THE RESELLER'S GUIDE TO
SALES RANK

UNDERSTANDING AMAZON BEST SELLERS RANK FOR MAXIMUM PROFITS

STEPHEN SMOTHERMAN

The Reseller's Guide to Sales Rank:
Understanding Amazon Best Sellers Rank for Maximum Profits

Stephen Smotherman

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Chapter 1 – Introduction

Welcome!

I'm going to make you a promise. What you are reading right now is going to change everything. It's very possible you have heard that sales rank is an important part of making a quality decisions when it comes to building up a successful Amazon business, but did you know it's **one of the most confusing and complicated aspects to understand?** That's why I put together this mini-course to help you understand Amazon best sellers rank for maximum profits.

When new sellers first get started with selling on Amazon, they usually have one primary goal: Find lots of inventory that will both sell for a nice profit *and* sell quickly. The act of finding and buying inventory is called "sourcing." Most "how to sell on Amazon" courses teach Amazon newbies to look at two crucial aspects of every item they are sourcing to sell on Amazon: ROI and Sales Rank. Each potential inventory item needs to pass the test of **good ROI** and the test of a **good sales rank**. Only by passing both tests is an item deemed worthy of buying to sell on Amazon.

The **ROI (return in investment)** is usually simple enough to figure out. To calculate profits, many sellers use smartphone apps or computer programs to tell them if the items they are looking at would be profitable to sell on Amazon. If the ROI shows a nice profit, then it has passed the first test. Here's an example:

Item A can be purchased for $5, sells on Amazon for $25, and after Amazon fees are taken out, Amazon pays the seller of that item around $19. Well, $19 minus the initial investment of $5 brings back a profit of $14. That's an ROI of 280%! That's great ROI.

The second test is all about **finding an item with a good sales rank**. As Amazon sellers soon find out, this task is a lot more complicated than figuring out profits… and again, the reason for the creation of this mini-course.

Understanding sales rank is vital to a building a successful Amazon business. Once you know the story behind the sales rank numbers, that knowledge will help you build a faster growing Amazon business leading to more profits, faster sales, and less loss.

When it comes to understanding sales rank, there are multiple layers of information that a good Amazon seller needs to understand in order to interpret the sales rank of an item on Amazon. Here are a few examples of just how confusing sales ranks can be:

Item B is a book and has a sales rank of 400,000, and this is considered to be a good sales rank. Item C is a toy and has the same 400,000 sales rank, but that's considered a bad sales rank. Why is that? (Don't worry, we'll get into that in detail later in this mini-course).

But before we get too deep into sales rank, let me introduce myself and tell you why you might want to read further about how I can help you better understand sales rank and how to use it to make smarter sourcing decisions for your Amazon business.

About Stephen Smotherman

My name is Stephen Smotherman, and I'm honored that you've chosen to read this book. I've been selling online for about 20 years. Back in 1998, I discovered selling on eBay and got hooked. Selling on eBay was a fun hobby for me for over a decade, and it helped pay some of the bills. I became an eBay PowerSeller with Top Rated Seller Status and held those honors for many years.

In 2011, I found myself desperately looking for a good paying job. I was a single dad trying to find a way to raise my 4 young boys without having to put them all in daycare or after-school care. I needed a way to work from home and make a full-time income. In late 2011, I discovered selling on Amazon via FBA. My whole e-commerce business began to transition from selling on eBay to selling on Amazon. I still sell on eBay every now and then, but Amazon gets the bulk of my business. In fact, Amazon has recognized me as a Top Holiday Seller. That means out of all sellers on Amazon, my sales were in the top 25% as well as having an A+ customer satisfaction rating. Amazon no longer awards sellers for being Top Holiday Sellers, but it was a fun honor to receive that award.

Selling on Amazon has helped move my e-commerce business from a hobby to the way I now earn a full-time income. I've made a full-time income as an online reseller since 2012, and I absolutely love it. I enjoy being my own boss, working from home, and setting my own hours. I love being able to go treasure hunting and get paid for it. The freedom that working FBA provides is awesome.

In my personal life, my story changed forever for the good in 2013 when I married Rebecca. She began working part-time with me on my Amazon business shortly before the wedding, and we have loved being partners in life and in business. Rebecca has increasingly taken on more responsibility in our Amazon business, and since 2015 she has been in charge of all of our online arbitrage (OA), while I am responsible for our retail arbitrage (RA) and wholesale sourcing.

Since we are able to earn a full-time income by selling online and spending only part-time hours, we decided to blog about it. If you're ever curious how we are able to sell on Amazon via FBA and earn a full-time income, then come join Rebecca and me over at www.fulltimefba.com. You can subscribe to updates, get a bunch of freebies, and hear our stories. We offer tons of free tips and tricks on how to best manage a full-time FBA business. We update the blog often and are always offering fresh content.

Basic understanding of Amazon FBA

I don't want to assume everyone reading this book is familiar with the ins and outs of online reselling. To make the most out of the knowledge in this book, you need to know the basics about buying/selling on Amazon via FBA. If you don't have a foundational knowledge of selling on Amazon via FBA, check out this course:

JumpStart Amazon: Build a Successful Amazon FBA Business by Stephen Smotherman

JumpStart Amazon, the definitive course about selling via Amazon FBA, is a combination ebook (200+ pages) and video course (10+ hours) that walks you through, step-by-step, how to set up and run a successful Amazon business. The content in the ebook and videos are the same, so you can choose how you would most like to consume the content (read or watch). From creating your Amazon account and structuring your home-based business to finding profitable products and maximizing your profits, this course will show you how to not just start your Amazon business but also set yourself up for long-term success.
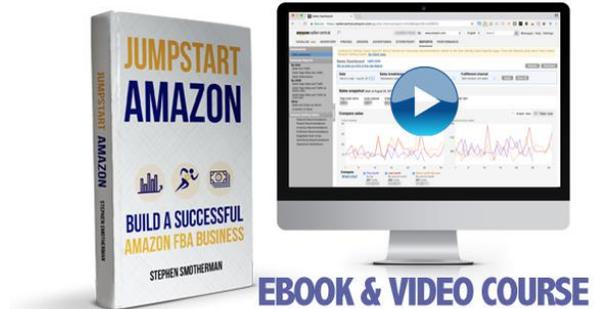
Disclaimers

While the purpose of this book is to show you how to better understand sales ranks in order to make smarter sourcing decisions that lead to faster sales and more profits, I know that each person reading this book will have results that are his or her own. The contents of this book are based on my opinions and experiences with selling online and are not a guarantee that the reader will be able to replicate the formulas contained in this book. Unauthorized distribution, reselling, or copying of this material is unlawful. No portion of this book may be copied or resold without explicit permission from the Publisher.

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Conclusion

I'm so excited you've picked up this mini-course to learn how to better understand the complicated world of sales rank on Amazon. It's my goal that after you consume all of the content in this course, understanding sales rank will become second nature to your thought process while you're out sourcing for profitable items to sell on Amazon.

Chapter 2 – Sales Rank 101

What is sales rank?

Sales rank (also called Amazon Best Sellers Rank) is **the ever-changing number Amazon assigns to its products to signify how popular each item currently is**. Amazon seems to love ranking all of their items. They know that shoppers tend to buy more items the more popular they are. Amazon even has quick links to see all of the items currently in the Top 100 of each major category.

But Amazon sellers use sales rank much differently than buyers use them. We use rank to make an educated guess on how quickly an item will sell on Amazon based on its popularity (sales rank). **Usually, the lower the sales rank number, the more often that item sells in that item's particular category.** Currently, Amazon has over 30 major categories (not to mention countless sub-categories), so understanding sales ranks in each category can be a difficult job. In fact, it's my belief that sales rank is one of the most misunderstood aspects of selling on Amazon. It's my goal in this mini-course to make sales rank super easy for you to understand.

The plain and simple truth is this: The better you understand sales rank, the better sourcing decisions you can make.

