

The State of the Amazon Seller

2024

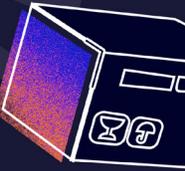
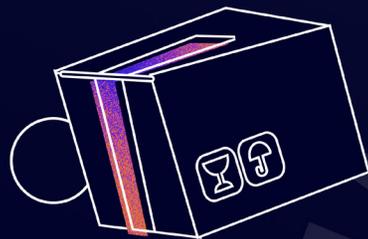




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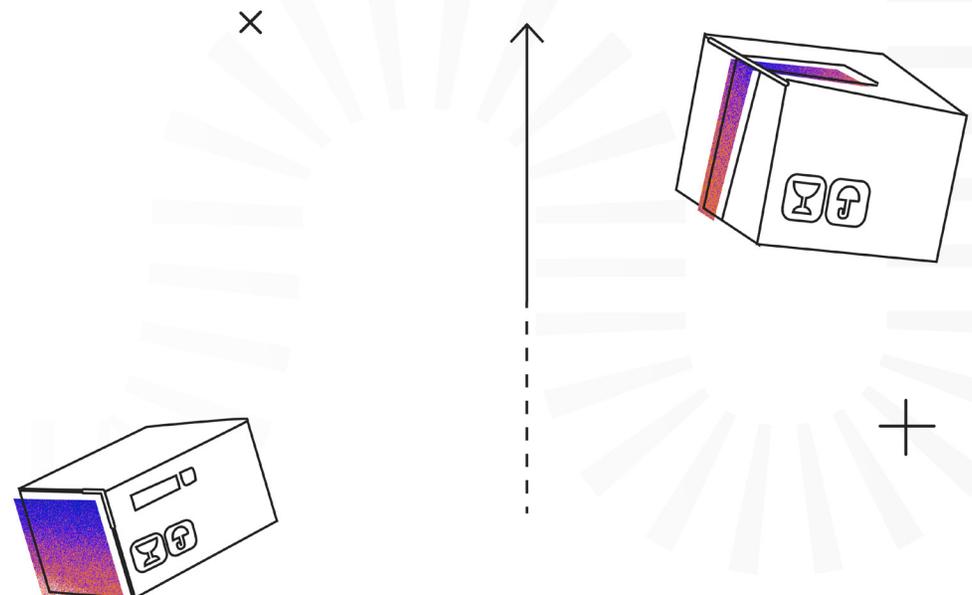
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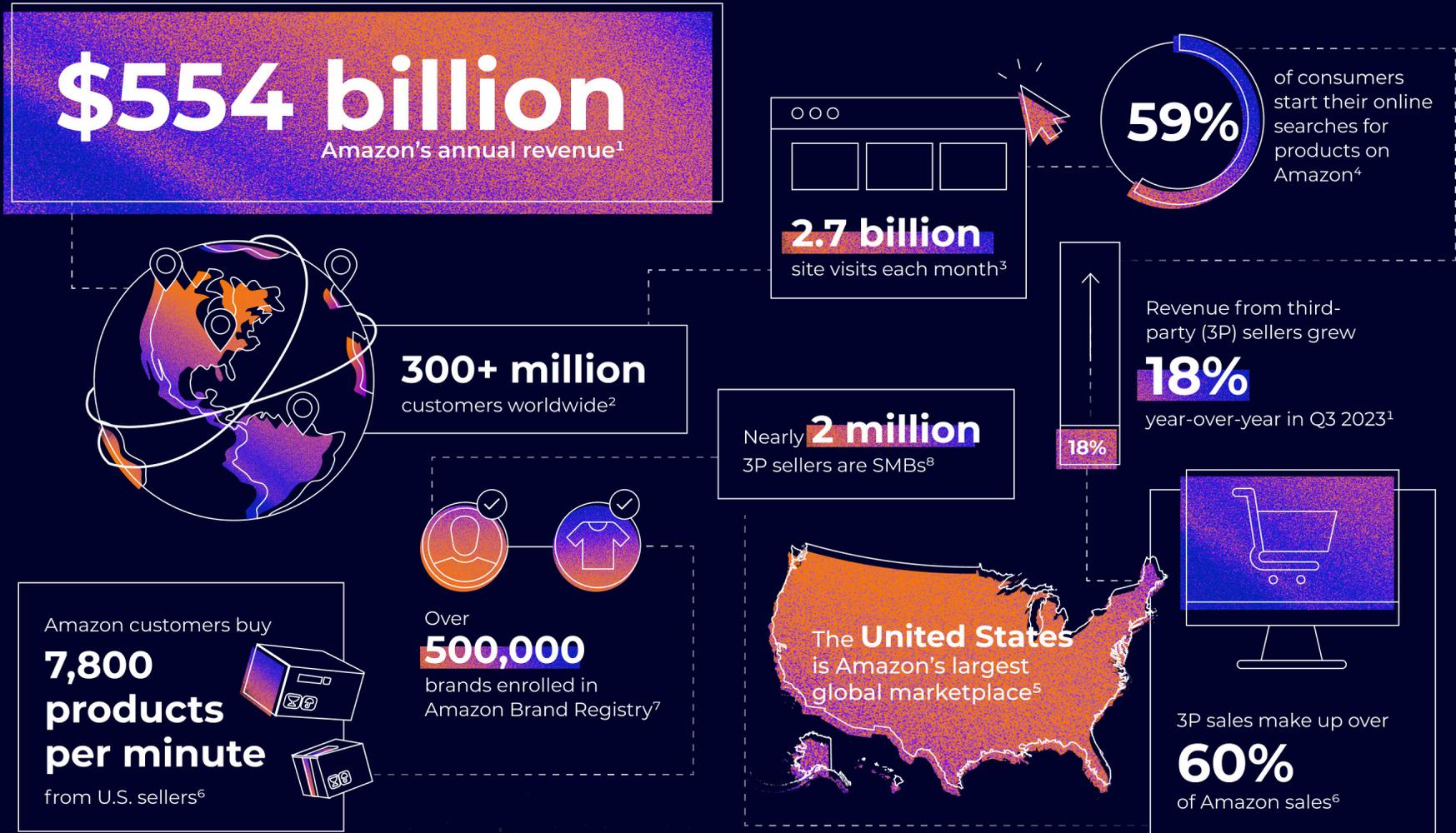
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Chapter 1

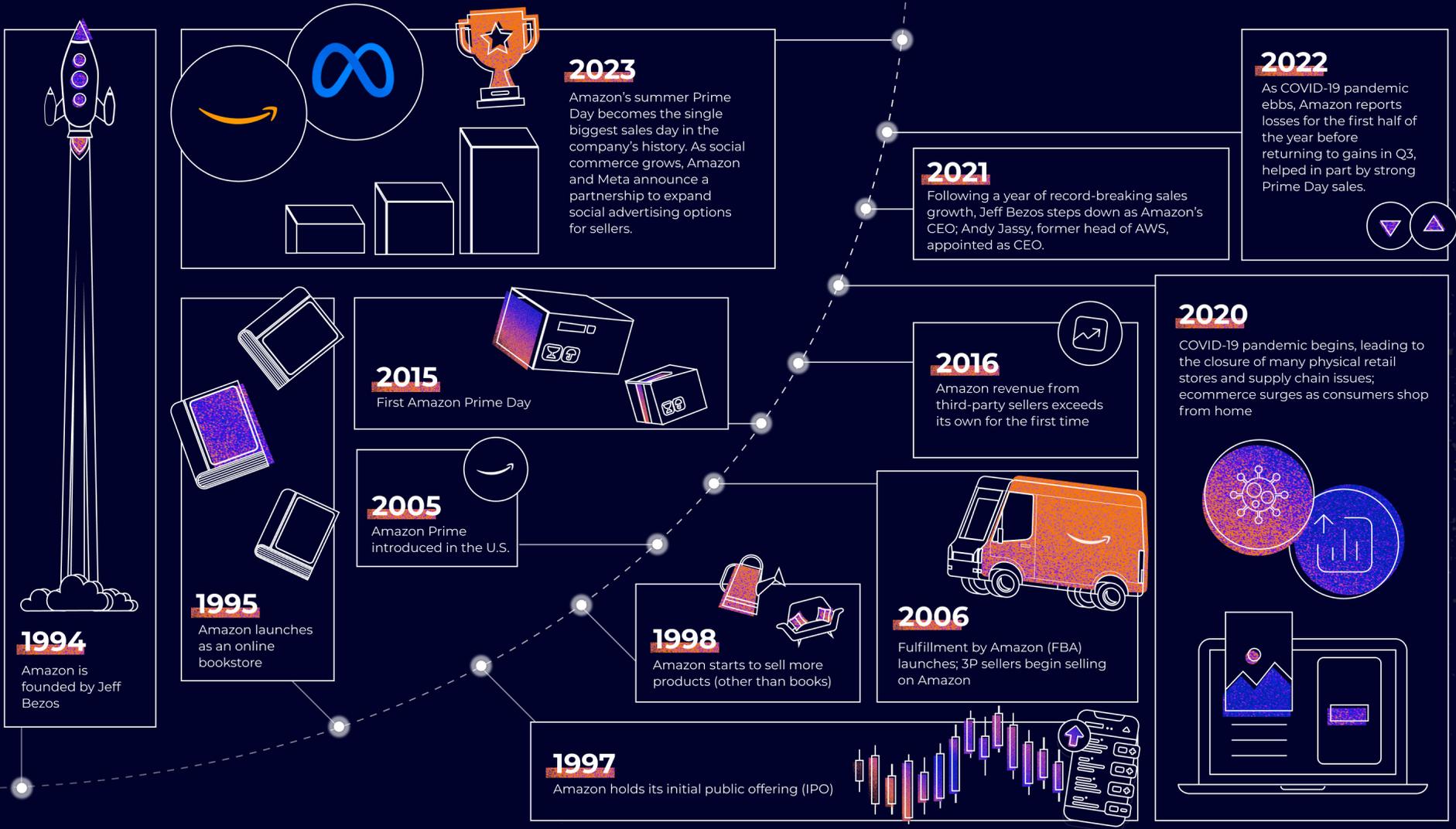
Selling on Amazon in 2024

By the numbers



1. Amazon 10-Q filing 2. eTail 3. Similarweb 4. Jungle Scout Q4 2023 Consumer Trends Report 5. Webretailer 6. Amazon Small Business Empowerment Report 7. Amazon Brand Protection 8. Amazon blog post

Timeline of Amazon



Ecommerce expansion

The number of brands and sellers adopting an omnichannel commerce strategy has been ticking upward in recent years. 60% of Amazon sellers, brands, and businesses sold on at least one other channel in 2023. Longtime brick-and-mortar leaders like Walmart continue to bolster their ecommerce platforms, and last year's launch of TikTok Shop has sparked a rejuvenated interest in selling on social media.

Top alternative ecommerce platforms that Amazon businesses (all sizes) sell on



Note: Respondents could select multiple options; therefore, percentages do not equal 100%

Top ecommerce platforms Amazon businesses (all sizes) plan to expand to in 2024



Note: Respondents could select multiple options; therefore, percentages do not equal 100%

20%

of Amazon sellers, brands, and businesses have plans to expand to TikTok Shop this year.

Top ecommerce platforms

Amazon sellers and SMBs plan to expand to in 2024

1. **Shopify - 36%** 
2. **Walmart - 36%** 
3. **eBay - 33%** 
4. **Etsy - 22%** 
5. **TikTok Shop - 20%** 

Note: Respondents could select multiple options; therefore, percentages do not equal 100%

Top ecommerce platforms

Amazon enterprise brands and retailers plan to expand to in 2024

1. **Walmart - 41%** 
2. **eBay - 39%** 
3. **Instagram - 29%** 
4. **Alibaba - 29%** 
5. **SHEIN - 22%** 

Note: Respondents could select multiple options; therefore, percentages do not equal 100%

Global marketplaces

The United States is Amazon's oldest and most established marketplace, and receives the most visitors among all of Amazon's [global marketplaces](#).

