

The Wholesale TruTh



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INTRODUCTION

Thank you so much for purchasing my eBook! I've been selling on Amazon for almost two years now and have learned a lot along the way, all the while documenting my journey at SellerAcademy.ca. It hasn't been without its challenges, especially living in Canada and selling primarily in the US market. But I've always worked hard to find solutions and move forward. In fact, I feel that we have that in common, and I'm sure you're eager to learn how to scale your business by adding wholesale accounts?

I wrote my eBook, "[How to Sell on Amazon.com from Canada](#)" because many fellow Canadians from my Facebook community asked me to. They wanted a guide that would show them how they too could sell in the US on Amazon from Canada. It continues to be a HUGE success with hundreds of copies sold to date. People have been asking me for a while about how I grew my business with wholesale accounts, thus the reason I've now written this book too.

Like most new Amazon sellers, I began by sourcing for products via retail and online arbitrage. While this is still a sourcing model I use, I realized early on that to scale my business I needed more inventory than I could find in stores. There are many courses that teach sellers how to create their own private label products. But I found it too risky from both a liability and financial standpoint and it didn't feel right for me. So, I instead chose to expand my business by adding wholesale sources of inventory.

The content within is designed for people who have never dealt with wholesalers or have maybe tried to obtain wholesale accounts with limited success. If you're an advanced multimillion-dollar seller, or have prior experience dealing with wholesalers in another industry you may find a lot of the material basic. I'm confident you'll take away something new from this book.

I'm confident that you'll find this book useful in learning how to find, secure and work with wholesale accounts for your own Amazon business.

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CHAPTER 1:

WHY YOU NEED WHOLESALE ACCOUNTS

If you're like most Amazon sellers, you likely started out by sourcing for products in store or online, usually from major retailers. It's the easiest way to find inventory, especially doing it online in your PJ's! Smartphone scanning apps and chrome extensions make it a breeze to narrow down profitable products and very little skill is required.

The problem with "easy" though, is that anyone can do it. That means you have a LOT of competition, with few barriers to entry.

How many times do you hear sellers' gripe about other competitors tanking prices in a "race to the bottom" scenario? Chances are, they all bought from the same major retailer during a well-advertised clearance sale. There's an old saying:

"If you follow the herd, you get slaughtered!"

Don't copy others! Think outside the box and find creative new ways to source products and create unique opportunities. Adding wholesale accounts to your mix puts you way ahead of most of the other sellers you'll encounter.

With retail arbitrage, you're limited to the number of products you can physically source and pick up within your area. And many physical retail stores are becoming less reseller friendly, often treating them like criminals for purchasing too many products at their store, and sometimes even kicking them out! While it's still a model many sellers do well with, it involves a TON of physical time and energy and is very difficult to automate.

Arbitrage is a never-ending treasure hunt, where you're constantly looking for profitable inventory. It offers very little replenishment opportunities, and most of products that you find aren't available again after the stock runs out.

As I'm sure you've heard, Amazon recently (without notice) restricted many top brands. It affected every seller a little differently and created widespread panic. Imaging being a large arbitrage seller with hundreds of thousands of dollars of inventory sitting in FBA that overnight became stranded!

Amazon are increasingly rejecting retail receipts as proof of authenticity in the event of a claim against a seller. There's never been a better time to diversify your sourcing methods into wholesale



and mitigate your risk. Being an authorized seller of a brand (with a letter to prove it) puts you in a far more secure situation.

While I believe that arbitrage is here to stay and can be a profitable component of an Amazon business, there comes a point where you'll want to scale your business further and have ongoing access to inventory that you can easily re-order every month, without spending inordinate amounts of time searching for "deals".

If you think about it, without a list of registered wholesale accounts, exclusive agreements, or a brand of your own, you don't really have a business. You've just created a job for yourself (and perhaps even a couple of employees) and have nothing proprietary. It'd be impossible to sell your business to an experienced investor, as there's nothing of value that's transferrable.

A real business is something that becomes larger than yourself.

Why spend your days working a tape gun and slapping labels on boxes if you can outsource it? I'm sure your time is more valuable spent working on the business instead of in it. Besides, most outsourced tasks are a marginal expense that should be incorporated into your overall business model.

The biggest advantage of an Amazon FBA business is scalability

Why would you limit your businesses growth to only the amount of inventory that you can personally source and prep on your own? I hear a lot of Amazon sellers saying that they can't grow their business, or that their sales are stalled. Perhaps you're one of those people yourself? If so, you're doing Amazon wrong! Stop wasting your time doing tasks you can easily and inexpensively outsource!

If you're not willing to outsource, then please just treat Amazon as a part time hobby, not your main source of income. You don't really have a business; you've just created a job for yourself. Why? Because you can't ever sell it and if you get sick or ease off at all, your sales will dry up. People don't want to hear this, but it's the cold, hard truth! Think of ways to automate and outsource. Time is your most valuable commodity!



CHAPTER 2: WHERE TO FIND WHOLESALERS

There are so many products and categories out there, that the initial struggle many sellers have is simply knowing where to start! My suggestion is that you begin looking for wholesalers that carry products that you're already familiar with, or have a natural interest in. This will significantly increase your chances of success in obtaining quality products, since your knowledge and enthusiasm will give you a major advantage.

One of the first places many new sellers find when looking for wholesale accounts are drop shippers and paid wholesale lists, so I'll cover these first. While there are some good ones (rare), the reality is that if it's being heavily promoted, then it's probably not going to be worth your while. Remember what happens when you follow the herd?

DROP SHIPPERS

I'm not an advocate of having ANYTHING drop shipped to customers when selling on Amazon. For starters, you'd have to list your products as MF (Merchant Fulfilled) which means you'll win the buy box less often and will likely have to lower your prices to compete. Worse, you lose complete control of the inventory, and when your supplier screws up with late deliveries or improperly packaged goods, you risk losing your Amazon selling privileges.

Most of these companies aren't true wholesalers and there's little to no profit selling their products.

My advice is to stay away from drop shipping companies.

PAID WHOLESALE LISTS

In my experience, most paid lists contain well-known distributors or middlemen masquerading as wholesalers. The people promoting these lists are often compensated by the vendors they promote (in the form of an affiliate commission). They also make money by selling you the list. This creates an obvious conflict of interest, as they likely have no skin in the game and are motivated by profit vs your success.

My advice is to avoid them. Besides, there are far better ways to find wholesalers overpaying for a list. I'll cover these methods on the next pages.



LABELS ON RETAIL PACKAGING

The next time you go in a store to purchase something, check out the packaging carefully. You'll notice that they list (because it's required by law) the distributor of the product in your country. Below is an image an example of that from a Hasbro toy's packaging:

Distributed in Australia by Hasbro Australia Ltd., Level 2, 37-41 Oxford Street, Epping, NSW 2121, Australia. TEL. 1300 138 697.

Do you see that? You now have the contact information for the distributor in your country of this product. Perhaps you've been buying several of these products via retail arbitrage and wondered how to buy them wholesale? Voila! Now you know who to call. Wasn't that easy? Now, this first point of contact may not be the ultimate person you purchase the goods from, but they can refer you to the right company who can help you in your area. Now you've a chance to get a referral and be handed a warm lead you can call up.

