



# The Amazon Reselling Business

*Buy low at retail and online, sell on the world's biggest store. Real spreads after Amazon's 30-40% cut, and rules that end careless accounts.*

\$500-1,500

START LEAN

7-21 days

FIRST DOLLAR

15-25% net of revenue

TYPICAL MARGIN

# Is this your business?

Amazon reselling (retail arbitrage, online arbitrage, and wholesale) is the most mechanical business in this series: buy products below their Amazon price, send them to FBA, and capture the spread. No brand, no audience, no design skill. The honest version: Amazon takes roughly 30-40% of every sale in fees, sourcing is a grind of scanning and analysis, and the account is a privilege Amazon can revoke. Treated as a margin discipline, it produces cash faster than almost any online model.

\$500-1,500

LEAN STARTUP COST

\$3,000-6,000

STANDARD BUILD

7-21 days

TIME TO FIRST DOLLAR

15-25% net of revenue

TYPICAL GROSS MARGIN

Yes, fully

SOLO-FRIENDLY

Yes (prep at home)

HOME-BASED

## BUILT FOR THESE FOUNDER TYPES

THE OPERATOR

3/5 difficulty

### THE HONEST FIT TEST

This is for people who enjoy the hunt and the spreadsheet: scanning clearance aisles, reading price-history charts, doing cold margin math. There is no creativity requirement and no audience to build. If 'wandering Walmart at 8 a.m. analyzing toy clearance' sounds tedious rather than thrilling, pass. If buying \$12 items that sell for \$30 sounds like a game you would play anyway, this pays you to play it.

# Who pays, and why now.

Amazon hosts well over half of US online product searches and pays out billions to third-party sellers, who make up roughly 60% of everything sold there. Resellers exist because retail is permanently inefficient: a toy clearanced to \$11 in an Ohio Target still sells for \$34 on Amazon, a discontinued shampoo doubles in price online, and regional grocery brands sell nationally at a premium. Your job is to find those gaps faster than other scanners and ride them before they close.

Three sourcing models form a ladder. Retail arbitrage: scan physical clearance aisles with the Amazon Seller app, buy what clears your margin floor, done the same day. Online arbitrage: the same math run from your couch against web stores, cashback portals, and coupon stacks. Wholesale: open accounts with distributors and buy proven SKUs by the case, trading higher capital for repeatability. Most successful resellers start retail, add online, and graduate to wholesale within a year.

The fee structure is the business, so learn it cold. Amazon takes a referral fee (most categories 15%), plus FBA fulfillment of roughly \$3.50-7 per typical-size unit, plus monthly storage, plus the \$39.99 Professional account. A \$30 sale commonly returns about \$19-21 before your product cost. The sellers who fail did not get cheated by Amazon; they bought inventory whose math never worked after fees, and a free profit calculator would have told them so at the shelf.

The competitive reality: you share every listing with other resellers and rotate the Buy Box on price, so spreads compress over weeks as more scanners find the same deal. That makes this a velocity business, not a holding business. Buy, sell within 30-60 days, recycle capital, repeat. The compounding is real: \$1,000 cycled at 30% net every six weeks grows like very few savings vehicles on earth.

WHO BUYS	WHAT THEY PAY	WHAT THEY ACTUALLY WANT
<b>Amazon's everyday customers</b>	\$15-60 per typical resale item	The exact product, Prime-fast, from whoever holds the Buy Box; they neither know nor care who you are
<b>Discontinued-item hunters</b>	2-4x retail on retired products	The exact retired toy, fragrance, or part; scarcity premiums are the category's outsized wins
<b>Seasonal and holiday buyers</b>	Premiums in Q4 and event weeks	In-stock certainty when shelves empty; Q4 routinely doubles a reseller's run rate
<b>Regional-brand loyalists</b>	Steady premiums year-round	The grocery or care brand from back home that no national chain carries

SHARE OF AMAZON SALES FROM THIRD-PARTY SELLERS

~60%

Amazon's marketplace is mostly independent sellers, and Amazon profits from every one of them. The platform wants you there, on its rules, paying its fees. Resellers who internalize both halves of that sentence keep their accounts and their margins.

# Every dollar, before you spend it.

Your startup cost is mostly inventory float: money that cycles through products and returns fatter every 30-60 days. Tools are cheap and decisive; the scanning and analysis software is what separates buying profit from buying regret.