How to find sales rank

There are a few ways you can find the sales rank:

1. On the Amazon product page

The sales rank can be found on most Amazon product pages in the Product Details section. Most of the time, you'll need to scroll down the product page in order to find the Product Details section and to see the sales rank. Here is a picture of the Product Details section with the sales rank circled:

If there is no line that states the sales rank, then most likely it does not have a sales rank. We'll talk later in the course about how to deal with products that don't have a sales rank listed. The Product Details section also includes information on sub-category sales

Product Details

Paperback: 480 pages
Publisher: CreateSpace Independent Publishing Platform (August 31, 2014)
Language: English
ISBN-10: 1500333824
ISBN-13: 978-1500333829
Product Dimensions: 8.5 x 1.1 x 11 inches
Shipping Weight: 3 pounds (View shipping rates and policies)
Average Customer Review: ★★★★★ (182 customer reviews)
Amazon Best Sellers Rank: #422,077 in Books (See Top 100 in Books)
　　　#1229 in Books > Business & Money > Processes & Infrastructure > **E-Commerce**
　　#9356 in Books > Textbooks > **Business & Finance**

ranks. These sub-category ranks are not as important, but are still helpful. We'll go into a little more detail about sub-category sales ranks later in the course.
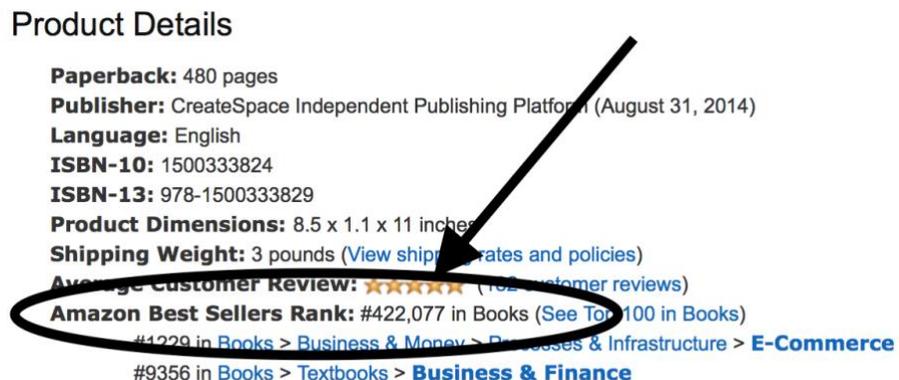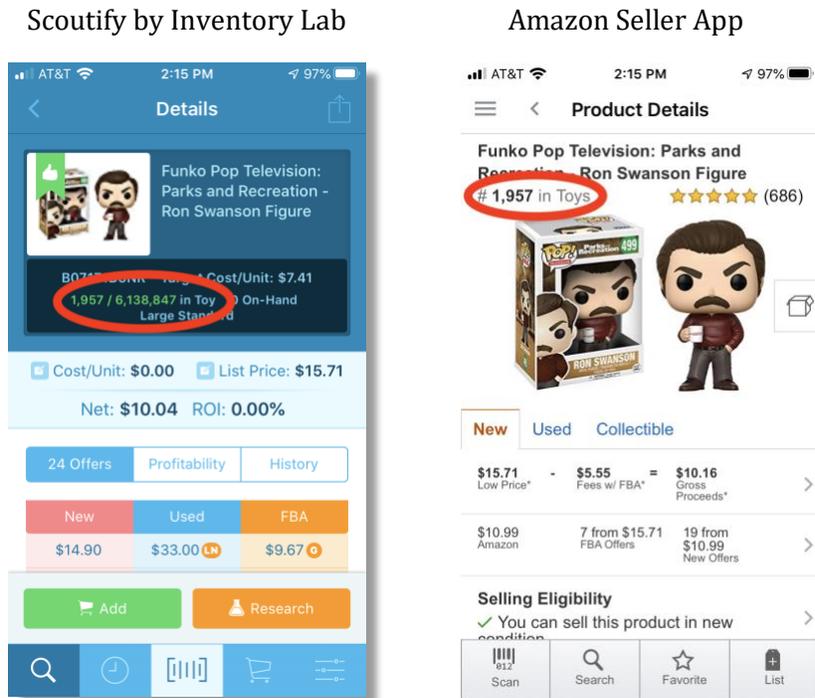
2. With an Amazon scanning app

All of the main Amazon sourcing apps provide you with the sales rank. Below are screen shots of Scoutify (by InventoryLab) and the Amazon Seller App. All apps will show you the sales ranks. In fact, I'll circle the sales rank in these screen shots.

Scoutify by Inventory Lab   Amazon Seller App

Understanding sales rank

The best way to understand sales rank is to pay attention. The more you spend time sourcing for profitable inventory, the more interactions you'll have with sales rank. Eventually, you'll naturally come up with your own sales rank comfort zones for each main category. But in the beginning of this process, you'll need to pay attention to the sales ranks of items and how fast your items sell in relation to their sales ranks.

Unfortunately, Amazon does not publicize the algorithm it uses to calculate sales rank. The only way we can try to understand sales rank is to look at the limited data we have and then use that data to make the best decision possible.

Here are the basics of understanding sales rank that we'll break down in this chapter:

1. Sales rank is like a snapshot in time telling how well an item has recently sold.
2. Amazon updates the sales rank of most items in their catalog about once every hour.
3. Just one sale can have a dramatic effect on the sales rank number.
4. The sales rank of an item can improve the same amount no matter if the sale is an Amazon sale, a 3rd-party new sale, or a 3rd-party used sale.
5. If an item has no sales rank then it either has never sold on Amazon (be it a newly listed item or a really old item) or has not sold in a very, very long time (likely 2+ years).
6. For some reason, Amazon sometimes does not provide an overall sales rank for an item, but

instead gives a sub-sales rank number (usually in the Electronics category).

7. Just because an item has a "good" sales rank doesn't mean it is guaranteed to sell in the future.

8. Just because an item has a "bad" sales rank doesn't mean it is guaranteed to never sell again.

Let's break down all of the above basics of sales rank and go deeper.

1. Sales rank is like a snapshot in time telling how well an item has recently sold.

Imagine scanning two different books. The data for Book A shows you it has a sales rank of 500,000 and Book B has a sales rank of 501,000. Even though both of these books have very similar sales ranks, it doesn't mean that both books have the same amount of sales velocity. In fact, Book A could be consistently selling once a week, while Book B could have sold yesterday, but that was the only time this year that book sold. The only thing the two books have in common is they have both sold somewhat recently. If this is confusing, don't worry… we'll break down all of these situations later in the course. I'll break down how you can tell which book sells often and which book doesn't.

2. Amazon updates the sales rank of most items in their catalog about once every hour.

About once an hour, Amazon takes all of the sales it has registered and incorporates that information into the sales rank algorithm for almost every item in their product catalog. I say "almost every item" because I've recently discovered that Amazon does not regularly update sales rank numbers for items that have super high sales ranks. These are the items that get almost no sales ever and it's not worth it to Amazon to check in on them hourly. These super high ranking items have sales ranks that are updated about once a day, so it's still updated frequently enough. Getting the sales rank directly from Amazon gives you the most recent and most reliable information.

3. Just one sale can have a dramatic effect on the sales rank number.

Almost every time a product sells on Amazon, its sales rank improves. Sometimes, though, the sales rank number can improve a little bit, and sometimes it can improve significantly. Remember Book A and Book B from above? Book A sold once a week and usually has a sales rank around 500,000. After a few days of no sales the rank might get up to around 900,000… but with each sale it jumps back to around 500,000 again. On the other hand, Book B has a current sales rank of 501,000 but only averages about one sale per year. If Book B sold this morning and shows a sales rank of 501,000, it's possible that just yesterday Book B was ranked around 5 million, but jumped to 501,000 just because of that one sale. After a few months of zero sales Book B's sales rank would probably return to 4 to 5 million again. Wow! Did you catch that? Just one sale can cause an item to have a huge temporary jump forward in sales rank.

I have often wondered why one sale could impact the sales rank of an item so dramatically it could garner a sales rank equal to an item that sells about once a week. It turns out that recent sales are weighted heavier in Amazon's sales rank algorithm. Amazon does not publicize their sales rank algorithm, so this information is merely speculation, but I can tell you from personal experience of tracking sales ranks for over 5 years that recent sales seem to be weighted more in the sales rank number.

4. The sales rank of an item can improve the same amount no matter if the sale is an Amazon sale, a 3rd-party new sale, or a 3rd-party used sale.

When it comes to updating sales rank, Amazon does not look at who the seller was (be it Amazon or a 3rd-party seller) or the condition of the item (new, used, collectible) when it calculates sales rank. To Amazon, a sale is a sale – no matter the condition or seller.

5. If an item has no sales rank then it either has never sold on Amazon (be it a newly listed item or an old item) or has not sold in a very, very long time (likely 2+ years).

The only time a product will get a sales rank is if it has sold. Makes sense, right? I mean it is called *sales* rank, after all. No sales equals no sales rank. But just because an item doesn't have a sales rank doesn't mean you shouldn't consider buying it for resale. We'll get into those possible scenarios later on in the course too.

6. For some reason, Amazon sometimes does not provide an overall sales rank for an item, but instead gives a sub-sales rank number.

Amazon does not explain why, but sometimes they do not show you a sales rank for an item that is actually selling. This is most common in the Electronics category, but this does happen occasionally in other categories as well. Instead, Amazon will give out sub-sales ranks. Here is an example of a sub sales rank:

Electronics -> Computers -> Desktop Computers -> Accessories -> Keyboards -> Wireless.

You can see that sub-categories can have many layers. The example above is in the Electronics category, where there are five layers of sub-categories for this particular item. After the sub-sales rank category breakdown, Amazon will give you the sub-sales rank number. Note: Unless the sub-sales rank number is in the top 10, I usually use other methods of deciding if I will buy the item to resell on Amazon or not. For more information on understanding sales ranks in the Electronics category, click here and here for two helpful blog posts on the topic.