Last year, Amazon's plans to launch new marketplaces in Chile, Colombia, Nigeria, and South Africa were delayed, making 2023 the first in 6 years to welcome no new Amazon marketplaces. While updated timelines for most of these markets have not been announced, Amazon has reportedly begun recruiting sellers to its South African marketplace, which is expected to launch in the first half of 2024.

46%

of Amazon sellers, brands, and businesses operating in the U.S. marketplace also operate in at least one other international marketplace.

Top Amazon international marketplaces for sellers, brands, and enterprise businesses



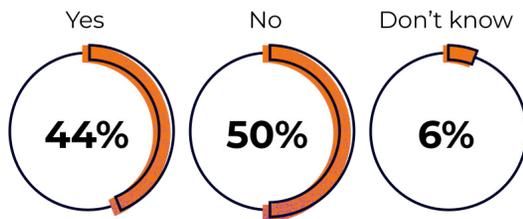
Tech trends: AI spotlight

2023 was the year of AI, with tools emerging to assist with everything from creating brand logos to *building sales reports*. Despite its prevalence, this technology is still in its infancy, and adoption of AI tools for ecommerce management is expected to continue its rapid growth in 2024.

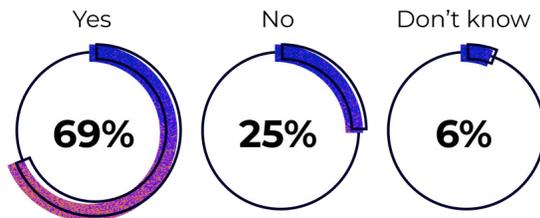
While businesses of all sizes are using AI on Amazon, AI use among enterprise brands and retailers is moving at a much faster pace.

Have you used AI to help manage your ecommerce business?

Amazon Sellers & SMBs



Enterprise Brands & Retailers



48%

of all Amazon sellers, brands, and businesses have leveraged AI or implemented AI-powered tools to help manage their ecommerce operations.

How Amazon sellers, brands, and businesses are using AI



*Less than 1% - voice search, virtual try-on & other customer experiences, promotional planning, predictive analytics & forecasting, analyzing reviews, and other**

**Other includes translation, payment processing, and packaging design, among other tasks*

Ready to leverage AI for your Amazon business?

Jungle Scout features AI tools to help you optimize listings, analyze reviews, and more.

AI Review Analysis

Enlist AI to analyze your brand and competitors' reviews, summarizing common customer feedback and delivering recommendations for improving your products.

AI Listing Builder

Let AI write compelling product listings using high-potential keywords with the click of a button.

AI Sales Analytics

Use AI to analyze your profit overview data and deliver a comprehensive report with key sales insights and tips to optimize for growth.

[Try Jungle Scout AI](#)

Chapter 2

2024 Plans, Goals & Challenges

Amazon sellers, brands, and enterprise businesses are a diverse bunch, with equally diverse priorities, concerns, and strategies for success.

Types of sellers and businesses

The people who make money selling products on Amazon include small business owners and seasoned ecommerce veterans, as well as brand managers and agencies looking to leverage Amazon's massive reach.

First-party vs. Third-party Sellers

"Amazon seller" often refers to the third-party (3P) sellers who generate over half of Amazon's annual ecommerce sales. But there are also first-party (1P) sellers who sell their products to Amazon as a vendor.

First-party Seller (1P):

Sells to Amazon as a vendor and uses Vendor Central

Third-party Seller (3P):

Sells on Amazon's platform and uses Seller Central

In 2024, Amazon sellers, brands, and businesses are...



Amazon Sellers vs. Enterprise Brands & Retailers

There are also distinctions to be made between Amazon sellers and small businesses, and enterprise brands and retailers that offer their products through Amazon.

Amazon Sellers & SMBs

- Solo entrepreneurs and small to midsize businesses (SMBs) that sell products on Amazon
- Less than \$2 million in annual revenue
- 71% are 3P sellers
- 37% are 1P sellers

Enterprise Brands & Retailers

- Large brands, retailers, or parent companies (encompassing multiple brands) that sell their products on Amazon
- \$5 million or more in annual revenue
- 50% are 3P sellers
- 62% are 1P sellers

65%

of enterprise brands and retailers on Amazon also sell in brick-and-mortar stores, compared to just 17% of sellers and SMBs.

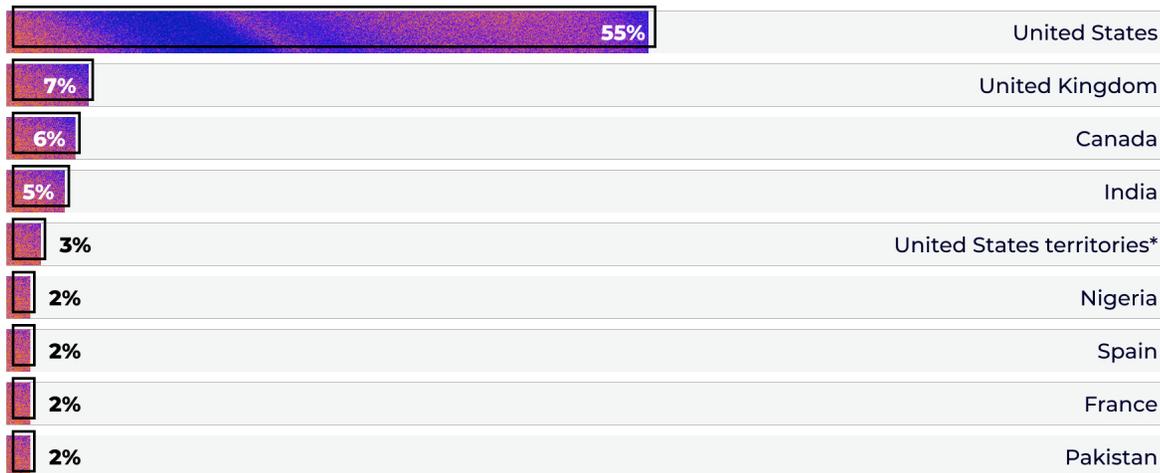
Profile of a seller: Demographics

People of all backgrounds, skill sets, and interests can find success on Amazon. Data in this report represent adults of all genders from ages 18 to 65+ and more than 20 countries.

Age



Location*

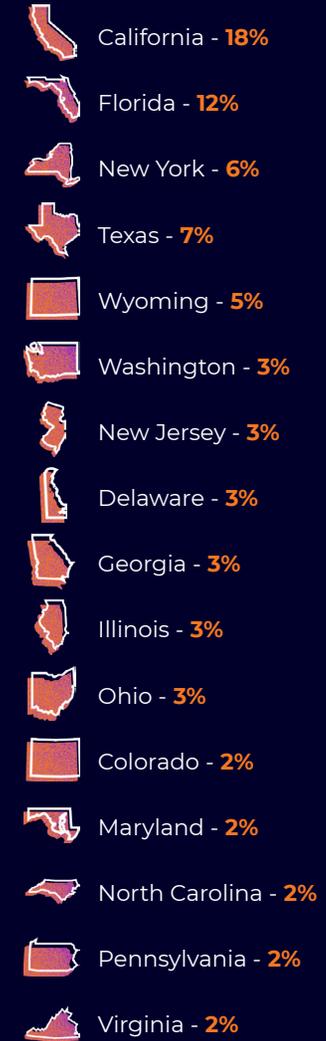


All other countries = 1% or less.

*Other countries include American Samoa, Guam, Northern Mariana Islands, Puerto Rico, and/or U.S. Virgin Islands

U.S. market spotlight

States where sellers and/or their businesses are located:



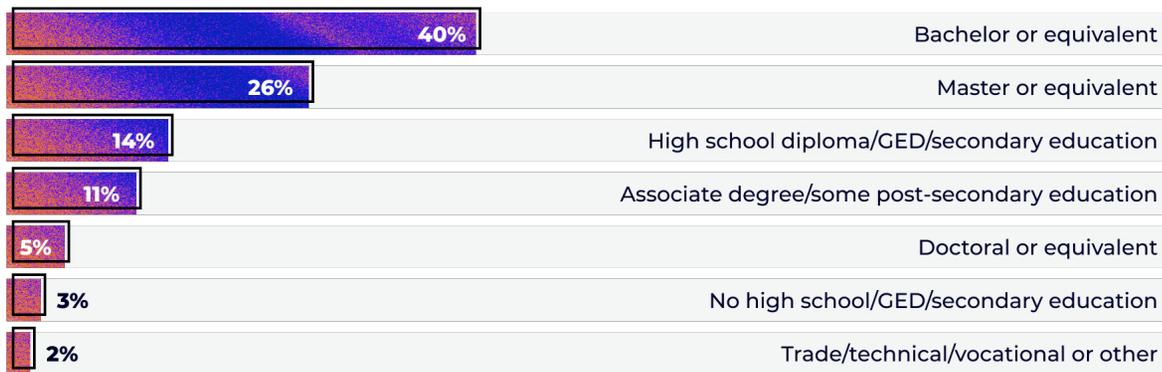
All other states = 1% or less.

Gender



*Note: Numbers may not equal 100% due to rounding

Education



Employment



61% of Amazon sellers and SMBs own two or more brands.

52% of Amazon sellers have other side jobs or side hustles outside of selling online

2024 plans & goals

As ecommerce expands, Amazon businesses are following suit. More than half plan to join new ecommerce platforms this year. See [Chapter 1](#) for more details on which platforms they've set their sights on.

Sellers and SMBs are also focused on growing their businesses by building market share and implementing new marketing strategies. To learn more about which marketing tactics they're investing in, see [Chapter 6](#).

Enterprise brands and retailers are focused on researching products, reporting on business performance, and protecting their brands.

Top focus areas in 2024: Amazon Sellers & SMBs

- 1 Trying new marketing tactics
- 2 Expanding to other ecommerce platforms or online channels
- 3 Increasing market share
- 4 Expanding to new global markets
- 5 Importing products
- 6 Collecting competitive intelligence
- 7 Working with social media influencers
- 8 Reporting on the health of the brand/business
- 9 Running promotions for products
- 10 Managing finances (cash flow, planning orders, etc.)