GOOGLE

Searching Google for products or categories followed by "wholesale, or distributor" and seeing what comes up is another great way to find wholesalers. You could also add your state, province, city or country to the search terms to narrow it down. It sounds simple, yet I've located some very good wholesale accounts this way. Be creative and take the time to browse the results.

Hint: Check the pages further into the search (i.e. The 5th or greater page in the results returned).

Why? Many Wholesalers don't advertise well or understand SEO. That's why they're in the wholesale business after all. Often the ones with the worst web pages have the best deals because they fly under the radar of other online sellers searching.

TRADE SHOWS

One of the best places to see products hands on and get wholesale accounts is via trade shows.

I had the opportunity to visit my first "wholesale" trade show in March of 2015, the ASD Market Week in Las Vegas.

ASD brings the world's widest variety of wholesale merchandise together in one efficient consumer goods trade show. It's free to attend as a buyer and offers a massive range of products to select from, with over 2,600 vendors in attendance!



THE WHOLESALE TRUTH

Held in Las Vegas twice annually, ASD is a destination wholesale buying event. The buyers range from department stores to convenience stores, from college bookstores to general stores from grocery store distributors to fashion boutique stores, along with an ever-growing number of Amazon resellers (like me!). ASD is the largest and most comprehensive trade show of its kind. It's nine shows in one, including Source Direct where you can meet with factory representatives from countries all over the world, and source products directly from places like China and India.

One thing that surprised me was how easy it was to register for the show. They ask questions about your business during the initial online registration process and clearly state that you must be a reseller to attend, but I wasn't required to supply any documents to support this. None of the vendors asked to see my information either, and I was able to place orders using a credit card.

THE SHOW



It's a bit overwhelming to say the least when you arrive at the show. There are 2,600 vendors spread out over a 3.2 Million Sq. Ft. facility, on 2 floors and 3 separate wings of the building: North, Central and South. Fortunately, they have fantastic signage and a really great mobile app which makes navigation super easy.

Tip: Wear comfortable shoes! I averaged about 15,000 steps per day according to my phone health app! And you're going to do a lot of walking, 8-9 hours per day!

I spent the day prior planning my visit using their online planner tool. It's a fantastic way to narrow down the vendors with products that you're interested in selling and I'd suggest anyone who attends



uses this. It allows you to create a list with the booth number & location, plus outside contact information for each of the vendors that you select. For myself, I focused on my market of Toys, Gift + Home, General Store which narrowed down the areas I needed to visit to the South Upper and Lower sections of the show. I'll speak to this specifically as I didn't spend much time in the other categories.

VENDORS

Having never attended a wholesale show before, I wasn't sure what to expect when approaching new vendors. I brought along business cards, and a copy of my business license and Reseller Certificate just in case. What I found was that vendors were almost all very open and willing to do business with me and no one asked to see ID. I was upfront and explained that I'm a reseller on Amazon both in Canada and the US. Some were closed to adding more sellers in the US, but pretty much everyone allowed me to sell for them in Canada as they said they were wide open. I even placed orders for a few products right on the booth using my credit card! It was honestly, just like going shopping at the mall, but at wholesale pricing. It couldn't be any easier, really.

There was such a huge selection of products to choose from and it was fairly overwhelming. Basically, if it's sold anywhere retail, it's here! From Dollar Store items, to books, to e-Cigs!

Almost every vendor was open to allowing me to sell their products on Amazon. A few said they're not allowing any more sellers on Amazon.com, but in almost every case Amazon Canada was still wide open and they gave me the green light to sell in Canada. This is a big advantage to anyone looking for lines to sell outside the US.

Tip: Always Negotiate: If a vendor was okay in dealing with me at this point and I was still interested in their product(s), we'd write an initial order and I'd then ask right before signing "Is that the best you can do?" It may seem pushy, but it works! I received free shipping or an extra 10% off in most cases just for asking!

CAN'T ATTEND IN PERSON? NO PROBLEM!

One of the best tips I can give is that you don't need to physically attend a trade show to gain access to the list of vendors. Just register online (often for FREE), and once registered you can search for suppliers right from the trade shows own web portal. It's a great way to find wholesale lines. And it can be done from the comfort of your home.

Here are links to two of my favorite shows:

<http://www.asdonline.com/lv/index.shtml>

<http://www.seattlegiftshow.com/312/seattle-gift-show-home.htm>



TRADE MAGAZINES / PUBLICATIONS / DIRECTORIES

Trade magazines both in print form and online are great places to find new wholesale accounts. The following are some great places to begin your search for wholesale accounts:

<http://www.wholesalecentral.com/>

<http://www.wholesalersnetwork.com/>

<http://www.manta.com/> <http://www.wdimagazine.com/>

[http://www.retailcouncil.org/publications/canadian-](http://www.retailcouncil.org/publications/canadian-retailer)

[retailer http://canadianmerchandiser.com/](http://canadianmerchandiser.com/)

<http://www.ic.gc.ca/eic/site/ccc-rec.nsf/eng/00040.htm>



CHAPTER 3: CREATING A PROFESSIONAL APPEARANCE

One of the things you need to take care of before going any further is ensuring that both you and your business come across as professional. There's no shame in being a small business. In fact, the majority of companies in the US and Canada are solopreneurs or have less than 5 employees. But there's no excuse for looking unprofessional.

As a kid, I'm sure your parents told you to comb your hair, or put on clean clothes? Why was that? Because they wanted you to look your best as you went to school, or out into the world. Well, the same is expected of you and the way you conduct your business.

Take the following examples

Imagine you're a seasoned account rep for a large wholesale company. You receive a phone call from the following two Entrepreneurs:

ENTREPRENEUR #1

Rep: ABC distribution, John speaking. How can I help you?

Client: Hi. I want to open an account

Rep: Sure thing. Can I ask what lines you're looking to access?

Client: All of them!

Rep: Okay, I'm going to need a little more information please. Do you mind if I ask you a few questions?

Client: Um, okay?!

Rep: Before we get started, I'll send you an application where you'll need you to supply your EIN number and a copy of your resale certificate along with trade references. Where's the best place to send that?

Client: Uh, yeah okay. My email address is davestoysandbooks@gmail.com . I don't have any of that stuff you're asking for though. Can I just pay you by credit card? I sell on Amazon and eBay and



work from my home. I don't have a lot of cash, so I can't buy much to begin with, but my biz is really growing so I'm sure down the road we'll do a lot of business together! What's the minimum I can buy from you in my first order?

*Rep: I'm sorry, we only sell to established retailers. Have a nice day and thanks for calling. *click**

*Client: What?! But....Uh....Hello?! *silence**

ENTREPRENEUR #2

Rep: ABC distribution, John speaking. How can I help you?

Client: Hi John, this is Duncan from DM Distribution. I'm interested in opening a wholesale buying account with your company please.

Rep: Sure thing. Can I ask what kind of company you are and what lines you're looking to access?

