

## What is a Single Authorized Seller?

*A single authorized seller is a brand's Amazon selling partner. They run an eCommerce business that makes its money by selling their approved brands' products. It's a win-win for both.*

by Christine Gable

You have put blood, sweat and tears into building your company. But sometimes there's just not enough time in the day to do everything that needs done, much less do it well. And in today's eCommerce environment, you don't have to be living under a rock to know it's high time to embrace Amazon for continued growth.

That's when partnerships come into play and a single authorized seller can save the day. Connecting with other businesses that specialize in what you need can be the ticket to success. As they say, *teamwork makes the dream work.*

A single authorized seller is a third party seller on Amazon that works directly with a brand. Third party (3P) sellers expand the offerings of "the everything store" by making more products available than Amazon ever could on its own. After all, every hometown in America has small businesses with products and services that are uniquely their own. While larger companies have internal teams to handle Amazon, to have the same level of dedication and expertise for a small business often requires a dedicated 3P seller.

Third party sellers are the lifeblood that helps keeps products sold on Amazon pumping out to customers around the country. Since 1999, third-party gross physical merchandise sales - primarily comprised of SMBs (small and medium businesses) selling in Amazon stores - has grown from \$0.1 billion to \$160 billion in 2018. On average, U.S.-based SMBs sell more than 4,000 items per minute in Amazon's stores.



Experienced 3P sellers know the ins and outs of selling on Amazon. They've been involved in researching profitable popular products, purchasing and selling inventory, and could have a warehouse with receiving docks. They may even be Prime-approved and fulfilling orders directly to customers from their warehouse.

Reputable 3P sellers are business people just like you. They watch the bottom line, forecast inventory and cash flow, manage employees,

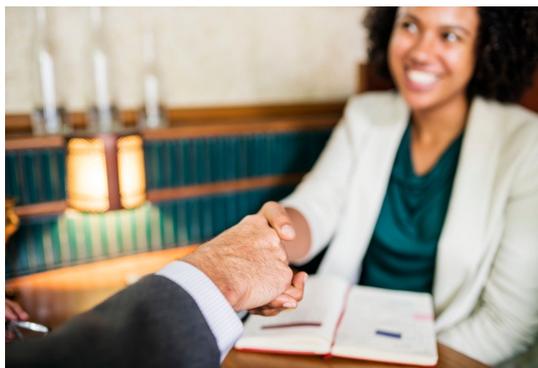
and comply with tax laws. Just like any other business endeavor, success and survival on Amazon is not for the faint of heart. It takes intelligence, determination, and perseverance. Notice I used the words experienced and reputable in referring to 3P sellers that you want as your single authorized seller. That's because - big surprise - there are indeed some bad actors out there. There are "fly by nighters" aiming to make a quick buck selling anything they can. Think retail arbitrage, moving SKUs, counterfeit products, you name it - if they can get their hands on it and sell it at a profit, they will. It's kind of like gambling eCommerce style. Buy low, sell high. And do it fast.

Some may refuse to step down from selling products they are not authorized to sell -- even after they've received repeated requests and warnings from the brand (aka cease and desist letters, the first step in brands legally removing 3P sellers' rights to sell the brand's products). These are NOT the 3P sellers that I'm referring to here. Third party sellers that work as single authorized sellers will want to work together. They won't succumb to shady tactics requiring brand enforcement efforts.



Legitimate 3P sellers sell approved products on the Amazon Marketplace. You can tell from their listings and their company presence that they are running genuine businesses. The product listings will be complete and accurate: look at the title, bullet points, description; often the page will show A+ content, videos and the brand name itself will be linked to the Amazon storefront.

The seller's business itself will have a physical address, a phone and email and - best of all - there will be real people you can converse with. They will have a website, a physical warehouse and you can see where they prep products and ship orders to customers. They will be happy to meet you and talk about working together.



