



JungleScout

The State of the Amazon Seller 2020

About the Report

About Jungle Scout

Jungle Scout is the leading all-in-one tool for selling on Amazon, with the mission of providing powerful data and insights to help entrepreneurs and brands grow successful Amazon businesses.

Using the data

We encourage you to explore Jungle Scout's State of the Amazon Seller Report, and to share, reference, and publish the findings with attribution to "Jungle Scout" and a [link to this page](#).

For more information, specific data requests or media assets, or to reach the report's authors, please contact us at press@junglescout.com.



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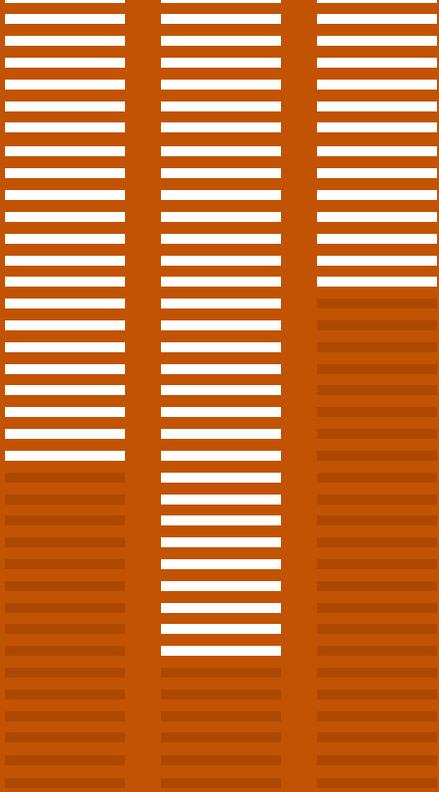
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About Amazon Sellers

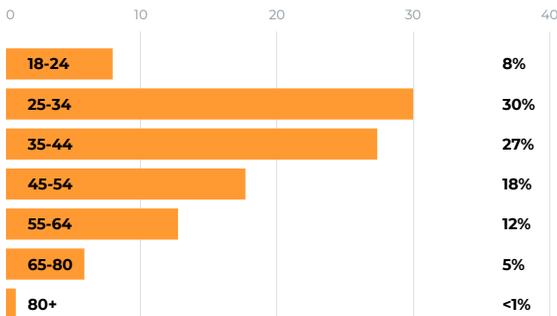
Who is the Amazon seller?

There is no single type of Amazon seller. People of varying skill sets, backgrounds, and interests can find success on Amazon.

In fact, respondents represent men and women of every age from 18 to 80+ and across more than 90 countries. Some are students looking to pay off debt; others are launching businesses to create the job they've always dreamed about while working a full-time job; many are retailers extending their ecommerce reach. All are seeking to leverage the power of Amazon to help accomplish their goals.

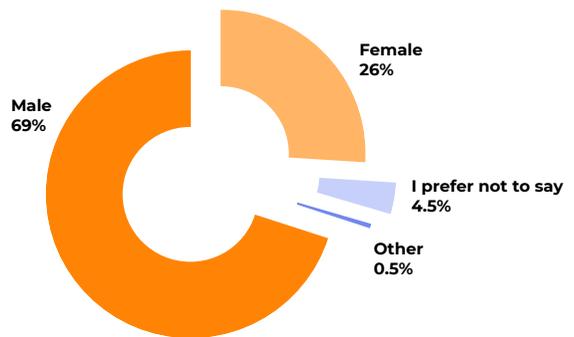
Age

While the majority of Amazon sellers (57%) are between 25 and 44 years old, more than a third of sellers (35%) are over age 45.



Gender

Males account for 7 out of 10 Amazon sellers.



How do male and female Amazon sellers differ?

Men

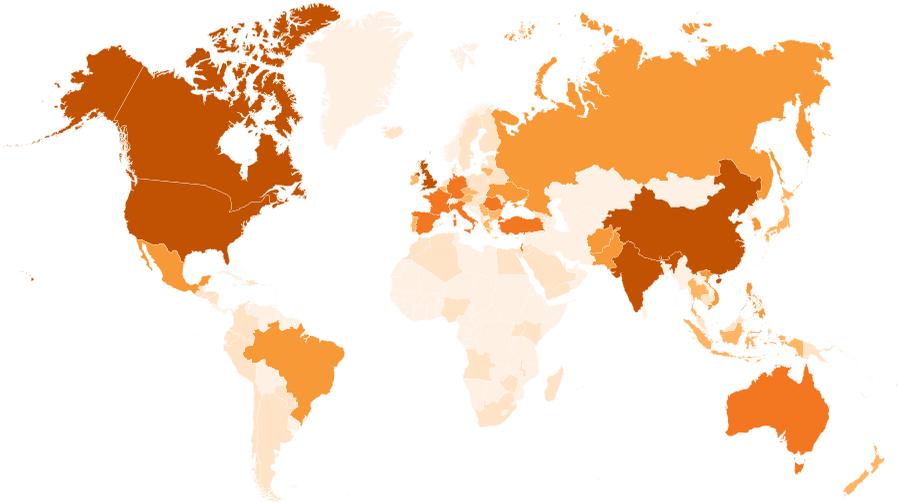
- Men spend more time managing their Amazon business than women.
- Men are much more likely to engage in "black hat" tactics than women.
- Men are more likely to use the private label business model than women.
- More men say their Amazon businesses are profitable overall, but an equal amount of women and men have profit margins exceeding 25%.

Women

- Women start selling on Amazon with less money than men, and women get their Amazon business up and running much faster than men.
- Women who sell on Amazon are often older than men who sell on Amazon.
- Women are more likely to try different e-commerce platforms.
- Women are more likely to employ retail and online arbitrage business models than men

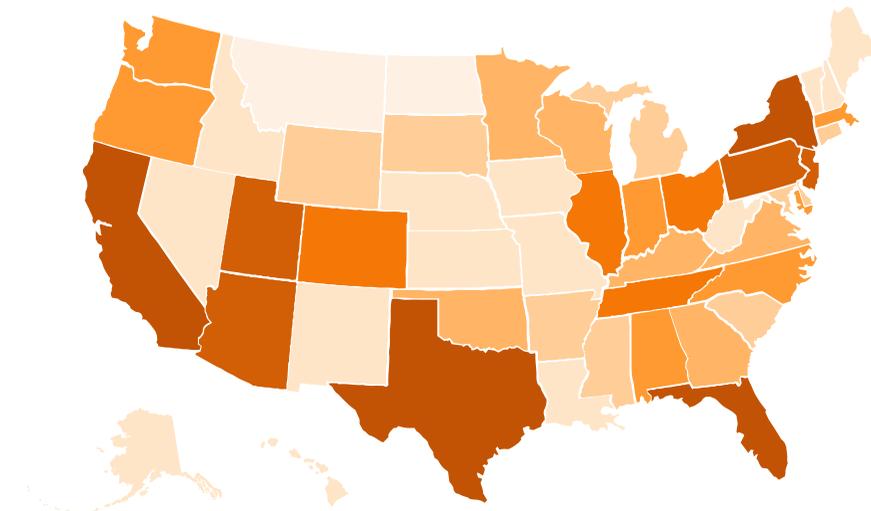
Location

Although Amazon sellers are based in 93 different countries, more than half of them reside in the U.S.