Top focus areas in 2024: Enterprise Brands & Retailers on Amazon

- 1 Product research
- 2 Reporting on the health of the brand/business
- 3 Protecting the business from hijackers, counterfeiters, and other black hat tactics
- 4 Finding a supplier
- 5 Getting customer reviews
- 6 Collecting competitive intelligence
- 7 Expanding to other ecommerce platforms or online channels
- 8 Expanding to brick-and-mortar stores
- 9 Importing products & managing international trade
- 10 Increasing market share

Seller & SMB spotlight:

Top 2024 focus areas by business function



Financial management

Monitoring expenses, revenue, and other financial metrics



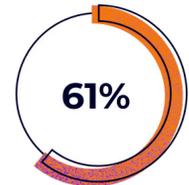
Inventory management

Keeping up with FBA storage space availability and fees



Listing optimization

Finding relevant and high-quality keywords



PPC management

Setting up PPC campaigns for new products

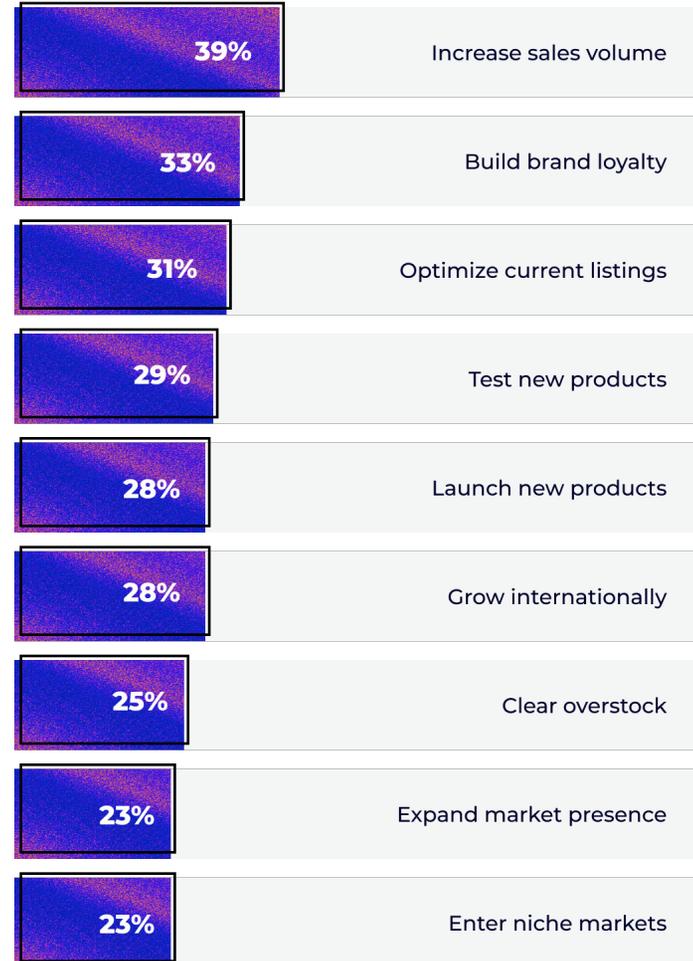


Product research

Finding a new (or first) product to sell

Enterprise Brand & Retailer spotlight:

Goals for Amazon sales channels in 2024



Common challenges

While there are common challenges among Amazon businesses of all sizes, there are some significant differences between the most pressing issues for sellers and SMBs compared to enterprise brands and retailers.

For sellers and SMBs, getting customer reviews and product research are top-ranked challenges, versus branding and increasing market share for enterprise brands and retailers.

Top 10 business challenges in 2024: Amazon Sellers & SMBs

- 1 Getting customer reviews
- 2 Product research (including finding or developing a new product)
- 3 **Trying new marketing tactics**
- 4 Optimizing product listings
- 5 Increasing market share
- 6 **Managing PPC advertising**
- 7 Finding a supplier
- 8 Managing finances (cash flow, planning orders, etc.)
- 9 Managing inventory
- 10 Branding the business/products (positioning, packaging, marketing, etc.)

Trying new marketing tactics and managing PPC advertising are among the top 10 business challenges for sellers and SMBs, but not for brands and retailers.

Top 10 business challenges in 2024: Enterprise Brands & Retailers on Amazon

- 1 Branding the business/products (positioning, packaging, marketing, etc.)
- 2 Increasing market share
- 3 Getting customer reviews
- 4 Managing inventory
- 5 Optimizing product listings
- 6 Managing finances (cash flow, planning orders, etc.)
- 7 Finding a supplier
- 8 Product research (including finding or developing a new product)
- 9 **Collecting competitive intelligence**
- 10 **Importing products/managing international trade**

Collecting competitive intelligence and managing international trade are among the top 10 business challenges for enterprise brands and retailers, but not for sellers and SMBs.

Rising costs continue to be a major concern among Amazon sellers, brands, and businesses in 2024, just as they were last year. More than a third say they are worried about increasing costs for advertising, shipping, and goods. These concerns may have some businesses rethinking investments in outside resources.

Top 10 external challenges: All Amazon sellers, brands, and businesses

- 1 Increasing ad costs
- 2 Increasing shipping costs
- 3 Increasing cost of goods
- 4 Increasing competition driving prices down
- 5 Rising storage fees
- 6 Amazon changing search results to favor paid results over organic
- 7 Inflation
- 8 Amazon's policy and Terms of Service changes
- 9 Continuing to need more capital to sell online effectively
- 10 Keeping up with relevant knowledge to sell online

Cost concerns aren't limited to brands and sellers: Rising inflation has affected the spending of **85%** of consumers, according to *Jungle Scout's Q4 2023 Consumer Trends Report*.

Economic and cost-related concerns: All Amazon sellers, brands, and enterprise businesses



45%

of Amazon brands and sellers say they would consider hiring an agency to help manage their ecommerce business, a 13% decrease from the previous year.

Chapter 3

Business Models & Strategies

How do brands and sellers run their Amazon businesses? Some sell popular products from multiple brands, while others create private-label products or even craft items by hand. Which business model they choose can depend on a variety of factors, but a successful model has two basic requirements: an effective fulfillment method and a product that can compete in one of Amazon's global marketplaces.

Amazon business models

For enterprise brands and retailers, Amazon is just one part of an extensive retail presence that typically spans online and brick-and-mortar channels. For sellers and SMBs, Amazon may be the primary – or only – channel through which they sell their products.

Enterprise Brands and Retailers

The role that Amazon plays in an enterprise brand or retailer's overall sales strategy varies widely. For some, it's responsible for a majority of annual sales; for others, it's used for brand building and expansion.

75%

of enterprise brands and retailers on Amazon say the channel helps to build brand awareness.

Enterprise Brands and Retailers: How integral is Amazon to your business?

Supplemental to our direct-to-consumer website, mainly for visibility - **34%**



Important for seasonal sales and specific promotions - **33%**



A strong channel, balanced with other online and offline efforts - **33%**



Our main retail channel, most sales occur here - **32%**



Used primarily as a tool for international expansion and reaching new markets - **31%**



A testing ground for new products before wider release - **30%**



Note: Respondents could select multiple options; therefore, percentages do not equal 100%

Aside from unit sales and revenue, brands and retailers measure the success of Amazon as a sales channel by metrics like profit margins, market share growth, and advertising ROI.

Top 5 ways enterprise brands and retailers measure success on Amazon*

- 1 Unit sales and revenue
- 2 Optimal profit margins
- 3 Market share growth
- 4 Achievement of targeted advertising ROI
- 5 Customer reviews and ratings

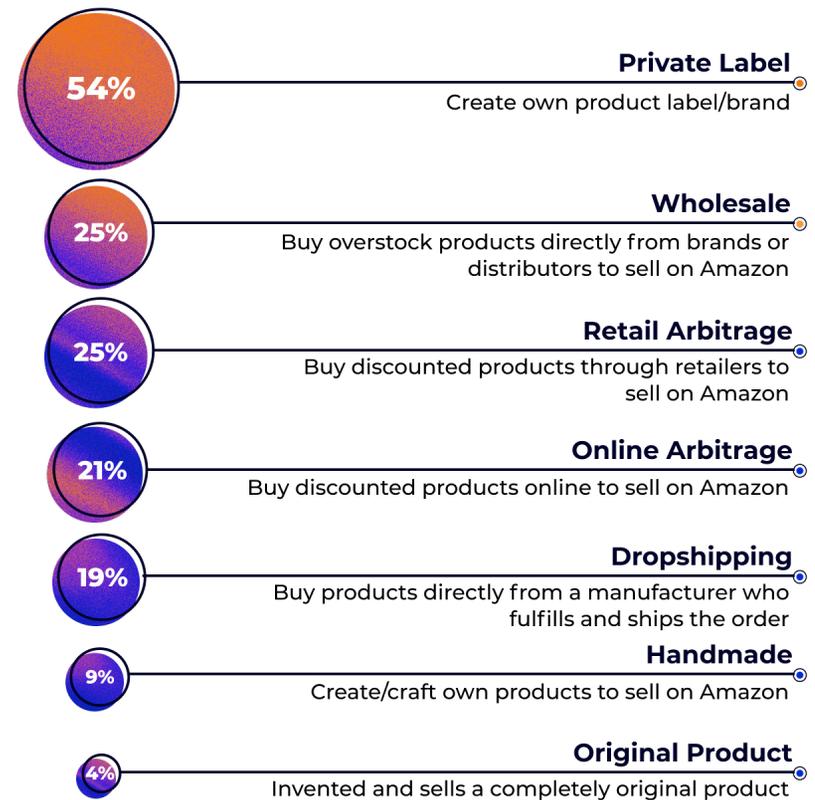
*Ranked from highest to lowest by the percentage of respondents who say they use each metric to measure success.

Sellers and SMBs

Private label is the most common sales model for sellers, but it isn't the only viable sales model on Amazon. In fact, it can be easier for aspiring entrepreneurs to start their selling journey by taking a different route, such as retail arbitrage or dropshipping.

See more about how to sell private label products on Amazon FBA [here](#).

Top Amazon business models for sellers and SMBs



[Read more](#)

Fulfillment methods

Amazon's complex logistics system and global order fulfillment infrastructure make it a compelling platform for ecommerce businesses.

Fulfillment by Amazon, or FBA, is the most popular fulfillment method for Amazon sellers and brands. However, more than a third choose to handle their own fulfillment, a method known as Fulfillment by Merchant (FBM). Notably, both FBA and FBM usage decreased over the last year (by 3% and 9%, respectively).

Fulfillment by Amazon (FBA):

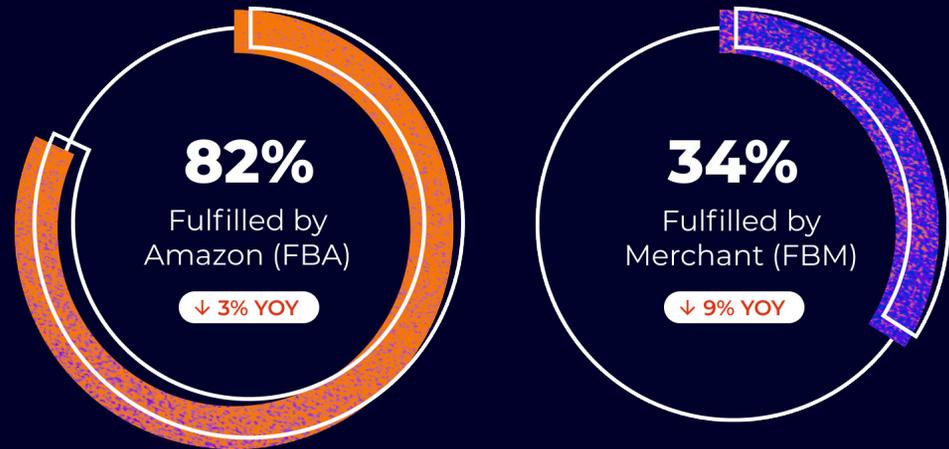
A brand or seller relies on Amazon to fulfill their orders. Amazon stores and ships inventory and handles customer support and returns.

Fulfillment by Merchant (FBM):

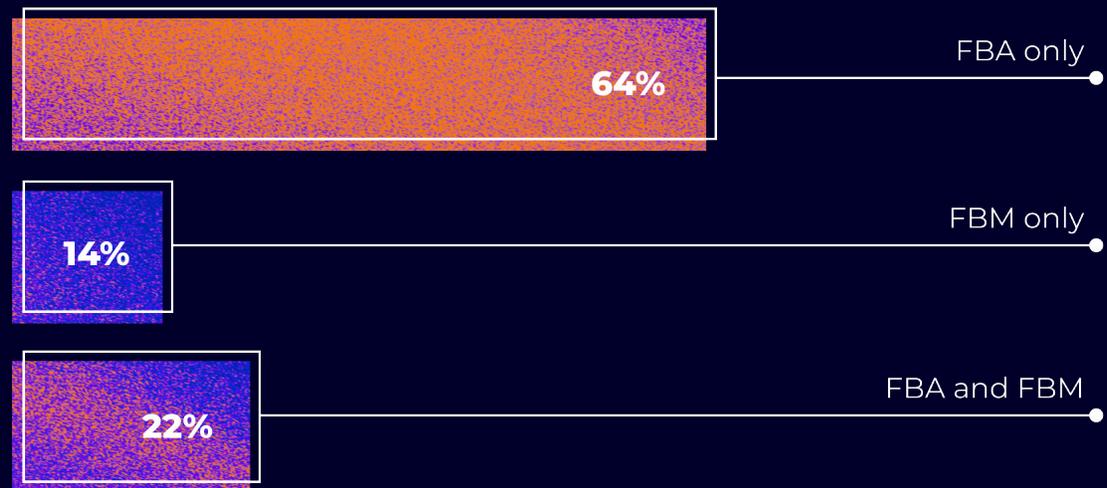
A brand or seller lists their products on Amazon but manages all storage, shipping, and customer support themselves.

