

A person is sitting at a desk, working on a laptop. Their right hand is on the keyboard, and their left hand is holding a cardboard box. In front of them is a calculator and several stacks of cardboard boxes. The scene is framed by a large red circle on the left side of the image.

The ultimate guide to selling on Amazon

WORLDFIRST

Welcome

Here at WorldFirst, we have been helping businesses sell globally on Amazon by providing an international collections account for over ten years.

Along our journey we have worked with over a hundred thousand sellers and a huge range of ecosystem partners, and in 2019 we were acquired by Ant Group (an affiliate of Alibaba). So, we are well positioned to provide insights in the eCommerce space and have created this guide to help businesses and individuals launch and grow on the marketplace.

Matthew Lane
Head of Marketing

In this guide:

- 1 Introduction
- 2 Product research
- 3 Launching your store
- 4 Growing traffic & sales
- 5 Shipping & Logistics
- 6 Finances
- 7 How WorldFirst can help



1

Introduction to Amazon



INTRODUCTION

Amazon is the world's largest eCommerce marketplace boasting over five billion web visits per month for all their sites globally, with around half of that number coming from the US site alone. Numbers vary, but Jungle Scout claims that 74% of consumer searches in the USA start with Amazon.com, higher even than those who begin on Google.¹

If you are living outside of the US and aren't well connected to the eCommerce world, these numbers might shock you, given the fact that Amazon is still in its early growth stage in places like Australia and Singapore, having entered the market in 2017 and 2019 respectively. These regions are currently dominated by eBay and Shopee.

In regions such as the USA, UK and Europe, customers love Amazon – they have choice,







the best prices and fast deliveries linked to their Amazon Prime memberships.

Apart from these factors, what makes Amazon significant is its aggressive expansion, both into new markets and into new categories. In the past decade alone, they have expanded all over the world, from Australia and Singapore to South America and, most recently, Poland.





Amazon isn't just a marketplace; they're in logistics, cloud computing, groceries, streaming and media, to name a few verticals. So, hopefully, that's enough to convince you that Amazon is significant for consumers. More on why Amazon is great for businesses to follow.

See how customers shop Amazon stores around the world:




Europe

-  [Amazon.co.uk ↗](#)
-  [Amazon.de ↗](#)
-  [Amazon.fr ↗](#)
-  [Amazon.it ↗](#)
-  [Amazon.es ↗](#)
-  [Amazon.nl ↗](#)





Asia-Pacific

-  [Amazon.co.jp ↗](#)
-  [Amazon.in ↗](#)
-  [Amazon.com.au ↗](#)
-  [Amazon.sg ↗](#)

Middle East

-  [Amazon.ae ↗](#)
-  [Amazon.com.tr ↗](#)
-  [Amazon.sa ↗](#)

Americas

-  [Amazon.com ↗](#)
-  [Amazon.ca ↗](#)
-  [Amazon.com.mx ↗](#)
-  [Amazon.com.br ↗](#)

¹ Jungle Scout Amazon Advertising Report 2021



200M+

PAID PRIME MEMBERS GLOBALLY

as at first quarter of 2021, up from 150B
at the end of 2019¹

300M+

ACTIVE CUSTOMER ACCOUNTS

2.5B web visits a month²

100+

COUNTRIES SHIPPED TO

across Europe, the Americas, the
Middle East and Asia Pacific

AMAZON VS YOUR OWN WEBSITE

When it comes to starting your own business, the traditional eCommerce method has been to create a website, drive traffic and sales, then fulfil orders. This model was upturned with the arrival of online marketplaces, which aggregate stores and products, offering a one-stop-shop for consumers. The benefits of opening a storefront on Amazon, as opposed to your own, are that you're tapping into a ready-made audience of buyers and the ease of setting up shop, with all the infrastructure already in place.

The downside is that the platform isn't yours; you'll need to follow Amazon's regulations when it comes to listings, products and customer service.

USA VS UK VS AUSTRALIA



Amazon's largest pool of consumers hails from North America, with well over 100 million Amazon Prime members, so selling in the USA can grow sales exponentially. You'll need to provide a US phone number and have a local currency account, such as WorldFirst's [International Collections Account](#), which will allow you to receive, hold and repatriate funds from your sales.

With Brexit, selling on Amazon UK has made tapping into the European market more complicated but it is still be a promising venture if your product is popular with UK consumers. Furthermore, as a less mature marketplace compared to the USA, there's less competition. With the right tools and marketing strategy, you could see your sales take off.

Selling in Australia may be the easiest option as you know the local customs, but it does restrict the potential audience for your product. The good news is that Amazon Australia has recently begun to service New Zealand customers, who previously had to purchase from the US site.