52%	United States
8%	China
7%	United Kingdom
5%	Canada
4%	India
3%	Israel
2%	Australia
2%	Germany
2%	Spain
1%	France
1%	Italy
1%	Turkey
1%	Romania
11%	All other countries

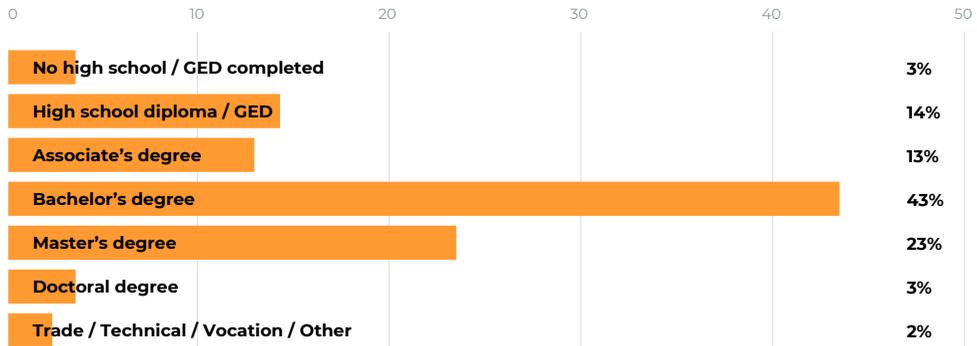
Within the U.S., most Amazon sellers are based in:



18%	California
11%	Florida
8%	Texas
6%	New York
5%	New Jersey
4%	Arizona
3%	Utah
3%	Washington
3%	Pennsylvania
3%	Illinois
3%	Ohio
2%	Colorado
2%	Tennessee
2%	North Carolina
2%	Indiana
2%	Oregon
2%	Kentucky
2%	Virginia
1%	Alabama
1%	Georgia
1%	Massachusetts
1%	Minnesota
1%	Oklahoma
1%	Wisconsin
1%	Maryland
1%	Michigan
1%	South Carolina
1%	Connecticut
9%	All other states

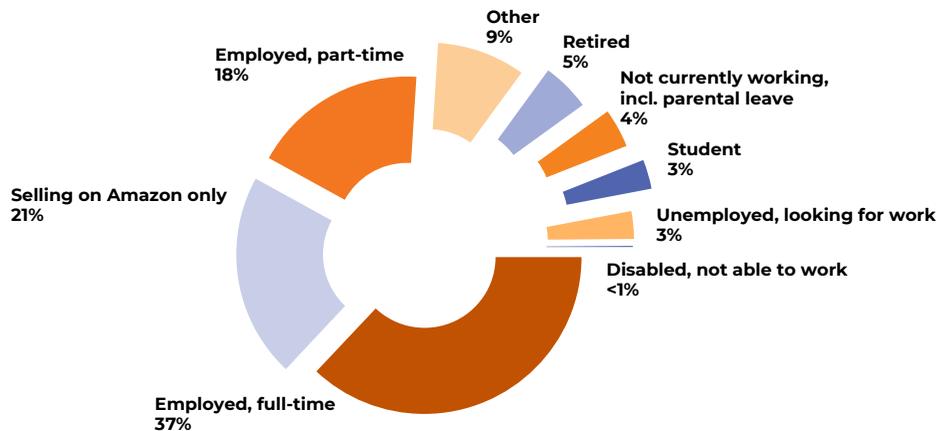
Education (highest level achieved)

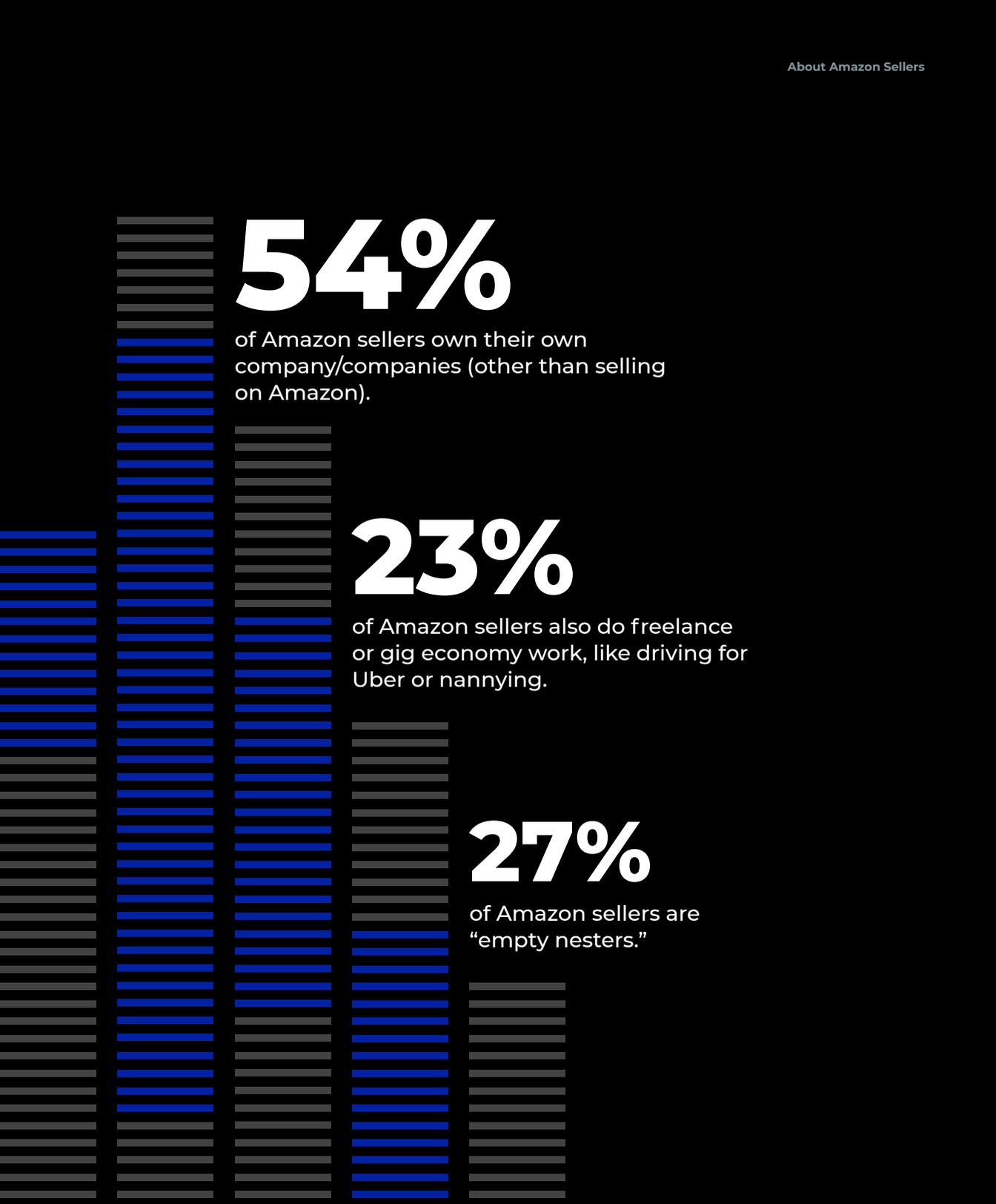
Sellers are largely educated. The majority (68%) have a bachelor's degree or higher; more than a quarter (26% have master's or higher). Still, sellers prove they don't need higher formal education to build careers selling on Amazon; 14% have a high school diploma/GED, and 3% have no high school or higher education.



