CASE STUDY FOR PRIVATE LABEL PRODUCT ONLINE LAUNCH

Lahti University of Applied Sciences

Degree Programme in International Business Management

Perälä, Kimmo: Case Study for Private Label Product
                                        Online Launch

Master's Thesis in International Business Management; 81 pages, 7 pages of appendices

Autumn 2016

ABSTRACT

This paper is a case study about starting a new online business. Target of the paper is to analyze different possibilities for a new, but, sustainable business. Different market places and all associated business models will be analyzed, and the most suitable ones will be selected.

Sales potential for different products will be investigated. Market demand, market depth, profitability and sustainability will all be considered. A new private label brand will be created, and a new product will be customized. Selected products will be purchased, and introduced on sale to the selected marketplace.

Sales data for these products will be gathered, and different factors impacting the sales will be analyzed. Gathered data will be compared to the theoretical conclusions done earlier.

This paper will use publicly available tools to analyze different online marketplaces, business models and product sales opportunities. Actual sales data will be collected, and analyzed in contrast to the research questions and to the conclusions drawn during the theoretical phase of the paper.

Conclusions from the data will be drawn, and suggestions for future will be addressed.

CONTENTS

ABREVIATIONS

BSR	-	Best Seller Rank
FBA	-	Fulfillment by Amazon
FBM	-	Fulfillment by Merchant
PPC	-	Pay Per Click
URL	-	Uniform Resource Location
VAT	-	Value Added Tax

LIST OF FIGURES

LIST OF TABLES

1 INTRODUCTION

1.1 Background

The internet and the social media based innovations are changing the business landscape on an increased speed. Online platforms offer easy and efficient tools to compare products and services, and to purchase them by a push of a button.

As it is very easy for a consumer to buy products and services online, it is also easier than ever to sell products and services online. The internet offers the possibility to expose one's online store in front of all people with an access to internet.

There are several benefits in doing business online, in comparison to having an actual physical store somewhere. Cheap expenses of establishing the business is one of the most obvious ones (Mintzer, 2014). As an example, there is no need to buy or rent an expensive store alongside a busy street. In the beginning, only things needed are a web page, maybe a Facebook page, and depending on the type of business, maybe an e-shop application. Because of the low level of investments needed, also the associated risks will be small. For many starting entrepreneurs, this is one of the attracting forms of an online business. (Daniel, Di Domenico and Sharma, 2015)

Global reach is also one the most important aspects of e-business (Mintzer, 2014). In theory, every single person who has an access to the internet, will have an access to an online shop. There is absolutely no easier way to have a business exposed to as wide customer base than doing it in an online world. Given the nature of the internet, a very beneficial feature of e-business is that it is open 24/7 (Mintzer, 2014). Once the necessarily set ups have been done, pretty much everything that are needed for an e-business to run, can be automized. There are no restrictions from work hours or from time zones.

1.2 Research Questions, Objectives and Scope

This research is a case study to evaluate the opportunities of creating a new e-commerce business.

The research questions of this study are:

1. What is the best online platform to start selling a new product?

2. Is it possible to determine what is a good product to sell online?

3. Is it possible to successfully introduce a new product to a selected market place?

4. What are the key variables impacting the successful sale?

The objective of this study is to use theoretical tools to determine a successful product to sell on a selected e-business platform, and then bring that product on sale to verify the theory in practice. Target is to introduce a brand new physical product, and to sell that profitable.

1.3 Knowledge Base of The Research

E-commerce in general is very popular and trendy way of conducting business. For some of the more advanced and specific topics, there are very few literature or academic research available. However, there are lots of online resources. Many successful sellers are providing consulting, free education material, and online courses.

The by far most popular way of gathering information of this topic, are the many podcasts that are available. There are tens of podcasts available, and the most famous ones are getting tens of thousands of downloads every week. Some of these podcasts offer very detailed and even hands-on type of information, that can be implemented to practice; and to launch different types of e-businesses. The

information is very practical and useful, intended for persons with little or no previous background.

Some podcasts offer different strategies for product launches, marketing and other vital aspects of the online businesses. Successful sellers are interviewed and they share their tips and strategies for running their businesses. By combining and filtering all this information, it is possible to gather a relatively comprehensive skill set.

Many sellers are also sharing their experience and knowledge on different internet forums and Facebook groups. Even though this is not quite an academic source of information, these have proven to be quite meaningful and important. Search engines and selling platforms are constantly changing the ways they operate, and the way their algorithm work. People are relatively openly sharing their observations with each other, which would otherwise take several days or even weeks for others to observe.

All data in this research is verified on a practical level. Actual physical product will be purchased, and introduced on sale. This sales data will be analyzed in detail. Sales experiment will be conducted, and the impact of different variables will be analyzed. Summary, conclusions and recommendations will close the study.

1.4 Research Approach

The research methods include two main elements: Theoretical tools and actual practical sales data.

The investigation is carried out using different industry specific tools that are available. The market potential, sales volumes, and different variables impacting the sales can be analyzed from publicly available data.

The theoretical data will be verified with actual sales data.

1.5 Structure for The Research Report

The research phase will first concentrate on the e-commerce market on a general level. The investigation will then penetrate deeper into the specific options to conduct e-business, and finally the best option will be chosen.

In the following chapter, the focus will be on the ways of determining suitable products for sale; different tools will also be presented.

After the theoretical part, the actual physical product will be launched, and this sales data will be analyzed. This is followed by the conclusions, discussions and summary.

2 E-BUSINESS PLATFORM FOR THE CASE STUDY

2.1 Overview of The Global E-Business Market

There is a huge potential in the e-business worldwide. In 2014, the value of the global B2C e-business was almost 2 trillion $. This is also a growing business, there were 24% increase compared to the sales in 2013. Asia-Pacific is the biggest e-business area with 770 billion $ sales in 2014 (39.6% share). Europe is slightly larger market than the USA, with e-business values of 567 B$ (29.2%) and 523 B$ (26.9%), respectively. Latin America, Africa and other parts of the world split the remaining business (4.3%). (About-Payments.com, 2016)

When comparing different countries, China is the biggest market area in e-business, followed by the USA. According to Emarketer.com 2016, the list of largest global e-commerce Market areas (by revenue) in 2014, were:

1. China 426.26 B$
    - Increase of 35% from 2013
    - Top online retailer: Alibaba
    - E-Commerce sales as % of total retail sales: 10.1%
2. The USA 305.65 B$

- Increase of 15.7% from 2013

- Top online retailer: Amazon

- E-Commerce sales as % of total retail sales: 6.5%

3. The United Kingdom 82 B$

- Increase of 16.5% from 2013

- Top online retailer: Amazon

- E-Commerce sales as % of total retail sales: 13.0%

4. Japan 70.83 B$

- Increase of 14.0% from 2013

- Top online retailer: Rakuten

- E-Commerce sales as % of total retail sales: 4.9%

5. Germany 63.38 B$

- Increase of 22.1% from 2013

- Top online retailer: Amazon

- E-Commerce sales as % of total retail sales: 7.3%

(The data doesn't include travel website nor event tickets)

Smaller individual markets, like Finland, are not included in to the analysis, as the target is to focus on the larger market areas.

With these impressive global e-business figures, it is easy to conclude that there is a clear potential for a new e-business company to make revenue. Competition must be tough, but the markets are very big and attractive.

2.2 Comparison of Different E-Business Platforms

In terms of the numbers of the monthly unique visitors, the Alibaba group is clearly the largest online retail platform. Based on the data from June 2014, Taobao, Alipay and Alibaba have together over 800 million unique monthly visitors, whereas Amazon has about 500 million unique monthly visitors. eBay has around 268 million unique monthly visitors.

1. Taobao (part of Alibaba Group)

   - 601 million unique monthly visitors

2. Amazon

   - 524 million unique monthly visitors

3. eBay

   - 268 million unique monthly visitors

4. Alipay (part of Alibaba Group)

   - 105 million unique monthly visitors

5. Alibaba (part of Alibaba Group)

   - 107 million unique monthly visitors

(RocketCompanies, 2016)

In this study, the focus of doing e-business will be in the western markets. Later the business can be expanded to Asia, and possible to other areas as well, but for now the focus is not there. This being said, Europe and North America are the areas that will be investigated more closely.

Amazon is the clear market leader in the European E-commerce business, with combined European operations revenue over 21 B€ in 2014. German based Otto Group is the second largest with 6.50 B€ revenue in 2014. (Ecommerce News, 2016) eBay is Europe's third largest online retailer, with 4.73 B€ revenue in 2014. (Statista, 2016)

In North America, the net sales of Amazon reached 55.469 B$ in 2014 (Amazon, 2015). In 2014, eBay's USA revenue was 8.495 B$ (Statista, 2016).

As Amazon is clearly the largest western platform for online retailing, it will be chosen for more detailed analysis.

2.3 Amazon

2.3.1 Amazon at A Glance

Amazon is a US based online retailing company established in 1994 Seattle, USA (Finance.yahoo.com, 2016). As of 2015, Amazon has over 120 million different products on sale (Rankin, 2016), and as of the third quarter of 2015, the e-retailer reported more than 294 million active Amazon customer accounts worldwide (Statista, 2016).

In 2014, the net sales of Amazon reached 88.988 B$. Sales in North America were 55.469 B$ and international sales were 33.519 B$ (Amazon, 2015). In 2014, Amazon Germany sales were 11.9 B$, Amazon UK sales were 8.3 B$, and Amazon Japan sales were 7.9 B$. In total, Germany, UK and Japan occupy 85% of Amazon international sales. (Walsh, 2016)

In Amazon's Marketplace, Amazon allows third-party sellers to compete against each other and against Amazon's own retail category management. This competition is attracting new customers, which in turn attracts more third-party sellers. Marketplace and third-party selling has originated from the US, but has rapidly grown to be truly international. In 2014, Amazon had third-party sellers from over 100 countries. 20% of the third-party sales occurred outside the seller's home country in 2014. In 2014, third-party sellers were responsible of around 40% of Amazon sales globally. They sold over 2 billion units in total. Third-party sellers are an important part of Amazon's strategy and Amazon is actively supporting third-party sellers via different tools and automation in their software. (Amazon, 2015)

Amazon Prime is a membership program for the Amazon customers, and an important part of the Amazon's business model. Free two-day shipping is the biggest benefit for Prime members. Additional benefits include things like free movies and TV shows, free e-books, unlimited music streaming and unlimited photo storage. Third-party sellers are eligible to be part of the Amazon Prime. This is a very attractive property for retailers. (Amazon.com, 2016)

Amazon is chosen as the platform to conduct the case study.

3   BUSINESS MODEL FOR THE CASE STUDY

There are different ways to conduct online business in Amazon. The most common ones are discussed here.

3.1 Retail Arbitrage

Retail arbitrage is a process where a seller purchases products, typically from a retail store, on a great discount, and then re-sells them with profit. Retail arbitrage has been relatively popular especially in the USA; this market is quite suitable for this business model. Large retail stores, like Wal-Mart, might have large number of products on great discounts. Local sellers can purchase these, and then list on some online site for sale. (The Work at Home Wife, 2016)

Retail arbitrage will not be selected for this case study. The entrepreneur is operating from Finland, which is not suitable market for this business model. Also, the scalability of this business model is not large enough.

3.2 Drop Shipping

In drop shipping, the seller will act as a middle-man. The seller will make a deal with a manufacturer for a fixed price of the manufacturer's product. After this, the seller will list the product on his/her online selling platform. When a customer orders the product from the seller, the seller will make an order to the manufacturer, who will ship the product to the customer. The seller never sees the product himself/herself (Atkins, 2016).

Drop shipping business model works only for small brands. Big brands would not benefit from this kind of arrangement, but small brands might. If a brand is non-established, it is typically beneficial for the manufacturer to offer its products to as many selling platforms as possible. A good drop-shipper might be able to sell large quantities, and he/she might have good discounts from the manufacturer.

Drop shipping is also excluded from this case study. The main reason is the lack of long-term sustainability – all other sellers might be able to start selling the same product. This could result in price competitions and decreased profits.

3.3 Wholesale

In wholesaling, the seller buys the inventory from the wholesaler. Wholesaler is a middle-man, who buys large quantities from the manufacturer, and then sells these to other sellers with smaller volumes. Wholesaler purchases large quantities directly from the manufacturer, thus obtaining large discounts. Because of this, the seller can buy the products cheaper from the wholesaler; if compared buying directly from the manufacturer. (Investopedia, 2016)

Wholesaling is an interesting option, but this option is also excluded due to the lack of sustainability – other sellers can always buy the same products. There is no exclusivity for the brand, making it too vulnerable for price wars.

3.4 Private Label

In private label business model, the seller will create its own brand. The selected products will be purchased from a manufacturer, who can sell unbranded products. The seller will customize the products, together with the manufacturer, to match the required specifications. In addition, the product will be customized to reflect the sellers selected brand. Typical example is that the brand's logo will be inserted on to the product and the package. After these actions, the product is totally new and "owned" by the seller. (BusinessDictionary.com, 2016)

To make this business model sustainable, the modifications and branding to the product must be meaningful enough. It must be a unique product. When this is done, it is possible to apply for patents and trademarks, and to make the product and brand owning even more legitim.

Private label will be selected as the business model in this case study. If a private labeling is performed successfully, it is possible to have a true exclusivity on the selected product.

3.5 Fulfilment by Amazon

There are two methods of shipping the products to Amazon customers – either by the seller, or letting Amazon to do it. *Fulfillment by Merchant*, FBM, is a method where the seller will ship the product by himself/herself to the customers. This method will be abandon in this case study – this is not a scalable business model and the business will be operated from different country where they are sold. The shipment fees would impact too much on the profits.

Amazon has made its *Fulfilment by Amazon* – FBA business model to be very attractive and as easy to enter as possible. The key element in FBA is, that sellers can start selling to a very large customer base very easily.

In FBA business model, the seller must ship the products to a selected Amazon warehouse. The products must be packed and labeled per strict Amazon instructions. Then the seller must list the products into the Amazon marketplace. To do this, the seller must open an account into the Amazon seller central; but this is very straightforward and easy thing to do. Also, the product listing must be conducted following Amazon's instructions.

Once the products have been successfully shipped and listed to Amazon, the seller is basically ready. After that, Amazon will take care of everything else. When a customer enters the Amazon marketplace, it will see the product listed in Amazon – among all other products. If the customer chooses to buy the product, it will only deal with Amazon. The purchase procedure will happen inside Amazon's secured web store system and the payment will be sent to Amazon.

Once Amazon has received the payment, they will process the product delivery. Amazon will collect the item from their own warehouse, Amazon will pack the product, and Amazon will ship the product to the customer. Additionally, if there

is any need for customer service or e.g. a refund; Amazon will take care of that as well. Then, every other week, Amazon will pay the seller for the sales; after reducing its own profit from the sales.

The benefits for a seller to start selling on Amazon marketplace hence are:

- Ability to have own product on sale for a huge customer base
  - Amazon is very established e-commerce site with large sale volumes
  - Amazon will also take care of the product deliveries
- Possibility to obtain so called "passive income"
  - Once the products are shipped to Amazon warehouse and listed to the marketplace, the seller basically doesn't have to do anything. Amazon will take care of everything.

The disadvantage of FBA is, that Amazon will charge the seller for everything. There is a monthly fee, a storing fee, a sales commission fee and a shipping fee. So, each seller must calculate carefully that the large sales volumes will compensate the high fees associated with it.

Amazon, with its FBA business model, is chosen as the platform to conduct the case study.

4 RESEARCH METHODOLOGY

4.1 Selection of Amazon Marketplace

Amazon has multiple marketplaces. The original and largest is amazon.com, which is the United States marketplace. In 2014, sales in the USA were 55.469 B$ and international sales were 33.519 B$ (Amazon, 2015). In 2014, Amazon Germany sales were 11.9 B$, Amazon UK sales were 8.3 B$, and Amazon Japan sales were 7.9 B$. In Europe, Amazon has marketplace also in France, Italy and in Spain – but all these are clearly smaller in revenue. (Walsh, 2015)

Amazon.com would be the largest marketplace to start the FBA business, but this is rejected in this case study for few reasons. The biggest reason is the complexity of taxation and customs. The business in this case study will be operated from Finland, and there are many additional customs and taxation related items that are present in the USA sales operations; in comparison to the European operations. Second reason not to go to amazon.com is the competition. Even though there are more sales to be shared among sellers, there is also more competition. The FBA business model is relatively popular in the USA.

Complexity of taxation and customs is the reason also for not to enter the Japan market. This leaves the German and UK marketplaces as the two most interesting ones. German marketplace is selected as the entry market in this case study. The benefits of German marketplace over UK marketplace include three main points:

- Sales volumes of amazon.de are larger than in amazon.co.uk
- Competition is in many cases smaller in amazon.de than in amazon.co.uk
    - FBA business model is not so popular in amazon.de than in amazon.co.uk (Ward, 2015)
- There are fewer questions marks over German market than over the UK market
    - The UK is not part of Schengen and they are voting to resign from the EU – taxation and legal issues might face some unwanted changes

So amazon.de marketplace is chosen. The only disadvantage of this is, that it works in German language. But local native German speaking contacts will be used to support the business.

4.2 How to Select A Good Product to Sell, And A Good Niche to Enter?

It is possible to sell almost anything in Amazon. As of 2015, Amazon had over 120 million different products on sale (Rankin, 2015). It is just a matter of choosing what to sell. Depending on the motivation and on the targets, there are different ways to determine what to sell. Some sellers are cherry picking individual products from different categories and selling them with changing

success. In this case study, the target is to build a sustainable business around this business model (and to expand it beyond Amazon later).