Client: Sure thing John. We're a small retailer located in Vancouver, Canada and we sell toys and home goods to retail customers. Your XY1 line of stuffed animals looks interesting and appeals to our target market, as does the XXY2 line you carry. Can you tell me more about them?

Rep: You're right on! Those are some of our best selling products....(blah....blah as the rep waxes poetic about their lines for a couple of minutes)

Client: Wow, that sounds fantastic John! Hey listen, I'm a little pressed for time but I'd like to get an application started. Can you please email me a copy to Duncan@dmdist.com and I'll get that completed for your review along with the required documentation?

Rep: Absolutely! Thanks Duncan. I'll send that right away.

Client: Great! Thanks John. What's the best number to call you back directly should I need to get hold of you please?

Rep: It's 555-1212. Thanks again Duncan. You'll see the application in your inbox shortly.

Which one of the two clients would you rather be in the above scenarios? Granted, these are overly simplistic, and I made myself look like the professional (ego boost!). But you get the point.

The following are things that I suggest you spend the time to have in place prior to seeking out and contacting wholesalers.



REGISTER YOUR OWN COMPANY DOMAIN NAME

One of the ways to quickly add a level of professionalism is by having your own company domain name, and then creating an email address with that domain. This looks a lot more polished and gives you more credibility as a serious business when you contact suppliers. Using a Gmail or free email account gives you the appearance of being a small business, which while likely true can create a stigma on the part of the person who receives your email. What looks better to you: Bobsdiscountstore@gmail.com or Bsmith@BobsDiscounts.com?

CREATE A COMPANY WEBSITE

This is less important than having your own email address with your company in the domain name, however it doesn't hurt to add to your image of being an established business. It's really easy to create a website in under a few hours. The cost is also negligible and is often less than \$100 per year for hosting.

OBTAIN AN EIN NUMBER

An EIN number helps wholesalers verify that you're a legitimate business owner. Any company can obtain an EIN, even non-US based firms. Talk to your CPA first though, as it may cause you to have to file additional tax forms.

FOR US BASED COMPANIES

If you're a US based company, applying for and obtaining an EIN number from the IRS is a simple, online application. You should get your number within hours of completing the application. To apply, visit: <https://www.irs.gov/businesses/small-businesses-self-employed/employer-id-numbers-eins> and follow the instructions there.

OBTAINING AN EIN FOR OVERSEAS/NON-US BASED COMPANIES OR INDIVIDUALS

You'll need to call the IRS directly to obtain your EIN if you're not based in the US. The instructions taken directly from the IRS website are as follows:

Apply by Telephone – International Applicants

International applicants may call 267-941-1099 (not a toll-free number) 6:00 a.m. to 11:00 p.m. (Eastern Time) Monday through Friday to obtain their EIN. The person making the call must be authorized to receive the EIN and answer questions concerning the [Form SS-4 \(PDF\)](#), Application for Employer Identification Number. Complete the Third-Party Designee section only if you want to authorize the named individual to receive the entity's EIN and answer questions about the



completion of Form SS-4. The designee's authority terminates at the time the EIN is assigned and released to the designee. You must complete the signature area for the authorization to be valid.

GET A RESALE CERTIFICATE IN YOUR HOME STATE (US ONLY)

As a US based company, you must have a resale certificate in order to do business with US based wholesalers. Companies based outside the US do not require one however, and you can simply tell them you're a foreign company. They may ask for a copy of your business license or other proof that you're a legitimate business however, so be prepared.

To apply for a resale certificate in your state, do an internet search for resale numbers to find the right place. Or ask your local chamber of commerce.

Different states handle the application for resale numbers through different departments. In California, for example, you'll need to apply through the California State Board of Equalization. In New Jersey, you'll need to apply through the Department of the Treasury. Most states have provisions for applying online as well as in person.

REGISTER FOR AN HST / GST NUMBER (CANADA ONLY)

If you're a Canadian based business, or a US business doing steady business in Canada, you should apply for an HST/GST number. Canadian companies must often charge HST or GST on purchases that are being shipped within Canada. In order to claim back these taxes paid as an input credit, you must have registered for an HST/GST number with the CRA. Instructions and further information on this can be found here: <http://www.cra-arc.gc.ca/tx/bsnss/tpcs/gst-tps/rgstrng/menu-eng.html>. In addition to an HST/GST number, residents of some provinces that have their own Provincial sales tax may also need to register for a PST or QST number. Check with your Provincial requirements to ensure you're in compliance.

CREATE QUALITY BUSINESS CARDS

You may be thinking "Why do I need business cards, since my business is all online?" While that's true for the majority of your transactions, business cards are still the formal and preferred method of exchanging contact details at trade shows or in person. Having a high quality card with your company name and contact details makes you look professional.



GET A BUSINESS PHONE NUMBER

Having a dedicated number for your business sets you apart from those who just use a cell number or their home phone number. The last thing you want is a company calling and your kids answering the phone! Not very professional and they'll instantly know they're dealing with someone working from their kitchen table. Don't get me wrong, I work from home too and there are many multi-million-dollar businesses that are home based. However, you want to create a favorable impression, and having a dedicated business number helps with your image. It's also a quick way for people to find you if they're searching online for your company.

SET UP A NON-RESIDENTIAL SHIPPING ADDRESS

When starting out, many sellers have goods shipped to their home address. This is fine for many small orders with little wholesale companies. But I think this is the wrong approach. Your goal likely isn't to create a JOB for yourself, rather a scalable business that you can grow into something much bigger than just yourself. In the past, that meant investing in your own warehouse and hiring employees. But now, that's no longer required, and you can have your goods received, inspected, prepared labeled and packaged, then shipped to Amazon FBA for you at an extremely low cost. I'm talking about using a Prep and ship company. There are several in the US and Canada that you can sign up for and utilize. I highly suggest you research this and have a few in place.

Another advantage to using a prep company is that you can use one that's located close to your wholesaler to save on shipping costs and reduce the amount of time it takes to receive goods. I do this with several suppliers myself. Being on the West Coast, I'm on the opposite side of the country to most of my wholesale suppliers. It takes over a week for most goods to arrive, and the shipping can be pricey. Now I use prep companies on the East Coast and have reduced my shipping times to an average of 2-3 days, and often get FREE shipping! And, as a bonus, I never see or touch inventory! The shipping savings alone pretty much pay for the prep service fees I'm charged. It's a game changer and a no brainer!

If you're more of a hands-on person though and insist on having the goods received where you can lay eyes on them yourself, you have a few options.

1. Ship the goods to your home and inspect, label and prep them yourself (not recommended)
2. Buy or lease a warehouse and hire employees (expensive!)
3. Rent a Storage Locker with a company you can assign limited power of attorney to receive and store your shipments

Option 3 is the least costly and in my opinion the best method for most sellers in this scenario.



Shipping goods to your home often violates city bylaws, and some companies will not ship to residential addresses, or charge a hefty fee to do so.