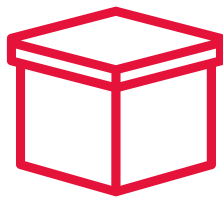
TYPES OF SELLING

A general consumer may not be aware that Amazon marketplaces consist of millions of third-party sellers, not just Amazon selling products itself. There are three main ways to sell on Amazon:



Private label

Selling products on Amazon under your own brand. You look after the manufacturing, branding & marketing.



Wholesale

Selling someone else's goods on Amazon. You find distributors with large catalogues and sell their products under their brand.



Arbitrage

Finding goods on sale and purchasing them at a discount. You resell them at a higher price for profit.

This report will mainly deal with the best ways to sell on Amazon by the Private Label method.



Account suspension warning

Amazon holds the right to suspend your account for a variety of reasons. These include: poor performance including late shipment rate, order defect rate and pre-fulfilment cancel rate; selling restricted products; policy violations; and opening multiple seller accounts. An account suspension is not just a headache – it can affect your revenue and reputation. It's easier to avoid an account suspension altogether than to deal with the appeals process and fallout. Stay up-to-date on Amazon policies and make sure to monitor your store's performance.



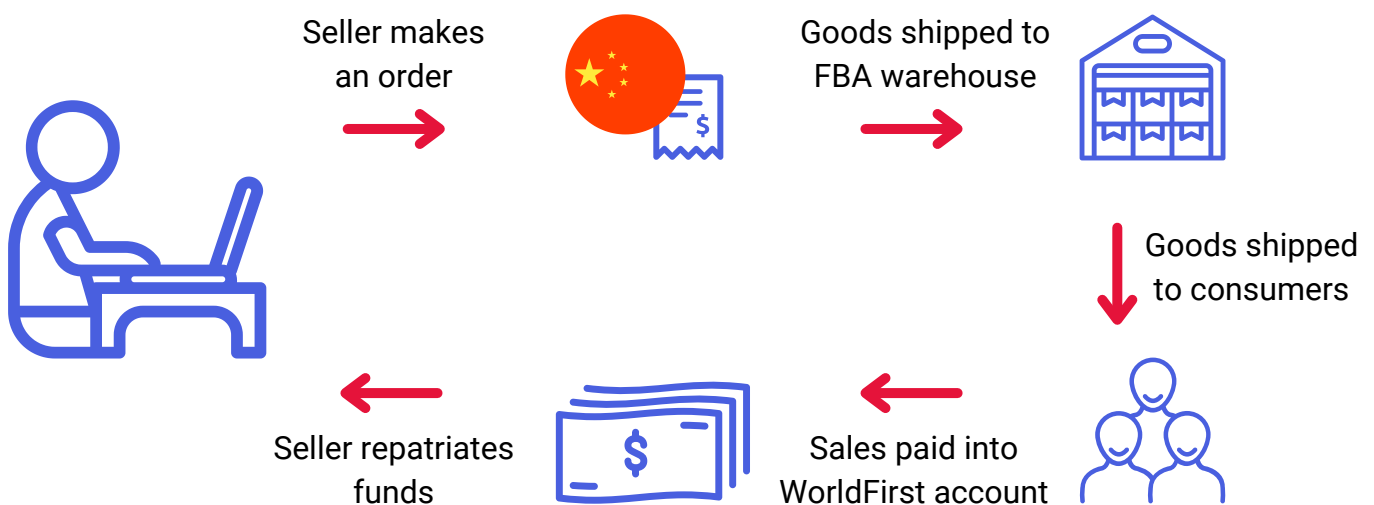
FULFILMENT SERVICES

One of the key benefits of selling on Amazon is their network of fulfillment centres, which simplifies cross-boarder selling. Goods are shipped from your factory to Amazon's warehouses where your goods are stored, and order fulfilment is handled by Amazon. This program is called Fulfilment by Amazon (FBA).

FBA sellers connect with Amazon Prime members, an annual membership for consumers that gives them access to fast and free shipping, streaming services and special sales days.

Fulfilment by Merchant (FBM) is also possible, but Amazon generally prioritises merchants who are using FBA. Many consumers sort their search by Prime membership so if you're not using FBA you could be missing out on sales.

HOW FBA WORKS



2

Product research

PRODUCT RESEARCH



There are a number of ways to find a winning product, but they should always start with data. There are a range of apps available that help you analyse search volumes on Amazon, pricing history, number of reviews and much more. The most popular tools we see with WorldFirst clients are:



These tools are a great starting point for product research, but Helium10 is our best pick as it comes with the Freedom Ticket course, an eight-week training course which takes you through finding success on Amazon.

IDENTIFYING A WINNING PRODUCT

The fundamentals to finding a winning product on Amazon are consistent with other online and offline channels. The common questions an entrepreneur will ask themselves are:

- ✓ Does this product solve a customer pain point?
- ✓ How much competition is there, and can I differentiate myself?
- ✓ Can I make a reasonable profit margin on the product?
- ✓ How would I market this product?