[Learn more](#)

Which fulfillment methods do Amazon sellers, brands, and businesses prefer?



Of the total number of sellers using either FBA, FBM, or both:



Chapter 4

Trending Products & Categories

Which categories and products are the most popular (and most profitable) to sell on Amazon in 2024?

Amazon product categories

You can find virtually any product on Amazon, from groceries to digital books to cars. For SMB sellers, Home & Kitchen is consistently the most popular category to sell in. For enterprise brands and retailers, Appliances are some of the most commonly sold products.

Top Amazon product categories for **SMB sellers**

- 1 Home & Kitchen
- 2 Beauty & Personal Care
- 3 Clothing, Shoes & Jewelry
- 4 Toys & Games
- 5 Health, Household & Baby Care

Top Amazon product categories for **enterprise brands and retailers**

- 1 Appliances
- 2 Beauty & Personal Care
- 3 Clothing, Shoes & Jewelry
- 4 Arts, Crafts & Sewing
- 5 Automotive Parts

Explore Jungle Scout Cobalt data on sales trends, leading brands, popular products, and more for specific Amazon categories in our free reports.



[Read more >](#)



[Download now >](#)



[Explore the data >](#)



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When researching products to sell, Amazon sellers look for a few key characteristics:

- ✓ High demand and low competition.
- ✓ Opportunities for product or marketing improvement to surpass competitors.
- ✓ Products that can be affordably manufactured and sourced from suppliers.

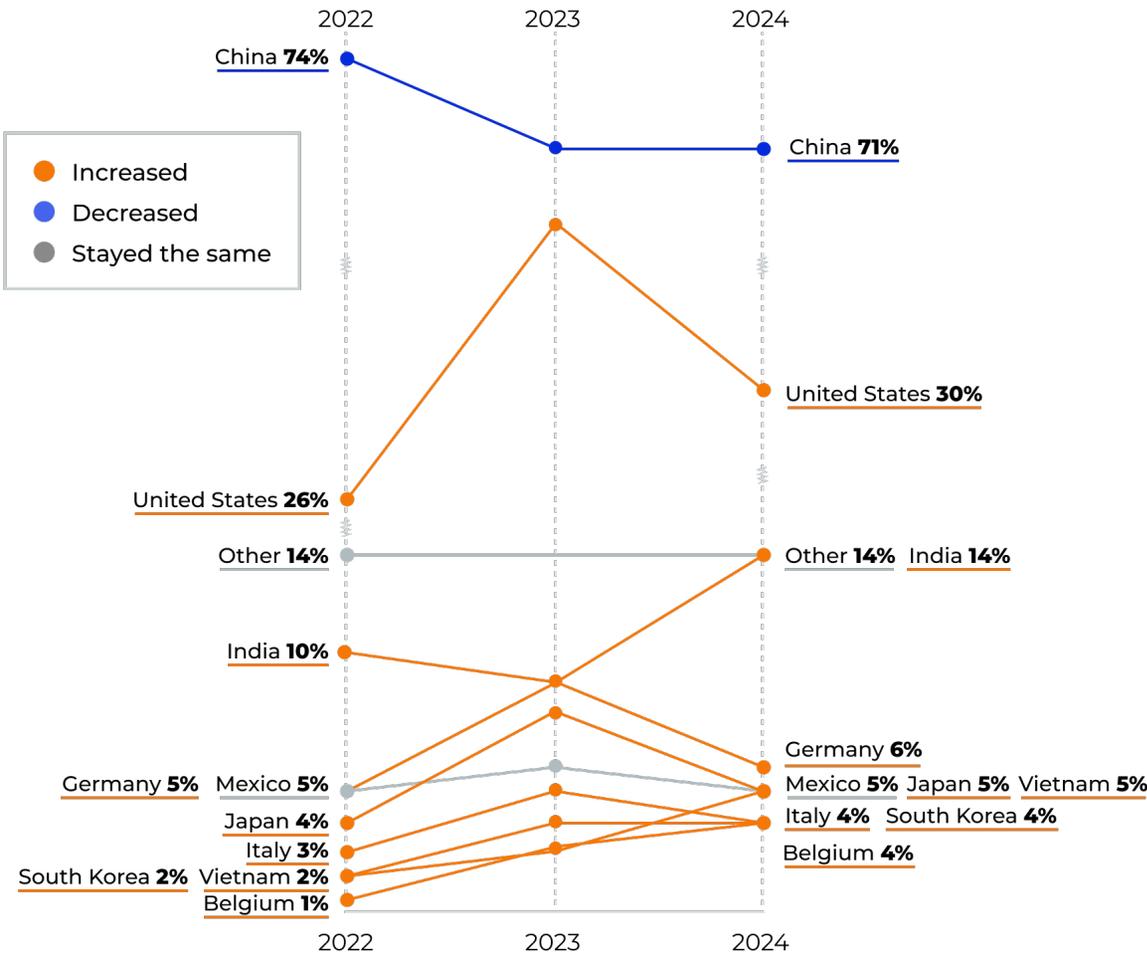
Top Amazon product categories for all Amazon sellers, brands, and businesses

Category	2024	2023	YoY change
1. Home & Kitchen	35%	33%	↑ 6%
2. Beauty & Personal Care	26%	25%	↑ 4%
3. Clothing, Shoes & Jewelry	20%	20%	0%
4. Toys & Games	18%	16%	↑ 13%
5. Health, Household & Baby Care	17%	17%	0%
6. Baby	16%	15%	↑ 7%
7. Electronics	16%	17%	↓ 6%
8. Sports & Outdoors	16%	16%	0%
9. Arts, Crafts & Sewing	14%	15%	↓ 7%
10. Books	14%	12%	↑ 17%
11. Grocery & Gourmet Food	13%	13%	0%
12. Office Products	13%	13%	0%
13. Pet Supplies	13%	12%	↑ 8%
14. Tools & Home Improvement	13%	12%	↑ 8%
15. Appliances	12%	12%	0%
16. Garden & Outdoor	11%	11%	0%
17. Cell Phone & Accessories	10%	10%	0%
18. Apps & Games	8%	8%	0%
19. Automotive Parts & Accessories	8%	10%	↓ 20%
20. Computers	6%	7%	↓ 14%
21. Handmade	6%	6%	0%
22. Collectibles & Fine Art	5%	5%	0%
23. Industrial & Scientific	5%	5%	0%
24. CDs & Vinyl	4%	4%	0%
25. Luggage & Travel Gear	4%	3%	↑ 33%
26. Video Games	4%	4%	0%
27. Other	3%	3%	0%

Sourcing

China continues to be a leading supplier country for Amazon businesses of all sizes. As overseas shipping and manufacturing prices fluctuate, however, so too are the countries brands and sellers are looking to for their inventory.

Top supplier countries for Amazon products



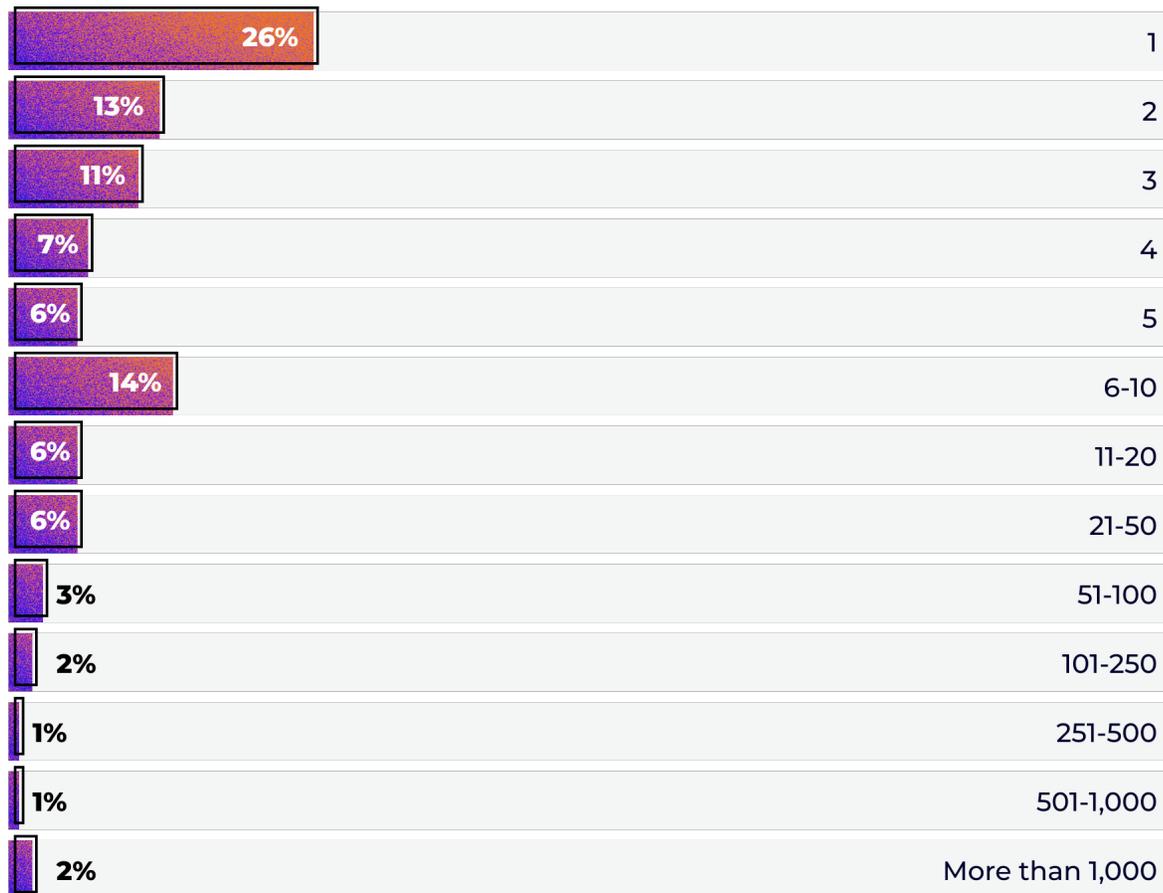
The number of Amazon sellers and brands sourcing their products from the United States **dropped 17%** year-over-year, while the number sourcing from India **jumped 56%**.

The number of sellers and brands sourcing products from **Belgium and Vietnam** has been **steadily growing** over the last two years.

Product volume

The majority of Amazon sellers, brands, and enterprise businesses on Amazon (89%) sell 50 or fewer products, but there are notable gaps between the catalog size of small businesses and large brands. Over 75% of sellers and SMBs offer fewer than 10 products on Amazon, while nearly 40% of enterprise brands and retailers sell more than 100 products.

Active products on Amazon: All sellers, brands, and enterprise businesses



Catalog sizes are shrinking for smaller businesses.

In 2023, the number of **sellers and SMBs** listing just one product on Amazon increased more than 300% compared to the previous year.

Pricing

When setting prices for their products, enterprise brands and sellers must weigh the cost of producing, shipping, and marketing, as well as what competitors are charging and what consumers are willing to pay.