There are few critical elements that must be met when one is building a sustainable business on the FBA business model. The first thing is to choose a product niche that the entrepreneur is enthusiastic about, or at minimum is somewhat interested in. As in any business, there are no fast track profits expected, and it will take years to build a steady and profitable business. If the niche is something that the entrepreneur doesn't like, or even hates; it will not have a very profound base for a long and sustainable business. There will be customer service, product inquiries and other kind of activities that are related to the product niche in question; and naturally everything will be much easier if the market and products are appealing.

Second element is about building a brand. The business can be started with one product, but to grow the business, more products should also be introduced. If the products are somewhat related to each other, there are many benefits available. If the customers are interested in one of the products, they will more likely be interested in other products belonging to the same niche. E.g. if a customer decides to buy a kitchen knife, he/she might be interested in buying a chopping board also. If both products are available from the same company, with the same brand; customer might easily buy them both. Additionally, Amazon marketplace will promote similar type of products very actively to the customers. Amazon is all about maximizing sales, and if one company can provide multiple products for the same niche, Amazon will offer this kind of free advertisement.

Managing a brand is easier than managing a bundle of products that do not correlate with each other. The customer base will be more homogeneous and there is not so much need to be aware of different elements related to these topics. One doesn't need to be an expert on multiple areas. The last positive argument favoring branding, is the exit plan. A successful brand is easy to sell, if one wants to get rid of the business. (Coats, 2016)

As the target is to build a brand, it is essential to assure that there is enough depth in the market. This means, that there must be enough existing sales. As discussed

earlier, this is quite easily demonstrated in the Amazon marketplaces using the BSR numbers. Additionally, there must be room to enlarge the business; there must be ability to have multiple products launched on the same niche. Naturally there must also be enough sales volume available for all the intended products.

Competition analysis is also very important point. It does not make sense trying to enter a market with very fierce competition. A start-up cannot fight against large established international brands as an example. Additionally, if there are signs of a brutal price war, it might make sense to stay away from that market segment. (Landowski, 2016)

In summary, the key elements in choosing the product niche and first product are:

- The niche is interesting to the entrepreneur
- It is possible to build a brand on the niche, to launch multiple products
- There is enough depth in the market: Multiple companies that are already selling the same type of products considerable amounts
- The competition is not overwhelming

4.3 Analysis of The Sales Potential

Amazon does not directly disclose any selling Figures, but as this is so popular business model, there are ways to find out the data. For each product, Amazon is determining it's so called *Amazon Best Seller Rank*. This attribute, called as the "BSR" among the industry experts, is the key to unlock the sales data. Figure 1 describes the BSR for a leather wallet which is on sale at amazon.com – this product has the BSR #390 in amazon.com clothing category.

Product Dimensions: 4.5 x 3.8 x 0.5 inches
Shipping Weight: 7.2 ounces (View shipping rates and policies)
ASIN: B019FDEIJG
Item model number: tra302
Date first available at Amazon.com: December 16, 2015
Amazon Best Sellers Rank: #390 in Clothing (See Top 100 in Clothing)
Average Customer Review: ★★★★☆ ▾   305 customer reviews
Would you like to give feedback on images?

Figure 1. Product BSR is visible in listing.

Jungle Scout is a commercial application designed solely to analyze the sales data of different products sold in Amazon. This program can analyze the algorithm of Amazon's selling platform, and very accurately estimate the selling Figures for all products based on their BSR numbers. The actual description of this function is proprietary information of Jungle Scout, but there is a wide-spread shared opinion that this piece of software works. (Rizer, 2016), (Voelker, 2015)

Figure 2 presents a summary of the sales data for different categories in Amazon.com based on their BSR numbers. Let's take the first row as an example: A product in the "Appliances" category with a BSR# 35, is selling around 20 units each day. Product in same category with a BSR# 80, is selling around 10 units a day, and a product with a BSR# 2000 is selling around one unit each day.

The example product, leather wallet with a BSR 390# in clothing category, is selling around 20 units each day.

From Figure 2 it is easily seen, that there is a huge variation between different categories. E.g. in the Automotive category, the product must be among the top 700 products to reach a sale Figure of 20 units a day. In Beauty category, it is enough to be among the top 4500 products to reach the same sales. Naturally there is also different level of competition in different categories.

Figure 2. Jungle Scout reveals the selling data based on the products BSR for different categories in Amazon.com.

4.4 Tools for Investigations

Fitness category is selected for a closer study.

The first thing to clarify is the tool for estimating the sales. As previously discussed, there is a tool called Jungle Scout that is very efficient to estimate the product sale Figures based on their BSR numbers. At this point, this data is available only for the amazon.com marketplace, so some special tricks are needed to develop a tool to analyze the sales for the German market. Figure 3 presents how the USA marketplace data is used to approximate the sales Figures for the UK and the German marketplaces. The UK marketplace is included here as a reference.

Fitness belongs to the Sports & Outdoors category. In Figure 3, under the headline "BSR in amazon.com", the equivalent BSR numbers are presented for 20 pcs/day and 10 pcs/day sales. Per the 2014 figures, Amazon.com had an annual revenue of 55.4 B$, while amazon.co.uk and amazon.de had 8.3 and 11.9 B$ revenues, respectively. In another word, the Amazon UK sales are around 15% and the Amazon Germany sales are around 22% of the Amazon North American sales. These figures can be used to approximate the equivalent BSR numbers in these marketplaces. The BSR numbers will roughly follow the relation of the revenues. This means that for a product to sell around 20 units per day in Sports & Outdoors category on average, its BSR number must be around 1800 in amazon.com, 272 in amazon.co.uk and 393 in amazon.de.

This is quite logical. For a product to sell 20 units per day, it must be among the top 1800 products in the huge amazon.com. In the smaller European marketplaces, the product must be within the top 272 products in the UK and within the top 393 products in the German marketplace. Similarly, the equivalent BSR numbers for 10 sales per day are 528 for the UK and 764 for the German marketplace. These numbers are verified also from other sources. (Ward, 2015)

UK Category: Sports & Outdoors	BSR in amazon.com	BSR in amazon.de	Sales*BSR	AVERAGE:	BSR equivalent	to Sales/Day	
BSR Sells 20/day	1800	272	5433	5357	134	40,0	
BSR Sells 10/day	3500	528	5282		268	20,0	Sales/Day formula:
BSR Sells 1/day					536	10,0	5357/BSR

DE Category: Sports & Outdoors	BSR in amazon.com	BSR in amazon.de	Sales*BSR	AVERAGE:	BSR equivalent	to Sales/Day	
BSR Sells 20/day	1800	393	7855	7745	194	40,0	
BSR Sells 10/day	3500	764	7636		387	20,0	Sales/Day formula:
BSR Sells 1/day					775	10,0	7745/BSR

Figure 3. Method of analyzing the sale figures for the Amazon UK and the Germany marketplaces.

To have more accurate estimations, the column "Sales*BSR" is calculated. This is a supportive number, resulting from multiplying the BSR number with the equivalent daily sales. To minimize the tolerance errors, average values from these two figures are calculated. These average values are in turn used to calculate the corrected BSR numbers for the different daily sales. As can be seen from the Figure 3, the BSR numbers to reach 10, 20 and 40 sales per day are 536, 268 and

134, respectively in the UK marketplace; and 775, 387 and 194 in the German marketplace.

For any given product, its daily sales can be calculated as 5357/BSR in the UK marketplace and as 7745/BSR in the German marketplace. So, as an example, if a product in amazon.de Sports & Outdoors category has a BSR of 630, it is selling around 7745/630 = 12 units per day.

So, this formula can be used to calculate the sales data for all products in Sports & Outdoors category. But, there are also other elements in an interesting market segment, that needs to be analyzed before entering. Figure 4 shows an example of a typical product listing in the Amazon marketplace; the most relevant aspects are highlighted.
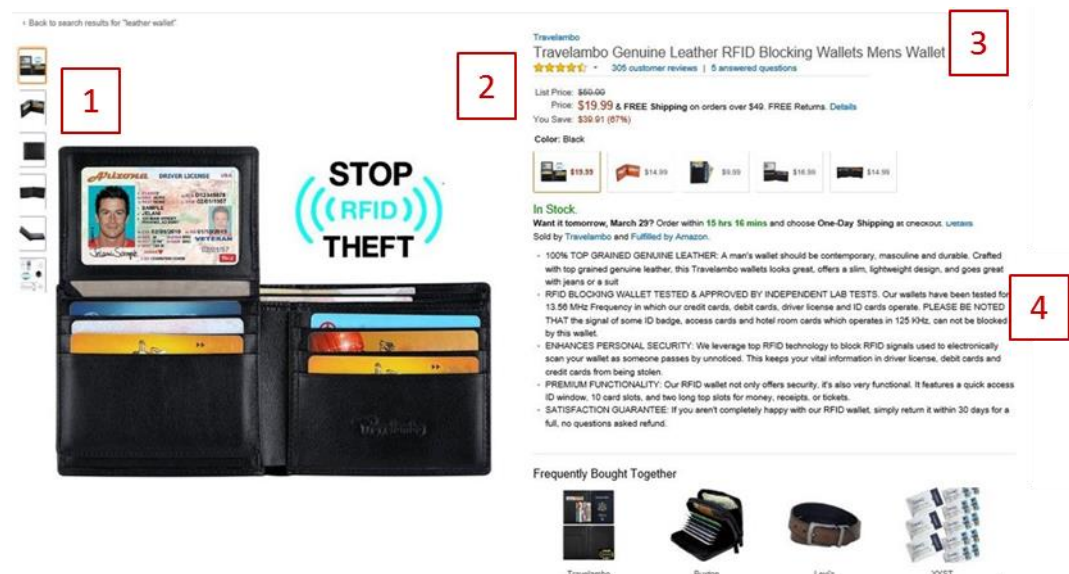
Figure 4. The most important attributes of the listing include 1) product images, 2) the number of reviews and the average rating of them, 3) product title and the 4) bullet points to describe the product.

The competition in the niche must be understood thoroughly. There are few key attributes in the product listings that the seller can modify to attract the customers to make the purchase decision. One of the most important items is the amount of reviews that the product has. This is so called "social proof" element. (Adams,

2015) As an example, let's assume that there are two identical leather wallets on sale, at the same price. The other one has 100 customer reviews, and the other one has only one review. Which one will the buyer choose? The customer will almost certainly select the product with more customer reviews. The large number of reviews will convince the customer to think that the "product must be good as so many other buyers have selected the product". And that "there might be something wrong with the other product as it has so few reviews".

So, the amount of reviews in the selected niche will be analyzed. If there are multiple products having very high amount of reviews, it will be very difficult to enter the market. However, if there are only few top sellers having a large amount of reviews, and the other sellers have only few reviews; it might be relatively easy to enter the race in that segment.

"Listing quality" is also an important factor in the sale competition. In a nutshell, this means that if all products in the niche have very professional listing; the competition might be tough. This means that if there are many products that have multiple high quality images, very detailed and selling bullet points, sensible use of keywords etc.; it might be difficult to outperform the competitors on these items. In contradiction, if the competitors have only few poor-quality images and unprofessional bullet points, it will be easy to make own listing much more compelling; in the eyes of the customers.

Selling price and shipping weight are attributes, that will impact on the attractiveness of a niche. The most attractive selling price of a product should be around 20-30 euros. If the selling price is markedly lower, it might be difficult to get decent profits. If the selling price is too high, obtaining the inventory would be very costly.

Shipping weight is important, as it will impact on the shipping fees. In most cases the products will be shipped from China; and the shipping costs are directly proportional to the weight. Weight will also impact on the shipping fees that Amazon is charging when they are shipping the products from their warehouses to the customers.

Figure 5 shows the principles of calculating product scores for different products. The nominal values that will give a score of one are: price 25 euros, 50 reviews, listing quality estimated as 3 (on scale 1-5), shipping weight of 500gr and BSR of 775. Different attributes have different weights, as shown in Figure 5.

	Price	Reviews	Listing Quality	Shipping Weight	BSR
Value to score 1	25	50	3	500	775
Multiplier	2	5	2	1	4

Figure 5. Method of analyzing the scores for different products.

4.5 Analysis of The Fitness Category

The detailed data is presented in appendix a. Please refer to that.

There are different ways to analyze the data, but classification based on median values is chosen. As can be seen from the data, in many categories there are one or two sellers who sell very high numbers daily. Median values will ignore the sellers who sell the most and the least, and should be more practical to use than average values as an example.

Figure 6 describes the summary of the median values per each product. First observation is, that the price point is little bit lower than targeted; median prices are between 10€ and 20€. Second observation is, that each product has more reviews in the UK marketplace than in the German marketplace. Only the pull-up bar is an interesting exception. Third observation is that the products are mainly selling more in the German marketplace, than they are in the UK marketplace.

This data is confirming our earlier conclusion that the German marketplace has larger sales volumes and less competition.

Market	Product Type	Median	Price	Reviews	Listing Quality	Shipping Weight	BSR	Product Score	Sales/Day	Revenue/ Day	Score* Sales
UK	Best Sellers in Hand Stengtheners	MEDIAN:	12,16 €	116	3,0	200	766	1,0	7	66,61 €	4,9
DE	Bestseller in Handtrainer	MEDIAN:	11,48 €	50	3,0	199	433	1,2	18	151,61 €	19,0
UK	Best Sellers in Weight Lifting Belts	MEDIAN:	20,05 €	108	3,0	560	1288	0,8	4	93,94 €	3,5
DE	Bestseller in Gewichthebergürtel	MEDIAN:	25,74 €	45	3,0	825	3095	1,0	3	74,02 €	5,1
UK	Best Sellers in Exercise Bands	MEDIAN:	10,25 €	110	4,5	336	174	0,8	32	555,18 €	37,0
DE	Bestseller in Fitnesbänder	MEDIAN:	12,89 €	74	4,0	200	257	1,0	30	422,24 €	44,9
UK	Sellers in Core & Abdominal Trainers (ab ro	MEDIAN:	12,13 €	202	3,0	813	322	0,5	17	179,89 €	12,3
DE	Bestseller in Bauchtrainer (AB Roller)	MEDIAN:	13,99 €	123	4,0	680	184	0,5	42	841,48 €	22,9
UK	Best Sellers in Pull-Up Bars	MEDIAN:	16,63 €	46	3,0	2317	964	1,2	6	109,75 €	6,9
DE	Bestseller in Klimmzugstangen	MEDIAN:	16,47 €	293	3,5	2050	288	0,5	30	661,72 €	15,2

Figure 6. Selling and listing data summary based on median data values for both the UK and the German marketplaces.

There are two main options to rank the data presented in Figure 6. One way is to rank them based on the revenue opportunity and another way is to rank them based on the product scoring (i.e. niche entry difficulty). To rank the different products, mathematical value "Score*Sales" will be used. This is a multiply of the product score and the daily revenue. This value as such does not mean anything, but can be used to analyze both niche entry difficulty and sales opportunity with one number.

Figure 7 presents the data as ranked based on this value.

Market	Product Type	Median	Price	Reviews	Listing Quality	Shipping Weight	BSR	Product Score	Sales/Day	Revenue/ Day	Score* Sales
DE	Bestseller in Fitnesbänder	MEDIAN:	12,89 €	74	4,0	200	257	1,0	30	422,24 €	44,9
UK	Best Sellers in Exercise Bands	MEDIAN:	10,25 €	110	4,5	336	174	0,8	32	555,18 €	37,0
DE	Bestseller in Bauchtrainer (AB Roller)	MEDIAN:	13,99 €	123	4,0	680	184	0,5	42	841,48 €	22,9
DE	Bestseller in Handtrainer	MEDIAN:	11,48 €	50	3,0	199	433	1,2	18	151,61 €	19,0
DE	Bestseller in Klimmzugstangen	MEDIAN:	16,47 €	293	3,5	2050	288	0,5	30	661,72 €	15,2
UK	Sellers in Core & Abdominal Trainers (ab ro	MEDIAN:	12,13 €	202	3,0	813	322	0,5	17	179,89 €	12,3
UK	Best Sellers in Pull-Up Bars	MEDIAN:	16,63 €	46	3,0	2317	964	1,2	6	109,75 €	6,9
DE	Bestseller in Gewichthebergürtel	MEDIAN:	25,74 €	45	3,0	825	3095	1,0	3	74,02 €	5,1
UK	Best Sellers in Hand Stengtheners	MEDIAN:	12,16 €	116	3,0	200	766	1,0	7	66,61 €	4,9
UK	Best Sellers in Weight Lifting Belts	MEDIAN:	20,05 €	108	3,0	560	1288	0,8	4	93,94 €	3,5

Figure 7. Selling and listing data summary based on median data values for both the UK and the German marketplaces; sorted in decreasing order of interest.

Resistance band in the German marketplace has the highest score, followed by resistance band in the UK marketplace. These are followed by Ab roller, hand trainer and pull-up bar from the German marketplace. General trend is that products in the German marketplace rank higher than in the UK marketplace, only the weight lifting belt in German marketplace doesn't rank that high.

The data for ab rollers and for pull-up bars were somewhat insufficient, so these will be excluded for now. It is possible re-analyze these later, when additional products are considered. Hand trainer in the German marketplace and resistance bands in the UK marketplace are quite interesting as well, but the most interesting option is resistance bands in the German marketplace.

Figure 8. Example of resistance bands.