Tip: Finding a product with a small search volume but less competition can be a more profitable strategy than trying to compete in a crowded category with large search volumes.

Diving deeper into Amazon, there's certainly no exact science or criteria, but below are some steps often followed at the product research stage using tools such as Helium 10 and Jungle Scout. Research should cover competition, search volume, seasonality and logistics.



Search volume: Analyse search volume for your product to measure demand.



Competition: Assess competition by looking at the numbers of sellers competing for those searches.



Reviews: How many reviews do those product listings have? If there are lots of listing with thousands of reviews, you might be in a niche which is too competitive.



History: Review estimated sales and pricing history.



Cost: Visit a site like Alibaba.com to get an idea of purchase cost.



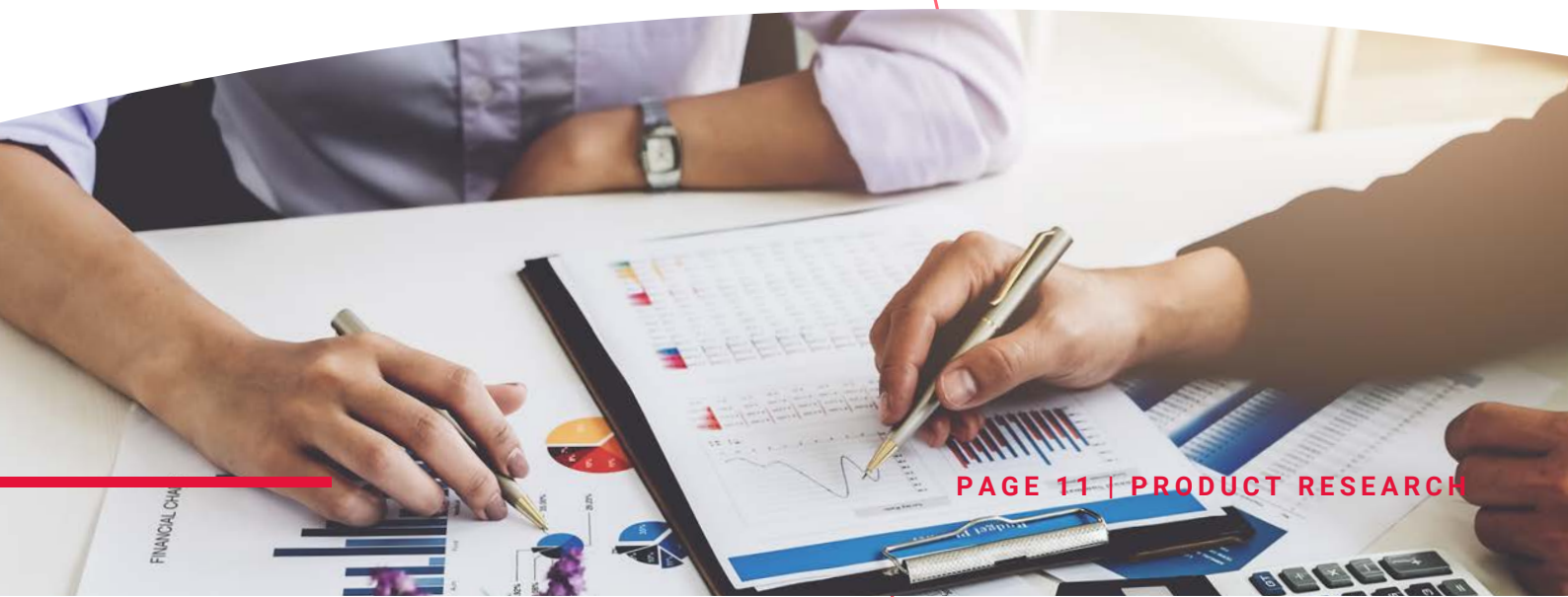
Trademarks: Ensure there's no patents or trademarks that sit with the leading products in that space.



Restricted items: Review Amazon's restricted product list to ensure your product isn't on the list.

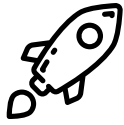


Delivery: Consider shipping costs – the larger and heavier, the more expensive your shipping will be.



SOURCING YOUR PRODUCT

Alibaba.com is the most popular B2B marketplace in the world. It boasts over 100 million website visits per month, has over 20 million global buyers using the marketplace and handles over 300,000 product enquiries per day. It's the go-to marketplaces for businesses all over the world to source products.



