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Meta description: Wondering how to become an Amazon seller? Check out this comprehensive step-by-step guide on how to sell on Amazon for beginners. Get started today!

Title tag: How to Become an Amazon Seller: A Beginner's Guide | The Influence Agency

#### Feature image:



Alt text: An Amazon delivery man holding a box

# How to Become an Amazon Seller: A Beginner's Guide (H1)

<u>Amazon</u> is the most well-known e-commerce platform and the largest online store. The platform has around <u>1.9 million sellers</u> from all over the world, and this number continues to grow. Amazon also has over <u>150 million subscribers</u> to Amazon Prime, reflecting its vast



number of loyal shoppers. In Canada, Amazon continues to be the go-to for online shoppers as seen in its net sales of over \$7.1 billion in 2020.

This guide talks about **how to sell on Amazon for beginners**. Follow these steps on how to become an Amazon seller - and in no time at all, you'll be able to leverage this platform's <u>reach and credibility</u> to take your business to the next level.

Though getting your business set up on Amazon may seem like a daunting task, this guide on how to sell on Amazon for beginners is broken down into the following helpful sections:

- Should I Sell on Amazon? (Amazon vs. Your Own Website)
- What Type of Amazon Seller Are You? (Or Could Be)
- FBA vs FBM Selling Which One is For You?
- How to Become an Amazon Seller (FBA or FBM)

Let's dive right in!



Alt text: An Amazon seller who got started after learning how to become an Amazon seller

# Should I Sell on Amazon? (Amazon vs. Your Own Website) (H2)

Selling on Amazon has plenty of benefits - but so does selling on your own site. By weighing the benefits of each, you'll be able to determine what your business needs.



#### Benefits of Selling on Amazon (H3)

- Increases the likelihood of sales by being on a trusted and credible e-Commerce platform
- Has the potential to reach customers worldwide
- A possible large boost in sales thanks to the platform's large volume of consumers
- The chance to get new customers who haven't heard of your brand before
- The option to leverage <u>Amazon Vine</u> to jumpstart product reviews on new product <u>listings</u>
- The option to join <u>Amazon B2B</u> to track B2B sales, offer discounts for bulk orders, and more
- If you're the brand owner (i.e. not a reseller), you could sign up for <u>Amazon's Brand</u> <u>Registry</u> which allows you to build branded stores, use the <u>A+ Content feature</u> to enhance your product listings, and more.
- If you choose to set up FBA selling, which is discussed further in this <u>section</u>, you will get a hands-free and hassle-free system for fulfilling orders through Amazon.
  - Note: FBA selling also creates a great customer experience wherein orders are shipped within only <u>2-3 business days</u>.

#### Benefits of Selling on Your Website (H3)

- Full control over the look and feel of product listings
- No distractions of similar products from other brands
- Increases your brand's digital presence on an owned platform
- Fewer restrictions for Amazon compliance and shipping thresholds
- More direct communication with buyers regarding reviews, returns, and so on
- No Amazon seller fees, resulting in the potential for higher profits.
  - Note: Higher profits can only be achieved in this scenario with the right courier partnership to reduce customer cost on shipping or offer free shipping at a min cart value

Depending on what your business needs, you may choose to sell on Amazon, on your website, or both. If the benefits of selling on Amazon appeal to you, let's move on to the next step on how to become an Amazon seller.

# What Type of Amazon Seller Are You? (Or Could Be) (H2)

A crucial step in starting your Amazon seller journey is getting a better understanding of the landscape - particularly, what type of Amazon seller you are or plan to be.

You could be one or another, depending on what your business's needs are. Let's explore the possibilities!



#### Become a Direct-to-Customer Seller on Amazon (H3)

If you intend to be a direct-to-customer (or DTC) seller on Amazon, this means that you plan to sell products that are produced or manufactured by your business. This is the path that is usually taken by businesses that already have physical products or a plan to manufacture such products.

Many established brands on Amazon fall under this classification, especially for products like electronics, appliances, furniture, high-end clothing, and so on.

The main benefit of becoming a DTC seller is offering unique products. Therefore, it's unlikely for customers to find other listings with the same product offered at a lower price. This occurrence is more likely to happen with <u>private label brands</u> and <u>resellers</u>. Another benefit of being a DTC seller is that you have full control over the quality of the products you sell.

#### Become a Private Label Brand on Amazon (H3)

A <u>private label product</u> sold by a private label brand is typically manufactured by a third party. However, the product itself is branded and sold under the private label brand's name.

The main advantage of this setup is that merchants do not need to manufacture anything. However, private-label brands risk having other private label brands selling the same goods (albeit under a different name) - at a lower price. In such cases, customers will typically prefer the product sold for less.

# Become a Reseller on Amazon (H3)

Resellers on Amazon typically buy popular products in bulk and offer them with competitive pricing - but with a mark-up from the actual cost. If your business is a retailer, you're likely to fall within this category. Becoming a reseller on Amazon generally means that you need to be an authorized reseller which requires brand approval.

Like private label products from private label brands, one of the risks here is being "out-priced" by another reseller or retailer.

