

Starting an Amazon Business: The Ultimate Guide

Amazon has become one of the biggest marketplaces in the world, with over 300 million active customers. This makes it an extremely attractive platform for entrepreneurs and small business owners looking to sell products online. Getting started selling on Amazon may seem complicated at first, but following this step-by-step guide will set you on the path to launching your own successful [Amazon business](#).



Choose a Business Structure

The first step is deciding whether you want to operate as a professional seller or individual seller on Amazon. Professional sellers have access to more features and support, but you need to register as a business entity. Individual sellers can get started faster without formally registering a business.

Register an Amazon Seller Account

Go to Amazon Services Seller Central website and register for an [Amazon seller account](#). You'll need to provide contact details, banking information, and tax information. There are two main account types - Professional and Individual. Amazon will charge monthly subscription fees based on the type of account.

Consider Fulfillment Options

A key decision is whether to use Fulfillment by Amazon (FBA) or self-fulfillment. With FBA, you send your inventory to Amazon's warehouses and they pick, pack and ship products. This also makes items eligible for Prime and Free Super Saver Shipping. The other option is to handle storage and fulfillment yourself. FBA is recommended for new sellers.

Source Your Products

Carefully select the products you want to sell on Amazon. Thorough product research is essential here. You can source wholesale products domestically or from international suppliers and manufacturers. Using tools like Jungle Scout can help reveal lucrative niche opportunities with low competition. The goal is finding profitable products that will move quickly.

Set Competitive Pricing

Conduct competitor pricing analysis for the products you plan to sell. Find the current price being offered from other sellers and determine how much to charge. Balance competitive pressures and margins to land on a reasonable price. You can always fine-tune pricing once you get the product listed based on initial sales velocities.



Create Amazon Listings

High-quality Amazon product listings are vital for driving conversion on Amazon. Your listings should have concise titles, detailed descriptions, basic HTML formatting for scannability, search optimization, as well as photos and videos if possible. Pay close attention to Amazon's policies and restrictions around listings when creating them.

Ship Inventory

For FBA, packaging and shipping your inventory to Amazon's fulfillment centers will get items prepped for sale on the site. If doing self-fulfillment, keep inventory stored at your warehouse or home until orders need to be picked & shipped out. Use tracking numbers and monitor inventory levels. Continually replenish so you don't run out of stock on Amazon.

Consider Paid Advertising

Consider investing in Amazon PPC advertising campaigns. This involves paying Amazon to show your listings higher when customers search relevant product keywords. This can help rapidly gain initial traction if your product pages aren't ranking well organically. Amazon Sponsored Products get you in front of people ready to buy.

Analyze Metrics

Use reports within Amazon Seller Central to track key metrics. Pay attention to best sellers, order defect rate, feedback score, review rates, inventory turnover, weeks of cover on top ASINs, and advertising profitability. Use this data to identify opportunities to improve processes, fine-tune listings, or boost promotions.

Scale Strategically

As you get traction selling your first products on Amazon, think about scaling strategically. Consider expanding to more listings, adding new product categories, increasing inventory, raising prices as able, improving packaging, and speeding up fulfillment times. Make scaling easier by leveraging tools and software.

Staying on top of Amazon algorithm changes, policy updates, and new structure rollout also helps in taking your business to the next level. Focus on providing exceptional customer satisfaction through quality products, great service, and reliable fulfillment.

The keys to success selling on Amazon are choosing the right products, monitoring financials very closely, and innovating on top of a foundation of operational excellence. It does take significant time and effort, but by following this guide and sticking with it, you can ultimately build a robust Amazon-based business.