22 years

Supporting SMEs around the globe



100M+

Web visits per month



26M+

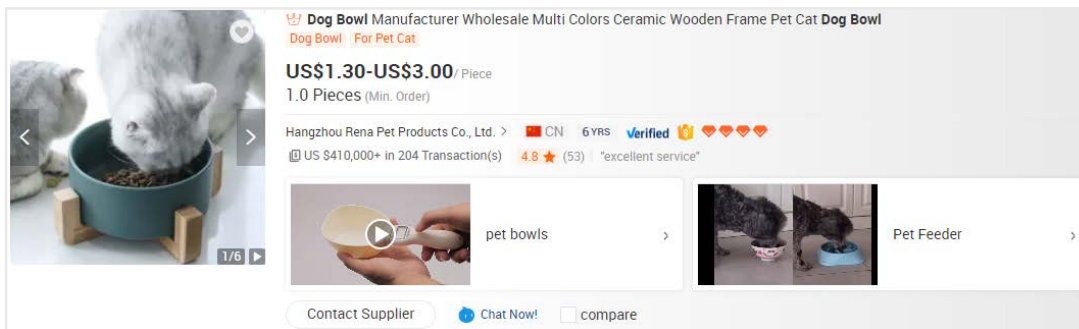
Active buyers



340K

Product enquiries daily

It's incredibly easy to search for products on Alibaba.com, similar to a Google search, and you don't even need an account to start your hunt. The search results will automatically show the most important information such as estimated prices, Minimum Order Quantity (MOQ), product photos and the number of years the business has been selling on Alibaba.com.



FINDING A TRUSTED SUPPLIER ON ALIBABA.COM

You can assess sellers by looking at the information in their profiles. The information is both verified and unverified by Alibaba, whose verification program includes several levels of authentication. Badges on a seller's profile help you know what steps they have taken to prove they are a trusted partner.



Gold supplier

Gold suppliers are verified by Alibaba.com as businesses with commercial or industrial capabilities via a premium membership



Verified supplier

Verified suppliers' company profiles, production capabilities, products and process controls have been inspected and verified by independent third party institutions



Star ratings

Ratings are given by other buyers to evaluate suppliers' capability, quality and service

QUALITY ASSURANCE

Below are three ways to ensure your purchase is protected.

1 Request samples

While it may delay your launch date and the cost for shipping one item can be surprisingly high, it's recommended you get samples shipped to you before you place your order so you can determine whether your goods are up to standard. This is particularly important when adding customisations or if you are private labelling. Suppliers will generally sell samples at the retail price.

2 Pay for a third-party product inspection

If you are making a large purchase, it would also be worthwhile considering an independent third-party service located in Asia that will visit factories on your behalf to verify the supplier and product quality. When dealing with a new supplier for a large order, a few hundred dollars extra for added peace of mind may be well worth it.

3 Choose a supplier that has Alibaba Trade Assurance enabled

In the event that either product quality or ship date varies from what you and the supplier agreed to in the Trade Assurance online order, Alibaba will offer you assistance in reaching a satisfactory outcome, including getting your money back.

Look for the Trade Assurance icon on product listing pages or ask your seller if it is offered. Adhere to all Trade Assurance rules to make sure your protection is valid, including messaging within the Message Centre instead of third-party apps.



**Trade Assurance
Supplier**

Trust is an integral part of Alibaba.com's success. Trade Assurance allows buyers to shop with confidence, knowing that they have recourse if they don't get what they pay for.



3

Launching your store

LAUNCHING YOUR STORE



There is always a fairly significant time lag between finalising your order with your supplier and the goods landing in your Amazon or third-party warehouse. This is should be the time to get your listing set up.

SIGN UP TO AMAZON

If you haven't already, signing up is fairly straightforward. Simply visit [Amazon Seller Central](#) and follow the prompts.

1. Create your password and enter your email or mobile number
2. Choose your business location and type
3. Enter your personal information
4. Choose which marketplaces you wish to sell on
5. Answer a few questions about what you are selling
6. Enter a credit card



Add your WorldFirst account details

Once you have completed this process, you should also enter your international currency account details from WorldFirst. The WorldFirst International Collections Account allows you to do global business like a local by collecting and making payments in 10 currencies, at bank-beating exchange rates. Find out how to connect your account [here](#).

My Amazon Store
2,680.00 USD

Currency
Client name
ABA Routing Number
Account Number
SWIFT (BIC)
Bank Name
Bank Address
Account Creation Date

Request verification letter

SETTING UP (AND OPTIMISING) YOUR LISTING

This stage is one of the most critical part of your Amazon launch journey. Even if you have the best product at a great price, if your listing isn't optimised, you will fail to launch or get traffic.

COPYWRITING FOR PRODUCT DESCRIPTIONS

Product descriptions can make or break your business, so take the time to get in the head of your target market, review competitors, use digital tools and make sure you are across Amazon's listing rules. Strong bullet point descriptions can go a long way here.