Here's an image of a sub-sales rank in the Computers & Accessories category:

Best Sellers Rank

#1 in Computers & Accessories > Computer Accessories > Keyboards, Mice & Accessories > Keyboard & Mouse Combos

Note that the above item is not ranked number 1 in the Computer & Accessories category, but rather it's ranked number 1 in the sub-category of Keyboard & Mouse Combos.

Now, you might be wondering, "How can I tell which categories are the main ones and which categories are a sub-category?" The quickest way to tell is to go right to Amazon. When you're on the Amazon home page, you can see the search bar toward the top of the screen. By default, the search bar is set to search "All" of the categories.

But if you click on the upside-down triangle next to the word "All," you will see a list of the main selling categories on Amazon.
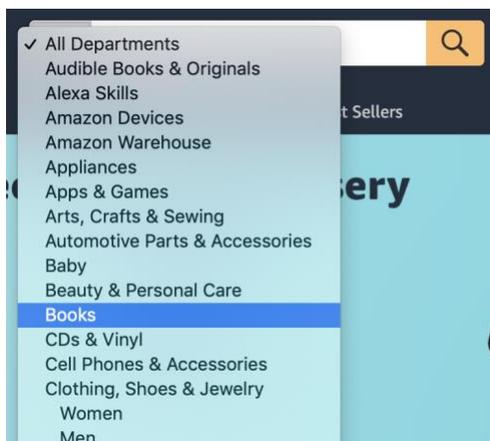
You can scroll down that list and see all 30+ main Amazon selling categories. Note: the five categories under the Clothing, Shoes, and Jewelry (Women, Men, Girls, Boys, and Baby) are actually sub-categories, not main categories. They are the only five sub-categories listed on the drop-down menu as of the time of this writing. But all the other categories in the drop-down list are the main Amazon seller categories.

7. Just because an item has a "good" sales rank doesn't mean it is guaranteed to sell in the future.

While it's possible to use sales rank and sales rank history to predict future sales, it is no guarantee the item will sell again in the future. There are many random outside forces we have no control over that may cause an item to not ever sell again. While the chances are very small that the item will never sell again, it's at least something I want you to be aware of. There is never a way to guarantee an item will sell again.

8. Just because an item has a "bad" sales rank doesn't mean it is guaranteed to never sell again.

So many people pass over possible inventory items because they think the sales rank is so bad it will never sell again. Sure, there are times when it's not a wise choice to buy a high-ranking item to resell on Amazon, but there are many times that choosing to buy a high-ranking item to resell is the best option. Again, we'll dive deeper into that later on in the course.

Conclusion

I know I have teased a lot of information in this section of the course, but I did that for a reason. Right now, we're building up a foundational understanding about sales rank. If I jumped into all of the above topics at full depth, then I'd be worried about giving you too much information to think about at once. Information overload is a real thing, and I only want to focus on the basics right now. Once we have a solid foundation, then we can begin to build up many layers of knowledge to help you make the absolute best decisions when you are sourcing for profitable inventory.

Chapter 3 – How to Use the Sales Rank Chart

Sales rank chart basics

An up-to-date Amazon sales rank chart is an invaluable resource that goes hand in hand with making smart sourcing decisions. The monthly Amazon sales rank chart from Full-Time FBA comes with a breakdown of how many items are in each of the main sales categories on Amazon, along with the calculations of the top percentages. Pictured here is a copy of the sales rank chart for January of 2020. **To make sure you have the most up-to-date sales rank chart, be sure to click here and print out a copy of the sales rank chart for the month you are currently in.**

Amazon.com Sales Rank % Chart
As of January 2020
Courtesy of Full-Time FBA

Full-Time FBA
Turn part-time hours into a full-time income via Amazon FBA

Category	Total Items	Top 1%	Top 2%	Top 3%	Top 5%	Top 10%
Appliances	520,164	5,202	10,403	15,605	26,008	52,016
Arts & Crafts & Sewing	5,813,794	58,138	116,276	174,414	290,690	581,379
Automotive	18,839,052	188,391	376,781	565,172	941,953	1,883,905
Baby	2,200,496	22,005	44,010	66,015	110,025	220,050
Beauty	7,111,200	71,112	142,224	213,336	355,560	711,120
Books	59,125,680	591,257	1,182,514	1,773,770	2,956,284	5,912,568
CDs & Vinyl	5,380,632	53,806	107,613	161,419	269,032	538,063
Cell Phone & Access.	10,836,677	108,367	216,734	325,100	541,834	1,083,668
Clothing, Shoes, Jewelry	100,177,385	1,001,774	2,003,548	3,005,322	5,008,869	10,017,739
Collectibles & Fine Art	4,733,628	47,336	94,673	142,009	236,681	473,363
Electronics	11,340,335	113,403	226,807	340,210	567,017	1,134,034
Everything Else	4,957,788	49,578	99,156	148,734	247,889	495,779
Grocery & Gourmet Food	2,432,041	24,320	48,641	72,961	121,602	243,204
Handmade	1,072,502	10,725	21,450	32,175	53,625	107,250
Health & Personal Care	6,222,208	62,222	124,444	186,666	311,110	622,221
Home & Kitchen	46,051,805	460,518	921,036	1,381,554	2,302,590	4,605,181
Industrial & Scientific	8,769,198	87,692	175,384	263,076	438,460	876,920
Kitchen & Dining Features	36,897,422	368,974	737,948	1,106,923	1,844,871	3,689,742
Movies & TV	2,992,863	29,929	59,857	89,786	149,643	299,286
Musical Instruments	1,163,485	11,635	23,270	34,905	58,174	116,349
Office Products	6,449,918	64,499	128,998	193,498	322,496	644,992
Patio, Lawn & Garden	6,038,551	60,386	120,771	181,157	301,928	603,855
Pet Supplies	3,918,324	39,183	78,366	117,550	195,916	391,832
Software	137,058	1,371	2,741	4,112	6,853	13,706
Sports & Outdoors	24,445,523	244,455	488,910	733,366	1,222,276	2,444,552
Tools & Home Improv.	14,896,826	148,968	297,937	446,905	744,841	1,489,683
Toys & Games	7,671,626	76,716	153,433	230,149	383,581	767,163
Video Games	607,003	6,070	12,140	18,210	30,350	60,700

The sales rank chart to the right is a free download that we at Full-Time FBA update every month and send out to the subscribers to the Full-Time FBA newsletter absolutely free. **If you're not a subscriber to the newsletter yet, head on over to www.fulltimefba.com and subscribe.** Every month you'll get the most up-to-date Amazon sales rank chart delivered right to your inbox, along with our weekly newsletter.

Sales rank chart breakdown

The Amazon product catalog is divided into many different categories. From Appliances to Video Games, Amazon organizes all of the products for sale on the website into each category.

On the left side of the chart are all the main Amazon product categories. Within each category are subcategories, but for the purposes of making smart sourcing decisions, we only need to look at the main Amazon categories.

On the top of the chart from left to right are the current total number of items for sale in each category, followed by the percentage breakdowns. Here, we can see just how large (or small) each of the Amazon categories are. This number changes daily, which is why it's so important to have the most up-to-date sales rank chart. I currently update the Full-Time FBA sales rank chart every month. Since products are added to (and subtracted from) Amazon almost every day, having a sales rank chart that is as recent as possible is important for making smart sourcing decisions. Now, updating the chart every day might be going overboard as the percentage numbers won't be affected that drastically from one day to the next, but having a sales rank chart that is somewhat recent will help you make the best buying decisions for your Amazon business.

Sales rank differences

As you can see on the Amazon Sales Rank Chart, some categories have thousands of items, while other categories have millions and millions of items. As a result of these differences, sales rank numbers can mean something completely different from one category to another. For example, a sales rank of 500,000 in toys is within the top 10% of sales for its category (which is actually pretty bad and an extremely slow selling item), while a sales rank of 500,000 in books is in the top 1% of sales (which is really good and could potentially sell once a day). **Same sales rank number, but the sales velocity the number represents is drastically different depending on the category.**

With this in mind, it's always good to know the percentage of sales rank for the category of any item you are considering. Many Amazon sellers try to source items within the top 3% of their particular Amazon category. Some people like to source in higher percentages and others in lower percentages, but the majority of people I have spoken to and heard from like to generally source items in the top 3%.

Sourcing with the sales rank chart

Here are a few ways you can use the Amazon sales rank chart while you are out sourcing:

1. Print it out - Print out the sales rank chart PDF and take it with you. I've heard of some sellers who fold up their sales rank charts and keep them in their pocket or purse. Others have changed the scale of the chart when printing and made it more of a pocket-sized sales rank chart.

2. Save the chart in your phone photo album - Some people have phones with high quality cameras so they can print out the sales rank chart and then take a photo of it on their smart phone. Then, they just open their photos app to view the chart while sourcing.

3. Save the link to the chart on your phone - You can open up the PDF on your phone and save it to your smart phone's home screen. That way, you'll only have to push one button on your phone to open the sales rank chart.

No matter which way you decide to access your sales rank chart, you'll start to realize just how valuable this information is when you are sourcing.

