Tampere University of Applied Sciences

Launching a Product to Amazon Marketplace

Selling at Amazon.com

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ABSTRACT

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Selling products at Amazon.com marketplace is enormous business in 2021. Companies and individual sellers can sell products on Amazon, once they open a seller account. Selling at Amazon is not like selling in any other platform, it requires special knowledge and skills in a very specific field of business. It is a complex and new business model especially in Finland, which the researcher noticed during his internship at Amazoniin.fi, Finnish Amazon.com marketing and sales company which provides selling and exporting services to Finnish companies and opening a possibility for them to get their products to the Amazon marketplace.

The thesis is done for company Amazoniin.fi, to support their internal processes e.g. training, objective research and development. Thesis is in the form of process description, launching processes of both types are introduced and explained open.

Research is conducted by gathering theoretical information from internet articles, news, blogposts and from Amazon professionals themselves.

Key words: Amazon marketplace, amazon, e-commerce, digitalization, future

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1 INTRODUCTION

1.1 History of E-Commerce

Essentially, e-commerce (or electronic commerce) is the buying and selling of goods or services on the internet. Approximately 40 years ago, one of the first transactions were made over the internet. Since then, e-commerce has grown as much as 23 % year by year. (BigCommerce, n.d.)

The most common and used e-commerce method is business-to-consumer (B2C) sales model. For example, one buys clothes from an online retailer, it is a business-to-consumer transaction. Other sales models are business-to-business (B2B), consumer-to-business (C2B), business-to-administration (B2A) and consumer-to-administration (C2A). (BigCommerce, n.d.)

In 1995 e-commerce industry revolutionised when Amazon and eBay launched. Amazon and eBay are considered to be the world's biggest marketplaces nowadays and that said 1995 was as essential year for the e-commerce industry. In 1998 one of the world's most famous e-commerce payment systems was introduced to the audience, PayPal. Which would revolutionize payment options through online shopping and to become one of the most popular and used secure payment option. In 2000 Google introduced Google AdWords as an online advertising tool. It is an important piece of history, since it was the start of pay-per-click (PPC) context and one of the most if not the most used tool for businesses, advertising through Google search tool. One more to mention, in 2011 Facebook published its possibilities to advertise through Facebook, the social media platform. (BigCommerce, n.d.)

Grand View Research (2019) states that in 2019 the global e-commerce market size was valued at USD 9.09 trillion and it is expected to grow at an annual rate of 14,7% from 2020 to 2027. With increasing usage of smartphones across the world, digital content and time spent overall on the internet have increased. In 2020, there is not much one could not do over the internet via smartphone. Evolution of broadband networks e.g. 3G to 4G has influenced a lot on using devices and to overall internet usage.

1.2   Thesis background and objectives

Amazoniin.fi is a Finnish company found in 2018 and somewhat based in Tampere. As it might be possible to perceive from the company name, it works in the field of business at Amazon marketplace and around it. The company operates as remote work so there is no fixed office or location for the business actions. The company has two lines of business in Amazon. The first is to get customers products to the Amazon Marketplace and the second one is to find own products to sell there. Both lines of business will be disentangled in the upcoming chapters. There are only few a Finnish companies on the market that will help customers to bring their products to Amazon Marketplaces, all over the world. It can be said that Amazoniin.fi is the most known company in the field of business right now in Finland even though the company is still fairly new and rising.

The researcher did a practical training period on the company where he did work as a market analyst and niche hunter. The main task for him was to search the best products to sell on Amazon by using a different tools to measure the product categories such as sales, searches per month and overall cost-effectiveness. These were new products to sell on the company's own Amazon Marketplace page, not customers products.

Thesis writer's advisor from the company has agreed to work as an advisor during the thesis process, with providing requested information and knowledge during this process. Thesis will be delivered to the advisor and to the company when it is completed.

Thesis' topic is based on one's practical training period in the company. Information is gathered from the employees, through articles, literature and one's own knowledge that was gained throughout the practical training period.

The objective of this research is to show the process of launching a product to the Amazon Marketplace (United States) and its advantages and differences. In the future, Amazoniin.fi could use this as a guide or information package to new employees, or already employed ones who might work in a different sector in the company. The research question for the thesis is: what kind of processes leads to a product placement to the Amazon marketplace?

The goal for the thesis is in addition, to show efficiency of Amazon Marketplace with the help of a guide for launching a product in the marketplace. Two different examples will be provided, one with Amazoniin.fi company's own product finding and its launching process and one is their customer's product and its launching phase.

Launching a product to Amazon on one's own can be time consuming and exhausting, including all the learning that has to be one to execute the whole launching process from start to finish. It requires help from different tools and guides to succeed. The researcher had the opportunity to learn the process by himself during the practical training period by learning throughout many educational videos and by doing the job.

1.3   Research methodology

The research was conducted by comparing two different ways of launching a product to the marketplace and its phases, launching a company's own product and launching a customer's own product. To gain even deeper knowledge for this, an advisor from the company will be interviewed and asked to explain steps in order to gain a better perspective of the process as a whole.

Objective for this research is to show effectiveness of Amazon Marketplace by utilizing different articles, news and guides by Amazon specialists who have already shown that it is possible to be successful in this specific field of business.

This thesis is a process description, focusing mainly to the Amazon Marketplace in the United States area, Amazon.com. As the researcher has completed practical training in the field of business, with focusing to finding the right products to sell on Amazon, it supports the theoretical framework.

To further support theoretical framework and research, multiple articles and news from Amazon professionals have been used. One of the most crucial sources of information is the company and thesis advisor itself, since they have the knowledge and understanding for the concept.

Worth noticing that the researcher has completed an internship in the field of Amazon business and has own practical experience of the topic. Thesis includes my own empirical

observations as well as my own notes from the internship period that is utilised in this academic text.

1.4 Thesis structure

In chapter 2 of the thesis, the theoretical framework will be explained. Main focus is on phases of launching a product to Amazon Marketplace and reader will get a basic level understanding of what is Amazon as a marketplace and how utilizing it could upgrade the business.

Chapter 3 gives a process description of two different ways to launch a product to the Amazon marketplace, Amazoniin.fi's own products and their customers product and its phases.

Chapter 4 will provide examples of both ways to launch products, company's own product launch and customers product launch.

Chapter 5 focuses on researchers more common findings, analysis regarding the differences between launching processes on top of with recommendations at the end.

Chapter 6 is the final chapter which includes a discussion chapter, finishing the thesis.

2 THEORETICAL FRAMEWORK

2.1 E-Commerce

As the history of e-commerce was gone through in the previous chapter, this chapter focuses more on the overview of e-commerce and its insights. E-commerce refers to the buying and selling of goods or services using the internet and the transfer of money and data to execute these transactions (Shopify, n.d.). E-commerce can happen in many different shape or form, where exchange of payment and goods is happening between two parties. Eight examples of e-commerce are listed below:

1. Retail: The sale of a product by a business directly to a customer without any intermediary
2. Wholesale: Retailer buys products in bulk and sells them to consumers
3. Dropshipping: Selling a products that are manufactured and shipped by third party
4. Crowdfunding: Collection of money from consumers in advance to enable bringing the product to market
5. Subscription: Often automatic (e.g. monthly) payment in exchange of product or service on regular basis until consumer chooses to cancel
6. Physical products: Any tangible good that requires fulfillment of inventory and orders to be physically shipped to customers as sales are made
7. Digital products: Downloadable digital goods e.g. music and movies. Must be purchased for consumption and needs license for use
8. Services: A skill or skills provided in exchange of payment. Can be coaching for example. (Shopify, n.d.)

2.2 Growth of online shopping

Online shopping is still growing on a rapid pace and global online shopping market size is predicted to hit 4 trillion by the end of 2020. In the United States alone, it is expected to have 300 million online shoppers in 2023, totalling 91% of the entire country's population. (Oullette, 2020.)

According to Oullette (2020), up to this date approximately 69% of Americans have shopped online and 25% of Americans have bought something from online stores at least once per month and 47% also bought their first item on Amazon.

In 2018, the global rate of digital buyers was 47.3%. It is safe to say that if one's business has not yet gone online, it is time. It is estimated that globally there are 1.92 billion digital buyers and overall e-commerce sales account for 14.1% of all retail purchases globally. As one may know, online shopping and doing online business in general is growing rapidly and it is expected that e-commerce retail purchases are going up from 14.1% to 22% in 2023. (Oullette, 2020.)

Nonetheless, in 2020 the world changed due to COVID-19 pandemic and slightly did e-commerce industry also, but for a better direction. More and more consumers bought from online and especially subscription services. Of course, it has a downgrade, which means brick-and-mortar stores getting shut down due few to none customers. Due to COVID-19 it is not necessarily possible to predict what the next upcoming years has to offer in terms of e-commerce growth, if it is growing by a lot or just steadily growing.

