



# PROFIT SOURCERY

**What Makes A Good Product To Buy?**

ProfitSourcery offers a huge amount of product information to help you decide what the best products to sell through your Amazon store are. Through the information we provide you're able to make smarter more profitable product sourcing decisions.

To help you get to grips with the information we provide and how you can use it to help you source products we've put together this guide.

In this guide we'll outline some of the key considerations you should make when deciding what stock to buy for your Amazon store. By knowing how to evaluate a product you'll be able to get the most out of ProfitSourcery to find the best stock for you business.

## Which Products Should I invest in?

At ProfitSourcery.com you will be presented with a list of opportunities every day. It's unlikely that you will be able to invest in every one of the products offered to you so it is up to you to decide which ones you feel offer the best opportunities for your business. This guide will take you through some of the considerations you should be making when choosing your products.

When you view a product on ProfitSourcery.com you get a huge amount of data which in most cases will provide you with all the information you need to decide if a product is right for you.

### Profit Margin

Profit Margin: The first thing you may look at is the profit margin, this is displayed as a percentage and as an actual amount. At ProfitSourcery we usually talk about ROI or Return on Investment. This is an easy way of looking at opportunities – ROI tell us what percentage mark-up we're likely to make after the product has been sold.

So 50% ROI on a spend of £30 means a nice £15 mark-up after fees. Of course, 50% ROI on a spend of £2 only leaves you with a profit of £1. You need to decide what profit margins you are willing to put the time and effort in for.

Whilst ROI is undeniably important in your purchasing decisions it certainly isn't everything. A product with a high profit margin that only sells once a year, for example, isn't as interesting as a product with a lower margin that sells multiple times every day.

You need to think about whether you want products that sell quickly for fast profits or if you are willing to hold stock in the knowledge that when it does sell, you will make a sizeable amount. Many Amazon sellers will use a combination of the two.

### Sales Rank

The sales rank of a product is a number published by Amazon for all products in its extensive catalogue. The number tells you how a product is performing in relation to others in the same category. A sales rank of 1 means that a product is the bestselling item in that category, if you spot a product on ProfitSourcery.com with a sales rank of say 10 it is clear that is an item that sells very well, but what does a sales rank of one hundred, one thousand or even ten thousand mean?

It is difficult to know where to draw the line between a fast selling product and one that will take a long time to sell. To understand this better you need to know the total number of products in the category. If the category has a million products in it, then a product with a sales rank of 10,000 is actually in the top 1% of the category, if the category only has 11,000 products on the other hand then a sales rank of 10,000 looks far less appealing. At ProfitSourcery.com we show you the sales rank and where the product falls within the category as a whole so you can make an informed decision.

It is up to you to decide what sales rank you would be willing to invest in. A product in the top 10% of its category is a safe option but for the right profit margin you might wish to choose a lower ranked product in the knowledge that it might take a little longer to sell.

### **Storage Fees**

So how do you decide whether a slow moving product is worth the wait? If you are using FBA you will need to consider the storage fees which the product will accumulate. FBA storage fees are based on the dimensions of the product so a small product will end up costing you less in fees than a larger item. With every product at ProfitSourcery.com we show you the dimensions and weight of the item so you can decide whether the storage fees might end up cancelling out any profit you make on a slow selling product.

### **Product Reviews**

All products on Amazon have a customer reviews section, when you buy a product from Amazon you are invited to leave a review on the seller's performance but also on the product itself. ProfitSourcery.com provides a link to the customer reviews section for all products we display. It is always worth checking this before buying a product to make sure the reviews are good. Imagine shopping on Amazon yourself if you see a product with a 1 out of 5 overall rating and lots of reviews stating problems with the product, you probably wouldn't want to buy.

If you find that the listing has bad reviews you might find the product will not sell particularly well. Of course if the sales rank of the product is good then it would appear that the product is still selling, have a look at when the reviews were published, if the reviews are new then the sales history might be steadily falling since the bad reviews, if they are old reviews then the product might be selling in spite of the reviews. At this point the sales rank history can help you decide what is happening.

