

HOW TO SUCCESSFULLY SELL SUPPLEMENTS ON AMAZON

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Introduction

Supplements are one of the best-selling and most profitable items on Amazon. Data from Slice Intelligence shows that up to 77% of all supplement and vitamin sales are made on Amazon. Amazon itself is growing in leaps and bounds. This is the place for your product if you want to sell it successfully. Some sellers report that selling on Amazon accounts for 40% of their profits.

Did you know that in mid-2018, Amazon dominated the e-commerce market and held 49% of it? In addition, the net profits from Amazon in 2018 totaled \$232 billion US dollars, according to data from Statista. It's no wonder selling on Amazon is so popular.

This is all good news if you are thinking of selling your product on Amazon. But be forewarned that because this platform is so profitable, competition is stiff. So you have to know what you are doing and how to do it right. But what are the steps to selling and marketing successfully on Amazon? This handy guide will lead you through all the steps to profit from the growing Amazon marketplace. You'll be an expert in no time, and then you too can be part of the dominant selling giant that is Amazon.

Step 1: Choose Your Product

Because competition is stiff, you need to sell a niche product. Don't fall into the trap of buying and selling a preformulated product. Don't put your name on a formula you had no part in improving on! You won't have a competitive edge.

Choose a product that you're excited about, one that appeals to and excites your social media followers. Put your name on something that is uniquely yours! Usually such a product would solve a certain problem. Lots of supplements claim to solve specific pain points, such as sleep problems, kidney stones, hangover, cold and flu, sluggish liver, and more. You may even want to sell supplements that help maintain various parts of the body, like healthy bones or strong hair and nails.

Once you choose a product, you need to create a unique formula. Buy several brands of supplements that address the same problem. Find out what works for you personally or a formula that your friends/family/coworkers rave about. How can your favorite formula be improved? What will make your formula unique compared to your competitors? These are important questions. Ask your contract manufacturer if they can provide a formula review from a Naturopathic Physician.

When you're deciding on your formula, think about what kind of claims you can make about it. Ask our sales team for the *FDA Structure and Function Guidance* that we have complied, and learn how you can push the envelope when making claims without receiving FDA complaint letters.

If your formula of choice is in tablet form, you may have the opportunity to improve the purity of the formula by changing the delivery method to a capsule. This simple change reduces the amount of excipients required in the manufacturing process.

How to Save Money on Starting Your Supplement Business

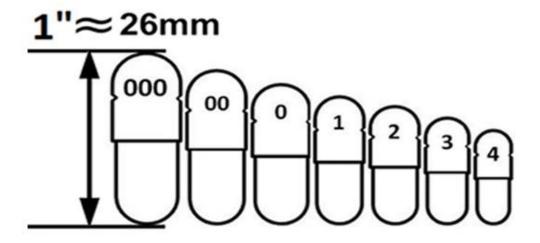
Once you have refined the formula you want to sell, then you need to consider the startup costs of your chosen delivery system. The most common delivery forms include:

- Capsules
- Tablets
- Chewable Tablets

- Liquid
- Powder

Delivery Form	Startup Cost	Startup Time	Purity	Specialty
Capsules	Low	Short	High	No
Tablets	Higher	Longer	Difficult	No
Chewable	Higher	Longer	Difficult	Yes
Tablets				
Liquid	Higher	Longer	Difficult	Yes
Powder	Higher	Longer	Difficult	Yes

If you want to save money on startup costs, then hands down, choose capsules. Capsules come in several sizes. And don't be afraid to utilize the smallest and largest sizes that often get overlooked. Choose size 4 for children and take advantage of size 000 if you want to pack more powder into each capsule.



What type of capsule should you use?

If you intend to appeal to vegetarians and vegans, choose a veggie capsule. Just make sure you understand the difference between the most commonly used veggie capsules to make the right choice for your formula.

Your first choice is the widely used HPMC (hydroxypropyl methylcellulose) capsule. HPMC is suitable for hygroscopic or moisture sensitive material. They're chemically inert and won't react to the contents, which means no disintegration delay. But due to the chemical solvents used to manufacture them, HPMC capsules will NEVER obtain organic certification. Despite the chemical-laden process to turn wood pulp into capsules, they still maintain vegetarian status.

Your next option is to go with pullulan capsules made from a single ingredient.

The fermentation of a starch substrate, usually tapioca, results in an edible polymer with no discernable taste and acts as an excellent oxygen barrier. You can also expect rapid disintegration, stable performance, and odor isolation.

Pullulan capsules have the added advantage of qualifying for organic certification. Because pullulan capsules rank higher in purity over HMPC capsules, you can expect to pay 70-100% more for this added benefit.

Keep in mind that pullulan capsule supplies are sometimes limited. Make sure you check availability with your contract manufacturer in advance.

