and FBA label. You need to affix two labels on each box: one for the FBA warehouse to scan and one for the shipping company (FedEx, UPS, etc) to scan.
2. Be sure the shipping label and FBA label are securely attached to the box right next to each other.
3. Don't put the labels on a seam, fold, or any place that could be cut open with a box cutter.
4. Be sure that labels' bar codes can be easily scanned.

**Speaking of labels, here's a quick tip on how to have FREE shipping labels delivered to your doorstep by UPS:**

**Get Free UPS Labels**

1. Go to UPS.com and sign up for a free business account
2. Sign in and click on the Shipping tab
3. Choose "Order Supplies" and then "Labels & Stickers"
4. Choose UPS WorldShip Peel-and-Stick Labels - (2 per Sheet)
5. Click "Add to Order" then "View Supplies Order" and then "Submit Order"

### Split shipments

**Once you start sending in larger amounts of inventory to FBA, Amazon might start splitting your shipments up to go to different warehouses.** In one shipment, you might have inventory being sent to multiple warehouses across the country. Amazon wants to keep their inventory spread out across the country so it is more easily accessible for two-day or even one-day shipping for the majority of their customers.

Typically what happens with split shipments is the majority of the inventory for that shipment will be assigned to one fulfillment center (hopefully one in a state near where you live), but some of your inventory will be assigned to one or more different warehouses spread out across different states. Amazon's inventory system can tell if a warehouse already has sufficient inventory of a particular item and will assign your inventory to a different location.

Split shipments can be frustrating for FBA sellers because they potentially mean packing more boxes and paying higher shipping costs. **So what can you do about split shipments?**

You can choose different options for dealing with split shipments:

- **Distributed Inventory Placement** (default) — Amazon decides where to send your inventory, and you might have split shipments. Keep in mind, Amazon always sends over-sized items, clothing, and shoes to a separate fulfillment center, regardless of what else is in your shipment.
- **Inventory Placement Service** — For a per-item fee, Amazon will allow you to choose to have your inventory shipped to only one fulfillment center. If you turn on inventory placement, you will not have to send like items to multiple warehouses.

## JumpStart Amazon

Keep in mind, Amazon always sends over-sized items, clothing, and shoes to a separate fulfillment center, regardless of what else is in your shipment. Also note, once your inventory arrives at the warehouse, Amazon might still redistribute it to other warehouses throughout the country, delaying the time when that inventory is live and for sale on Amazon.

**In my opinion, inventory placement is not worth the money you pay Amazon for the service.** Amazon wants their inventory spread across the country, and they are going to distribute it no matter what. I would rather make split shipments and send my inventory directly to the warehouse Amazon wants, rather than paying a per-item fee to have my inventory go to one warehouse and then be delayed in going live on [Amazon.com](https://www.amazon.com). I would rather my inventory be live faster so I can get sales faster.

If you want more information about handling split shipments, you can check out my blog posts:

- [www.fulltimefba.com/split-shipments-tips](https://www.fulltimefba.com/split-shipments-tips)
- [www.fulltimefba.com/fba-split-shipments](https://www.fulltimefba.com/fba-split-shipments)

You can also check out my listing desk and all the things I use during the listing process at these blog posts:

- [www.fulltimefba.com/fba-desk](https://www.fulltimefba.com/fba-desk)
- [www.fulltimefba.com/shippingstation](https://www.fulltimefba.com/shippingstation)



In wrapping up this chapter, **I want to stress to you that it is best to get your inventory in to the FBA warehouse as soon as possible.** Inventory that is just sitting at your house is not making you any money. You cannot make money at FBA until your inventory is live on Amazon. Get that inventory packed and shipped to the warehouse as fast as you can so that it can sell faster!

## Chapter 11 – How to Price Your Inventory for Profitable Sales

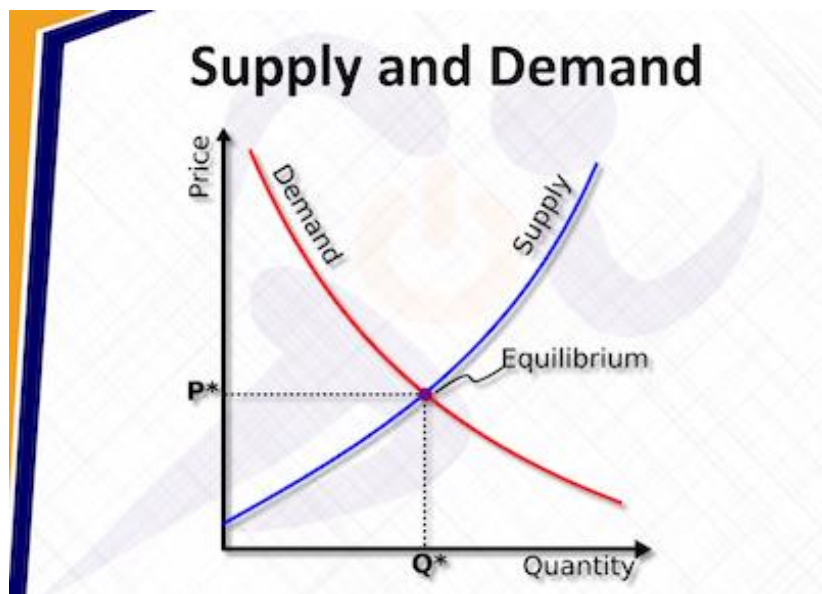
Are you ready to tackle the topic of pricing your inventory? Setting an optimal price is the next step in getting great profits from your Amazon FBA sales.

Your pricing strategy is one of the most important aspects of your Amazon business, so you want to be sure you understand pricing and set your prices correctly for your business model.

**Different sellers have different philosophies on pricing, some simple and some advanced.**

### Supply and Demand

Before you get into pricing your inventory, I want to make sure you have a firm grasp on the concept of **supply and demand**. Take a good look at this graph below:



The price axis and quantity axis refer to the price and quantity of an item for sale in the marketplace. Note also the red and blue lines on the graph for supply and demand.

**Think of each item you are pricing in regards to their price and quantity.** The price of an item and the quantity of that item available for sale both relate to the supply and demand of the item.

- As the supply of an item increases, the demand for the item decreases.
- As the supply of an item decreases, the demand for the item increases.
- When demand is high and supply is low, the price increases.
- If demand is low and supply is high, the price decreases.

**Keep this chart in mind as you are pricing and start to observe how supply and demand impact your pricing and your sales.** When you are selling on Amazon, if the quantity of an

item is high, know that the demand for that item will be lower, and the sales price will be lower. If you can find items that are low in quantity on Amazon, you can set your price higher because the demand will be higher.

### Simple Pricing Strategy

The simplest pricing strategy can be boiled down to six words:

*Match the current buy box price.*

The current buy box price is likely to be the price that gets the next sale, so setting your price to be the same is a solid strategy. I typically use this strategy myself on most of my inventory when I am first sending it in to Amazon, and I encourage beginners to do the same.

When I'm matching the buy box, I truly *match* it. I do not set my price one penny lower or five cents lower. One common line of thinking is that pricing a few cents lower gives you a better shot at being the next sale. But hopefully you remember from the earlier sections in this book that **the buy box rotates between multiple sellers and the lowest price does not automatically get the buy box**. Therefore, if you match the current buy box price, you should be eligible to get rotation in the buy box.

Further on that topic, **if you undercut buy box prices by even a penny, you could spark a pricing war and a "race to the bottom."** You price a penny lower, then the previous seller prices a penny lower than you, then the next seller goes a penny lower, then another seller goes ten cents lower, then the next seller goes fifteen cents lower, and on and on, until everyone is just racing to the bottom to be the lowest price.

Now, the strategy of pricing at the current buy box price operates under the assumption that the current buy box price will give you a profit. Sometimes you buy inventory to sell, and by the time you send it in and it goes live on Amazon, the buy box price might have lowered. At that point you will need to consider whether or not to reprice; we will cover repricing in more depth later in this chapter.

### Advanced Pricing Strategy

At times I will use a more advanced pricing strategy, **when I feel there are more factors at play and I need to make a more nuanced pricing decision**. In those cases, I ask myself a series of questions while I'm setting my prices:

#### 1. What is the current buy box price?

Even if I'm not going to simply match the buy box, I still want to be aware of that current buy box price and stay within that area.

## 2. What is the current low FBA price?

The buy box price isn't always an FBA seller; sometimes it is an MF seller. If the buy box isn't an FBA seller, I like to look at the difference between the buy box and the low FBA price. I do not really consider merchant fulfilled sellers to be my competition on Amazon; I only compete with other FBA sellers. Customers are typically willing to pay a premium to buy FBA offers, especially if they are Prime members and depend on FBA merchandise for two-day, next day or same day Prime shipping. For this reason, I need to know what the current low FBA price is to make sure I'm setting my own price competitively.

## 3. How many sellers are priced near the buy box?

Let's say there are 100 sellers selling a particular item. A closer look at that item might show us that only five of those sellers are priced near the buy box; all of the other sellers have their item priced substantially higher. In this case, I wouldn't consider all 100 sellers to be my competition. I would only consider the five sellers priced near the buy box to be my competition.

## 4. How many items do the competitive sellers have in stock?

In a previous chapter we already looked at the [How Many? app](#) and the 999+ method for determining our competitions' stock levels. If the five sellers priced near the buy box each have only one or two units in stock, then I might price my item differently from a situation where those five sellers each have 300 units in stock. This goes back to supply and demand and how it is affected by the number of available units.

## 5. What does the Keepa graph look like?

I always like to look at **pricing trends** when I make my pricing decisions, not just at the current price. Look at this Keepa graph for the *Seinfeld* Scene It? game as an example:

## JumpStart Amazon

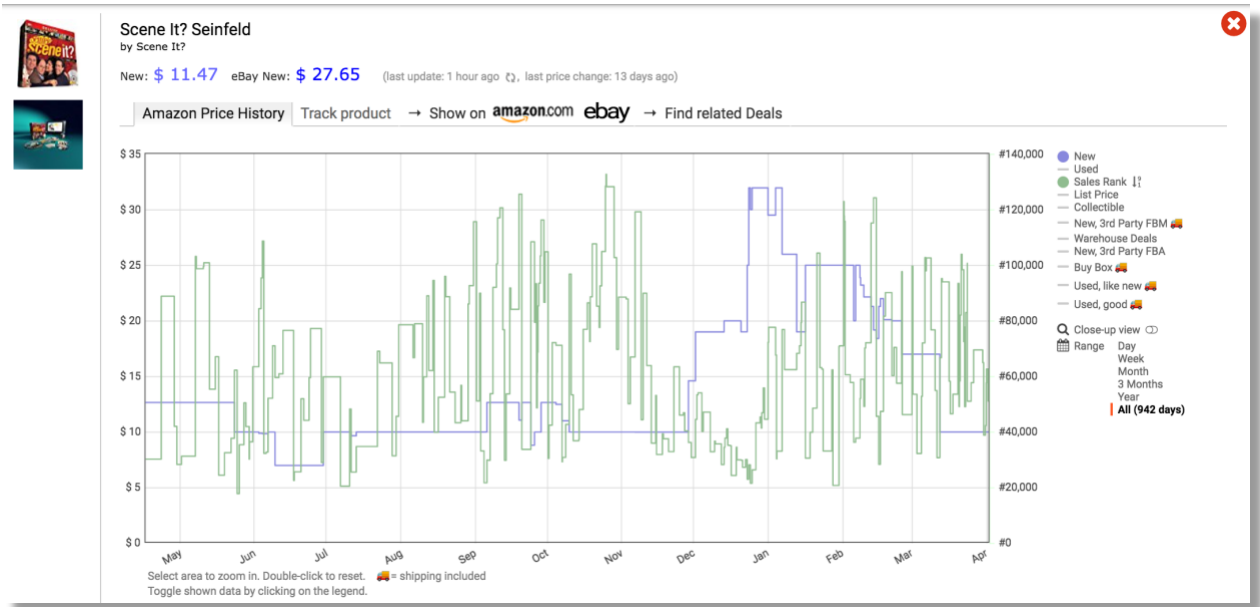


I have this Keepa graph zoomed in to look at only one year of time, as opposed to all the years this game has been available on Amazon. Take a look at the left side of this graph, from May to November — the price stays pretty consistently around \$10 or \$12. Once the graph gets to December, the price starts to increase, eventually to over \$30.

Say I source this item around October 1, and I'm ready to list and price it. If I just price it at the current buy box price, I would need to price it around \$12 or \$13 to stay competitive. OR I could look at the pricing graph on Keepa and see that within a couple of months the price is likely to double — or go even higher than double. If I'm willing to wait a couple of months for the sale, I could set my price to sell at the projected December price and earn more in profits.

**Keep in mind, however, that just because the price goes up does not necessarily mean the item is actually selling at that price.** You also want to look at the sales rank history graph in conjunction with the price history, to make sure the sales rank remains low and indicates faster potential sales. If you click to add the sales rank component to the Keepa graph, you can look at the green line to see how the sales rank behaves during this same time period:





You can note in this screenshot that when the price goes up, the green sales rank line indicates a consistently low sales rank throughout December. **In this case I would price my item to sell at the higher price in December.** Now, every seller is different, and some sellers would prefer to sell at the lower price in October, just to get the sale. These are the types of decisions you need to make for yourself based on your own particular business model.

## Competing Against Amazon

There is a sixth question I ask myself when I'm sourcing and pricing items, but this question is complicated enough that I am making it its own section in this chapter: **Do I want to compete with Amazon?**

**Amazon is one of the most cut-throat sellers on their own platform.** You will hear this sentiment often in the FBA seller world: "It's their sandbox; they can do whatever they want." Because of this, I do not like to compete against Amazon.

If I buy an item and Amazon is not in stock at the time of my purchase, there is still a chance they might come in stock by the time I send my item in or afterwards. Obviously I don't prefer for this to happen, but if it does, I have a few things I can do to alleviate the situation:

### 1. I will price lower than Amazon.

This scenario goes against the philosophy of not starting a race to the bottom, but stick with me while I explain why I do this. Many times when Amazon comes in stock on an item, they don't come in with only one or two or a handful of items. They come in stock with dozens or hundreds. You likely aren't going to be able to wait them out before you get a sale. When this happens, I often just want to sell out of my item and move on to better inventory, rather than waiting and waiting and waiting for Amazon to sell out so the price will go back up.

## 2. Sometimes Amazon matches my price, sometimes not.

There is no way to tell for certain how Amazon will respond to me lowering my price below theirs. They may or may not match my price. The only way to tell is to just go ahead and do it and see what happens.

## 3. Check Keepa to see if Amazon goes in and out of stock often.

Checking Amazon's availability helps me make a good decision during sourcing, and it also helps me make good decisions when it comes to pricing if Amazon comes in stock later.