4.6 Seasonality and Long-Term Sustainability

It is already confirmed that there is demand and depth in the selected market. In addition to that, it would be important to understand how stabile the market is. In some niches, the products are selling much more than average in certain time of year. Typical examples are toys; most of the sales are generated before Christmas, in November and early December. Another example are e.g. water sport apparels. Hot season to sell these is obviously summer time, especially early summer. So, as the demand and price level for resistance bands have been checked, it is needed to confirm that the demand and price level is somewhat constant. (Voelker, 2015)

Google Trends is a good and free piece of software, that can be used to investigate the trends in Google searches. Google is of course different thing than Amazon, and the interpretation of the data must be done with caution. People come to

Google to find information, and they come to Amazon to buy stuff. There is no clear linear correlation between the Google searches and Amazon sales, but some conclusions can be drawn. If something is popular in Google, it will most likely have at least some level of popularity also in Amazon. And same is true also in the opposite situation; if something doesn't exist in Google searches, most likely there will be little or no interest towards that in Amazon either. (Voelker, 2015)

Figure 9 shows the trends in Google searches over a period of one year, from July 2015 to June 2016. The data is only for searches made in Germany, as this will be the target market area. Data shows the number of searches per week. There are many different words for "resistance band" in German language. This data is for seven different words effectively having the same meaning. In addition, this data includes the singular and plural versions of the words. (Google.de, 2016)
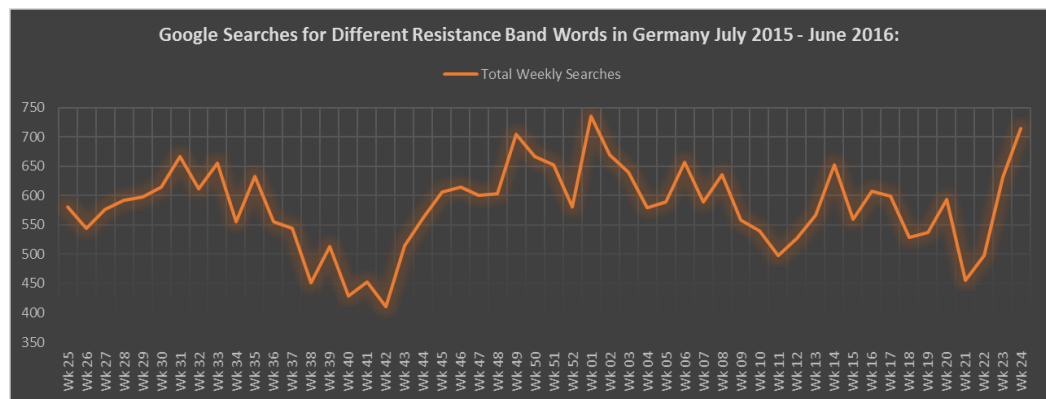
Figure 9. Google Trend data for resistance band words in Germany.

From the data, it can be seen, that the number of weekly searches varies between 400 and 750. It can also be seen that the searches go up towards end of the year; there is a steady rise in searches from wk. 42. During Christmas holidays, on weeks 50-52, the searches decline as seems logical. (Adams, 2015). It is interesting to notice how there is a peak in searches on week one; perhaps people have done New Year promises regarding new exercise habits and are using Google to search information. Additionally, it is interesting to notice that there is

a clear decrease in searches roughly between weeks 30 and 42. Late summer and early fall seems to be the most inactive time for this type of products.

Overall conclusion from the graph is, that there is seasonal variation in the interest towards these products, but there is always some level of searches. There are no "zero-interest" weeks or months.

Another free and interesting tool to use for analysis is *CamelCanelCamel*. This is an online tool, that can be used to track down the pricing information of any product on sale in the Amazon marketplaces. The URL of the product listing is inserted into the search field, and result will be historical graph of the products pricing history. Figures 10-12 show this data for three different competitor products. (camelcamelcamel.com, 2016)

For product #1 in Figure 10, it can be seen, that the seller has decreased the price in late November – early December time frame. This is most likely to boost their Christmas sales, which is quite typical. Otherwise they have kept the price quite steadily in the 13€ range.

For product #2 in Figure 11, it can be seen, that this seller has also decreased the price in late November – early December time frame. Before Christmas sales, the price has been around 14€, but after the Christmas sales, the price has settled to around the 13€level. One possibility is that the price is adjusted to match competitors price level.
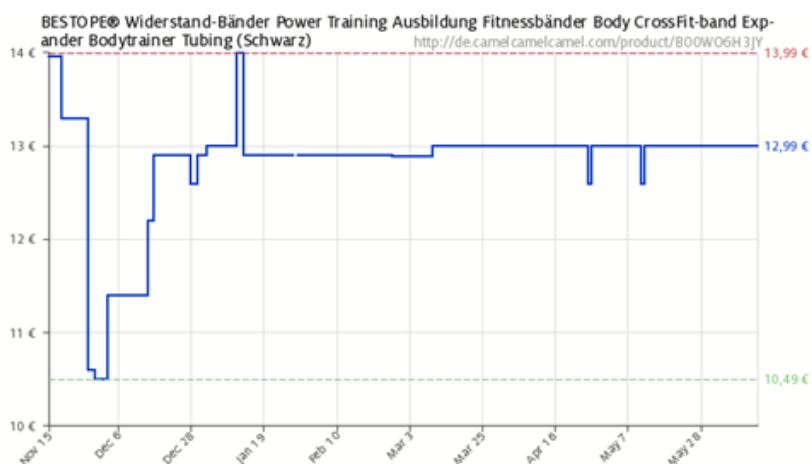
Figure 10. CamelCamelCamel price history data for competitor product #1.

Figure 11. CamelCamelCamel price history data for competitor product #2.
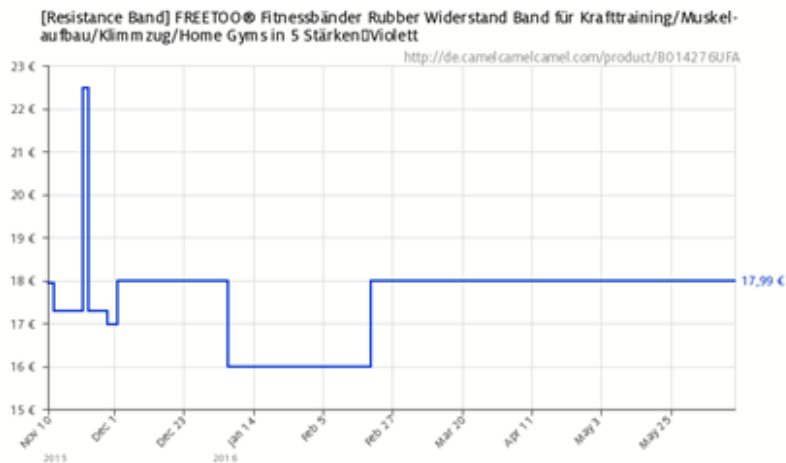
Figure 12. CamelCamelCamel price history data for competitor product #3.

For product #3 in Figure 12, there is no Christmas period sales campaign. There is a sharp price peak in late November, but this might be just an indication of low inventory level. Sometimes sellers will make a huge price increase to the selling price if they are about to run out of inventory. Amazon marketplace doesn't like if the buyers would like to buy, but the seller is unable to supply (Coats, 2016). Many sellers overcome this challenge by pricing the product so high that there would be no interested buyers. Besides that, the price is flat. This seller did

decrease the price after Christmas. This is also quite popular tactic. It is namely commonly known, that the most silent time of sales is always the first quarter, especially the first month or so. By decreasing the price, this seller has tried to boost their sales in this slow season. Other than that, the price is quite steadily on the 18€ level. This is little wider resistance band than the products #1 and #2 of this comparison, which explains the difference in price.

Overall conclusion from this data is, that there are no reasons for concerns about the market. There are normal seasonal variations in the prices, but there are e.g. no signs of a price war. Also, there are no signs of any "panic selling".

Based on the data from Google Trends and from CamelCamelCamel, it can be concluded, that the planned niche and market is healthy, stabile and not over-competitive.

4.7 Customer Review Analysis

Several vital observations were done by inspecting the customer review sections for similar types of products. First learning is, that some customers are very unhappy with the strong latex smell associated with the bands of some sellers. Latex indeed does have its own unique smell, but the problem seems to be present only with some special sellers. For some products, there are no mentions at all about any smell problems. For those products that do have the problem, customers were quite active in giving out their opinion in their reviews. This is clearly something to pay attention to.

Skin irritation problem was another complain observed for some of the bands. Again, some bands seem to be totally free of this kind of problem, but some bands clearly seem to have an issue with this. The structure of some of the bands seems to be quite sharp or they seem to be having a relatively high-friction, causing irritation to the skin. On the other hand, some bands do not have any negative reviews about this kind of issue. So, this is clearly something that can be optimized for a better customer experience.

There seems to be a common problem of peeling with the thinnest bands. Many product sellers have received negative feedback over this problem. These resistance bands come with several different widths, which will give them different resistance levels when stretched. The narrowest one will give the smallest resistance. Based on the analysis, none of the wider bands have this problem, so it clearly seems to be a problem with the narrowest band only. This is obviously something to watch out for.

Lack of a carry bag is also one of the complaints mentioned in some reviews. Some customers would like to have a carry bag where they could hand-carry the bands with them. Surprisingly many companies are selling their bands without any bag. Some sellers are offering a carry bag, but the quality of those bags look relatively poor. This is clearly an area where there is room for a better customer satisfaction.

Most of the reviews, good and bad, have been given to the narrowest versions of the bands. Conclusion is, that these are the bands that customers are mainly buying. Business-wise it would make sense to concentrate most of the efforts on these.

Ability to give customer support in the native language of the customer, is also a crucial element. Some customers are clearly disappointed, or at minimum confused, about the poor German language support that some companies are giving. In some cases, also the response time has been unsatisfactory.

So, the customer feedback analysis was quite informative. The conclusion is that

- Customers don't like resistance bands with strong latex smell

- Customers don't like resistance bands with high-friction surface that irritate skin

- Material peeling seems to be a problem with the narrowest bands

- Customers would value to have a carry bag with the bands

- Customers seem to favor the narrowest bands

- Customers value fast and native German customer support

4.8 Expense & Profit Analysis

Last but the most important aspect of determining the viability of this business opportunity, is the expense and profit analysis. Known facts are the approximate sales volume and the selling prices of all competitor products on the same sales platform. To evaluate the available profitability of this business, the exact expenses are needed to be known.

Illustration of the overall process of this business is presented in Figure 13. The whole process is based on outsourcing everything. The entrepreneur doesn't need to be physically present in any of these steps. Product specifications are discussed and agreed with the supplier, which in many cases is a factory somewhere in China. Once the products are ready, they will be shipped to Amazon warehouse. Customer is then able to purchase the products from Amazon. Customer will then pay the products to Amazon, who will ship them to the customer. Amazon will take its profits, and will pay rest of the payments to the entrepreneur. So, products will move from factory to Amazon, and from Amazon to customer. Money in turn will move from entrepreneur to supplier, and from customer to Amazon, and from there to entrepreneur.

Figure 13. Illustration of the overall FBA process

This will create the opportunity for passive income, but it also means that all these services need to be paid for. Careful planning is required to minimize risks and making sure that the business can be executed profitable.

The main items contributing to the total expenses of the products will be 1) the actual product purchase price, 2) shipment cost from China to Germany, 3) VAT, 4) advertisement costs, and 5) Amazon fees.

Figure 14 shows a summary of supplier price inquiries for these types of resistance bands. There are four different types of resistance bands that are the most interesting; each has its own unique resistance level. The lowest quote is marked as 100%, and all other prices are compared to that. As an example, for band type 3, supplier C has quoted the lowest price. This is marked as 100%. Supplier A has quoted 9% higher price; thus, the value is 109%. Supplier B has quoted 42% higher, supplier D 52% higher and supplier E 54% higher price than supplier C. As can be seen, the price variation is extremely large.

	Supplier A	Supplier B	Supplier C	Supplier D	Supplier E
Band type 1	183 %	100 %	103 %	163 %	193 %
Band type 2	159 %	150 %	100 %	163 %	178 %
Band type 3	109 %	142 %	100 %	152 %	154 %
Band type 4	148 %	177 %	100 %	198 %	156 %
Average	150 %	142 %	101 %	169 %	170 %

Figure 14. Supplier quote comparison.

Figure 15 shows a summary of inquiries for different logistics options. Request for quotation was sent to three different companies, and the average values are displayed in this Figure. The quotes are calculated using chargeable weight of 700kg.

As expected, air freight is clearly the most expensive one, but also much faster than the other methods. Sea freight is the cheapest option, and railway is quite cheap as well. On the other hand, if the products are shipped by air, they will be available for sale 24 days earlier than if they would be shipped by sea. The loss of sales must be considered as well. In addition to that, in this case the fast entry to market has been prioritized as the top target. Thus, air freight is the selected option; at least for the first product order.

	Air	Sea	Railway
Average price	1 720 €	150 €	290 €
Average duration	4 days	28 days	24 days

Figure 15. Logistics options comparison.

Value Added Tax, VAT is an unavoidable expense when selling goods in Europe. In this business model, VAT must be paid when the goods enter the EU, and the VAT must be collected from private citizens when they purchase the products.

These taxes must then be collected and paid to the German tax office. There is no need for double-VAT, which means that the import VAT can be deducted from the collected sales VAT. The effective VAT in Germany is 19% for these types of products.

Advertisement costs are especially important in the beginning stage of the business. When the products become available in the market place, there are many things making difficult to sell them. First, there are no product history in Amazon. This means that it is just another product among tens or typically hundreds of similar types of products. They have zero sales and zero customer interest. In Amazon world, this means that there are no reasons for Amazon to promote that listing. When customers are searching for this product, it will be in the bottom of the search results, typically somewhere around pages 10 to 30. In practice this means that nobody can find that. Different promotion and advertisement actions are essential to get the sales running.

Amazon fees are the fees that Amazon is collecting from its services. These fees include 15% portion of the product selling price + the product packing and shipping fee. These fees vary depending on the size and especially by the weight of the product.

One important aspect of the expenses is the per unit cost. Economy of scale is an important factor driving down the unit costs in several different phases of the process. At first, this is evident in the actual product purchase: The price negotiation power is totally different depending if one is to buy 10 units, 100 units, 1000 units or even 10 000 units. In many manufacturing processes, there are fixed starting costs and machinery costs, which will be constant independently of the product number. Naturally, the unit cost will be much lower if the quantity is higher.

Shipment cost is typically calculated by the weight, which means that more products will cost more. But there are also some fixed costs which will drive the unit cost lower for higher quantities.

Table 1 summarizes the initial product purchase costs. The most important thing is the economy of scale, which means that product purchase amount is maximized within the given budget. Data in table 1 is based on the quotes from the best manufacturer and from the best carrier.

Table 1. Total order expenses.
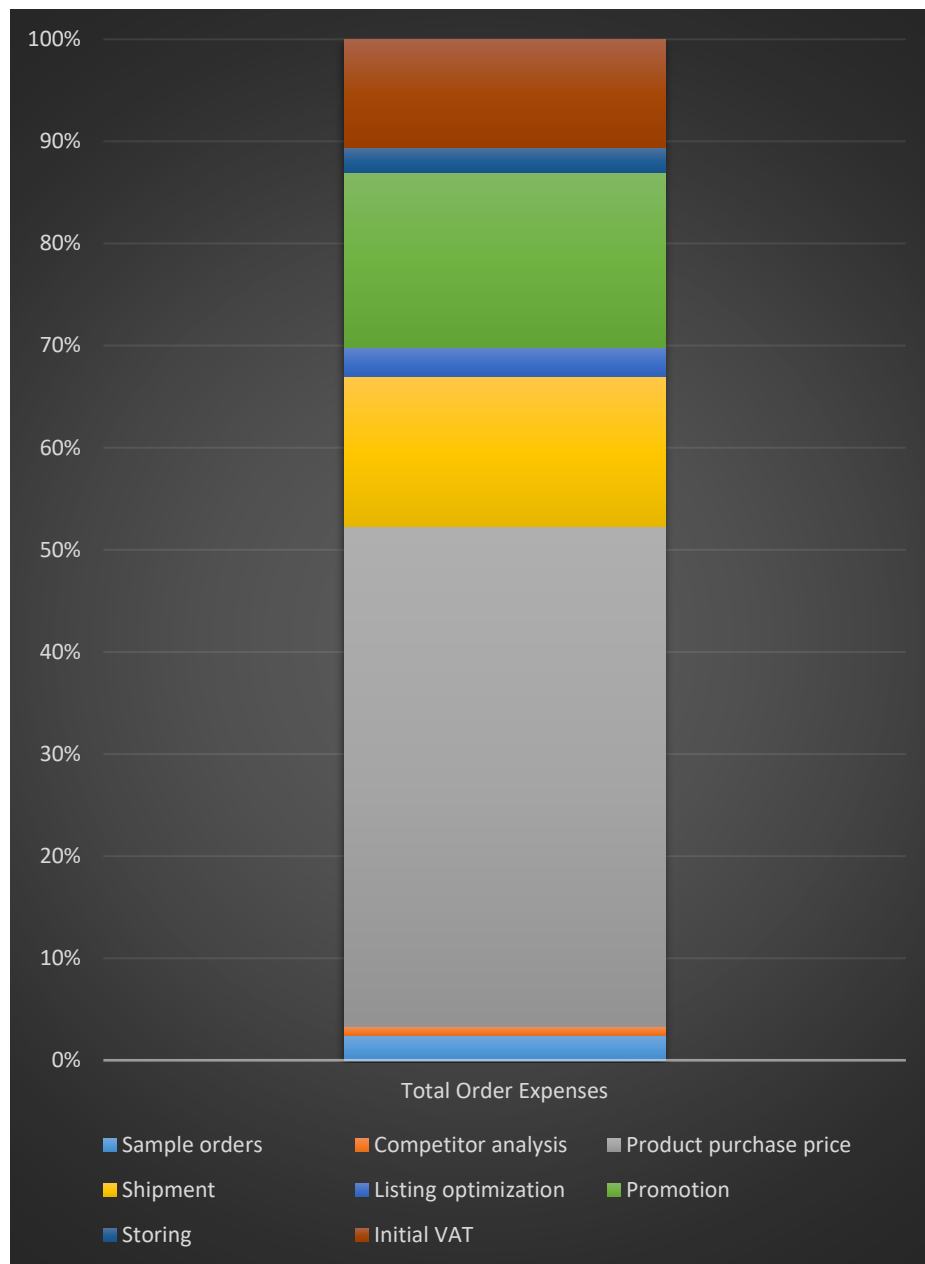
Sample orders are needed to evaluate different suppliers. This is a critical step in the process; which is many times neglected. If there is even a slight problem in the product quality in the samples, the alarm bells should ring. Additionally, it is important to have own feeling and experience on the products that are planned for sale.

