Jungle Scout

How to Sell on Amazon | Chapter 3

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How to Set Up a Seller Account on Amazon

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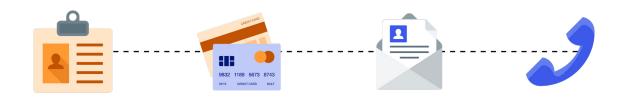
Chapter 3

How to Set Up a Seller Account on Amazon

Once you know you want to sell on Amazon, your first step should be to set up your Seller account. **You can have an account without a product or any active listings.**

It's important to get your account set up first because it can take several weeks for Amazon to go through the identity verification process and you want to make sure you're approved by the time your products are in Amazon's warehouses. Having an account allows you to check whether certain products are gated by Amazon or whether they require additional information or verification in order to sell them.

What do you need to do to set up your seller account on Amazon?



1. Provide documentation:

Amazon requires you to provide various documents, including:

- a. Proof of identity: Driver's license, passport, or other government-issued ID
- b. Billing information: Credit card
- c. Address (Amazon will mail a postcard to that address with a code so you can verify your address)
- d. Phone number



2. Set up your business:

During the seller account registration, Amazon will ask you for your tax information.

- a. If you are an individual, you will enter your social security number (SSN)
- b. If you own a business, you will enter the employer identification number (EIN)
- c. If you are located <u>outside of the U.S.</u>, you will need a valid internationally chargeable credit card, <u>bank account</u>, proof of residence in one of <u>Amazon's</u> <u>approved countries</u> for seller registration, and tax information (W-8BEN as a non-U.S. taxpayer)

Do you need an LLC?

- When first setting up your Amazon business, it is not required to have a Limited Liability Company (LLC). If you are a U.S. citizen, you can register as a sole proprietor. We recommend forming an LLC for your brand once you know your business is viable, as it protects your personal assets as well as provides you with added tax benefits.
- If you are an international seller and not a U.S. taxpayer, you will still need to complete a tax interview. IRS regulations require non-U.S. taxpayers to provide form W-8BEN to Amazon in order to be exempt from U.S. tax reporting requirements. You can also register an LLC in the U.S. in some states. Be sure to consult appropriate legal counsel to remain compliant with U.S. law.

Consider setting up a separate business checking account

 You may want to create a new checking account for your Amazon business particularly to avoid commingling funds and have cleaner books come tax time. As a sole proprietor, this can be as easy as setting up another personal checking account with your current bank. For an entity, you may need to have a business account.



3. Select either a Professional or Individual account

Simply put, if you plan to sell more than 40 products per month, select a "Professional" account, and if you expect to sell fewer than that, select "Individual." Here's why:

An individual account is free, but sellers will have to pay a \$0.99 per-item fee once a product sells. A professional account is \$39.99 per month, but there is no per-item fee. So if you plan to sell more than 40 units per month, the professional account would be more affordable. Plus, Amazon will refund you 100% of the \$39.99 fee for months you're not selling. So if it takes you a couple of months to make your first sale, Amazon will refund you the fee for those months.

If you don't have a product ready to sell yet, we recommend setting up an individual account. Then we recommend upgrading to a professional account once your product is ready to be shipped into Amazon's warehouses. (It's easy to change — you just upgrade or downgrade within your account settings and pay the difference, if applicable.) Plus, you will have access to <u>more features and tools</u> within Seller Central such as:

- Buy Box eligibility
- Coupons
- Amazon advertising
- Inventory feeds
- Business reporting tools
- <u>A+ Content</u> (*requires trademark and brand registration)

Learn more about Profressional vs. Individual accounts <u>here</u>.



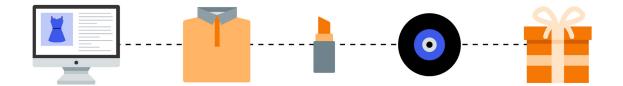
4. Choose your Amazon Storefront name

Your storefront name will be the name that is shown on your Amazon listing as "Sold by [Your Storefront Name] and Fulfilled by Amazon."

Your storefront name is different from the brands you sell as well as your entity name (which is related to your tax information). For example, at Jungle Scout, our Amazon storefront name is called Jungle Creations. We sell multiple brands under that storefront, e.g. Jungle Stix, Jungle Snugs, etc.

Make it something simple and generic such as, "ABC Retail." We advise making your store name distinct from your entity name. For example, if your business entity is called Brian Enterprises, LLC., don't make that your storefront name. Don't get too hung up on this step as you can always go back and change your storefront name at any time.

Also, if you're brand registered, you can create am Amazon Storefront. Learn more about it <u>here</u>.



5. Create your product listings

Once your account is set up, it's time to create your product listings. We'll go into this topic in depth in the next section.

Let's get you started on Amazon FBA!

Amazon FBA changed my life, and I hope it can help you change yours, too. Whether you're looking for financial freedom, a 4-hour work week, to expand your brand, or to create something that's your own, we want to help you succeed.

At Jungle Scout, we provide tools that are powerful but easy to use, the most accurate data, and the best possible support to help you at every step of your journey.

Don't forget to check out our **Resources Page** (bookmark it now!) and follow Jungle Scout on social media to see more tips and info that the team and I continue to share to keep you on top of your Amazon game.

And as always, if you have any questions, don't hesitate to reach out: gmercer@junglescout.com.



<u>Greg Mercer</u> Founder & CEO of Jungle Scout 8-figure Amazon seller



About Jungle Scout

Jungle Scout is the leading all-in-one platform for selling on Amazon. Founded in 2015 as the first Amazon product research tool, today Jungle Scout features a full suite of best-in-class business management solutions and powerful market intelligence resources to help entrepreneurs and brands manage their Amazon businesses.

Explore all of Jungle Scout's included capabilities:



Get started with Jungle Scout today!