HPMC is a cost-effective option if you want to keep initial startup costs low.

HPMC still accounts for 80% of veggie capsules on the market as of 2019, but you can

expect a shift to more pullulan capsules as consumers continue to demand greener, purer, clean label supplements.

If you're not interested in putting a vegetarian status on your supplement, gelatin capsules are a fine option. They too are purer than HPMC because gelatin capsules don't require solvents during production.

Selling CBD on Amazon

One of the hottest supplement ingredients these days is CBD (cannabidiol). As of April 2019, some merchants (companies that accept credit card payments on the behalf of e-commerce owners) have been closing accounts of companies that sell CBD products. Why is this? Most CBD contains a very small amount (0.3%) of THC, the naturally occurring compound in cannabis that causes the intoxicating effect of marijuana.

Amazon allows sales of CBD products, but you cannot call it CBD. Instead, CBD is labeled as *hemp extract*. Even the well-known brands in the CBD product business use this tactic to stay under the radar of the government's strict regulations of cannabis sales. Problems arise when companies selling hemp oil products make false and unsubstantiated claims of its effects.



If you elect to sell a CBD product, make sure your label states the number of milligrams of hemp extract per serving.

Be fully informed of Amazon's policies about CBD before you attempt to list any product containing it. According to Amazon's website . . .

Drug listings must not be for controlled substances or products containing controlled substances, such as products containing cannabidiol (CBD), a Schedule I Controlled Substance, including but not limited to:

- 1. Rich hemp oil containing cannabidiol (CBD)
- 2. Full spectrum hemp oil containing cannabidiol (CBD)
- 3. Products that have been identified as containing CBD

Read Amazon's full policy on CBD and other drugs and paraphernalia here.

Choosing the Right Contract Manufacturer

Did you know that your contract manufacturer can make or break your chances of success on Amazon?

There are many unscrupulous contract manufacturers out there. Just Google nutritional supplement manufacturers, and you will find several pages of them. How do you pick the one that best fits your requirements? How do you know who to trust with your brand's reputation? Finding the right manufacturer isn't always an easy task. That's why we've taken some of the guesswork out of it for you. Get our free guide *Top Questions to Ask Supplement Manufacturers Before You Hire Them* here.

The Amazon Instant Acceptance Method

With the Amazon marketplace being one of the top platforms for supplement sales, you want to be sure consumers can find your product there. If Amazon tells you they aren't accepting any more dietary supplements, don't be alarmed. This is not the case. You simply have to know what supplements Amazon will take on.

But Amazon won't accept just any supplement. The first hurdle to getting your supplement on Amazon is to make sure it's GMP certified. That means it's essential to have your supplement manufactured in a GMP certified facility. And make sure that you **independently verified** the GMP status of your contract manufacturer. Even if a manufacturer tells you they are certified, or their website displays a GMP icon, go the extra step to look up their certification status yourself. This is exactly what Amazon does.

GMP stands for Good Manufacturing Practice. GMP regulations ensure that products are manufactured and controlled according to quality standards set forth by the US Food and Drug Administration under the authority of the Federal Food, Drug, and Cosmetic Act.

Learn how to check GMP status in our free guide *Top Questions to Ask*Supplement Manufacturers Before You Hire Them.

When you submit your product to Amazon, point out that you already independently verified that your contract manufacturer carries certifications from NSF International and Underwriters Laboratory. This earns you extra points with your Amazon representative and speeds up the review process. Amazon also verifies your manufacturer's certification status once you provide proof that you're doing business with the facility. Have an invoice from your manufacturer handy to submit as proof. If Amazon accepts your product, they will periodically contact your manufacturer on file to confirm the lot number of your product.

Control Your Product: Get Your Company Trademarked

If you sell your products wholesale, you may find your wholesale clients competing against you on Amazon – with your product! If you sell wholesale, consider trademarking your company name after you complete your initial test marketing. With a company trademark, you have better control of your products on Amazon.

Increase Profits: Expand and Offer Kits and Subscriptions

Once you're successful with one product on Amazon, expand your reach for maximum profitability. Offer multiple bottles as a kit or consider a subscription service.

Below is an example of a company showing three different supplements together to maximize profitability. While each formula is different, the packaging and labeling are cohesive. Advertise them together to make your marketing efforts more successful.



Step 2: Set Up Your Account

Selling on Amazon requires that you sign up for a Professional Selling Account. The monthly fee for this type of account is \$39.99. Depending on the category your product falls under, you may also need to pay an additional fee for Amazon's approval to sell. Be sure to factor these costs into your budget.

It's also important to decide how your Amazon orders are shipped. You can ship them yourself, you can hire a third-party warehouse and shipping service, or you can use Amazon's fulfillment service (FBA). FBA is convenient and easy to use, but it's not free so if you go this route remember to factor any FBA fees into your budget.