After some time has passed, you'll also start to notice you have memorized the best sales rank range to source for the categories you source the most. Memorizing the best sales ranks in each of the main categories can really help you save time while sourcing.

I'm happy to offer this service to you of an up-to-date sales rank chart every month so you'll have the most current information and you can make smart sourcing decisions. Again, if you're not a subscriber to the Full-Time FBA newsletter yet, head on over to www.fulltimefba.com and subscribe. Every month you'll get the most up-to-date Amazon sales rank chart delivered right to your inbox, along with our weekly newsletter.

Chapter 4 – What Is a Good Sales Rank?

Understanding Amazon's ranking system

Just like in sports, manufacturers (and Amazon sellers) want their products to be number one. On Amazon, being number one is a huge deal… and I'm not just talking about being number one in each of the major categories, but in the sub-categories as well. The absolute best sales rank number on Amazon is, of course, number one.

Number one is amazing, the best of the best, the top of the heap, the king of the hill, but **at what point does a sales rank turn from amazing to great, from great to good, from good to OK, and from OK to bad?** Well, the answer to that question is complicated, but worth the time involved to learn it.

Category personalities

When it comes to sales ranks, each different Amazon category acts in its own unique way. I like to look at it as if each major category on Amazon has its own personality. **While a sales rank of 400,000 in books is often a quick sale, a sales rank of 400,000 in toys is a really slow mover.**

Not only do items with similar sales rank numbers act differently depending on the category they are in, but each category also has a different personality when it comes to what sales rank ranges are the best ranges to buy in. In some categories, it's a good idea to try and buy items that are usually in the top 3% of sales. In other categories, you probably need to focus more on the top 2% of sales or the top 1%. The more experience you have with buying and selling in each of these categories, the more comfortable you'll get with knowing what sales ranks you like to stick with.

My comfort zones

Before I share with you what my current sales rank comfort zones are I want to be sure you understand something very important. My comfort zones are not the gospel truth for every seller. What I mean is that **just because they are my comfort zones doesn't mean they will work perfectly for you.** I've been selling on Amazon since 2011, and over time my comfort zones have evolved… and continue to evolve. You need to put your new-found knowledge of sales rank into action and then pay attention to how well it works for you. If you need to tighten up or loosen your comfort zones, then please do.

Here is what to do: Experiment. Review. Adjust. Experiment again. Fail. Adjust again. Learn. Experiment some more. More reviewing. More learning. More failing. Tweak. More evolving…. and then repeat. Your sales rank comfort zones need to evolve over

time. If they stay the same year after year, then there might be something wrong with your sourcing methods or your FBA business in general.

As you **grow in your knowledge of Amazon categories**, your comfort zones will evolve. As you **begin to become more comfortable with lower ROI buys**, your sales rank comfort zones will evolve. As you **get more capital to invest into more inventory**, your comfort zones will evolve. Are you sensing a trend here?

Ok, now that I've hammered into you about how you need to find your own comfort zones, here are mine. I'll list out the main Amazon category, and then let you know what sales rank percentages I usually like to source within.

When I look at a product's sales rank, I try to look at the average sales rank over time and then compare the average sales rank to the sales rank chart. I'll share with you more about average sales rank in Chapter 8.

Note: For some categories, my comfort zone will be N/A (not applicable) as I have no experience reselling in that category. Remember, I'll be using the sales rank chart we went over in the last section when referring to what percentages I like to source within.

Appliances	N/A
Arts & Crafts & Sewing	Top 2%
Automotive	Top 3%
Baby	Top 3%
Beauty	Top 3%
Books	Top 3%
CDs & Vinyl	Top 1%
Cell Phone & Accessories	N/A
Clothing, Shoes, & Jewelry	Top 1%
Collectibles & Fine Art	N/A
Computers & Accessories	Top 3%
Electronics	Top 2%
Everything Else	Top 1%
Grocery & Gourmet Food	Top 5%
Handmade	N/A
Health & Personal Care	Top 3%
Home & Kitchen	Top 3%
Industrial & Scientific	Top 3%
Movies & TV	Top 3%
Musical Instruments	N/A
Office Products	Top 1%
Patio, Lawn & Garden	Sometimes top 3% and sometimes top 5% (very seasonal category)
Pet Supplies	Top 3%
Software	N/A
Sports & Outdoors	Top 3%
Tools & Home Improvement	Top 3%
Toys & Games	Top 3%
Video Games	Top 3%

Again, these are my own personal comfort zones from around a decade of selling on Amazon. These comfort zones have evolved over time and will continue to do so as more items are added to and removed from the Amazon catalog. I'm also not 100% committed to the above comfort zones. There are times when I'll source an item at a higher sales rank as long as the ROI is high enough and the competition is low enough.

Bonus worksheet

As a bonus for this mini-course, I have an exclusive downloadable PDF you can use to come up with your own personal sales rank category comfort zones. Be sure to download this bonus PDF and take some time to fill it out in pencil. I suggest using a pencil as the worksheet will change over time and will need to be updated. You can find this downloadable PDF in the bonus section of the Sales Rank mini-course download page.

Chapter 5 – Sales Rank of Zero?

A zero or a hero?

Sometimes when you're looking at items to potentially buy to resell on Amazon, you'll come across an item that has a sales rank of zero or "N/A" (not available). If you're looking on the Amazon site, there won't even be a line in the product details section about sales rank. Every once in a blue moon, items showing zero sales rank is a glitch with your sourcing app. Most of the time, however, zero sales rank is Amazon's way of telling us something about the sales of this item. Let's break down what this means.

For most items, a sales rank of zero simply means the item has never sold. This could be an item that is brand new to the Amazon marketplace, but it could also be an item that has been on Amazon a long time and has simply never sold. It's also possible that an item on Amazon once had a sales rank, but the item has not sold in such a long, long, long time that the sales rank has actually dropped off the sales page. Usually, this means that it's been a few years since the item's last sale.

While for most items no sales rank means the item has never sold, there are some important exceptions to know about:

1. Some categories don't offer up sales ranks.

Electronics is a great example. For some reason, Amazon sometimes does and sometimes does not provide the sales rank of an Electronics product in relation with the whole category – although they sometimes will provide a sales rank in subcategories under Electronics. For more information on understanding sales ranks in the Electronics category, click here and here for two blog posts on the topic.

2. Sometimes Amazon decides sales rank in certain categories should disappear for a few hours or a few days.

It's rare, but on occasion, Amazon stops showing the sales ranks for certain categories. One time, all sales ranks for books disappeared. To be honest, I panicked a little. I wasn't sure if it was an error on Amazon's part or if they were tweaking the sales rank algorithm, but for a few hours it was gone. I was relieved to see sales rank for books return, but it did get me to wondering what life as an Amazon reseller would be like without relying on sales rank.

3. Some items have a sales rank of zero, yet still sell very often.

Why is Amazon not giving sales rank for that item? Who knows. Maybe Amazon doesn't want the buyers to know this is a popular item. Maybe it's a glitch in the system. Or Maybe Amazon just likes messing with us, haha! Whatever the reason, there still seem to be some product pages that sell often, yet the sales rank never gets updated from zero or N/A.

Smart sourcing without sales ranks

So, if you come across an item with no sales rank, how can you tell if it's never sold, not sold in a long time, or is actually a great selling item? If this happens to you, there is no need to worry. **There are a few ways to decide if this item is still worth reselling on Amazon.** Here are some ideas:

1. See if that item has another product page.

If you come across an item with a zero (or N/A) sales rank, search Amazon to see if the item is being sold on another product page. Many times, the exact same item will have multiple product pages. As I write this, the board game "Seinfeld Scene It - Deluxe Edition" has SIX product pages. Those pages are offering the exact same game at prices that range from $14.69 to $324.99.

As you might assume, the page that is offering this game at the cheapest price has the best sales rank, while the page offering the game for $324.99 has a ZERO sales rank. Even though Amazon has said they want to combine all of the products with multiple pages, they're still a long way off from completing that task.

2. Check out product reviews.

If an item sells often, then it most likely will have plenty of current 5-star Amazon product reviews. **Be sure you check to see if the reviews are current.** Just because an item has 500+ 5-star reviews from 2007 doesn't mean it will sell now. Current reviews are the key.

3. Make an educated guess based on your experience.

If you've been selling on Amazon for a while, then you've started to get a feel for what a good reselling item looks like. You know what you've sold before and what might sell in the future. You know what brand names are stable and provide consistent sales. You know what generic items are not good for sales. If sales rank was pulled from Amazon or you are caught without your scouting tools, you can use your experience to make an educated guess on the buy. If you get home and find out you are wrong, you could always return the item.

Conclusion

One thing to never forget is that Amazon never promises us sales rank numbers. It's a possibility that sales ranks could be pulled at any time if Amazon so decides. There may come a day when we don't have sales rank data to depend on to make product purchases. If this happens, you now have some solid ideas on how to make smart sourcing decisions without using sales rank.

Chapter 6 – Understanding Sales Rank in Clothing, Shoes & Jewelry

Forget everything you know

You want the good news first or the bad news? Since I can't hear you or read your mind, I'll hit you with the bad first. But don't worry, in my opinion, the good news far outweighs the bad news.

