What's the biggest reason for failed products on Amazon? 
**Insufficient demand.**

Don’t let your product wither away unnoticed. Verify demand before you invest time, money, resources towards launching your product.
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A civil engineer by training, I scrapped that career when I realized that I could do better on my own, from anywhere in the world, by selling physical products on Amazon. Fast forward a few years, and I have built several location-independent, profitable Amazon brands. However, finding the right products to sell became a tedious bottleneck to growing an ecommerce business.

Since 2014, I have been building Jungle Scout to help people 10x their Amazon product research. We have helped over 20,000 people find product ideas and launch successful profitable businesses, and we are helping more every day.

In October, 2015, I started a case study of how to launch a product on Amazon, where we would donate all proceeds to a non-profit. Despite all of the experts and gurus talking about how to sell on Amazon, no one would actually show how it worked!

Using Jungle Scout’s software, I walk through the entire step-by-step process of finding and launching a product. We chose to sell bamboo marshmallow sticks, and our audience voted to donate all proceeds to Doctors Without Borders...the product sells $15k-$20k per month, more than half of which is donated to Doctors Without Borders! You can read about the case study, and register for future webinars here.
How Can I Know My Product Idea Has Sufficient Demand?

Ask any architect what the most important part of the building is, and the answer will certainly be in the foundation below the building: the work that starts months before the actual building is erected. Similarly, the most important part of a successful Amazon business is the foundation: the product research. This phase of building your business may be time consuming and challenging, but is the most crucial step to launching a profitable product that sells well once it is launched.

In this guide, I will talk you through the steps I take to verify demand for any product that I am researching. There are various tools and techniques that help me do this, and I like to triangulate the data to get a well-rounded assessment of how many people will be searching for them on Amazon. So let's get started!
Why Do This Research to Verify Demand?

How often do you see snowboards for sale in the middle of the desert? Likely never, for obvious reasons. You have to know your customers and give them what they want! There's no snowboarding in the desert, hence minimal demand for snowboards. The same rationale can be applied to Amazon: research the marketplace to know what people are looking for, and provide that product that is not being offered adequately. I will show you how to quantify the demand for a product you are researching so that you can know exactly what to expect before you invest time and money pursuing a niche.
I have spoken with a lot of people who have been shooting out all kinds of ideas of new products and inventions they want to put up on Amazon and start selling. As great as it sounds, it is not something that I would personally recommend. Simply for the fact that this would be a huge gamble, as there is no proven demand for brand new product ideas and you would be trying to create a new market and demand where none had previously existed.

This does not mean it is impossible to do. It has been done many times in the past with new inventions. I do not want to discourage anybody from chasing their dreams if it is about inventing something new, but understand that it is a different business model and it will take a lot more work and preparation.
What do I mean by this? Rather than attempting to re-invent the wheel, let’s make our own brand and sell it better than the next guy. It is the concept of Private Labelling. You have seen it before.

Take for example, shoes. How many brands of shoes can you name off the top of your head? Nike, Adidas, New Balance... and the list goes on. A shoe is a shoe, but multimillion dollar companies have been built on making small changes or variations to a simple shoe and marketing their respective brands to appeal to a specific niche. For example, one brand of shoe markets to the sports & fitness niche while another brand markets to golfers. This is essentially what we will be doing for our FBA business.

Why Private Label vs Create a Brand New Product Idea?

By finding a product and creating a Private Label, we drastically reduce our risk of our product totally flopping and not selling at all thus giving us a stronger chance of protecting our capital investment. Note that there is always risk in any business venture and that nothing is 100% guaranteed. But by having more data and the knowledge on how to analyze it, we can do our best to try to minimize this risk.
What Data Are You Talking About Exactly?

Because it is already a product type that is active selling on Amazon, we can look at various factors and analyze this data to determine the market demand as well as competition level for a given product.

From Amazon alone, you can see a given product’s BSR (Best Seller Ranking – just above the review section on a product page). It will look like this:

Also when you search a certain keyword, you can see how many results show for it. You can see various product ratings and also how many reviews each listing has. Just with this data alone you can get a rough feel for the demand and competition level of product. Let’s start by looking at information that is directly available on Amazon and use it to analyze a product’s demand.
Amazon ranks every product in a Category, and assigns it a Best Sellers Rank (the BSR that you can see above). This is based on their proprietary algorithm, but mainly from how many units the product sells. Using Amazon’s BSR then is a great proxy for understanding the sales per month for a given product. The BSR is different depending on the Category the product is listed in, so a product with a BSR of #100 in Pet Supplies would sell a different amount than a product with a BSR of #100 in Appliances.

How do you estimate demand from the BSR? Jungle Scout offers a free tool that updates the sales algorithm every month, so you can input the BSR and get an accurate estimate of how many products are sold in a month. You can find it here.

Using the same example below, simply enter the Best Seller Rank, which is #123, and the Jungle Scout estimator will tell you how many units per month are sold. In this case it is 3,072. This averages out to more than 100 units per day, which is a lot!
You may also want to check the larger trends for a potential product beyond just Amazon’s Best Seller Rankings. You can check this using Google Trends [http://trends.google.com], just to verify if there is an uptrend, down trend, or high seasonality with spikes in different parts of the year. For example, “yoga mat” shows increasing interest, with some seasonality, based on how many people are searching for it in Google. You can see the trends in Google Trends:

And you can see that “pool floats” is a highly seasonal product with large spikes of interest coming in the summer. This is neither good nor bad, but just something important to be aware of in your product research.
Keyword Searches in Google

Macro trends are especially helpful when complemented with a more quantifiable estimate of how many people are searching for a given keyword. Google Keyword Planner is a great free tool to get estimates for keyword searches per month. As the most popular search engine in the world, you can be sure that they have a significant repository of data for what people are searching for!

The keyword planner is free, but you will need to create an AdWords account in order to access it (you don’t need to activate any AdWords campaigns). In the header, go to Tools àKeyword Planner.

You can simply enter the keyword into the Keyword Planner, and you will get a list of related keywords and estimated monthly search volume:

These three methods above are a great way to get a well-rounded understanding of demand and market trends for your product ideas.
Social Media and Forums

Check around on forums and on social media related to your potential niche. Twitter Trending Topics, Facebook Ads’ Interests, Reddit’s subreddits, and various Google searches will often clue you in to trends that you may not have identified. At this stage you want to collect as much information as you can to see if the product really is in demand or not. Be objective when you do this, do not find a shoe that fits and ignore all of the others that did not. Sometimes it is the tangential niches and products that I stumble across that have led to some of the most profitable product lines that I own.

Dry Testing Using a Landing Page

If you want to dig deeper, you can do a “Dry Test”: create a landing page (Lead Pages offers a great option) noting that the product is currently unavailable and direct visitors to sign up to your email list to be notified when the product is available. You can collect and then analyze that data and see how much interest your product has created with potential buyers. Tim Ferriss mentions this strategy in his book “The 4 Hour Workweek.” I personally do not go this far into it and am satisfied taking a calculated risk based on the other techniques above but it is thorough way to test demand and viability.

Your Next Steps

Now you have a thorough understanding of the tools and methodology to examining product demand, it’s time to build your list of potential product ideas and niches. One of the easiest ways to find product ideas in minutes is by using Jungle Scout’s Web App, a catalog of millions of products created specifically for Amazon sellers to find great private label opportunities. Learn more by using our Jungle Scout Univeristy, access it here.