Let me show you what a Keepa graph looks like with Amazon in and out of stock on an item:



**Notice the orange shaded areas.** Those are times when Amazon is in stock. The white areas are times when Amazon is out of stock. You can see on this graph that Amazon comes in and out of stock over a period of time, sometimes for a short time, sometimes for longer times. You can also see the blue line with third-party seller prices goes up during the times when Amazon is out of stock. If Amazon is out of stock, it is beneficial to have this item priced higher than Amazon's typical price.

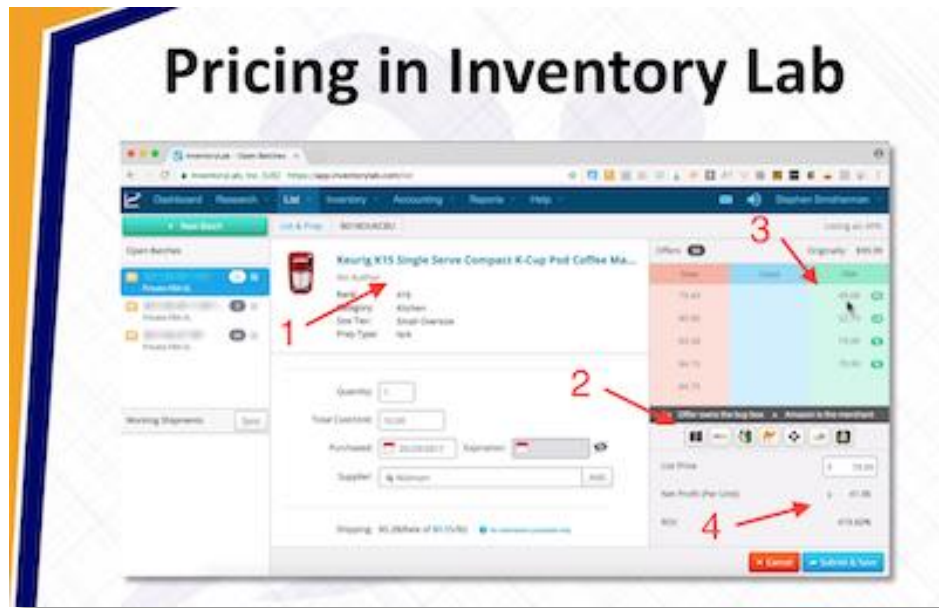
If you're interested in learning more about reading Keepa graphs and making smart sourcing and pricing decisions, I have an entire course on the subject, [The Reseller's Guide to Keepa](#). It has over 5 hours of video training on Keepa and will show you how to use Keepa to make the best sourcing and pricing decisions possible. You can see more info about the course at [www.fulltimefba.com/keepacourse](http://www.fulltimefba.com/keepacourse), and don't forget to use the code **KEEPA20** to save \$20 off the price of the course.

## Pricing in InventoryLab

I love pricing my inventory when I'm listing in [InventoryLab](#) because of how much data they provide.

## JumpStart Amazon

Check out this screenshot of the info provided on an item during the listing process on InventoryLab:



1. You can click the title of the product to go to the Amazon sales page and see all of the available info on the product.
2. You can click quick links to Keepa, Amazon Prime, eBay, Google shopping, and other websites with more pricing data.
3. You can view the lowest prices for MF and for FBA, including who has the buy box.
4. You can see your net profit based on your buy cost and list price.

Having all of this information handy during listing is super helpful when it comes to efficiently pricing your inventory. It saves so much time having all of these quick links and calculations right in front of you and not having to open up and search through multiple tabs per item.

### Why would anyone pay that much?

Sometimes I get emails from people asking questions about FBA pricing, and one of the most common inquiries is “Why in the world would anyone pay so much for [fill in the blank item] on Amazon?”

## JumpStart Amazon

Again, refer back to supply and demand when you are thinking about prices on Amazon. You may be thinking, “This price is way too high! I could get it at Walmart for \$10!” **But you don’t know the situation each customer is in:**

- They may not have the supply of Walmarts in their area that you do, yet they have a demand for this item.
- They may not have the time to go shopping for this item like you do, yet they still have a demand for the item.
- Their Walmart may be sold out of this item, yet they still have a demand for the item.
- Their Walmart may not have the same low price as your Walmart, so the Amazon price might not be that high for them.

Any number of factors could cause customers to be willing to pay a higher price for this item on Amazon.

## Manual Repricing

We are going to close this chapter with the topic of repricing because I want you to be aware that **you don’t always get to set your Amazon price, walk away, and be done with it.** In an ideal world, you wouldn’t have to reprice your inventory, but the reality is that prices change. If you don’t stay on top of repricing your inventory on at least a semi-regular basis, you could really lose out of a lot of sales and, therefore, profits.

You may hear other sellers complaining about having to reprice their inventory because “prices tanked.” But I want to encourage you that if you are finding good inventory to resell, you won’t always be dealing with lowering your prices — **you may find yourself having to reprice to higher prices.** Needing to tweak your prices either lower or higher is inevitable, so I want to give you some free resources for learning the best strategies for repricing:

- **How to Manually Reprice Your Inventory:** [www.fulltimefba.com/repricing](http://www.fulltimefba.com/repricing)
- **My Top 6 Manual Repricing Strategies:** [www.fulltimefba.com/repricingstrategies](http://www.fulltimefba.com/repricingstrategies)

## Automatic Repricing

Here is a question worth considering: Why reprice manually when you can automate repricing? Manually repricing is great when you have lower inventory levels and can handle repricing



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from time to time, but once your inventory levels start to get larger (maybe around 50 SKUs), you might want to consider using an automatic repricer like BQool (pronounced “be cool”).

BQool is a repricer that automatically updates the prices of your inventory every 15 minutes. There is even an upgraded service that can update your prices every 5 minutes, if that’s what you want. Personally, I feel good about it updating my prices every 15 minutes. All you need to do is set up your minimum and maximum prices in BQool and activate which items in your inventory you want to have automatic repricing for, and you’ll soon start seeing faster sales!

We started using the BQool automatic repricer service in September of 2018, and now we wonder how we ever ran our Amazon business without it. If you’re wondering how well BQool works, just know that for the first month of using Bqool, our sales literally doubled. Not only that, but BQool syncs with our InventoryLab account and automatically imports my buy costs. This is a huge time saver.



For a 2-week free trial of Bqool, [click here](#).

**Free BQool Bonus** – If you sign up for BQool via the link above, then I’ll send you my own personal BQool repricer settings that helped double my sales the first month of using it. Just [contact me](#) from the same email you used to sign up for BQool (so I can verify your free trial), and once verified, I’ll send you my personal BQool repricer settings.

For a video review of BQool, check out this link: [www.fulltimefba.com/bqoolreview](http://www.fulltimefba.com/bqoolreview)

## Chapter 12 – Basics of Seller Central

**Seller Central is the main hub where sellers can accomplish multiple tasks related to their Amazon business:**

- Managing inventory
- Handling seller feedback
- Knowing your business numbers (e.g. sales amounts)
- Adding new items to the catalog
- So many more tasks!

I want to give you a solid overview of how to navigate Seller Central, and including screenshots in this chapter of the book just won't do that type of overview justice. To help you get a better idea of how to use all of the features of Seller Central, I want to refer you to the video modules in the video portions of the *JumpStart Amazon* course:

- **12.1 - Basics of Seller Central - Overview**
- **12.2 - Basics of Seller Central - Opening a Help Ticket**
- **12.3 - Basics of Seller Central - FBA Calculator**
- **12.4 - Basics of Seller Central - Removal Order**

In each of these video modules (which include the option for closed captioned subtitles), I give you a screen capture video of me using Seller Central on my computer. **To access the video modules, go to the [Full-Time FBA home page](#), click on “Members” to log in, and navigate to the page for the *JumpStart Amazon* course videos.**

I encourage you to watch those four videos, and then you can join me back here in the book for Chapter 13 to continue reading the content.

## Chapter 13 – Your First Disbursement

This chapter should be pretty exciting for most of you — **your first disbursement could be your first Amazon payday!** I want to make sure you have the right expectations for that first disbursement and a good game plan for how to handle that disbursement and the ones to come.

### Expectations

#### **1. Your first disbursement will come two weeks after you open your Amazon account.**

The timing of your disbursement will depend on the day you open your account. For example, if you open your account on a Saturday, you'll get your disbursement on a Saturday.

#### **2. You will get additional disbursements every two weeks.**

Like clockwork, your disbursements will come every two weeks, same day of the week.

#### **3. Your disbursement equals your sales minus your Amazon fees and any returns you may have received.**

The fees included in this statement are seller fees, monthly storage fees, inbound shipping fees, and so on. For more info on the fees involved in selling on Amazon, you can visit the quick link [www.fulltimefba.com/amazonfees](http://www.fulltimefba.com/amazonfees).

#### **4. Your first disbursement could actually be a payment taken from your bank account.**

I really want to make sure you have the correct expectations on this point because it can be a shocker for some sellers who aren't prepared for it ahead of time. If you don't have enough sales to cover your Amazon fees, your bank account will be charged the balance, rather than you receiving a payment from Amazon. This situation occurs on occasion on sellers' first disbursements simply because when you send items to Amazon, you incur inbound shipping fees. If you have inbound shipping fees but no sales by the time the two week mark rolls around and it's time for a disbursement, Amazon still charges you the inbound shipping fees. If this happens to you, don't worry; this is normal. By the time the second disbursement period arrives, you should have enough sales to cover the fees and begin seeing payouts to your bank account.

#### **5. Amazon will email you your disbursement amount, and the funds will appear in your bank account within 2 to 5 business days.**

Typically, I receive an email on Friday with my disbursement amount, and then by Monday the payment is deposited in my bank account. Others may have a different experience or typical time frame, depending on their bank. Keep in mind that bank holidays can also affect the timing of the money appearing in your account.

## 6. Amazon might only disburse to you a percentage of your first two weeks of profits.

Sometimes Amazon might hold back a small percentage of your disbursement and not pay you the whole amount until your overall disbursement amount is much larger. This is just so that you still have funds in your Amazon account to cover future inbound shipping and possible returns. Don't worry, Amazon won't hold this percentage of your first disbursement long.

### Disbursement Decisions

Once you start receiving disbursements, you need to decide how you will use the funds you receive. Different sellers have different business models, so it is up to you to decide how you want to design your business and use the disbursements you receive from your Amazon sales.

There are four main questions you need to ask yourself as you are deciding how to use your disbursements, and we'll go through those questions and my tips for each of them below. **I've included in this course a [downloadable worksheet](#) for you to print out and use as you're thinking through these questions.** Please take the time to print it out and jot down your thoughts, so that you can really solidify your plans for your disbursements ahead of time. Note, however, that your answers at this point in time might be different from your answers several months down the road. As with so many aspects of running an Amazon FBA business, how to handle your disbursements will change as your business evolves.

So let's jump into the four questions to ask yourself about how to use your disbursements:

#### 1. How much to pay yourself?

Obviously, we're all in the Amazon business to make some money — but you need to decide *how much* do you want to pay yourself, especially in the early stages of your business.

**My advice in the early stages is to start small and grow gradually with how much you pay yourself.** It might be hard to pass up taking more money out in the form of paychecks to yourself, especially if you have pressing financial needs in your personal life. But taking too much money out to pay yourself personally in the early stages of setting up your Amazon FBA business can stunt the overall growth of your business. We'll talk more about how that works in the next question.

Some sellers go so far as to reinvest 100% of their disbursements back into their business and take zero percent out to pay themselves personally in the early stages of business. That may not be possible for you — I know it wasn't possible for me in the early days. I needed money to pay bills! But I kept my personal paycheck as low as possible in the early days so that I didn't starve the growth of my business, and I allowed my personal paycheck to grow slowly over time.

#### 2. How much to reinvest into more inventory?



Over time we want to increase our inventory so that we can increase our sales and our disbursements. **Building up inventory levels requires investing more money in buying new inventory.** Using your disbursements for reinvestment is one option for finding the funds to invest in more inventory.

A wise choice is to *build up momentum* in your profits by *building up your inventory levels* with reinvested disbursements. How much to reinvest is a personal decision for each individual business. **But in the early stages of your Amazon FBA business, I recommend reinvesting as much of your money as possible into new inventory, particularly fast-turning inventory.** You can easily build a snowball effect of growing your sales, growing your disbursements, then growing your sales some more, then growing your disbursements some more...you get the picture.



### 3. How much to invest in new tools or skills?

Buying new tools, services, or education can be a great benefit to your Amazon business. You can make your business more streamlined and efficient with new tools or skills, and efficiency can increase your profits in both the short term and the long term. Investing in tools and education can give you faster growth in your business, so it's worth it to consider how much of your disbursements you want to invest this way.

When you are considering buying a new tool or service, compare the cost of the tool or service with the time you will save using it. **If you can shave hours of time off your work, is it worth the cost?**

When you are considering investing in a course or book or other form of education, think about the profit potential that would come from implementing the skills you would gain. **Is it worth the cost of the course to be able to increase your profit potential in that area?** Often you can learn those skills on your own without investing in a course — but how much time would you save by buying a course with organized information? Is it worth the cost to save that time? It's up to you to decide.

One way to help you more easily make these types of decisions is to **calculate how much money you make per hour doing your Amazon FBA business.** You can track the time you spend working on your business, and calculate your earnings per hour based on your profits during that time period. Once you know how much money you make per hour at FBA, you can evaluate a tool based on that dollar amount per hour. If you can earn \$100 an hour doing FBA, it's more than worth it to spend \$20 a month on a tool that can save you 3 hours of work time. Spending that \$20 can potentially increase your earnings by \$300, maybe more!

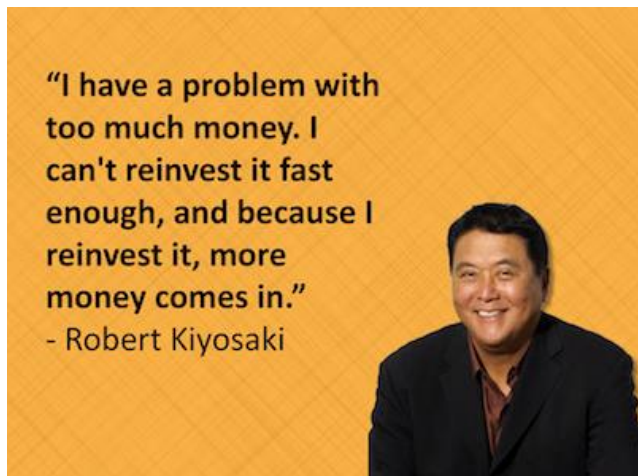
### 4. Flat amounts or percentages?

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When you are deciding how to spend the money from your disbursements, you can base your decisions on a number of factors. One typical question that comes up is whether to pay yourself or reinvest in inventory based on a **flat amount of money** from each disbursement or on a **percentage of each disbursement**. For example, are you going to take X number of dollars out of each disbursement for inventory, or are you going to take X percentage of each disbursement to reinvest in inventory?

**There are no right or wrong answers to any of the questions above.** Each seller's circumstances are different. Everyone is on a different time frame for how fast they want to grow their business, and everyone has different things going on in their personal lives. Some people may be using Amazon FBA as a way to save for their kids' college and have a decade to do that saving; others might be wanting to pay off some bills later this year. Think through these questions for your own situation and business model, and come up with answers based on your own best judgment.