It is incredibly important to have a website or online shop up to date. By optimising one's online store and keeping it up to date can be crucial. According to Oullette (2020) 88% of customers believe that detailed product pages are important when making a final purchase decision. This includes website design as well, if the website is not professional and well kept up to date, 38% of shoppers decide to leave the website if it is unprofessional and unattractive.

As we break down deeper in the online shopping statistics, it is possible to differentiate online shopping by shopping with PC (desktop shopping) and with mobile (mobile shopping). 67% of mobile shoppers admit to window shop (*the activity of looking at goods displayed in shop windows, especially without intending to buy anything*) for fun on their smartphones. In addition, 77% of these window shoppers make impulsive purchases. (Oullette, 2020.)

Mobile shopping according to statistics, is for more impulsive purchases. Mobile shopping is available for anyone who has a smartphone and service, it is easy to buy

goods on the go. 49% of people exclusively use their phones for shopping and this is why it is important for retailers to have optimised websites and shops online (Oullette, 2020).

Below is a graph of predicted growth of mobile commerce from 2017 to 2021.
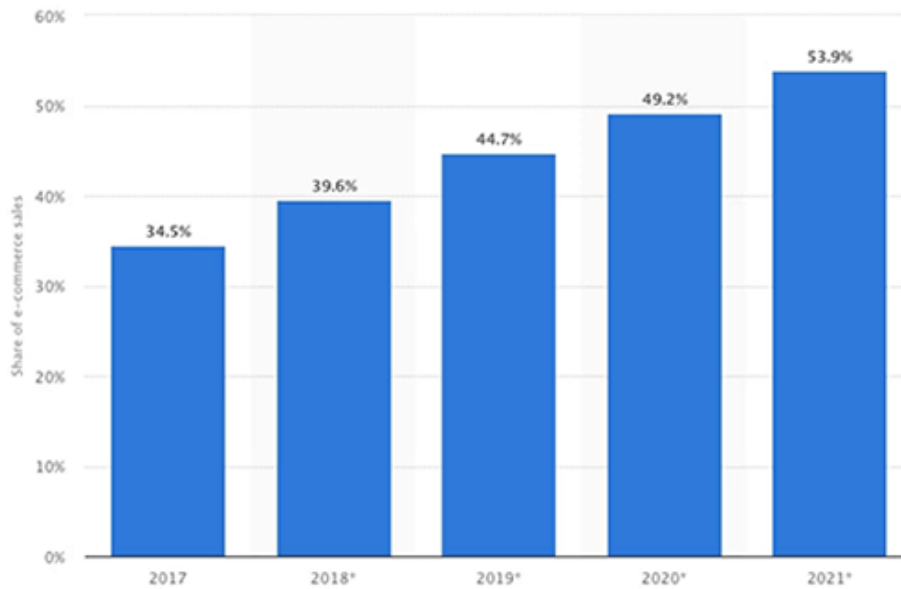
The predicted growth of mobile commerce from 2017 to 2021

FIGURE 1: Predicted growth of mobile commerce from 2017 to 2021 (Oullette, 2020).

Online shopping with both PC and smartphone is approximately equally important, even though mobile shopping is growing fast. One important thing to add, unexpected costs are the number one reason for shopping cart abandonment, it is safe to say that nobody likes unexpected additional costs. High shipping rates and need of creating an account also affects greatly on cart abandonment. (Oullette, 2020.)

2.3 Amazon.com history

In 1995 Amazon.com went live with bookselling and that is how everything started. According to Hartmans (2020), Jeff Bezos' plan and willingness was from the beginning to make Amazon "an everything store" and Amazon ended up being just like that. At the early stage, Bezos was contemplating a name for the company and went from "relentless.com" (if one visit's the page today, it will still navigate to amazon.com) to

Amazon. Reasoning behind the choice was that Bezos liked the company being named after the largest river in the world (Hartmans, 2020).

First month of its launch, Amazon had already sold books to people in all 50 states and in 45 different countries (Hartmans, 2020). Start was not only bed of roses for Bezos and the company, considering book distributors required retailers to order 10 books at a time. By then, Amazon did not have that much inventory or even money considering the company started off from Bezos' garage. Even though book distributors required a minimum order of 10 books at time, Bezos' team figured out a loophole that could be utilized. Team would order one book they needed and nine copies of a book that was always out of stock. This saved money, although it was not the best-case scenario, it was a way to survive and do business.

1997 Amazon went public with an initial public offering (IPO) of three million shares of common stock. Amazon.com became the first e-commerce retailer to achieve one million customer milestone and that is what led to expansions and to going public (St. James Press, 2004).

In succession to going public in 1997, in the late 90's and early 2000's Amazon stumbled fairly enough. Amazon was short of employees, facilities would get shut down for hours because of system outages, products would be ignored by workers and there was not simply enough preparation for new categories. Later on, Amazon fixed this by hiring a lot of seasonal workers, because holiday season is the busiest season of them all and it is a logistical nightmare. (Hartmans, 2020)

In 1998-1999 Amazon.com entered the online music and video business by acquiring companies in the United Kingdom and Germany and also expanded into selling toys, tools, electronics and hardware. 1999 Jeff Bezos was named the Time Magazine's "Person of the Year". In 2001 Amazon's sales grew to $3.12 billion and also reported its first net profit. This was an increase of total 13 percent over the previous year. During the year, Amazon also focused on cutting costs which led to an extensive lay-offs, meaning that 1300 employees lost their job and facilities got shut down. However, Amazon's strategy was to make third-party contracts with well-known retailers e.g. Target Corporation and America Online, Incorporated and it worked. (St. James Press, 2004).

Important Amazon milestones to summarise Amazon.com history: 1994 Founder of Amazon.com Jeff Bezos quits his job and launches Amazon, out of his garage. Within a month it is doing $20,000 sales per week. 1995 Amazon receives an $8 Million funding from Kleiner Perkins. 1997 Amazon goes out public with 3 million shares of common stock. 1999 Bezos is named "Person of the Year" by Time Magazine for popularizing online shopping. 2009 Zappos was acquired through a stock swap. 2013 Washington Post was acquired by Jeff Bezos. (Capitalism.com, 2020.)

Three prowess that significantly helped Amazon to grow as colossal as it is today. In September 1999 Jeff Bezos patented "The 1-click technology" which is made for impulsive purchases. As the name says, one will complete the buying phase with only one click. This patent and technology were considered to be game changer in the e-commerce industry. In 2007 the patent expired, meaning other online retailers could use the same button on their site to boost online shopping experience and sales.

Amazon distribution centers have had issues from the beginning to today with their working conditions and the issue has been headlining the news from time to time. It is hard to say what is the exact state of the working conditions, since in January 2020 it was reported that Amazon has 110 active fulfilment centers in the United States and over 185 centers globally (Palmer & Rattner, 2020).

Amazon is known for being one of the biggest e-commerce marketplaces in the world. Nowadays, Amazon.com is also a place for entrepreneurs to make their living out of selling products online through Amazon. In 2018, Amazon.com represented 49% of the United States e-commerce market in 2018 (Capitalism.com, 2020.)

2.4 Difficulties of Amazon

As the biggest online marketplace in the world, it is almost natural to have problems and criticism directed to the company. However, criticism that is directed to Amazon is mainly considering serious violations towards working conditions e.g. underpaying employees and their privacy issues. It is fairly preposterous that Amazon's owner and

founder Jeff Bezos is one of the richest people in the world if not the richest, yet still employees suffer on the company that he built from nothing.

Amazon has also received criticism of tax avoidance and accused of building their profit maximization strategy around avoiding taxes. Willow (2019) states that tax avoidance was the "business strategy" that got Amazon where it is right now since in 1994 Bezos found a loophole of not having to collect sales taxes when selling online, when back in time only physical store sales needed to be reported to tax authorities.

According to Gardner (2018) in 2017 Amazon reported $5.6 billion of U.S. profits and did not pay even one dollar of federal income taxes on it. Amazon's financial statement suggests that multiple tax credits and tax breaks for executive stock options are responsible for zeroing out the company's tax on that specific year. Amazon's zero percent rate in 2017 reflects to a longer-term trend. During the years 2013-2017 Amazon reported U.S. profits of $8.2 billion and paid an effective federal income tax rate of 11.4 percent. This means that Amazon was able to shelter more than two-thirds of its profits from tax during that time period.

Amazon also got away with a fairly massive $789 million one-time tax break due to a corporate tax cut by Trump Administration's tax law in 2018. (Shafer, 2018.)