Employment status

More than half of Amazon sellers (54%) have other work outside their Amazon businesses; in fact, 37% have full-time jobs (40+ hours per week). More than a third (37%) of sellers earn income from Amazon sales alone.





54%

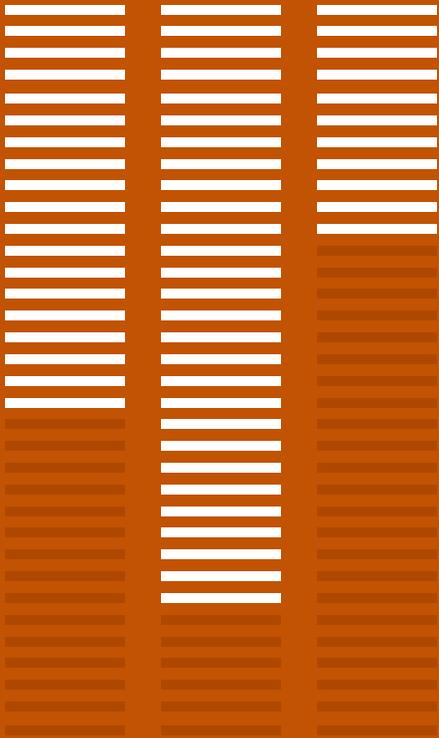
of Amazon sellers own their own company/companies (other than selling on Amazon).

23%

of Amazon sellers also do freelance or gig economy work, like driving for Uber or nannying.

27%

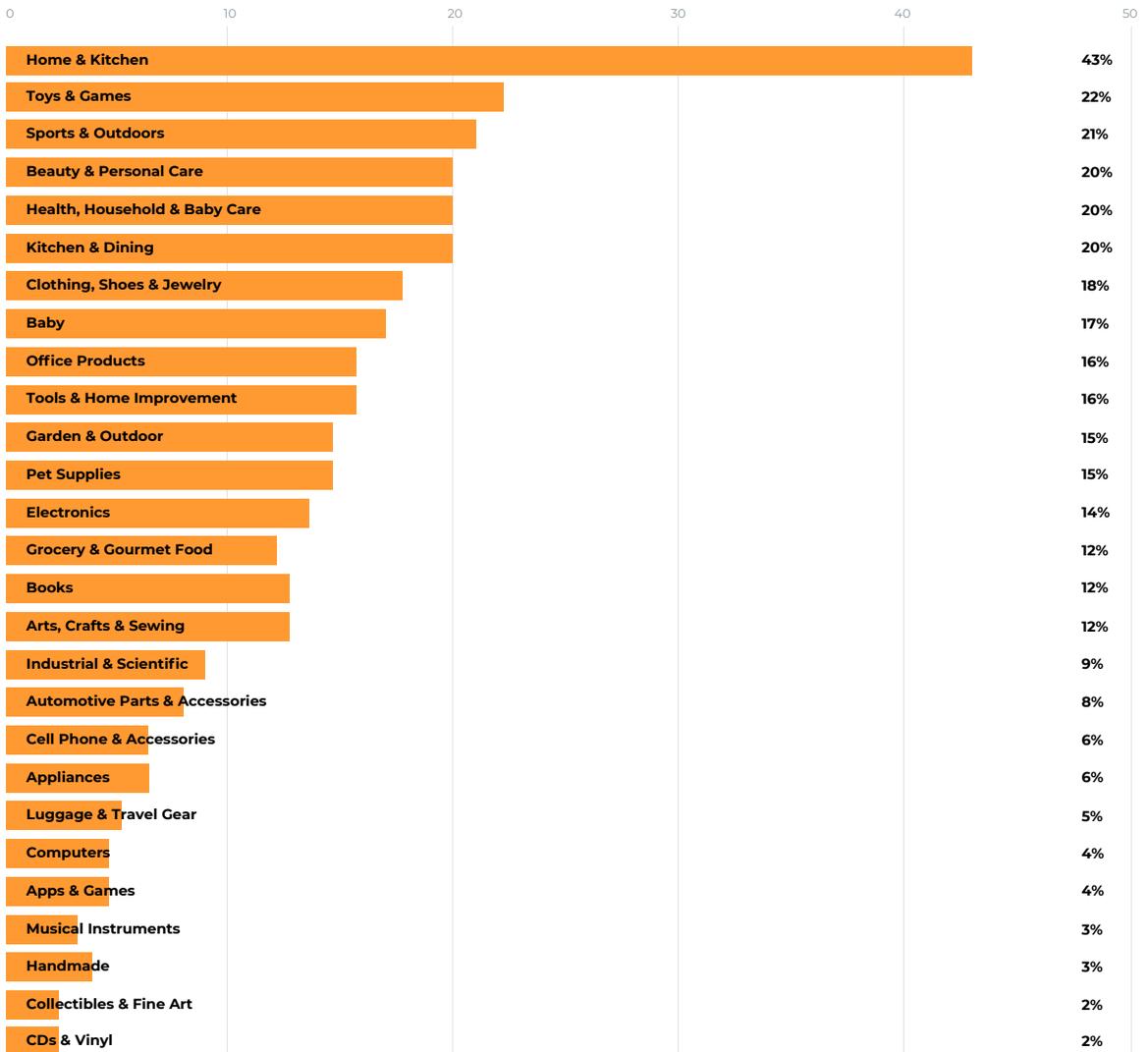
of Amazon sellers are “empty nesters.”



About Amazon Businesses

How do Amazon sellers run their businesses?

Most popular Amazon product categories to sell in:

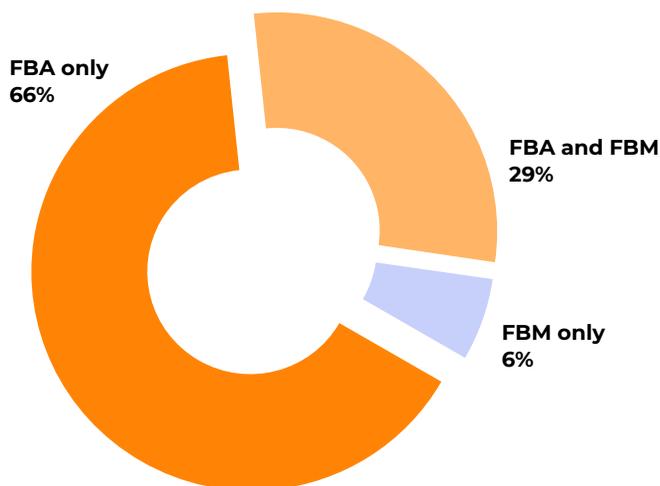


*Sellers could select multiple

Amazon Fulfillment Method

Fulfillment by Amazon (FBA): A method of selling on Amazon in which a seller (or a seller's supplier) sends their products directly to Amazon's warehouses. Amazon then stores the inventory and ships it directly to the customer (often through 2-day Prime shipping) and manages customer support

Fulfillment by Merchant (FBM): A method of selling on Amazon in which a seller lists their products on Amazon, but manages all storage, shipping, and customer support themselves (or through another third party).