**Check out this quote from Robert Kiyosaki:**



Wouldn't we all love to have this problem?! The thing is, when you reinvest your money back into your business, as long as you're making solid business decisions, you will continue to make more and more money. When it comes to selling on Amazon, if you reinvest money from your disbursements into more inventory, your sales will continually increase — and your disbursements will increase along with them.

### Adding Tools

- **Add tools as needed.**

You might hear about a cool new gadget or new course that everyone seems to be raving about, and you think, "Everyone else is using it; maybe I should too." Before you jump in and make the purchase, analyze your own business and determine if it's a necessity, not just an impulse buy based on peer pressure. Rather than following what is popular in Facebook groups at the

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moment, **think about what your particular business needs right now**, and find a tool or course to meet that need.

The same goes for any tools or courses I mention in this course you're taking right now. You might feel overwhelmed at all the tools I talk about here and think to yourself, "This is too much; I just can't get all of these things right now." Well, I don't think you should get them all at first either! **Please buy things for your business as you need them, not all at once.**

- **Read reviews.**

Make sure you know ahead of time what other people genuinely think of a tool or course before you buy it. Do some research to find out other people's experiences and how a tool or course has benefited them.

- **Take advantage of free trials.**

Often a tool or service will offer a free trial so you can test the product out for yourself before committing to a purchase or subscription. Always take advantage of these free trials and keep good notes about how the product is benefiting your business during the trial. Also, make sure you are starting your free trial during a time period when you can get the most out of that trial. If you get a seven-day free trial, don't start the trial two days before you leave for vacation.

- **Does the tool/service/course have a money back guarantee?**

I tend to shy away from products that don't offer money back guarantees in case I don't find the product adds value to my business.

- **Train yourself before buying.**

Sometimes a tool (particularly software) can be rather complicated and require training before using it. Often those tools will have a YouTube channel or some other type of free tutorials you can watch to learn how to use them. **If you're going to take advantage of a free trial, be sure to watch at least part of the free tutorials before you start the trial so that you don't waste your valuable trial period watching videos.** If there isn't a free trial, you can still train yourself on free tutorials before you make your initial purchase so you can hit the ground running. Sure, you can't learn everything about a tool before you make the purchase, but you can at least build a solid knowledge base up front.

- **Master the tool before adding a new one.**

A lot of us have "shiny object syndrome," where we get distracted by every new thing that catches our eye. We can end up losing a lot of money if we flit around from new tool to new tool without ever mastering them and maximizing our use of them.

I have a post-it note on my computer screen with the acronym FOCUS, to help me remember this last point

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when I might get distracted in my business. FOCUS = Follow One Course Until Successful.

- **Review your tools from time to time to see if they are still worth the cost.**

It's worthwhile to go back on occasion and see if you are still getting your money's worth out of tools or services you are subscribed to. Something might have been of great help to you at one point in your business, but you might not be using it as much any longer. There is no reason to stay subscribed to a service you don't use or don't get value from — you could be using the money spent on that subscription on a better tool or more inventory.

With the tips from this chapter, I hope you have the correct expectations for how to handle your early disbursements from your Amazon FBA business. **You have the potential in the early stages to build a solid foundation for a business that can experience growth for years to come.**

## Chapter 14 – Customer Feedback

Let's spend this chapter talking about customer feedback:

- **What is feedback?**
- **How do I understand my feedback score?**
- **How important is my feedback score?**
- **How do I deal with negative feedback?**

### Feedback Basics

Amazon offers customers the chance to give feedback to sellers based on their buying experience. Amazon uses a 5-star rating system where the buyer can leave feedback on several different aspects of the buying process.

**Feedback Basics**

**5-star rating system**

- 1 – Negative**
- 2 – Negative**
- 3 – Neutral**
- 4 – Positive**
- 5 – Positive**

**Arrived on time?**

**Item as expected?**

**Customer comments**

The graphic includes a screenshot of the Amazon feedback interface. The interface shows fields for Seller, Product, and Order Placed (May 18, 2020). It includes a 'Write a product review' button, a 'Fulfilled by Amazon' status with a 'Contact Amazon' link, a 'Rate Seller' section with five stars, and a 'Comments' section with a text area and a 'Submit Feedback' button. The 'Comments' section also includes a 'No HTML' warning and a 'Characters remaining: 400' indicator.

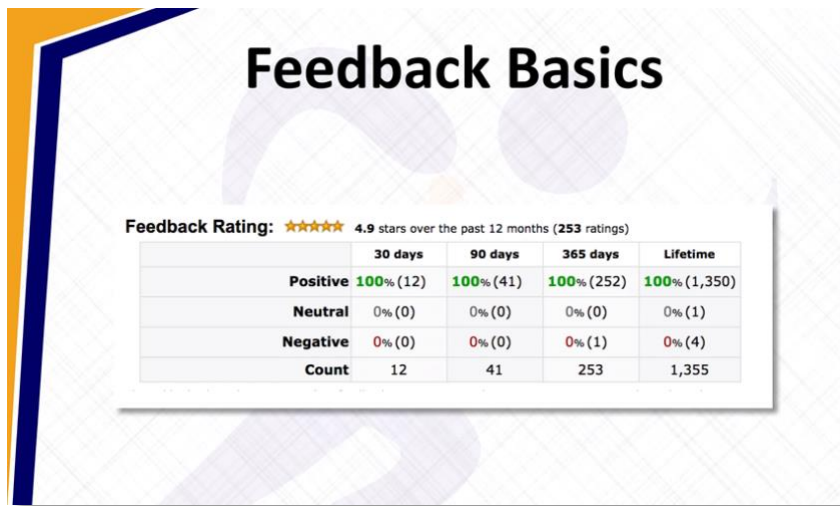
As part of their feedback system, Amazon asks the customer a few basic questions:

- Did the item arrive on time?
- Did the item arrive as described by the seller?
- Any additional comments by the customer (which will be the actual feedback left for you)

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Now, if you look at the screenshot above, you'll see the buyer only has to make three clicks to leave feedback: a click for the star rating, a click for the question, and a click to submit the actual feedback.

To see your feedback score, you need to log in to Seller Central, hover over "Performance" in the menu at the top of the screen, and click on "Feedback." You should then see a report that looks similar to the following:



Below this chart, you should be able to see a breakdown of individual feedback scores left by each customer. Each of these feedback scores will include a link to the specific order it is associated with and the email address of the customer.

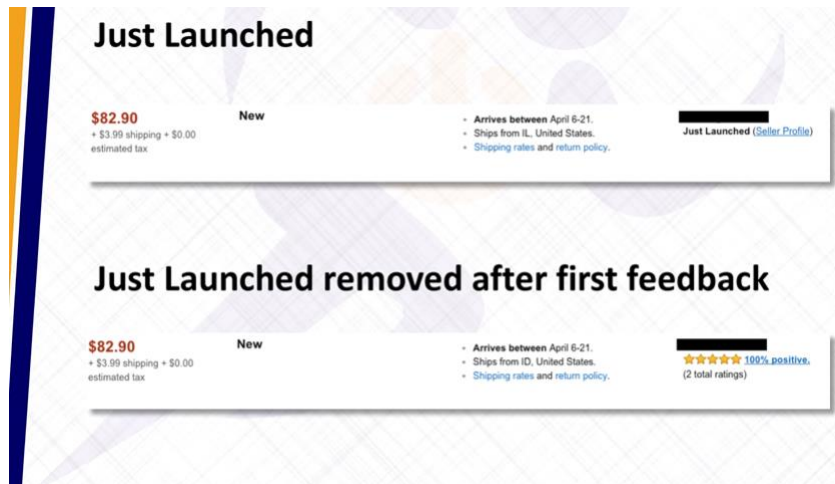
### Feedback Expectations

When you first start off selling on Amazon, it seems logical that you have zero feedback. How can customers rate your performance as a seller if you have no sales?

During this time, your listings on Amazon will have a tag of "Just Launched," rather than your feedback score. As soon as you get your first feedback, the "Just Launched" label will be removed, and instead your listings will show a feedback score. Buyers will be able to see the following information on your listing:

- Your average star rating
- Your overall percentage of positive feedback
- Your total number of feedback received

You want to have this "Just Launched" label removed as soon as possible, so that you can show your potential customers a positive feedback score and gain their trust.



Another expectation I want to make clear is that Amazon feedback is different from eBay feedback. In fact, over 99% of Amazon buyers NEVER leave customer feedback. If you think that through to its logical conclusion, that means it might take you up to 50 or 100 sales before you get your first feedback on Amazon. That's a lot slower than on eBay!

Part of this slowness is because a lot of Amazon customers don't understand how the feedback system works on Amazon:

- Sometimes a customer will leave a 1 as feedback, thinking it's more of a ranking, like "this seller is #1." They don't understand that 1 star is a negative feedback.
- Other times buyers get seller feedback confused with product reviews, so you will receive a feedback score based on their experience with the product, not with you as a seller.
- Sometimes buyers will leave feedback that is actually a question about the product or a request for more information. They don't realize there is a different place to ask these types of questions.
- Some buyers think that a "neutral" feedback of 3 stars is a good rating, not understanding that Amazon views only 4 or 5 stars as positive feedback. When it comes to Amazon feedback, neutral isn't neutral; neutral is negative. A neutral score will drag down your overall feedback percentage on Amazon.



The good news is that you can fix many of your negative and neutral feedback scores so that they don't affect your overall score that badly. In fact, Amazon sometimes will remove certain feedback scores, so you can strategize how to (ethically) have negative or neutral scores removed completely. The Amazon feedback algorithm often will remove inappropriate feedback automatically, without your needing to take any extra steps. If a negative feedback score isn't automatically removed, you can also go through the process of requesting feedback removal, which we will cover in more detail below.

You should also note that customers can either remove or update their own feedback scores at any time.

### Feedback is Important

Now that we've covered some of the basics about Amazon feedback, let's discuss why your feedback score is so important.

#### **1. Better feedback scores get the buy box more often.**

We touched on this topic in the previous sections of this book on getting the buy box. Amazon wants their customers to have an amazing buying experience, so they are going to give the buy box more often to sellers who have excellent feedback scores.

#### **2. Better feedback scores could potentially get you a sale over a lower priced competitor.**

At times you can have competitors who price their items lower than you, but you have a better feedback score — the Amazon algorithm appears to favor the feedback score above low prices at times when awarding the buy box to sellers. In other instances, a customer might be looking at the sales page with all of the offers on a particular item, and they will be able to consider both the price of items and the feedback score of the sellers. Some customers would choose a \$13 item from a seller with 100% feedback over a \$10 item from a seller with 95% feedback, simply because they like to have assurance that they are dealing with a top notch seller.

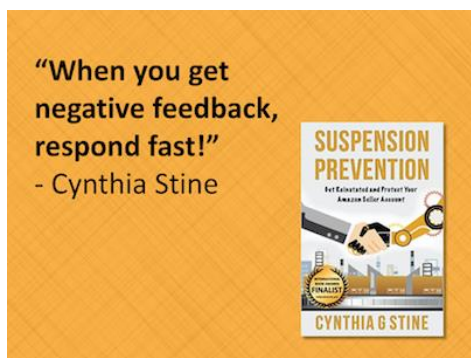


### **3. Bad feedback can put your Amazon seller account in danger of suspension.**

Again, I want to emphasize how much priority Amazon places on the customer experience. If your seller feedback score has too many negatives, Amazon might suspend you as a way of protecting their customers.

### **4. When you get negative (or neutral) feedback, take action to remove it.**

I say “when” not “if” because you will inevitably receive negative or neutral seller feedback. When that happens, I highly encourage you to take immediate action.



## **Removing Negative Feedback**

So what do you do when you receive a negative or neutral feedback? Let’s walk through the steps for taking action.

### **1. If the feedback violates Amazon’s feedback policy, request removal.**

You will need to request removal if you receive a negative or neutral feedback against Amazon’s policy. You can see more info about that policy at the quick link [www.fulltimefba.com/feedbackpolicy](http://www.fulltimefba.com/feedbackpolicy).

One example of the policy is that seller feedback cannot include words commonly understood to be obscene or profane. I once had a buyer leave feedback for me as a seller using the word “crap” to describe the item I sold. I was able to have the feedback removed because they used that word in violation of Amazon feedback policy.

Another example is if the buyer includes seller-specific or personally identifiable information in their feedback comments. These types of feedback can be removed.

Another example is if the entire feedback is a product review. This does not qualify as seller feedback, and you can request Amazon remove it. This would include comments such as “it didn’t fit” or “I didn’t like this book.”

And yet another example of removable feedback is if the comment is about FBA shipping or customer service issues. Amazon handles all your FBA shipping and customer service, so you are not responsible for feedback on those issues. This would include comments such as “the item arrived late” or “I couldn’t change my shipping address on the order.”

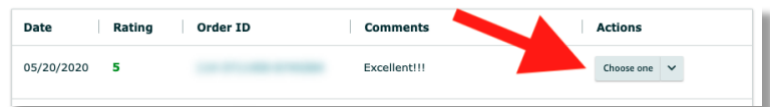
### Here are the steps for requesting removal of feedback:

- **Navigate to your account’s feedback page.** You will need to log in to Seller Central, hover over PERFORMANCE, and click on FEEDBACK. On this page, you’ll see all your recent feedback.

- **Find the feedback you want to remove and request removal.**

The last column of your feedback page gives you the

option to take multiple actions, including request removal. When you request the removal of a feedback, Amazon will automatically open up a Seller Support case for this issue while at the same time Amazon’s feedback algorithm will decide if the feedback should be removed or not. When the algorithm decides, Amazon will automatically close the case. If the feedback violates the guidelines the feedback will be immediately removed. If not, then Amazon will let you know why not and the feedback will remain.



Date	Rating	Order ID	Comments	Actions
05/20/2020	5		Excellent!!!	Choose one ▾

At this point, you might get an immediate removal of the negative feedback. If the feedback includes certain keywords, the system will automatically detect that the feedback should be removed. If the feedback is not automatically removed, you will be given the option to reopen the case and have a human being review your request for feedback removal. You should receive a reply about your request typically within 24 hours.

### 2. If Amazon automatically denies you removal of the feedback, you have one opportunity to request the removal of the feedback.

Since any algorithm (even Amazon’s) can be fallible, Amazon will give you the opportunity to reopen the case in order to explain to a Seller Support rep why the feedback should be removed.

### Here are the steps for reopening a closed feedback removal case:

- **On the top right corner of your feedback page, click on the Help option.**
- **Near the top right of the Help page, you’ll see a link to your case log page. Click on that link.**
- **Look through your recent cases and find your “Feedback Removal Request” case that was just created, and click on the View button for that case.**

- **Click on the Reopen Case option and present your best reason why the feedback should be removed.**

You should only use this method if your feedback removal request is denied by the Amazon feedback algorithm and you have a legitimate reason (that violates Amazon's feedback policy) for requesting the removal. Usually, an Amazon Seller Support rep will get back with you within 24 hours with a reply to your request.