Amazon's tax avoidance also reaches across the bond, since in the UK Amazon only paid £4.6 million in taxes 2017, by channeling sales through Luxembourg which is known as a tax haven. Approximately 75% of Amazon United Kingdom's revenue in 2017, which is £6.88 billion of UK Sales was registered through their "tax haven" Luxembourg subsidiary. This brings Amazon's tax rate at 0,5% while leaving approximately £50 million of tax unaccounted for. (Willow, 2019.)

Probably the most known problem that Amazon has, is directed to warehouses. Even though finally in 2018 Amazon raised its minimum wage up to $15 per hour, the company received negative media attention for many years which was targeted to warehouse workers working conditions. Pay rise for new minimum wage was quite noticeable, since some warehouse workers earned $10 per hour before the change. This wage change touched 250,000 Amazon employees, including part-time and temporary employees in addition to 100,000 seasonal workers. Amazon UK also raised its minimum wages.

However, Amazon is not the only big company to struggle with a low paying reputation. E.g. Walmart and Target promised to take a look their minimum wage policy, while Walmart promising only $11 per hour. (Salinas, 2018.)

It is worth noticing that Amazon is an enormous employer in the United States and it was waited that they would fix the minimum wage issue. Although, minimum wage was not the only issue in this problematic warehouse case. According to Salinas (2018), employees are pushed to their absolute limits by setting way too high targets, subjecting workers to strict breaks, making the work environment terrifying and monitoring employees electronically. In Amazon warehouses, employees are monitored by electronic systems to ensure they are packing enough boxes every hour. (Kantor, Streitfeld, 2015)

2.5   Amazon.com as marketplace

Amazon.com is the largest platform in the world to sell different sorts of goods all over the globe. 2019 Amazon was the largest online retailer in the world by generating $280.5 billion in revenue. Approximately 350 million items are listed on Amazon, which is a lot of competition between sellers. Still, it means increased visibility, sales and quality, since the more competition the better the quality within the listings and on selling announcements. Currently, Amazon has 17 marketplaces: United States, United Kingdom, Germany, Japan, Canada, India, France, Italy, Mexico, Sweden, Australia, Singapore, Spain, Turkey, United Arab Emirates, China and Brazil. In 2019 Amazon.com had 45% of United States e-commerce spending and it was expected to grow up to 47% by the end of the year 2020. Approximately 50% of all sales made on Amazon Marketplace come from third-party sellers. (Dunne, 2020.)

In the graph below it is possible for one to observe that each full year from 2017 to 2019, Quarter 4 is the biggest quarter by the means of sales. From 2017 to 2019, each year sales increased 27% by average from Quarter 3 to Quarter 4.

Amazon Net Sales Worldwide 2017-2020

FIGURE 2: Amazon Net Sales Worldwide 2017-2020 (Dunne, 2020).

In the second graph below, annual net revenue of Amazon from 20014 to 2019 can be viewed (in billion U.S. dollars). From 2004 to 2010 growth was fairly steady compared to growth from the years 2010-2019. Amazon's net revenue continues to grow year-by-year as it can be seen below and it is forecasted that Amazon net revenue will continue growing also in 2020 and in the future as well.
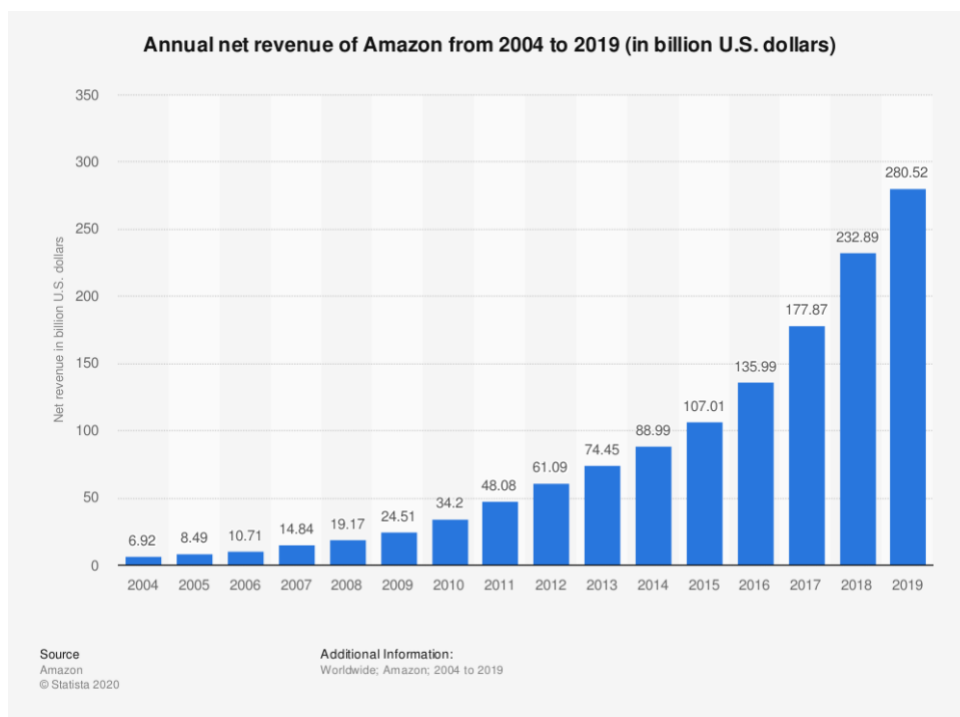
FIGURE 3: Annual Net Revenue of Amazon from 2004 to 2009. (Dunno, 2020.)

According to Dunno (2020), there are over 100 million Amazon Prime members around the world, which is more Prime member than non. Prime member typically spends over $1000 a year on Amazon. It is a great option to make one's good Prime eligible, considering that non-Prime member spend around $100 to $500 a year on Amazon and over 95 million American's have Prime membership. One of the biggest changes in shopping behaviour can be found at the home category. Before, customers tend to go to the local hardware store to get the tools or gear they needed, but now it is more common to order those goods from Amazon. With competitive prices or even lower prices, fast delivery, wide stock and customer loyalty programme (Prime membership) Amazon is able to compete and beat even the competition.

To support the grandeur of Amazon, every second Amazon records of $4722, when in each minute the amount is $283,000 and in every hour, it averages more than $17 million. In 2013 Amazon was down for 40 minutes and in that short span of time they lost approximately $5 million in sales. (Dunno, 2020.)

2.6 Selling on Amazon

There are multiple different ways to sell goods at the Amazon marketplace. Generally, these are called entry strategies and it is essential to have one, when entering the Amazon marketplace. Selling on Amazon differs from eBay, in a way that it is not just possible to list product to be sold as a person right away. Certain steps are needed before one can start selling on Amazon, which makes it more reliable. Amazon offers selling plans for people who are on their first steps to become Amazon sellers by offering two different plans, individual and professional. Individual seller plan is for sellers who are aiming to sell fewer than 40 units a month, still figuring out what to sell and is not planning to advertise or using advanced selling tools and it costs $0.99 per item sold in addition to additional fees which are usually ranging from $0.45 to $1.35 (Johnson, 2020a). Advertising and using advanced selling tools require time and immersion in the matter, therefore selling under 40 units a month won't quite cover the costs and the effort. Individual plan will get a new seller started, even though 40 units a month is a limit, but

one should not take success and selling for granted, to sell 40 units month it requires work, effort and often a lot of research to even get started. Profession plan, however, is for sellers that are planning to sell more than 40 units a month, wants to advertise products, are aiming to qualify for top placement products on different categories, wants to use or take advantage of different selling tools and reports and wants to sell in additional categories. One thing to mention here, only professional plan sellers can utilise free shipping option right next to their products when promoting their own product. The cost of a professional plan is $39.99 per month in addition to additional selling fees, which in this plan varies a lot. Professional sellers pay variable closing fees and referral fees ranging from 6% to 25% and on average of 13%. Professional plan does not include per item fee at all, as in individual seller plan (Johnson, 2020a).

2.6.1   Cost splitting between seller and Amazon

Variable closing fees, which are deducted from the end price of a sold good, varies on different categories. Same is for the Amazon Marketplace referral fee, it depends on the category. For example, if one sells automotive accessory on the marketplace, Amazon will deduct 12% of the revenue as referral fee. (Johnson, 2020a.)