Competitor analysis and listing optimization expenses are costs, that are reserved for native German speaking assistant. Especially listing copy must be as fluent as possible.

Promotion expense is an approximation at this point. The advertisement budget is intentionally relatively large.

Storage fees are paid to Amazon for storing the goods, and initial VAT expense is the tax paid, when the goods enter the EU. Customs fees are included in the shipment costs.

Similar type of competitor products are used as reference. The average selling price of these competing products will be the target selling price. Total sales revenue and all expenses will be based on this value. The summary is presented in Figure 16.

The VAT figure in Figure 16 is 15% of the total sales revenue, calculated using the target selling price. The import VAT has been deducted. Also, Amazon fees are calculated using the target selling price.
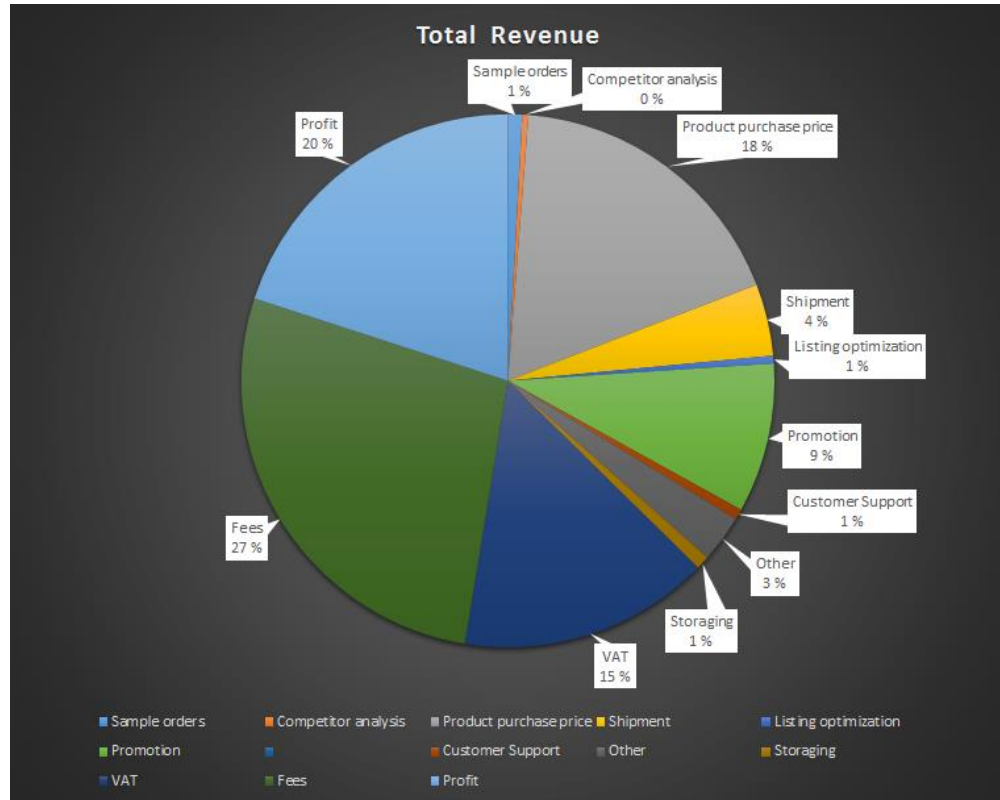
Figure 16. Revenue structure for the 1st order.

By analyzing Figure 16, it can be concluded that there is a possibility for profit in this business model. If all the products can be successfully sold using the target selling prices, there should be a possibility for profit.

It should be noted, that some of the expenses are valid for the first order only. Sample orders, competitor analysis and listing optimization are relatively meaningless in the big picture, but reduced promotion expenses will be significant. Some level of promotion should always be done, but the emphasis will be clearly smaller once the product has reached its natural position in the market place. This means that the available profit will be higher in future orders.

4.9 Supplier Screening & Search for The Competitive Edge

As the business opportunity and viability have been confirmed, the next step is to find a good supplier for the goods. The target of this case study is to establish a long-lasting sustainable business, so the intention is not just to find the cheapest possible option. There are several important aspects impacting the supplier selection.

Customer service quality is naturally very important factor in the supplier selection. It is crucial that the communication is seamless, and that the supplier can answer all questions promptly and efficiently. When dealing with suppliers from China, the language barrier might sometimes be quite big. When product specifications or invoice details are discussed; there are no room for misunderstandings. Also, response time is an important factor in the fast-moving e-commerce business. It is beneficial to have the questions answered in a timely manner. Also, the willingness to find answers to also difficult questions is an important attribute.

As was learned during the market study, there are certain key requirements to the resistance bands, which need to be met to meet all the customer expectations. This is the most important technical attribute in supplier selection – the products they offer, must meet the technical requirements specified. If these items are not fulfilled, there is no point in doing the business.

Supplier flexibility is also an important factor. The products will need to be customized and modified, and the willingness of suppliers of doing these actions is important. The flexibility can also be a combination of the customer service and the product requirements.

Supplier's experience on the market is an advantage. There are certain specific requirements in e-commerce, and especially in the Amazon business; and if the supplier is familiar with these, the cooperation will be much easier. One example of this kind of requirements, is the product labeling per Amazon requirements.

If the supplier has international certifications, e.g. for trading, it is an advantage. If the supplier is e.g. part of *Alibaba's Trade Assurance* program, it will give a good "trust element". It will be safer to conduct business with them.

The Level of quality control is a good measure of the professionality of the supplier. The quality certifications, documents, tools and practices are the items to be analyzed when determining supplier's abilities for effective quality control. As can be easily understood, it is essential to make sure that the supplier can supply high quality products. It is hard to recover the damage done, if a customer would receive a defected product.

There are many good reasons for making sure that the supplier has high ethics. Already the morale reasons are sufficient reasoning to demand that the supplier is following all local laws and good practices. In addition to that, it is also very important for the reputation of the company, not to co-operate with suppliers with suspicious practices. In the world of the internet, all information is available for everybody, and bad news will spread in social media very easily.

Lead-time is important for inventory management. Shorter lead-times enable having less capital tied up in inventory, more rapid reaction ability to demand fluctuation, and faster time-to-market value. (Private Label Journey, 2016).

Price is of course an important attribute as well. The whole bottom line value will directly depend on the negotiated purchase price.

After a comprehensive screening, seven different suppliers were contacted. Altogether 21 questions were asked, and a dialogue for the product purchase was opened. Two of the suppliers never gave a decent answer, but rest of the five suppliers did. After the negotiation was over, these suppliers were analyzed based on these nine elements discussed above. The result is summarized in Figure 17.

	Supplier A	Supplier B	Supplier C	Supplier D	Supplier E		Weight
Customer Service	5	2	4	5	5		3
Product Requirements	3	5	5	4	5		5
Flexibility	3	2	4	5	4		3
Market Experience	5	5	3	3	4		2
Certifications	4	5	5	3	3		3
Quality Control	4	5	5	3	4		5
Ethics	5	5	5	5	5		5
Lead-Time	3	3	3	3	2		4
Price	2	3	5	1	1		5
Average	3,7	4,0	4,5	3,5	3,6		

Figure 17. Supplier comparison.

As can be seen, there is a large variation between suppliers. Some of the suppliers are capable on some aspects, some on others. Product requirements, ethics and price are attributes that might be considered as show-stoppers. Very poor grade in one of those would in practice mean that the co-operation would be nearly impossible. As an example, if the product is unable to meet the criteria discussed above, there are no reasons to purchase those products. Similarly, if there is no way of doing profitable business with the prices the supplier is offering, there is no way the business could be sustainable with that supplier. Luckily ethical aspects are on sustainable level for all suppliers.

As the Figure shows, supplier C is clearly the best option. This supplier is capable of perfectly meeting all the technical requirements, and can offer very competitive price, which would enable profitable business. The quality control processes are on very high level, which gives confidence on the capabilities of this supplier. The supplier is qualified for all the main ISO certifications, as well as for few other smaller ones. The supplier is also fulfilling all Chinese market place Trade assurance criteria.

The only small question marks with this supplier are the market experience and lead-time. This supplier is not very experienced with Amazon as a marketplace. However, this is not a show-stopper at all. Lead-time is perhaps the poorest attribute for this supplier. However, when compared to other suppliers, it is pretty much on same level.

Supplier C is selected as a partner for the 1ˢᵗ product order.

5 MARKET ENTRY STRATEGY

5.1 Introduction

Earlier it has been demonstrated, that there is a potential market existing in the German market for the resistance bands. There are several manufacturers selling tens of these items constantly every day. With this information, several important things can be concluded. First, there is an existing demand. This means that it is known for a fact that these types of products are selling; there is no need to spend time or money in creating a demand for this niche. Secondly, there is depth in the market. As there are several companies successfully offering this type of product, it can be deduced, that this is not just a niche that one player is dominating. Additionally, there is no one giant company overruling the other firms. There is room and depth in the market for another well-run company. Third important conclusion is, that the demand is continuous. The selling figures are solid over period, and this is by no means a seasonal product. This information gives one more certainty of the potential of this niche.

So, there is a market existing, but how it can be known that it is not saturated? Under what grounds the customers could be expected to buy some new product instead of the competitors' products? To find answers to this question, it is essential to dig deeper inside the Amazon platform. The answer to this question namely lies in the customer reviews. As demonstrated earlier, there is a customer review section for each product. This section is very crucial to the success of the products. If there are no reviews, or if the reviews are poor; it is extremely hard to convince any customer to buy the product. On the other hand, numerous high-rating reviews will give enormous social proof element to the product. This is a common phenomenon in the world of e-commerce, and this drives sellers to actively ask for feedback from their buyers (Rizer, 2016). By inspecting the customer reviews for similar types of competitor products, it is possible to get a

deeper understanding of the customer expectations and how they have been met with different products.

There are few key things to consider for a successful market entry. The first one is the differentiation. As there are many successful sellers already doing well, there must be something extra in the new product that would make the customers to want that instead of the competitor product. This is valid for all kinds of products (and services for that matter), but especially relevant in the case of these resistance bands. These bands have very simple structure, and there is very little to play with the actual products. Some innovation is required.

Another key attribute is to create some additional value to the customers. If one seller can provide something extra, the consumer will most likely select that one, if all other variables are similar between the products. Many times, the additional thing don't need to be anything extraordinary or complex. Often the little things might make the difference.

Third key aspect in a successful market entry for this kind of market place is the ability to solve customer problems. Often this is the most powerful aspect. Many customers are willing to pay if somebody will solve their problems.

5.2 Product Launch Strategy

Product launch is a critical phase in the process. When a new product enters the marketplace, it will literally be just another product among tens or hundreds of other similar products. When a new product enters the Amazon marketplace, it will start from zero. This means, that Amazon has no historical data from that product – there is no sales history, there is no conversion data, and there is no keyword data.

Amazon uses many different attributes, when it is ranking products in its marketplace. When a customer is searching for products, Amazon will display results based on its search engine algorithm. As an example, when a customer is searching for "resistance bands", Amazon will display all results, that it thinks are

relevant to that search term. There can easily be many hundreds or even thousands of search results.

So, how is Amazon determining in which order it will display the results? Answer is, that it will show the results in the order that statistically makes the most profit to them. This means, that Amazon will try to maximize the sales, and it will use its algorithm to determine, which products will most likely result in a sale for a given keyword. This means, that the products that have been selling for longer time, will have the advantage. Amazon has the historical data for those products, it knows that it is very likely that the customer will buy this product; if he/she is searching e.g. resistance bands. If a new product – which has zero sales – enters the market; it will be shown as the last search term result.

Luckily, there are few ways to get the sales started for new products as well.

5.3 Keywords

It is possible to assign keywords to each product in Amazon marketplace. Entering keywords means, that the seller can tell Amazon search algorithm which words are relevant to the product; from the seller's perspective.

By optimizing the keywords, it is possible to get visibility for those search terms. Most likely all the competitors are inserting the keywords as well, so careful research of suitable keywords will be rewarded. Typically, there are few obvious keywords for the products, these are good keywords, but everybody knows them, and are using them. But in many cases, there are several other keywords as well. These are not so popular, but still relevant.

Long tail keywords are also important. Long tail keywords are formed from multiple words. E.g. in case of resistance bands, long tail keywords might be e.g. "resistance band set" or "power bands for work-out".

Keyword placement is also crucial. Nobody knows for sure, but there is some evidence that keywords in different parts of the listings are weighted differently. The most important part is the product title, followed by the bullets. Good keyword placement includes different keywords in selected locations. But,

common sense is also essential. Just stuffing the title full of keywords is most likely not the best practice.

5.4 PPC

Amazon *Pay Per Click*, PPC, is an advertisement tool inside the Amazon marketplace. With PPC, it is possible to bid for keywords, and to have a product displayed higher on the search results. This is vital especially in the beginning of product's lifecycle. Let's take the word "Resistance Band" as an example. In the beginning, when the product has no sales at all, it will be displayed among the last products when a customer is searching for resistance bands. It can typically be on page 20+ of the search results.

If a bid of 0.50 € is placed on that keyword, the product might be visible on page four of the search results. This is just an estimation. If a bid of 1.00 € is placed on that keyword, the product might be visible on page two of the search results. And a bid of 1.50 € might result that the product would be visible on the first page of the search results. When a customer clicks that paid advertisement, sum roughly equivalent to the bid will be charged. When a bid is assigned to a keyword, that bid is the maximum amount that can be charged from that paid ad. The charged amount can also be less than that.

The logic behind the PPC is, that Amazon is comparing different bids for different products. Some popular keywords are very competitive; many sellers are targeting their advertisement campaigns for that keyword. The result is, that it will be very costly to have an ad displayed on the first page.

If PPC is used carelessly, it can be very costly. There are several different strategies for PPC campaigns, but these will not be discussed in detail in this research. The most important thing is, that the most relevant keywords should be found. In some cases, it might be an obvious word, but in many cases, there might be big surprises. For each advertisement campaign, it is possible to analyze the data in very detail. For each keyword, it can be seen e.g. how many times the ad has been displayed, how many times customers have clicked the ad, and how

many of those clicks have resulted in a sale. Cost per click, conversion rate, click-through-rate etc. can be analyzed.

As a summary, PPC is the best and fastest way to display a new product to potential customers in the beginning of the product's lifecycle.

5.5 Promotions & Reviews

The sales history will impact how Amazon will rank the product. But in addition, also the sales velocity will impact (Coats, 216). Sales velocity means how many sales the product achieves daily, and how that develops over time. This means, that if the product's daily sales are constantly increasing, Amazon algorithm will notice that the product is picking up good sales velocity, and it will rank the product higher in the search results.

A very common strategy of launching products and gaining sales velocity in the beginning stage of a product's lifecycle, is to use different kind of review services. The principle of such services is, that a seller will offer the new product at a discounted price; in exchange of an honest review. There are two obvious benefits in performing this: The product will get the sales velocity, and it will receive reviews. As discussed earlier, product reviews are an essential element of an appealing product listing.

Many customer is interested in purchasing new products, if it is heavily discounted. The review services are a massive business; both for the service providers, but also for the reviewers. Professional reviewers are getting access to large number of products with a very heavy discount. It is very typical to sell products at 0.99€ or so.

In any case, using e.g. these kind of review services, it is possible to get the sales going relatively easily and fast. Thus, the sales velocity will be improved.

6   SALES DATA ANALYSIS

Following the guidelines and principles addressed earlier in this research, a new private label resistance band product was launched. The product was sourced from China, after some adjustments and customization. The product was branded as per the newly created private label brand. A relatively large purchase order was done, and the products were shipped from China by air freight to Amazon warehouse in Germany.

6.1 Unit Sales Per Day

Figure 18 and Table 2 illustrate the organic sales data from the seven first sales week after the product launch. Organic sales mean products that were sold at a normal price, without any promotions or discounts.

As can be seen, the sales started slowly, but one sale was done already on the first selling day. The total sales amount for the first selling week was 14 units. Sales for the second week was 36 units, followed by weekly sales of 15, 24, 22, 45 and 34 units. The total combined sales for the first seven weeks was 190 units.

Even though the selling figures aren't massive, the first conclusion is that there are sales. 190 customers have found this brand-new product representing a brand-new brand; which has never been heard of before. This is already a proof that the concept is working.

Week 1	
Day #	Sales
1	1
2	1
3	1
4	3
5	2
6	3
7	3

Week 2	
Day #	Sales
8	4
9	10
10	6
11	6
12	2
13	1
14	7

Week 3	
Day #	Sales
15	0
16	0
17	1
18	2
19	3
20	5
21	4

Week 4	
Day #	Sales
22	2
23	5
24	10
25	2
26	3
27	1
28	1

Week 5	
Day #	Sales
29	2
30	2
31	2
32	7
33	1
34	2
35	6

Week 6	
Day #	Sales
36	6
37	7
38	3
39	11
40	6
41	8
42	4

Week 7	
Day #	Sales
43	9
44	3
45	3
46	1
47	6
48	6
49	6

Figure 18. Daily sales figures.