Note: When explaining your feedback removal reason to the Seller Support rep, be as concise as possible. It's also good to leave emotions out of the message. Just plainly state how the feedback violated Amazon's feedback policy and should be removed so that other Amazon customers can have a clearer and better experience buying on Amazon. The key is to get right to the point. The longer your explanation is, the more likely you are to get an impatient Seller Support rep who just denies your request without even reading what you worked so hard to explain.

### **3. If Amazon still denies you the removal and you cannot reopen the case, you can communicate with the original buyer.**

When you communicate with the original buyer, apologize for the mistake and take responsibility for what happened — even if it isn't really your fault. An apology can go a long way, as can stating that you will do what it takes to make up for the problem.

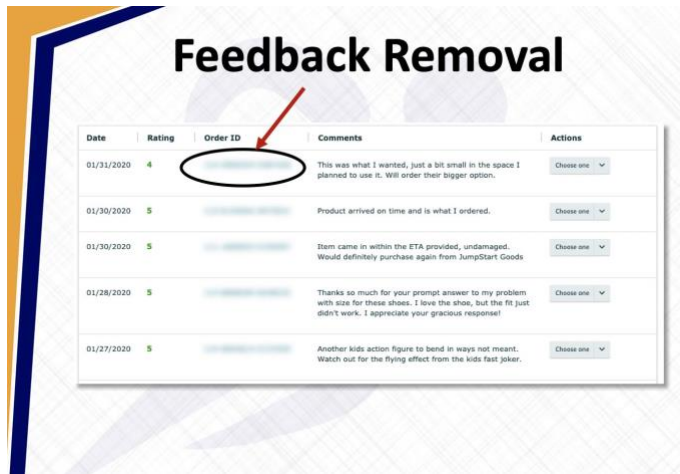
Also communicate with the buyer that you are a small seller and your feedback is very important to your small business. Again, assure the buyer that you want to do what it takes to make things right for them as a customer. You can even go so far as to ask directly what you can do to make things right with their issue.

Often when you communicate directly, honestly, and humbly with buyers, they will realize you are trying your best to satisfy them as a customer, and their heart will be softened about the feedback score they left you. Once you have done everything you can to make up for the issue, you can ask the buyer to please consider removing or updating their feedback.

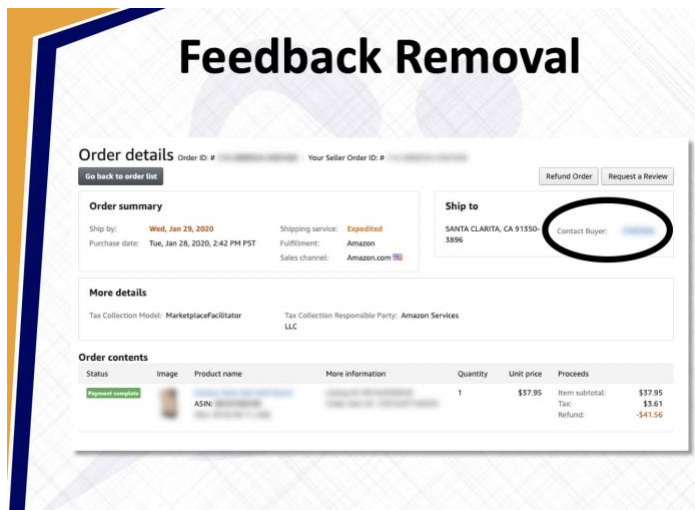
## **Feedback Removal by Customer**

When a customer leaves negative or neutral feedback, you can communicate with them about their issue a couple of different ways.

One way is through your feedback page in Seller Central. You can see in the screenshot below, on your list of feedback is an order ID associated with each feedback, along with a clickable link to that order.



Once you click on the order ID, it will bring up an Order Details page, where you can click to contact the buyer.



Click on that link to bring up a new tab where you can type a message to the buyer.

## Advanced Feedback Removal Tactics

If you're looking for more tips and tricks for removing negative or neutral feedback, I have the following resources for you:

**Blog post:** [How to Keep a 100% Feedback Rating](#) (even if you get negative feedback)

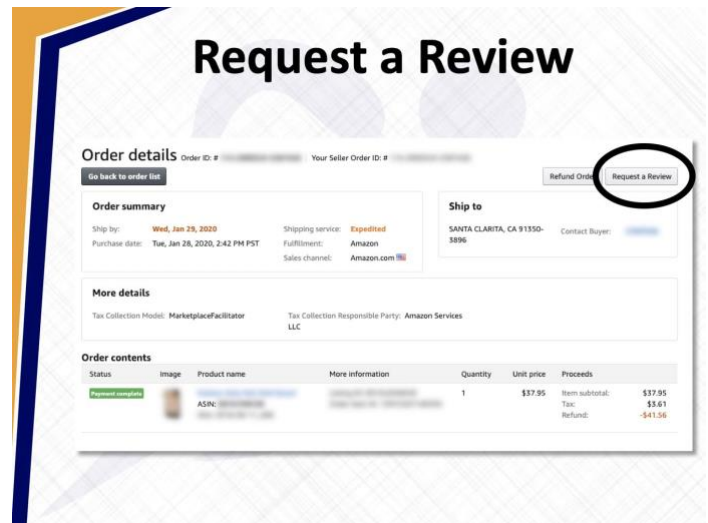
**Blog Post:** [Increase Your Amazon FBA Seller Feedback Score](#) (while still following Amazon's rules)

## Increase Positive Feedback

We've covered the process of removing negative or neutral feedback — now how can we go about increasing our positive feedback? For sure you want to make sure you are sending in excellent items to be sold via FBA, so that you don't give your customers any reason to question the condition of the items and leave you negative feedback. But you can also take some action steps to increase the amounts of positive feedback you are receiving.

### 1. Email customers and request feedback.

On each customer's Order Details page, there is also a "Request a Review" button near the top right side of the page. You can click on that button and Amazon will allow you to ask for both a seller feedback and a product feedback. The downside of this method is that the feedback request is done by Amazon and is not something you can write or come up with yourself. After you confirm that you want Amazon to ask for feedback, then Amazon will do so. The plus of this method is that the feedback request that Amazon sends the customer will have the links given to the customer to leave that feedback.



Another option is to follow the same process I listed above for contacting a customer directly via the contact form on the order ID page, and you can then request they leave you feedback on their buying experience. The downside of this method is that in your message, you're not allowed to give a customer a link to anything, including the feedback page, but you can give them step-by-step instructions on where to find that option for leaving seller feedback. The positive of this method is that you can write your feedback request in your own words.

Please be aware that there are certain rules about what you can and cannot say when you are communicating with customers. Please see the Amazon regulations for communicating with customers at this quick link: [www.fulltimefba.com/communication](http://www.fulltimefba.com/communication). Be sure to click on the Buyer-Seller Messaging frequently asked questions (FAQ) for important further clarifications.

### 2. Automate the process of requesting customer feedback.

You can automate the process of requesting customer feedback by using a service to communicate with customers on your behalf. I highly recommend using this method if you want to increase the rate at which you receive positive feedbacks and boost your feedback score. I use and recommend the service [Feedback Genius](http://www.fulltimefba.com/genius). You can check out their services at [www.fulltimefba.com/genius](http://www.fulltimefba.com/genius). Be sure and use the code **GOPROSMO** to get 30% off your first 3 months of using Seller Labs Pro (which comes with Feedback Genius and much more).

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Communicating individually with each of your Amazon customers takes a lot of time and effort. Automating this process saves you time and boosts your feedback. Using a service like [Feedback Genius](#) allows you to do the following:

1. Decrease your negative feedback by solving customer issues BEFORE they leave negative or neutral feedback.
2. Increase your overall number of feedback scores AND your positive feedback scores by requesting feedback from customers.

Hopefully you can take away some helpful, concrete action steps from this chapter to start your Amazon FBA business off on the right foot when it comes to building up a solid seller feedback score. A better feedback score leads to more time in the buy box...which leads to more sales! You *must* keep your feedback score as a priority in your Amazon business from the very beginning.

## Chapter 15 – Dealing with Returns

**Whether we like it or not, returns are a part of any business where you are selling a product.** We just have to accept that fact — and move on to figure out the healthiest way to deal with returns in our Amazon FBA business. This chapter should help you deal with the basics related to returns through FBA.

### Expectations

Before we go any further, I want to give you some realistic expectations when it comes to Amazon FBA returns.

#### 1. Returns are a natural part of any business.

Amazon FBA is no exception. You cannot control whether or not a person likes a product, whether it fits them, or whether it is different from what they had hoped it would be. It is inevitable that a small percentage of people will return your Amazon FBA items.

#### 2. The more sales you get, the more returns you will get.

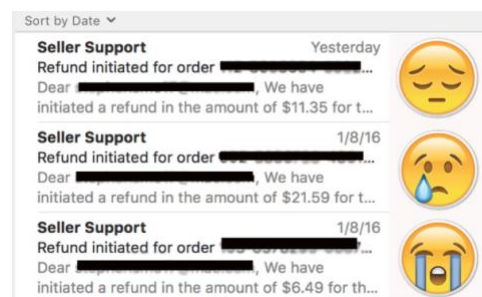
Because returns tend to make up a percentage of your sales, you should expect to have an increase in the number of returns when your number of sales increases. The percentage typically stays the same, but the number of returns will increase with the number of sales.

#### 3. Amazon will email you when a customer returns an order.

When a customer starts the return process, you should receive a notification with the order number and the amount returned to the customer.

#### 4. Sometimes you can know the return reason, sometimes not.

Often you will find out the reason for the return, but not always. As a seller, this lack of info can be frustrating. We'll cover this topic in more detail in the next section of this chapter.



#### 5. Sometimes customers lie to get a free return.

This is the worst news I can deliver to you in this chapter, and I just hate that this is true. I want to believe the best of all my customers, but the sad truth is that sometimes customers just want to get a free return. If they aren't going to get a free return for a valid reason, they sometimes (*not always*) will make up a reason. Now, **not every customer lies for a return, so please do not think that all returns are for invalid reasons** — but be aware that this type of buying abuse

does occur. Later in this chapter we will discuss how to protect yourself against this type of abuse.

**6. When a customer starts a return, Amazon will immediately remove the funds from your account.**

**7. The customer has a set amount of time (usually 45 days) to return the item to Amazon.**

Even though the funds are immediately removed from your account, the item doesn't have to be returned for 45 days. Crazy, huh? Amazon has the most generous and customer-centric return policy around, mainly to keep customers trusting the buying process on their website.

**8. If the customer fails to return the item within 45 days, Amazon is supposed to reimburse you the funds for that return.**

Amazon generally does a pretty good job of following through with their reimbursements for items that weren't truly returned, but we'll talk more later in this chapter about what to do if you aren't reimbursed automatically.

**9. How you handle returns is important to the health of your Amazon FBA business.**

We will continue to talk throughout this chapter about how to handle returns. But first, let's look at the return process on Amazon to gain more understanding of what happens when a customer initiates a return.

## Return Process

The majority of the time when an Amazon customer seeks a return, they log in to their Amazon account, they click on their orders to find the item they want to return, and they click to return.



**Every once in a while, you will get an email from a customer stating they don't like an item and wish to return it.** If you get such an email from an FBA customer, be sure to reply to their message with a response that leads them to go through this same process, where they initiate a



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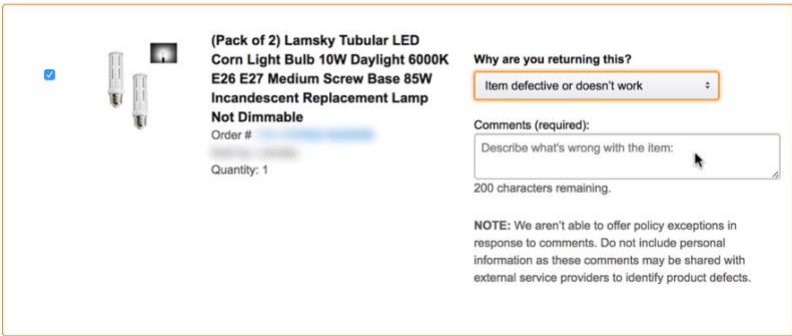
return through their orders in their Amazon account. One of the perks of selling through the FBA program is that Amazon provides your customer support, including handling your returns. You don't need to deal with a return yourself; simply redirect the customer to the right channel in a polite, friendly, and helpful way.

**After a customer initiates a return, the first thing they will be asked to do is choose the reason for their return.** The reason can include the following:

- Bought by mistake
- Better price available
- Product damaged, but shipping box OK
- Item arrived too late
- Missing parts or accessories
- Product and shipping box both damaged
- Wrong item was sent
- Item defective or doesn't work
- Received extra item I didn't buy (no refund needed)
- No longer needed
- Didn't approve purchase
- Inaccurate website description

**After choosing the reason for return, the customer then is required to leave additional comments about their return.**

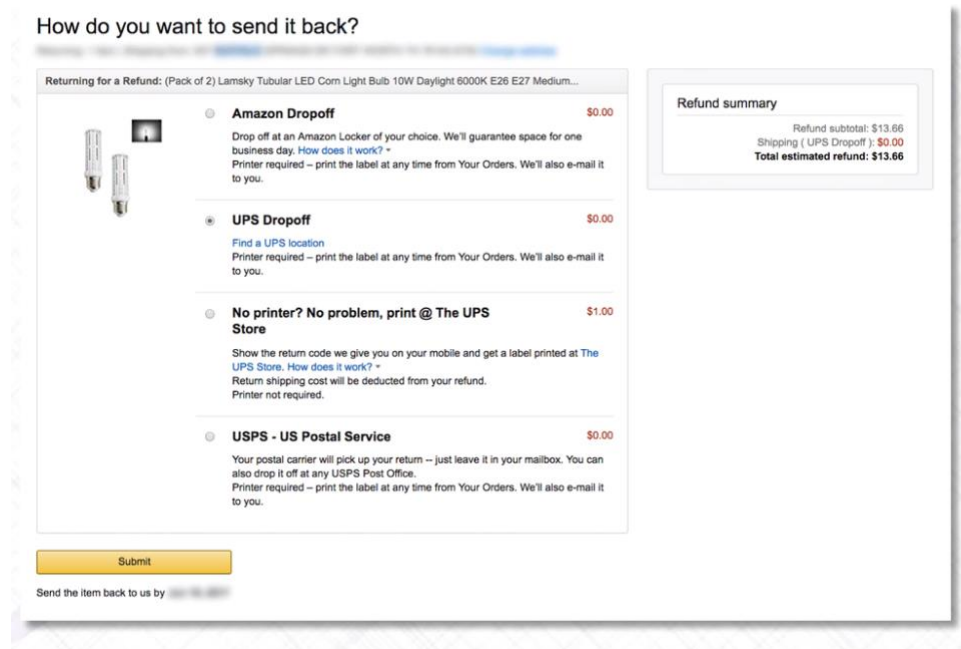
Choose items to return



The screenshot shows the Amazon return process for a pack of two Lamsky Tubular LED Corn Light Bulbs. The item details include: (Pack of 2) Lamsky Tubular LED Corn Light Bulb 10W Daylight 6000K E26 E27 Medium Screw Base 85W Incandescent Replacement Lamp Not Dimmable. The order number is partially redacted, and the quantity is 1. The return reason is selected as 'Item defective or doesn't work'. A comments field is required, with a character count of 200 remaining. A note at the bottom states: 'NOTE: We aren't able to offer policy exceptions in response to comments. Do not include personal information as these comments may be shared with external service providers to identify product defects.'