CONSIDER INCORPORATING

Incorporation is easier than most people think and offers many legal and tax benefits. The other bonus of incorporating is that you can begin to build a credit history and trade references. This looks a lot more professional when dealing with wholesale companies and will often give you an advantage in getting approved for an account. It also has the added bonus of qualifying you for net 30 payment terms in many cases, allowing you 30 days of grace upon ordering goods before you need to pay. This becomes very advantageous as you scale your business as it helps you with cash flow and frees up capital to re-invest between Amazon payouts.

Talk to a tax professional and/or attorney to have them evaluate your own personal situation and run you through the implications and requirements.



CHAPTER 4: TYPES OF WHOLESALERS

Let's take a moment and discuss a few different types of wholesalers that you'll find.

Manufacturer sales reps (Msr's) are agents who do not actually work for a manufacturer, rather they are a third party who has exclusive rights to sell their manufacturers' products in certain locations.

The bad news about MSR's is they are constantly hounded by other resellers (retailers, ecommerce sellers, etc.) so they are exceptionally busy and can be very difficult to get a hold of.

Here's an excerpt from a conversation I had with a successful Amazon seller:

"There's a company near me that's the MSR for over a dozen major toy brands and you can't actually reach the MSR on the phone, you talk to her gatekeepers who are staff that filter people like a secretary does for a busy executive (and I'm finding this is more and more common with MSRs). When I got past the gatekeepers they scheduled when she would call me (which was the middle of a Saturday...) and she called from a blocked number. Suffice to say, some MSR's are a real pain to get into direct contact with."

The good news about MSR's is once you are on board with them, they are a goldmine. Odds are you found this MSR because you were looking for wholesale for a specific product or company, well that MSR you are talking to represents not only that company but potentially dozens more.

"I got past the gatekeepers for an MSR down in Arizona. After talking to her I discovered that not only did she represent the brand I was trying to get access to, but she also has 31 other brands she represented, and I now had wholesale access to."

Msr's are a pain to get on board with, but once you are, they are a literal goldmine of products.

Distributors are companies which buy massive volumes of product direct from the manufacturer (say 100,000 units of a single product) and then sell them in wholesale quantities to other companies (say 100 to 1,000 units of a single product). Distributors can offer you virtually the best pricing compared to anybody else, but you will pay in terms of how much you have to buy in one go (the smallest MOQ is usually \$10,000 USD). They are volume sellers and won't do business with you if you can't order in that quantity.



Most manufacturers will work directly with you if you wish to become a distributor.

A really good example here is Mattel - they are happy to do business directly with you, but you have to purchase 10,000 units per product that you wish to deal in.

Want to sell 10 different Barbie dolls (which Mattel owns)? Be ready to pay for 100,000 units, but you will get the best pricing (in case you are wondering the price is about \$7 per Barbie which retails for \$19, **Mattel distributors get product for about 60% below MSRP!**).

Wholesalers are companies who purchase bulk lots from either distributors or MSR's (see above). You will get products from them at 40% below MSRP (some offer better pricing; some offer less favorable pricing). Most companies that you find in wholesale directories and various places online fall into this category.

Manufacturers are the companies who build the products. It's very difficult (if not impossible) to deal directly with large, mega brand manufacturers unless you run a massive business yourself, however there are millions of small and medium sized companies that would be happy to work with you. Smaller companies likely have limited distribution, and you could be the person to grow their sales by selling their products on Amazon. This is especially true if you're dealing with overseas manufacturers looking to sell in the US market.

EXAMPLE

Here is an example of how this all works together - let's take Barbie dolls for instance.

Mattel is the manufacturer. They produce ten million units of a new Barbie doll and decide the MSRP is \$19.99 USD.

You contact Mattel and tell them you would like to purchase their Barbie doll for resale. They ask you a few basic questions and defer you to Emily, who is their Manufacturer Sales Rep for your state.

You call Emily but get her assistant (gatekeeper). After explaining you were referred by Mattel to purchase Barbie's from Emily the gatekeeper asks you a few questions (where you are selling, do you have a resale certificate, what is your budget, etc.). The gatekeeper says they will call you back, so you wait.

A few days later you get an email from Emily herself. You passed the gatekeeper and she sends you the catalog for Mattel which shows you can buy the Barbie doll in question for \$13 (plus freight, but if you order 100 Barbie's they will FFA it, so you don't have to pay freight).



You are not happy with that price and ask Emily for better prices. She replies back saying she can set you up as a Distributor for Mattel (free of charge) but you'll have to commit to a MOQ of 1,000 Barbie's per order (at which point you can get them for \$9). That's better but it means you'll have to spend \$9,000 on a single toy which is pretty risky.

You go back to Emily and explain the situation, she doesn't understand because she is selling thousands of this exact Barbie each month to other customers (who are mostly retail stores and they don't pay those annoying Amazon fees...). She suggests looking at other products to see if there is something more appealing and sends you 25 catalogs to sort through.

It takes a long time to get to this point, but you'll now have access to 25 different wholesale catalogs! Forget the Barbie's and see what nuggets you can find that will make you a healthy profit!

The above example is almost exactly what happened to a highly successful seller I know personally. He found an MSR and they danced through the discussion shown above over a several week period. He now purchases various products from her and has them shipped directly to his prep company.

The types of vendors you'll deal with the most as an Amazon seller are Wholesalers and small manufacturers.

As you scale your business, you may well get to the point where you're ready to deal with distributors. To get to that level, it's vital to build up trade references with several companies ahead of time so that you've a proven track record and the working capital to invest.

CHAPTER 5:

THE BEST WAY TO CONTACT WHOLESALEERS

Many people get nervous about contacting a wholesaler and trying to open an account. Fear of rejection prevents them from acting (which is silly because by not acting you're rejecting yourself!).

The good news is that this creates less competition for you. And the rewards are HUGE for those willing to deal a little case of the butterflies and some up-front work on your part.

There are several ways to reach out to a wholesaler once you've found one (i.e. phone, email, contact form on their website, etc.). Each method has its own pros and cons as outlined below:

Method	pros	cons
contact form on their website	Easy to do, it usually just asks for your company information.	Can take weeks for the company to respond to you and it's not uncommon for them not to respond at all.
email	Fairly easy to do, just pull up the email address of their sales team on their website and send off an introduction email.	As above, it can take a while to get a response and very frequently you will just be ignored. Wholesalers are very busy companies and while they accept these forms of communication it's usually at the bottom of their to-do list.
phone	You can reach somebody right now who will open an account for you. Usually you can have your application started by the time you've hung up the phone.	Can be intimidating because you don't know what to say. But further below I have provided some tips and tricks to getting through this initial contact.

MY PREFERRED CONTACT METHOD

I recommend calling them on the phone during their business hours as your first point of contact. The reason for this is stated in the table above –you'll get a sales representative on the phone usually on the first try. That's huge, no waiting for them to check their email and get back to you. I've had a lot more success in calling up a wholesaler on the phone than emailing or using their contact forms.