Table 2. Daily sales and cumulative sales data.
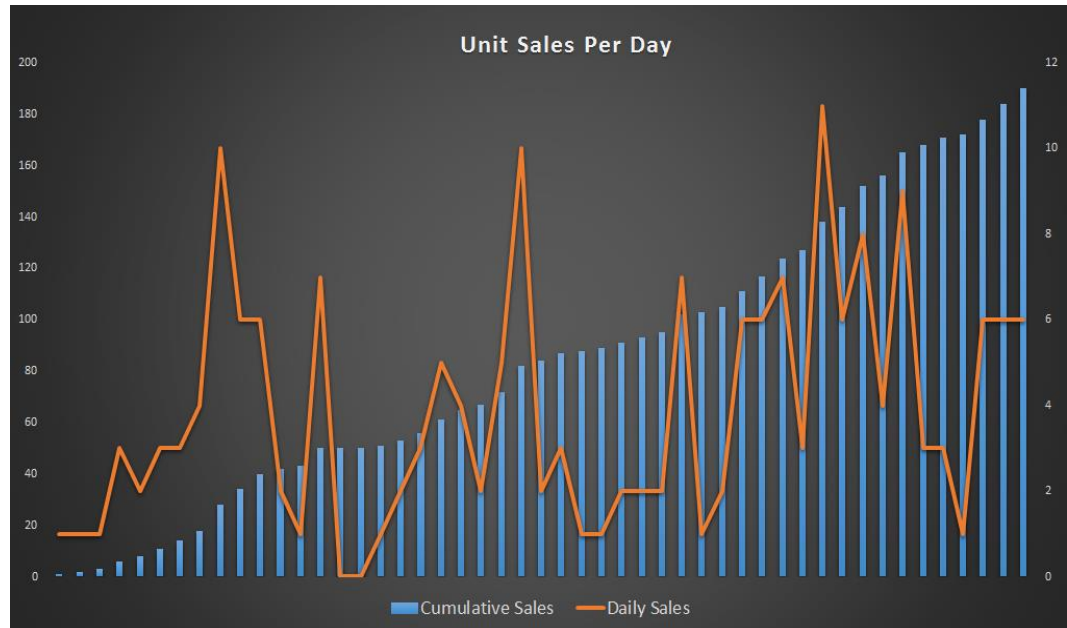
6.2 Variables Impacting Sales

6.2.1 Reviews

Figure 19 shows the graph how the number of reviews developed over time. As can be seen, the number of reviews develop quite steadily. During the first seven weeks of sales, the number of reviews rise from zero to 53. These reviews were gained from the product launch, which was done using a review service. Products were offered in a heavily discounted price, in an exchange of honest review. These discount sales are not included in this graph.

There is no correlation between the number of reviews and number of sales. The daily sales vary heavily between 0 and 11 units, and the increasing number or reviews doesn't seem to impact on sales.
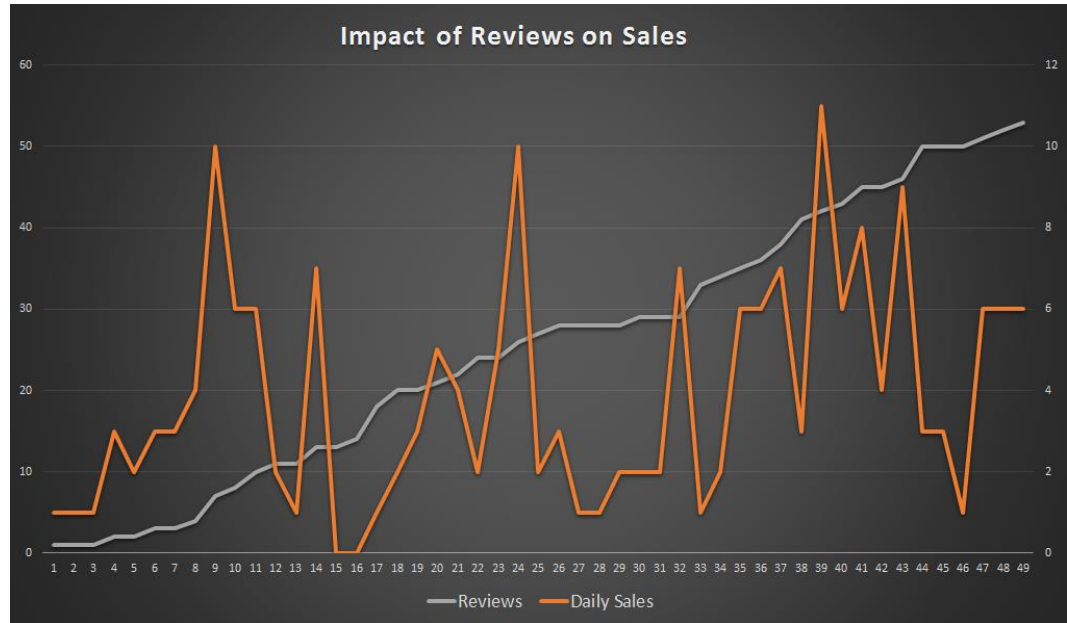
Figure 19. Impact of number of reviews on sales.

Figure 20 shows how the average rating impacts on the sales. Average rating is the calculated average value of the product review ratings; these are displayed next to the product listing; as discussed previously.

Looking at the graph, the rating saturates between 4.0 and 4.8, until it stabilizes on the 4.6 level. Once again, it seems that the rating doesn't seem to have great impact on the daily sale figures.
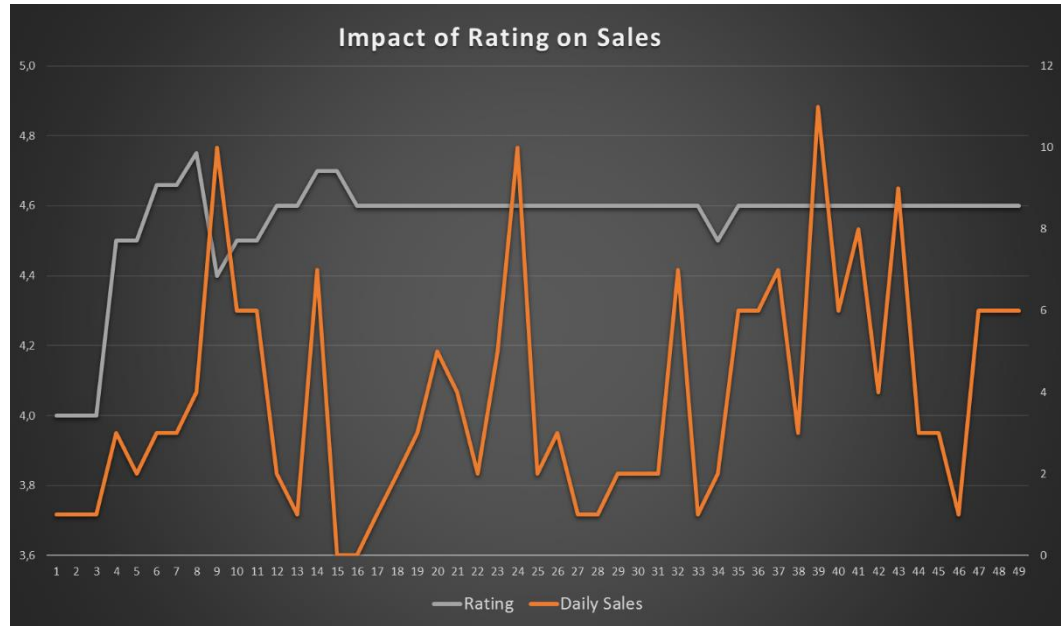
Figure 20. Impact of number of review ratings on sales.

6.2.2 Images

Images are typically one of the most important attributes in the online selling process. Figure 21 presents the impact of the main image on the number of sessions. The main image is the image that is visible in the search results. This is the image that will play a key role whether the customer will click the product listing or not. If the image looks appealing, customer is more likely to click it.

The number of daily sessions is the number of individual customers visiting the product listing page.

Table 3. Impact of main image on the number of sessions.
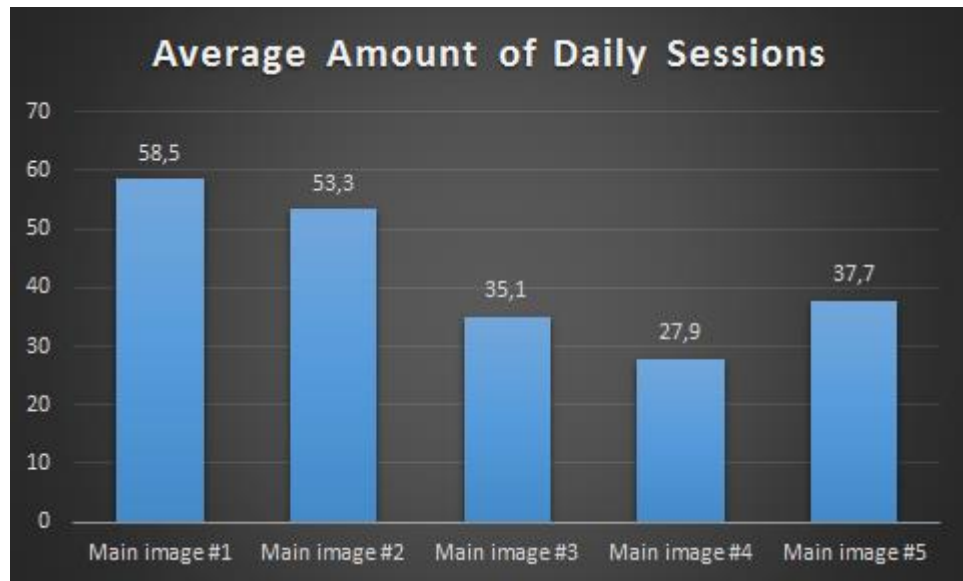
The main image will clearly impact on the number of sessions. As can be seen from the graph, the average daily sessions vary between 27.9 and 58.5. Main image #1 gathered twice as much sessions than main image #4. This is a very crucial observation.

The number of sessions as such doesn't mean much. In addition, it is important to know how much sales can be generated. The number of sessions tells how many potential customer is visiting the product listing; the conversion rates tell how many of these visitors are buying the product.

Table 4 shows what are the conversion rates for different main images. From the Table, it can be seen, that 7.0% of all the visitors did purchase the product when main image #1 was used. The conversion rates for main images #1, #2 and #3 are all around 7%. Main image 4# has a conversion rate as low as 4.8%, while the main image option #5 peaks at 9.5%.

So, while the main images #1 and #2 are driving more traffic, main image #5 can convert higher percentage of visitors into paying customers.

Table 4. Impact of main image on the conversion rates.
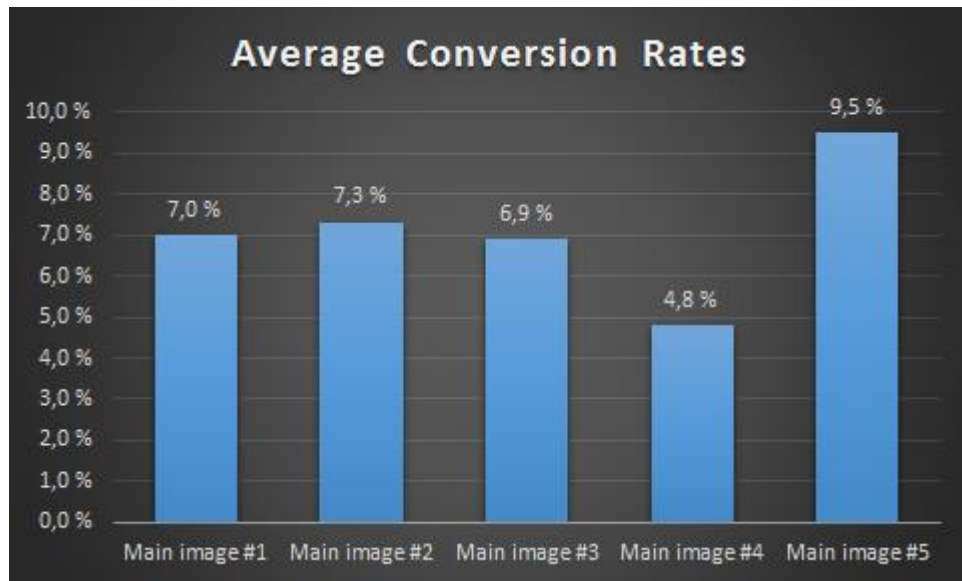
In addition to the main image, there are also eight additional image slots available for a product listing. These additional images can be used to further persuade visitors to purchase the product. Table 5 presents the impact of three different image sets on the conversion rates.

Table 5. Impact of additional image on the conversion rates.
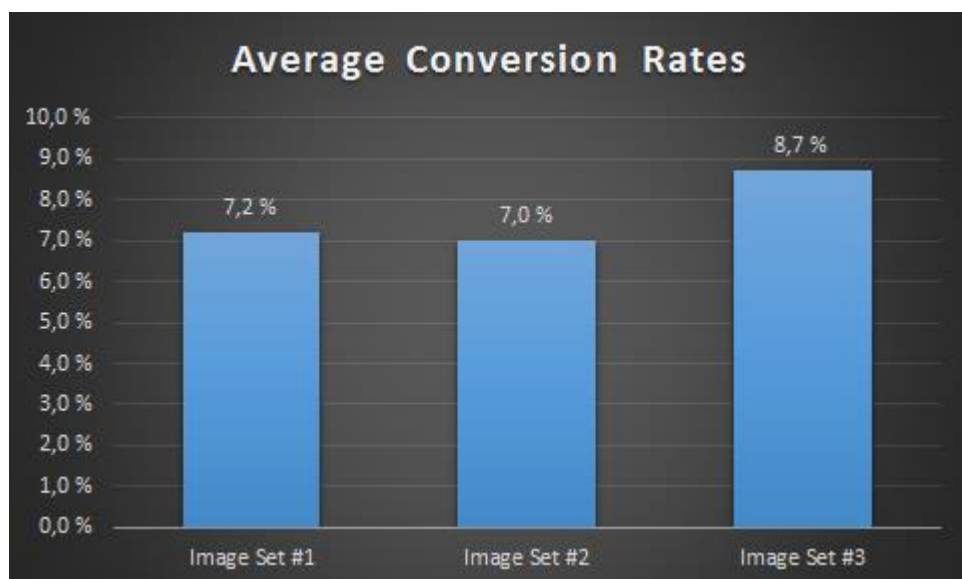
Image sets #1 and #2 both result in around 7% conversion, while image set #3 result in clearly better 8.7% conversion. Conclusion is, that also the additional images will impact the conversion rate.

6.2.3 Title

The product title is also visible in the search results. Together with the main image and the reviews; product title is one of the key attributes that will make the customers either click the product listing; or ignore the product.

Table 6 displays the results of the title experiment. Different title options were used, and the amount of daily sessions were recorded. As can be seen, the title has a clear impact on the amount of sessions. Title options #1, #2 and #3 could generate 54-56 daily sessions on average; whereas title options #4 and #5 could generate only 35-37 average daily sessions.

Title options #4 and #5 used more experimental wording, whereas titles #1, #2 and #3 were more traditional options.

Table 6. Average amount of daily sessions for different title options.
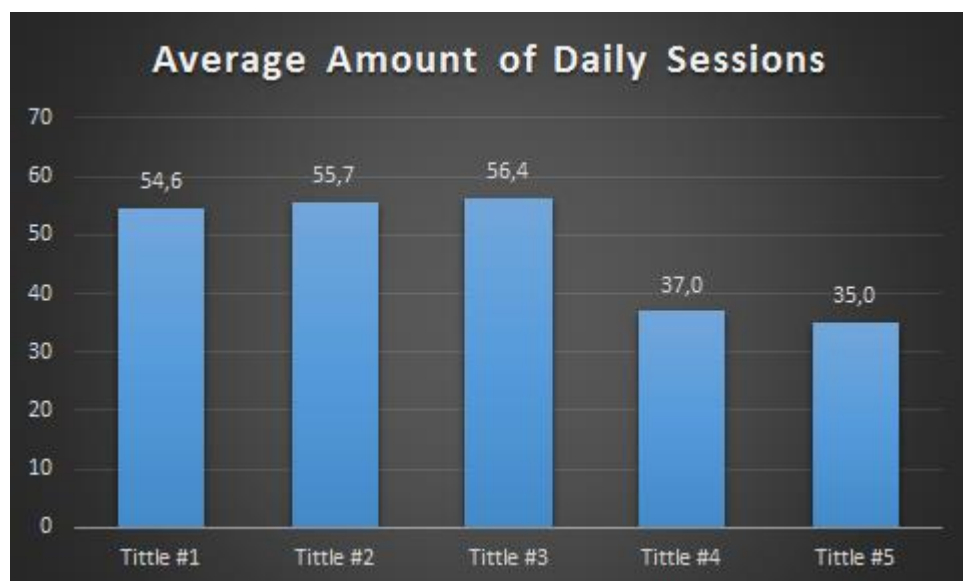
6.2.4 Bullets

Bullet points in product listing is the place where the seller can convince the potential customer to purchase the product. There are different ways for writing the ad copy in the bullets; some sellers prefer very engaging marketing type of text; whereas other sellers prefer more fact and properties based writing.

The text in the bullet points make a difference. Table 7 shows the impact of different bullet points to the conversion rates. The conversion rate varies between 6.1% and 9.7% - the bullet set #4 resulted in sales over 50% more often than the bullet set #2.