THE LEAN BUILD · START HERE	WHY IT EARNS ITS PLACE	COST
<b>Initial inventory bankroll</b>	Spread across 15-25 different items; never concentrated in one bet	\$300-1,000
<b>Amazon Professional seller account</b>	Required at ~40+ sales a month; the individual plan's \$0.99/item beats it below that	\$39.99/mo
<b>Scanning and analysis (SellerAmp or ScoutIQ)</b>	Shelf-side profit, sales-rank, and eligibility checks; do not source without it	\$20-30/mo
<b>Keepa subscription</b>	Price and rank history charts; the single most important tool in arbitrage	~\$20/mo
<b>Prep supplies</b>	Poly bags, scale, box stash, suffocation labels, thermal label printer	\$80-180
<b>Inventory and accounting software</b>	InventoryLab or a disciplined spreadsheet from day one	\$0-69/mo
<b>LLC + EIN (recommended early)</b>	Cheap protection and cleaner books; see the legal page	\$50-500
<b>Lean total</b>		<b>\$510-1,800 to start</b>

THE STANDARD BUILD · ADD AFTER FIRST REVENUE	WHAT IT UNLOCKS	COST
<b>Bigger bankroll</b>	Capital is the throttle; returns scale almost linearly with deployable cash	\$2,000-5,000
<b>Online arbitrage sourcing lists or software</b>	Tactical Arbitrage or curated lead lists buy you sourcing hours	\$50-100/mo
<b>Wholesale account openings</b>	Reseller permit, business cards, and minimum first orders with 2-3 distributors	\$500-2,000
<b>Prep service (outsourced)</b>	\$1-1.50 per unit to skip the poly-bag evenings once volume justifies it	\$100-300/mo

## THE RULE

Buy shallow and wide until your judgment is calibrated: 25 different items at \$20 each teaches you more than one \$500 bet, and no single mistake can hurt you. Depth comes later, on products whose Keepa charts you have personally watched cycle.

# Clean from day one.

Amazon reselling is legally straightforward commerce wrapped in a platform whose private rules matter more day-to-day than most laws. The first-sale doctrine protects reselling genuine goods; Amazon's gating, brand restrictions, and suspension regime decide whether you get to.

- LLC, EIN, business bank account:** Form it early: clean books matter in a business with hundreds of small transactions, and Amazon's verification is smoother with consistent business details. THE LAUNCHPAD Module Three walks the filings.
- Reseller permit (sales tax license):** Your state's permit lets you buy inventory tax-free for resale and is mandatory for opening wholesale accounts. Usually free or under \$50, online, same week.
- Marketplace facilitator rules work for you:** Amazon calculates, collects, and remits sales tax on your sales in every state that requires it. Income tax remains fully yours: reserve 25-30% of profit and expect a 1099-K once past the federal threshold.
- Understand gating and ungating:** Many brands and categories (toys in Q4, topicals, certain grocery) are restricted to new accounts. Eligibility shows in the seller app before you buy. Ungating usually means submitting a real distributor invoice for 10+ units, which is also your first wholesale rep.
- First-sale doctrine, with receipts:** Reselling genuine products you legally bought is lawful. But when a brand files a complaint, Amazon asks for invoices, and retail receipts sometimes fail that review. Keep every receipt digitally filed by purchase date; treat clearance hauls like auditable inventory.
- Know the suspension triggers:** Inauthentic complaints, condition complaints (selling shelf-worn as new), dropshipping from retailers against policy, and late shipments on seller-fulfilled orders. One clean rule: never sell anything as new that you would not accept as new.
- Avoid restricted and recalled products:** Recalled items, expired goods, and certain batteries or hazmat are prohibited or specially handled. The seller app flags most; when unsure, skip the buy.

## INSURANCE, SPECIFICALLY

Amazon requires commercial liability insurance (\$1M) once sales exceed \$10,000 in a month, and decent policies run \$30-60 monthly. Below that threshold most resellers carry none, but the LLC plus accurate condition grading is your daily protection, since product liability for defects generally chases the manufacturer, not the lawful reseller of an unaltered genuine product.