Example is provided below with an individual selling plan. In this example, the book is sold for $15.99, shipping costs $3.99 and customer did not take gift wrapping. From this total selling price, Amazon subtracts $2.40 which is a 15% referral fee for books, $1.35 variable closing fee for books and $0.99 per sold item fee, since it is an individual selling plan. In the end, total merchant revenue for the sold book is $15.24. (Johnson, 2020a.)
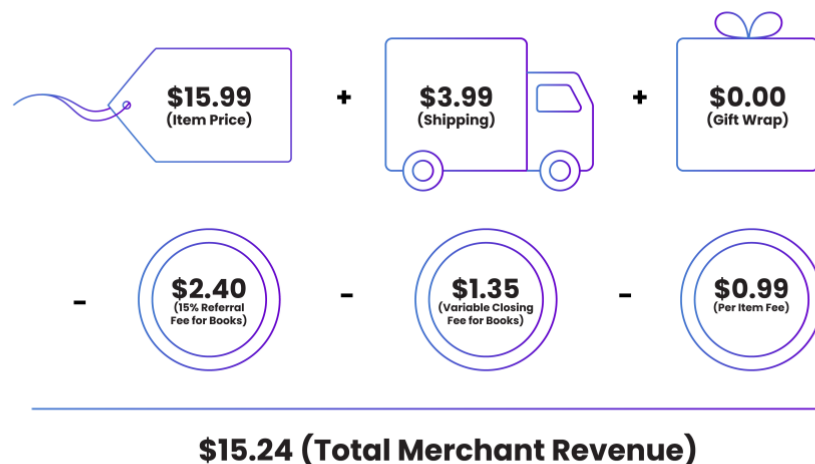

$15.99 (Item Price) + $3.99 (Shipping) + $0.00 (Gift Wrap)

− $2.40 (15% Referral Fee for Books) − $1.35 (Variable Closing Fee for Books) − $0.99 (Per Item Fee)

$15.24 (Total Merchant Revenue)

FIGURE 4: Example of revenue split between seller and Amazon (Johnson, 2020a)

2.6.2 Two different seller accounts on Amazon

There are two different types of Amazon seller accounts available, Amazon Vendors and Amazon Third Party (3P) sellers who use Amazon Seller Central. Amazon Vendor Central is an invite-only program for manufacturers and distributors. To make it simple, when using an Amazon Vendor selling central, it is selling to Amazon and not on Amazon. This means that Amazon has the ownership of sellers inventory which will be sold and advertised on the marketplace. By using this option, seller does not have to look after selling, marketing and pricing. Other benefits besides leaving the selling process and care for Amazon by using Vendor central that Amazon makes bulk purchases from the seller, which makes controlling inventory easier. Vendor central also opens up an inventory projection tool which is not available in the Seller central. (Johnson, 2020a.)

Amazon Selling Central is a platform for third party (3P) sellers to sell and list their products to Amazon marketplace. The seller will handle listing, pricing and marketing by themselves and with the Seller Central dashboard to organize and monitor inventory, pricing, reports, advertising among other things. This might sound a lot of work compared to Vendor Selling Central, but it adds up advantages also. Seller has better control of shipping, pricing and fulfillments and potential to get higher margins. In the fourth quarter of 2019, 53% of units were sold by third-party sellers who were using Seller Central. (Johnson, 2020a.)

There are a fair amount of benefits of using Amazon Seller Central. By having control over one's marketplace through Selling Central, it is easier to increase exposure, find new customers, increase sales and leverage marketplace benefits (Johnson, 2020a).

Vendor Central has flat rate of $39.99 per month for unlimited sales and Seller Central has basic Amazon seller fees which is mentioned in the previous sub-chapter.

2.6.3 Amazon shipping and fulfillment options

Amazon requires sellers to have UPC's (Unique Product Codes) which seller must have before shipping products. UPC applies in the United States while EAN (European Article Numbers or IAN International Article Numbers) stand within the European Union. These both, UPC and EAN, provides GTIN (Global Trade Item Number) which identifies individual products. However, it is to be remembered that this is not the barcode. GTIN's are a mixture of company prefix numbers and a unique product number in addition to checking digit that helps to ensure GTIN is created correctly (Johnson, 2020b.) It is critical to be sure that every item has globally unique number assigned.

It is required by Amazon that sellers need to register a GTIN with each product listing available on their marketplace. Sellers can get their legitimized UPC codes from GS1 or purchase them through reseller. However, Amazon can verify the authenticity of product UPC's by inspecting the GS1 (Global Standard 1, non-profit organisation that set the global standard for supply chain barcoding) database (Johnson, 2020). If the UPC's data does not meet the information provided by GS1, the item will be removed from Amazon and the seller suspended. That is why it is recommended to get the UPC's straight from the GS1 and not from resellers, even though they might end up selling them for cheaper. (Johnson, 2020b). Amazon is fairly strict when it comes to terms and policies from sellers' part so one must need to be up to date on them when selling on Amazon.

At first, Amazon seller has to decide between two options. Whether the seller handles the fulfilments on one's own products or the seller lets Amazon to handle the order by them. Fulfillment by Amazon (FBA) is an option where shipping, packing, storing and handling the customer service on behalf of Amazon. On Amazon Fulfilled by Merchant (FBM) seller is responsible for taking care of packing and shipping the products the seller sells on Amazon Marketplace. However, FMB does not give the option to sell and list products as "Prime" for membership members, when the FBA option offers that membership benefit.

Advantages and disadvantages of using FBA. One of the most crucial benefit of using FBA is that seller can delegate warehouse management and packaging including handling, shipping and picking the product to Amazon. Also, Amazon takes care of the customer service when the seller is using the FBA. FBA also offers the option to sell for

Prime Membership users who are likely to spend and buy more as mentioned in the previous chapter. For customers, FBA usually means faster shipping because Amazon handles the process as well as the customer service, which is open 24/7. However, FBA has fees. FBA charges fees based on item weight, handling fees, picking & packing and storage cost by square meter per feet. (Johnson, 2020b.)

It is to be remembered that seller do not have to use FBA for every product. It is common and suggested to Amazon's Revenue Calculator to see which products are profitable enough to use FBA.

Amazon Fulfillment impact sellers' margin for products and it affects the profitability, but by increasing total sales volume and exposure, FBA is likely to be a good investment on sellers own online store (Johnson, 2020b). It is possible that the seller does not get more or even the same amount of profit on an individual product, but when total sales improve, so does overall profit.

The other option, FMB, makes the seller responsible of the order customer makes. Seller handles the packing, shipping and picking of the product that is sold through Amazon Marketplace. Remarkable disadvantage is that FBM will not allow seller list products available for Prime Membership owners, meaning that item will not have the benefits of Prime Membership, such as Prime shipping, when customer buys the product. One advantage for seller using FMB can be avoiding fees that comes along with using FBA. When a seller is using FBM, Amazon will not charge the same fees as in the FBA option. However, this comes with a fairly large doubt. Seller has to comply with Amazon's Sellers rules by replying to customer support issues within 24 hours, provide tracking info and ship the product within the seller's stated time frame (Johnson, 2020b). This requires the seller to have dedication on dealing with rules mentioned above.

Despite of telling that there are only two options, nonetheless also the third option exists. Seller Fulfilled Prime (SFP). SFP is a combined, so called hybrid Amazon fulfilment option that enables seller to store, pack and ship products while allowing those items to be listed as "Prime" products, for Prime Membership users. SFP is the best from both options combined. Seller manages and lists products the same way as one would do with FBM, but products are allowed to have access to Prime customers. Seller cannot choose to use SFP straight away, it requires an invitation and trial period. Seller has to qualify

from trial a period that includes a minimum of 300 orders while maintaining high level of standards by obeying Amazon Seller rules. On top of this, cancellation rate of less than 1% and on-time shipment rating at least 99% and use of Buy Shipping Services for a minimum of 95% of the orders. (Johnson, 2020b.)

3 LAUNCHING PRODUCTS TO AMAZON MARKETPLACE

Amazoniin.fi has two different business lines for Amazon Marketplace, company's own product findings and assisting customer company to export their products to Amazon Marketplace. It is not necessarily easy to select products to sell on Amazon since it requires fairly much time spent on market analysis, researching the competitiveness of the field of market and making sure that the criteria's of the field of market are on line. This means, that when market analysis is performed, there is sort of a checklist to go through and by following that, it is easier to select products to sell on Amazon Marketplace. This varies depending on which of the two business models are used and it will be explained afterwards on the upcoming chapters.

3.1 Steps of searching, choosing and launching a product to Amazon

Launching a company's (Amazoniin.fi) own product to the Amazon Marketplace is a fairly long process. It starts with employee conducting a market analysis including product research with additional tools for Amazon, e.g. Helium10. With this tool, it is easy to analyse and search for the right product to sell on. What does the product researcher or market analyser (employee) look for when searching for a product? A simple, light (weights only around 100-400g) to keep Amazon fees low, price range of $10-40 because it is an easy price range to go for easy and impulsive purchase decisions. Low competition between similar products, meaning not too many listings overall, only few relevant competitors and this helps to get the company's own product finding to reach the front page of the category in the marketplace. Getting into the front page of a specific category is crucial, since the front page is usually where the buyer makes the definitive purchase decision. (Amazoniin.fi training session, 2020.)

