

# 3 Things to Consider Before Owning an Amazon FBA Business

With the right approach, you can see extremely lucrative results.

When you think of [ecommerce](#), chances are [Amazon](#) will pop up in your mind.

With [9.5 million Amazon sellers globally and 73% of sellers using FBA \(Fulfillment by Amazon\)](#), there's no doubt that joining this lucrative market in 2022 is a phenomenal idea. After all, [major aggregators](#) have invested billions of dollars from institutional investors to acquire Amazon FBA businesses and sell them for a profit, consequently expanding their portfolio.

Whether you're thinking about starting your own Amazon FBA business from scratch or purchasing an existing one, here are three critical things to consider before owning an FBA business.

## Ensure you have a unique selling proposition

In a saturated, competitive marketplace like [Amazon](#), you want to ensure that your product has a USP (unique selling proposition). Ideally, you want to sell a product that you thoroughly understand, and even better, are passionate about.

Ask yourself these questions: Will it sell? How will it bring value to my customers? Others are doing the same –how can I do it even *better*?

Begin by studying your competitors. Read product reviews, understand their products and come up with a strategy that will give you an edge. For example, [SEO](#) (search engine optimization) can influence Amazon's algorithm to favor your products, thus allowing your business to rank higher.

By displaying the right quality images, using high-ranking keywords and maximizing your product title and description, you can help drive views to your businesses and increase sales.

Whatever your product of choice is, ensure that it has a good product margin, as this will allow your FBA business to be profitable.

Think big: How would a person in your industry of choice sell? Aim to be the leading force in that industry and sell well. This can look like offering [seasonal](#) promotions whereas your competitors don't, implementing generous refund policies or positioning yourself as a business

owner who's socially conscious by handpicking the best quality products with ethical labor practices.

## Partner with the right suppliers

A reliable supplier means a thriving business. Sourcing the right manufacturers and suppliers will not only help you conquer the marketplace, but will also allow you to grow a reputable company.

It's important to assess and consider all factors that play a role in choosing the right supplier, like supply-chain disruptions from labor, local Covid restrictions that can impact the movement of goods and employees, location-specific operating circumstances like power outages and weather, and the geo-political climate of a specific region.

Gauge the financial stability of the supplier you're interested in and read testimonials from previous business owners that have worked with the supplier. A [good supplier](#) has excellent customer-service skills and great delivery performance.

Weigh the pros and cons of choosing a supplier: Choosing a domestic supplier can mean faster shipping, whereas an international supplier may come with delayed times and higher shipping costs.

## Prioritize scalability

An opportunity for growth should be the driving force that influences you to own an [Amazon FBA business](#) – that's why choosing the *right* product in a specific niche is crucial to driving sales and expanding your business.

For example, if you only sell adult clothing, you can add clothes for children as well.

Consider scaling in a private label, where you'll have products specifically manufactured for your business with your company logo, or purchasing in bulk by working with a wholesale supplier.

Another lucrative way to grow your FBA company is by expanding your Amazon business to international marketplaces. With Amazon [growing its FBA capacity](#) worldwide by increasing its distribution centers by 50%, there's no better time to expand your business internationally. Currently, [Amazon supports 17 marketplaces that allow FBA sellers to list and sell](#).

When it comes to owning an Amazon FBA business, there are many factors to consider, as the list is exhaustive. By considering these top three crucial steps, you're well on your way to running a lucrative FBA business.