**Next the customer will be asked to choose how they wish to receive their refund,** either in the form of a gift card or a refund to the original form of payment. The next step is for the customer to choose how they wish to send the item back to Amazon, either through Amazon Locker drop-off, UPS drop-off, USPS collection, or other possible return method.

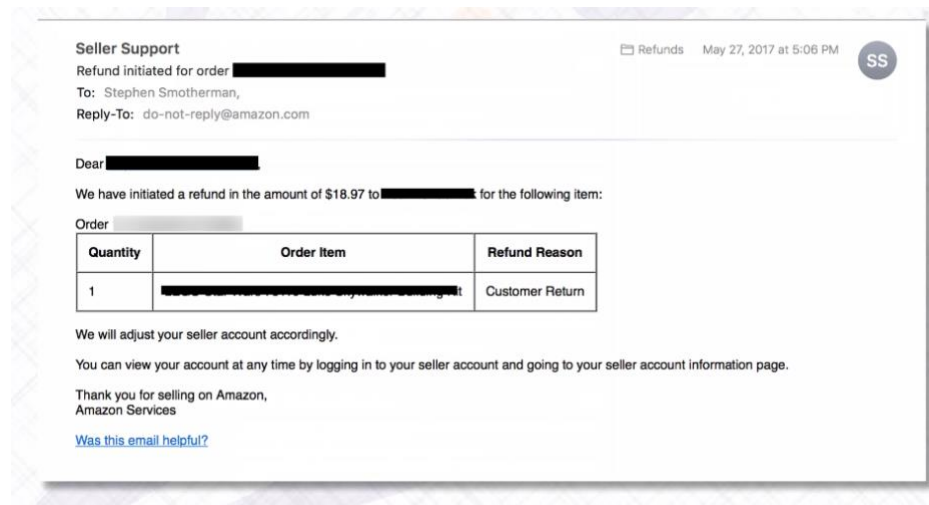
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Depending on the reason for the return, the return shipping could be free. If not, Amazon will state the cost of the return shipping. At this point Amazon also tells the customer what the deadline is for the return date.

**Now that we've gone over the return process through the eyes of a customer, let's take a look at how the process appears to us as sellers.**

When you as a seller get a return notification, you will receive an email from Amazon similar to the one below:



Notice one of the columns in the email states “Refund Reason.” Don’t get too excited about that column, thinking it will show you the exact reason for the return. **The majority of the time that reason will state “Customer Return,”** as pictured in the screenshot above. Not very helpful for

us as sellers. But there are ways to find out more information, and **I highly recommend you do more research on each and every return** so you can protect your seller account and stay on top of the potential reimbursements that rightfully belong to you as a seller.

### Handling a Return, Step by Step

When it comes to getting returns, you must take a few critical steps as an FBA seller to **protect your account**. If you don't stay on top of your returns and do your due diligence to make sure your account is taken care of, you could suffer negative consequences down the road.

**So, what do you need to do to protect your account when a customer returns an item saying they no longer want it?**

Here are six steps to take for every returned item on Amazon:

#### **1. Keep a record of the return notification email from Amazon.**

When a customer initiates a return of an item ordered via Prime shipping, Amazon immediately issues that refund, without waiting for the item to be returned. Amazon will notify you that the refund has been issued from your account. You should keep a folder in your email app to organize these emails so you will have record of this refund and can verify that the return actually occurs within 45 days.

#### **2. Protect your seller feedback score by contacting the buyer.**

Sometimes after a buyer requests a refund, one of the next things they do is leave feedback for you the seller. No matter if they left you negative feedback or not, I think it's a good idea to contact the buyer and personally apologize for the customer's negative experience.

*I would say something like, "Amazon just notified me that you have requested a return for item X. I'm so sorry that the item did not meet your expectations. Since this was a Prime order, Amazon is supposed to provide you with an immediate refund, so I am following up to make sure the refund was successful. I would also like to know if there is anything I can do to make things better. Thank you for taking the time to read this message and have a great day."*

Sometimes just sending that email will stop the buyer from leaving you negative feedback. If they have already left negative feedback at this point, then your email opens up the door for the customer to see you as a helpful person, and they might consider removing the feedback.

#### **3. Have returned items sent back to you for inspection.**

When the item shows back up at the Amazon warehouse, a warehouse worker will inspect the item to see if it should be returned to your inventory as fulfillable or unfulfillable. If they see that an item has been opened by the customer, they will mark it as "Customer Damaged," and it cannot be



put back in your fulfillable inventory. If an item was returned as “Defective,” it cannot be put back in your fulfillable inventory. But if the warehouse worker decides an item hasn’t been opened by the customer, the packaging isn’t damaged, and it wasn’t returned as “Defective,” they will decide to add it back to your sellable inventory.

Depending on how many of that item you have in stock, you should consider having your returned item sent back to you for personal inspection. The warehouse workers are trying to do their job at a high speed, and they might miss something in their inspection. If an item is listed in new condition, even the packaging must be in new condition. Even a small tear in the box or a missing piece of shrink wrap could cause a customer to doubt the new condition of your item. And if that future customer returns an item and reports it as a used item that you’re trying to sell as new, you would get a huge ding on your seller account, even if the warehouse worker was the one to make the determination of the condition after the return. **You want to be the one to make that decision. Don’t leave it to the warehouse worker.**

Note: If you have multiples of an item returned and put back in your inventory as sellable, then it’s up to you to decide if it’s worth it to have them all removed for inspection. For me, I’ll remove up to three items for inspection, but if I have over three in stock and one is returned as sellable, I’ll usually just make a note of it. That way, if I’m ever someday accused of selling an open/used item as new, then I’ll have proof that the item was deemed as sellable by a FBA warehouse worker and returned to my inventory and I am without fault.

**4. For all items returned to the FBA warehouse, find out the reason for the return.**

You can run a report to find out the reason by following these steps:

- Log in to Seller Central.
- Under *Reports*, choose *Fulfillment*, then *Customer Concessions*, then click on *FBA customer returns*.
- I usually run the report for 30 to 60 days, depending on how long ago the item was returned.
- Find the item in question on the report, and determine the reason given for the return.



Quantity	FC	Disposition	Reason	Status
1	LAS2	Carrier Damaged	Unwanted item	Reimbursed
1	LAS2	Defective	Unwanted item	Unit returned to inventory
1	LAS2	Sellable	Unwanted item	Unit returned to inventory
1	LEX2	Customer Damaged	Item is defective	Unit returned to inventory
1	LEX2	Defective	Product is not as described on website	Unit returned to inventory
1	LAS2	Sellable	Unknown Reason	Unit returned to inventory
1	LEX2	Carrier Damaged	Carrier Missorted	Reimbursed

For some reason, not all of your returns will show up on this report. If the item you’re looking for cannot be found on this report, you will need to open a ticket with Seller Central and ask them *why* the item was returned.

**5. Inspect the items that are returned to you.**

If you inspect a returned item and find it’s unopened and still in new condition, you can send it back to Amazon to sell it. It takes time, effort, and a small amount of money (usually less than

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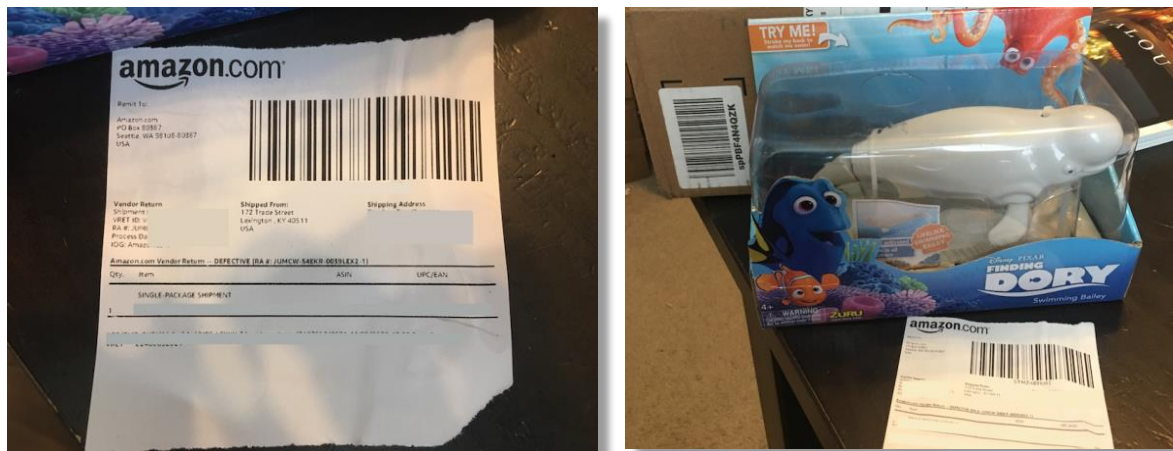
\$1) to have these items returned to you for inspection before sending them back in, but you want to spend that time and money in order to protect your selling account.

One more layer of protection is to check on the reason for the return. Customers can choose a variety of reasons for returning an item. Some of the reasons for return require the customer to pay return shipping. Some of the reasons do not.

Because of this free return shipping issue, you want to verify whether any items returned as “Defective” are in fact defective. It’s sad but true that some buyers will choose “Defective” as their reason for return solely to get free return shipping. They have no idea that this action harms third-party sellers on Amazon. They just want to save \$5 on shipping, and that’s the easiest way to do it.

**6. If you find that an item has been returned to you as “Defective” but it’s never been opened, or you test it and find that it is not defective in any way, you should immediately open a ticket with Seller Central.**

In your message, tell them that the item was returned as defective but you have no doubt that it is NOT defective, and you suspect the customer was trying to get free shipping. Along with your message, include a photo of the returned item with the return packing slip from Amazon, as well as a close-up photo of the packing slip with the numbers and text visible.



**Note: ONLY take these actions if you are absolutely beyond-a-shadow-of-a-doubt positive that the item is not defective.** If an item truly is defective, you must take responsibility as a seller for finding out why and then stop selling that defective item.

When I’ve taken the above steps with non-defective items in the past, I’ve received one of two responses from Amazon:

- A message stating they can tell from my photo that the item is unopened or not defective; thanking me for calling this to their attention; and letting me know they are adding a note to the customer’s account about this incident (if a customer continues this “buyer abuse” behavior, their buying account can be cancelled).

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- The above message plus a statement that they are requesting a reimbursement on my behalf for this item.

If the item is unopened and in new condition, Amazon will not give a reimbursement, since you can just send it back in again to be sold. If it's opened, they will usually give the reimbursement.

### **7. If you find that an item was not returned within the 45-day limit, request a reimbursement.**

#### **Get Reimbursed!**

From time to time you are going to need to request reimbursements from Amazon for your returns, so I want to show you the best ways to go about getting that money due to you.

#### **1. Keep track of your returns.**

You can stay on top of your Amazon returns in two different ways: you can keep a folder of all your Amazon return notification emails OR you can run a returns report in Seller Central. **Follow these steps to run a returns report:**

- Log in to Seller Central and hover the cursor over REPORTS at the top of the screen.
- Click on the PAYMENTS link under REPORTS.
- Click on the TRANSACTION VIEW tab.
- From there filter view by *Refund*, select the time frame, and click *Update*.

#### **2. After 45 days have passed, check the Returns Report or the Inventory Event Detail Report for the returned item.**

If you find items in your inventory where a customer initiated a return but they didn't actually return the item after 45 days, you need to open a help ticket with Seller Central and request reimbursement for that item. Within the *JumpStart Amazon* course, we have a detailed walk-through of how to go through this process in the video component of this module. **You will want to watch this section of module 15.1 of the video course to see this process in action. You can skip ahead to the 14:00 minute mark to start the screen capture walk-through.**

For more information on handling returns, I recommend you check out my blog posts on this topic:

**How to Handle Amazon FBA Returns and Minimize Loss:** [www.fulltimefba.com/handling-returns](http://www.fulltimefba.com/handling-returns)

**How to Handle Unfair Amazon Reimbursements:** [www.fulltimefba.com/unfair](http://www.fulltimefba.com/unfair)

Finally, I included a video module in the video portion of this course where I walk you through how to read and understand the Returns Report you generate in Seller Central. **Please refer to**

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**module 15.2 - Dealing with Returns - Returns Report for that screen capture walk-through. It's a 17-minute video and very informative about how to interpret your Returns Report.**

## Chapter 16 – Selling Slow Moving Inventory

In a perfect world, we would buy inventory for Amazon FBA, send it to the warehouse, and it would sell very quickly so we can get paid quickly and quickly buy more inventory. But we don't live in a perfect world. **We live in the real world, and sometimes our inventory does not sell as fast as we had hoped it would.**

In this chapter we are going to deal with selling slow moving inventory and how to make decisions about handling this situation so you don't have to deal with the consequences of inventory that just won't sell.

Before we get into sales strategies, let's discuss the reason why we want to focus on fast moving inventory in our FBA business.

### Storage Fees

**How fast you want to sell your inventory comes down to one major factor: Amazon storage fees.** Amazon charges two types of storage fees to their FBA sellers:

- Monthly storage fees
- Long-term storage fees

The following graphic breaks down the monthly storage fees depending on the time of year:



Based on these fees, a standard size book will incur a monthly storage fee of about 5 or 6 cents per month during the January to September time period, just to give you an idea of what a typical storage fee would be for that size item.

**The reason for higher fees during Q4 (October through December) is the huge influx of inventory that sellers hope to sell before Christmas.** In years past, sellers have sent in a ton of inventory that sells relatively slowly, so Amazon increased the monthly storage fees for that time of year as an incentive for sellers to buy faster moving goods.



**You will also notice that the monthly storage fees per cubic foot for oversized items is lower than the fees for standard items.** Again, Amazon is giving sellers an incentive to start stocking and selling more oversized items by having a lower fee per cubic foot.

All of these monthly storage fees are prorated during each month that each item is stored at an Amazon warehouse. If your item is only in storage for half the month, you'll only pay half the storage fee, and likewise if your item is stored the full month, you'll be charged the full monthly storage fee for that item.