3.1.1 Analysing the market

As mentioned in the previous chapter, analysing the current market situation is very important. Well and carefully done market analysis leads to better results, quality over quantity to a certain step in this case. By the help of an additional tool such as Helium10, it is easy to observe products and data that they produce. Helium10 is a software tool to

be used via web browser e.g. Google Chrome. These types of tools provide useful information and they are rather obligatory if one wants to succeed in the Amazon business.

3.1.2 Product research

To start with product research, it is essential to know what it is all about. Amazon Product Research is composed of analysing the market, its current and upcoming trends while searching for a product that has the possibility to generate a high number of sales. E.g. fidget spinner is a great example, at its early steps of becoming an incredibly famous product it was cheap to produce but it was possible to sell it for a competitive price with a good amount of profit. Of course, when it became even more famous, its popularity drove prices down and it was not necessarily a cost-effective product anymore.

In simple words, you need to go for products that will have a great opportunity, good demand, and yet below competitive (Nagaraj, 2019).

Product research can be divided into two categories, manual research and automated researching with tools. Researching with tools such as Helium10 as already mentioned, will make the research easier by providing the data and products from Amazon by simply adding a certain filters that the researcher wants to use.

For manual research method the first and best way to start is to check the best-sellers list. Researcher can get a hint of what kind of products are the most popular and best-selling right now and often it creates a thought process regarding finding one's own future "best-seller" product to sell on Amazon. It is possible to search products based on their categories & sub-categories which will assist product researching on selecting a niche for a product (Nagaraj, 2019).

Manual product idea research does not only limit on searching the idea from Amazon, but it can also be broadened to other selling platforms such as eBay's trending list, retail stores, browsing products from Pinterest, Wish, AliExpress, Instagram and Facebook just to name few.

Objective is to beat the competition and execute product listings better, meaning it is mandatory to acknowledge competitions weaknesses and even strengths on their listings. One criteria for selecting product to sell, is how well competition has listed their products and what is their status on the market. If it is total domination because of price and great listing, it is hard to try to beat them if there is no clear sign of weakness. However, if it is selling well with bad listing, product description and the price is not the lowest possible, it might be a good gap to compete. (Amazoniin.fi training session, 2020.)

Researching with tools makes product research faster, gives more options at time and is more effective overall. Manual research gives one option or category at time, for example best-selling products, or category automotive. With research tool, it is possible to see products from multiple categories and sub-categories, with certain decided limitations (filters) such as categories, price range, product size and so on.

Research tools can be thought of as all-in-all time saver for product researchers. Nonetheless, it needs to be remembered that it is easy to forget the relevance of manual research, when thinking of today's best-sellers and trendsetters. These cannot be found that fast by using a research tool, even though it is possible by changing the filters from the tool.

To be able to find a product that will be able to compete and sell well, market analyst or researcher must know the basic principles and tools of the process. Product research is the main task and the end result of successful market analysis. When conducting a product research, it is important to understand these basic guidelines: demand, revenue of the product, competition and the price. Market situation determines the price for the product, but it is crucial to count if it is profitable. Rule of thumb for this is to use four as multiplier to count the profit, for example if the product costs 20 dollars it is possible to pay a maximum of five dollars per item including shipping from the factory to Amazon warehouse. It is also essential to make decisions fairly fast, since Amazon's market conditions change rapidly meaning there is no additional time to stay still and wonder. If a product has a lot of competition, it means that it will also be more expensive to sell. Harder competition lifts up advertisement expenses and requires more effort from the seller. (Amazoniin.fi training session, 2020.)

3.1.3 Products to avoid

There are certain product categories that should be avoided when thinking of the product to sell. In practice, future seller should avoid products that are complex and include many moving parts or electricity for example. Categories and products to avoid: Electronics because of high competition, quality control and investing. All the products that go in and or one's body e.g., lotions, creams and foods. So called hazardous materials or dangerous goods (HazMat) products, are defined by Amazon as materials that might point risk to safety, health or the environment including flammable, pressurized or other ways harmful products. (Raehalme & Villand, 2020.)

It is better to avoid clothing and shoes categories. Both of these categories have a strict competition, individual branding and a humongous amount of options to choose from.

There is also a list of categories that requires permission from Amazon: Automotive and Powersports, Clothing, Accessories, Shoes, and Luggage, Collectible Books, Collectible Coins, Entertainment Collectibles, Fine Art, Fine Jewellery, Gift Cards, Grocery and Gourmet Foods, Kindle Accessories, Major Appliances, Sexual Wellness, Sports Collectibles, Textbook Rentals, Toys & Games (Holiday Guidelines), Video, DVD, and Blu-ray and Watches (Amazon Seller Central, 2020).

Few things to take on account when considering launching a product to Amazon Marketplace, avoid customising the product. It will take more time to get the product to Marketplace and it will be more expensive also. Quality issues, simple products have less flaws compared to products that has moving parts. (Raehalme & Villand, 2020.)

3.1.4 Choosing the product

Product choosing or searching, can be done with a few different ways as mentioned before, by searching a product with tool or by searching manually. This chapter and upcoming chapters handle the launching process and decision making in the decision making and launching phase.

As mentioned before, price has some restrictions. It is important to keep the product price the in range of from $15 to $50, because there lies the impulsive decision range (Nagaraj, 2019). Product being able to be an impulsive decision, it also has to be fairly easy to understand from the pictures and from the description. If it is not, more likely it is for the customer to not to buy the product or delay the purchase decision. The cheaper the product is, it needs less investments.

For better comprehension, few examples are provided below by Nagaraj (2019):

Example 1: Product is found to be sold for the price of $25 and can be sourced from China for $5. For sourcing 500 products it would require around $2500 investment at the beginning.

Example 2: Product is found to be sold for the price of $100 and can be sourced from China for $25. For sourcing 500 products it would require around $12,500 investment at the beginning.

The difference in these examples is quite big from the investment standpoint. Example 2 includes bigger risk because the inventory is more expensive and more likely these products are harder to sell.

For a product to be continuously profitable, it is good to sell around ten units per day and the better the average sale units per day is, the better the profits (Nagaraj, 2019). When one is selecting a product to sell, it is usually good to avoid products that are seasonal. Seasonal products do not provide steady profit, but only in peaks.

When searching for a product by using an assisting tool or manually searching, the number of searches per month for the keyword should be at least 1000 searches per month. If it is less than 1000 per month, it is most likely not going to sell well.

Nagaraj (2019) suggests that it is recommended to have 2-3 products with more than 50 reviews on the front page of the keyword search. If there are a lot of sellers with good amount of reviews (approx. 100 and more) it is hard to break in with a new product. Worth to mention, it is a good rule to avoid big brands. If there is already big brand or

brands competing in the keyword field, it is better to choose a product to sell that is less competitive or competitive with smaller brands or individuals.

3.1.5 Sourcing of the product

When the product to sell is chosen, it is time for sourcing. Sourcing a product is about finding the right supplier for a product by contacting factories and product producers and finding the right price and expenses. (Viirret, 2020.)

Sourcing, usually, can be done by utilising Chinese marketplaces such as Alibaba, DHGate and AliExpress or by knowing the right contacts to factories that produces goods. One of the most important thing to remember is quality control. If it is a custom product, it would be advised to order a test product before ordering a larger number of products to sell. Even if it is not a custom product, ordering test product might be recommended before ordering a large stock to sell.

Price of the order is often negotiated, and it needs to be agreed by using a contract. To make sure that quality is as expected, occasional sample tests are made from the actual order batch. As well as ordering samples of the product before making the final order for the products to sell. (Viirret, 2020.)

After the quality check is done and the quality matches expectations, one can proceed with the batch of goods that are to be sold. Amazon's FBA warehouse needs to have information about what kind of products are coming, how much of products the batch includes and how they are packaged (Viirret, 2020). This enables Amazon to update stock availability of the product. For the shipping, the seller must do shipping plans and guide the supplier for correct packaging to avoid any problems.

3.1.6 Planning of listing on Amazon

After the sourcing phase, product listing will be next on the list. Product listing is an important part of the product launch, since it will fairly determine how one's product will perform sales wise from the beginning. Product listing process includes altogether few processes as the most crucial ones being optimizing keyword analysis, analysing the competition in more depth and optimising product listing by inserting keywords to the listing and description meanwhile taking advantage of the algorithm which will help customers to find the product. (Viirret, 2020.)