FBA vs. FBM: What are the key differences between Amazon fulfillment methods?

FBA (Fulfillment by Amazon)

- FBA sellers are heavily focused on private label sales, while FBM sellers engage in other sales models at much higher rates.
- FBA sellers spent more money to launch their Amazon businesses than FBM sellers.
- FBA sellers had fewer challenges optimizing their listings, running promotions for their products, and managing their finances than FBM sellers.

FBM (Fulfillment by Merchant)

- FBM sellers launched their Amazon businesses faster than FBA sellers
- FBM sellers have far more product listings on Amazon than FBA sellers.
- FBM sellers cited higher profit margins and greater lifetime profits than FBA sellers.

Amazon Business Model

Private label: sellers create own product label/brand

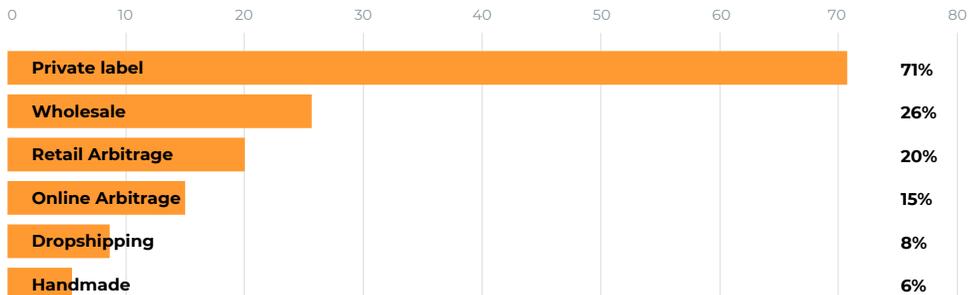
Wholesale: sellers buying products directly from a brand or from distributors with extra stock in order to sell on Amazon

Retail Arbitrage: sellers buying discounted products through retailers to sell on Amazon

Online Arbitrage: sellers buying discounted products online to sell on Amazon

Dropshipping: sellers buying products directly from a manufacturer who fulfills the order and ships directly to the customer

Handmade: sellers creating/crafting own products to sell on Amazon



*Sellers could select multiple

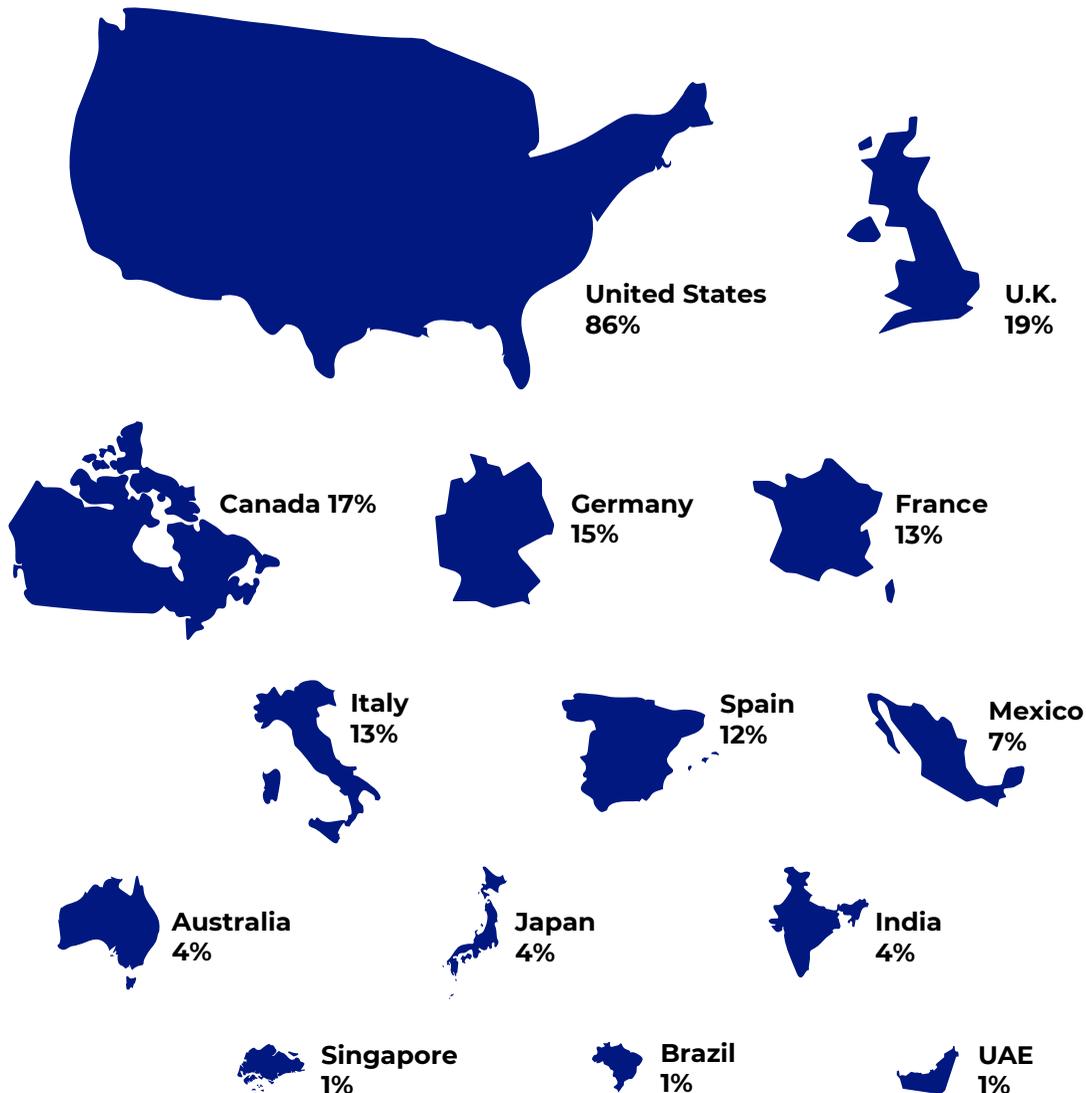
Which Amazon business model is most profitable?