Step 3: Do Your Homework

Before you make your final decisions on what product to sell, do some research.

Use Amazon's revenue calculator to estimate your profit per unit. From there, you're better equipped to finalize your price points.

To be competitive, look for products similar to yours already on Amazon. Pay close attention to best sellers as part of your keyword research because you'll want your listing to optimize popular keywords.

For example, take a look at this Amazon Best Seller for St. John's Wort. This particular product is a specialized formula with St. John's wort in two forms, as a botanical extract and whole-herb powder. You might consider a similar formula but make it more effective by blending three to five ingredients that work together synergistically.

A great way to capitalize on this best seller's listing is to run the product description through a word frequency



count. We did this and found *St. John's wort* mentioned eight times; *mood, tincture*, and *mental health* had three mentions each. Using these keywords in your product listing for a similar formula can boost potential sales. Just be sure not to go overboard on the keywords because this can hurt your listing.

When you're ready to write your listing, make sure you include the essential aspects of your product. Include size (amount per bottle), ingredients, and reveal what problems your product may help. Your content should guide people through the

decision-making phase, so they're confident when adding your product to their shopping cart.

Don't overlook the importance of images. Clear, concise product images in full color are vital to a successful listing. With so many competing products, consumers what to see what they are buying, so do your best to impress them. Make it a point to show different perspectives of your product label. Potential customers should be able to analyze your product label in full – supplement facts, list of ingredients, suggested use, warnings, your company information, etc. – before they make a purchase. Consider bottle-wrapped images done by a graphic designer. These types of crisp images will only help your listing.

One final step is to run a competitor analysis. Look at several Amazon listings for similar products to yours. Read the product reviews to see what customers are saying. Perhaps your product solves a problem from your competitor's negative feedback. Make this work to your advantage.

Selling Botanicals

If you've decided to sell botanicals, you should be aware of the current state of this branch of the supplement industry. Based on our own experience and from recent stories in the news, there's over a 30% chance that any botanical raw material you purchase is adulterated – without your knowledge.

The Food and Drug Administration has not been able to clamp down on imposter herbs successfully. The problem perpetuates when the buyer – either you or the raw material distributor – doesn't verify the material's Certificate of Analysis. Additional

blame falls on insufficient tests and lack of knowledge on how to correctly identify botanical ingredients.

A Certificate of Analysis is a Quality Assurance document that confirms a regulated product meets certain specifications. This document commonly contains the actual results from testing performed as part of Quality Control of an individual batch.

For instance, botanical powders can only be identified through DNA analysis or high-performance thin layer chromatography (HPTLC). The better method is HPTLC because the DNA structures of processed powders, especially extracts, tend to be damaged. This means reliable DNA isn't available for testing. Save yourself the headache of not knowing if you got what you paid for. Make sure your contract manufacturer tests the identity of all incoming botanical raw material with HPTLC.

It's in your best interest to invest in verified raw material because your band's reputation is at stake. Imposter ingredients masquerading as high-quality botanicals won't give you an effective product that yields repeated sales. Don't settle for the cheapest, unverified raw material to keep you cost low. Amazon, your competitors, your customers, or anyone can have your product tested and report any discrepancies to the FDA. You could get kicked off Amazon indefinitely!

Step 4: Build Your Audience

Your product launch is an important step in building your customer base.

Educating the public about your product and directing them to your Amazon listing helps to nurture happy, repeat customers.

If your brand already utilizes an email marketing platform for newsletters or announcements, broadcast your Amazon debut. If your audience already shops on Amazon – and who doesn't these days – they'll be thrilled to purchase your product from a reputable site. Amazon Prime alone clocked in at over one million subscribers in early 2019!

Social media is also a powerful tool to announce new products. Use Facebook Groups to seek out your products' target clientele.

Having greater reach through Amazon and social media is a great reason why you shouldn't just stick to stock formulas, what the industry calls private labeling. The market is already heavily saturated with these products. Instead, having a unique formula gives you the advantage. So pick a formula that inspires you.

Lastly, don't overlook the power of great customer service. This too affects your sales and reputation. It's also why Amazon is so successful. Keep in touch with customers by asking for after purchase feedback. Respond to reviews, even the bad ones, and address any questions or concerns promptly. A satisfied customer goes a long way to propelling your product's success.

Step 5: Amazon Advertising

Once your listing is up and running, how can you maximize your Amazon presence?

Amazon advertising is a convenient way for customers to find your product. New products get buried in search results, so it's easy to get lost among all the more-established competing products.