There are certain qualifications that need to be taken into account when creating a product listing. It is important to capitalize the first letter of each word, spell out measure words e.g., Ounce, Inch and Pound, numbers should be numerals, do not list size in the title if it is not relevant and spell out and lowercase "and". There are also few things that should not be included, such as price and quantity, symbols (€, £, $), seller information, words e.g., "sale" and "best seller" and lastly but not least, do not write the title all caps. (Johnson, 2020.)

The most important thing is product pictures and their ability to be informative to the customers. Product pictures have to differentiate from the competition and evoke attention, since the idea of the right kind of product picture is to sell the feeling and emotion rather than the physical product (Viirret, 2020).

3.1.7 Marketing & advertising

Before the launch or even before the products have arrived at the warehouse, the listing has to be ready and advertisement campaigns including budgets planned beforehand. At the first stage advertising is relatively expensive, depending on the competitiveness, because it is important to get the product to stay on the front page and on the upper part of the result page to enable it to appear first when searching. This is affected by competitor's ability or willingness to advertise. The more competitors advertise, the more it is going to cost to advertise for each seller in that specific keyword field of business. In

other words, advertising at the very beginning, it is a bidding race between sellers. (Viirret, 2020.)

Depending on the possibilities, to boost good ranking for the product it is possible to do giveaway campaigns, discount codes and percentage discounts in both working days and on seasonal selling days such as holidays, Black Friday and Christmas. (Viirret, 2020.)

3.1.8 After product launch actions

When the product launch is live, work does not stop there. After launching the product, it is important that it is taken care of. Seller can check if there are other products available that could be sold under the same category, because if one product sells well it might boost sales on other products of that specific seller's brand. This process starts fairly fast if it is seen that the product starts generating a good number of sales. Marketing wise, it is possible to create automated campaigns for the specific keywords, which is controlled by Amazon's own algorithm, manual broad campaigns when seller selects few the most important keywords to campaign for and exact marketing is for one specific keyword which is usually the main keyword, or it can be keyword that is generating the most traffic to the product listing as well. Depending on the budget, some marketing campaigns can be changed depending how they perform throughout the campaign, the product might need more marketing or even less at some cases. Advertisement can be monitored and inspected by its conversion rate. Conversion is an action that is taken into account when a potential customer interacts with the advertisement, e.g., by clicking a banner advertisement and then takes an action (purchase) that is valuable for the business. (Quick, 2020). It is advised for seller to monitor conversion rate since it helps the seller to understand if marketing campaigns are performing well or not. There are multiple ways to track the performance of advertisement besides the one already mentioned, for example it is possible to check that are potential customers even seeing the advertisement, is it reaching the customers as the seller would like it to do. It is possible to do external advertising, such as Facebook advertisements to guide potential customer traffic to the Amazon product listing. (Viirret, 2021.)

3.2 Phases of launching customers product to Amazon Marketplace

Compared to launching a company's own product to the Amazon marketplace, this is fairly simpler to do. However, it does not mean it is easier to sell better. When a company (Amazoniin.fi) is launching a customer company's already made, fully ready product to the Amazon marketplace it contains somewhat the same elements as a company launching their own product finding to the Amazon marketplace. It comprises of market analysis where competitive situation in a specific field of business is studied, checking the sales volume of how much competitors are selling and of course comparing a customer company's product to a product that already exists in the Amazon marketplace. Product listing, copywriting and product photos are done within the same guidelines as for Amazoniin.fi's own product.

There are different ways to get customers involved for this process. The company gets inquiries through various channels, from their own contacts, on their website it is possible to find contact form to get in touch, company also uses an automatic calling robot which contacts Finnish companies by calling them and inquiring if they are interested on selling their products on Amazon, if they do a salesperson will contact them and continue from that. In addition, once in a while Amazoniin.fi hosts a webinar which contains useful information e.g., how to take products to Amazon Sweden or How to conquer new market areas with the help of Amazon (Amazoniin.fi, 2020). These webinars collect curious potential customer companies into one place and some of them become customers afterwards. (Viirret, 2021.)

3.2.1 Market analysis

This market research and analysis differentiates compared to launching a company's own product to the Amazon marketplace. When doing market analysis for a company's own product, it is important to try and find a niche to occupy. While analysing the market for customer product, it is a little bit different. First step is searching if the customer product will fit the Amazon marketplace. After market research, market analysis is to be done. A broad market analysis includes information of how much could the product sell for, what kind of products competition sells, what is the price range and evaluation is made to make

sure if that specific product has potential to sell great on the marketplace. After the analysis phase, customer is informed that if it is recommended to sell on Amazon or not. (Kaila, 2021.)

3.2.2 Reasons for not proceeding with customers product

Not all of the products fit to the Amazon marketplace, even though the product is high standard quality and made in Finland, or it has sold well on the Finnish market. The product itself can be really good, but if there is no demand on Amazon marketplace, it cannot be sold.

Few reasons that are popular to overturn the project: price range, product has no demand, or the market is too competitive. Worth noticing e.g., it is not possible to sell high quality products for $20 if competitors are already on the market with $5 prices. More often than not Amazon marketplace does not have interest in Finnish design, Finnish quality or handmade products. Customer's products are usually more expensive compared to company's own products, more expensive to buy in and too expensive to sell out also but overall, the quality is on point because they are made in Finland. (Kaila, 2021.)

3.2.3 Launch process

After the market analysis phase if a customer wants to proceed to the market and it seems profitable, a contract is negotiated. The launch process of a customer's product is fairly similar compared to launching their own product. The product listing, copywriting and product photos are done within the same guidelines as launching own product.

To refresh one's memory, as it was said in the previous chapter, product listing is a crucial part of the selling process. Product listing fairly determines if the product is going to succeed or not from the beginning. The process of product listing includes a few steps such as optimizing keyword analysis, competition analysis in more depth manner and optimizing product listing by inserting keywords to the listing. This is to take advantage of the marketplace's algorithm and it helps the product to appear better in results. It is very essential to execute product pictures really well. Product pictures and their informativity to the customers are in key role. It is important that product pictures

differentiate from competition and creates attention, because it is about selling the right kind of feeling and emotion rather than just the physical product. Customer company have to send products to Amazon's warehouse by themselves, meaning that Amazoniin.fi will help and guide the customer through the sending process. Usually, a customer company has a contract with a supplier or courier and sometimes this slows down the whole launching process. This is not the optimal situation, since if the whole process slows down, the market situation on Amazon marketplace can change meanwhile due to its rapid changing environment. (Viirret, 2020.)

Sometimes, customers want to do their product listings and product pictures themselves. This might occur to a problem that it is not optimised at all for Amazon's marketplace. Even though the product pictures are well thought and professional, sometimes they do not meet Amazon criteria's and are not aimed to marketplace directly leading to lacking specific informativity in pictures and not optimised product listing with hidden keywords. When Amazoniin.fi does the product pictures and product listing on behalf of customer, professional and optimised end results is guaranteed which gives an advantage compared to competition which might not have the professional knowledge about selling in Amazon. (Kaila, 2021.)

3.2.4 Marketing & advertising

Same marketing and advertising patterns go for customer company products as well as for the company's own products. When a marketing campaign is done for a customer company's product, marketing plan and budgeting has been done beforehand. First the budget is made and based on the budget marketing campaign is planned. Marketing at first when launching the product can be quite expensive, depending on the competitiveness of the market. Price of advertisements also consists of competition's ability to advertise their products, the more competition, the more the advertisements costs.

It is possible to boost up the ranking of the product by doing giveaway campaigns and discount codes. These work essentially well during holiday times and on Black Friday for example.

3.2.5   After the product launch actions

When the product is live on the marketplace, it is discussed with the customer that how they want it to be advertised and what the product price should be. Of course, these things have been talked about before, but Amazon marketplace is a constantly changing world. Seller has to know the changes and current trends that are going on at that moment. Before going live with the product, there is a fairly clear understanding of the price between Amazoniin.fi and the customer company. Sometimes product pricing needs to be changed, or marketing campaign might require more funds to use in order to be as successful as possible because of the competitiveness, but this rarely happens. This relies heavily on the customer company's marketing budget meaning it is fairly possible that there is no possibility to add funds for marketing campaign. Usually, Amazoniin.fi can quite freely create campaigns because they have the expertise and professionalism to do it, but it is not always possible as mentioned before. (Kaila, 2021.)

External marketing, potential customer guiding to Amazon product listing, can also be utilized. For example, Facebook and Instagram advertisements are great ways to guide potential customers to the Amazon Marketplace product listing.

4   EXAMPLE PRODUCT LAUNCHES BY AMAZONIIN.FI

Both examples, Amazoniin.fi's own product and their customer company products are fairly the same from the example point of view. They do not include huge differences here, but it is important to absorb an idea of both launching ways. Deeper analysis will be provided in the upcoming chapter later on.