Many use the rule of thirds: spend $\frac{1}{3}$ of the product's sale price on the product itself, pay $\frac{1}{3}$ in Amazon fees, and pocket the remaining $\frac{1}{3}$ as revenue.

Average Amazon product price



61%

of all Amazon businesses
price their products between
\$16 and \$50

Jungle Scout **COBALT**

Your competitive edge for selling on Amazon.

Powered by trillions of data points, Jungle Scout Cobalt is a leading Amazon market intelligence and advertising solution designed specifically for enterprise brands, retailers, and ecommerce agencies.

Cobalt features a powerful suite of tools for driving growth and profitability on Amazon:

Retail Insights brings together data from multiple Seller Central and Vendor Central accounts in unified dashboards that make it easier to track performance and make strategic decisions.

Market Intelligence places your own Amazon business data – like pricing, inventory, and ad spend – within broader market context like market share and sales trends so you can analyze the market and your competitors.

Ad Accelerator provides automation features that save time and resources while delivering valuable insights and recommendations for optimizing campaigns and maximizing ROI.

Digital Shelf Analytics delivers insights on share of voice, providing a detailed picture of how your products and competitors are ranking in Amazon search results.

See how Cobalt can make Amazon market research, reporting, and ad management easier for your team.

[Book a demo](#)



“Cobalt is a valuable tool for any Amazon brand or vendor.”



MARIE LAWSON



“Cobalt has been fantastic for when we need to provide answers to stakeholders.”



ELLIOT FREY

WAHL®

“Cobalt gives full visibility of our performance on Amazon.”



LAURA TAYLOR



“Cobalt has unlocked many possibilities for our team.”



KIRK LUTZ

Chapter 5

Sales & Profitability

Revenue and profits on Amazon span a wide spectrum — business size, ecommerce experience, and sales models each play a role in any brand or seller's success.

In this chapter, we'll explore sales performance and profitability among both SMB sellers and enterprise brands and retailers who earn millions of dollars in revenue each year. How much money can businesses expect to make through Amazon, how quickly can they expect the channel to be profitable, and what makes a million-dollar seller?

Sales

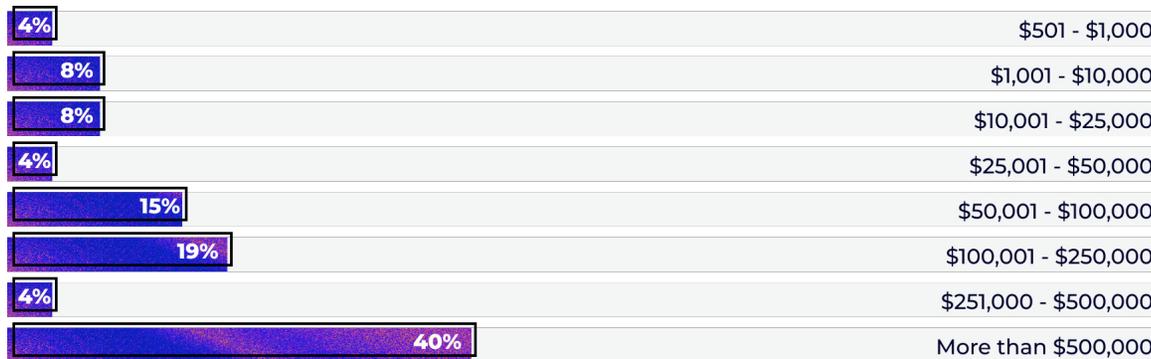
Even for solo sellers and small businesses, Amazon can bring in more money than the average side hustle. 19% of SMB sellers surpass \$10,000 in average monthly sales. It's a lucrative channel for enterprise brands and retailers, too: 78% exceed \$50,000 in average monthly sales.

Average monthly sales

Amazon Sellers & SMBs



Enterprise Brands & Retailers



52%

of Amazon sellers report sales above **\$1,000/month**

30%

of Amazon sellers report sales above **\$5,000/month**

63%

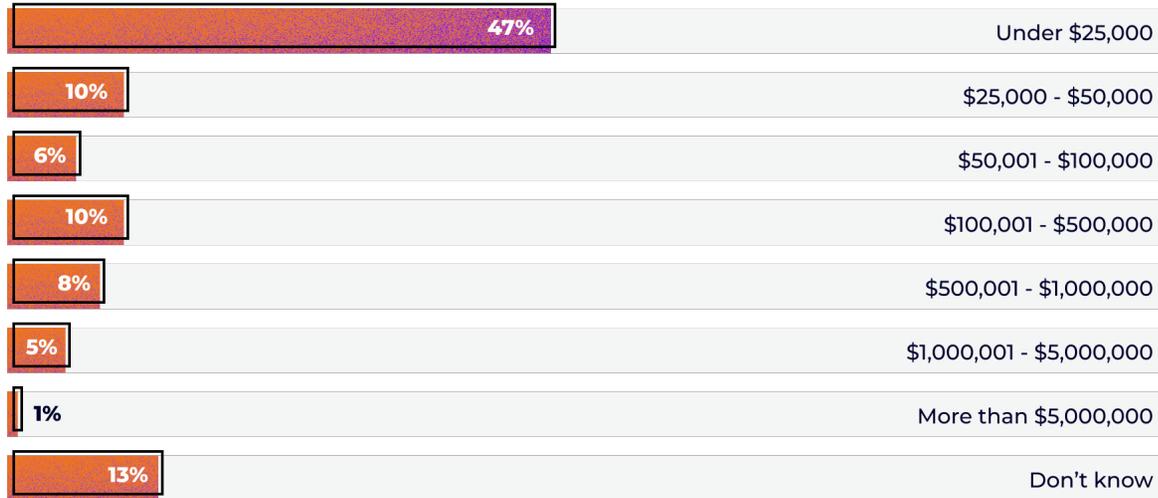
of brands and retailers report sales above **\$100,000/month**

40%

of brands and retailers report sales above **\$500,000/month**

Lifetime sales

Amazon Sellers & SMBs



Enterprise Brands & Retailers



Jungle Scout **COBALT**

See all of your Amazon performance data in one place.

To grow sales on Amazon, enterprise brands and retailers need quick access to current and historical performance data.

Cobalt's Retail Insights puts data from multiple Seller and Vendor Central accounts in a single interface, making it easier to:

- Justify strategic recommendations for growth on Amazon
- Build custom reports on sales and revenue performance
- Manage multiple brands on Amazon
- Eliminate reporting errors that result from manually gathering data
- React immediately to changes in your advertising performance, share of voice, and more

[Tour Retail Insights](#)

Profits

Over half of Amazon sellers and SMBs (57%) have a net profit margin above 10%, and more than two-thirds (81%) of enterprise brands and retailers report the same. More than half (54%) of brands and retailers have profit margins above 20%.

Despite ongoing cost concerns* from sellers, brands, and consumers alike, there looks to be respite from the declining year-over-year profitability that nearly two-thirds of sellers reported for 2022.

*For more on the economic and cost-related concerns Amazon sellers have in 2024, see [Chapter 2](#).

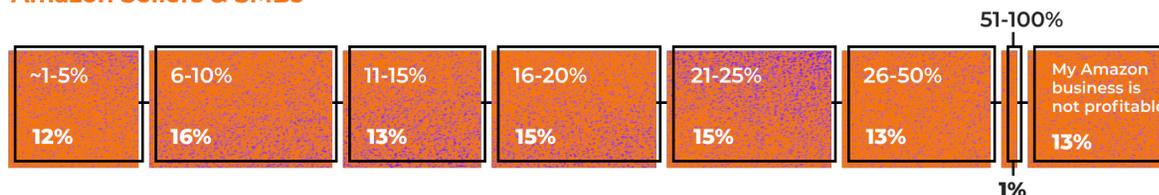
25%

more sellers, brands, and businesses saw profits from Amazon sales increase in 2023 compared to the previous year.

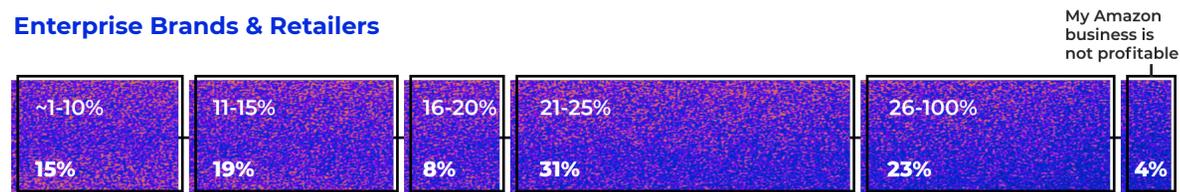
Note: Data in this section represents gross profit margin

Amazon profit margins

Amazon Sellers & SMBs



Enterprise Brands & Retailers



44%

of sellers and SMBs have a profit margin higher than 15%

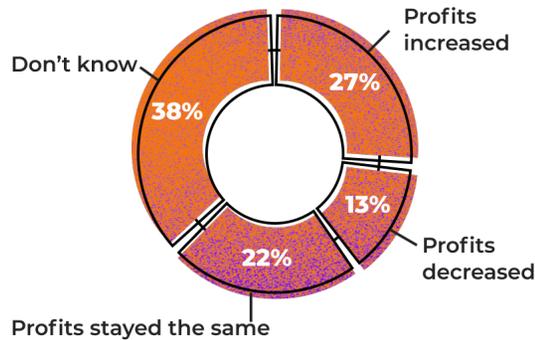
62%

of enterprise brands and retailers have a profit margin higher than 15%

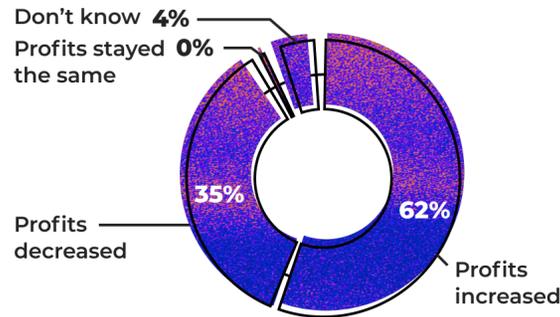
Trendlines: How did 2023 profits compare to 2022?

More than a quarter of small sellers and SMBs (27%) say their Amazon profits increased from 2022 to 2023, and nearly two-thirds (62%) of enterprise brands and retailers say the same.

Amazon Sellers & SMBs



Enterprise Brands & Retailers

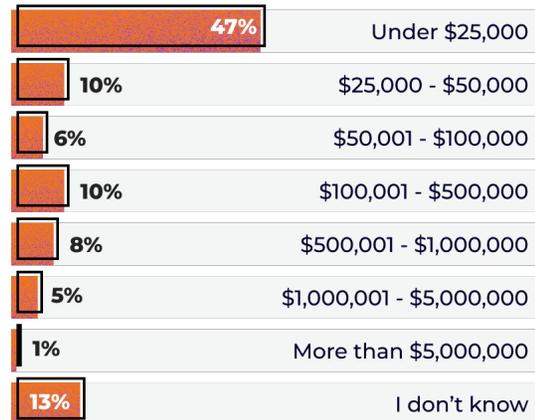


Among sellers and SMBs whose profits increased in 2023, the majority (67%) saw increases between 1 and 10%.

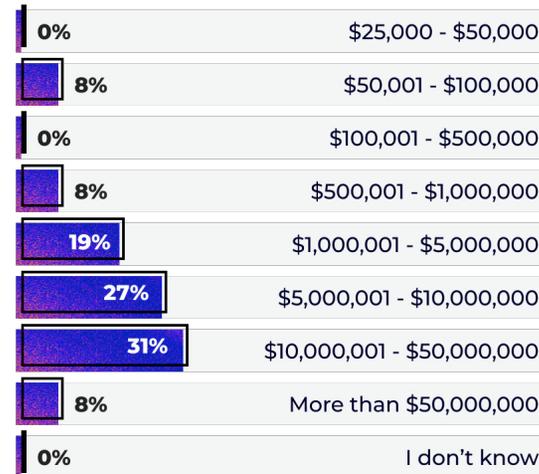
Among enterprise brands and retailers whose profits increased in 2023, the majority (63%) saw increases between 5 and 10%.

