A clever and unobvious 3-step method to sell on Amazon that is low risk and highly scalable



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A quick word before we begin.

Originally, this report was written before the COVID-19 pandemic disrupted the world literally overnight. As such, the message of this report – building a recession proof passive income business – has actually become a lot more urgent and relevant than it was before.

The reality is that our world looks very different now than it did just weeks ago. Things that seemed so sure before seem a lot less sure now.

You see, the idea of building a business that can generate passive income has always felt more like a 'nice to have' path to financial freedom, to escape the 9-5 grind, but now it has become almost a necessity. With the number of people losing jobs day by day, and more and more turning online, the challenges we all face are greater than ever before.

But every challenge has an opportunity inside it. And this crisis is no different.

If there was ever a time to build your online business, it is now.

In this report, you will discover why the reverse sourcing amazon business is one of the best ways to generate true passive income today.

Is it the absolute best way to start an online business? Well it's not the only one. There's certainly other models that can work, however this is one that does offer as close to true passive income as possible if you do it right.

Here's living proof that this method works – 421 regular people have generated a combined total of US \$510,397,441 (that's more than half a billion dollars!) using the very same method in this report.

One of the reasons for their success is that the method eliminates one of the major obstacles in online marketing, namely traffic generation.

You see, with this model,

Traffic is no longer an issue

There are many benefits to this model, but the one that I love most is that you don't ever need to worry about traffic.

If you've been in the online game long enough, you'll know that traffic is the lifeblood for any online business. It is also the factor that presents a problem for people starting any online business. It is the one piece of the puzzle that is always holding people back.

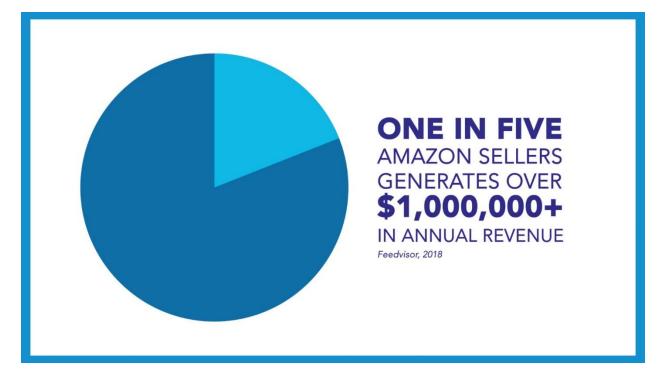
Well, with the reverse sourcing amazon model, this is not an issue anymore. Once you set it up, it will run by itself, traffic will come, you just sit back and see the sales roll in.

The reason for this?

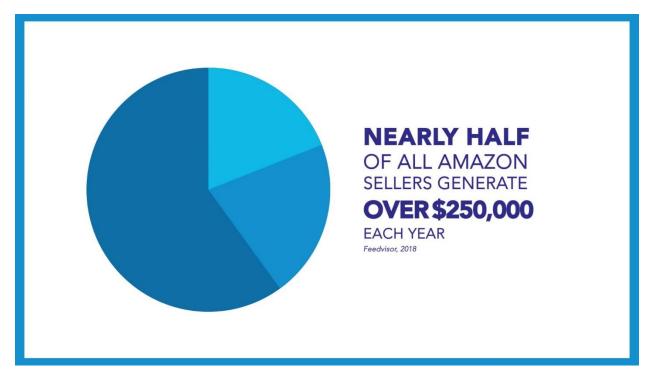
One word – Amazon.

Amazon is a traffic goldmine. It is one of the reasons why regular people can build million-dollar businesses. This dream isn't just for high elite people now, because the world has truly changed (for better and for worse if you think about it) and everyday people can compete like never before in history.

In other words, Amazon has created the single biggest opportunity our generation has ever seen. Take a look at the following chart, and notice how one in five sellers on Amazon generate over \$1 million per year!



Nearly half of all amazon sellers generate over \$250,000 each year.



The reason for this is the insane growth that Amazon has been experiencing.

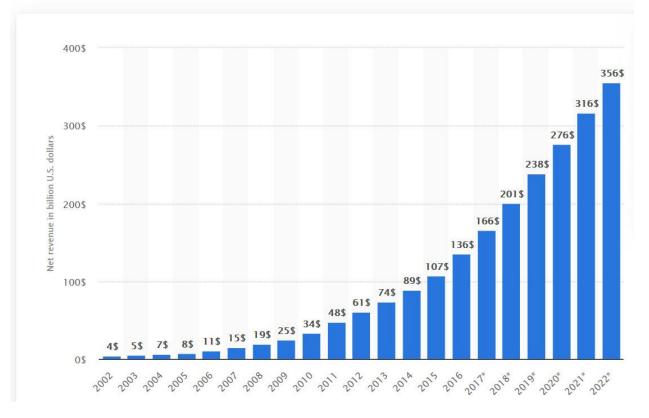
Look at the next chart and see how Amazon has been growing 30-40% every year with no signs of slowing down.

In fact, they are expected to do almost \$400 billion per year by 2022!

So if you get in the game now, you see your business grow as fast as Amazon!

Projected global revenue of Amazon from 2002 to 2022

(in billion U.S. dollars)



2 warnings before we continue

Warning 1 - Lots of business models for selling on Amazon. The one in this report is the best because it offers the <u>lowest amount of risk and unlimited scalability</u>.

You see, when Amazon first started letting third party sellers onto their platform, there were a lot of ways to sell products and make lots of money with models like private labeling, arbitrage, liquidation and so on. But over the years, Amazon has implemented more and more policies that make it harder to sell using these

models, except the model in this report. In fact, the new policies have made this model even better!