CHAPTER 6:

HOW TO START A CONVERSATION WITH A WHOLESALER

Now that we've gone over the different types of wholesalers and the best way to contact them, you need to pull together some information before you start calling them on the phone. I think this is where most people get intimidated. What exactly do you say to gain access to their products? First, I can almost guarantee they will ask you the following:

- *What kind of business are you? (retail, online seller, etc.)*
- *Do you sell on Amazon or eBay? (be honest in your answer!)*
- *Do you have a state-issued reseller certificate?*
- *Minimum order quantity (MOQ) is \$1,000 USD, do you understand? (don't try to negotiate this!)*
- *Do you have a tax ID / EIN?*

Before you call up a wholesaler, write out these 5 questions on a piece of paper and an answer for each of them. Each answer should be fairly brief and take no more than 10-15 seconds to say. And ALWAYS be entirely honest.

Here is what I usually respond with:

WHAT KIND OF BUSINESS ARE YOU?

I run a small business which sells toys and home goods to retail customers, I am based out of Vancouver, Canada. (or wherever you're from)

Note: As a rule, avoid volunteering information. Only answer their specific questions. This will save you some headaches down the road.

DO YOU SELL ON AMAZON OR EBAY?

I sell on both platforms.

Note: Again, don't volunteer information. Just answer their questions as directly as possible. If they follow up asking for your storefront name give it them, but don't volunteer it.



DO YOU HAVE A RESELLER CERTIFICATE?

If you're a US Based business, you'll need to obtain a reseller certificate in your home state. These are easy to get, and you can contact your local chamber of commerce or state/county government for more details. See the Obtaining an EIN section in this book for further details

IF YOUR BUSINESS IS LOCATED OUTSIDE OF THE UNITED STATES:

No, I don't, my business is licensed in Canada (or wherever you're located) and we can't get US reseller certificates. I can send you a copy of my business license though if you'd prefer.

Note: This is one question where you need to volunteer a bit of information up front if you are not licensed in the US. Only US businesses can get a reseller certificate, but I've found most suppliers are fine with accepting your business license in lieu (really, they just use this to verify you are a business owner, they don't actually care if you are registered with the state).

MINIMUM ORDER QUANTITY IS \$1,000 US; DO YOU UNDERSTAND?

Absolutely!

DO YOU HAVE A TAX ID?

Yes, I have my EIN number if you would like it.

Note: Any company can get an EIN, and you do not need to be a US company to get one. I suggest getting one if you want to get on with wholesalers, as it helps them verify you are a legitimate business owner. See the creating a professional appearance section in the book for further details.

While on the phone with the wholesaler, you should ask some questions of your own. A few important things to ask upfront are:

- *Do you sell on Amazon currently? If so, is it through other sellers or directly?*
- *Do you have MAP pricing I need to honor?*
- *Do you have a distributor in my area (or ask if they have one in another area, maybe where you have a prep company set up?)*



- *Do you offer free shipping over a certain order size?*
- *What discount tiers are available? (Best to maybe ask once you've got their price list)*

Many wholesalers have low minimum opening order amounts, often around \$150 - \$300. This is great news for small Amazon sellers with limited capital looking to get on board with wholesalers.

I'm a fan of using Prep companies in various locations, so I can have wholesalers ship to one that's closest to them to save on shipping costs. And when you start dealing with larger quantities you can often save significant amounts of money on shipping by having the goods palletized and shipped to a location close to the wholesaler.

CONTACTING WHOLESALERS BY EMAIL

Once you've set up an email address with your company domain name, (and ideally a website too), you can start reaching out to companies via email.

Be sure to use proper grammar, and spell check your message before hitting that send button. First impressions count, and you want to create a professional image from the get-go.

Here's an example email that I send to wholesalers:

Subject: Request to Open a Wholesale Account

Dear Sir/Madame,

I'd like to open an account with your company please. We're a small business that sells toys and home goods to retail customers, based out of Vancouver, Canada. I can supply you with any required documentation upon request.

My direct line is (604) 555-1212 should you have any questions.

Thank you for your consideration,

Duncan Macpherson
Senior Buyer
DM Distribution Inc.



CHAPTER 7:

DEALING WITH OBJECTIONS & NEGOTIATING

At this point you'll typically face a bunch of potential objections. Here are the most common ones I've run into and how I usually respond.

WE DON'T ALLOW OUR PRODUCTS TO BE SOLD ON AMAZON.

"I'm sorry to hear that, as your entire product line is already being sold on Amazon right now I had assumed it was acceptable. I've already spoken to company X over in state Y who wholesales these products too and they're okay with Amazon sellers, but they wouldn't sell to me because my reseller certificate is for this state. "

Or you can try the more fun answer:

"Why not?"

I only recommend that answer if you are experienced with wholesale. I've convinced companies to wholesale to me even though their policy is no Amazon sellers, but you have to think very quickly about your responses, and it takes a lot of practice. Don't try this right at the start!

One thing to bear in mind is that a lot of suppliers get hostile if Amazon is brought up. You might be better off ending the conversation at this point. However, if you do feel confident, consider the following advantages for them in dealing with sellers like us:

- It offers them more control over their pricing by setting up a MAP agreement
- Faster payment (up front or Net 30 terms typically)
- They don't have to deal with inventory buy backs vs Amazon who often require vendors to take back unsold inventory
- Using an exclusive seller and implementing brand restrictions on Amazon, allows them to maintain control of their brand and pricing.



WE REQUIRE YOU TO HAVE A PHYSICAL STOREFRONT / BRICK AND MORTAR LOCATION

This is often a point of frustration for many Amazon sellers. Inside your head you're probably saying "aww, shucks!" as your heart sinks. And, unfortunately in many cases this is a conversation ender. However, there are some things you can do to turn this around. Consider asking the following questions:

- Does that apply to your entire product line, or just certain brands?
- Is there someone else I can purchase your products from?
- Is this negotiable, or is that a rule set by your manufacturers?
- Would you re-consider if we set up MAP pricing and an exclusive distribution agreement?
- Is that applicable to all of your territories?

You'll likely have mixed success with these conversations, and don't be discouraged. Sometimes a no can evolve into yes down the road. For instance, if you can sell some of their products that they're not restricting, you prove your worth. This could open up the possibility of them making an exception for you down the line.

Also remember, you could ask about other markets. For instance, if you're a Canadian, the US market may not be open, but you could be pleasantly surprised to learn that Canada is wide open! In fact, many companies I've spoken with got excited when I mentioned I am based in Canada as they wanted to expand into my market but didn't know the best approach. Now, your market may not be large enough for their products to make it worthwhile, but by helping them and trying, you again prove your worth and open up the possibility of them allowing you to also sell in other markets (ergo Amazon .com) later on.

The point is, always be professional and polite and don't get offended by anything they say. Ask a lot of questions and try to engage them in conversation about themselves and their business. Your goal is to build a rapport with the person on the other end of the line, and while you may not get the answer you had hoped for, you've built a relationship that could turn into a new opportunity.

CHAPTER 8:

DOING BUSINESS WITH WHOLESALERS

Once you've secured a few wholesale accounts, let's talk a little about what to expect and ways to deal with issues as they arise, and methods to speed up your sourcing.