PRODUCT TITLES

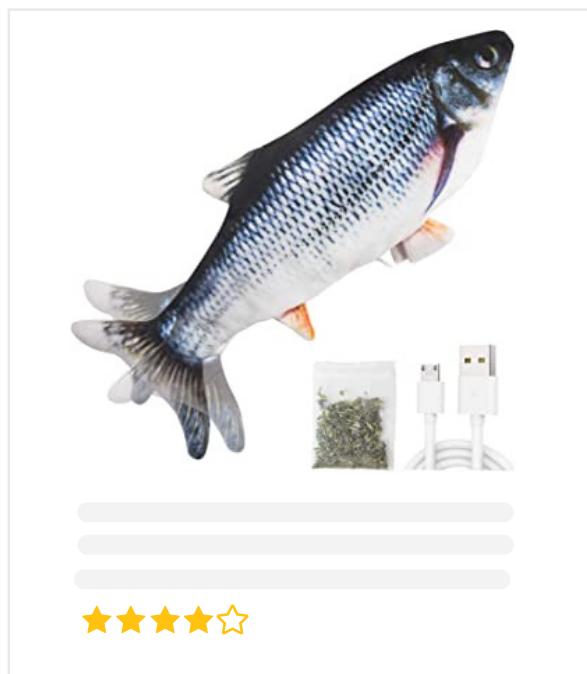
As with all eCommerce channels, your titles are extremely important. Your target keywords must be in the product title to help you rank organically and assist with conversion rates. If you are selling an inflatable palm tree targeted at children and have seen strong search volume and low competition for that search, those terms must be in your title.

PRODUCT PHOTOS

The top tip here is do not skimp out on product photography. Spend some money to get a professional to bring your product to life. There are even Amazon specialist photographers.

Amazon image requirements must also be followed. Some of these requirements include:

- Accurately representing the product for sale and matching the product title
- Having a white background (RGB values of 255, 255, 255)
- Using high quality photos
- No Amazon logos, borders or text added to the image
- Images at least 1000 pixels wide x 1600 pixel long
- Product occupying at least 85% of the image





UPC codes for Amazon

Universal Product Codes (UPC) are unique 12-digit codes that are used to identify retail products. They are usually accompanied by a barcode that can be scanned for quick identification. This is the most common code used in the USA, Canada, the UK, and Australia and are not exclusive to Amazon; almost everything you see in a grocery store will have a UPC code as it eliminates the need to manually enter product information.

Online sellers need a UPC code because they use it in the product ID section of their new Amazon listing. Without a code in the Amazon Product ID section you can't list your product. Depending on how many items you'll have in your store, you can purchase one code or hundreds.

Amazon's only requirement is that you need to buy a GS1 UPC code to finalise your product listing and start selling. It states that "we verify the authenticity of product identifiers by checking the GS1 database. EANs/UPCs that do not match the information provided by GS1 will be considered invalid."



UPC code

4

Growing traffic & sales

GROWING TRAFFIC & SALES









One of the key benefits of launching on a marketplace like Amazon is that there is lots of traffic already flowing to the site – you just need to get those users to your listing.

ORGANIC RANKING & LISTING OPTIMISATION

Organic ranking refers to the position your product is at, in any given search query. The higher you are placed organically, the better. If you aren't on the first page or second page, you will likely struggle to receive organic traffic, which means you will need to focus on optimising your listing or launch Sponsored Product ads.

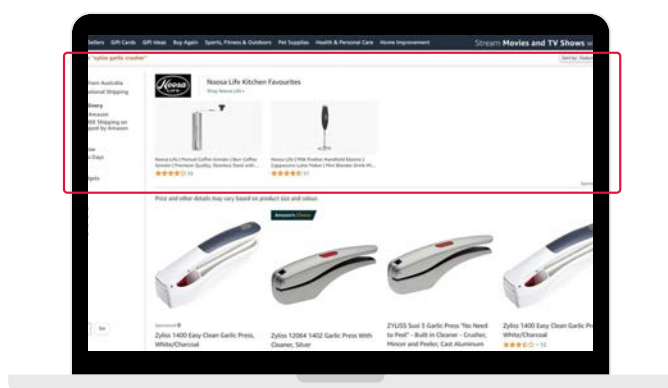
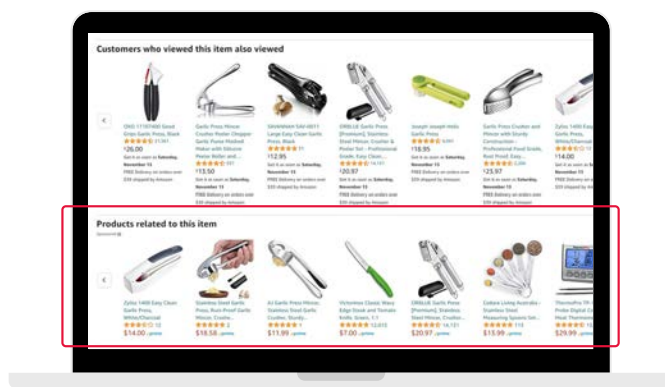
So, how do you optimize your listing for organic traffic? There are a lot of factors that influence your ranking, but Amazon's core objective is to position listings higher that are the most relevant to the search query and are likely to convert to a sale. Some factors influencing rank include:

-  **Keyword positioning in title and description**
-  **High quality images**
-  **Strong, persuasive copy**
-  **Number of reviews**
-  **Paid traffic strategy**
-  **General maintenance of your listing**

AMAZON PAY-PER-CLICK (PPC)

If you are familiar with Google Ads, you'll find Amazon's PPC advertising model relatively easy to navigate. As the name suggests, you pay Amazon for every click your ad receives. There are three types of Amazon ads available.