## WATCH FOR

IP complaints are the account killer, and they often arrive from brands you did not know enforce. Before buying deep into any branded product, check the seller community's brand-enforcement lists and look at how many third-party sellers share the listing: a listing with one seller and a brand name is a trap, a listing with fifteen is shared ground. When a complaint lands, respond fast with invoices and remove the listing; arguing principles with Amazon's bots while your account sits suspended is a losing trade.

Requirements vary by state and city. Verify with your state, city clerk, and a licensed professional. Education, not legal advice.

# Three doors. Real numbers.

You rarely set prices on shared listings; the market and the Buy Box do. What you control is your buying floor, and that is where pricing discipline lives. The three doors here are buy-decision tiers: the minimum standards a product must clear before your money touches it.

	RECOMMEND	
<p><b>DOOR ONE</b></p> <p><b>The Base Hit</b></p> <p><b>\$5-10 profit</b> per unit</p> <ul style="list-style-type: none"> <li>◆ Minimum 50% ROI on your cost after all fees</li> <li>◆ Sales rank proving multiple sales per week</li> <li>◆ Buy 3-12 units, never deeper on a first cycle</li> <li>◆ The bread and butter: most of your buys live here</li> </ul>	<p><b>DOOR TWO</b></p> <p><b>The Solid Double</b></p> <p><b>\$10-25 profit</b> per unit</p> <ul style="list-style-type: none"> <li>◆ 75%+ ROI with a stable 90-day Keepa price line</li> <li>◆ Fewer competing sellers, steadier Buy Box share</li> <li>◆ Worth driving for and buying out the shelf</li> <li>◆ Re-check the source weekly; clearance cycles repeat</li> <li>◆ Where wholesale-case repeatability usually starts</li> </ul>	<p><b>DOOR THREE</b></p> <p><b>The Home Run</b></p> <p><b>\$25-100+ profit</b> per unit</p> <ul style="list-style-type: none"> <li>◆ Discontinued, seasonal-scarce, or regional-exclusive items</li> <li>◆ 100-300% ROI; rare and worth a deliberate hunt list</li> <li>◆ Hold timing matters: sell into the scarcity window</li> <li>◆ Cap exposure: no more than 20% of bankroll in slow movers</li> </ul>

## PRICING NOTES FOR THIS BUSINESS

- Run every buy through the profit calculator at the shelf: cost, referral fee, FBA fee, inbound shipping. If it does not clear \$5 and 50% ROI after everything, walk.
- Read Keepa before trusting today's price: a \$34 price that spiked last week from a \$19 baseline is a mirage that will cost you real money.
- Price with the Buy Box, not under it: undercutting by dollars starts races to the bottom that erase everyone's spread, including yours.
- Mind the velocity: a 90% ROI item that sells once a quarter ties up capital a 40% ROI weekly seller would have tripled.

## THE UPSELL THAT PAYS THE RENT

There is no customer upsell in arbitrage; the lever is capital velocity. Liquidate anything unsold at 60 days, even at breakeven, because dollars trapped in losers cannot buy winners. Resellers who cut fast and recycle outperform stubborn ones holding for 'their' price, in every market condition.

# Names, not strategies.

Your first ten profitable flips are a training montage, not a payday. The goal is calibration: learning to read rank, price history, and competition fast enough that good buys become reflex. Source shallow, ship fast, and study what actually happens against what the tools predicted.

- 1 Big-box clearance aisles**  
Target, Walmart, Walgreens, and Lowe's clearance end-caps, scanned with the Seller app. Wednesday markdown mornings and seasonal resets (post-holiday especially) are when the aisles pay best.
- 2 Your own house first**  
Sealed gifts, duplicate tools, retired toys and games. Listing what you already own teaches the entire FBA workflow with zero capital at risk.
- 3 Grocery and drugstore regional brands**  
Regional sauces, snacks, and care products often sell nationally on Amazon at 2x shelf price, with replenishable supply. Groceries are also where reorderable wins hide.
- 4 Online arbitrage from the couch**  
Clearance pages of major retailers, stacked with cashback portals and coupon codes. Slower spreads, but it scales without driving and trains the same analysis muscles.
- 5 Liquidation and outlet stores**  
Ollie's, Big Lots, outlet malls: chaotic shelves, occasional 200% ROI finds, and excellent practice reading what the scanner says against what your gut hoped.
- 6 One wholesale conversation**  
By week four, call one local distributor with your reseller permit in hand. Even a tiny opening order starts the relationship that eventually replaces aisle-wandering.