Agreements, Terms and Conditions

Pay close attention to any terms and conditions in your agreements (if you have any). There are often important things you need to understand and be aware of before jumping in and placing your first order. Here are a few common things to consider:

Minimum Opening Order (MOO)

This is the minimum amount you are required to spend with your initial order. It's non-negotiable. Be sure you understand this.

Freight

Who pays for the shipping? Is there a minimum amount you can order to obtain free shipping, or reduced shipping fees? Do you need to schedule and use your own courier? These are all questions you need to be aware of the answers to, as something that looks like a decent price on paper may not be profitable after shipping is added. Be aware and study the terms. Here are a couple of common definitions for freight:

- FFA- Free Freight Allowance or Free shipping.
- FOB- Free on Board or Freight on Board: Determines who's responsible for shipping:
 - FOB Origin – You (the buyer) are responsible
 - FOB Destination – Wholesaler is responsible

Payment

This is an important one. How are you paying for the goods? Do you pay up front via Credit card (pre-pay)? Or do they invoice and bill you upon delivery? Can you obtain net payment terms with them? If so, what are they? Here are some of the most common terms you'll see:

- Net 30,60,90: This means that you as the buyer will have 30, 60, or 90 days after the order is placed to pay the invoice – Usually requires establishing credit and interest may be charged
- Prepaid: The order needs to be paid (usually by credit card) before the items will be shipped



MAP Pricing

This is important, so pay attention! Many suppliers have a minimum price you're allowed to sell their product for, known as:

- Minimum Advertised Price (MAP): The lowest price you can sell (including online) an item.

You're not permitted to list their product for less than this amount. If you do, you could lose your account with them. MAP pricing is good because it establishes a bottom on prices, and you avoid listings where the price tanks.

It's not fool proof though, as unofficially sellers buying the same products as yours on clearance of from liquidators can and do sometimes compete with you and sell for less than MAP. This really ticks off brand owners and it's a great way to start a conversation around an exclusive Amazon arrangement, where you help them by adding their product(s) to the Amazon brand registry which restricts unauthorized sellers from hijacking your listings. Imagine being the only seller on a popular listing? Sounds great doesn't it?

Tip: You need to become familiar with the vocabulary used in wholesale trade. Reference Appendix I – Wholesale Vocabulary.

DEALING WITH DAMAGED MERCHANDISE

If you (or your prep company) receive goods where the boxes are very badly visibly damaged, you should take several pictures and refuse to accept delivery. Then send those images to your wholesale supplier and ask them to re-send the goods.

If you receive a delivery that looks fine, but then discover some of the products have damaged packaging or are not in perfect condition, take several pictures and contact your supplier. In many cases, they'll either offer to have you keep them for a discount (not ideal for Amazon sellers as we can't sell it as new), ship out replacements and ask for the damaged goods to be sent back (or not, depending on their value), or offer you a credit for the damaged goods and either ask you to ship them back (should be at their expense) or dispose of them.

ANALYZING WHOLESALE PRICE LISTS

Every wholesaler is going to have a slightly different price list format. But most should be able to provide you with an excel spreadsheet of their entire product line. Ideally, this will also include UPC codes.

So how do you determine what products they carry that you can sell for a profit? You basically have two options:



Option 1: Manually copy and paste items from their list/website into Amazon's search and see what comes up.

Option 2: Use software to do the hard work for you and TELL you what items are profitable

For smaller suppliers with a limited number of SKU's doing it manually is fine. You may have already done your research prior to contacting a supplier and know what products of theirs you want to sell ahead of time.

Option 2 is ideal for suppliers with many SKU's that would take you hours to manually go through. Fortunately, there's some fantastic software available to automate this process for you.

This allows you to quickly scan through wholesaler's price lists for profitable inventory.

You just upload any list of wholesale products from your supplier (no limit on file size), search against the Amazon database and it identifies the fast turnover, high profit items to sell on Amazon.

CHAPTER 9:

ADVANCED SOURCING TECHNIQUES

Equally important to finding wholesalers, is finding profitable products within their catalogue. We covered the basics of scanning through a price list either manually or with the use of automated software in the previous chapter. I also suggested starting with products you're already familiar with or passionate about.

Now, let's move on to some more advanced strategies to further differentiate yourself from other sellers and increase your chances of success.

HOW MANY ITEMS OF A SKU SHOULD YOU PURCHASE?

I'm sure you're familiar with Amazon's Rank system, and how it gives you an approximate idea of the popularity of a product? But how do you go deeper than just the rank alone?

KEEPA CHARTS

These charts show you the complete sales and rank history of an item on Amazon. Just because a product has a decent rank today, doesn't mean it's always been that way, or will continue to sell. By learning to read these charts, you get a far deeper understanding of the sales and rank history of a product. You can see if Amazon have ever been a seller, or if they sometimes stock the item but frequently run out of inventory (ideal for sellers like us!). It can also show you if an item is seasonal (i.e. Christmas decorations, winter jackets) and when the best times of year are for selling.

DETERMINING HOW MANY UNITS OF A PRODUCT ARE SELLING PER MONTH

Sales rank and reading charts are important criteria in evaluating a product. But how can you accurately estimate how many units of an item are selling on Amazon per month? You need a tool that I and many other experienced sellers use called [Jungle Scout](#). It's a simple Chrome browser extension that with one click, shows you data on an item on Amazon including....The estimated number of sales per month!

But...

You need to know how to use this data to dig deeper and figure out how many sales YOU alone will get if you listed the item. This helps you to determine how much inventory to purchase.



You see, Jungle Scout only shows you the estimated total number of sales of the item per month, shared between all sellers on the listing. So, you'd need to add yourself to that list of sellers and divide by the total number of sellers on the listing (including yourself) to determine how many sales you could expect per month.

However...

Not every seller on the listing has a realistic price. So, what I do instead is eliminate all sellers as potential competitors if they're not **within 2% of the current buy box price.**

So, if a listing has 12 sellers, but only 4 are within 2% of the current buy box price, I add myself for a total of 5 legitimate sellers and divide the estimated number of sales per month Jungle Scout is reporting by 5. This now gives me an approximate number of units I could sell per month from my inventory, sharing the buy box.

REVERSE SOURCING

A great way to find profitable items to sell with little to no competition is to do a little reverse sourcing. Simply put, I start with a product I'm interested in and search Amazon for the best sellers currently listed. Then I click on the listings and begin reading the 3 Star reviews. I ignore the 5-star and 1-star reviews as these tend to be biased or too extreme to consider. The 3-star reviews are the people who typically list the pros and cons of a product and offer a more balanced feedback.

Within this feedback, I take notes on the list of cons and look for similar patterns. For instance, people may love a certain barbeque grill brush, but many have stated they wish that the handle were a bit longer, or the bristles a little stiffer. If there are many people with the same cons, I keep this in mind.

My next step is to seek out manufacturers or wholesalers who carry this type of product. If I can find one that's like the current best seller on Amazon but addresses the cons from the 3-star reviews, and I can buy it at a price that lets me compete against the current one on Amazon I could have a winning product on my hands. Obviously, this takes work and a lot of time, but you can use information taken directly from current customers to tell you EXACTLY what to source and look for in a product.