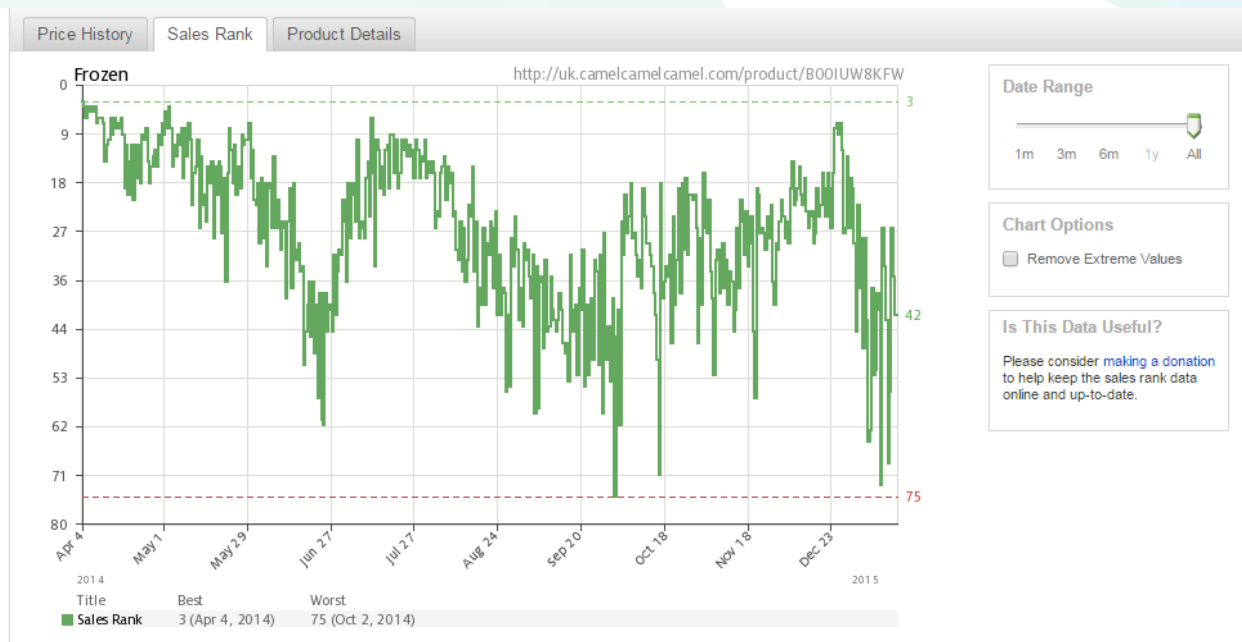
## Historical Data

Profitsourcery.com will provide a link to [camelcamelcamel.com](http://camelcamelcamel.com) with each of our products; you can use this to check the sales rank history of the product. Current sales rank alone merely indicates that the product has sold at some time and cannot tell you how the product will perform in the future.

If we take a look at what has happened in the past then we have a better chance of accurately predicting what might happen. Not all products will have data available on CCC and sometimes there will not be enough data to be particularly useful. In these cases it is up to you to decide whether you are confident enough in the product without this data.

*For more information on the CCC browser add-on, The Camelizer, see our 'Useful Tools & Third Party Software' guide.*

CCC will show you a graph of the products sales rank over time (see the example below), you can generally see that peaks in the graph correspond to sales or increase in sales and drops will show where sales have fallen. With the example below you can see that sales have been fairly consistent and you would probably be very excited about this sort of opportunity.



At times you may see a graph where the sales rank has been continually dropping for some time. If you can see that the product is in stock then this would suggest that the popularity of the item is falling, perhaps it's a playground fad that's begun to die out.

A graph in the opposite direction, however, where the sales rank is continually improving over time shows a product that's becoming more popular, perhaps it has been advertised somewhere or it coincides with the release of a related TV series.

There are endless possibilities as to what sales rank could look like historically. Ideally you want a consistently performing product which will continue to sell frequently but it is up to you to interpret what is going on. You might see a decline in sales rank because the product is out of stock or a sudden rise in sales rank because the price was low for that time. This data should be used to support the information you get from the Amazon listing itself.

As well as providing historical sales rank data, CCC provides price history for many products. You can look at how the price has changed over time. Say a product only has one seller at £50.00 you can check what price the product has been in the past, you might find that 90% of the time it is sold for £25.00 and the current seller is taking advantage of being the only person in stock.

