Criteria for Searching New Products to sell on Amazon FBA

My resources are completely free, all that I ask is that you support me by following my social media accounts:

Youtube: @Qaissahel

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What to look for:

Quality over quantity. While some products may boast immense revenue, breaking into such competitive markets requires substantial resources. As aspiring Amazon Sellers, investing thousands in immediate advertising might not be feasible. Instead, aim for achievable victories with products that offer steady growth potential.

Entering a niche where a product yields \$50 daily profit yields a significantly smaller risk than a product that yields \$300 daily profit. The goal should be to add five products that each yield \$50 profit daily, which can accumulate to an impressive \$91,250.

Focus on gradual success and avoid succumbing to 'shiny object' syndrome, where others' million-dollar achievements may lead to unrealistic expectations and a significant risk to your capital and business.

The criteria outlined in this file is to help you make educated decisions while sourcing your products in order to reduce your potential risk of a failed product.

Criteria #1: Average competitor generating \$100 daily – Use HELIUM10 software to check daily/monthly/annual sales.

Why it's important:

- Ensuring your competitors are generating at least \$100 daily signals market viability and demand as well as profit potential
- You can use COUPON code: **1MONTH50** to get 50% off first month. <u>Click me to go to</u> <u>Helium10.</u>

Criteria #2: Sales volume – selling our product at least 8 units per day.

Why it's important:

- When your product is selling at least 8+ per day, it indicates that there is demand for the product.
- You should avoid selling just one product per day at \$100 because this indicates low demand and poses the risk of declining sales in the near future.

Criteria #3: Min/max 4-25 competitors – lower is not always better

Why it's important:

- Having less than 25 competitors will make it very easy for you to list on page 1 on Amazon. 90% of ALL sales happen on page 1, that's where YOU want to be.
- Have less than 4 competitors may indicate that there is not much demand.

Criteria #4: Selling price \$35-120 – lower means lower profit, higher means more profit but too high will mean slower sales volume.

Why it's important:

- People 'impulse buy' for lower priced products. Meaning that they don't spend a significant time thinking about it. If they want or need it, they will buy.
- Going too high will remove this impulse buy, and you will see a much slower demand for products priced above that range (each category can be different, for example \$150 for table might be good but \$150 for a spoon is too much)
- Amazon charges FBA fees, storage and fulfillment fees. After all fees, if your product value is too low you will be left with little to no profit. My personal sweet spot is between \$35-120 for most categories.

Criteria #5: Top competitors have low review count – HELIUM10 to check conversion vs reviews.

Why it's important:

- The reason why Amazon is successful is because they are credible. Reviews are also credibility. If all your competitors have a TON of reviews, your entry as someone with no reviews (credibility) will be very difficult.
- Find a niche where your top competitors have less than 500 reviews.
- A good indication is finding competitors who are successful and have a low review count (less than 100)
- Use HELIUM10 to do this research. Link to discount page for this software is on line 1.

Criteria #6: Non seasonal products – we can check price history and BSR history to confirm. Use free google chrome extension "KEEPA" to check history.

Why it's important:

- Avoid products that are seasonal. You don't want to sell snow boots for the winter, and then have your inventory sit for the remaining seasons (unless that's what your business is)
- Use free google chrome extension "KEEPA" to check BSR history. BSR = Best Selling Rank, the lower the better. The higher the slower the sales.
- Look at KEEPA history to see the BSR trends, if you see that in 1 season sales are high but other season there is a plunge in sales, that could indicate seasonality.

Criteria #7: Less than half of competitors are major brands – we do not want to compete with major brands!

Why it's important:

• Some categories are dominated by major brands. For example, a lot of apparel is dominated by Nike, Adidas, Lulu, Puma etc.. These are major brands that you cannot compete with. STAY AWAY!

Criteria #8: Should have at least 25% profit margins. Check average price on HELIUM10 Alibaba Extension and plug into Amazon FBA calculator. <u>Amazon FBA Calculator</u>

Why it's important:

• You should aim for at least 25% profit margins for obvious reasons. You can use HELIUM10 again to get an idea of what your margins would be using the Alibaba extension. Plug your numbers into the Amazon FBA calculator to get a more exact figure.

Criteria #9: Strong differentiation potential – We want to differentiate our product and make the product different. Use competitor reviews to differentiate our products, this will give good indication of what the market wants. Incorporate the good parts (4+5 stars) and change the bad parts (1 and 2 stars). Use helium10 to export reviews.

Why It's important: (MOST IMPORTANT)

- If you differentiate your product well enough (make a good product into an EXCELLENT) product you can get into even the most extreme niches.
- Differentiate based on market demands, not your thoughts. Do research and look at several of your competitors 4 & 5 star reviews and make sure to incorporate those parts to your product

- Look at your competitors 1 & 2 star reviews and make sure you fix the problem that people are having with the competitors.
- Use HELIUM10 to research keywords for this product and see what is being searched frequently. Example: If everyone is selling black and white mugs, but you do research and see that using HELIUM10 people are searching for "Red mugs" then it would be a good idea to bring in a red mug.

If there are any questions or clarifications needed, I'm always happy to help. Reach out to me on my personal social media which is monitored daily @Qaissahel. Wish you all the best of luck in this journey.

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