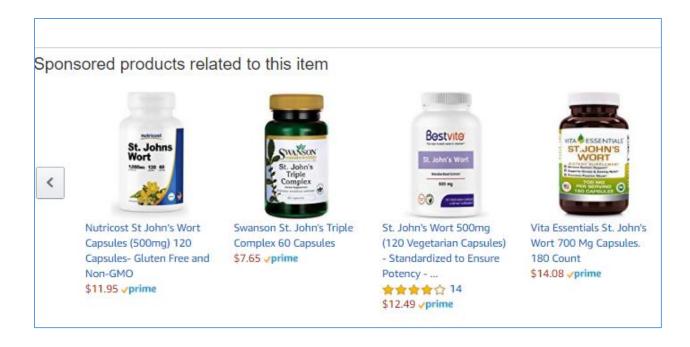
Most people don't search page after page of the search results if what they're looking for appears near the top. This also applies when you're searching on Amazon.

Amazon advertising helps to connect your product with the right audience.

Advertising boosts your search rank among customers searching for the focus keywords in your product listing. So periodically check how your keywords are performing and make adjustments as needed to drive more traffic to your product.

Take advantage of Amazon's built-in advertising features. Sponsored Product Ads and Sponsored Brand Ads are excellent avenues to consider. Both run on a payper-click format, so you only pay if shoppers click on your ad.

Sponsored Product Ads are for individual products. Your product gets featured with similar products from other brands. These ads appear on search result pages and product detail pages.



Sponsored Brand Ads allow a single brand name to showcase up to three different products. You can feature a brand logo and a customized headline.



How do you know which ad is right for you? That depends on how many products you want to feature and your target audience. Are you selling a product similar to others on Amazon? Do you want to highlight multiple products from your brand? Ideally, both types of ads are beneficial for more sales and increased profits.

Another option is the Store advertising feature. This allows you to create unique brand pages with more content than a typical product page. Here you can include

compelling information about your brand (your story, your mission, your values, etc.), expanded product information, and relevant images to peak interest. Your Amazon storefront is easy to set up and edit – no web design experience necessary. You should strongly consider this option if you have several products listed on Amazon.

Offer discounts from time to time and elect to be featured under Amazon's sale categories that have their own dedicated pages to increase exposure: Deal of the Day, Lightning Deals, and Savings & Deals. Use time-sensitive deals to convey urgency to buy before the price goes back up. Just be sure to research the criteria for each type of ad. Often you must be a professional seller with a certain number of five-star ratings.





Offer free shipping or buy one get one free as value-added sales tactics. The choice is up to you, but any of these promotions add to your product's success on Amazon.



How do you get one of those coveted Best Seller or Amazon's Choice badges? Only Amazon controls these badges. They are not something you can pay for. Amazon gives these badges to reasonably priced products that rank high. There is no secret formula for getting Amazon's attention, but high sales, good quality product images, good customer reviews, and the proper keywords in your ad will help.



Step 6: Advertise Outside of Amazon

Don't limit yourself to Amazon's on-site advertising features. Use other advertising options outside the Amazon sphere to drive sales. Just be sure to consider the time commitment and cost of each option when pursuing these alternative avenues.

If managing your Amazon sales all on your own overwhelms you, enlist in a company that specializes in Amazon sales to do it for you. Do a web search for *Amazon management companies*. These businesses are experts in Amazon sales and advertising tactics. Different services come with different costs, so shop around and compare the services offered by each company.

Blogs, informative articles, videos, and podcasts can drive traffic to your Amazon listing. Look for current, relevant content that speaks to your clientele. Then reach out to the author or owner of the content and ask if they would consider mentioning or linking to your product. This is often a cheap, and sometimes free, way to grow awareness of your product.

Don't overlook sites that specialize in discounted goods and deals. This is a great way for new brand and new product introductions. Persuade consumers to try something new with a special introductory price. If you hook them with an amazing product, they will pay full price when the discount expires.

One final advertising tactic to consider is teaming up with an influencer. With the vast number of lifestyle bloggers and YouTube or other social media personalities out there, chances are some influencers cater to your target demographic. Use one of the many websites dedicated to connecting the right influences with business owners like you.

Using any combination of the advertising tactics above is great for increasing brand awareness. The extra effort, along with advertising within Amazon, is a winning strategy for success on one of the biggest e-commerce marketplaces that ever existed.

Putting it All Together

As you can see, a successful Amazon listing takes the right product, carefully chosen keywords, good research, and effective advertising. Otherwise, you risk getting lost in the sea of products on Amazon.

Don't be discouraged if it takes a little time before you start seeing a noticeable ROI, especially if you're brand new to selling on Amazon. The more unique your product is, and the more aggressive you are with your marketing efforts, the faster you'll see your sales grow.

To stay competitive, don't adopt a set it and forget it attitude. Make adjustments to your keywords, products descriptions, images, and pricing from time to time to find out what works best.

With planning and the right tools, selling on Amazon can be easy.