Lifetime profits

Amazon Sellers & SMBs



Enterprise Brands & Retailers



30% of sellers and SMBs have lifetime profits over \$50,000

85% of enterprise brands and retailers have lifetime profits over \$1,000,000

Chapter 6

What It Takes to Sell on Amazon

There's no single formula for success on Amazon. Some business models require a greater investment than others, some sellers try multiple product launches before hitting their stride, and some brands have more resources to dedicate to the channel than others.

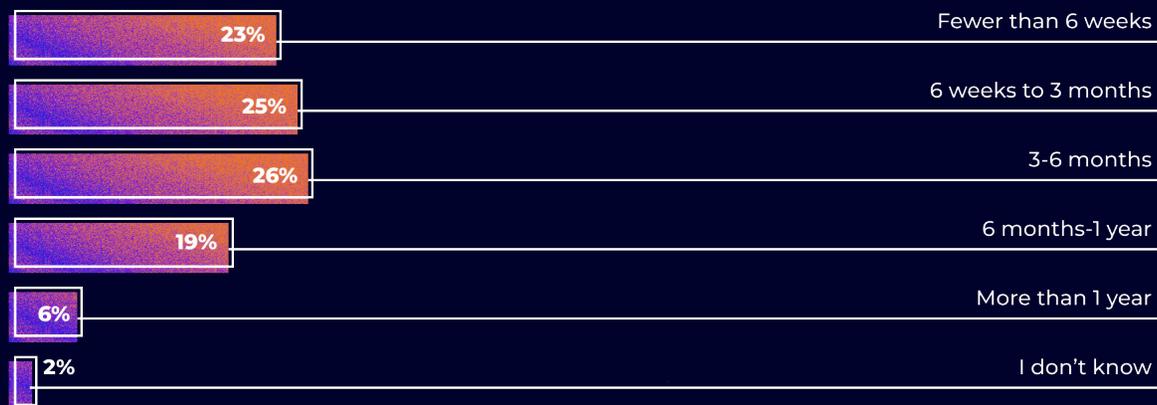
That said, time and motivation are essential to any business venture, and marketing investments are a major component of competing in ecommerce.

Time

For new sellers and Amazon businesses, it takes time to learn what makes a great product opportunity, what customers want, and how to manage ecommerce logistics. For established sellers and enterprise brands, time is one of the most important resources for building awareness, optimizing advertising campaigns, and maintaining a competitive edge.

Time it takes to start an Amazon business

From first efforts to having a live product listing



Almost **three-quarters (74%)** of sellers and brands have been able to get their Amazon business up and running in less than 6 months.

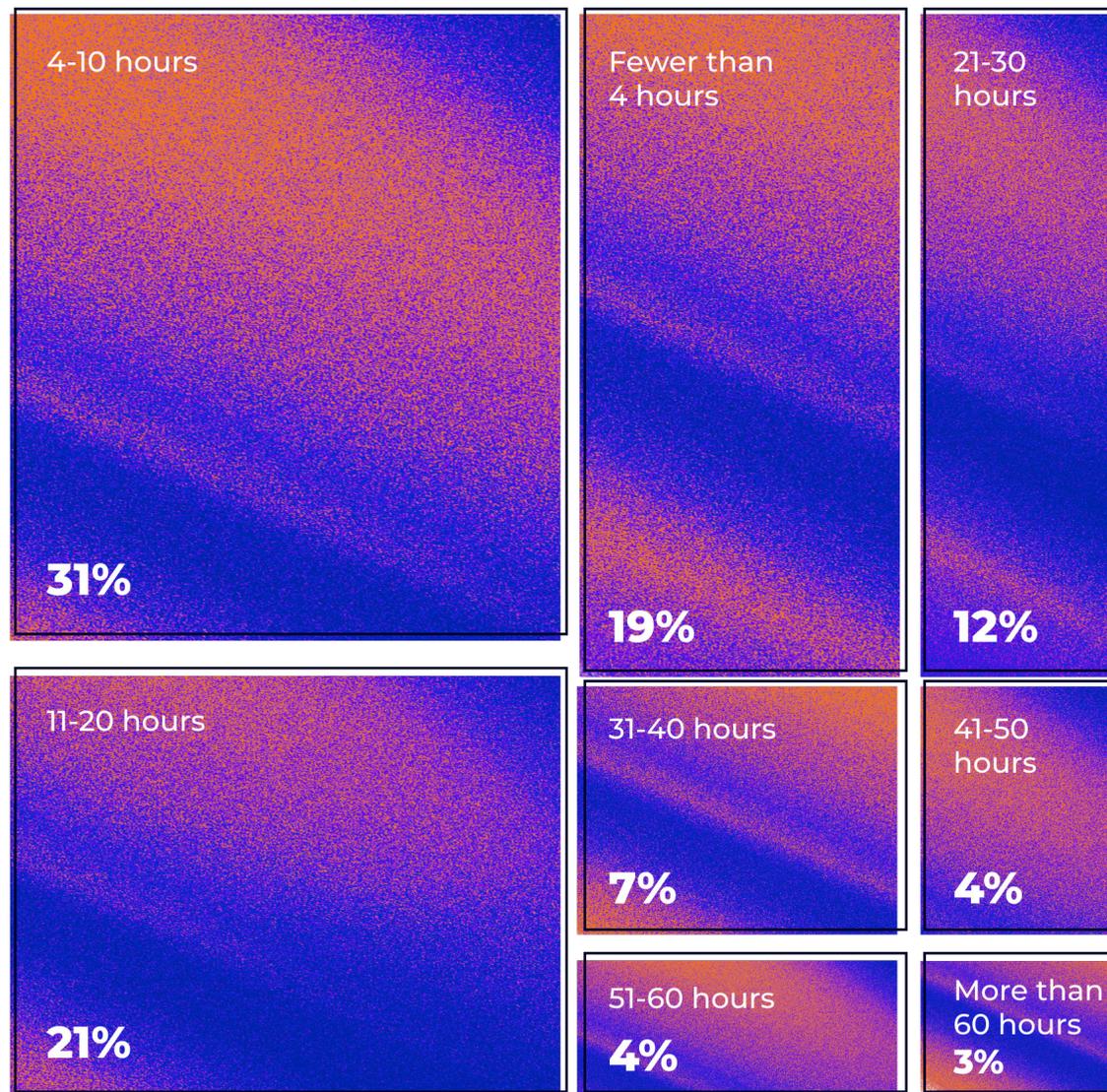
The time investment needed to maintain a profitable Amazon channel depends on multiple factors – from catalog size to fulfillment model to technology.

While most sellers and brands manage their Amazon businesses in **4 - 20 hours per week**, the number of sellers who report spending just 4 hours or less on their Amazon business each week **increased 138%** in 2023 (to 19%, up from 8% the previous year).

This correlates with shrinking catalog sizes* for sellers and SMBs, as well as the rapid adoption of time-saving AI tools for channel management.

**Learn more about shifting trends in product volume in [Chapter 4](#).*

Time spent on Amazon business each week



Money

Most Amazon businesses – whether a new seller or a well-known brand diversifying its sales channels – make some kind of up-front investment. This can include investment in market research, the cost of products, storage and seller fees, and advertising.

For most businesses (64%), this up-front investment is less than \$5,000 – and 25% spend less than \$1,000.

Fortunately, the payoff is high. More than a third (35%) of sellers and SMBs turn a profit in less than 6 months. For enterprise brands and retailers, more resources make an even shorter runway: 77% see a profit from Amazon in less than 3 months.

Money spent to start on Amazon: All sellers, brands, and businesses

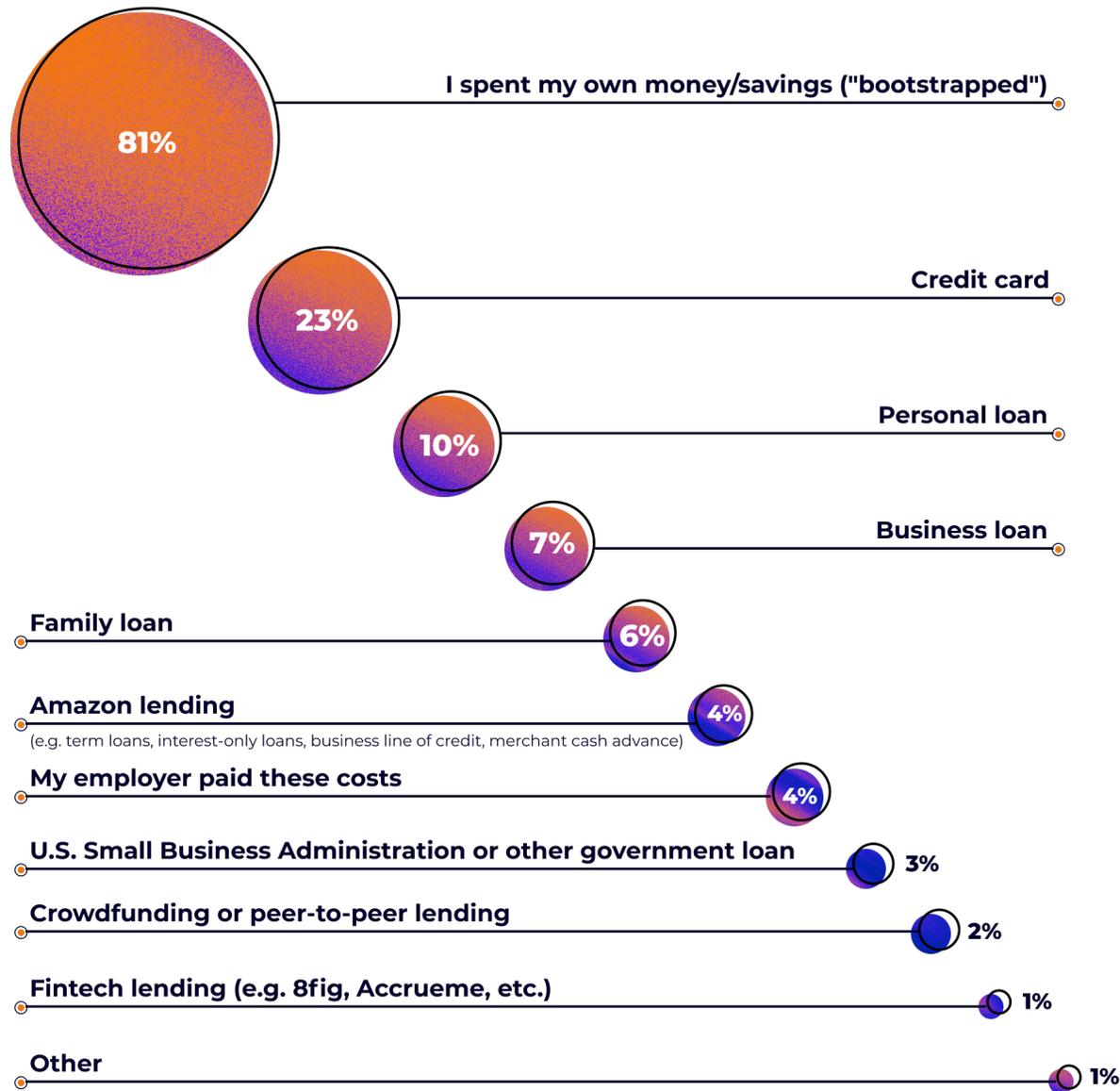


Time it takes to turn a profit: All sellers, brands, and businesses



58% of all businesses are profitable within a year of launching on Amazon.