Sponsored Product ads are an advertising method where you select keywords that you want your products to be shown for, so when a user types in that search query, an ad with your product can be shown. As the name suggests, you pay Amazon for every click your ad receives. These can be identified by a small 'Sponsored' grey label in the bottom corner of the products listings that appear.



Sponsored brand ads allow you to promote your brand and logo, with up to three products. This is a great way to get traffic to your product listings when you are new and don't have a strong organic ranking. It also helps you build brand equity and show your brand's personality. There are agencies who can help with these ads or you can give it a go yourself.

Amazon Display ads are banner ads which sellers can use to send traffic to their product listing and can be found on Amazon, but also on external sites. Retargeting product page visitors with display ads is a popular strategy deployed by merchants.

Popular tools to research keywords and set your strategy for PPC are Helium10 and Jungle Scout.

MARKET YOUR LISTING OFF-PLATFORM

Another technique you can use to market your listing is using off-Amazon advertising channels to drive traffic to your listing. Facebook can be a cost-effective channel to drive traffic to your product listing and you can even use landing pages to capture emails.



AMAZON REVIEWS

One of the most important success factors of any Amazon product is the number of reviews it has received. Reviews can make or break your business, as they influence your conversion rate and even ranking.

Amazon is very strict on how reviews are generated, as they want this feedback to be as authentic as possible and can suspend your account if they believe you have received fake reviews. The best bet is to study Amazon's reviews policy very carefully, but some example of what you can't do include:

- Reviewing your own product
- Offering financial incentives for reviews
- Being part of review clubs that offer discounts for reviews
- Leaving negative reviews on competitors' products
- Diverting negative reviews away from Amazon

The safest way is to use the Amazon 'Request a Review' button. Tools like Jungle Scout and Helium10 also offer features to request reviews the right way.

PRIME ENABLED

If you use Fulfilment by Amazon (FBA) for your logistics, you can offer the benefits that Amazon Prime members sign up for such as fast shipping. Many users will filter searches by Prime sellers, which increases your chances of appearing in more search results.