4.1   Launching their own product

The product in question is Amazoniin.fi's own product launch. For reference and more in depth understanding, example product will be provided below. Different phases of launching a product mentioned in the few previous chapters, the whole process applies to this product as well. This product, Retractable stool – Lightweight Portable Folding Stool, is sold at Amazon Marketplace under a brand called Silginnes. Link to the product can be found here: https://www.amazon.com/dp/B08G4W9X1J?ref= myi_title_dp. This example is provided in chronological order.

For the product searching, searching tool called Helium10 was used. Criterion's for the search included profit, competitions, ability to differentiate and estimated sales volume.

After finding the right product to proceed with, it was time for sourcing the product. Before sourcing, it is important to do market analysis about the product and its attributes including wishes or improvements that end product users would like to see to make customers fully satisfied. Depending on the demand's customers have, it is time to search for the right supplier. To be able to find the right supplier, it was needed to compare suppliers. Comparison can be done by comparing supplier's extent of product offering and prices, for example. Essential was to find the supplier that has the best offer for minimum size order and that has the best production capacity. Sometimes it might be that the product is unique or customisable, which makes it hard to find the right supplier. If it is customisable or unique product, it is possible to use the company's own sourcing agents on the recipient country (China). For this product it was possible to find the right supplier from China with favourable conditions.

Price can be negotiated with the supplier. Quality of the product was be checked by ordering sample products from the supplier and the quality was also checked by doing

occasional inspections from the actual selling batch. If there would have been issues with the quality, the factory would have been asked to repair the product and if needed new sample products could have been ordered.

When the samples came and the quality was on point, it was possible to proceed with the selling patch. Amazon's warehouse has to have information about the product, so it is possible to ensure stock availability for the customer. Amazon requires information about what is the product, how many goods are arriving and in what kind of package the goods will arrive. Also, the seller has to do a shipping plan for the product and guide the supplier towards the right kind of packaging.

After these mentioned steps are completed, listing the product on Amazon is planned. Essential for the product to sell well in the beginning is keyword analysis in the listing, more accurate inspection of competition and optimising product name and product listing to be ideal for the Amazon algorithm. For this product, main keywords can be found from the product name: Silginnes Retractable stool – Lightweight Portable Folding Stools for Adults and Kids – Best for Camping Stool, Travel Chair, Fishing, Hiking, BBQs and Gardening – Collapsible Stool (Black). The whole product name includes words that are crucial to be able to sell well and every word is planned and set carefully into the product name. In addition to embedding keywords to description, this is utilising Amazon algorithm.

If it is necessary to name one and most crucial part of the process, it is product pictures and their informativity. Product pictures ability to remove potential customers' doubts and fears by using the right kind of picture and feeling is a key element for success. For this product also, pictures are informative and it leaves customer with no doubt. It is about selling the right feeling and idea instead of the physical product. Main product picture has to be different and attention-provoking compared to competitors.

Before product launch and even before the product have arrived on Amazon warehouse, the whole product listing had to be ready and advertisement campaigns including budgets needed to be ready. When a product is online, at first it is fairly expensive to advertise if competition is tough. As mentioned before, it is important to get the product to appear on top of the page and within the first products in the search results. The cost of the whole product marketing depends on competition and it is a bidding race at the beginning, who

wants the first place the most. Of course, marketing is included in the budget which is made earlier and those lines cannot be crossed for financial reasons. Throughout the selling period, it is possible to do giveaways and discount codes. It is also worth mentioning, keyword-based advertisements will be budgeted separately. (Viirret, 2020.)

On below, one can see examples of well executed main product picture, informative product picture and clear product listing.

Example of informative main product picture. It includes the product and how it can be carried. Easy, simple and effective. Main product picture can be seen on the result page on top of the product name.

FIGURE 5: Main product picture of Silginnes portable stool.

Below is an example of informative product picture. This picture is second product picture, which can be seen when the product page is opened. Well executed informative product picture include clear and simple instructions including pictures.

FIGURE 6: Informative product picture of Silginnes portable stool.

Below, example of clear product listing. First sentence is written with uppercase letters to gain attention from the potential customer, combined with s distinguishable symbol in front of each sentence.

FIGURE 7: Silginnes portable stool product listing.

4.2   Launching a customer company's product

The product in this example is a selected product from Amazon.com marketplace, however, this is not Amazoniin.fi's customer company's product due to publishing permission restrictions. To provide a broader understanding of the launching process, example product of "customer company" will be presented below. Example product in this case is Candle Making Kit, it is sold on Amazon Marketplace under DINGPAI brand. Link to the product: https://www.amazon.com/Supplies-Candles-Including-Pouring-Sticker/dp/B07XR5C9PX/ref=sr_1_5?crid=YZQ5KCMNM5UH&dchild=1&keywords =candle+making+kit&qid=1612167941&sprefix=candle+%2Caps%2C302&sr=8-5. The example below is provided in chronological order. Reminder, this is an example product and not Amazoniin.fi's customer company's actual product.

To getting started with a customer company, at first either interested company gets in contact with the service provider company and it is possible through various channels. Amazoniin.fi has salespeople reaching out for companies which have products that could be suitable for selling on Amazon. Another option is that Amazoniin.fi's calling robot get in touch with Finnish companies and companies can show interest through this automated cold calling system. If the company shows interest, Amazoniin.fi's salespeople will contact them.

Market analysis is conducted for the product customer company want to sell on Amazon. The market analysis is based on Amazon's data, the relation between demand and supply and of course for opportunity to make profit. Product listing, copywrite and product pictures are after market analysis, these are done the same way and within the same guidelines as it would be done with the company's own product launching. (Amazoniin.fi, 2021.) Product listing and keyword analysis are crucial in order for the product to sell well and appear on top of the keyword search. Main keywords are included in the product title and almost every word in it has an important meaning in the sense of potential customers to find the product. Also embedding words into product listing is important, because of Amazon's algorithm.

Product pictures are essential for the product to differentiate from the competition. Product pictures needs to be informative and clear, especially the main product picture.

If product pictures are able to leave customer in no doubt, it is successful. Main product picture has to be different and attention-provoking compared to competitors.

Competing is tough on the Amazon marketplace and that is why the importance of marketing campaign cannot be underestimated. At the beginning, it is quite a bidding war between competitors and that is why it is important to differentiate from other sellers. When it is about a customers product, marketing campaigns are planned in lines with the marketing budget. Also, external marketing campaigns or advertisements are made to guide potential customers to the Amazon listing. For example, Facebook and Instagram advertisements are popular.

On below, one can see example of well executed main product picture, informative product picture and clear product listing. Main product picture below is informative, clear and indicating the including of the package.

FIGURE 8: Kandle Making Kit.

On below, one can see informative product picture. It informs customers how the product could be used and even gives hint how it could be used for in case it would be unclear. This picture is fifth picture on the listing.

FIGURE 9: Informative candle making kit picture.

Lastly, below one can see a clear product listing. First sentence is written with uppercase letters to gain attention and make it look clear. It includes hidden keywords to gain attention through the Amazon algorithm, in order the product to appear on multiple keyword search pages.

- UPDATED VERSION/HIGH QUALITY & SAVING YOUR TIME CANDLE MAKE POURING POT: Size 5.1inch*3.9inch* 3.6inch, Use 304 stainless steel instead of iron, strong rust resistance, high temperature and corrosion resistance., Capacity: 31oz/900ml. You can use this large pot to melt more and make more candles at one time. Perfectly fit sauce pans and smaller pots, It also meets the standard of food grade, so it can be used boiling coffee, ideal for melting butter, cheese, caramel, chocolate, candy, candle wax
- CANDLE WICKS: ECO-FRIENDLY 100% cotton. Measures 5.1 inch in length and base 0.5inch/12.5 mm in diameter. Our wax will burn clean and non-toxic, no lead and zinc so there's no bad smell during burning. With superb processing technology, no black smoking and burning stability when lit.
- SOY WAX AND SPOON: The wax have 12.4OZ will burn clean and smooth – without any worry of the unhealthy chemicals found in traditional paraffin wax. Unlike other wax who add unhealthy minerals to their wax, we use only plant-based additives that are naturally found in the environment. The spoon is 304 stainless steel, measures 7 inch in length, small and exquisite, square spoon head edge round, delicate handle and comfortable grip.
- EASY OPERATION : Soy Wax Making Kit just use simple tools to complete the seemingly complex candle production process and make your own candles as you like. Whether you're a beginner or professional, this DIY candle making kit makes are easy for you DIY your own homemade candles. Enjoy DIY with the kids to make your weekend become happy and meaningful.
- QUALITY GUARANTEE : Good quality of candle DIY tools helps you make the candles by yourself more easily. With humanize return policy. Value for money guaranteed, if you are not Satisfied with your Purchase for Any Reason, you can contact us for a free replacement or 100% MONEY BACK GUARANTEE.