Ok, here's the bad news... **the Clothing, Shoes & Jewelry category is structured in a way that is completely different from other categories on Amazon**, due to the parent-child relationship product listings have for clothing and shoes (we'll get into what all that "parent-child" stuff means later in this chapter). As a result, what you've learned so far in other categories doesn't really apply much to this category, which has the potential to be a difficult adjustment for some people.

Here's the good news! Anytime something is harder for people, it becomes a barrier to entry. A barrier to entry is the existence of obstacles preventing new competitors from easily entering an area of business. In other words, anytime there is a cost to get to the next level, there are some people who decide the cost is too great and decide to move on to easier aspects of the business. The cost could be financial, education, or many other possible roadblocks causing someone to decide 1) if they should pivot to something easier or 2) that the cost of overcoming the barrier is worth it.

How is the above good news? It's simple. When there are barriers to entry, that means there is far less competition. For example, I often sell items in the Toys & Games category that have dozens (and sometimes hundreds!) of other sellers competing for the next sale. That's a lot of competition. On the other hand, **it's not uncommon to sell a specific size and variation of a shoe or clothing item that has only one or two sellers competing for the next sale... or no competitors at all.** Less competition is better for you as a seller and can get you faster sales at higher prices. **The barriers to entry for the Clothing, Shoes & Jewelry category are worth overcoming.**

Clothing, Shoes & Jewelry = one big category

For some reason, Amazon lumps clothing, shoes, and jewelry all inside one main category. I guess I can see how they decided to do this, since all three are items we wear on our bodies. The non-creative name of this category is Clothing, Shoes & Jewelry. In a perfect world, we'd be able to separate these three sub-categories so we can compare only clothing ranks with other clothing ranks or shoe ranks with other shoe ranks. But these comparisons are not possible when it comes to the main category. When Amazon provides the sales rank for a shirt, shoe, or necklace, the sales rank we see is in comparison to the overall Clothing, Shoes & Jewelry category.

Parent-Child relationships for clothing and shoes

Unlike other categories on Amazon, both clothing and shoes ASINs have parent-child relationships. **The acronym ASIN stands for Amazon Standard Identification Number and is the 10-character alphanumeric identifier used by Amazon on almost all of their product pages.** Only books, which use the ISBN (International Standard Book Number), do not use an ASIN to identify themselves on Amazon. For a free download of the top 60+ Amazon seller acronyms, go to www.fulltimefba.com/acronyms and download the free printout.

Ok, so what does it mean that clothing and shoes have ASINs with parent-child relationships? Since both clothing and shoes come in different styles, colors, and sizes, Amazon created parent-child relationships for the products so that they can all be connected (via the parent ASIN), but the customer knows exactly which style and size they are looking at (the child ASIN) when they make a purchase.
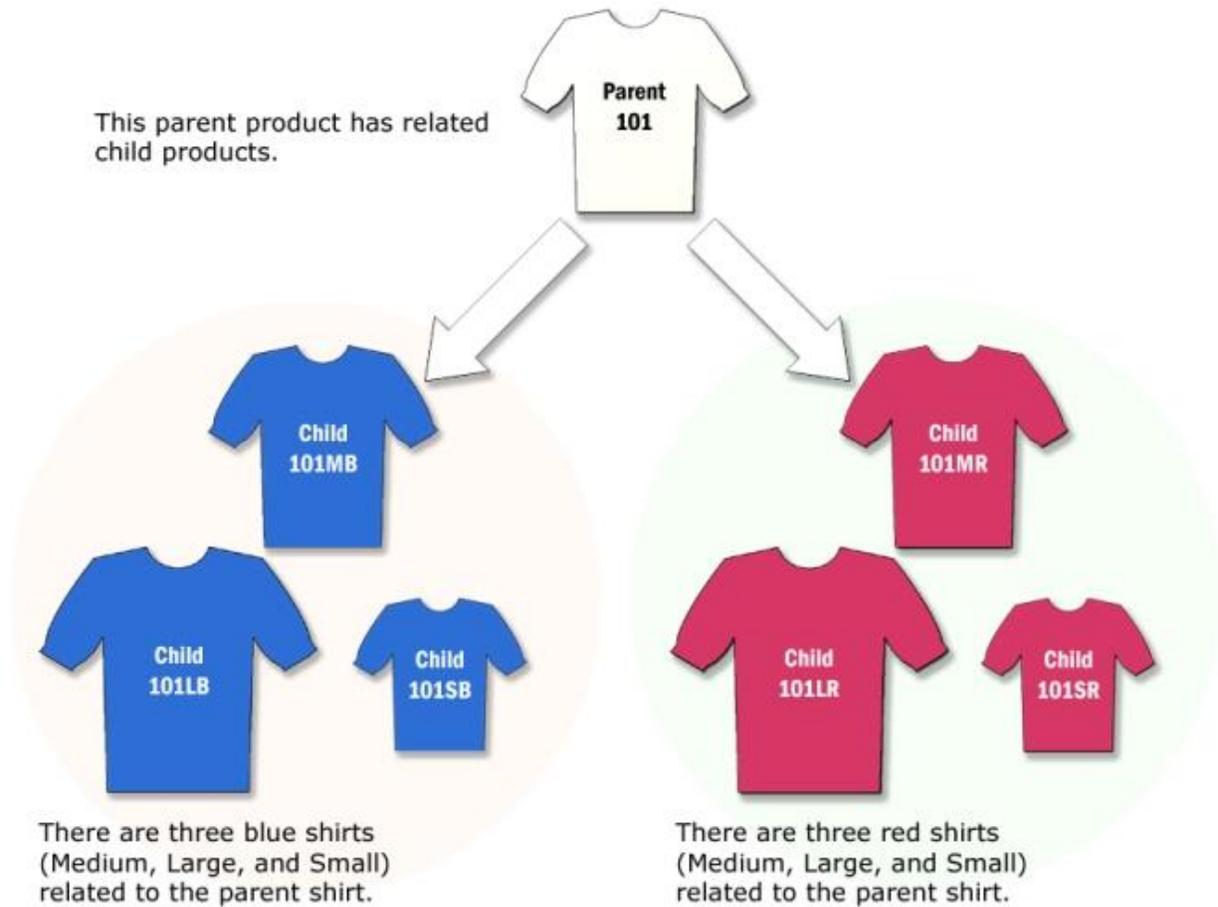
The best way to get a full understanding of this is to read the Amazon guidelines' description of parent-child relationships. You can go directly to that Amazon guidelines web page by clicking this link.

In case you're in a hurry to learn more, here's my quick summary of the important parts of the parent-child guidelines page:

1. Amazon wants *"to help customers easily discover, compare and purchase different variations of a product."*

2. Variations can help *"reduce the number of search results so that customers can more quickly find the product they are looking for."*

3. Variations can also make *"it easy for customers to discover and compare different versions of a product on a single page."*

For clothing and shoes, the Amazon catalog is set up with one parent ASIN for the main product title, and then each variation of color and size has its own child ASIN connected to that parent ASIN. **When you list clothing and/or shoes for sale on Amazon, you will have a different SKU for each child ASIN variation in your inventory.** (Don't worry…we're getting to what any of this has to do with sales rank. Hang in there with me.)

The illustration on the following page is from the Amazon guidelines and demonstrates the way the parent-child relationship works (the graphic uses clothes, but the same concept applies to shoes as well):

This parent product has related child products.

Parent 101

Child 101MB

Child 101LB

Child 101SB

Child 101MR

Child 101LR

Child 101SR

There are three blue shirts (Medium, Large, and Small) related to the parent shirt.

There are three red shirts (Medium, Large, and Small) related to the parent shirt.

Sales rank of parent ASIN

When Amazon tracks the sales rank of an item that has a parent ASIN with related child ASINs under it, **the number being tracked is the overall sales rank of the parent ASIN, including every single child ASIN.** So when you see the sales rank of a shoe on its Amazon product page, you are not seeing the sales rank of the size and color variation you might be interested in sourcing. You are seeing the sales rank of that size and color variation along with every single other size and color variation under that parent ASIN.

This is where the number of variations under the parent ASIN comes into play. **The number of variations affects how much you should rely on the sales rank for deciding how fast a shoe or piece of clothing will sell.**

How can you tell the sales rank of the black size 8 shoe under a parent ASIN? You can't. **You can only see how well the overall parent ASIN is selling.** But if a product page only has a relatively low number of child variations possible for that parent ASIN, you have a better chance of understanding the sales rank for one particular child ASIN than if the page has a high number of possible variations.

It might be that a shoe with 100 variations only has 5 to 10 variations that are getting the bulk of sales for the overall parent ASIN. As long as you are buying one of those 5 to 10 variations, you can trust that the sales rank applies to your shoe — but if you're buying variations number 11 to 100, you're taking a risk that those shoes won't sell as quickly (or ever).