Amazon claims that Prime selling can boost sales by up to three times.¹

Amazon Prime

✓prime | Ships from Australia

✓prime | International Shipping

Eligible for Free Delivery

Free Delivery by Amazon

All customers get FREE Shipping on orders over \$39 shipped by Amazon

Delivery Day

Get It by Tomorrow

Get It Within Two Days

Department

Kitchen Tools & Gadgets

Garlic Tools

Customer Review

★★★★☆ & Up

★★★★☆ & Up

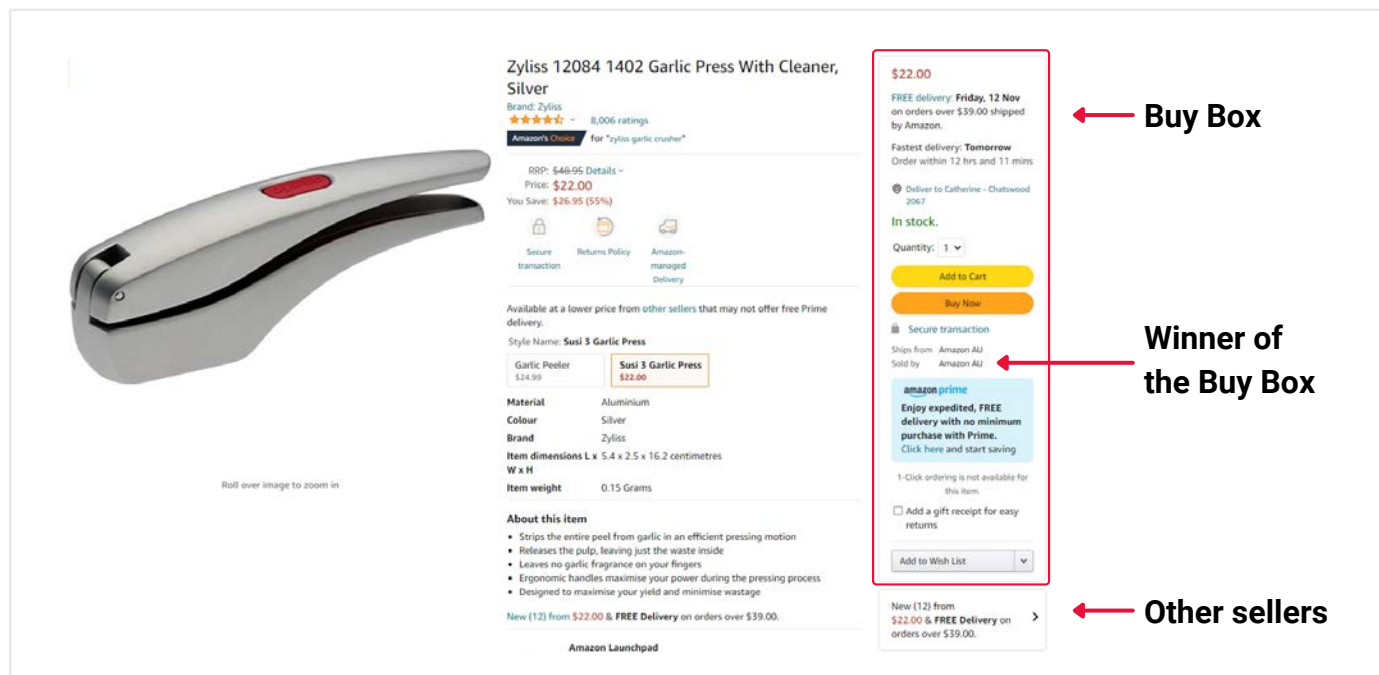
★★★★☆ & Up

★★★★☆ & Up

¹ Amazon India

THE AMAZON BUY BOX

The Amazon Buy Box is a prime piece of real estate on an product page. When a customer searches for a product and clicks on the result, the Buy Box is the white square on the right with the 'Add to cart' button. Most customers assume this is the only option for purchase, which is why it's so important to 'win' the Buy Box. Scroll down, however, and you can see the other sellers on Amazon with the same product.



FBA sellers' new items are eligible to win the Buy Box. Otherwise, there are certain requirements for eligibility, which include having a professional account, high performance metrics (order defect rate, cancellation rate and late shipment rate) and sufficient order volume.

The winner of the Buy Box is determined by Amazon's algorithm, which aims to provide consumers with the best value for money. This might not be the lowest priced item, although competitive pricing is highly regarded; Amazon also weighs up the seller's performance metrics and inventory. And, of course, using FBA will up your chances of winning the Buy Box.

In Seller Central, under inventory management, there will be two columns: Buy Box Eligibility, where you can check whether your product is eligible and Buy Box Price, where you can edit the price that appears in the Buy Box in order to increase your chance of being featured.



5

Shipping & logistics

SHIPPING AND LOGISTICS



There are two sets of shipping logistics to consider, firstly getting your goods from the manufacturer to a warehouse, whether your own or Amazon's, and secondly getting those goods to the consumer.

Factory to warehouse



Most factories, particularly those accustomed to dealing with Amazon sellers, will be well versed in international freight delivery. When you put through a wholesale order, they will often offer several quotes with varying delivery times and costs. However, depending on their default logistics provider, this may not be the cheapest option in the market. It's worthwhile doing your own research.

Fulfilment by Amazon (FBA)



For many sellers, FBA is the easiest route to starting an Amazon store as you're essentially outsourcing the warehousing, order fulfilment, delivery and returns process to Amazon. Goods are sent from the warehouse directly to Amazon's fulfilment centres, where Amazon staff pack and deliver customer orders. As mentioned earlier, FBA offers benefits to Prime members including faster shipping and will give your products more visibility in searches.

Freight forwarder



Freight forwarders are intermediaries specialising in cross-border shipping. They take the headache out of getting your cargo from the factory to your warehouse with services that include preparation of documentation, insurance, customs clearance and storage options. They can also advise on the best shipping method for your cargo. Their experience encompasses all forms of transport, including air, road, ocean and, in the case of Europe, rail.

Fulfilment by merchant (FBM)



FBM is the fulfilment method where the seller is responsible for all aspects of inventory storage and shipping. While this gives you more control over your stock and fulfilment process (for example, if you wanted to package your orders in a custom-branded box), you'll need to own the end-to-end customer service process including exchanges and refunds, on-time delivery and order cancellation.