Now, monthly storage fees are only part of the concern for FBA sellers. **You also have to keep in mind the long-term storage fees for FBA merchandise.** These long-term storage fees are charged on a monthly rolling basis when your items have been in the warehouses for over twelve months. Here is the breakdown of how long-term storage fees are accrued:



**3. Long-term storage fees**  
**Over 12 months - \$6.90 per cubic foot**  
**charged on a rolling monthly basis**

We'll go into more depth about long-term storage fees in a later section of this chapter. The main point I want you to take away from looking at these fees is this: **If your inventory stays at the FBA warehouse for too long, the storage fees could begin to eat into your overall ROI on those items.** In some cases, storage fees can completely eat up your profits. If you can find faster moving inventory to sell, you won't have to worry about this problem of storage fees.

## Sales Strategies

Let's say you do happen to end up with some slow moving inventory stored at an Amazon FBA warehouse. **I want to give you a few ideas of ways you can ramp up your sales and avoid paying too much in Amazon storage fees.**

### 1. Reprice

Maybe the reason your inventory isn't selling is because you have it priced too high. One of the quickest ways you can solve the problem of slow sales is to reprice your inventory. If you're interested in more information about repricing, I have a couple of blog posts you might be interested in:

**How to Manually Reprice Your Inventory:** [www.fulltimefba.com/repricing](http://www.fulltimefba.com/repricing)  
**My Top Repricing Strategies:** [www.fulltimefba.com/repricingstrategies](http://www.fulltimefba.com/repricingstrategies)

## 2. Advertise

You can go through the “Advertising” tab in Seller Central to set up advertising on slow moving products and try to increase your sales. The PPC (pay per click) program gives you extra exposure on your products, which could lead to more customers buying your inventory. Please note: For PPC advertising to work, the item must be buy box eligible, and you should be priced near the current buy box price.

## 3. Amazon promotions

Another strategy for moving slower inventory is to set up Amazon promotions. Within the Amazon platform you can set up BOGO promotions where customers can buy one, get one free; buy one, get one a percentage off; etc. These types of promotions are designed to help you sell multiples of an item.

## 4. Multi-channel fulfillment

Multi-channel fulfillment (or MCF) is a way of listing your item for sale on another platform, like eBay, but the item is stored at an Amazon warehouse and fulfilled by Amazon if it sells on the other platform. If a customer purchases an item from you on another platform, you can go in to your FBA inventory in Seller Central and set up a multi-channel fulfillment order. Amazon will ship the item from the warehouse to your customer. I use a service called [JoeLister](#) to automate my eBay MCF orders. If you’re interested in finding out more about this service, you can check them out at [www.fulltimefba.com/joelister](http://www.fulltimefba.com/joelister). JoeLister syncs your eBay and Amazon inventory, and it automatically updates your inventory amounts on both platforms when you get a sale on either platform.

## 5. Reprice again

I’m including repricing on my list twice because sometimes it takes a couple of times of repricing before your slow moving inventory starts to sell.

## Opportunity Cost

Some of you might be thinking, “What if I just want to wait around on my inventory to sell at my original price?” I get it. I typically advocate being patient with sales and not jumping the gun on repricing or other strategies. But storage fees can really damage your ROI and profits if you wait *too long* for an item to sell on Amazon FBA.

The cost of keeping slow moving inventory at an FBA warehouse goes beyond monthly storage fees. You need to also consider the **opportunity cost** of holding on to that slow moving inventory. Check out this definition of opportunity cost:



**Opportunity Cost**

**Opportunity Cost - the loss of potential gain that is given up to acquire or achieve something else**



If you choose not to reprice inventory so that it sells quickly, **you are giving up the opportunity to recover some of your capital and spend it on new inventory that will sell even faster.** You just need to weigh that cost as you're making a decision about continuing to pay storage fees on your items:

1. Keep the item priced high and wait for it to sell (and incur storage fees) — It might be worth it to pay the fees, if you know based on the [Keepa](#) data that you can get the higher price by waiting.
2. Lower the price to get back capital you can use to buy faster selling inventory.

**It's up to you to make the decision.** Every seller has their own business model, and every item of inventory behaves differently over time.

Whatever decision you make, please don't get too attached to any one piece of inventory. **Don't hold on to inventory too long just because you don't want to admit you made the wrong decision when you purchased it.** This is a business, and we all make mistakes at different times. Don't get too emotional about those mistakes. Cut your losses, and move on to better selling inventory.

I also highly encourage you to learn how to read and understand Keepa to analyze the price and sales rank history of items so you can see if prices will recover to the level you desire. **I have a free tutorial on Keepa that will get you started learning how to use Keepa to make better pricing decisions here:** [www.fulltimefba.com/readkeepa](http://www.fulltimefba.com/readkeepa)

### Long-Term Storage Fees

We've already touched on how much the long-term storage fees (LTSF) are that Amazon charges you for inventory stored at an FBA warehouse for over 12 months, but here is a quick refresher:

- 12 month rolling monthly fee = \$6.90 / cubic foot

These fees can really add up, so you need to keep an eye on your inventory and anticipate those fees. **A shoebox-sized item could be charged anywhere from \$3 to \$7, typically. A book**

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**might be charged \$2 or \$3, depending on the size.** Remember, long-term storage fees are charged every month on a rolling basis.

Honestly, if you've had inventory being stored in an Amazon warehouse for over a year, then it's just not going to sell unless you make some drastic changes (by following the sales strategies a few pages back).

For the latest Amazon info on long-term storage fees, be sure to refer to this quick link to the Amazon guidelines: <http://amzn.to/2tuyFds>

The next big question when it comes to long-term storage fees is **how to tell which items will be charged the LTSF**. The good news is that if you're just starting your business, you likely won't have any worry about LTSF for a while because your inventory hasn't been at the FBA warehouse that long.

To see which items are subject to potential LTSF, all you need to do is go to your Inventory Age page. To get there, log in to Seller Central, scroll down to the Inventory Planning box, click on View Inventory Dashboard, and then click on Inventory Age. From there you can see your estimated LTSF and which items Amazon is expecting to be charged a LTSF.

Amazon typically reminds FBA sellers in the News section of the Seller Central home page a few weeks before LTSF will be charged. Amazon calls it their "Long-term Storage Fee Inventory Cleanup."

Every month, it's up to you to look for which items might be charged a LTSF and then go through the sales strategies we discussed in detail above:

- Reprice
- Advertise
- Amazon promotions
- Multi-channel fulfillment
- Reprice again



**Another option for helping to avoid LTSF is to improve the listing for that item.** Let's face it: There are a lot of product pages in the Amazon catalog that have horrible pictures, pathetic titles, or nonsensical keywords and descriptions. Just a little tweaking of the product page can lead to increased sales — and improving the product page is a completely FREE method of working to avoid LTSF.

If you're interested in learning more about how to put together a spectacular Amazon product page, check out Karon Thackston's ebook [Amazon Advantage](#). She covers all the details of how to optimize the titles and keywords on your Amazon listings and get more traffic through Amazon searches.

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If you've tried every strategy you think would help sell a slow moving inventory item and it still hasn't sold, you can consider removing the item from your inventory before the LTSF will be charged. **To remove an item, you need to set up a removal order within Seller Central.**

Removal orders have two options:

- **Remove to the address you list** — If you remove the item to your place of business, you can try to sell it on eBay or Craigslist, you can add it to the garage sale pile at your house, or you can donate it to a local charity, among other options.
- **Dispose of the item** — Amazon will “destroy” the item for you. I put destroy in quotes because Amazon doesn't always destroy it; sometimes they sell it as an Amazon Warehouse Deal. Either way, whether they actually destroy it or they resell it themselves, you are no longer responsible for that item, including any monthly or long-term storage fees.

One important item of note: **If you remove aged inventory from FBA back to your place of business and decide later to send it back to Amazon, then Amazon will start your storage clock back up where you left off. Removing an item and sending it back to Amazon will not restart your storage clock unless it's at least 6 months later.**

From time to time I have inventory items that will be charged an LTSF, and I calculate that it's better for me just to pay the fee and not try to remove it or send it back or sell it elsewhere. Typically I make this call on higher priced or seasonal items where the fee will be only \$2 or \$3, and I feel confident from Keepa data that the item will sell at my higher price within another couple of months. For instance, if I have a pair of \$100 shoes that are only two months away from being in season and the LTSF will be \$4, I will consider just paying the LTSF because I know I'll still make \$40 profit within a couple of months.

**Strategy is key when it comes to storage fees.** Every seller has a different philosophy when deciding whether to pay fees or avoid fees — whether to remove inventory or hold on to inventory. You need to take a look at your own business model and decide on a case-by-case basis how you want to handle your own inventory. **Make sure you give yourself time to go through your older inventory every month and make the best decisions for the health of your inventory.**

## Understanding Your Inventory Performance Index Score

Speaking of the health of your inventory, Amazon created something called the IPI (Inventory Performance Index) score. This IPI score is very important for you to understand because if it is too low, then you'll have storage limits for how many items you can store at an Amazon warehouse to sell on Amazon. On the flip side, if your IPI score is high enough, you'll have unlimited storage at Amazon warehouses.

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Since Amazon keeps updating their rules on how they come up with your IPI, the best thing I can do for you is send you to two blog posts where I constantly keep up to date with the latest details on [how to understand your IPI](#) and [how](#) to improve your IPI score.

Whatever you do, don't just skip over the content in the two blog posts linked above. Those blog posts are required reading when it comes to running a successful Amazon business, so don't ignore them just because the text is in a blog post instead of this course, but get to reading both of them today. You and your Amazon business will thank yourself for reading those posts today.

## Chapter 17 – Protecting Your Amazon Seller Account

Amazon is unlike any other selling platform in the world in two regards:

1. The potential profits you can make on the Amazon platform.
2. How seriously Amazon takes their rules and guidelines.

### Importance of Your Amazon Seller Account

You need to protect your Amazon seller account like it's your baby. I'm not joking! You must go above and beyond to protect the life of your Amazon account. Please understand how important it is not to get in trouble with Amazon over your seller account:

#### **1. You are only allowed one Amazon seller account (unless you get special permission).**

You must understand: You get one shot at building an Amazon business with your one seller account. Amazon is very stingy about giving out second accounts, and it is extremely difficult (if not impossible) to get a second account if something happens to your first one. Amazon knows a ton of information about you as a seller, and it's just not going to be possible to try to get around their rules and start a second account. They track your IP address, bank account, and credit card, so you can't just use a new email address to create a new seller account. If you desire to build a business and earn a great income through Amazon FBA, you truly must guard your account from any damage.

#### **2. Amazon is serious about you following all their guidelines and rules.**

I cannot stress this point strongly enough. Amazon wants to be the number one customer-centric website, and all of their seller guidelines are created with that end goal in mind. They want their customers to have the best experience to be found anywhere on the internet so that they will come back and buy more. And you want customers to come back again and again to Amazon so that you get more sales too, right? So it's within your best interest to follow the [guidelines](#) to a T and keep Amazon and their customers happy.

#### **3. Too many “dings” on your account and Amazon will suspend your account indefinitely.**

If your account is suspended, it is incredibly difficult (and often costly) to get it reinstated. In fact, there are businesses set up to help sellers through the reinstatement process, and they are able to charge thousands of dollars for their services because of just how difficult the process is. The key for you as a seller is to be sure and do all the right things in following Amazon's guidelines on the front end so that you don't have to worry about what to do on the other side of a suspension.

Note: Sometimes when new sellers first open their Amazon account, the account might be temporarily suspended until you finish providing the documentation Amazon needs as proof of

## JumpStart Amazon

your identity. This situation is different from having your account suspended due to infractions of Amazon's guidelines.

### **4. You won't be able to just open a new account if your old account is suspended.**

Like I said above, Amazon tracks your personal info as a seller, and they will know if you are trying to game the system and open a new account if you have already been suspended or banned. Please do not think that if you are suspended, you can easily start over, no big deal. You get one shot at building an Amazon business, so you must take it seriously.



### **5. Keeping your Amazon seller account “clean” should be a constant priority.**

Protecting your seller account should impact every decision you make about your Amazon business. In particular, your sourcing decisions should reflect how important it is to you to keep your Amazon account “clean.” We'll get more into those particulars below.

## Protecting Your Seller Account

Let's go over a few ways you can prioritize protecting your Amazon seller account. The following should be areas where you are constantly striving to excel as an Amazon seller.

### **1. Read the Amazon guidelines. Really!**

It shocks me to find out how many people sell on Amazon who have not read the Amazon Selling Policies and Guidelines. Are the guidelines a riveting read guaranteed to keep you on the edge of your seat? No. To be honest, they're quite boring, but reading them is 100% necessary. In fact, if you have not read the guidelines yet, it needs to be the next thing you read. Seriously. If you go to the quick link [www.fulltimefba.com/guidelines](http://www.fulltimefba.com/guidelines), it will take you directly to the main page of Amazon guidelines as a starting place for thoroughly reading and understanding Amazon's regulations for sellers.

### **2. Improve your customer service.**

Amazon prioritizes customer service, and so should you. This includes responding to customer emails. Even though you might be selling through FBA and relying on Amazon to take care of your customer service, Amazon will ding your account if you wait over 24 hours to reply to a customer email. The faster you reply, the better your customer service looks to Amazon. And don't click on the “no reply needed” option unless you absolutely have to. Abusing the “no reply needed” option hurts your seller metrics. Even if your reply is only one or two words, Amazon sees this as good customer service.



### **3. Go above & beyond in your customer service.**

I never argue with a customer about a refund. If they want it, they get it. I often even let them keep the item simply to save them the trouble of putting it in a box and returning it to me. If the customer is unhappy with me for any reason, I want to go above and beyond to make sure the customer ends up happy.

### **4. Improve your feedback rating.**

I won't go into too much detail here, as I have already told you in a previous chapter how I keep a 100% positive feedback score (even though I still get negatives), but you really must do all you can to remove negative feedbacks while gaining more positive



feedbacks. The best way I do this is through the automated service [Feedback Genius](#). If you sign up with them [through my link](#), use the code **GOPROSMO** for 30% off your first 3 months.

One huge way that Feedback Genius protects your feedback score is by texting you if you get a negative or neutral feedback score (either as a seller or on a particular product, if you set up the service to do so) so that you can deal with that feedback and have it removed immediately.

### **5. Avoid selling products that are often counterfeited.**

I almost never sell DVDs or certain brands of high-end clothing/shoes anymore because of how often (and easily) they are counterfeited. I'll only sell these items if I buy them directly from the manufacturer. That way, I keep a record of all my receipts/invoices so there is no question that the item is genuine (you are keeping all of your receipts/invoices, right?). If you are sourcing at garage sales, thrift stores, or even a retail store that does not put the item name or UPC on the receipt, then you need to steer clear of those items.

### **6. If you Merchant Fulfill, ship orders ASAP.**

Even though the *JumpStart Amazon* course is about selling through FBA, I'm aware that many of you still Merchant Fulfill some of your orders, especially during Q4. Please remember that Amazon will ding your seller metrics if you do not quickly ship your orders. If you know you're not going to be able to fulfill these orders during a certain time period, be sure you turn on vacation mode for your seller account. The vacation mode will only pause your Merchant Fulfilled orders, not FBA.