BUNDLING

One of the often-overlooked ways of creating higher profits and less competition when selling on Amazon is to create a unique bundle. Wholesalers are ideal for bundling complimentary products, and it makes it very hard for other sellers to copy or duplicate your product as they'd need to find multiple sources to buy the items from.



It also creates the opportunity to create a profit selling two items together that would otherwise be un-profitable sold individually. You can become a valued customer to your wholesalers by taking products they've had difficulty selling alone and bundling them with other products that combined sell well.

WHITE LABEL

You hear a lot of talk around creating your own Private Label brand, yet it can be highly complicated, expensive and difficult to obtain the right product liability insurance. White labeling is a lot easier to do, with less risk as the manufacturer often still holds the liability insurance on the product being sold.

Yet you can have the packaging custom made and the product sold under your own brand name! You could even have it listed on the Amazon brand registry to protect your listing for hijackers.

One caveat to this approach is that you need to be creative. You don't want another variation of a generic product that hundreds of other sellers are also flogging on Amazon, as you'll be lost in the mix and you're not really adding any value. So instead, think of bundling or something unique you can add to the item to make it stand out and more desirable to your target customers.



CHAPTER 10:

INTERNATIONAL TRADE

Some of the best opportunities come from wholesalers located outside of the United States.

FIRST THINGS FIRST

Before you make any purchases, you'll need to research what products are banned or restricted in the United States, and any labeling requirements and certifications necessary to import them. For example, certain products require an FDA certificate or UL label.

HARMONIZED TARIFF SCHEDULE OF THE UNITED STATES

Before you can import a product into the US, you'll need its Harmonized Tariff(HS) number which is issued by the US Government. This number classifies the product and is used to determine how much duty you'll need to pay (if any) to import the goods.

The US Gov't have a website where you can look up the correct HS code for your goods here: [Harmonized Tariff Schedule](#) of the United States. Getting the correct classification for your goods is essential in avoiding delays or running into issues.

This can be quite a complicated process and is somewhat confusing to figure out the correct classification on your own. And if you get it wrong, your goods could be refused at the border or seized. Fortunately, there's a site that significantly simplifies the process for you called [DutyCalculator.com](#). It'll help you find the correct classification and HS code, along with estimated duties.

ENTRY OF GOODS –ENTRY PROCESS

When your shipment reaches the United States, the importer of record (i.e., YOU - the owner, purchaser, or licensed customs broker designated by the owner, purchaser, or consignee) will file entry documents for the goods with the port director at the goods' port of entry.

Imported goods are not legally entered until after the shipment has arrived within the port of entry, delivery of the merchandise has been authorized by CBP, and estimated duties have been paid. It is the importer of record's responsibility to arrange for examination and release of the goods.

NOTE: You should also contact other agencies when questions arise about particular commodities.



For example, questions about products regulated by the Food and Drug Administration (FDA) should be forwarded to the nearest FDA district office (check local phone book under U.S. government listings) or to the Import Division, FDA Headquarters, 301.443.6553. The same is true for alcohol, tobacco, firearms, wildlife products (furs, skins, shells), motor vehicles, and other products and merchandise regulated by the other federal agencies for which CBP enforces entry laws.

RESTRICTED MERCHANDISE

An increasing number of goods and products such as textiles, clothing, radios, CD players and medical devices, are subject to special standards, declarations, certification, marking or labeling requirements. Other merchandise must be examined for fitness of use, freedom from contamination, or may be subject to quotas on the quantity imported. All these requirements must be met before the merchandise may be released by Customs.

A license or permit from the responsible agency may be necessary to import:

- alcoholic beverages
- animal and animal products
- certain drugs
- firearms and ammunition
- fruits, nuts
- meat and meat products
- milk, dairy, and cheese products
- plants and plant products
- poultry and poultry products
- petroleum and petroleum products
- vegetables

There are also restrictions on the importation of certain trademarked and copyrighted articles. (For further information see Customs Publication No. 549 U.S. Customs and Protection of Intellectual Property Rights.)

Most of the above items are regulated by the following agencies below. Contact them with questions:

Bureau of Alcohol, Tobacco, and Firearms Washington, DC 20226 (202) 927-8110 (alcoholic beverages) (202) 927-8320 (arms and ammunition)

Animal and Plant Inspection Service (Animals/animal products) USDA-APHIS-VS Hyattsville, MD 20782 (301) 734-7885



Animal and Plant Inspection Service (Plants/plant products) USDA-APHIS-PPQ Hyattsville, MD 20782 (301) 734-8896

U.S. Fish and Wildlife Service Office of Management Authority 4401 N. Fairfax Drive, VA 22203 (703) 358-2104

Food and Drug Administration Division of Import Operations and Policy 5600 Fishers Lane Rockville, MD 20857 (301) 443-6553

Consumer Product Safety Commission Office of Compliance 4330 East West Highway Bethesda, MD 20814 (301) 504-0608

SHIPPING VIA COURIER/MAIL

For smaller quantities of inventory, you can ship via courier or mail either directly to Amazon's FBA warehouses, or to a Prep and Ship company in the US. If the company used to mail the products is assigned as the person to clear the goods, and if the total estimated re-sale value of said goods is under \$2,000USD.

RULES

- Must be under \$2,000USD total shipment value
- CBP declaration must be securely attached to the outer wrapping giving an accurate description of the contents and their value. This declaration can be obtained at post offices worldwide or via the courier you use
- Commercial invoice enclosed in the parcel bearing the declaration
- Each mail parcel containing an invoice or statement of value should be marked on the outer wrapper, on the address side, "Invoice enclosed." If the invoice or statement cannot be conveniently enclosed within the sealed parcel, it may be securely attached to the parcel

NOTE: The following general exceptions apply to the \$2,000 limit:

- Articles classified in Subchapters III and IV, Chapter 99, Harmonized Tariff Schedule,
- Billfolds and other flat goods,
- Feathers and feather products,
- Flowers and foliage, artificial or preserved,
- Footwear,



- Fur, articles of,
- Gloves,
- Handbags,
- Headwear and hat braids,
- Leather, articles of,
- Luggage,
- Millinery ornaments,
- Pillows and cushions,
- Plastics, miscellaneous articles of,
- Rawhides and skins,
- Rubber, miscellaneous articles of,
- Textile fibers and products,
- Toys, games, and sports equipment, and Trimmings

The limit for these articles is \$250, except for textiles (fibers and products). Virtually all commercial shipments of textiles require formal entry (Meaning you must use a broker), regardless of value.

SHIPPING DOCUMENTATION

An Amazon fulfillment center may be listed as the "deliver to" party on your shipping documentation. Here are some examples of how this should appear on the shipping documentation

Example

Amazon.com.kydc

[seller legal Name] c/o FBA

1850 Mercer Drive Lexington, KY 40511 USA

All inventory shipped to Amazon fulfillment centers must meet any of the applicable requirements found in Amazon's the [Inventory Requirements](#) help section.