Table 7. Impact of different bullet points in the conversion rates.
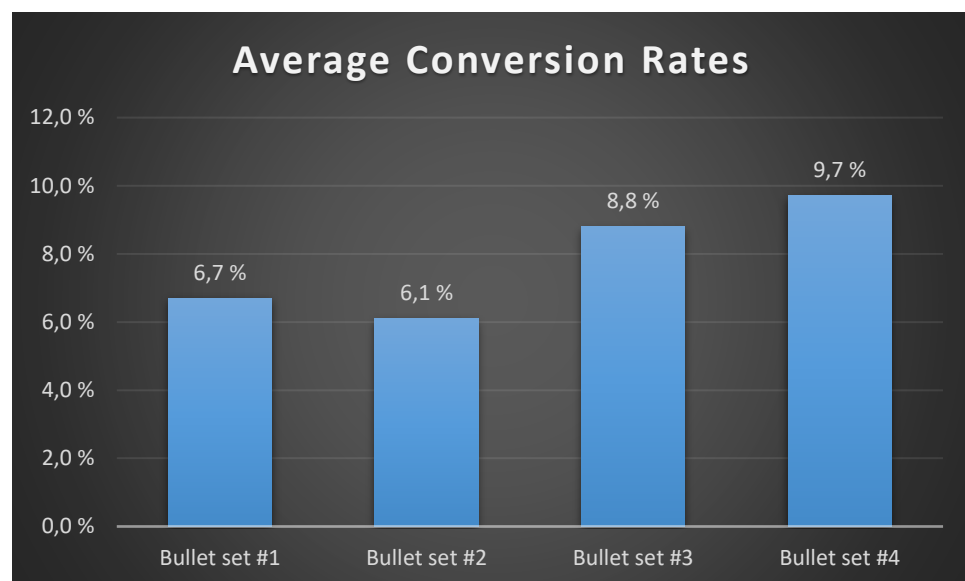
6.2.5 Pricing

Price is always one of the most important attributes of a purchase decision. Table 8 shows the impact of product pricing on the average conversion rates. This product has four variables, with every variable having its own pricing. Price point #1 is the cheapest, and price point #3 is the most expensive. This means, that all variables have the cheapest price in option #1, and the most expensive price in option #3.

Table 8 displays the result of price variation in the conversions. It is clearly seen that cheaper price will result in higher conversion.

Table 8. Impact of pricing in the conversion rates.
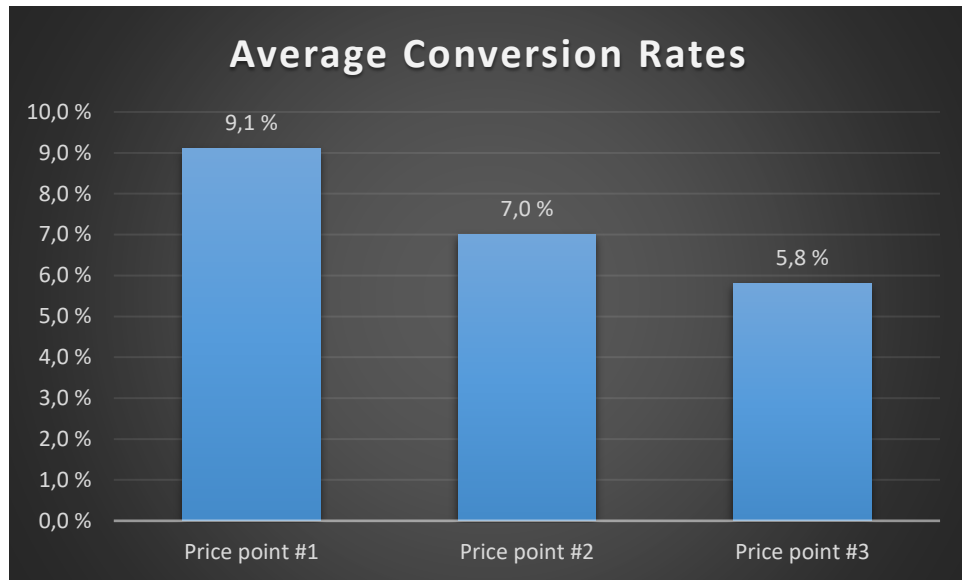
Pricing will not have a significant impact on the amount of sessions, because in this case there are many different prices; the search results would display a range of prices.

6.2.6 Description

Description is displayed in the bottom part of the listing, and it is generally regarded as an additional way to persuade some of the customers to make the purchase decision. However, if there is something wrong with the description, that can harm the sales.

Table 9 shows the impact of fixing problems with the listing description optimization. There were some problems with the listing lay-out during the first two weeks of sales. During this time, the average conversions were at 6.8% level.

Once these small visual defects were corrected, the conversion rate rise to 9.5%. Poor description can clearly hurt the conversions.

Table 9. Impact of proper description in the conversion rates.
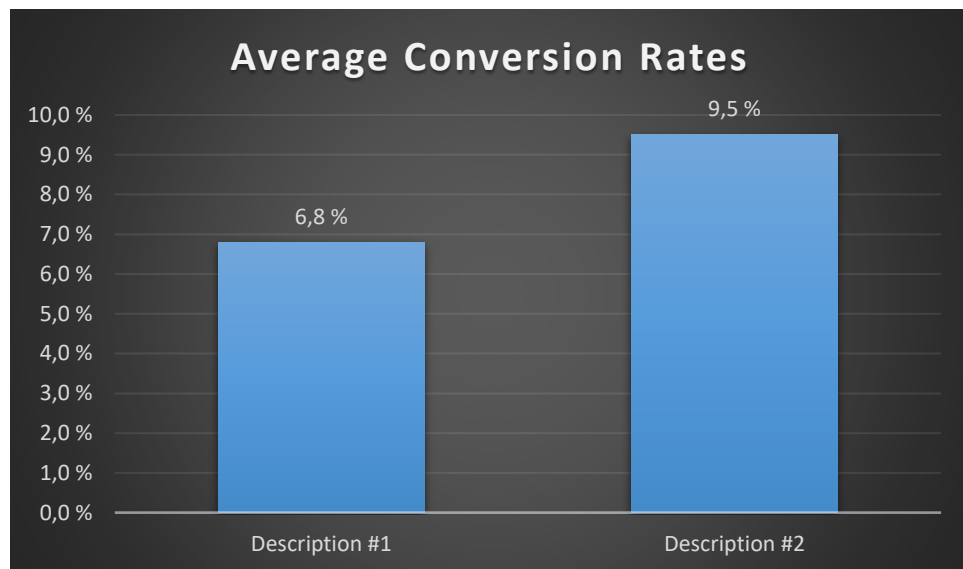
6.2.7 PPC

As discussed earlier, Amazon Pay-Per-Click, PPC, is a powerful advertisement tool inside the Amazon platform. Figure 21 presents the summary of PPC data for the selected keywords. In this Figure, the data is sorted in descending order, based on the impressions the keywords have received. Impressions mean how many times the ad was displayed in the customers' search results. As an example, keyword #1 was displayed 141 969 times in the search results.

Clicks mean how many times the ad was clicked, orders tell how many actual orders were created from those clicks, click rate is the ratio of clicks to impressions, and Conversion is the ratio of orders to clicks.

Keyword #1 and #2 are very popular, each having well over hundred thousand impressions. The large number of impressions tell that there is a big demand for products that are related to these keywords. However, these keywords are not so

relevant to the product they are targeted for. Both keywords have only 0.1% click rate and keyword #2 has 0% conversion. This means that the advertisement was displayed 124 867 times, the ad was clicked 124 times, but these clicks didn't result in a single sale.

Figure 22 shows the same data sorted in descending order of click rate. Keyword #38 seems to have very low number of traffic, as the ad was displayed only two times. But this keyword is very much related to the product, as it was clicked once and bought. Statistically more meaningful are products which have over hundred impressions.

Finally, Figure 23 shows the PPC data sorted in descending order of conversions. It can be seen, that the most relevant keywords have relatively low number of traffic. The advertisement for keyword #35 was clicked only once, but this customer bought two products. Keyword #38 was also clicked once, and resulted in one sale.

Statistically most efficient keywords are #18, with 26 clicks and 5 orders, keyword #13 with 36 clicks and 6 orders, and so on. Interesting keywords are also #7 with 14 sales at 13.2% conversion; and keyword #4 with 22 sales at 13.3% conversion.

Keyword	Impressions	Clicks	Orders	Clickrate	Conversion
#1	141969	184	10	0,1%	5,4%
#2	128467	124	0	0,1%	0,0%
#3	70492	275	15	0,4%	5,5%
#4	52453	179	22	0,3%	12,3%
#5	17794	78	4	0,4%	5,1%
#6	17272	83	7	0,5%	8,4%
#7	16108	106	14	0,7%	13,2%
#8	13949	77	7	0,6%	9,1%
#9	11117	51	4	0,5%	7,8%
#10	8186	43	0	0,5%	0,0%
#11	7979	59	6	0,7%	10,2%
#12	7975	24	2	0,3%	8,3%
#13	7816	36	6	0,5%	16,7%
#14	6103	28	4	0,5%	14,3%
#15	5585	17	0	0,3%	0,0%
#16	5290	13	1	0,2%	7,7%
#17	4602	9	0	0,2%	0,0%
#18	4180	26	5	0,6%	19,2%
#19	3595	21	0	0,6%	0,0%
#20	3279	13	0	0,4%	0,0%
#21	3205	7	0	0,2%	0,0%
#22	2918	9	0	0,3%	0,0%
#23	2806	10	0	0,4%	0,0%
#24	2216	3	0	0,1%	0,0%
#25	2055	5	0	0,2%	0,0%
#26	1744	18	0	1,0%	0,0%
#27	1442	9	1	0,6%	11,1%
#28	1416	5	2	0,4%	40,0%
#29	1358	8	1	0,6%	12,5%
#30	1295	2	0	0,2%	0,0%
#31	754	2	0	0,3%	0,0%
#32	673	3	0	0,4%	0,0%
#33	439	1	0	0,2%	0,0%
#34	418	5	0	1,2%	0,0%
#35	361	1	2	0,3%	200,0%
#36	160	4	3	2,5%	75,0%
#37	14	2	1	14,3%	50,0%
#38	2	1	1	50,0%	100,0%

Figure 21. PPC data sorted by impressions.

Keyword	Impressions	Clicks	Orders	Clickrate	Conversion
#38	2	1	1	50,0%	100,0%
#37	14	2	1	14,3%	50,0%
#36	160	4	3	2,5%	75,0%
#34	418	5	0	1,2%	0,0%
#26	1744	18	0	1,0%	0,0%
#11	7979	59	6	0,7%	10,2%
#7	16108	106	14	0,7%	13,2%
#27	1442	9	1	0,6%	11,1%
#18	4180	26	5	0,6%	19,2%
#29	1358	8	1	0,6%	12,5%
#19	3595	21	0	0,6%	0,0%
#8	13949	77	7	0,6%	9,1%
#10	8186	43	0	0,5%	0,0%
#6	17272	83	7	0,5%	8,4%
#13	7816	36	6	0,5%	16,7%
#14	6103	28	4	0,5%	14,3%
#9	11117	51	4	0,5%	7,8%
#32	673	3	0	0,4%	0,0%
#5	17794	78	4	0,4%	5,1%
#20	3279	13	0	0,4%	0,0%
#3	70492	275	15	0,4%	5,5%
#23	2806	10	0	0,4%	0,0%
#28	1416	5	2	0,4%	40,0%
#4	52453	179	22	0,3%	12,3%
#22	2918	9	0	0,3%	0,0%
#15	5585	17	0	0,3%	0,0%
#12	7975	24	2	0,3%	8,3%
#35	361	1	2	0,3%	200,0%
#31	754	2	0	0,3%	0,0%
#16	5290	13	1	0,2%	7,7%
#25	2055	5	0	0,2%	0,0%
#33	439	1	0	0,2%	0,0%
#21	3205	7	0	0,2%	0,0%
#17	4602	9	0	0,2%	0,0%
#30	1295	2	0	0,2%	0,0%
#24	2216	3	0	0,1%	0,0%
#1	141969	184	10	0,1%	5,4%
#2	128467	124	0	0,1%	0,0%

Figure 22. PPC data sorted by click rates.

Keyword	Impressions	Clicks	Orders	Clickrate	Conversion
#35	361	1	2	0,3%	200,0%
#38	2	1	1	50,0%	100,0%
#36	160	4	3	2,5%	75,0%
#37	14	2	1	14,3%	50,0%
#28	1416	5	2	0,4%	40,0%
#18	4180	26	5	0,6%	19,2%
#13	7816	36	6	0,5%	16,7%
#14	6103	28	4	0,5%	14,3%
#7	16108	106	14	0,7%	13,2%
#29	1358	8	1	0,6%	12,5%
#4	52453	179	22	0,3%	12,3%
#27	1442	9	1	0,6%	11,1%
#11	7979	59	6	0,7%	10,2%
#8	13949	77	7	0,6%	9,1%
#6	17272	83	7	0,5%	8,4%
#12	7975	24	2	0,3%	8,3%
#9	11117	51	4	0,5%	7,8%
#16	5290	13	1	0,2%	7,7%
#3	70492	275	15	0,4%	5,5%
#1	141969	184	10	0,1%	5,4%
#5	17794	78	4	0,4%	5,1%
#2	128467	124	0	0,1%	0,0%
#10	8186	43	0	0,5%	0,0%
#19	3595	21	0	0,6%	0,0%
#26	1744	18	0	1,0%	0,0%
#15	5585	17	0	0,3%	0,0%
#20	3279	13	0	0,4%	0,0%
#23	2806	10	0	0,4%	0,0%
#17	4602	9	0	0,2%	0,0%
#22	2918	9	0	0,3%	0,0%
#21	3205	7	0	0,2%	0,0%
#25	2055	5	0	0,2%	0,0%
#34	418	5	0	1,2%	0,0%
#24	2216	3	0	0,1%	0,0%
#32	673	3	0	0,4%	0,0%
#30	1295	2	0	0,2%	0,0%
#31	754	2	0	0,3%	0,0%
#33	439	1	0	0,2%	0,0%

Figure 23. PPC data sorted by conversion rate.

7 CONCLUSIONS AND DISCUSSIONS

7.1 Key Results

7.1.1 Research Question #1: What Is the Best Online Platform to Start Selling A New Product

Different online platform options were analyzed and discussed in chapter two, and the conclusion was, that Amazon Germany is the best platform for this study.

Naturally, the circumstances will impact a lot on this. The scope of this study was on the western markets. It is obvious, that the situation would be totally different, if the business would be operated from Asia. All the numbers presented in chapter two, are in favor of Amazon. Amazon is by far the largest; both in terms of traffic and in terms of sales. It clearly has the largest selling potential.

Second aspect in favor of Amazon, is the FBA business model. FBA offers a very easy way to start an online business. This is a solid conclusion from this study as well. In this case study, the business was operated from Finland, but as the Finnish market area was concluded to be too small, a larger German market was selected. Physical products were ordered from China, and shipped to Amazon warehouse in Germany.

As the data in chapter six shows, 190 units were sold during the first seven weeks of this case study. These 190 units were orders from private German citizens (except those few from other countries), and these customers received their orders within 1-2 days. It is hard to recognize any other system, which would enable such an easy market entry, than this. If these products would have been shipped e.g. from Finland, the shipment expenses and duration would not have been on a sustainable level. Customers of today require fast and cheap (or free) shipment.

Even though one could argue that 190 sold units in seven weeks is not that much, it can be argued that it is still enough to prove that the concept work. The starting point for this case study was practically zero. There was no earlier know-how on online selling, marketing, or even generic sales techniques for that matter. Despite

of these factors, a starting entrepreneur could sell 190 resistance bands to German customers, and to deliver the orders within 1-2 days.

Conclusion is that Amazon, with its FBA business model, is the best online platform to start selling a new product.

7.1.2 Research Question #2: Is It Possible to Determine What Is A Good Product To Sell Online?

As FBA business has so good potential, and as it is so easy to start, its popularity has increased a lot as well. There are quite many entrepreneurs and companies making money from various aspects around the business model. Because of this, there are lots of applications and tools out there to collect different kind of information; as discussed in chapter four.

Even though Amazon does not publicly reveal the sales figures for its items, there are easy ways to quite accurately determine the sales volumes for each product on sale. The ability of being able to do that, is the key to the whole concept. It is easily validated what is already selling on Amazon. If the analysis is done properly, there are no open questions about the sales potential of individual items. As demonstrated in chapter four, the sales potential and the depth of the market can be relatively easily verified. Naturally all new sellers must work hard to achieve success, but the uncertainty of the sales potential can be taken away from the equation.

Conclusion is, that it is possible to determine a good product to sell online.

7.1.3 Research Question #3: Is It Possible to Successfully Introduce A New Product To A Selected Marketplace?

As part of this case study, a totally new product was introduced to the markets. A new brand was created, products were customized and manufactured in China, and shipped to Europe.

190 units of this product, which brand is previously unheard of, were sold during the first seven weeks. Even though the selling figures are not that significant, it is still relatively good amount; taking the starting circumstances into account.

Thus, the conclusion is, that a new product is possible to be successfully introduced to a selected marketplace.

7.1.4 Research Question #4: What Are the Key Variables Impacting the Successful Sale?

Based on the data presented in chapter five, it can be concluded, that the most important attributes impacting the successful sale are the main image, the bullet points, the price point and the correct keyword identification in the advertisement. The second important attributes are the title, and the additional images.

The number of reviews, and the average rating of them, don't have that much of an impact on the sales. This is a somewhat surprising observation.

Proper description will impact on the sales. In this case study, it was observed, that visually correct description will convert better than visually incorrect.