### **7. When choosing a condition, round down, not up.**

Even if you purchased an item from a retail store, if the box has a tear or is scuffed up in any way, you cannot sell it as new. One of the worst things to do in Amazon's eyes is to sell a used item as new. Even if the item in the box is untouched and in brand new condition, if the box is

not in brand new condition, you simply can't sell it as new. Buyers can be very picky, and if they think they are ordering a product in new condition but get an item they believe is not gift quality, you might get a negative feedback for the order. Remember, people grade items differently, so it's best to play it safe. The added profit from selling an item as new instead of like-new is not worth the risk of suspension.

### **8. Stay away from drop-shipping.**

Selling an item you do not have in stock is one of the fastest ways to get your Amazon account suspended. Not only do you not know if the items are genuine, you also don't know if the item sent to the customer is the correct product. People can make some fast money with drop-shipping, but it's also the fastest way to get your account suspended. Only sell what you actually have in stock.

### **9. Read every email from Amazon.**

And don't just skim these emails, either. It's really important to thoroughly read them all. Amazon is known for "burying the lede" in their emails — meaning they don't always make it clear what their main point or most important take-away is for a particular email. You might have to read a couple of paragraphs before you get to the most important part of the email, so please don't skim or skip through sections of these emails.

## **Not Defective? Dispute!**

One last topic I want to cover on the issue of protecting your Amazon seller account pertains to claims from customers about defective items.

As we already discussed in a previous chapter, sometimes a customer will want to return an item, and in order to get free shipping on their return, they will claim the item is defective, even if it is not. Amazon will only let customers return items with free shipping for certain return reasons. If a customer doesn't want to pay return shipping, they might fudge on their return request. It stinks for us as sellers, and we have to keep a careful eye on returns to make sure we aren't being penalized because buyers want free return shipping.

In the chapter on "Dealing with Returns" we discussed how to go over your Amazon returns report. If you see on this report that an item has been returned as defective, here are the steps you will need to take to protect your Amazon account because of that defective claim:

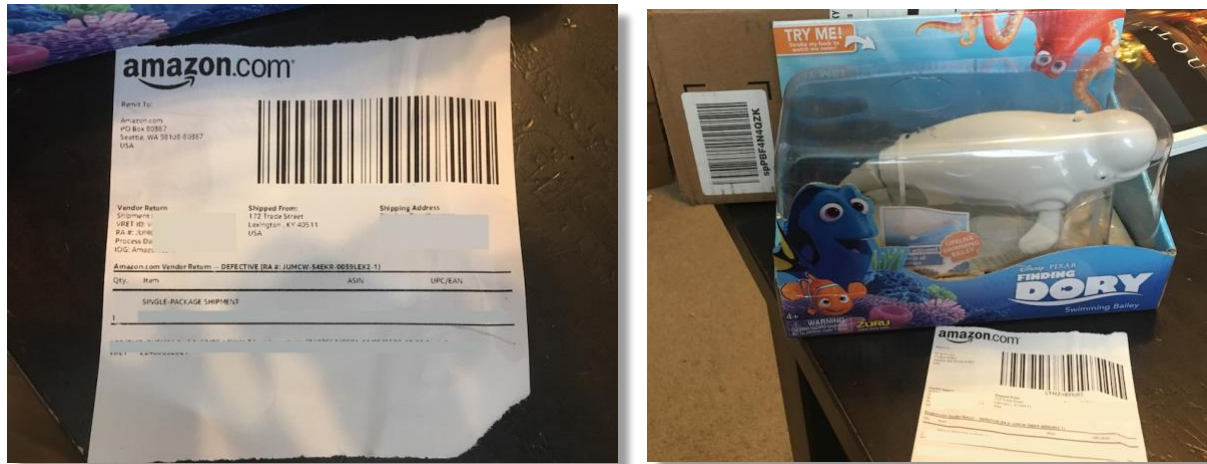
#### **1. Check your returns report.**

**2. If a customer claims an item is defective, create a removal order to inspect the item.** The item should be in your unfulfillable inventory in Seller Central, and it won't be available for sale.

**3. If the item is NOT defective, then open up a case in Seller Central to dispute the defective claim.**

**4. Take photos of the item, the packing slip, and the item with the packing slip.** These photos will help serve as proof that the item is not defective.

**5. Include the photos with your case files.** When you are opening a case with Amazon, you will have the opportunity to attach files to the case. Be sure to attach the photos of the item and packing slip at this time.



**6. Many times the Seller Central rep will remove the “ding” against your seller metrics for the defective claim.**

Here is a sample of the type of letter I will write to Amazon in the case I open in Seller Central:

*The customer returned this item and marked it as “defective,” but when I got the item returned to me it was still in brand new condition. I took the item out, tested it, and it works perfectly. It was not defective. I think the customer said it was defective in order to get a free return, but the item was not defective at all.*

*Can you please remove the claim that the customer thinks I sold them a defective product? Attached are photos of the item and the return packing slip. Thank you for your time.*

**Please note that the letter is calm and states facts.** It is polite and does not include name-calling. You cannot get angry with the Seller Central rep and make demands. You should only politely present the facts and make a request.

Sometimes a customer will open an item and take it out of the package, and I can no longer sell it as new. In those cases, I will use this line in my letter:

*Is there any way I can be reimbursed for this item since the item is not defective, but I can no longer sell it as new since it was opened and used a few times?*

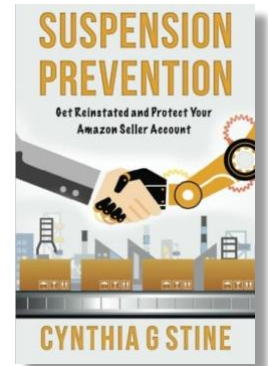
Nine times out of ten, Amazon will reimburse me for items when I make this request.

**Another note: Please only dispute a defective claim if the item truly is not defective.** Do not abuse this strategy for protecting your seller account by disputing claims on items that truly are defective or have other quality issues. It's important to protect your seller account, but it's more important to protect your integrity.

## Further Learning

There are so many more tips I wish I could share with you — the ones above are just scratching the surface. If you want to read more about how to best position your business to avoid a suspension, then I highly recommend Cynthia Stine's book [\*Suspension Prevention\*](#). The book is filled with wisdom and insight from someone who has helped reinstate hundreds of Amazon sellers.

If at some point down the road in your Amazon journey you want to get an expert opinion on the current status of your Amazon seller account, then look into Cynthia Stine's [\*Suspension Prevention Assessment Program\*](#). With her assessment program, you'll be able to see what areas in your seller account are vulnerable and get a plan of action for how to improve your account so you can avoid being suspended. You don't want the suspension notice from Amazon to be the first time you are aware that something is wrong in your seller account.



## Chapter 18 – How to Know What to Do Next

We are nearing the end of the *JumpStart Amazon* course, and I am truly excited for the progress you have made, as well as the potential you have to build a successful, profitable Amazon business.

At this point I'm sure you are wondering, **“Now that I've implemented all of the strategies we have covered, *how do I know what to do next?*”**

### Information Overload

In this course, I have bombarded you with tons of information about all areas of building an Amazon business and the intricacies of all the steps involved. You don't have to look too far to see all the other potential sources of information on Amazon FBA and ecommerce. **It can quickly feel like you're trying to drink water from a fire hydrant:**



I know I sometimes can feel overwhelmed with all of the information and choices involved in my business. It's a continual question: *How do I handle all of the information out there?*

Author Clay Shirky studies how social media and information affects our brains, and he has this to say: **“The problem is not information overload. It's filter failure.”**

There will always be more information coming your way, every single day. It is not going to slow down any time soon. In the rest of this chapter I want to talk with you about how to fix your filter: **how to figure out which information you should ignore and which you should listen to as you're deciding the next steps for your Amazon FBA business.** I can't tell you which steps you personally need to take next because everyone is on a different business trajectory — but I *can* tell you how to process information the right way so that you can make the best decision for yourself.

## Finding Your Next Step

Let's go over some questions you should ask yourself to help determine which step you should take next:

### 1. Time — How much is your time worth to you?

We talked about this question earlier in the course, and it's wise to check in on it again from time to time. When it comes to learning new areas of Amazon FBA and moving forward in your business, you could spend a lot of time and energy trying to learn concepts on your own or set up new processes on your own, but is your time more valuable than that to you? Is it a better, more cost-effective way to spend your time doing something else in your business? Should you pay to buy a course or a service and save time in the long run?

### 2. Quality — Is the promised outcome backed by testimonials and/or a guarantee?

As you are trying to decide whether you should try out a new course or product as your next step in your business, make sure you know how likely the outcome is. Seek out honest reviews and testimonials to make sure people are receiving solid results before you commit to go in that direction yourself.

### 3. Trust — Do you trust the source?

How well do you know the people encouraging you to go in a certain direction in your business? If it's a course you are considering, how much do you trust the person teaching that course? If you are considering an area of Amazon FBA that a lot of folks are raving about, how well do you know those people and their business success? Are they people you want to join or are they people you are skeptical about?

### 4. FOCUS — Follow One Course Until Successful.

Have you already focused on other areas until you've found success? Are you ready to commit to a new area of focus, working at it until you find success?



### 5. Passion — What strategy or idea do you feel most passionate about?

Passion about your business is no small matter. You will be most successful in the areas where you are excited to get to work every day. When you hear about a new idea for your Amazon FBA business, do you want to pursue it simply because other people say it is profitable, or are you interested in pursuing it because of how exciting and stimulating that area is to you? There may be times where you don't feel particularly passionate about any one direction. In those cases, just pick one direction using your best judgment, and make steps to move forward. **The worst thing you can do is to be stagnant and stop moving forward.** The same holds true

for learning about your business. Never assume you have learned it all. Always have one area where you are actively learning new concepts to apply to your business. **I've been selling on Amazon since 2011, and I'm still trying to learn new things all the time!**

### Get Started!

Hopefully by this point you've already started selling on Amazon, although I know there are some folks who like to go through a course completely before taking the first step. Finishing the course so that you have the big picture is great, and I'm excited you are nearing the end of this course and are ready to begin.

But I also know there are some folks who are addicted to learning, and they take course after course without putting their new knowledge into practice. To those people I would say: **Just get started!** Don't make excuses about needing to learn a little bit more before you take the first steps. It's time to get started!

Here are my suggestions for moving beyond the feeling of overwhelm and getting started with your business:

#### 1. Overcome overwhelm by focusing only on the next step.

If you are looking only at the long list of things you need to do to get to a point of success in your business, it's no wonder you are feeling overwhelmed! We can't accomplish all of those things in one day, and that can feel discouraging at times. Instead, look at what the *next step* is, and focus only on what you need to do to accomplish that particular step. Write down that step, even, to help bring clarity to the *one step* you need to be focused on.

#### 2. Take incremental steps.

Once you've accomplished that first step, then you can look at the next step...and then the next step. You are more likely to achieve your goals if you break them down into incremental steps, taking it one at a time, than if you mentally try to accomplish it all at once.

#### 3. Review the road map often.

As you are taking each step, you might start to veer off course over time. Make sure to look back and review your processes and your intended destination for your business from time to time so that you are staying on track to reach your ultimate goal. Reviewing the road map might mean going back to rewatch some of the earlier videos or reread some of the earlier chapters in this course.

**Here's the thing: Ultimately you need to just START.**



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*Schedule the action required today.* All you can do is what you need to do today. Don't say, "I'll start soon." Soon is not specific. *Today* is when you need to start.

Even if all you do today is open a document, give it a title, and save it — that's action! Do something to get action on your schedule for today.

### Ready for the Next Level?

When you are ready to go to the next level, I want to be here for you. The *JumpStart Amazon* course is all about starting an Amazon FBA business. Currently I am working with Rebecca on putting together a course to help you take things in your business to the next level. Here are a few of the topics we want to help you learn in the *Next Level Amazon* course:

- How to scale your Amazon business
- How to outsource your Amazon business
- Advanced strategies to make more money in less time
- How to snowball your profits all year long
- Finally experience the freedom selling on Amazon offers

The *Next Level Amazon* course is similar in format to this course; it's also a combination ebook and video course where you can learn more about what it takes to spend part time hours but make a full-time income on Amazon.

Plus, since you own *JumpStart Amazon*, I have a special coupon code just for you to use to save a significant amount on the *Next Level Amazon* course. If you use the coupon code **NEXT50** you can save \$50 off the cost of the course.

Learn more about *Next Level Amazon* here: [www.fulltimefba.com/nextlevelcourse](http://www.fulltimefba.com/nextlevelcourse).

OK, you only have one chapter left in this book, and you don't want to miss it. The last chapter will tie everything together from this book, so be sure to read it now and bring a good conclusion to your studies in this *JumpStart Amazon* course.



## Chapter 19 – Final Thoughts

You have made it! You are completing the *JumpStart Amazon* course, and you have made a significant investment of your time and effort toward building a solid foundation for an Amazon FBA business. **Congratulations!**

**The fact that you have followed through and completed this course says a lot about you and your commitment to your business and to your goals.**

As we are wrapping up our time together in this course, there are still a few areas I want to cover with you that didn't fit neatly into previous chapters. These topics are important enough, however, that I want to make sure and point you in the right direction to get more information.

### Important Full-Time Resources

#### 1. The Full-Time FBA Blog

If you aren't already using the [Full-Time FBA blog](#) as a regular resource for your Amazon FBA business, I highly encourage you to check out the archives of the blog. We have hundreds of helpful posts with tons of information on a variety of topics related to Amazon FBA. Just use the search bar to look for what you want to learn about and enjoy the free content.

[www.fulltimefba.com](http://www.fulltimefba.com)

**If you're looking for a place to start with reading helpful posts on the blog, I recommend these posts for getting started with Amazon FBA:**

[How to Find Profitable Inventory for Amazon FBA Sourcing](#) — This post covers the four basic questions I ask myself when I'm making a decision when I'm sourcing for my business.

[Easy Way to Track Your Mileage for Retail Arbitrage Trips](#) — You can keep track of your mileage related to conducting your business (including RA trips!) and deduct it on your tax return as a business expense. In this post, I share with you the easiest way I've found to track my mileage.

[Overcoming Your Fear of Leaving with an Empty Shopping Cart](#) — Don't fall into the trap of being fearful of not finding anything to resell.

[Overcoming Your Fear of Creating New Amazon Product Listings](#) — Amazon's guidelines and processes for adding products to their catalog can be daunting at times, but you don't have to let that stop you from bringing new products to the Amazon marketplace.

[The 3 Keys to Growing Your FBA Business into a Full-Time Income Generating Machine](#)

[How to Get “Free” Money to Use for FBA Sourcing](#)

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[The Four Biggest Myths Stopping You from Growing Your FBA Business](#)

[Non-Amazon Books that Improved My Amazon FBA Business the Most](#)

[How to Find Which Items are Out of Stock on Amazon](#)

## 2. The Full-Time FBA Show

[The Full-Time FBA Show](#) is a weekly podcast hosted by myself and my wife where we bring our combined experience and expertise in all things related to selling on Amazon. Be sure to listen in if you are ready for a podcast that will help you unlock the secrets of turning part-time hours into a full-time income via Amazon FBA.