The simple way to look at this relationship between sales rank and number of variations is this:

- Low number of variations = better chance of one variation reflecting the sales rank
- High number of variations = less chance of one variation reflecting the sales rank

My sale rank comfort zone for the Clothing, Shoes & Jewelry category.

On the sales rank chart, the lowest percentage that I show you is the top 1% because, for most items on Amazon, that's the lowest percentage that I like to source an item in for the purposes for resale. But the Clothing, Shoes & Jewelry category has so many items, and so many variations of these items, that my comfort zone in this category is actually in the top 0.5%.

So, you can take the current top 1% and divide that number by 2 in order to get the highest sales rank I'm usually comfortable with. As of this writing, the top 1% of the Clothing, Shoes & Jewelry category is ranks under 1 million. But my personal comfort zone is half that. So, I usually won't by an item in this category if the average sales rank is above 500,000.

A lot more to learn

The bottom line is that sales rank in the Clothing, Shoes & Jewelry category is much more complicated to understand than in other categories without parent-child relationships. We do not recommend attempting to sell clothing or shoes before you've gained solid experience selling in other categories (such as toys, books, home and kitchen, sports, etc) that do not tend to have variations.

Understanding clothing and shoes sales rank is like learning to play jazz music; first you have to build a foundation by understanding how 4/4 or 3/4 time works before you can start improvising and playing around with syncopation. Maybe a musical prodigy can skip the basics, but most of us need to build that foundation first. Same with selling shoes or clothing. Most of us need the experience in understanding sales rank in categories without variations before we move into selling shoes or clothing.

Once you've mastered the basics of selling in other categories, we do offer an advanced course in learning to sell shoes, including how to source without relying solely on sales rank. The course is called *The Reseller's Guide to Selling Shoes: Kick up Your Profits with New Shoes via Amazon FBA*. For more information go to www.fulltimefba.com/shoes. The course is a combination ebook (100+ pages) and video course (4.5+ hours) all about how to sell shoes for big profits on Amazon.

Chapter 7 – Sales Rank Complications

Changes in sales rank

Remember from Chapter 2 that Amazon usually updates the sales rank numbers on their product pages about once an hour? You do remember, right? Good. Well, if the sales rank of an item on Amazon changes 24 times a day, how can you know if the current sales rank is anywhere near the average sales rank for that product?

Here's an example:

Some people say they only buy toys ranked under 100,000 for resale. Other resellers have stronger or weaker guidelines, but **is it a good idea to pick a sales rank number and only source items under that specific number?** If you took three weeks, bookmarked some of the toys on Amazon, and checked in on a daily basis to see how the sales rank changed, you might see something that looks like this:

Date	Sales Rank
May 1	82,673
May 2	87,440
May 3	92,954
May 4	99,032
May 5	104,855
May 6	111,491
May 7	117,503
May 8	122,544
May 9	128,085
May 10	81,432 (looks like this was the day this item sold - as seen by the sales rank jumping from a higher number to a lower number)
May 11	88,590
May 12	93,592
May 13	98,532
May 14	103,589
May 15	110,032
May 16	118,433
May 17	79,422 (looks like another sale here)
May 18	85,448
May 19	91,547
May 20	98,329
May 21	106,544

Looking at the above three-week time span, if you had a Toys & Games sales rank guideline where you only bought toys under 100,000 to resell, then on some days you would buy the above item, but on other days you would not. If you were sourcing this item on May 9th you would have passed on

buying it, but on May 10th you would have bought it to resell. **Doesn't that seem like an unwise, somewhat arbitrary strategy to you?**

Sales rank waves

I've come to realize something about sales ranks that nobody seems to talk about or understand: Sales sometimes come in waves. Let me explain what I mean by that.

Years ago, I would actually take the time to track sales ranks of certain items on Amazon by daily recording the sales rank numbers of items into a Microsoft Excel spreadsheet. Over time, I would start to see that sales usually do not follow a predictable pattern. There was one book that I tracked daily for over a year and learned so much about sales rank patterns. In the span of one year, that book had sales ranks from under 90,000 to over 2.1 million. That's right, the best sales rank it ever achieved was just under 90,000 (and most sellers would buy a book for resale at that sales rank all day long), while the worst sales rank it ever had was over 2.1 million (a rank most sellers would avoid all day long). But it's the same book! One time that book sold 12 copies in a month, while another month it sold zero copies. **With all of these possibilities for each item you're wanting to sell on Amazon, how does anyone ever find items to sell that they know both are profitable *and* will sell quickly?**

Right now, I rarely ever make a sourcing decision based solely on the current sales rank. Why would I, since it's very possible the item sold just two hours ago for the first time in months? If you can't depend on the sales rank to make the best buying decision, then what should you depend on? I'm glad you asked.

Sales rank can be deceptive

Remember when I told you the sales rank number is more like a snapshot in time and Amazon updates the sales rank numbers of its products about once an hour? **With sales rank changing so much, why do so many people make their buying decisions by only looking at the sales rank number from one point in time?** I've heard story after story from Amazon sellers telling me that the sales rank was great when they sourced the item, but since then the sales rank has tanked, and so have the prices of the item they sourced to sell.

Sure, the sales rank doesn't turn ugly on all of the items they have sourced to sell on Amazon, but it happens far more often than they would like. I've experienced it too. I've purchased many items where the sales rank was great at the time of purchase, only to send those items in to Amazon and watch them sit on the FBA shelves unsold for months and months.

Let's say you are out sourcing and come across a Simpson's themed Monopoly board game with a current sales rank of 302,078 in the Toys & Games category. According to my sales rank comfort zones, that sales rank is currently higher than I'm comfortable with. But since sales ranks change every hour, how would we be able to know if the rank is usually around 300,000 or not?
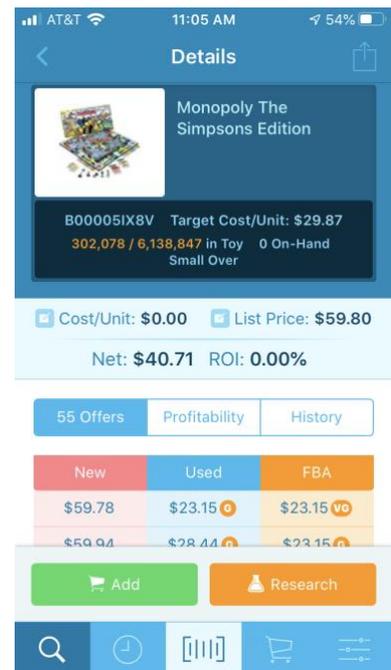
What if the sales rank of that board game was actually 900,000 just yesterday and only got to be as "low" as 300,000 because it just sold recently and will probably return to 900,000 again before the next sale three or four months later?

Or what if 300,000 is the highest sales rank that board game has ever had? What if it gets a sale tomorrow and the sales rank jumps down to 90,000 (which *is* in my comfort zone)? But again, since sales ranks change every hour, how would we be able to know if that rank is that item's usual sales rank?

Maybe there's a better way to make a smart sourcing decision than only looking at today's sales rank… and I'm here to tell you all about that better way.

How to predict future sales ranks

Since today's sales rank number alone is not enough information to make the best sourcing decision, the next best thing to do is get more information. But if Amazon does not give out the sales rank history of their product pages, then how could we get that information?

What if there was an easy-to-use tool that can give you a glimpse into the recent history of almost every item on Amazon? What if that tool could tell you the daily, weekly, monthly, yearly, and possibly lifetime sales rank history of each item on Amazon? That would be amazing. With that vital information, **we could look at the sales rank history and easily determine what the average sales rank of that item probably is.** Then we can compare the average sales rank with the sales rank comfort zones and make a much more informed sourcing decision.

If only there was a tool like that. That would make life so much easier.

Well, I've got some really good news for you… **There is an amazing tool that track and save sales rank history for almost every Amazon product page! Not only does it track the sales rank history, but it also tracks the pricing history, the buy box history, and so much more!**

Conclusion

In the next section, I'm going to introduce you to one of my very favorite tools: Keepa. With Keepa, you can discover the average sales rank of an item selling on Amazon. When you figure out the average sales rank, you can do a much better job of comparing the average sales rank to my sales rank comfort zones and therefore make a better sourcing decision. Used correctly, Keepa will become a total game changer for your Amazon business and you'll wonder how you ever sold on Amazon without it.

Chapter 8 – Introduction to Keepa

[Keepa](#) is tool that tracks price history, sales rank history, buy box price history, and so much more. Almost every item in the Amazon catalog has a corresponding Keepa chart that brilliantly shows you the necessary information you need to make a smarter sourcing and pricing decisions.

Create a Keepa account

To start with, let's take a look at [Keepa,](#) and we'll see how it helps us better understand sales rank history. [Click on this link to open the Keepa home page](#). If you want, as we look at examples on Keepa, you can play along with me by pulling the Keepa charts on your own computer so you can see for yourself what the current Keepa chart looks like compared to when I created this course.

Once you're on the Keepa home page, you'll need to register and create an account by clicking the link in the top right corner.