The main image will impact on the sales in two ways. The first way is how much traffic it can drive. As was discussed in chapter six, the best main image will generate almost twice as much traffic than the worst main image option. The main image will also have a major impact on the conversion rate. The best main image option could convert twice as often than the worst main image option.

The importance of the main image is logical. In search results, the main image is visually the most capturing element of the product listing. If that is attractive, the customer will click on it, and the product detail page will be opened. If the main image is truly reflecting the other content, it can also convert the visitors as paying customers.

Bullet points are the selling arguments in written format. Each seller has five bullet points, which can be used to persuade the interested customer to purchase

the product. As was shown in chapter six, the best set of bullet points could convert over 50% better than the worst one. The importance of bullet points is logical.

Price is always important in any purchase decision. For this product, the conclusion is, that the cheaper the price point, the better was the conversion. The lowest price point converted over 50% better than the highest price point.

Proper keyword selection play a major role in the success of an advertisement campaign. As could be seen from the data discussed in chapter six, some keywords are good in driving traffic, but they necessarily don't convert to a sale. Spending money on such keywords can be costly, and can easily decrease the profitability, if used carelessly. On the other hand, good keywords can convert to sale at a very high rate.

Product title has some, but not major, impact on the sale. If the title is catchy and if it includes the correct keywords that help in the ranking, it will impact positively on the sales. But different variations in the title don't play a major role on the conversion.

The additional images will help on improving the conversion. However, based on this study, the different image set options don't seem to have a major impact on the conversion. All the image sets in this case study were of high quality, they just had slightly different content. Situation might have been different, if the comparison would have done between a "good" image set and a "bad" image set.

Somewhat surprisingly, the number of reviews and the average rating of reviews don't seem to have a great impact on the sales. It seems that it is enough that there are some reviews; just enough to bring in the social proof. Whether there are 10 or 50 reviews, it does not have a clear impact.

In this case study, the average rating varies most of the time between 4.4 and 4.7. There was no clear correlation between the rating and the number of sales; however, the range might have been too narrow for proper conclusion. Situation

might have been different, if the rating would have varied between 3 and five as an example.

7.2 Lessons Learnt

7.2.1 Usage of Review Services and The Different Product Launch Strategies

Review service was used as a part of the launch strategy. The principle of the review services is, that the members will get a discounted product in exchange of an honest review. Amazon has strict rules about this, and the main points are that there should be no obligation for the review, the review must be honest, and that there must be a disclaimer in the review; stating that the product was received at a discount in exchange of an honest review.

Using a review service, over 50 reviews were obtained within few weeks. This was an efficient way of getting relatively high amount of reviews in a short time. Especially in the beginning of a product's lifecycle, it is often not easy to have customers to leave a review for a product. In many cases customer don't want to spend too much time on the product evaluation, after the product has been successfully purchased. Another benefit of this kind of service is the increase of sales velocity. The Amazon algorithm notices that customers are buying the product at an increasing speed, and this will result in the improvement of the product's ranking in the Amazon system.

However, using a review service has also disadvantages. The first, and the most obvious one, is the cost. The first expense is the price the review service company is charging; this is typically between 3 and 6 euros per review; so, the cost for 50 reviews could vary between 150€ and 300€. In this case study, the cost was around 190€. The second cost is the fulfilment cost; Amazon will always charge its expenses from the product delivery. The third cost is the product cost. This means, that the product is often sold at a loss. As an example, the combined product total cost might be 10€, and the normal selling price can be 20€. With the

review services, the product might be offered on a great discount, typically as an example at 0.99€. By doing so, every product will mean a loss of 9.01€.

Another problem with these review services, is the unpredictability of the testing audience. This problem came very evident in this case study. The motivation for the people to be in these groups, is the free or discounted products. In some cases, the people don't realize the importance of the reviews to the sellers. In this case study, some of the reviewers didn't know anything about the product, and then they left a public negative review, stating that the "product wasn't something they were expecting to be". They clearly just ordered the product because it was so cheap. For a review group to work properly, customized targeting would be important. This means, that fitness product is only offered to people who are into fitness; for people who are truly interested in the product. It is kind of a gamble to give a product for a review for a person who is not interested in it.

Another lesson learnt regarding to the audience of the review groups, is the level of commitment to the product. The discount price in this case study was only 0.99€. This was too low. The low price allowed those persons who didn't know anything about the product to have it easily for a review. If the price would have been higher, say around 5€, most likely only those persons who would have interested in the product, would have taken part of the review.

It is important to mention, that as of October 2016, Amazon has changed its Terms of Service, and they have prohibited these review services in amazon.com. They only allow the review service using their own paid Vine program. This is a very expensive program, and in practice this change of the rules means, that the using of review services is prohibited. It is likely that this change in their Terms of Service will be rolled out to European marketplaces as well.

This change in the Terms of Service will make the usage of review services impossible, and alternative ways to perform product launches must be used. This is basically a good news for the small entrepreneurs. As the usage of the review services has been very widely used system, this method has been used very aggressively. In many cases, some large Chinese companies have rolled out quite massive campaigns to rapidly gain large number of reviews in a short period. As

this is not possible anymore, the role of good customer service will start to play a major role. The seller must offer such a great customer service experience, that the customers wants to do a counter favor to the seller in the form of a good feedback or review. Nurturing the customer experience will be more important than ever.

At the time of writing this, it is still somewhat unclear what are all the practical implications of this change. Promotions are still allowed – and a customer who has bought a product at a discounted price, is still able to leave a review. Some of the review services have already announced that they have become a product launch service. As discussed earlier, offering products at a discount, will boost the sales, and will help ranking up the product organically. The question is, what happens if a customer who has participated this kind of activity, decides to leave a review?

As the business model is so popular, there are also alternative options. One quite popular phenomenon are the numerous different Facebook groups focusing on product reviews. These groups are combinations of people selling in Amazon and looking for reviewers for their products; and of people willing to review these products in exchange of the good discount they will be getting. But, this model is problematic as well. In practice, the working mechanism is similar to review groups. Time will tell how Amazon will treat these in future.

7.2.2 Differentiation and Market Entry Difficulty

As discussed in chapter four, the selected niche was relatively thoroughly analyzed. During the investigation, it was concluded that there is a continuous demand, there is depth in the market, and that the competition is not overwhelming.

In addition, the competitor product customer reviews and the differentiation possibilities were analyzed. Conclusions from these were, that the largest demand is for the narrowest band, biggest problems are with the narrowest band, some customers were annoyed with the latex smell associated with the bands, and that some customers would have liked to have a carry bag with the band.

In some extend, the analysis was spot on. The sales data proves that there is a demand, customer reviews reveal that they are happy with the neutral smell of the bands, and there have been no quality issues; as the narrowest band is not in the portfolio. However, also some wrong conclusions were drawn, and some elements were not correctly observed and considered.

The greatest lesson learnt is, that the resistance band niche is too easy to enter, and that it offers little room to differentiate. During the niche analysis stage, there were only two major sellers in the German marketplace. These two companies shared major part of the business, and even though there were other companies as well, the number of skillful competition was minimal. Many of the suppliers that time didn't have very sophisticated listing, and they didn't have that high sales figures.

However, six months later, the situation is totally different. During the product analysis, manufacturing, shipping and launch up phase – at least seven new companies have introduced their product to the same marketplace. There are most likely even more companies like these, but these seven are very skillful and competitive companies. This has turned the competition to be very fierce.

The selected product is too simple; it is very easy for competitors to copy it, customize it to reflect their own brand, and enter the race. The purchase price is also too small; it is very easy for other small entrepreneurs to purchase these and introduce to the market. Thus, the market has become too saturated; there are too many products which are almost identical to each other. This has resulted in very aggressive marketing. Competitors are spending money on PPC, so that they would appear as high as possible in the search results. This is one reason why the number of sessions for the case study product has been so small. The strategy has been to be relatively careful with the advertisement spending. This might explain the low conversion rates to some degree as well. Customers can see a wide range of products looking like each other; so, it is easy for them to check few of them, and buy the one they like most.

Differentiation possibilities and the difficultness to copy should be emphasized more in the next product criteria.

7.3 Limitations and Suggestions for Future

7.3.1 Need for Capital Investment

FBA is an easy way to start an online business, but doing that using a private label business model, is necessarily not. The problem with the private label model is typically the relatively large capital investment needed – the products must be purchased prior to putting them on sale.

Purchasing the inventory beforehand creates several different challenges. First, the purchase of the products will tie up the capital into the inventory. This capital cannot be used in anything else before the products starts to sell. Sometimes the time span is quite long: The manufacturing might easily take one month, depending naturally heavily on the product type. In addition to that, shipment, if sea freight is used, can easily take another month; in the typical scenario where the products are purchased from China. In many cases sea shipment is so much cheaper, that it is preferred over air freight. Product launch-up and promotion phase can easily take 2-4 additional weeks. When all these steps are combined, the capital might be tied to the inventory up to three months – before the sales start to roll in. In practice, it will in many case need few additional months before the sales income has reached the level of the original investment.

Economy of scale is valid in private labeling, similarly than in other businesses. The unit costs will in many cases be much cheaper, if the order quantity is larger. This rule will always drive to make as large purchase orders as possible. Increased product quantities will in turn increase the logistics expenses. And, naturally the customs and importing VAT fees will always increase as the product quantity increases.

Because the business model is relatively capital intense, each entrepreneur should make detailed calculations of the affordable budget. As the capital is tied up to the inventory for relatively long time, the cash flow calculations must be done very carefully.

7.3.2 Number of Products in Sale

There was only one product type in sale in this case study. Because of this, there were no possibilities for any cross-sales or up-sales. It would be possible to get much more benefit from this business model, if there would be multiple related products on sale simultaneously.

As discussed earlier, it would be easy and natural to promote similar types of products, for the customers who have bought one product. If these products are related, typically customers are interested also in the other similar types of products. It would be possible to drive additional traffic to all the products using insert cards and different promotions. Also, Amazon would automatically promote the related products.

Naturally, the required capital investment will increase as the number of products increases. But, to achieve more efficient and higher converting sales, it would be beneficial to have multiple related products on sale at the same time.

As can be seen from the data presented in chapter six, the sales data can be relatively small for some products. For the overall business to be profitable and sustainable, it would be important to have multiple products generating revenue and profit. It would be very risky to relay only on one product.

7.3.3 Expanding to other Amazon Marketplaces and the Utilization of FBA

In addition to introducing additional products, another way of increasing the sales volumes, is to introduce the product to other selling platform and utilizing the Amazon fulfillment service.

The most obvious and simplest is to expand to other Amazon marketplaces. This case study was conducted in the Amazon German marketplace; the logical next steps would be Amazon marketplaces in UK, France, Spain and Italy. When the products are listed in one of the Amazon marketplaces, they are easily listed on sale on the other marketplaces as well. Using the FBA business model, the product deliveries would be taken care of by Amazon.

Another way of utilizing the FBA model, is to list the products in other selling platforms, and letting Amazon to do the fulfillment. One of the most common ways is eBay. Products can be listed e.g. in ebay.de, and customer orders can be fulfilled by Amazon. Such fulfillment orders are easily created from the seller interface.

7.3.4 Expanding Beyond Amazon

Amazon, with the FBA business model, is very attractive way to start an online business. Amazon has the traffic, customer trust, customer service, warehouses, and the logistics in place. For a new entrepreneur, it would take lots of time and money to achieve the same scale with relaying only on own resources. This is especially true for an entrepreneur who is living outside the large market areas.

But, selling on Amazon has also some major risks associated with it. Amazon owns the platform, and they are free to change the rules and regulations as they wish. If Amazon decides to prohibit some products, or to shut down some seller accounts, there is very little that an individual seller can do about it. In the worst-case scenario, the seller might lose his/her selling rights over night. All the sales history, sales momentum and inventory will be taken away in an instance.

Amazon also owns the customers. The customers are buying from Amazon, not from the individual sellers. The credit card information, customer contact information, customer sales history etc. are all properties of Amazon. Amazon does not allow the sellers to take any actions for additional sales, or directing customers e.g. into the seller's own web store. Amazon does not give the customers' email addresses, so there is no easy way of contacting those customers after the sale.

So, if something happens, and Amazon shuts down the seller account, the seller might lose all the data it has regarding the customers and the products. Of course, Amazon would not take any such actions randomly, and if the seller is following all the rules and guidelines, he/she should be fine. But, some of the rules are complicated, and there are possibilities for a human error.

To maintain the business sustainable, and to minimize the risks, it is vital for the company to be more directly engaged with the customers. One of the most common method regarding this, is the usage of insert cards. Many sellers include an insert card into the product package. This card may include e.g. a discount coupon to some other product from the seller, links to the company web pages or Facebook pages or something else in that nature. Target is to get the customer's contact information.

Another typical way of gathering customer contact information, is via Facebook marketing. Sellers will target groups on the same niche to offer e.g. discount coupons. Those who opt in, will leave their contact information in the process. Facebook fan pages can be used in similar manner.

Key idea is to engage the customer directly with the seller. The two most common engagement techniques are the creation of a Facebook fan page with the followers, and building up an email list. Both can be used to communicate directly with the customers; increasing the engagement by providing useful content and information. This database can be used for promoting new products and to direct customers to the sellers own online store, rather than to Amazon.

8   SUMMARY

This case study demonstrated that it is possible to start a new vital online business relatively easily, independently of the location of the entrepreneur.

The first phase of the study was the analysis of suitable online selling platforms. Conclusion was that Amazon, and the *Fulfillment by Amazon,* model is the best way to start a new e-commerce business. This business model will enable a quick start of sales on a large market area.

Different business models were analyzed, and the conclusion was that *private label* is the most sustainable and profitable business model, especially in the long

run. Using private label business model all the copyrights are in full control, and there is no risk of other sellers offering the same product.

It was also demonstrated, that suitable product selection can be done successfully using publicly available information. Selected product was sourced from China, and successfully introduced to the selected German marketplace.

Gathered sales data proves that the business model works. The conclusions that were drawn, proved to be correct. Selected marketplace and the FBA business model are vital; product selection criteria work, and a new online business can be established successfully following the methodology described.

All the research questions were answered, lessons learnt were discussed, and suggestions for future were addressed.

REFERENCES

Written references

Daniel, E., Di Domenico, M. and Sharma, S. (2015). Effectuation and homebased online business entrepreneurs. International Small Business Journal, 33(8), pp.799-823.

Mintzer, R. (2014). Start Your Own e-Busines. 3rd ed. Entrepreneur Press.

Electronic references

About-Payments.com. (2016). Global E-commerce Sales Growth Figures 2014. [online] Available at: https://www.about-payments.com/newsroom/news /30566/ global-e-commerce-sales-growth-figures-2014 [Accessed 18 Jan. 2016].

Adams, M. (2015). How To Get More Amazon Reviews. [podcast] The Private Label Report. Available at: http://markscottadams.com/how-to-get-more-amazon-reviews/ [Accessed 19 Jan. 2016].

Adams, M. (2015). How much should your Amazon sales increase in the Christmas Season. [podcast] The Private Label Report. Available at: http://markscottadams.com/how-much-should-your-amazon-sales-increase-in-the-christmas-season/ [Accessed 6 Apr. 2016].

Amazon, (2015). Amazon Annual Report 2014.

Amazon.com. (2016). Amazon Prime. [online] Available at: https://www.amazon.com/Amazon-Prime-One-Year-Membership/dp/B00DBYBNEE [Accessed 20 Jan. 2016].

Atkins, I. (2016). What Is Drop Shipping? And How Does It Work?. [online] Fitsmallbusiness.com. Available at: http://fitsmallbusiness.com/what-is-drop-shipping/ [Accessed 2 Oct. 2016].

BusinessDictionary.com. (2016). What is private label? definition and meaning. [online] Available at: http://www.businessdictionary.com/definition/private-label.html [Accessed 2 Oct. 2016].

camelcamelcamel.com. (2016). Amazon price tracker, Amazon price history charts, price watches, and price drop alerts. [online] Available at: http://camelcamelcamel.com/ [Accessed 8 Jun. 2016].

Coats, M. (2016). EP10: AMAZON PRIVATE LABEL – PRICING STRATEGIES, GETTING REVIEWS, AND SETTING GOALS. [podcast] AM/PM Podcast. Available at: http://www.ampmpodcast.com/ep10-amazon-private-label-pricing-strategies-getting-reviews-and-setting-goals/ [Accessed 12 Mar. 2016].

Coats, M. (2016). Pricing Strategies for your Private Label Products on Amazon. [podcast] AM/MP Podcast. Available at: http://www.ampmpodcast.com/pricing-strategies-private-label-products-amazon-ep16/ [Accessed 1 May 2016].

Ecommerce News. (2016). Otto opens its network to third-party sellers - Ecommerce News. [online] Available at: http://ecommercenews.eu/otto-opens-its-network-to-third-party-sellers/ [Accessed 3 Feb. 2016].

Emarketer.com. (2016). Retail Sales Worldwide Will Top $22 Trillion This Year - eMarketer. [online] Available at: http://www.emarketer.com/Article/Retail-Sales-Worldwide-Will-Top-22-Trillion-This-Year/1011765 [Accessed 18 Jan. 2016].

Google.de. (2016). Google Trends. [online] Available at: https://www.google.de/trends/ [Accessed 8 Jun. 2016].

Investopedia. (2016). Wholesaling. [online] Available at: http://www.investopedia.com/terms/w/wholesaling.asp [Accessed 2 Oct. 2016].

Landowski, N. (2016). Amazon Private Label Show Ep #2 – Starting Out Selling On Amazon FBA. [podcast] The Private Labeler Show. Available at: http://privatelabelershow.com/amazon-private-label-show-ep-2-starting-out-selling-on-amazon-fba/ [Accessed 1 Feb. 2016].