This podcast will include conversations about profitable Amazon reseller strategies, proven steps to growing your business, and how to actually make more money on Amazon while spending less time doing it.

On the podcast, we'll also feature occasional interviews with successful full-time Amazon resellers who will share their stories, how they got started, the obstacles they were able to overcome, and more about their journey to Amazon FBA success.

Plus, every so often, we'll drop a "podcast perk" which will be a special free gift, limited-time coupon code, or other special opportunity that only podcast listeners will know about. Be sure to check out to the podcast and subscribe today.

[www.fulltimefba.com/podcast](http://www.fulltimefba.com/podcast)

## Money Saving Coupon Codes

I want to make sure you are aware of the other resources we have available through Full-Time FBA. We are committed to helping you have the information and skills you need to build and advance your Amazon FBA business, and our line of books and courses are designed with you in mind. If you want to see all of our books and courses in one spot, you can check out the link [www.fulltimefba.com/resources](http://www.fulltimefba.com/resources), but I'll also break each one of them down for you below. Be sure you read to the end because I share with you some great coupon codes so you can save big on these resources!

### *Next Level Amazon: Make a Full-Time Income with Only Part-Time Hours via Amazon FBA*

Selling on Amazon can be a great way to build up an income to help you reach your long-term goals like supporting your family, paying off your debts,

[www.fulltimefba.com](http://www.fulltimefba.com)



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and saving for retirement. But there comes a time in every Amazon seller's business where your growth levels out.

That's why I created the course [\*Next Level Amazon: Make a Full-Time Income with Only Part-Time Hours via Amazon FBA\*](#). In this course I outline everything you need to know in order to work less, but make more take-home pay. It's a strategy that has helped so many people go from working 60 hour weeks just to make ends meet... to truly only working 20 or so hours each week, while still bringing home a full-time paycheck.

The [\*Next Level Amazon\*](#) course includes an ebook with over 160 pages of results-oriented content and a video component with 12 content-packed modules featuring a total of 18 videos adding up to over 5 and a half hours of video training. If you are ready to take your Amazon FBA business to the next level, you can use the code **NEXT50** to save \$50 off the *Next Level Amazon* course today.

[www.fulltimefba.com/nextlevel](http://www.fulltimefba.com/nextlevel)

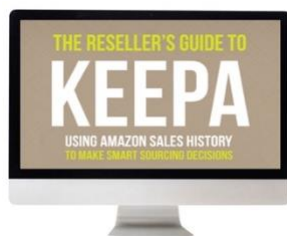


### ***The Reseller's Guide to a Year in FBA: A Month by Month Guide to a Profitable Amazon Business***

This book is over 220 pages jam-packed with tips, resources, and strategies that will help you have your best Amazon FBA year ever.

The book covers, month by month, exactly what to expect and what you need to prepare for when it comes to maximizing your profits for selling via Amazon FBA. Don't get left behind on the countless opportunities to grow your Amazon business to the next level. From January to December, [\*The Reseller's Guide to a Year in FBA\*](#) will help you stay ahead of the game! Use the code **HAPPY10** to save \$10 off the cost of the book.

[www.fulltimefba.com/yearinfba](http://www.fulltimefba.com/yearinfba)



### ***The Reseller's Guide to Keepa: Using Amazon Sales History to Make Smart Sourcing Decisions***

Have you ever wondered what it would be like to buy inventory that almost always sells quickly? Do you ever get frustrated because it seems like by the time your inventory arrives at Amazon, your competition has "tanked" the price and you're not able to sell your inventory at the prices you wanted? If it seems like your Amazon sourcing is more of a gamble than a sure thing, then this course is for you.

[\*The Reseller's Guide to Keepa\*](#) is a full course featuring over 5 hours of video content that will walk you through how to use the valuable online resource Keepa to make smart sourcing

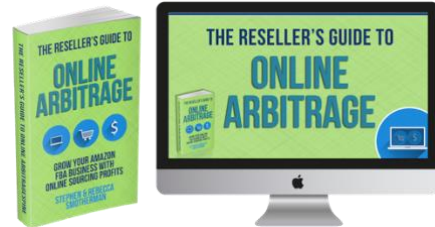
## JumpStart Amazon

decisions. Keepa records vital pricing and sales rank history for almost every item sold on Amazon. When you can properly read a Keepa graph, then you can use the data to make well-informed predictions about the future of prices and sales on Amazon. With this knowledge you can make the best sourcing decisions possible. Use the coupon code **KEEPA20** to save \$20 off the cost of [\*The Reseller's Guide to Keepa.\*](#)

[www.fulltimefba.com/keepacourse](http://www.fulltimefba.com/keepacourse)

### [\*The Reseller's Guide to Online Arbitrage: Grow Your Amazon FBA Business with Online Sourcing Profits\*](#)

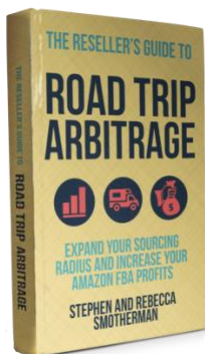
For many Amazon FBA sellers, staying home to source for inventory is an important aspect of the flexibility of running your own business. Online arbitrage (OA) allows you to source for Amazon FBA inventory from the comfort of your own home – or from anywhere in the world!



If you want to add or improve your existing OA sourcing skills, then check out our course: [\*The Reseller's Guide to Online Arbitrage: Grow Your Amazon FBA Business With Online Sourcing Profits.\*](#)

The course is a combination video course (5+ hours of OA training) and a 100+ page ebook. The videos and book both share the exact same content (so you can pick the format you most like to learn from). The course also comes with six time-saving and money-making bonuses all at no additional charge. For \$20 off *The Reseller's Guide to Online Arbitrage*, use code **OASAVE20** today!

[www.fulltimefba.com/OAcourse](http://www.fulltimefba.com/OAcourse)



### [\*The Reseller's Guide to Road Trip Arbitrage: Expand Your Sourcing Radius and Increase Your Amazon FBA Profits\*](#)

Retail arbitrage can be a lot of fun, but it's even more fun when you get outside of your normal sourcing radius and take an arbitrage road trip! In fact, some of our most profitable sourcing times were day-long trips where we sourced all day in a new location. The results were awesome with more inventory and more profits than usual.

We would love to help you plan your first arbitrage road trip with [\*The Reseller's Guide to Road Trip Arbitrage: Expand Your Sourcing Radius and Increase Your Amazon FBA Profits.\*](#) The course is a 60-page ebook, plus 4 time-saving, money-making bonuses.

Now, don't assume that all you need to do is travel a bit to find success with road trip arbitrage. There is so much more than that. There are ways to make an arbitrage road trip more successful, and there are ways you can ruin an arbitrage road trip. We're here to help you have the most success and make the most of your time and money doing road trip arbitrage. Plus, we'll show you how to have some fun doing it too. For \$10 off [Road Trip Arbitrage](#) today, be sure to use the coupon code **JUMP10**.

[www.fulltimefba.com/roadtrip](http://www.fulltimefba.com/roadtrip)



### [The Reseller's Guide to Board Games: How to Turn Play Money into Real Money](#)

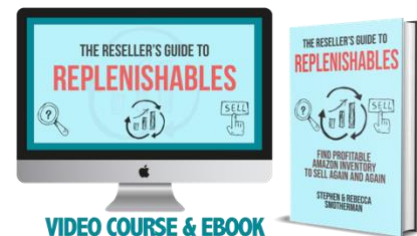
I want to show you just how easy it is to make hundreds of dollars a week selling new and used board games. Selling board games is a great niche to add to your online selling business. Whether you sell on eBay or Amazon, board games can be very profitable, but only if you know what you're doing. I find so many board games to sell that I don't mind sharing with you all of my secrets.

Board games are everywhere. You just need to know where to look for them. In [The Reseller's Guide to Board Games](#), I'll walk you through the complete process of finding, buying, preparing, and selling board games for maximum profits. You'll learn all the tips and tricks I use to find board games that don't just double or triple my money, but actually can take my initial investment and multiply it exponentially. Use the code **GAMES10** to save \$10 off the book.

[www.fulltimefba.com/boardgames](http://www.fulltimefba.com/boardgames)

### [The Reseller's Guide to Replenishables: Find Profitable Amazon Inventory to Sell Again and Again](#)

Let's be honest. If you really want to turn part-time hours into a full-time income, the sourcing activities of clearance aisles, liquidation lots, garage sales, and thrifting are not the strategies that will make a full-time income.



The most efficient and profitable way to make a full-time income is to focus on replenishables. Buying and selling replens is easily one of the most lucrative strategies for stable, long-term Amazon success.

If you've been frustrated with your current sourcing strategies, and if you'd like to learn more about how to source inventory that you can buy multiples of, sells consistently, and rarely ever runs out of stock, then our course, [The Reseller's Guide to Replenishables: Find Profitable Amazon Inventory to Sell Again and Again](#), is for you.

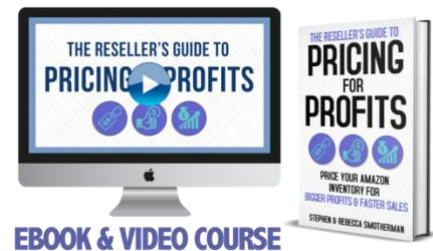
## JumpStart Amazon

With this course, you'll finally have the skills to source for inventory that you can buy multiples of, and you'll grow your Amazon business to the next level by selling your inventory faster and at higher prices! For \$20 off [\*The Reseller's Guide to Replens\*](#), use code **JUMP20** today!

[www.fulltimefba.com/replens](http://www.fulltimefba.com/replens)

### [\*The Reseller's Guide to Pricing for Profits: Price Your Amazon Inventory for Bigger Profits & Faster Sales\*](#)

Do you have a strategic pricing strategy for the items you're selling on Amazon? Your pricing game plan can determine whether your Amazon FBA business succeeds or fails.



In [\*The Reseller's Guide to Pricing for Profits\*](#), we'll help you craft and execute the perfect pricing strategy that will help you increase your profits while still consistently selling your inventory. With this course (3+ hours of video training with 70+ page ebook) you'll be able to squeeze more ROI out of every single item in your inventory. With increased profits you'll be able to grow your Amazon business faster and set yourself up for long-term success. Use coupon code **START20** and save \$20 when you enroll in [\*The Reseller's Guide to Pricing for Profits\*](#) today.

[www.fulltimefba.com/pricing](http://www.fulltimefba.com/pricing)



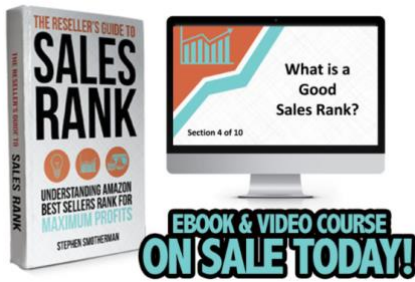
### *The Reseller's Guide to Black Friday: The Fool-proof Guide to Rock Black Friday Sales Every Year*

I teamed up with the Queen of Black Friday herself, Kristin Ostrander, to publish the definitive guide for making money on Black Friday. It's called [\*The Reseller's Guide to Black Friday: The Fool-proof Guide to Rock Black Friday Sales Every Year\*](#).

*The Reseller's Guide to Black Friday* is a combination ebook and live online master class to help you be properly prepared for all you need to do (and avoid doing) in order to help you save time and maximize your profits on Black Friday.

Notice: This book is only available for a few weeks in November. To access the book, all you need to do is [click here](#). If the book is not available for sale right now, you can sign up for a mailing list to be notified when the book goes on sale again. Those on the Black Friday guide notification mailing list may get an exclusive coupon code to save money when the next version is released – or you can use the code **FRIDAY5** to save \$5 when the book is available.

<http://www.fulltimefba.com/blackfriday>



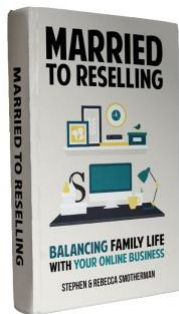
### ***The Reseller's Guide to Sales Rank: Understanding Amazon Best Sellers Rank for Maximum Profits***

Sales rank is easily the most misunderstood aspect of selling on Amazon. What is a good sales rank? What does a sales rank of zero mean? What do I do with sales rank for sub-categories? Why does sales rank have to be so confusing so much of the time?

I'm here to tell you it doesn't have to be that way! You can finally get the clarity you need on the issue of understanding Amazon sales rank numbers. We at Full-Time FBA have launched a mini-course called *The Reseller's Guide to Sales Rank: Understanding Amazon Best Sellers Rank for Maximum Profits*. The mini-course is a combination ebook (30+ pages) and video course (almost 2 hours).

Check out [The Reseller's Guide to Sales Rank](http://www.fulltimefba.com/salesrankcourse) mini-course to see how you can master the concept of best sellers rank and be on your way toward smarter sourcing decisions for your Amazon FBA business! Be sure to use the code **SALESRANK** to save \$5 on the course.

<http://www.fulltimefba.com/salesrankcourse>



### ***Married to Reselling: Balancing Family Life With Your Online Business***

Working from home sounds easy, but if you've done it for any amount of time, you know it can be difficult. There are times at home when you need to be working, but your spouse or kids are calling for your attention. You don't want to ignore them, but sometimes it could really interfere with the work that needs to get done. And the opposite is true as well. Sometimes we can get so caught up in the life of a reseller that we begin to neglect the people we love most, who are often in the next room wondering when we're going to take a break and spend some time with them.

In [Married to Reselling](http://www.fulltimefba.com/married), my wife Rebecca and I walk with you through ways we can all find success in balancing our time with family while working from home. We'll tackle both the business and personal sides of life as a reseller, and we'll help you explore a system that works best for you and your family.

If you're looking for ways to balance your family life with your online business and find success with both, then this book is for you. Use the code **BALANCE10** to save \$10 off the book.

[www.fulltimefba.com/married](http://www.fulltimefba.com/married)

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**Thank you so much for going through all of the chapters in this book and watching the videos in this course.** If you follow through with the steps we have discussed throughout the *JumpStart Amazon* course, I am confident you will be headed in the right direction — towards success as an Amazon FBA seller! I wish you all the best in building and growing your Amazon business.

**Now...go get some work done on your business!**



## Appendix 1 – Recommended Reading

[\*48 Days to the Work You Love\*](#) by Dan Miller

[\*The 4-Hour Workweek\*](#) by Timothy Ferris

[\*Eat that Frog!\*](#) by Brian Tracy

[\*Financial Peace University\*](#) by Dave Ramsey

[\*Grit\*](#) by Angela Duckworth

[\*Mindset\*](#) by Carol Dweck

[\*The ONE Thing\*](#) by Gary Keller

[\*The Power of Habit\*](#) by Charles Duhigg

[\*Quitter\*](#) by Jon Acuff

[\*Start with Why\*](#) by Simon Sinek

[\*The Total Money Makeover\*](#) by Dave Ramsey