When you team up with another small business that operates as a 3P seller on Amazon, it can free up your brain power to get back to doing what you do best - manufacture a stellar product. *Makers make. Sellers sell.*

While Amazon as a company also buys and sells directly from brands, most often they are focused on large volumes with smaller margins. Working directly with Amazon in this way is not a viable option for the

majority of small businesses, especially when starting to build an Amazon stream of income. If the time comes that the revenue built in partnership with your 3P seller catches Amazon's attention, be sure to check all policies and crunch all numbers if you are considering a change to working directly with Amazon. Maintaining control of your brand's presence through your own Seller Central account can offer a multitude of benefits that far outweigh that option, including control over pricing and inventory.

Isn't it time to use Amazon to build an even stronger following, to find more customers and build sales volume for your products? Start a discussion today. Building a strong team where you're all pulling together for a common goal - aka strong sales of your brand's products - is a beautiful thing.

### **10 questions to start a discussion with a 3P seller:**

**1. Can you tell me about your company and how you work with Amazon?**

*Here you're looking for someone who didn't just start last week by putting up a few items from the Target sale shelf. You want someone running a legitimate registered business, operating in sync with all Amazon policies and procedures.*

**2. Do you have a website?**

*Yes, hopefully they will. If they don't have one (yet), they will be able to direct you to listings of products they sell, along with A+ content pages and storefronts they've created (when working with brands with registered trademarks).*

**3. What categories do you sell in?**

*It's best to find sellers that specialize in certain categories -- not the jack-of-all trades that tells you they'll sell anything in any category. There are quite a few categories that require approval and more than 40 categories total. No one can do everything well.*

**4. Has your Seller Central account ever been suspended or revoked?**

*Of course, the ideal answer here is no. However, we are all human and Amazon also makes mistakes. If they did have a suspension, ask what happened. You'll find out quickly if this is someone who takes responsibility for mistakes and how they handle difficult or challenging aspects that are part of owning a business.*

**5. Do you purchase products wholesale?**

*Here you're looking to discover the model they are working under. Are they making their margins between the wholesale and retail price (less Amazon fees)? Are they*

*handling prep, packaging and freight? Or are they outsourcing some aspects and charging a percentage for their services and expertise.*

**6. How do you prefer to work with brands/companies like mine?**

*This is a great way to begin to open up the lines of communication more fully. See how they express themselves, what their priorities are, how focused they are, and if they are open to your ideas. Most of all: do they listen well and respect your perspective? Do you get a good sense that you could work together for the long term?*

**7. How do you determine which products of ours are best to sell?**

*It's good to learn the process they use for research. You'll also find out if they partner with any other companies or experts that could help them with optimal keywords or sales volume. Does it seem important to them that you'll each come out ahead, meeting both company's margins?*

**8. Do you have references of other companies you've worked with?**

*They should definitely have them and be willing to share contact names, emails and phone numbers. However, keep in mind that everyone starts somewhere. If they are responsible, educated and a go-getter, they could be a newbie and a keeper.*

**9. Are you a one-stop-shop for Amazon or do you partner with others?**

*Partnering with others is a good sign that they value teamwork. It also shows they can cooperate and let others lead in individual areas of expertise. Even 3P sellers need to outsource tasks. There are a lot of moving parts in dealing with Amazon, and especially in handling it well. This also gives you an opportunity to contact their partners to inquire about the relationship.*

**10. What are your requirements for working together?**

*Always good to know upfront. There may be minimum order sizes, deadlines, and/or additional fees depending upon the services they offer. See if your prospective partner is flexible and open to the best way you can partner together for a mutually beneficial Amazon experience. One that boosts BOTH of your bottom lines.*



*Christine Gable is the founder of Beech Tree Trading, a small business in Lancaster County, Pennsylvania that operates as a single authorized seller. You can see the brands they work with at [www.beechtreetrading.com](http://www.beechtreetrading.com). In addition to partnering with local companies and brands in the grocery and beauty categories, they also provide resources to help small businesses become more successful. Editorial contributors include Jacqueline Gable and Jody Hess.*