Private Label Journey. (2016). Zusammenarbeit mit einem Logistiker im Detail – Amazon FBA. [podcast] Available at: http://privatelabeljourney.de/zusammenarbeit-mit-einem-logistiker-im-detail-amazon-fba/ [Accessed 10 May 2016].

Rankin, J. (2016). Third-party sellers and Amazon - a double-edged sword in e-commerce. [online] the Guardian. Available at: https://www.theguardian.com/technology/2015/jun/23/amazon-marketplace-third-party-seller-faustian-pact [Accessed 24 Jan. 2016].

Rizer, K. (2016). PLP 78 - Greg Mercer - Product Research with Jungle Scout. [podcast] Private Label Podcast. Available at: https://privatelabelpodcast.com/episodes/78 [Accessed 14 Feb. 2016].

Rizer, K. (2016). Listen and Learn Session 20 - Managing Reviews. [podcast] Private Label Podcast. Available at: https://privatelabelpodcast.com/episodes/82 [Accessed 4 Apr. 2016].

RocketCompanies. (2016). Top 10 e-commerce sites in the world. [online] Available at: http://www.rocketcompanies.com/reports/top-10-e-commerce-sites/ [Accessed 3 Feb. 2016].

Statista. (2016). eBay: regional distribution of net sales 2015 | Statistic. [online] Available at: https://www.statista.com/statistics/266198/regional-distribution-of-ebays-annual-net-revenue/ [Accessed 3 Feb. 2016].

The Work at Home Wife. (2016). Retail Arbitrage: 45 Ways to Buy Low & Sell High. [online] Available at: http://theworkathomewife.com/45-ways-to-buy-low-sell-high-with-retail-arbitrage/ [Accessed 2 Oct. 2016].

Voelker, S. (2015). HOW TO RESEARCH AND CHOOSE PRODUCTS THAT WILL SELL ON AMAZON – STEP BY STEP. [podcast] The Amazing Seller Podcast. Available at: http://theamazingseller.com/tas-004-how-to-research-and-choose-products-that-will-sell-on-amazon-step-by-step/ [Accessed 3 Feb. 2016].

Voelker, S. (2015). 5 Tips for Using Google Trends to Predict the Future for Maximum Sales. [podcast] The Amazing Seller. Available at:

http://theamazingseller.com/tas-072-5-tips-for-using-google-trends-to-predict-the-future-for-maximum-sales/ [Accessed 17 May 2016].

Walsh, T. (2016). The 4 Largest Markets for Amazon.com, Inc. -- The Motley Fool. [online] The Motley Fool. Available at: http://www.fool.com/investing/general/2015/04/25/the-4-largest-markets-for-amazoncom-inc.aspx [Accessed 3 Feb. 2016].

Ward, M. (2015). How to Dominate Amazon.de and Expand FBA Empires into Europe – ALL34. [podcast] FBA Allstars. Available at: http://www.fbaallstars.com/how-to-dominate-amazon-de-and-expand-fba-empires-into-europe-all34 [Accessed 9 Feb. 2016].

Finance.yahoo.com. (2016). AMZN Income Statement | Balance Sheet | Cash Flow | Amazon.com, Inc. Stock - Yahoo Finance. [online] Available at: https://finance.yahoo.com/quote/AMZN/financials?p=AMZN [Accessed 24 Jan. 2016].

APPENDICES

Figures 24-33 present the data analysis of few key fitness products in both amazon.co.uk and in amazon.de marketplaces. The data shows the best sellers in each category. In some categories, there are wrong type of products classified into the category, these have been ignored and they can be seen as empty lines in the Figures.

The supplier names and ASIN codes are removed for confidentiality reasons.

UK	Category: Sports & Outdoors		22.2.2016									
	Search term: Best Sellers in Hand Stengtheners						Product score: The bigger the number, the poorer is the listing (easier to replace and to be competetive against)					

Location	Product	ASIN or link	Price	Reviews	Listing Quality	Shipping Weight	BSR	Product Score	Sales/Day	Revenue/Day	Score*Sales
1			£ 3,59	112	2	159	60	1,0	89	£ 320,53	88,0
2			£ 3,47	71	2	299	357	1,0	15	£ 52,07	15,5
3			£ 12,99	206	3	358	723	0,7	7	£ 96,25	4,8
4			£ 6,99	116	4	118	746	1,0	7	£ 50,19	6,9
5			£ 20,99	129	1	558	766	1,2	7	£ 146,79	8,3
6			£ 9,50	109	3	281	978	0,8	5	£ 52,04	4,5
7											
8			£ 9,95	63	5	181	1184	1,1	5	£ 45,02	4,9
9			£ 8,00	173	4	200	1229	0,7	4	£ 34,87	3,0
10			£ 10,61	124	3	91	1290	1,2	4	£ 44,06	4,8
		AVERAGE:	£ 9,57	123	3,0	249	815	1,0	16	£ 93,54	15,6
		MEDIAN:	£ 9,50	116	3,0	200	766	1,0	7	£ 52,04	4,9
							TOTAL:		144	£ 841,82	

Figure 244. Selling and listing data analysis of hand strengtheners in Amazon UK marketplace.

DE	Category: Sports & Outdoors		20.2.2016									
	Search term: Bestseller in Handtrainer						Product score: The bigger the number, the poorer is the listing (easier to replace and to be competetive against)					

Location	Product	ASIN or link	Price	Reviews	Listing Quality	Shipping Weight	BSR	Product Score	Sales/Day	Revenue/Day	Score*Sales
1			14,99 €	347	4	340	38	0,5	204	3 055,38 €	99,7
2			10,50 €	63	3	200	192	0,9	40	423,58 €	37,6
3			7,59 €	58	3	222	401	0,9	19	146,60 €	17,7
4			7,90 €	41	2	100	410	1,5	19	149,24 €	27,8
5			11,97 €	31	5	227	430	1,2	18	215,61 €	22,4
6			13,99 €	113	3	82	436	1,1	18	248,53 €	20,3
7			10,99 €	146	3	299	785	0,6	10	108,44 €	6,2
8			29,90 €	20	1	198	1504	2,3	5	153,98 €	12,1
9			7,90 €	8	2	150	1870	3,8	4	32,72 €	15,8
10			16,99 €	42	4	159	2401	1,2	3	54,81 €	3,9
		AVERAGE:	13,27 €	87	3,0	198	847	1,4	34	458,89 €	26,3
		MEDIAN:	11,48 €	50	3,0	199	433	1,2	18	151,61 €	19,0
							TOTAL:		341	4 588,89 €	

Figure 255. Selling and listing data analysis of hand strengtheners in Amazon German marketplace.

UK	Category: Sports & Outdoors	22.2.2016									
	Search term: Best Sellers in Weight Lifting Belts					Product score: The bigger the number, the poorer is the listing (easier to replace and to be competetive against)					
			Size L								
	Location	**Product**	**ASIN or link**	**Price**	**Reviews**	**Listing Quality**	**Shipping Weight**	**BSR**	**Product Score**	**Sales/Day**	**Revenue/Day**	**Score*Sales**
	1			£ 15,99	219	3	240	267	0,7	20	£ 320,82	14,8
	2			£ 14,34	203	4	499	350	0,6	15	£ 219,48	8,9
	3			£ 10,99	34	3	561	744	1,5	7	£ 79,13	10,8
	4			£ 14,34	112	4	299	900	0,8	6	£ 85,35	4,7
	5			£ 14,99	28	3	561	992	1,8	5	£ 80,95	9,6
	6			£ 19,99	205	5	558	1583	0,6	3	£ 67,65	2,0
	7			£ 24,34	84	4	898	2111	0,9	3	£ 61,77	2,3
	8			£ 16,40	128	1	522	2611	1,2	2	£ 33,65	2,4
	9			£ 15,34	103	3	649	2866	0,8	2	£ 28,67	1,5
	10			£ 35,00	77	3	821	3226	1,1	2	£ 58,12	1,8
			AVERAGE:	£ 18,17	119	3,3	561	1565	1,0	7	£ 103,56	5,9
			MEDIAN:	£ 15,67	108	3,0	560	1288	0,8	4	£ 73,39	3,5
								TOTAL:		65	£ 1 035,59	

Figure 266. Selling and listing data analysis of weight lifting belts in Amazon UK marketplace.

DE	Category: Sports & Outdoors	22.2.2016									
	Search term: Bestseller in Gewichthebergürtel					Product score: The bigger the number, the poorer is the listing (easier to replace and to be competetive against)					
	Location	**Product**	**ASIN or link**	**Price**	**Reviews**	**Listing Quality**	**Shipping Weight**	**BSR**	**Product Score**	**Sales/Day**	**Revenue/Day**	**Score*Sales**
	1											
	2			13,60 €	144	1	825	510	0,9	15	206,55 €	14,3
	3			26,89 €	101	2	921	1354	0,8	6	153,82 €	4,7
	4											
	5											
	6			25,74 €	7	4	649	3095	4,0	3	64,42 €	10,0
	7			32,95 €	14	3	1250	3448	2,3	2	74,02 €	5,1
	8											
	9			14,99 €	45	3	481	3855	1,0	2	30,12 €	2,0
	10											
			AVERAGE:	22,83 €	62	2,6	825	2452	1,8	6	105,78 €	7,2
			MEDIAN:	25,74 €	45	3,0	825	3095	1,0	3	74,02 €	5,1
								TOTAL:		28	528,92 €	

Figure 277. Selling and listing data analysis of weight lifting belts in Amazon German marketplace.

UK	Category: Sports & Outdoors	22.2.2016									
	Search term: Best Sellers in Exercise Bands						Product score: The bigger the number, the poorer is the listing (easier to replace and to be competetive against)				
			Size L								
Location	Product	ASIN or link	Price	Reviews	Listing Quality	Shipping Weight	BSR	Product Score	Sales/Day	Revenue/Day	Score*Sales
1			£ 6,99	527	5	336	5	0,4	1071	£ 7 489,09	439,1
2			£ 2,95	450	3	100	13	0,8	412	£ 1 215,63	334,9
3			£ 10,98	129	4	299	51,5	0,7	104	£ 1 142,13	74,7
4			£ 14,99	236	4	762	90	0,5	60	£ 892,24	31,2
5			£ 8,03	91	5	181	141	0,9	38	£ 305,08	33,8
6			£ 10,99	39	5	336	207	1,3	26	£ 284,41	34,7
7			£ 7,99	79	5	336	235	0,8	23	£ 182,14	18,8
8			£ 4,50	14	4	336	252	3,0	21	£ 95,66	64,2
9			£ 28,45	347	5	336	271	0,7	20	£ 562,39	13,1
10			£ 3,40	23	3	336	274	2,0	20	£ 66,47	39,4
		AVERAGE:	£ 9,93	194	4,3	336	154	1,1	179	£ 1 223,52	108,4
		MEDIAN:	£ 8,01	110	4,5	336	174	0,8	32	£ 433,73	37,0
							TOTAL:		1794	£ 12 235,24	

Figure 288. Selling and listing data analysis of exercise bands in Amazon UK marketplace.

DE	Category: Sports & Outdoors	22.2.2016									
	Search term: Bestseller in Fitnesbänder						Product score: The bigger the number, the poorer is the listing (easier to replace and to be competetive against)				
Location	Product	ASIN or link	Price	Reviews	Listing Quality	Shipping Weight	BSR	Product Score	Sales/Day	Revenue/Day	Score*Sales
1			5,95 €	487	4	259	11	0,4	704	4 189,59 €	311,2
2			8,88 €	389	4	100	13	0,8	596	5 290,74 €	467,9
3											
4			5,99 €	41	5	231	81	1,0	96	572,78 €	95,1
5			12,95 €	159	2	118	88	1,0	88	1 139,81 €	86,7
6			10,88 €	27	3	181	257	1,5	30	327,90 €	44,9
7			17,99 €	24	5	581	330	1,4	23	422,24 €	32,7
8			12,93 €	299	4	181	345	0,6	22	290,29 €	13,8
9			12,89 €	32	5	200	354	1,3	22	282,03 €	27,4
10			16,49 €	74	3	231	404	0,9	19	316,14 €	17,0
		AVERAGE:	11,66 €	170	3,9	231	209	1,0	178	1 425,73 €	121,8
		MEDIAN:	12,89 €	74	4,0	200	257	1,0	30	422,24 €	44,9
							TOTAL:		1601	12 831,53 €	

Figure 29. Selling and listing data analysis of exercise bands in Amazon German marketplace.

UK	Category: Sports & Outdoors		23.2.2016								
	Search term: Best Sellers in Core & Abdominal Trainers (ab rollers)					Product score: The bigger the number, the poorer is the listing (easier to replace and to be competetive against)					
				Size L							
Location	Product	ASIN or link	Price	Reviews	Listing Quality	Shipping Weight	BSR	Product Score	Sales/Day	Revenue/Day	Score*Sales
1											
2			£ 10,99	296	3	821	182	0,5	29	£ 323,48	14,6
3			£ 16,99	253	5	821	266	0,5	20	£ 342,16	10,0
4			£ 7,96	87	3	839	268	0,8	20	£ 159,11	15,4
5											
6			£ 6,99	93	1	805	375	1,1	14	£ 99,85	16,2
7			£ 4,49	150	3	798	420	0,6	13	£ 57,27	7,1
8											
9											
10			£ 19,99	281	5	748	878	0,5	6	£ 121,97	3,2
		AVERAGE:	£ 11,24	193	3,3	805	398	0,7	17	£ 183,97	11,1
		MEDIAN:	£ 9,48	202	3,0	813	322	0,5	17	£ 140,54	12,3
							TOTAL:		103	£ 1 103,84	

Figure 290. Selling and listing data analysis of ab trainers in Amazon UK marketplace.

DE	Category: Sports & Outdoors		23.2.2016								
	Search term: Bestseller in Bauchtrainer (AB Roller)					Product score: The bigger the number, the poorer is the listing (easier to replace and to be competetive against)					
Location	Product	ASIN or link	Price	Reviews	Listing Quality	Shipping Weight	BSR	Product Score	Sales/Day	Revenue/Day	Score*Sales
1			10,11 €	582	4	621	14	0,4	553	5 593,32 €	196,0
2											
3											
4			19,99 €	123	5	821	184	0,5	42	841,48 €	22,9
5											
6											
7											
8											
9											
10											
17			13,99 €	7	3	680	2337	4,0	3	46,37 €	13,1
		AVERAGE:	14,70 €	237	4,0	707	845	1,6	200	2 160,39 €	77,4
		MEDIAN:	13,99 €	123	4,0	680	184	0,5	42	841,48 €	22,9
							TOTAL:		599	6 481,17 €	

Figure 301. Selling and listing data analysis of ab trainers in Amazon German marketplace.

UK	Category: Sports & Outdoors	23.2.2016									
	Search term: Best Sellers in Pull-Up Bars					Product score: The bigger the number, the poorer is the listing (easier to replace and to be competetive against)					
		Size L									
Location	Product	ASIN or link	Price	Reviews	Listing Quality	Shipping Weight	BSR	Product Score	Sales/Day	Revenue/Day	Score*Sales
1			£ 13,40	58	3	2317	121	1,0	44	£ 593,25	44,4
2			£ 7,99	306	2	1200	422	0,5	13	£ 101,43	6,9
3			£ 24,00	234	3	3100	836	0,6	6	£ 153,79	3,9
4			£ 25,88	20	3	1900	749	2,4	7	£ 185,10	16,9
5											
6			£ 8,98	9	2	2100	964	4,6	6	£ 49,90	25,5
7			£ 15,43	225	4	2900	964	0,5	6	£ 85,75	2,7
8			£ 12,99	46	3	2317	1179	1,2	5	£ 59,02	5,3
9			£ 9,99	26	2	2700	1460	1,9	4	£ 36,66	6,8
10			£ 7,97	9	2	2317	1656	4,6	3	£ 25,78	14,8
		AVERAGE:	£ 14,07	104	2,7	2317	928	1,9	10	£ 143,41	14,1
		MEDIAN:	£ 12,99	46	3,0	2317	964	1,2	6	£ 85,75	6,9
							TOTAL:		93	£ 1 290,68	

Figure 312. Selling and listing data analysis of pull-up bars in Amazon UK marketplace.

DE	Category: Sports & Outdoors	23.2.2016									
	Search term: Bestseller in Klimmzugstangen					Product score: The bigger the number, the poorer is the listing (easier to replace and to be competetive against)					
Location	Product	ASIN or link	Price	Reviews	Listing Quality	Shipping Weight	BSR	Product Score	Sales/Day	Revenue/Day	Score*Sales
1			24,99 €	694	4	1900	24	0,4	323	8 064,95 €	133,0
2			14,99 €	408	4	2200	127	0,4	61	914,21 €	21,6
3			14,99 €	194	2	1700	159	0,6	49	730,22 €	28,2
4			17,95 €	391	2	5000	195	0,5	40	712,98 €	20,6
5			7,79 €	187	4	1300	380	0,4	20	158,78 €	7,8
6			24,99 €	170	4	3100	514	0,5	15	376,57 €	7,7
7			45,95 €	414	2	3500	583	0,7	13	610,47 €	9,9
8											
9											
10			9,99 €	46	3	1300	1060	0,9	7	73,00 €	6,3
		AVERAGE:	20,21 €	313	3,1	2500	380	0,5	66	1 455,15 €	29,4
		MEDIAN:	16,47 €	293	3,5	2050	288	0,5	30	661,72 €	15,2
							TOTAL:		528	11 641,18 €	

Figure 323. Selling and listing data analysis of pull-up bars in Amazon German marketplace.