Keepa offers both a free and paid service. The free service is limited to only some of the data while the paid service opens up all the data you need to make smart sourcing decisions. The bottom line is this: If you're serious about making money selling on Amazon, I highly recommend getting the paid account on Keepa.

To sign up for the paid data subscription, you can [click this link](#), scroll all the way to the small text on the bottom of that screen, and click on the "monthly subscription" text. If you're already registered with Keepa, you can just go to your settings, then click on the Subscriptions tab. But since you're just testing the waters right now, I totally understand just signing up for the free account.

Searching for products on Keepa

After you register, it's time to customize your Keepa. In the top right corner of the home page, you will find that you can select your language, your locale (which country of Amazon's catalog you would like to search), and even your currency preferences. Once you've set that up, you can start looking around the Keepa website to familiarize yourself with its features.

To find items for researching Amazon products, you can click on the "Search" tab to bring up a search field where you can enter title, keyword, ASIN, or UPC. As an example, try searching for an item right now on Keepa. If you need an idea, try typing "Paw Patrol Patroller Transforming Track Set" into the search field to look for the Paw Patrol Launch'N Haul Paw Patroller Transforming 2-in-1 Track Set for True Metal Die-Cast Vehicles. This search brings up a list of all the items on Amazon that fit these keywords.

Closer look at Keepa data

When I did this search, and clicked on the first item on the list, it brings up the detailed Keepa graph for the Paw Patrol Launch'N Haul Paw Patroller Transforming 2-in-1 Track Set for True Metal Die-Cast Vehicles (ASIN B07PDMSP68). Here is an image of that Keepa graph:
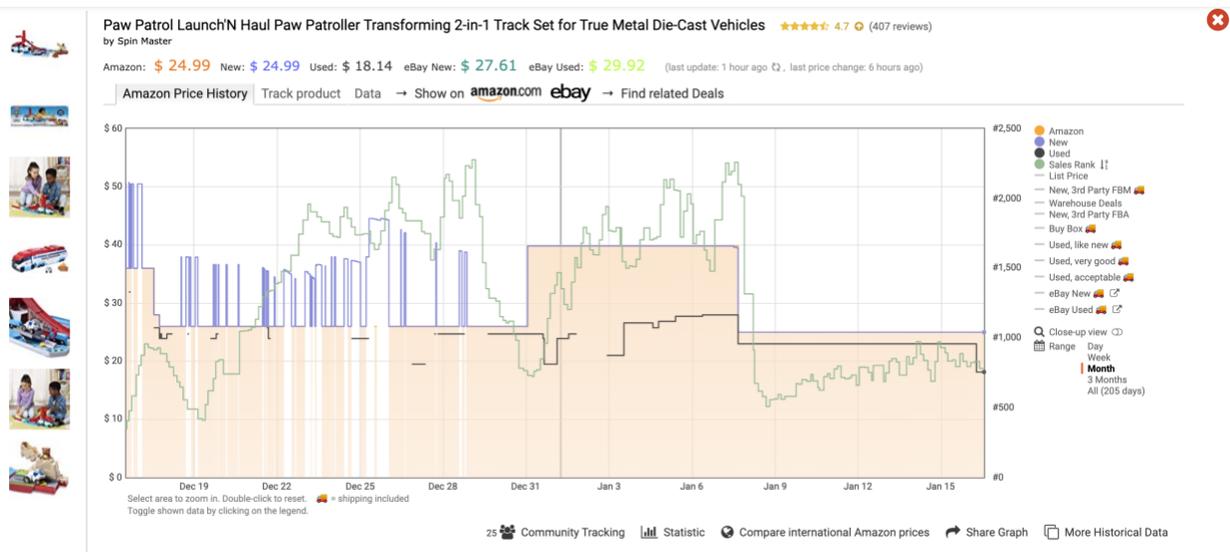
Notice beneath the product title is the current Amazon price, current low price for 3rd Party New offers, and 3rd Party Used offers. Below this basic information about the product, you'll see the Keepa graph. At first this graph can look like nonsense – just a lot of blue, green, and black squigglies with some orange and white shading, and then a few black lines and dots thrown in for good measure. All of these colors and lines have a purpose, but for the sake of this sales rank mini-course, **let's clean up this graph and only look at the sales rank history.**

If you look to the right of the graph, you'll see a box with a key to the colors on the graph:

> Amazon price = orange
> Marketplace New price = blue
> Marketplace Used price= black
> Sales Rank = green

Now you might be looking at the chart on your computer and thinking, "Wait, I don't see the green line on my chart." That's because the green line is the sales rank line and that information is part of the paid data plan.

Keepa shares a wealth of information about the price history, but our purposes today, let's clean up this graph so we only see the sales rank history. **Click to turn off all of the colored circles except for green,** which represents the sales rank on a Keepa graph. Once all of the other colored circles are turned off, you will now see a graph that only shows the sales rank history of that item. On the next page is an image of what that looks like:
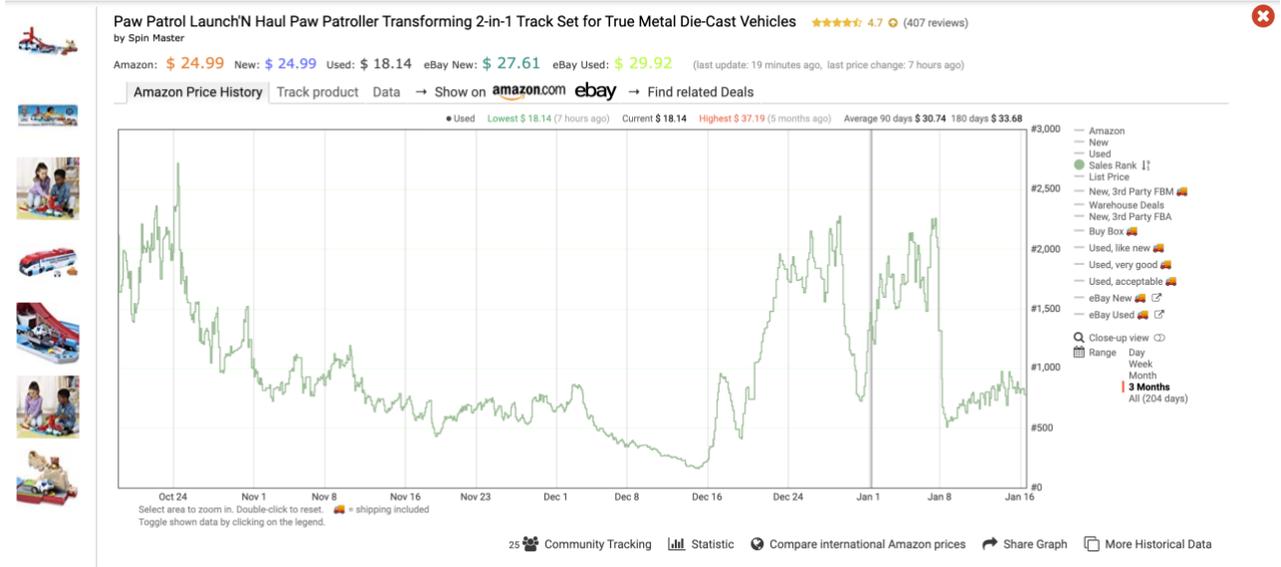
Along the bottom of the graph are **the dates you have selected for the graph**, with the most recent date on the right and the oldest date to the left. Along the right side of the graph are **the sales rank numbers**, with the lowest at the bottom and the highest at the top. You can see that during the three-month period in our photo of the Paw Patrol Patroller Transforming Track Set, the item has ranked somewhere around 150 all the way up to around 2700 in the Toys & Games category.

Keepa graph data options

The sales rank line on a Keepa graph is presented with the higher sales rank number at the top of the graph and the lower number at the bottom. Every time you see the sales rank line "dip" down, that means at least one sale. In fact, that's what Keepa calls it: a dip. Now, here's a big thing to remember: The dips in the sales rank lines **do not** always mean one sale, but instead they mean at least one sale. So a dip could mean one sale, but they could also mean 5 sales… or 10 sales… or 100 sales. The closer the sales rank number is to 1 (the absolute best sales rank number) then the more likely that the sales rank dips mean multiple sales.

You can also change the date range of your Keepa graph's sales rank history. Simply click on the different possible date range options and you'll see the difference in the graph when looking at the entire date range versus the day, week, month, or 3-month time period. If an item has been around long enough, you can also choose to look at the sales rank range of the past year. Finally, if you want to see the data from the lifetime of that product, then you can click to "see all."
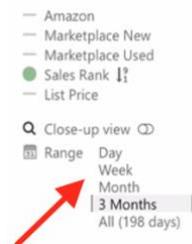
Reading the sales rank graph

Again, any time the sales rank drastically improves (goes from a higher number to a lower number) then that means at least one sale. The closer the sales rank number is to #1 of its category, then that

one dip in the sales rank chart can mean multiple sales during that dip. When you first look at a Keepa graph, it takes some time to understand what the graph is telling you about the sales rank history, but the more time you spend with Keepa, the faster you'll be able to see and understand what it all means in just a split-second glance.

