September 18, 2017 - Philip A Covington



Almost everyone has heard of Amazon and watched this giant grow and grow to almost total domination. People like you are becoming millionaires by selling "private label" products using Fulfillment by Amazon, also known as FBA. Amazon FBA automates the process of selling your product and allows you to concentrate on your business on the way to financial freedom.

Will you be the next Amazon millionaire?

### Should I Be Selling On Amazon?

Amazon FBA takes care of shipping your product, customer service, returns, and allowing you to sell to their huge customer base.

But selling is not for everyone. The upside is that you work from where you want, with no limit on potential income, but you need to fit these criteria:

- You must be willing to spend between \$1200 and \$2000 on your first product shipment
- You also must be willing to live with the risk of losing that investment if you make a major mistake.

If you have the initial capital to invest as well as accepting that there is a risk in investing that capital in any business, then Amazon is right for you.

A foreign citizen can even sell on Amazon when living in another country. A foreign citizen can sell in their own Amazon marketplace and/or the US marketplace.

You can open an Amazon Seller account as a sole proprietor or as a Limited Liability Company (LLC). While it is not a requirement to set up an LLC, doing so makes taxes, accounting, and personal liability assessment much more straight forward. Most states in the USA have now made it very easy to form an LLC.

#### Finding Your First Product to Sell

So, if you are still reading, then you have probably decided that selling on Amazon is right for you. To get started, you will have to research your first product to sell on Amazon. While you can sell unbranded generic items on Amazon, it is much more profitable to sell what are called "private label" items. Private label means that you locate a supplier or manufacturer who makes the type of product you are interested in and get them to label the product as your brand, with your logo.

It is also important to differentiate your product from the competition. You need to create good product listings, with professional photos, and clear descriptions.

### Finding a Supplier or Manufacturer

At this point, you've analyzed the market and you have found your first product to sell. The next step is locating a manufacturer that makes the exact or similar product.

For the majority of products that you will private label, the lowest cost suppliers and manufacturer are usually located in China. There is a website called Alibaba that you can use to search for suppliers and manufacturers in China. Alibaba makes it easy to contact these suppliers and manufacturers. However, there are some important guidelines when contacting these suppliers and manufacturers on Alibaba.

- You should set up a company profile with Alibaba with your business information as well as your company logo (don't have one yet? Search on Fiverr.com)
- Contact as many suppliers as possible to get quotes and compare prices.
- You also want to determine how well the supplier communicates with you and how responsive they are
- When you contact one of these suppliers, represent yourself as a sourcing agent for your company, not as the boss of the company.
- Ask for pricing at or above their minimum order quantity (MOQ). Once you have gotten a quote from them, inform them that you will want to first place a smaller test order.
- Select the supplier that is the most responsive and easy to work with, while having the lowest price that includes shipping the USA.

Following these steps dramatically increases the number of suppliers that will respond and want to work with you. The more suppliers that you have to pick from the better.

#### **Ordering Samples**

Once you've narrowed it down to just a few suppliers, it is a good idea to order some samples from those suppliers. Once you receive your samples, compare the quality between suppliers and decide a winner based on sample quality, price, and how well they communicate with you. If they're taking days to respond to messages or they misunderstand everything you say, you may want to think twice about doing business with them.

#### Packaging and Labeling

You will want to inquire about packaging with your supplier. While great product packaging isn't mandatory, it's a great way to add perceived value with very little effort. You'll have to add an Amazon ASIN bar code to your packaging anyway, so you may as well design custom packaging with the bar code already on it.

The Amazon ASIN bar code is supplied to you from Amazon when you create your shipping plan in Amazon Seller Central. Amazon will require a UPC bar code for your product. You can purchase a UPC code from various services on line. You will use the bar code number when creating your product listing on Amazon, but you will not have the UPC bar code put on your product. Instead you will have the Amazon ASIN bar code that Amazon supplies you put on your product by your supplier or manufacturer.

If you're keeping costs down and want to start with attaching the bar code only to the suppliers existing packaging, ask your supplier to do it in China for only a few cents per sticker, rather than having Amazon do it for 20 cents per item. You will have to email your supplier the Amazon supplied bar code and ask them to put it on the outside of every package. Most suppliers have connections with packaging and print shops so they can easily facilitate this for you.

If you want to design custom packaging for your product to differentiate your product, post a job on Fiverr or Upwork for package design. These sites have overseas designers that can do this work for a very small price. The trick is to pick the designers with good portfolios who also speak good English. Don't necessarily go for the least expensive designer, make sure they are responsive and easy to work with.

Once you have the finished design for the package, you then send it to your supplier and you're done! In the rare case your supplier can't do this or you need some special package, you can always find a packaging manufacturer in China and have the packaging shipped to your supplier's warehouse.