If you and perhaps other sellers come back into the market you will likely see the price drop back down to £25.00, destroying your margin. Take a look at the price history and sales rank history over the same time period. You might be able to see a correlation where sales rank improves at lower prices and drops off completely when the product is priced higher. You will be able to see at what price the product will likely sell well.

If you see a product where the price has slowly been falling over time, this can indicate two or more sellers of this product have been constantly undercutting each other. This is not a good practice for sellers as it reduces profits for everyone involved but it is something that happens frequently. Impatient sellers will keep undercutting competition even if it reduces their profits to next to nothing because they want to sell their stock and make a profit *now*. We will talk about analysing the competition in the next section.

## Competition

At ProfitSourcery.com we show you the top 5 sellers of a product, their prices and whether they are merchant fulfilled, using FBA or are Amazon themselves.

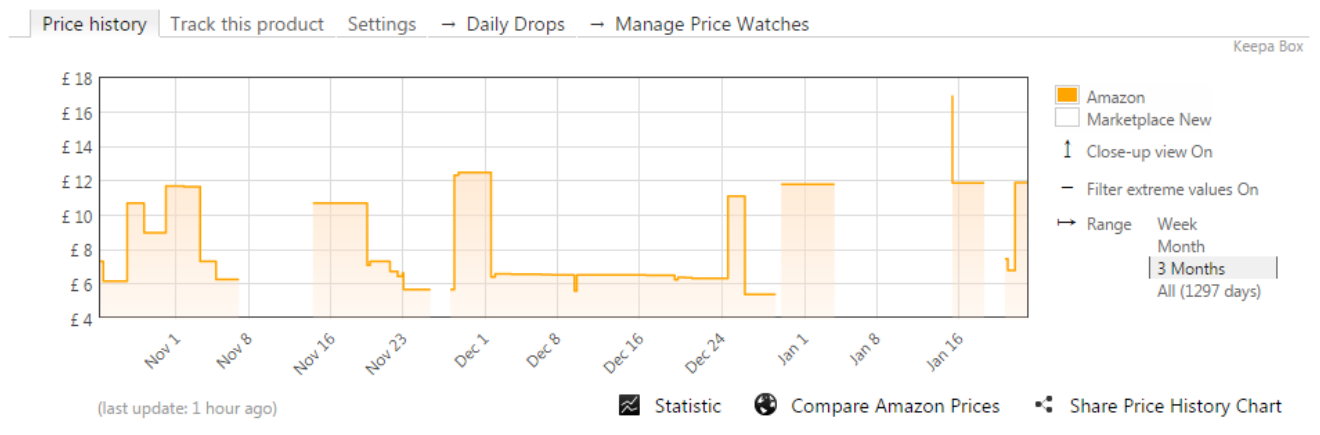
Understanding who you are competing against is very helpful, it can give you an idea as to how easily you will be able to win the Buy Box and how you will be able to price your product.

If the price history tells you that the current Buy Box price, whilst being profitable, is unusually low, you can look at what prices other sellers are offering. When the current Buy Box winner sells out you might be able to price higher and still win the Buy Box.

Knowing whether Amazon stock the product is also extremely useful as Amazon is the toughest competitor for the Buy Box. The Keepa browser extension shows you how frequently Amazon go out of stock.

*For more information on Keepa see our "Useful Tools & Third Party Software" guide.*

For some products Amazon has a great supply which never seems to run out but for some products Amazon will frequently be out of stock. For these products you have a great opportunity to win the Buy Box while Amazon is out of stock. If you take a look at the Keepa graph below you can see breaks in the orange line, these are times when Amazon was out of stock for this particular product.



If you see a pattern of this happening regularly then chances are this trend will continue. Often you will see that when Amazon is out of stock, merchant prices will actually increase. In these cases you should be looking to see how likely you are to win the Buy Box while Amazon is out of stock.




Selling through FBA gives you an advantage when competing for the Buy Box, if you are planning to use FBA for a product and there are currently one or no other FBA sellers then you know you have a good chance of winning the Buy Box.