Funding sources: Amazon sellers and SMBs



Most **sellers and SMBs** are “bootstrappers” — 81% say they at least partially funded their business with their own cash.

Marketing investments

Advertising has become key to competing in ecommerce – and it's one of the areas where small sellers and enterprise brands differ the most.

84% of all businesses on Amazon advertise their products on or off Amazon. For sellers and SMBs, ecommerce platforms are the top place for advertising, with 58% investing in pay-per-click (PPC) ads. Paid search advertising is most popular among brands and retailers, with 64% advertising through channels like Google.

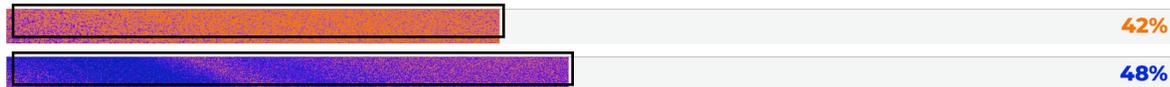
Top channels where Amazon businesses advertise their products

● Sellers & SMBs ● Enterprise Brands & Retailers

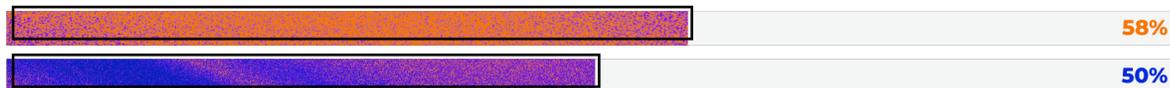
Search engines/paid search (e.g., Google Ads)



Social media (e.g., paid Facebook ads, Instagram content)



Ecommerce platforms (e.g., Amazon PPC ads, Walmart Sponsored Products ads)



Traditional media (e.g., radio, TV, & print ads)



None of the above



Jungle Scout **COBALT**

Maximize your Amazon advertising ROI.

Advertising is key to sales growth, but it's also one of the most common challenges for selling on Amazon.

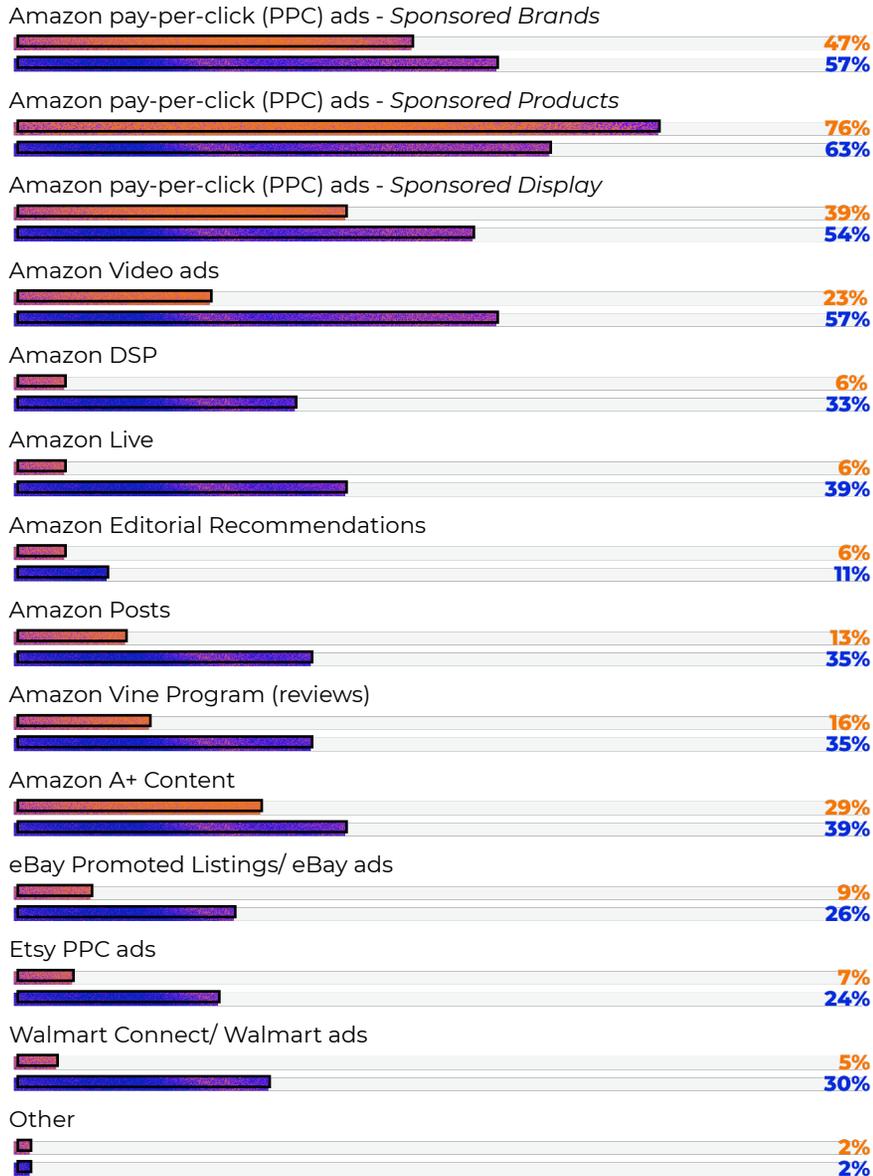
Cobalt's Ad Accelerator provides advanced automation features to save time, improve campaign performance, and remove the guesswork from:

- Scaling your advertising efforts and managing multiple ad accounts
- Controlling ad spend and effectively targeting your ideal customers
- Growing revenue and reducing wasted ad budget
- Adjusting PPC bids based on campaign performance
- Building reports that clarify how your advertising efforts influence sales and profitability

[Learn more](#)

Breakdown by ad type

Ecommerce Channels

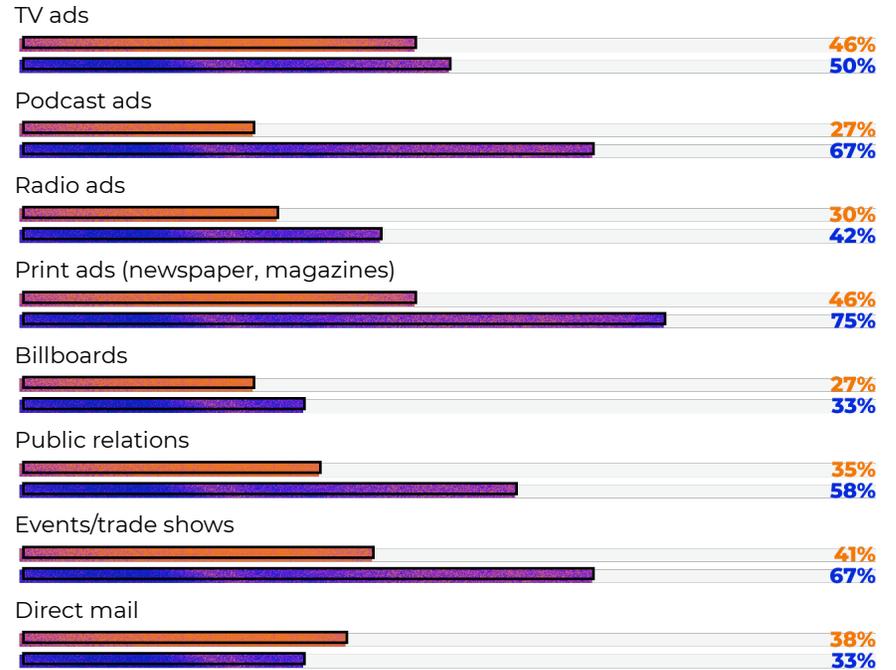


● Sellers & SMBs ● Enterprise Brands & Retailers

Search Engines



Traditional Media

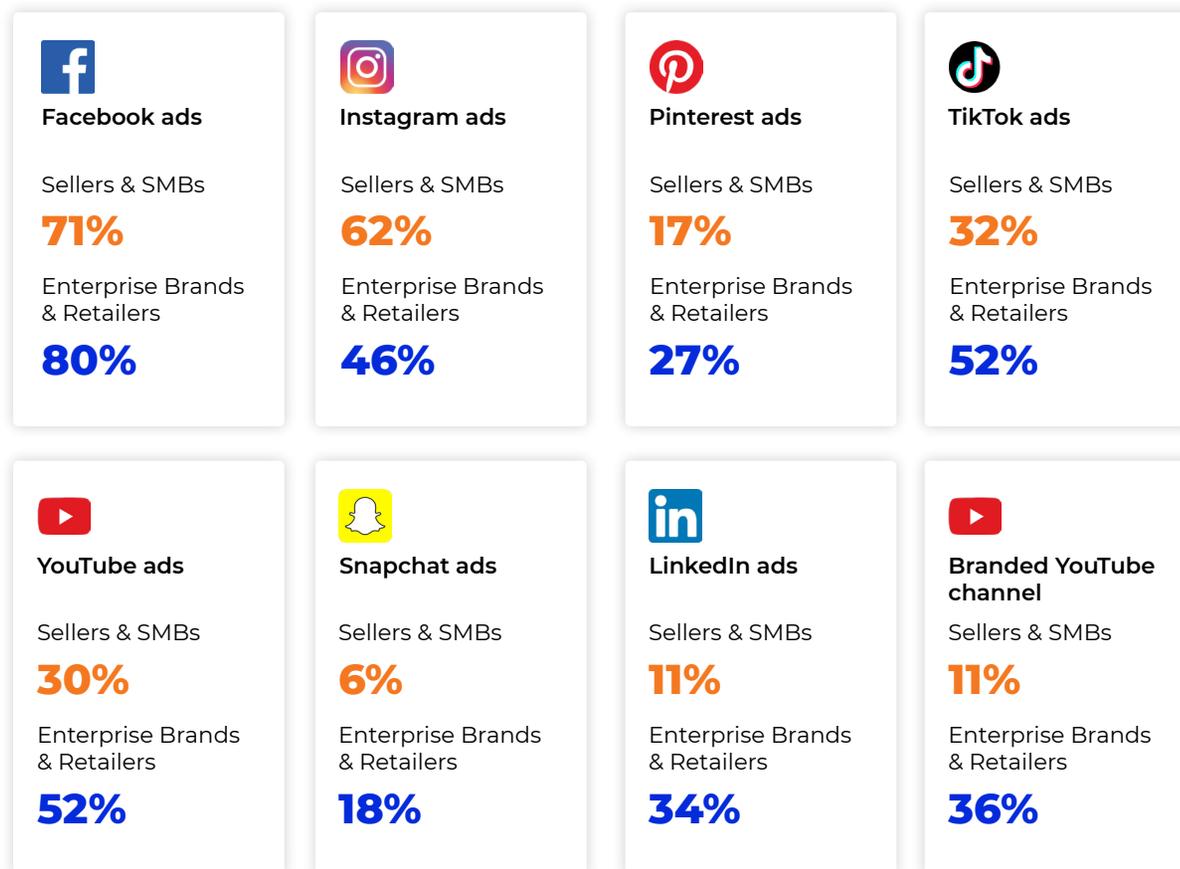


Social media spotlight

Social media is one of the most popular channels for ecommerce expansion* in 2024, and 44% of all Amazon businesses already advertise their products on social media.

*See [Chapter 1](#) to learn more about how Amazon brands and sellers are expanding their ecommerce businesses this year.