USING A BROKER

If your shipment is valued at over \$2,000USD (for Mailed Parcels), you're required to use a broker.

[Click here for a link to a directory](#) where you can locate brokers.

Before you can use a broker, you'll need a few things in place.

1. You're going to require is an EIN number, issued by the IRS. This is your identifying number with the IRS that allows you to import formally into the United States. [Click here for information.](#)



2. Follow Amazon's importation requirements as follows:

All inventory shipped to Amazon fulfillment centers must meet any of the applicable requirements found in Amazon's [Inventory Requirements](#) help section.

IMPORTER OF RECORD

An Importer of Record (IOR) is required for merchandise entering the United States. Amazon, including our fulfillment centers, **will not** act as an IOR for **any** shipment of FBA inventory. This applies to shipments of any size or value, regardless of origin and product. **you may not leave this field blank; this may result in the shipment being refused and returned.**

The IOR is responsible for: (1) ensuring the imported goods comply with local laws and regulations, (2) filing a completed duty entry and associated documents, and (3) paying the assessed import duties and other taxes on those goods.

NON-RESIDENT IMPORTERS

Entry of goods into the United States may be made by a non-resident (foreign) IOR. To become a non-resident IOR, please contact your customs broker or carrier for details.

CUSTOMS BROKERS

Customs brokers are private individuals or firms licensed by U.S. Customs and Border Protection (CBP) to prepare and file the necessary customs entries, arrange for the payment of duties owed, arrange for the release goods from CBP custody, and otherwise represent importers in customs matters.

To find a list of customs brokers, visit the "Locate a Port of Entry" section of the [U.S. Customs and Border Protection website](#). Select the state you will be importing into, select the city, and then click the **Brokers** link below the city information. If you do not know what port you are shipping into, FedEx, UPS, DHL, Expeditors International, and Samuel Shapiro are familiar with Amazon policies and may be able to help.

FedEx: www.fedex.com

UPS: www.ups.com

DHL: www.dhl.com

Expeditors International: www.expeditors.com

Samuel Shapiro: www.shapiro.com



I suggest you contact your freight forwarder or courier in advance of shipping any inventory in order to understand their fees and requirements.

DUTIES, TAXES, AND SHIPPING COSTS

Amazon will not be responsible for or collect any duties, taxes or shipping costs associated with FBA inventory. All shipments are required to use Delivered Duty Paid (DDP), or sometimes referred to as "Free Domicile," shipping terms. Any shipment arriving at an Amazon fulfillment center with collect charges, including any duties, taxes or shipping costs, will be refused without further concession.

SHIPPING DOCUMENTATION

An Amazon fulfillment center may be listed as the "deliver to" party in the USA on your shipping documentation. Here are some examples of how this should appear on the shipping documentation

Amazon.com.kydc [**seller legal Name**] c/o FBA
1850 Mercer Drive Lexington, KY 40511

ULTIMATE CONSIGNEE

While Amazon will not act as the Importer of Record, we may be listed as the Ultimate Consignee on your shipping documentation only if the name of the Amazon entity is followed by **"in care of FBA."**

If you list Amazon as the Ultimate Consignee, your customs broker must contact Amazon at sellerimports@amazon.com in advance of shipping any inventory to obtain the EIN or Tax ID # required for customs clearance.



APPENDIX I:

WHOLESALE VOCABULARY

- Case: Number of items in the box from the manufacturer. You usually place an order for multiples of Cases.
- FFA- Free Freight Allowance or Free shipping.
- FOB- Free on Board or Freight on Board: Determines who's responsible for shipping:
 - o FOB Origin – You (the buyer) are responsible
 - o FOB Destination – Wholesaler is responsible
- Keystone: MSRP is double the wholesale cost (i.e. the item costs \$20 wholesale and item retails for \$40)
- Lift Gate Charge: Indicates there'll be a charge if your shipment requires a truck with lift gate capabilities.
- Loading Dock: Area of a commercial building where goods are loaded / Unloaded.
- Master Carton: Made up of an inner case which is made up of a set number of individual SKUs or units.
- Minimum Advertised Price(MAP): The lowest price you can sell (including online) an item.
- Minimum Opening Order(MOO): This is the smallest order they'll take for opening your account.
- Minimum Reorder: The minimum order needed to complete the next order (i.e. 1st order may be \$200 minimum and after that is \$100/order).
- MSRP- Manufacturer Suggested Retail Price
- Net 30,60,90: This means that you as the buyer will have 30, 60, or 90 days after the order is placed to pay the invoice – Usually requires establishing credit and interest may be charged.
- Pallet: Used in orders shipped by freight. You can load pallets up to around 6 feet high. Every company has their own dimensions, so be aware of their pallet size. 48"x48" is typical but varies.
- Prepaid: The order needs to be paid (usually with a credit card) before the items will be shipped
- Purchase Order: A Commercial Form that documents types, quantities, and agreed upon price. We use these to check in products as they are received.
- Residential Fee: Fee that can be assessed if you are having a freight delivery to a residential area.
- Sales or Line Sheet: The sheet that give information of what items and lines a wholesaler carries.

APPENDIX II: PREP AND SHIP COMPANIES

One of the things that makes selling on Amazon easy to scale is the use of a Prep and Ship company. Simply put, a Prep and Ship company is a place you have your purchases sent to where they receive the items, inspect them, label and package them up according to Amazon's guidelines, then ship the goods to Amazon for you.

Without a prep and ship company it'd be difficult to buy from US wholesalers for businesses located outside the US.

The costs are surprisingly affordable too. On average, you'll pay between \$1.50USD and \$2.00USD per unit for items that they process for you.

It's relatively easy to set up an account with a Prep and Ship company. You basically start out by contacting them. One unfortunate trend though is that many are too busy to take on new clients. Some only handle Retail Arbitrage clients, and others only deal with wholesale or private label products. You'll need to select the appropriate company for your needs.

You can find a list of prep companies in our [Facebook group](#).



APPENDIX III: RESOURCES

THE SELLER ACADEMY: This is one of the BEST courses for learning how to sell on Amazon. It covers topics for beginners, up to expert level multi-million-dollar sellers. I continually add new content at no charge for lifetime members.

JUNGLE SCOUT – With the click of a button, see a product's estimated monthly sales, Best Seller Rank, revenue, or other criteria that is critical in identifying profitable opportunities. Filter, organize, and export to CSV to aggregate and organize key data points to accelerate and inform your Amazon product research.

RAKTUEN.COM – Online coupons and cash back for major US retailers. A must when doing online sourcing as you can get some pretty significant rebates back. Every dollar you save is a dollar you make in extra profit!

RAKTUEN.CA – As above, but for Canadians shopping on Canadian Websites. Ebates.ca works with over 650 stores that ship to Canada including Indigo.ca, Amazon.ca, eBay, Sears, Old Navy, Forever21 and Groupon.

FLAGSHIP COURIER SERVICES (Canada Only)- Save a ton of money on shipping costs! Get the lowest rates from all of the major couriers in Canada and create shipments through their easy to use portal.