## THE EXACT ASK

*"This business has no customer pitch, so your launch post goes to the people who fuel sourcing: 'I have started reselling on Amazon, and I am paying for leads. If you see deep clearance (50%+ off) on toys, kitchen, or personal care anywhere local, text me a photo of the shelf tag and if I buy, the finder's fee is \$10 cash or a coffee, every time.' Friends and family become a scouting network for the cost of keeping your word."*

## THE FOUNDING-CUSTOMER DEAL

Your founding deal is with yourself: the first \$1,000 of profit goes back into the bankroll, untouched. Resellers who spend early profits stay hobbyists; the ones who compound the float for two quarters wake up with a real inventory position and a wholesale-ready balance sheet.

# Owned, earned, then paid.

Arbitrage needs no audience: Amazon supplies the demand, and the Buy Box is the only billboard. Your 'marketing' is operational excellence (account health, fast prep, smart pricing) plus a small content layer that builds your sourcing network and future options.

CHANNEL, RANKED	WHY IT WORKS HERE	THE FIRST MOVE
<b>The Buy Box</b>	80%+ of Amazon sales flow through it; holding a rotating share is the whole revenue engine	Stay priced with the box, keep metrics clean, let FBA's Prime badge do the converting
<b>Account health dashboard</b>	Your real storefront is your standing with Amazon; metrics decide your future	Check daily; resolve any complaint within 24 hours with documentation
<b>Reseller communities</b>	Brand-enforcement warnings, lead swaps, and ungating intel move through them first	Join one paid or free community; trade leads outside your home region
<b>A sourcing-finds content account</b>	Documenting hauls builds the audience that later buys your leads list or wholesale course of honest knowledge	One haul-and-results post a week; show real numbers, fees included
<b>Distributor relationships</b>	Wholesale is marketing to suppliers, not customers; access is the moat	One new distributor contact a month, opened with your permit and a specific brand ask

## FIVE CONTENT PIECES THAT WIN THIS NICHE

- The receipts post: a real haul with buy cost, every Amazon fee, and net profit shown line by line
- Keepa chart school: one chart a week, reading why a price spike is real or a trap
- The 60-day report: what sold, what sat, and the liquidation decision, numbers included
- Store-by-store guide to your region's clearance cycles and markdown days
- Fee math explainer: why a \$30 sale returns \$20, for everyone who calls it 'easy money'

## THE REVIEW MACHINE

Product reviews belong to the listing, not to you, so your reputation metric is seller feedback and order-defect rate. Protect them operationally: accurate condition grading, poly-bagged and bubble-wrapped prep, and instant refunds on genuine problems. A 98%+ feedback score and clean defect rate is what keeps the Buy Box rotation, and the account, alive.

# One unit, one month, no fog.

Two honest snapshots: one typical flip with every Amazon fee visible, and a steady month around month four or five with a few thousand dollars of working bankroll. The fee lines are the education; most quitting resellers never priced them in.

ONE UNIT: ONE \$29.99 FLIP (BOUGHT AT \$12)	AMOUNT	A WORKING MONTH: MONTH FIVE, ~300 UNITS SOLD	AMOUNT
Sale price	\$29.99	Revenue (avg \$30/unit)	\$9,000
Product cost (clearance buy)	-\$12.00	Cost of goods sold	-\$3,750
Referral fee (15%)	-\$4.50	Amazon referral + FBA fees	-\$2,700
FBA fulfillment fee	-\$4.25	Inbound shipping + prep supplies	-\$310
Inbound shipping + prep	-\$1.05	Storage fees	-\$60
Net profit (68% ROI)	\$8.19	Software (Keepa, SellerAmp, books) + Pro account	-\$110
Tax reserve (27%)	-\$2.21	Pre-tax profit	\$2,070
Yours, per flip	\$5.98	Tax reserve (27%)	-\$559
		Owner take-home	\$1,511

BREAK-EVEN

## First 30-45 days

Tools and fees are recovered inside the first inventory cycle if your buys clear the 50% ROI floor. The trap is measuring profit while ignoring hours: month-one sourcing is slow. Calibration compounds, and by month three the same Saturday of scanning buys twice the profit.

Illustrative figures at typical market rates; your market, prices, and costs will differ. Run YOUR numbers in the One-Page P&L from THE LAUNCHPAD, Module Six. Remember the 25-30% tax reserve on every dollar of profit.