One great trick to check out the competition further is finding out how many items they have left in stock. There might be one other seller who is putting you off an opportunity, it might be Amazon or it might be another market place seller. Follow the steps below to find out how many they have in stock:

1. Add the product to your basket
2. Click the grey “Edit your Basket” button.

✓ 1 item was added to your basket




Premier Housewares Spring Form Cake Tins - Set of 3 - Black  
£11.91  
 This will be a gift

Order Sub-Total: **£11.91**  
1 item in your Basket

✓ Your order qualifies for free delivery in the UK.  
Select FREE Super Saver Delivery at checkout. [Restrictions apply](#)

3. Click on the “1” under quantity and from the drop down click on “10+”.


Shopping Basket

	Price	Quantity
 <p><b>Premier Housewares Spring Form Cake Tins - Set of 3 - Black</b> by Premier Housewares In stock Eligible for FREE Delivery <input type="checkbox"/> This will be a gift <a href="#">Learn more</a> <a href="#">Delete</a>   <a href="#">Save for later</a></p>	<b>£11.91</b> You save: £5.08 (30%)	<input type="text" value="1"/> 2 3 4 5 6 7 8 9 10+
<b>Subtotal</b>		<b>£11.91</b>

No items saved for later



4. You will now be able to input any quantity, change the quantity to 999 and press update.

Shopping Basket

	Price	Quantity
 <p><b>Premier Housewares Spring Form Cake Tins - Set of 3 - Black</b> by Premier Housewares In stock Eligible for FREE Delivery <input type="checkbox"/> This will be a gift <a href="#">Learn more</a> <a href="#">Delete</a>   <a href="#">Save for later</a></p>	<b>£11.91</b> You save: £5.08 (30%)	<input type="text" value="999"/> <input type="button" value="Update"/>
<b>Subtotal (1 item):</b>		<b>£11.91</b>



5. You will now see a message telling you how many the seller has in stock, it's that simple.

Shopping Basket		Price	Quantity
 This seller has only 68 of these available. To see if more are available from another seller, go to the <a href="#">product detail page</a> .			
	<b>Premier Housewares Spring Form Cake Tins - Set of 3 - Black</b> by Premier Housewares <small>In stock</small> Eligible for FREE Delivery <input type="checkbox"/> This will be a gift <a href="#">Learn more</a> <a href="#">Delete</a>   <a href="#">Save for later</a>	<b>£11.91</b> You save: £5.08 (30%)	<input type="text" value="68"/>

## Checking For Product Restrictions

So you've decided a product looks fantastic and you want to go ahead and purchase it. One final check that is always worth making is whether there are any restrictions on the brand or on the product itself. Amazon will occasionally stop all marketplace sellers from stocking a brand or product if they find and increase in the number of complaints about counterfeit stock.


These restrictions can change suddenly and they are not advertised. To make sure a product is okay for you to sell you can go through the process of adding the item to you inventory before buying. When adding a product that has been restricted, after pressing the "Sell Yours" button you will see the message as below which lets you know this item is restricted.

If you are selling on FBA some items are unable to be stored at the Amazon warehouses. If you continue with the listing process and select FBA as your fulfilment option you will receive a message letting you know that the item is not eligible.

For some items, particularly items with batteries included you might need to fill in a hazmat form before Amazon will accept the stock through FBA. These forms are easy to fill in and Amazon provide instructions. If you are unsure you can always contact Seller Support for assistance.



### Amazon Product Summary



Sennheiser HD201 Closed Dynamic Stereo headphones  
[\(View amazon detail page\)](#)  
ASIN: B0007XJSQC  
Manufacturer: Sennheiser

**Competing Marketplace Offers**  
**17 All** from £17.98 + £0.00 delivery  
**17 New** from £17.98 + £0.00 delivery

**List Price**  
£20.83

**Amazon Sales Rank**  
1

**Important Message**  
Our apologies for any inconvenience but this product is no longer available for sale by our merchants due to the following reason(s).

- **Sorry, the ability to create a listing for this item is restricted.** [\(Why?\)](#)

Vital Info **\* Offer** Images Description Keywords More Details Next

**Seller SKU:**   
(Unique Identifier. If you don't enter a SKU we'll create one for you.)

**\* Condition:**

**Condition Note:**   
(Add your comments about the condition)

Example: Dust cover missing, Some scratches on the front.