The business models with the highest profit margins (upwards of 25%) are:

1. Handmade: 28% have profit margins above 25%
2. Private label: 21%
3. Online arbitrage: 20%
4. Retail arbitrage: 20%
5. Wholesale: 15%
6. Dropshipping: 13%

Amazon Marketplaces

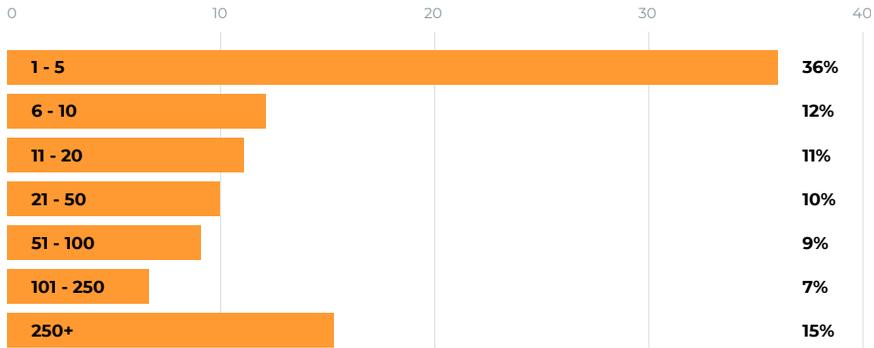
Among Amazon's 14 global marketplaces, the majority of Amazon sellers surveyed operate in the U.S. marketplace. Still, many sellers operate in multiple global marketplaces simultaneously.



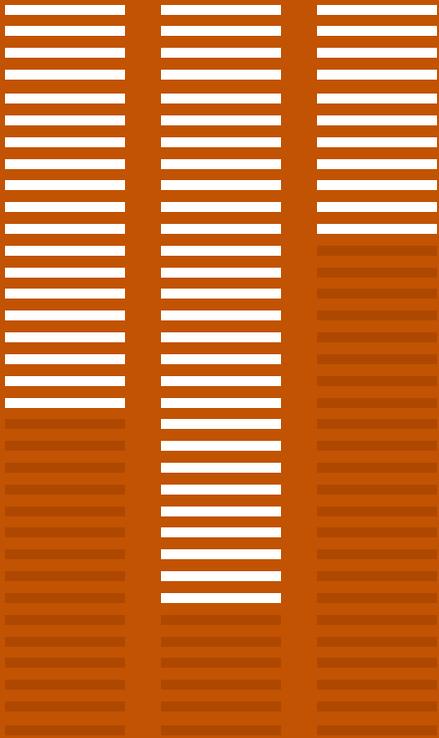
*Sellers could select multiple

Product Volume

More than a third of sellers (36%) have no more than 5 active products listed on Amazon. On the other hand, one in five (21%) has 100 products or more.



*Products with multiple variations selling on the same listing considered as 1 product

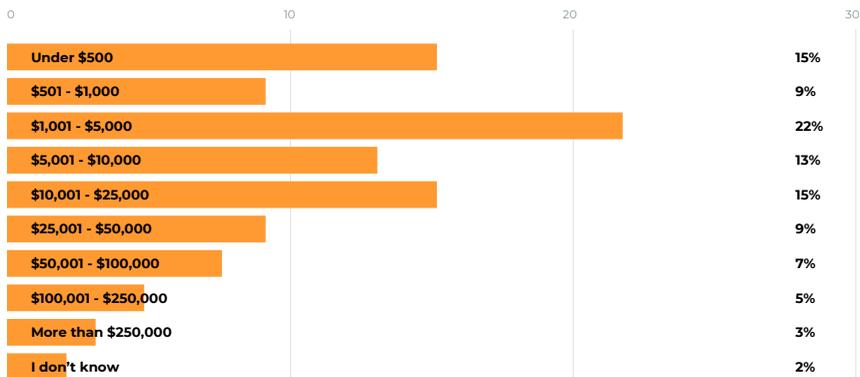


About Amazon Sales & Profits

How much money Amazon sellers make

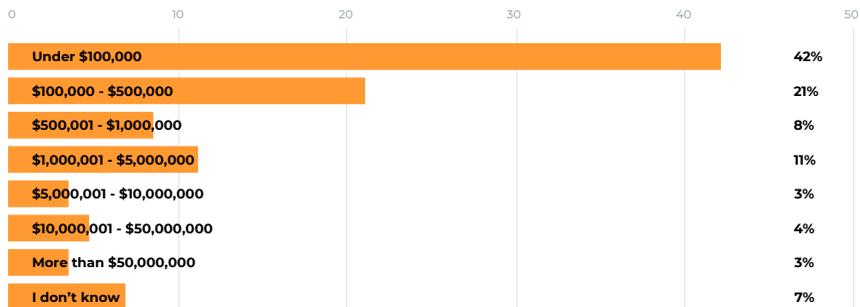
Average Monthly Sales

Nearly 3/4 of Amazon sellers (74%) earn more than \$1K/month in sales. A substantial 39% see more than \$10K/month in sales. Only 24% see less than \$1K/month.



Lifetime Amazon Sales to Date

More than half of sellers (50%) have reached lifetime sales of more than \$100,000, and 22% have exceeded \$1 million in lifetime sales.

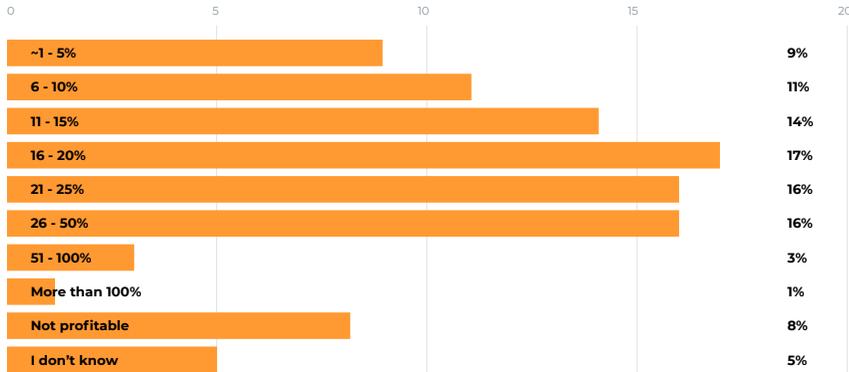


Profit Margin

The higher the profit margin, the better, but small companies often struggle to achieve profitability at all in their first few years. Contrastingly, Amazon sellers see relatively high profit margins.

Two-thirds of sellers (67%) see profit margins higher than 10%. Better still, 36% see profit margins above 20%. On the other hand, 8% said their business is not yet profitable.

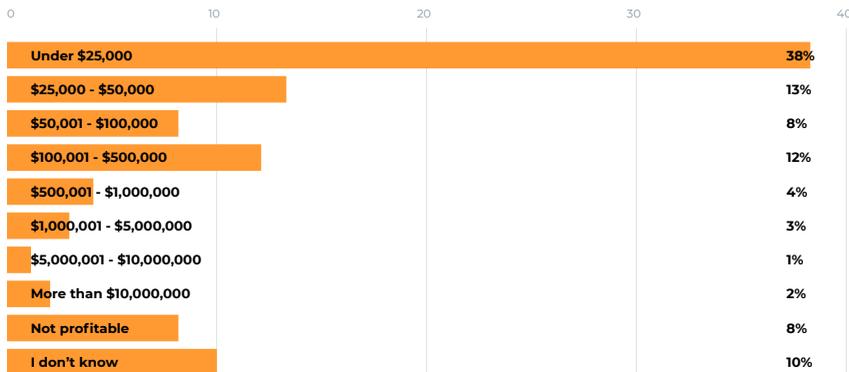
61%
of sellers say their Amazon **profits increased** during 2019.