# Pre-decided, so motivation is never consulted.

## WEEK ONE: FOUNDATIONS

- Seller account verified; start on the individual plan
- Keepa and SellerAmp installed; learn the profit calculator cold
- LLC filed, reseller permit applied for, books set up
- List 5-10 sealed items from around the house
- First scouting trip: scan 100 items, buy only what clears the floor

## WEEK TWO: DOORS OPEN

- First real sourcing haul: \$150-300 across 10+ different items
- Prep and ship your first FBA box; learn the labeling flow
- Check eligibility on everything BEFORE buying, every time
- Map your region's stores and their markdown days
- Join one reseller community; read the brand-warning lists

## WEEK THREE: MOMENTUM

- First FBA sales land; study which buys moved fastest and why
- Second sourcing cycle with lessons applied; add one online-arbitrage session
- Receipts digitized and filed; bookkeeping current
- Watch account health daily; fix anything yellow immediately
- Reinvest every dollar of early profit into the bankroll

## WEEK FOUR: THE SYSTEM

- Upgrade to Professional if the pace supports ~40+ sales a month
- Run the 30-day review: ROI by item, sell-through speed, dead stock
- Liquidate anything that has not moved; recycle the capital
- Make the first distributor call with your permit in hand
- Set month-two bankroll target and weekly sourcing schedule

### DAY 30 VERDICT

Green light: 20+ units sold, blended ROI above 40%, account health clean, and your scanner judgment visibly faster: scale the bankroll. Yellow: sales but thin margins: your buy floor is too loose, tighten to 50% ROI minimum and re-read Keepa basics. Red: inventory sitting unsold past 30 days across the board: you bought prices instead of velocity, liquidate, study sales rank properly, and run a smaller, stricter cycle before adding money.

# How this business fails, and how it grows.

## THE FIVE KILLERS

- ✕ **Buying ROI without velocity**  
A 90% margin on an item that sells twice a year is capital in prison. Sales rank and Keepa drop history come before margin in every buy decision.

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- ✕ **Ignoring gating until the garage is full**  
Buying 40 units you are not eligible to sell is a self-inflicted wound the app would have prevented. Check restrictions at the shelf, always.

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- ✕ **Trusting a spiked price**  
Tools showing today's \$42 hide last month's \$19 baseline. One Keepa chart read takes ten seconds and saves hundred-dollar mistakes weekly.

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- ✕ **Treating account health casually**  
The account is the business. Late shipments, condition complaints, and unanswered IP claims compound silently until suspension. Check daily, document everything, respond within hours.

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- ✕ **Spending the float**  
Early profits feel like income; they are inventory seed corn. Resellers who draw salary in month two stay at month-two scale forever. Compound first, pay yourself on a schedule later.

## THREE SCALE PATHS

- 1 **Wholesale replenishables**  
Graduate from hunting deals to reordering proven SKUs by the case from distributors. Lower ROI per unit, dramatically higher volume and predictability, and no more dependence on clearance luck.

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- 2 **Online arbitrage at software scale**  
Tactical Arbitrage scans, lead lists, and virtual assistants running your buy criteria turn sourcing into a desk operation that processes thousands of candidates a week.

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- 3 **Private label from reseller intelligence**  
A year of sales data shows you exactly which products sell and where listings underserve buyers. Launching your own branded version of a proven winner converts reseller knowledge into ownable equity.

### YOUR FIRST HIRE

A prep assistant (or a prep service at \$1-1.50 per unit) once you ship 200+ units a month, because poly-bagging evenings are the lowest-value hours in the business and the first thing that burns out solo resellers. Sourcing judgment stays yours; the test for handing off prep is a one-page SOP with photos that a stranger could follow without texting you twice.

THE STAIRCASE CONTINUES

# The playbook is the map. The machine is waiting.

Everything this playbook describes, Epic Advisory Group can build with you: the brand, the cinematic website, the entity, the engine. Describe your idea to the Launch Engine and see your business real in about sixty seconds, free.

- The Launch Engine: your idea, built free, in about a minute
- THE ASCENT: Founder Edition: the eight-module course
- Launch-in-a-Box: entity, brand, site, and first campaign, one flat price
- Growth, capital readiness, and the path to the public markets

*"There is no right age. There is only the decision."*



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