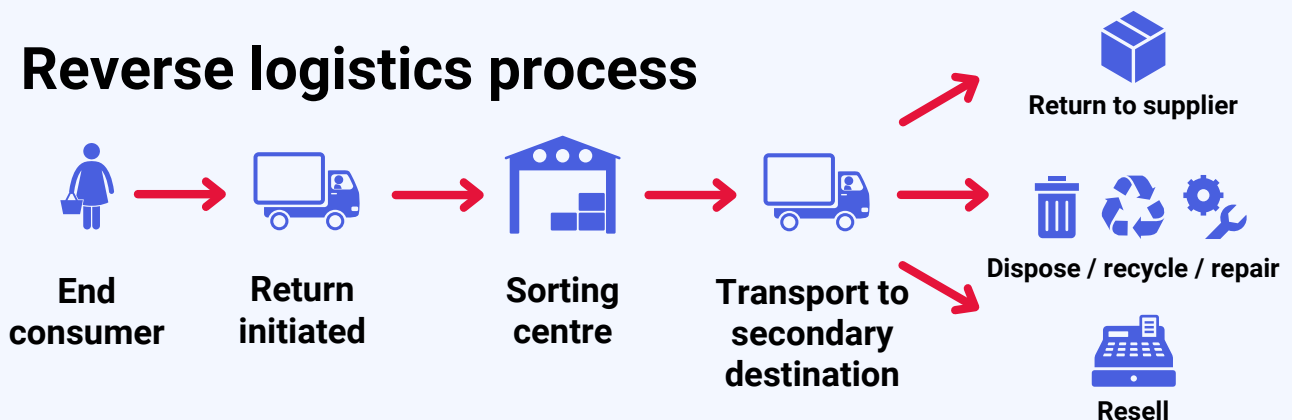


A note on reverse logistics

It's a good idea to build reverse logistics into your supply chain. Reverse logistics refers to returning goods back up the chain, from the end consumer to the manufacturer. This might be necessary for reasons that include customer exchange, end of life disposal or recycling and defective goods. Reverse logistics are important because a seamless return process can build trust, increase positive reviews and enhance a brand's reputation.

If you're using FBA, you're in luck – customer returns are part of the after-sales support process and any returned items will be added back into your inventory.

Reverse logistics process



6

Finances

FINANCES

As an Amazon seller and entrepreneur, being on top of your finances is vital to success. Not only are you responsible for cash flow, profit margins and supplier payments, you'll also need to understand your legal responsibilities as a seller, across all the markets you're selling in. Here are a few aspects to consider when controlling your finances.

Cash flow projections

You need to understand where and when money flows in and out of your accounts so you can stay in control of your finances. Without cash flow projections, you'll find it hard to grow your business.

Profit and loss statement

In basic terms, the P&L statement records all the expenses and revenue from your business over a specified period. When compared to previous periods, it offers an overview of the health and growth of a business.

Cost of goods sold (COGS)

If you know how much it costs to produce or acquire your goods, you can calculate your gross profit, as well as identify which products offer the greatest return.

Profit margin

The bigger your profit margin on a product, the better it is for your bottom line. On the flip side, in a competitive market such as Amazon, pricing your goods too high will discourage consumers and push them to your competitors.



Tip: Platforms like [MerchantSpring](#) help you see all your sales data from multiple marketplaces and platforms in one place. They also offer insights on sales opportunities and how to optimise conversion.

XERO

According to Jungle Scout, 80% of surveyed Amazon sellers list bookkeeping and accounting as their greatest weakness.¹

Cloud-based accounting software company Xero makes life easier for Amazon sellers by integrating with Amazon Seller Central to sync inventory and reconcile Amazon FBA transactions and offering a suite of apps so you can work on the go.

You can also connect your International Collections Account to Xero and sync multiple currencies, send invoices and create expense claims.





7

How WorldFirst
can help

WorldFirst is an international payments business helping online sellers and SMEs take their businesses global, backed by our multi-currency accounts and network of more than 60 online marketplaces around the world. As part of Ant Group since 2019, we share a purpose 'to make it easy to do business anywhere' by offering inclusive and affordable services to small and medium-sized businesses and online merchants.

With WorldFirst's International Collections Account, you can simplify your cross-border collections via a seamless, fast and secure platform. For more information on how WorldFirst can help your business, contact the local Australian team.

Collect. Convert. Pay. Manage.



Collect international payments from global marketplaces



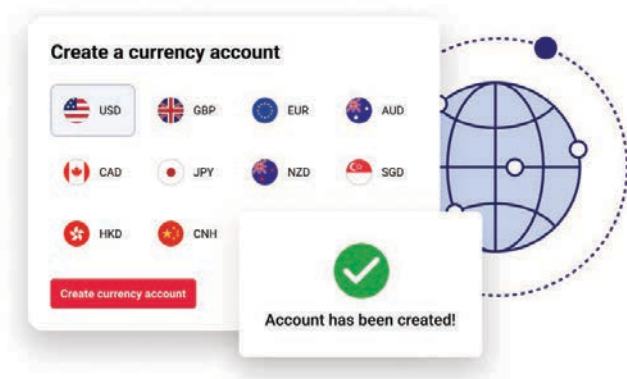
Convert money at a time and rate that suits you




Pay in multiple currencies from a single account



Manage your money and FX transactions all in one place



Contact the WorldFirst Australia Team

 1800 744 777

 ausclientrelations@worldfirst.com

 worldfirst.com/au/marketplaces/

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