Lifetime Profits to Date

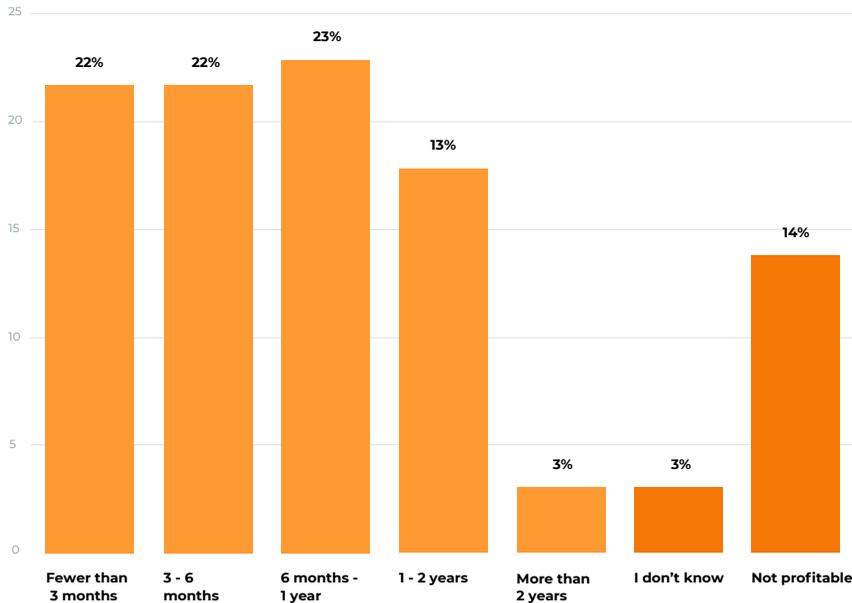
A large number of Amazon sellers (43%) have seen lifetime profits of more than \$25,000 and 5% are millionaires from their Amazon businesses alone.

86%
of Amazon Sellers are profitable.



Amount of Time It Takes Amazon Sellers to Turn a Profit

Two-thirds of sellers (67%) were profitable within a year, and nearly all within two years — with the exception of 14% who are not profitable to date.

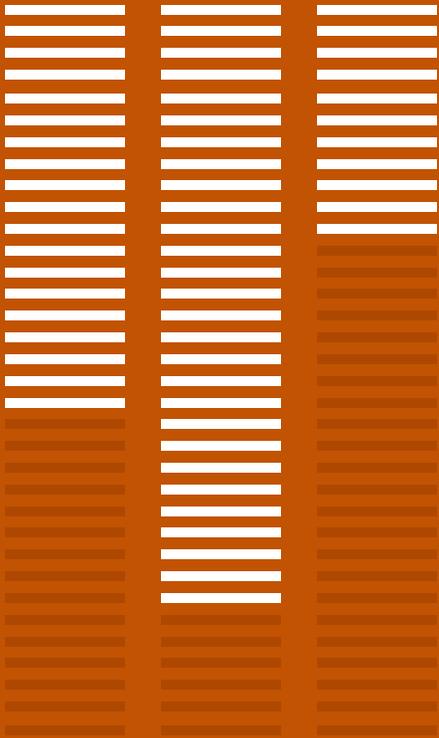


85%

of sellers agree: selling on Amazon takes effort and intent — it's **not** a “get rich quick” tactic.

Million-dollar Amazon sellers: What do they have in common?

- Compared to the average seller, million-dollar sellers **spent roughly the same amount** of money to launch their Amazon businesses. However, million-dollar sellers got started selling faster. Nearly half 46% **launched a product within 6 weeks**, compared to 35% of all sellers.
- Volume is a key to success for million-dollar sellers: **59% have more than 50 listings** on Amazon, compared to 31% of all sellers with as many.
- 74% of million-dollar sellers use the **private label sales method**.
- Million-dollar sellers cite fewer challenges **finding profitable products** to sell and running promotions for their products than all sellers, but they have more challenges **managing their expenses and inventory**.

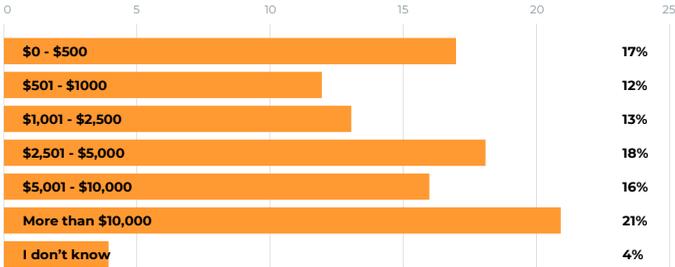


What It Takes to Sell on Amazon

Money, Time, Motivation

Amount of Money It Takes Amazon Sellers to Start a Business

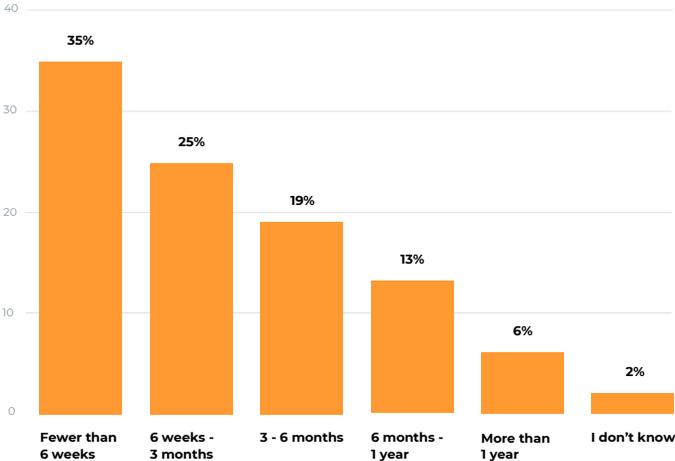
Most sellers (59%) spent under \$5,000 to launch their business on Amazon — including the cost of inventory, fees, and promotion — and 28% spent no more than \$1,000.



Amount of Time It Takes Amazon Sellers to Start a Business

From first efforts to a live product listing, the majority of sellers (60%) got their Amazon businesses up and running within just 3 months. 79% were within 6 months, and 92% within 1 year.

60%
of sellers say their current Amazon business is their **first experience** as a web entrepreneur.

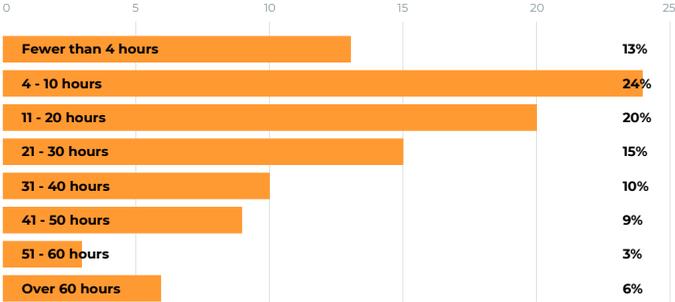


38%
of sellers have a **business partner(s)** for their Amazon business.