If you do not take these steps you can always return items for refunds upon finding they are restricted but these steps are quick and easy and will save you time in the long run.

## The Suppressed Buy Box

You should be familiar with the Amazon Buy Box and what factors help you win it by now. As you know the Buy Box appears at the top right of a listing however you may have seen listings which do not have a Buy Box. If you haven't come across this yet here is an example below:

### Kids II Baby Einstein Bendy Ball

[Join Amazon Family and get a free toy\\*](#)

by Baby Einstein

★★★★☆ 165 customer reviews

Available from these sellers.

3 new from £16.85

- Soft, flexible plastic with bright primary colors make this ball fun and easy for little fingers to bend, squeeze, grasp, and roll
  - Colourful, recognisable caterpillar character on center band
  - Rolling chime ball inside for additional sounds and visual stimulation
  - Weight (kg): 0.10
  - Dimensions (cm): 11 x 11 x 10
- › [See more product details](#)

3 new from £16.85

See All Buying Options

Add to Wish List

Add to Baby Wish List

Have one to sell?

Sell on Amazon

Share    

As you can see in the example, instead of the usual yellow “Add to Basket” button there is a “See All Buying Options” button. There are three sellers listing this particular item but none of them have won the Buy Box, there a few reasons why this might be the case.

## The Selling Price Is too High

One of the main reasons you will see a suppressed Buy Box is because the current selling price is much higher than the RRP. For the item above, for example, a quick check of the products sales history through CamelCamelCamel (CCC) or Keepa shows that the item usually sells around the £8.99 mark. The sales price listed at the time of writing of £16.85 is far higher than this and so Amazon have suppressed the Buy Box. You may remember that one condition for winning the Buy Box is **competitive pricing**, if the price you are offering is not competitive you simply will not win the Buy Box.

*If you're unfamiliar with CCC or Keepa see our 'Useful Tools & Third Party Software' guide for more information.*

So how you can use this situation as an opportunity? You can interpret this in a number of ways. On one hand if the item has a good sales rank it may still sell at the inflated price although sales will be slower than usual due to the lack of Buy Box.

If the margin on the product is high enough that you are able to price lower than the current offers you may be able to win the Buy Box and make some sales (although please bear in mind that the margins we show you on ProfitSourcery.com are based on the lowest price currently listed on Amazon and you will need to do your own calculations to work out how low you are able to drop the price).

On the other hand if the sales rank is poor you might not see many sales on the product and if there is little margin room to lower your price then you have little opportunity to win the Buy Box yourself.

### **Sellers Aren't Eligible to win the Buy Box**

The second reason you may see a suppressed Buy Box is that the current sellers are simply not eligible to win the Buy Box. They may be new sellers or they may have poor customer metrics or bad customer reviews. If you check the price history for the product and it seems consistent or you can see the current price is close to the RRP listed on another retailers website then this might be the reason for the suppressed Buy Box. In these cases you have a fantastic opportunity to win the Buy Box yourself if you are eligible.

***Please note that for media categories the requirements for winning the Buy Box are a little different.***

In books only Amazon themselves are able to win the Buy Box so a suppressed Buy Box in books simply means that Amazon are not selling the item, you have no chance of winning the Buy Box yourself but if the sales rank indicates a demand for the book and you can beat the other sellers on price you may be able to make some money on the listing.

For other media products (music, video, DVD, Blu-Ray) only sellers using FBA will be able to win the Buy Box. A suppressed Buy Box in these categories might mean that Amazon are not selling the product themselves and no FBA sellers have the item. If you use FBA yourself this is a great opportunity to be the only FBA offer for this item, potentially winning the Buy Box and the sales.

Suppressed Buy Boxes can indicate a great opportunity for you to turn a listing into a great sales opportunity but it can take some research to find out which ones are worth taking a chance on. This research can be well worth the time and effort. If you are just starting out and are unsure which listings have potential and are worth investing in then we would recommend starting out with more straightforward offers until you have more confidence in how to spot a great opportunity.

*For more advice on tools that can make the process of spotting new opportunities easier why not see of 'Software for Sellers' guide where we highlight some great free browser add-ons to use and more.*