



Online Arbitrage Checklist

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Go through this checklist anytime you find something to sell with online arbitrage (OA). Anytime you get to a point you don't like, then do not sell the product. Remember, the key with OA is to sell a lot of different product, not a lot of the same product. You want to have hundreds of listings selling 1 per day, not 1 listing selling hundreds per day.

1. Check to make sure it isn't brand/category gated.
 - a. Click "Sell on Amazon" or go to "Add a Product" under "Inventory" and paste in the ASIN number.
2. Check number of "relevant" sellers and add 1 to this number. This will be the total sellers once you are on the listing.
 - a. "Relevant" sellers are all sellers using FBA with the same price as the Buy Box.
 - b. If Amazon is a seller, do NOT sell it.
3. Calculated sales velocity
 - a. Get the 90 day sales rank average from the [Keepa extension](#) and put that [Jungle Scout Sales Estimator](#) to get the monthly sales.
 - b. BONUS: Learn to read the Keepa sales rank graph (green line) and you can tell immediately if it's a good buy or not.
 - c. Divide the total monthly sales by the number of relevant sellers + 1. Ex: (200 monthly sales)/(3 Sellers +1) = 50 monthly sales for you. This is the number of sales you can expect for yourself in a month period.
4. Calculate the ROI and Margin
 - a. Use the [FBA Calculator](#) or the [Chrome Extension](#) to calculate your profit.
5. Calculate shipping costs and subtract that from the profit.
 - a. Some retailers offer free shipping, others do not. Go through the checkout process to see the cost of shipping from the retailer.
 - b. There is also the cost to ship TO Amazon from your house/prepper's location. This is typically very cheap and I'd only consider this a major cost if the item was very large (12+") or heavy (2-3+ lbs). I use \$0.30 per lb for this estimate.
6. Subtract any other costs.
 - a. Cost of a 3rd party prepper?
7. Now that you have your overall Profit and Sales velocity, you must decide if you think purchasing the product is worth it. Typically, anything over a 30% ROI I find satisfying. This number is different for everyone. When you're first starting out, you might want to be pickier and go for higher ROI products.
8. Here is an example:
 - a. A product is ranked 20,176 in Home and Kitchen (263 sales/mo). It has 23 sellers, but only 7 are relevant. This means I could get $263/(7+1)=33$ sales per month. The profit (after shipping) is \$5 per unit with a buy cost of \$10 (50% ROI). Possible profit is $\$5 \times 33 \text{ sales} = \165 per month. I would buy 33 of these (a month's supply).