Amount of Time Sellers Spend Each Week on Their Amazon Business

Overall, sellers don't need to spend a lot of time on their Amazon businesses to be successful. Most (57%) spend fewer than 20 hours per week doing so, and 13% spend just over 30 minutes each day.

Only 18% spend a full 40-hour work week's worth of time or more on their Amazon business.



Why People Got Started Selling on Amazon

43%

New form of employment or income stream to replace current

41%

Flexibility to work anywhere/travel

24%

Curious to try selling

20%

To add a sales channel to existing business

18%

To earn extra money on top of existing job/income

16%

To earn extra money for luxury or extraneous expenses

14%

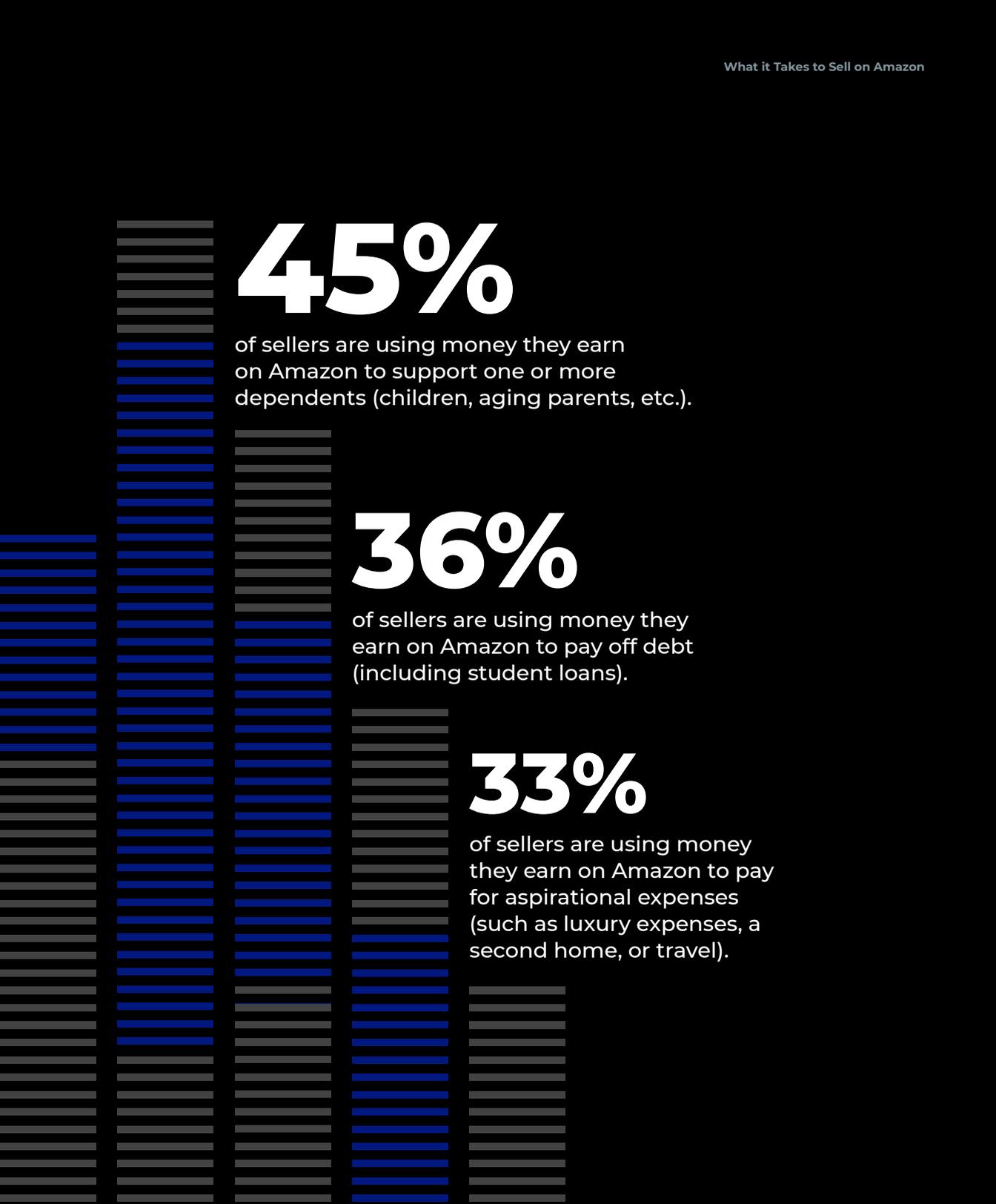
Disliked job and wanted change

14%

Had little/no income and wanted to earn money

10%

Interested in exploring as a hobby



45%

of sellers are using money they earn on Amazon to support one or more dependents (children, aging parents, etc.).