FIGURE 10: Example of clear product listing.

5   LAUNCHING ANALYSIS

To start off the analysis, it is safe to say that both launches might look kind of similar from the spectators view. However, it is not like that. Both product launching ways have their own attributes and somewhat own paths to go from the thought process until the very first product is sold. Both launching ways include micro actions which leads to a certain outcome. For example, time management is easier to execute on one compared to another.

Base information for this analysis is taken from previous chapters of this thesis and also by interviewing Amazoniin.fi's contact person and operations manager Katariina Viirret, and marketing manager & salesperson Jasmin Kaila.

Purpose of launching comparison is to point out main differences between both ways, by utilizing existing information in addition to researcher own conclusions and recommendations.

Main development point is targeted towards the customer company product's launch process. The process includes a few unknown scenarios, which could be enhanced by improving time management by reducing additional waiting time due to asking permissions to change things, due to external communication between the Amazoniin.fi and customer company.

5.1   Comparing launching an own product to launching customers product

It cannot be said which one of these two launching models is more attractive for business or for profit. One can assume that launching one's own product findings is less time consuming compared to launching a customer company's product. There is no data available for this, or any given facts but when considered that customer company, for sure, have other things to do also. In addition, customers are unexperienced with Amazon and being experienced in this field of business speeds up the process quite a lot.

If seller has a great idea, an idea that hits the right niche of the Amazon marketplace and seller is willing to work it on their own, it can be assumed that it is faster rather than customer company's product path to launch. This is because when company

(Amazoniin.fi) is working with their own products, the process flows better since then there is only one company and only one factory or manufacturer on a business cooperation. Also, when company is preparing to launch their own product it is easy to estimate and decide the order size and how big of a product batch is sent to Amazon warehouse. One essential perk for company's own product is that they are able to try different marketing campaigns without restrictions compared to customer's product when there is certain, usually strict, marketing budget than cannot be exceed.

On the other hand, customer product is usually already tested on the local market and the product is well made and working well, including quality assurances. Then there is no need to prototype and test product orders as when company sells their own products. It is significant difference between testing a new totally new product a while, or that the product has already been tested on the market by hundreds of customers. Another advantage for customer's product is that quality is good and there is not time used for searching the right product and then do the testing phase. (Viirret, 2021.)

Customer's launch lacks the ability to launch fast, because under terms and conditions it might be harder to know certain things. For example, it is a business secret how much does manufacturing cost for the company per product and same applies with profit. So, this creates a problem for marketing, which is really expensive at the beginning when it is pursued to get the product to be seen on the front page of the keyword search. Marketing is more limited and it cannot be done as freely as one would hope because of business secrets e.g., profit margin, manufacturing costs. Everything has to be done within common guidelines, since marketing can be more limited, it is possible that it effects on sales results. With more quantity of advertisements, it is possible to achieve better sales in the Amazon Marketplace at the beginning at least. (Viirret, 2021.) All this creates a small problem around marketing and sales and on how to optimize both.

At the delivery phase since Amazoniin.fi has the ability, experience and knowledge to estimate the timeline of launch, estimate the number of products that are safe to ship to the Amazon warehouse so the product storage would be optimized at Amazon marketplace, not to have too many products, or too few at the storage. When launching their own product, it is easier because they have to communicate mainly internally, but when the customer is in question, everything from the number of products to the timeframe of the launch needs to be agreed and it takes time. This is crucial, because the

Amazon market is constantly changing environment and if launching takes a lot of time, it might get harder and harder to succeed in the specific market.

According to Viirret (2021), if it is a customer product in question it might take a fairly long time if some certificates are needed for the product. E.g., Amazon wants certificates for products that relates to eating or something that is applied on skin. By these certificates Amazon wants to ensure that the product is safe and it can be sold without risks. Customer itself has to apply for certificates and that can be time consuming, which slows the whole launching process. It is for sure that customer launching process can be a bit slower process compared to launching an own product, because launching customers product includes matters that only the customer company can handle due to terms and conditions. Also, customer company has to deliver products to Amazon warehouse by themselves, which can lead to a delay for the launching process. Amazoniin.fi provides assistance for this but cannot ship products on behalf of customer. It is good to remember that every launch has different time lapse and almost no launch is the same.

5.2   Conclusion and recommendations

Although both product launching ways include a lot of positive things, one may argue that launching and finding own products is more time consuming and efficient. Nonetheless, when dealing with customer company, it includes fairly less questions that are solved just throughout the launching journey.

When comparing these launches, one could argue that efficiency, profit and time consumption are key parts for reaching any results regarding of which one of the launches is more potential than the other. In this case, no certain data of profit difference between these two launches could be found since it is a business secret. Even though no data was available, given all the information gathered from the interviews and trusted sources of the internet, it can be seen that it is well researched method to be a seller on Amazon marketplace. However, not that much information could be found of this specific kind of launch type where a company will export or sell their customer company's products on Amazon marketplace in lieu of that customer company selling product the by themselves

on Amazon marketplace. Nevertheless, lack of available broad information through the internet, selling customer companies products does not downgrade its value.

The Amazon industry is a fairly fast paced marketplace, which requires adaptation and optimisation by the seller. When Amazoniin.fi is selling their own products, it opens up opportunities to explore and try out new strategies, for example marketing optimisation is easier, since communication is internal and the product is their own. Company knows the product best and they are in charge of making changes if needed. Whereas with customer company product, pretty much every change needs to be negotiated or at least ensure that the change is fine. All in all, everything that consumes time and meanwhile does not improve the product or sales, is not optimal or efficient.

By observing the information given and researched, focusing on launching and developing company's own products and brands on Amazon could be benefitting Amazoniin.fi more. One problematic aspect can be found, when inspecting the launch of a customer's product. When research was conducted of both launches, it was noticed that that customer product launch included more vague situations and unanswered questions, for example product's unknown profit margin which leads to difficulties at some level, e.g. if marketing strategy needs to be modified because of rapidly changing Amazon marketplace environment and marketing strategy is tied into overall budget, so it is challenging or might be impossible to even make significant improvements or changes.

Something that one could find problematic is possibly wasted time after product launch, if few strategic changes are needed to be done. Optimising the product listing, changing product pictures or even changing the marketing strategy takes time, and since communication is done externally, it might delay changes and in the worst case scenario market situation has changed in the meantime already.

Amazoniin.fi's own product selling process is already heavily optimised by using Helium10 as Amazon sales tool and according to Infinitefba.com (2021) Helium10 is the best all in one Amazon sales software, which provides every needed feature to be as precise as possible. As the researcher has personal experience of using this tool, it is truly effective and simple to use all in one software.

There is no specific theoretical theory to support recommendations mentioned throughout the thesis, however there is enough theoretical theory to support the fact that Amazoniin.fi

has already optimised their own product launch process on visibly successful levels and only recommendations for that are internal. From researcher's empirical experience, fairly many product findings are not along the guidelines that are set for the product research phase. This leads to the point that those findings are rejected and that consumes valuable time when the amount of rejectable product findings are repeated.

6 DISCUSSION

Based on the nature of this thesis, which is process description with a unique topic, naturally few challenges appeared throughout the process. Overall the company's launching processes seemed to be fairly optimised and advanced with few places of improvement here and there, mostly on the customer's product launching process.

Main things of this research were to produce a process description of both launching processes, with some additional recommendations and analysis if improvement ideas came up. As mentioned before, not much of theoretical support could be found to improve processes, even though few ideas for improvement could be found from researcher's own experiences through the internship period at the company.

Given the complex nature of the unique thesis topic, reaching to enough theoretical information in this case was a little bit problematic. Especially when a customer company's launching process is taken into viewing, it is safe to say that finding a lot of supporting theoretical information was hard to succeed at.

Challenges for the thesis besides utilising theoretical sources for the customer company's launching process was definitely the thesis type itself. Through the information that was gathered it was a little bit hard to seek for many recommendations for the company's own product launching process, even though that indicates that company is doing it well. Another challenge for the thesis was the scarcity of trustworthy theoretical sources in the form of articles, news and literature. Amazon market changes rapidly, so some of the literature or articles were outdated.

Communication between the researcher and Amazoniin.fi's contact person was effortless, even though understandably relatively small but growing company has its own growing pains and they are in a hurry. Occasionally gathering information through interviews via e-mail or phone were a little bit slow and both ends could have been better at that.

Overall, the goal of the thesis was achieved and the end result was successful.

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