Tip of the iceberg

The information we have here is just the tip of the iceberg compared to all of the features Keepa has available for you. What else can Keepa tell you about almost every item on Amazon? How about this:

1. **How to know if Amazon is in stock, out of stock, or was in stock recently so you can decide if you want to compete against Amazon or not.**

2. **A good estimation of how many sales on Amazon a product has experienced so that you can better know how deep to go on a product buy.**

3. **How many total sellers there are per item and per condition (plus if the number of sellers is trending upward or downward) so that you can know how much competition (or lack of competition) you could expect.**

4. **What the buy box price was on specific days in the past so you better know how to price as an Amazon FBA seller.**

5. **Lowest price history on specific conditions (like new, very good, and good) so you can know what to expect when it comes to pricing for the condition of your specific item.**

6. **Quickly see the average sales rank of an item over the last 90 days and over the last 180 days so you know what to expect when it comes to sales velocity.**

AND SO MUCH MORE!

I've shared with you just the tip of the iceberg when it comes to understanding sales rank on Keepa, but if you remember, they also share the price history information as well! In the next section, I'll go into more detail about how you can learn more about how to use Keepa to make much smarter sourcing decisions in your Amazon FBA business.

Chapter 9 - Getting to the Next Level

Three truths that changed everything

In early 2015, I started to get frustrated that many of the items I sent to FBA wouldn't sell very quickly... and some not at all. I couldn't figure out why. The sales rank and price looked awesome when I first sourced these items, but by the time my inventory was checked in to Amazon, the prices had tanked, and my profit margins were gone. Not only that, but I ended up having to reprice my inventory over and over just to get some of my capital back. And for the items I didn't reprice, it would take forever just to sell – and some never sold at all.

Don't get me wrong... this didn't happen to all of the inventory I was sending to Amazon. I still sold enough items to earn a decent income, but it drove me crazy how many items I would try to sell for a profit where I ended up just breaking even or even losing money. I knew this was not a sustainable business model. **There had to be a better way.**

I determined that I was going to get to the bottom of what was going wrong and committed myself to finding the solution. **After a lot of trial and error I discovered three truths that totally changed how I was sourcing inventory to sell on Amazon:**

Truth #1 – The prices on Amazon are constantly changing.
Truth #2 – The sales ranks on Amazon are constantly changing.
Truth #3 – There is a tool I can use to see both price and sales rank history.

Remember, an item's sales rank changes every hour. Every hour! And prices change on Amazon literally countless times per day? It's so often nobody can actually count that high! I finally figured out what was going wrong. When I was sourcing for inventory, I was making almost all of my sourcing decisions based on **that day's sales ranks** and **that day's pricing**. Why I would ever expect those items to keep the same high prices and low sales ranks by the time I bought them, prepped them, and sent them off to Amazon is beyond me.

The solution

Now, when I'm sourcing for inventory through retail arbitrage, online arbitrage, or even wholesale, I take a few extra seconds and check the Keepa data on my computer or my smartphone and make a much smarter sourcing decision. By using Keepa, I rarely ever buy an item where the price "tanks," and if I do, I know if and when the price will recover thanks to Keepa's pricing history numbers.

The results

Here is how Keepa has impacted my Amazon business:

In 2014 (before I used Keepa), my Amazon FBA business made over six figures in sales while averaging around 3,000 SKUs being stored in FBA warehouses all over the country. Then in 2015, I changed how I made sourcing decisions (by implementing Keepa), and **my Amazon sales increased by 50% over the year before.** But get this – my sales increased, but I decreased my average FBA inventory level throughout the year to **only 1,500 SKUs** in my Amazon FBA inventory at any given time.

That's right, **in 2015 I made around 50% more in sales than in 2014 while averaging half as many SKUs in my Amazon FBA inventory as I had in 2014.** (Also keep in mind, I did this while working part-time hours at my FBA business. If I worked full-time hours, sales would have grown even more.)

In 2016, I was able to increase sales by 50% again while still lowering my average number of items at FBA warehouses to less than 1000 SKUs. The items in my Amazon inventory just keep selling so quickly! Every year since then (up to this writing in 2020), I was able to increase my sales while having fewer SKUs in stock at any given time.

How is it possible that I was able to increase my sales while storing less inventory at an FBA warehouse? **I was buying better, faster selling inventory.** I began to take Keepa data more seriously and was able to make much smarter sourcing decisions. **I was sourcing items that were selling so fast I wasn't able to really build up my inventory to the 3,000-item level I had before.** Discovering everything Keepa has to offer totally transformed my Amazon FBA business.

Today's sales rank is not enough

If you've been paying close attention to this mini-course, you now know more about sales rank than most other Amazon sellers. Now it's time to use that information and take it to the next level.

Like I mentioned before: When most Amazon sellers are out sourcing for profitable inventory, they only look at the current sales rank and the current ROI. By now, you should know that **any sourcing decision made with only the current sales rank and the current price is an incomplete decision.**

Yet every day many, many Amazon FBA sellers are making their sourcing decisions based only on today's sales ranks and low prices. They find a book ranked 500,000 and snatch it up, without checking to see that it was ranked 10 million yesterday. Or maybe it's a toy ranked 100,000 that was ranked 1.5 million yesterday.
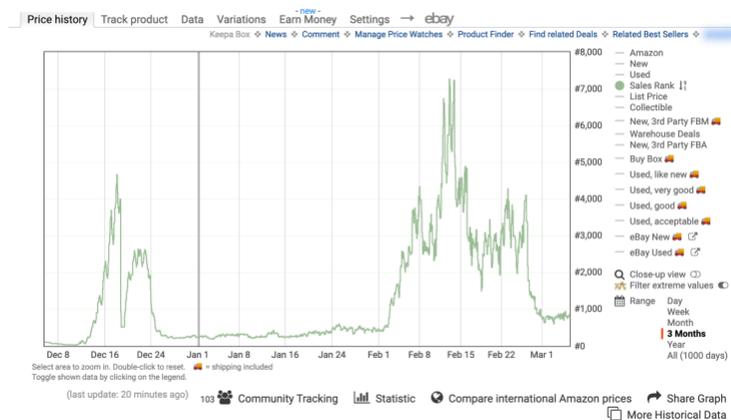
The most harmful sourcing decision you could ever make

Making a sourcing decision on which items to buy for resale and how many of each item to buy **without using historical data** from Keepa is the **most harmful sourcing decision** many Amazon FBA sellers are making. Your sourcing money is better spent on buying items you know will sell quickly and for the high price you expect them to sell for.

I would be willing to go so far as to say that making sourcing decisions without Keepa is **one of the top reasons Amazon FBA sellers quit their business**. They spend all their sourcing money on inventory without looking at the historical data. The prices tank, the inventory never sells, and they throw their hands up in despair and say, "I quit! I tried Amazon, and it just didn't work for me."

If a reseller could take the time to learn and use Keepa, then it could be a huge game changer in their business. They could find profitable inventory that **will sell in a reasonable amount of time and won't lower quickly in price.** I'm especially disheartened when I hear resellers saying they want to quit Amazon FBA over these types of inventory problems because **this problem is so easily fixable.** You *can* learn to read and interpret Keepa. The graphs *can* make sense, and you *can* use them to make smarter sourcing decisions.

There is a better way

Keepa is an easy-to-access program you can use on your computer or your mobile device, either in a web browser or from your 3rd-party scouting app like Scoutify.

Note: Scoutify does not automatically have a quick link to Keepa graphs, but you can easily add Keepa by following the instructions on this blog post. Also, if you currently only use the Amazon Seller app, just know that it does not have the ability to add quick links to Keepa.

It only takes an extra 15 to 20 seconds (if even that!) to look at the sales rank and price history of an item when you're sourcing. You can take a quick look at how often any item has sold and how it has been priced in the past, and you can make an educated prediction about how it will behave in the future.

I want to encourage you today if you're making sourcing decisions without using historical sales rank and pricing data from Keepa – **there is a better way to buy Amazon FBA inventory!** You can make smarter sourcing decisions. Your business will hugely benefit if you take the time to learn how to use this powerful resource.

To find out exactly how to use Keepa to make smart sourcing decisions, be sure to check out our best-selling course, *The Reseller's Guide to Keepa: Using Amazon Sales History to Make Smart Sourcing Decisions*.

The course is a full video course (5+ hours) where I walk you through everything you need to know to make sense of both Keepa in ways you've never thought of. After you complete this course and put the wisdom into action, you'll start buying items that sell faster and for the prices you expect them to sell for.

A successful Amazon business

The training I've given you on Keepa in this sales rank mini-course is only the beginning. I have so much more I can't wait to share with you about how to use Keepa to turn your Amazon business into a more profitable and successful business than it is right now.

I encourage you to take the next step and check out *The Reseller's Guide to Keepa: Using Amazon Sales History to Make Smart Sourcing Decisions*. The course comes with a 60-day money back guarantee and can really help your Amazon business get to the next level.

To find out more go to www.fulltimefba.com/keepacourse.