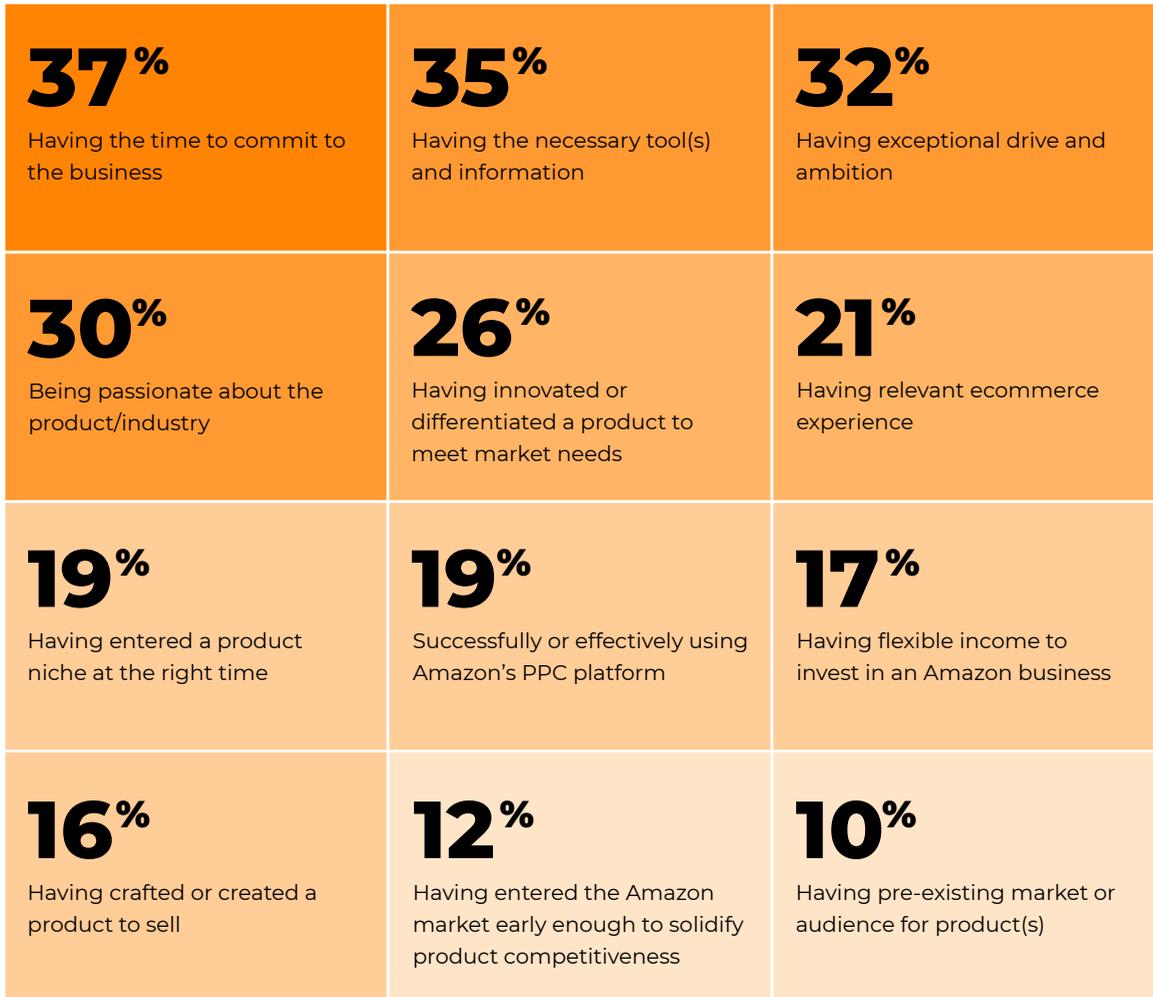
36%

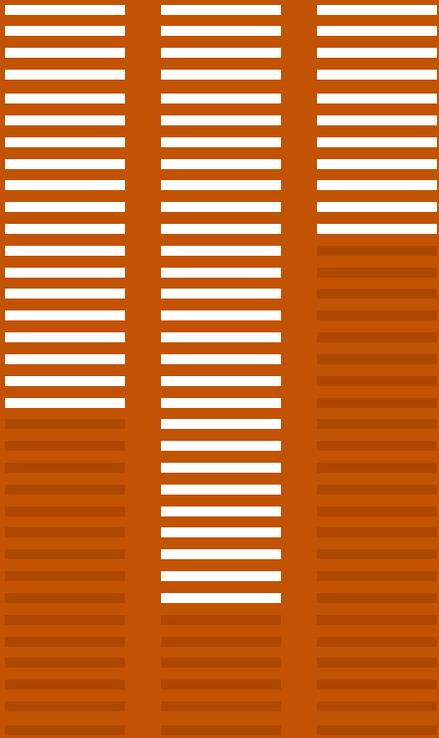
of sellers are using money they earn on Amazon to pay off debt (including student loans).

33%

of sellers are using money they earn on Amazon to pay for aspirational expenses (such as luxury expenses, a second home, or travel).

What makes a successful Amazon seller?





Selling on Amazon in 2020

Seller Plans & Goals

Top 10 ways Amazon sellers plan to grow their businesses in 2020

97%
of Amazon sellers plan to expand their business in 2020.

54%

Expand existing brand line with new products

48%

Launch new products (that are unrelated to current products or brands)

46%

Focus on optimizing current product listings

41%

Focus on getting more ratings and reviews

39%

Spend more money on strategic advertising (including PPC)

36%

Sell in new Amazon markets

32%

Sell on other online channels/ecommerce platforms

23%

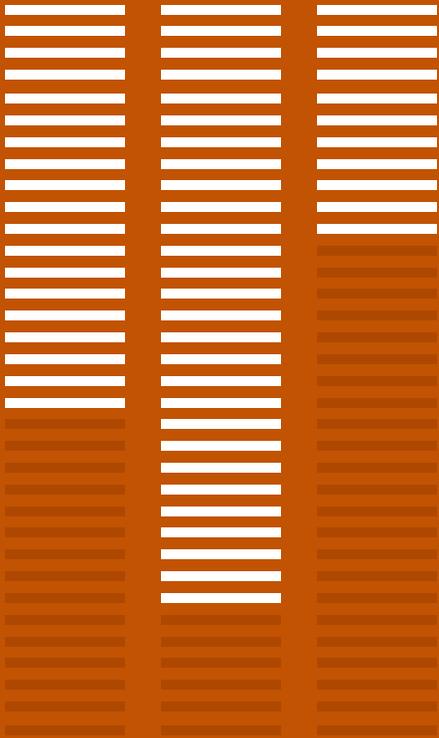
Invest in an Amazon selling tool/software solution

19%

Launch an ecommerce store

16%

Help existing companies get their products on Amazon



Doing Business with Amazon

Working with Corporate Amazon: Pros & Cons

Pros

92% of Amazon sellers plan to continue selling on Amazon in 2020.

And it's clear why. Compared to other small businesses, Amazon sellers are twice as likely to be profitable. Selling on Amazon also gives people the flexibility to work from anywhere in the world, and sellers can put as much or as little effort into their business as they like.

- 80% wish they had started selling on Amazon sooner.
- 72% are optimistic that selling on Amazon will be a viable way to make money online in the future.

Cons

While Amazon sellers overwhelmingly state their confidence in Amazon and plan to continue selling on the platform in 2020 and beyond, many also expressed concerns around the power of Amazon.

Rising costs and fees on Amazon

- 78% of sellers are concerned about increasing ad costs on Amazon.
- 66% of sellers are concerned about continuing to need more capital to sell competitively on Amazon.

Competing with Amazon itself

- 58% of sellers say Amazon has made it harder for them to compete in their product category in the past year.
- 53% say Amazon sells its own products that directly compete with the seller's.

Security and “black hat” sellers

- 66% of sellers are concerned about hijackers/copycats on their listings.
- 46% of sellers are concerned about Amazon protecting their privacy and security.

Amazon Seller Support

- 76% of sellers are concerned about Amazon limiting or shutting down their account and/or listings seemingly abruptly or without reason.
- 64% have experienced poor seller support from Amazon.



86%

of Amazon sellers think Amazon is a good company for consumers but only 58% of Amazon sellers think Amazon is a good company for sellers.

16% of Amazon sellers admit to engaging in “black hat” tactics to help their Amazon business.

Fewer than half of sellers (45%) say, if given the right opportunity, they would work for Amazon.

China & global market competition

Competing with China

- 68% of sellers are concerned about Chinese suppliers selling their/similar products at lower costs.
- 53% of sellers are concerned about being squeezed out as the “middle man” between suppliers (most of which are in China) and consumers.

Tariffs

- 57% of sellers are concerned about the impact of tariffs on goods from China.
- Nearly half of Amazon sellers (47%) have had to pay more for their products due to higher tariffs on goods from China, and 34% of sellers have passed on those increases to their customers.



Methodology

Between November 14 and December 10, 2019, Jungle Scout surveyed 1,046 experienced Amazon sellers who have more than a year of selling experience and at least one live product listing

Respondents represent 93 countries, all 14 Amazon marketplaces, and all relevant Amazon product categories. They are ages from 18 to 80+, as well as all genders and levels of education.