The reason is that this is the same model Amazon itself uses, along with big companies like Walmart and Costco.

Now YOU too can apply the same model to build your Amazon business.

Warning 2 - At this point in time, anyone can sign up as seller. But this may not be forever because Amazon can decide to limit the sellers they let in. This means that the best time to get in is now. Don't miss out!

OK, with those two warnings out of the way, let's take a look at the model itself, which we call

Reverse Sourcing Wholesale

We'll explain why we call it 'reverse' in a moment, but to describe this model in very simple terms, it is actually quite simple, and consists of 3 simple steps – three S's - Scouting, Sourcing, Selling.



In a nutshell, it's about **scouting** successful BRANDED products on Amazon, then **sourcing** the product by contacting the brand owner (manufacturer) to set up a wholesale account to buy direct in bulk to get best possible price. Finally, **sell** on Amazon at a profit.

Sounds simple? Yes. Note that we are not introducing new products, or even creating new listings. Just find products that are already selling thousands of times, get permission to sell ourselves from brand owner.

This is <u>reverse</u> sourcing wholesale, because it is the opposite of the industry standard practice which is to find the middleman first (normally the wholesaler), then go through their inventory to find a product that is profitable, which is normally slim to none.

What we are doing here is to cut out the middleman to get the best lowest pricing at deep discounts so few people can compete. This lets us dominate the competition.



All we have to do is buy from the brand owner over and over. You can also form relationships with multiple brand owners and in this way you can keep growing your portfolio of brands.

Sometimes you can even sign Amazon exclusivity deals with several companies meaning we become the only authorized seller and get 100% of the sales!

These are benefits that you don't get if you work with middlemen. This is the crucial piece of the puzzle - connect directly to brand owner in order to buy from them at direct prices which you can then sell for high profit margin on Amazon.

As mentioned previously, this is the same model Amazon itself uses, along with big companies like Walmart and Costco that all sell products direct from the brand owners themselves.

True, it is not always easy to get approval from brand owners. But this difficulty is actually a good thing because a higher barrier to entry means there's less sellers for the product, which means less competition.

So reverse sourcing insulates you from competition.

The only catch is you have to be good at getting approved and after many years of practice, we have mastered this skill that makes brands want to work with us and we'll give you a few tips in this report.

So again in a nutshell the 3-step model is 1) Scouting 2) Sourcing 3) Selling

Let's go deeper into each step.

Scouting

So what kinds of products to sell? How to determine if a product is profitable?

The formula will tell you by using the monthly estimate of product sales based on product's rank in its category to tell you how much profit to expect per month.

With this formula, you won't need hope, you will have a proven formula to put you at an advantage right from the start.

Remember it only takes a few good products to bring in profit that can change your life!

So here's 3 factors to consider when picking good products to sell.

Firstly, Amazon is NOT a Seller. It's virtually impossible to compete with Amazon on any product. So, if Amazon is a seller, simply rule that product out as a prospect.

Secondly, the price is > \$20. This is a general rule of thumb because these products usually have more room for profit.

Thirdly, there are 3+ Sellers. Products with less sellers are generally a waste of time for one reason or another.

If a product meets all these three factors, then we can estimate its monthly total units sales and profit using the following formula

 $profit = \frac{monthly \ sales \ estimate}{competitive \ sellers + 1} \ x \ buy \ box \ price \ x \ 0.15$

Monthly sales estimate can be determined by a tool like Jungle Scout Estimator – all you have to do is plug in the product's bestseller rank and product category.

Competitive sellers are prime sellers priced within 2% of the buy box.

0.15 is a conservative 15% profit margin.

If this sounds confusing, please download our <u>scouting companion guide</u> that walks through a complete example step by step.

Sourcing

It is a simple matter to find the brand owner – just Google them. Here's the thing though, you need to be prepared. They will need to be convinced to make you an authorized seller. They look for certain qualities. They filter people, and many do not get through this filter.

There's 2 primary characteristics that they look for in a potential seller -1) sellers who are professional/trustworthy and 2) sellers who add value.

To address point 1), first and foremost you must have a professional business website that represents your company in the best possible light.

Regarding point 2), add value by improving their Amazon listing, run PPC ads etc. and countless ways. The number one question to ask yourself is, how do you increase sales, exposure or perception of the product?

This can be a bit of a challenging step, but the reward is worth it. Once you get the wholesale account, then you will have a license to print money...literally!

Selling

The next step is to sell. Here's the best part of it all – the processing, packing, shipping, customer service, are all taken care of by Amazon!

It's all hands-off from here.

You just need to order more from the brand owner if you run low on stock.

So what do you do then?

Well, you can add more brands to your portfolio if you want to expand if you wish. Simply repeat steps 1) and 2) – scouting and sourcing.

At long last, you can truly enjoy the time financial freedom you have always dreamed about! This is a true recession proof business that will keep generating you passive income, even in the face of a crisis like the current COVID-19 pandemic.

Before we conclude, one of the big objections to address is, why brands don't sell on Amazon themselves?

The answer is that it is not their model. Think about this, in your town, is there a Pepsi store? No! They need retailers. And these days, people like me or you can fill that role, not physically but online on Amazon.

NOW IS THE TIME

Look, it is a scary time now for physical retail. It was a scary time even before with the rise in online and fall of physical retail, and especially now with the pandemic, these brands need you more than ever!

So why not you? It's good for them, it's good for you, it's good for the customers whom you're serving who are all turning to online to get their products.

The time is now! Take action. To download the product scouting guide please visit

https://silverbulletpublishing.com/scout