

Selling on Amazon? Take These 5 Steps to Knock Your Sales Out of the Park

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Amazon is set to become the largest retailer in 2024, according to JPMorgan analysts.

While sellers flock to the ecommerce giant for its prominence online and how easy it is to start selling, success on Amazon is far from guaranteed. Just as many brands run into significant problems selling on Amazon as those that have effortlessly carved out their own distinct niche.

While familiarizing yourself with the selling environment certainly helps, not all brands take the time to perform the proper due diligence and come to a thorough understanding of Amazon's policies for sellers. This just increases the chances of fulfillment errors, inventory stockouts, overpricing and even account suspension – due to any number of issues, like shipping delays, bad customer service, inaccurate product descriptions or breaching terms of service.

In other words, knowing the ins and outs of a marketplace with immeasurable reach has become imperative to business success.

Even veteran sellers run into issues. Take pay-per-click (PPC), for example. It has grown in importance for driving visibility and sales on the platform. Not investing in such an initiative could leave your brand struggling. Failing to launch your own private label can also be problematic when new entrants emerge frequently. Not making products eligible for

Prime shipping can spell trouble as well. Fulfilled by Amazon (FBA) products tend to perform better in the marketplace.

The list goes on and on, so the question then remains: How do you ensure a good partnership with Amazon? The following are often the best places to start.

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1. Conduct market research

Differentiation is key to any brand selling on Amazon; and though this goes without saying, the best means is market research. Like any other launch, take time to identify gaps and opportunities in your selling strategies. Get to know the competition, market and customers. Then, use this information to determine what sets your brand apart – unique features, service quality, bundled options, price or something else entirely. Highlight these differentiators in your product listings and marketing materials to help your brand stand apart from the thousands of other options.

Pro tip: If you're a new seller on Amazon, check out the site's built-in tools. Amazon Seller Central reports, for instance, offer insights into competitor pricing and sales rank. Additionally, look into third-party tools like Jungle Scout or Helium 10 that offer advanced research capabilities – including product tracking, competitor analysis and keyword research – which can help give you insight to make your brand stand out.

2. Determine inventory logistics

Managing inventory is critical. Just ask Amazon, which was plagued by warehouse closures, layoffs and operational

expansion slowdowns as ecommerce sales slowed down this year. In response to shifting consumer preferences and slower sales, retailers have been strategically discounting prices earlier this holiday season to help solve inventory issues. For example, Amazon held its very first “Prime Early Access Sale” in October, well ahead of the holiday rush.

Fortunately, technology (i.e. inventory management software and forecasting software) can help you monitor inventory levels and sales velocity, forecast demand and determine reorder quantities. Just make sure to set up reorder points and safety stock levels to avoid overstocking and stockouts.

If this isn't your forte, a partner with Amazon expertise can help you pore over the data, manage inventory and create forecasts. Whether you work with a partner or not, make sure you regularly review and update inventory strategies based on market trends, seasonal variations and historical sales data.

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3. Prioritize fulfillment

Ensure products are prepared and packaged, especially when using Fulfillment by Amazon (FBA). And leverage customer relationship management (CRM) software to track customer interactions, automate responses and maintain a record of customer communications.

With an ever-increasing number of Amazon sellers on the site (there are nearly 10 million right now), you should never give consumers a reason to look elsewhere by neglecting the fulfillment process. It's one of the biggest Amazon FBA mistakes you can make, as the company is known for prompt delivery.

4. Monitor performance regularly

Amazon provides a range of seller performance metrics, including conversion rates, inventory turnover, advertising campaign performance and more. Third-party tools like Sellics, SellerApp, Merchant Spring or ManageByStats can fill in any informational gaps, as they offer more comprehensive performance tracking and reporting features. Then, adjust your pricing, inventory levels and advertising campaigns to remain competitive and maximize results – as well as circumvent the more common Amazon Seller Central problems.

Related: Amazon FBA: How it Works and How To Start Selling

5. Adapt when necessary

While Amazon offers unimaginable reach, the site is notorious for making changes to its Amazon policies for sellers. The same can be said for fees, features and structures. Fortunately, you can join seller forums, subscribe to industry newsletters and attend specialized webinars to stay informed. News aggregator tools like Feedly can shoulder some of the load, allowing you to create custom news feeds and notifications of any changes to Amazon selling rules.

Whether a small or large brand, patience will be important. Rarely, if ever, will you see immediate results. But as long as you follow Amazon selling rules and build your brand presence, you increase your chances of success.

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