Another key risk to note regarding this model is that bringing the prices too low can result in your listing being taken off Amazon. This happens if the price is below the price threshold of the product which is set by the brand's owner via the <a href="mailto:Amazon Brand Registry">Amazon Brand Registry</a>.





Alt text: Cropped photo of a customer doing online shopping

# FBA vs FBM - Which One is For You? (H2)

After figuring out the specific type of Amazon seller you are or would be, the next fork in the road is deciding between FBA and FBM selling. Though there is an option to do <u>both</u> when setting up your Amazon account, it's important to understand their differences.

# FBA (Fulfilled by Amazon) (H3)

In this scenario, you, the merchant, will create product listings on Amazon. After which, you will send the products in bulk to Amazon's fulfillment centre. When a customer orders your product from Amazon, Amazon will pick, pack, and ship the product for you.

#### FBA is ideal for you if:

- You sell small, lightweight items (Amazon's fees for FBA are based on size)
- You will be able to send regular shipments to Amazon's fulfillment centers
- Your products have a high turnover rate
- You don't have the facilities or manpower for storage and shipment of products
- You want faster delivery for your products
- You want instant access to Prime customers



#### FBM (Fulfilled by Merchant) (H3)

In this scenario, you, the merchant, will still create product listings on Amazon. However, you will be the one to handle the storage and shipment processes of your products once a customer orders them from Amazon.

#### FBM is ideal for you if:

- You sell large, heavy product units (Amazon's fees for FBA are based on size)
- Your products don't have a fast turnover
- You already have the manpower and facilities for storage and shipment of products
- You want access to domestic/nearby Prime customers and don't mind doing the necessary effort to be enrolled in <u>Seller Fulfilled Prime</u>

# How to Become an Amazon Seller (FBA or FBM) (H2)

Now that you know all about the fundamentals of selling on Amazon, let's talk about how to sell on Amazon for beginners.

#### 1. Choose Your Plan (H3)

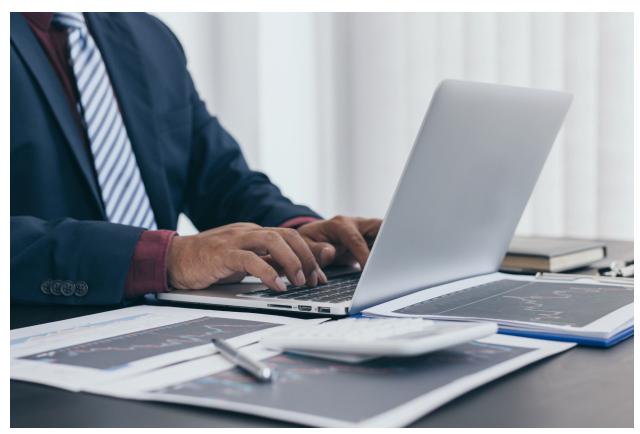
As of the writing of this article, Amazon offers two plans: one where the fee is per item sold and another wherein there is a monthly cost for unlimited selling. Choose the one that fits your business best. <u>Learn all about Amazon's selling plans here</u>.

# 2. Create Your Account (H3)

Now for the exciting part. It's time to create your account. Be ready with the needed information before starting - such as the following:

- Business email address
- Tax information
- Phone number
- Government ID
- Credit card information (for charging)
- Bank account information (for Amazon to send proceeds from sales)





Alt text: A businessman creating an account on Amazon after learning how to become an Amazon seller

# 3. Input Product Information (H3)

After creating your account, you can now start creating your product listings from <u>seller central</u>. Remember to be as detailed as possible when creating these listings. You can also check out our article, <u>Tips for Optimizing Your Amazon Listing</u>, to increase the success rate of your product listings.

# 4.5 Ship Products to Amazon (for FBA Only) (H3)

As a merchant, you can NOT drop off your goods directly at Amazon warehouses. For FBA selling, you'll need to follow the steps for <u>shipping products to Amazon's fulfillment centres</u>. Merchants can accomplish this using their carrier of choice. It is also important to note that products need to be labelled properly before bulk shipping them to Amazon.

4.5 Enroll for Seller-Fulfilled Prime (Optional, for FBM Only) (H3) One disadvantage that FBM sellers have is that they don't have <u>instant</u> access to Prime customers the way that FBA sellers do. And if products do not bear the Prime badge, this can make a big difference to how the products are perceived.



However, FBM sellers can still enroll themselves under "Seller-Fulfilled Prime" and get the Prime badge for their products. As of the writing of this article, merchants need to email <a href="mailto:ca-sfp-performance@amazon.com">ca-sfp-performance@amazon.com</a> to begin enrolling in SFP (Seller Fulfilled Prime) Canada. <a href="mailto:Check out this resource from Amazon Canada">Check out this resource from Amazon Canada</a> to see any updates on their instructions.

That wraps up our guide on how to sell on Amazon for beginners. If you liked this article, you might also like these resources:

- How Retailers Can Win In An Amazon World
- <u>Tips for Optimizing Your Amazon Listing</u>

# Supporting Your Amazon Store With Ads (H2)

After setting up your Amazon account and creating your product listings, it's time to employ proven strategies to boost your sales and win more customers on Amazon. If you have any questions on how to become an Amazon seller and market your products effectively through Amazon Ads amazing, reach out to our team today!