Trending social platforms for advertising



More than **20%** of all Amazon businesses post advertising content to a branded or personal social media account

Nearly **one in five brands (18%)** has worked with social media influencers to promote their products

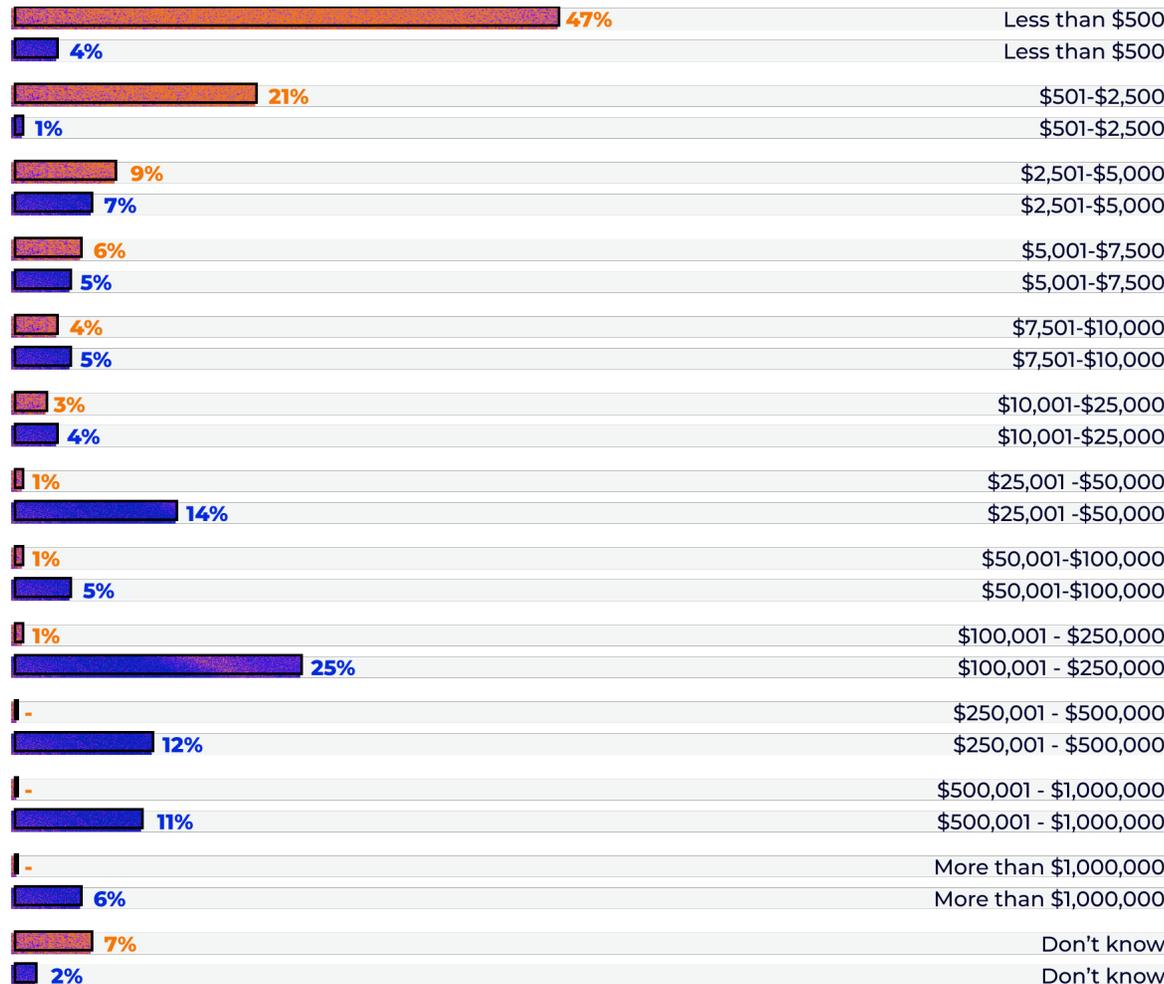
Advertising spend

The majority of sellers and SMBs (68%) spend anywhere from \$0 to \$2,500 on monthly *advertising costs* on Amazon. Not surprisingly, monthly advertising costs for brands and retailers trend far higher, with a majority (73%) spending \$25,000 or more per month on Amazon marketing investments.

Average monthly advertising spend on Amazon

● Sellers & SMBs

● Enterprise Brands & Retailers



Nearly half (47%) of sellers and SMBs spend less than \$500 per month on Amazon advertising.

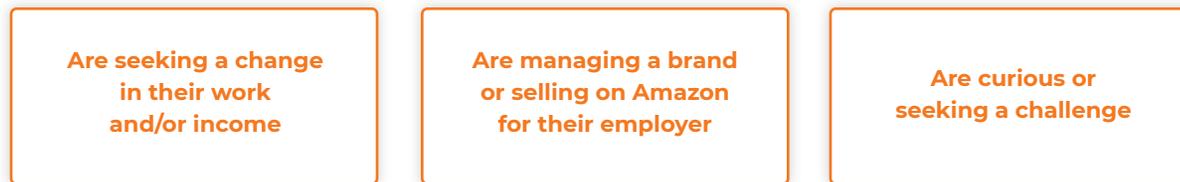
Increasing ad costs are a concern for 38% of all Amazon sellers, brands, and businesses

Managing pay-per-click (PPC) advertising is one of the most common challenges among SMB sellers

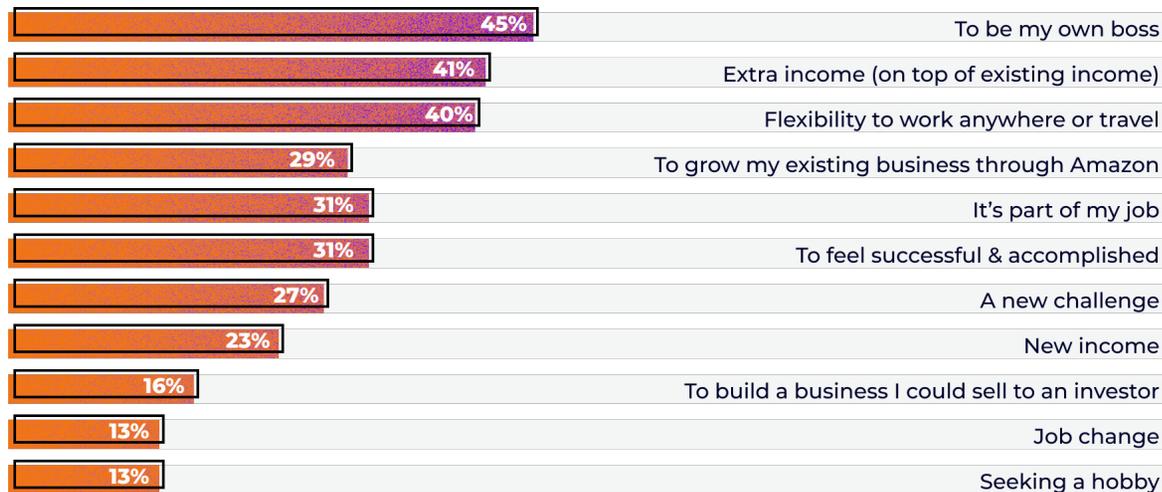
Seller spotlight: Motivation & success factors

Over 3,000 new sellers join Amazon each day. With the right product and strategy, Amazon is a gateway to vast opportunity – but it’s also a highly competitive and ever-evolving marketplace. So what is it that motivates those solo entrepreneurs and small businesses to turn to Amazon – with all its benefits and complexities – to launch and grow?

For most sellers and SMBs, their primary motivations for launching on Amazon fall into three categories:



Top Amazon seller motivations



*Percentages represent the number of respondents who cited each factor as a motivation for selling on Amazon

70%

of Amazon sellers and SMBs say they wish they had started selling online sooner.

A vast majority of sellers who were motivated to earn new or extra income by selling on Amazon planned to use that income to support themselves (61%) and/or their families (64%). Other popular goals include:

- 43% Build a nest egg or savings fund
- 39% Be able to quit their other job(s)
- 35% Retire early
- 31% Pay off debt
- 31% Pay for luxury/extraneous expenses or travel

Top five factors that lead to success in selling on Amazon

(according to sellers and SMBs themselves)

- 1 Having enough passion/motivation
- 2 Finding a high-demand, low-competition product to sell private label
- 3 Having enough money to invest
- 4 Having the necessary tool(s) and information to help
- 5 Being motivated to make money

*Ranked from highest to lowest by the percentage of respondents who say each factor is vital to their success on Amazon

About the Report

Jungle Scout's annual State of the Amazon Seller Report is a study of nearly 2,000 entrepreneurs, brands, and businesses of all sizes that have leveraged the massive global retail platform of Amazon.

This research explores the current state of selling on Amazon in 2024, including who sellers are, what and how they're selling, and how they are responding to ecommerce growth and major shifts in global economics.

By analyzing the makeup of Amazon sellers — including their business models and fulfillment methods, sales and profits, motivations and challenges, and product and category trends — we can better understand the role and value Amazon's millions of third-party sellers play in an increasingly digital and connected world.

This report focuses on two tiers of Amazon businesses: solo sellers and small-to-midsize businesses (SMBs), which Jungle Scout defines as Amazon businesses that earn less than \$2 million in annual revenue, and brand and retailers, which Jungle Scout defines as Amazon businesses that earn \$5 million or more in annual revenue.

Methodology

Between December 1, 2023 - January 3, 2024, Jungle Scout surveyed nearly 2,000 Amazon sellers and businesses, including prospective and former sellers. In total, respondents represent more than 100 countries, 20 Amazon marketplaces, and all relevant Amazon product categories. They are from ages 18 to 80+ and all genders and levels of education.

This report focuses on 1,064 first-party and third-party sellers that have at least one live product listing on Amazon. This group includes data from 916 small-to-midsize businesses and sellers earning less than \$2 million in annual ecommerce revenue as well as 84 large brands and retailers earning more than \$5 million in annual revenue. Comparisons made to 2023 survey data reflect responses from 824 sellers and businesses meeting the same criteria.

Respondents represent sellers' stated perspectives and are not meant to indicate or predict actual future seller behavior. The survey was conducted in English only.

Using the data

We encourage you to explore Jungle Scout's 2024 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.

About Jungle Scout: Leading Amazon Market Intelligence Tools

Over the past decade, Jungle Scout has gathered a wealth of data points through continuous monitoring and analysis of Amazon. The tools used to build this report are the same ones that 1 million+ sellers, brands, retailers, and agencies use each day to make confident decisions and develop effective strategies on Amazon. See how our tools can help your business grow by signing up or requesting a demo.

FOR FIRST-TIME AND ESTABLISHED SELLERS

Jungle Scout

Jungle Scout is the leading platform for ecommerce sellers, supporting more than \$50 billion in annual Amazon revenue. Founded in 2015 as the first Amazon product research tool, Jungle Scout today features a full suite of best-in-class business management and market intelligence solutions to help sellers:

- Find and track winning products
- Discover high-value keywords
- Source suppliers for products
- Create and optimize product listings
- Jumpstart their business with exclusive tutorials

[Sign up today](#)

FOR BRANDS, RETAILERS, AND AGENCIES

Jungle Scout Cobalt

Jungle Scout Cobalt empowers enterprise brands and retailers with a powerful suite of ecommerce tools designed to drive growth on Amazon. Comprehensive data analytics, built-in advertising automation, and intuitive visualizations turn insights into action. Cobalt is trusted by brands and retailers worldwide to:

- Track and grow market share
- Analyze performance data
- Gauge market trends and competitor performance
- Optimize ad campaigns
- Gauge share of voice and discover keyword trends

[Book a demo](#)

FOR BIG BOX RETAILERS AND INVESTORS

Jungle Scout Data Cloud

Jungle Scout Data Cloud offers scalability and flexibility by providing retailers a way to get Jungle Scout's industry-leading data, with the ability to analyze and visualize that data using the tools of their choice. It provides a comprehensive view of Amazon market dynamics by allowing retailers to:

- Access millions of data points
- Extract insights using tools like Snowflake, Azure, and others
- Create custom visualizations with PowerBI, Tableau, and similar tools
- Analyze trends in consumer demand
- Investigate third-party sellers

[Try Data Cloud with Snowflake](#)