#### **Shipping and Importing**

Getting your product shipped from your supplier or manufacturer in China to an Amazon warehouse in the USA is the last hurdle. It is one of the most complex parts of the process but don't worry, there are some easy solutions.

The first is to request that your Chinese supplier quote you the total cost for your product quantity including door-to-door shipping. If your product is not bulky, this is the easiest method in shipping your product to the USA. Your supplier will handle all the costs and customs charges for the products to be shipped directly to an Amazon warehouse.

However, there are times when your product is too heavy or too bulky to be shipped via door-to-door shipping economically. Or, you supplier insists on EXW shipping terms. The easiest way to deal with this is to hire a freight forwarder to take your product from whatever port will be shipped from, and handle the transportation and customs paperwork to get your product into an Amazon warehouse in the USA. This is much easier and less error prone than trying to get this done yourself.

This is an extreme example, FOB shipping terms eliminate half of this difficult process and air shipping even more so, but a freight forwarder can be your best friend.

I recommend that you find a reliable freight forwarder based on referrals from other Amazon sellers in Facebook groups.

#### **Preparing Your Amazon Product Listing**

So now that your product is en-route from China to an Amazon warehouse in the USA, you will probably be impatiently counting the days until your product launches on Amazon. Now is the time to create and optimize your Amazon listing so that you are sure to convert browsing customers into buying customers.

This is what needs to be done to create your product listing:

- You need professional and amazing product photos
- Professional and eye catching graphic designer
- Carefully crafted product listings and descriptions

Photography is probably the most important and it can take the longest so get that done first. Many Amazon customers make buying decisions just from the photos of your product - the photos are what catches the customer's eye and causes them to stop scrolling. This is why your product photos must be the best you can get. Just search for a product photographer to do the job. It is an investment well spent.

Once you have your professional product photos, consider hiring a graphic designer on Fiverr or Upwork to spice them up. Have you ever seen those photos with zoom in bubbles that show off a products features in a very cool way? It is a good idea to have some of those. You can also get your designer to do FAQ photos, size charts, or whatever it takes to show off your product. These things can really set you apart from your competition.

Make sure that each photo is resized to  $1500 \times 1500$  pixels. This will make the best use of the space you are given for your listing and it is optimized for the zoom feature of Amazon. Too low of resolution makes it impossible to zoom in enough.

Finally, you need to write the listing's title, bullet points, description, and backend keywords. Since Amazon is a search engine, the keywords provide information so customers can search for and find your product. Using keyword tools and customer research, you'll discover the most popular search phrases for your product, then place them in your listing to be search engine optimized.

Put your most important keywords in the title and the rest throughout your listing and in the back-end keyword fields. Write your listings in a readable way that shows off your product's benefits, but doesn't sound like an infomercial salesman. If you'd rather leave it to the pros, you can always hire a copywriter on Fiverr or Upwork.

#### What's Next?



Now that your product has arrived in to Amazon, and your listing is ready, sales begin to come in. Congratulations, you are now an Amazon FBA seller!

I hope that this article has given you a good 10,000 foot view of the process of selling on Amazon. If this seems right for you, and you are willing to invest some time, money, and elbow grease, you can continue to expand your Amazon business to any scale and any income level that you would like.

Want to continue learning about selling on Amazon?

Are you concerned because you have little or no business experience?

I offer a comprehensive course called the "Ultimate Amazon Seller" where I take you step-by-step from setting up your Amazon business all the way through to growing it into a stable, successful, long term business that will offer you financial independence for years to come.

#### Interested?

Check out my course at:

http://ultimate-amazon-seller.teachable.com/

I also have a YouTube Channel:

https://www.youtube.com/c/philipacovington

And my website:

http://www.philcovington.com/

#### **About the Author**



Philip A Covington has over 35 years of business experience, 20 years of that running his own businesses. He knows the ins and outs of every aspect of business and the issues business owners face in today's marketplace. Having worked as an employee for multiple very successful companies and seeing the owners of the company get rich, Phil vowed to never work for an employer again. This decision has changed Phil's life entirely and was the best decision in business he had ever made - to become an Entrepreneur and business owner.

Phil did not have a mentor to help him in his Entrepreneur aspirations and had to become successful by trial and error - figuring out and solving the issues by himself. Phil vowed that one day he will become a mentor to those who want financial independence from an employer and to take control of their financial future. Phil believes that sharing information pays overwhelming dividends as opposed to keeping quiet about "trade secrets". Phil believes that everyone should have access to information that is a proven path to success in business and to individual financial freedom.

Phil was originally educated as an Electrical Engineer and a Software Engineer. He was born in Atlanta, Georgia, his family moved to Ohio when he was 3 years old. Phil has two younger brothers and is married to his beautiful wife Ramona. Phil and Ramona currently live in the capital city of Columbus, Ohio.