

PRODUCT SELECTION CHECKLIST

The more you mark the better.

However, in order for a product to be considered to be good, it DOESN'T NEED to meet all of the criteria.

Niche is big enough

*Please see additional notes at the bottom

Competition is not too big

*Please see additional notes at the bottom

Niche & product have a steady growing trend

Plug in your product and niche main keywords in Google Trends and see if trend is growing.

Average selling price is 50\$+

and **profit margin is over 20% of the selling price**

No legal issues associated with the product type

General rule of thumb, if you are a newbie, is to avoid products that go on or in humans or pets body.

Minimum viable product can be produced and launched in less than 30 days.



People usually buy multiple units in a single order

For example: offices usually buy multiple units of whiteboard markers at once.



There is an opportunity to launch a line of products relevant to each other and sell them to the same customer base.



Repeat sales are frequent

Same customer are likely to buy from you multiple times in course of one year.



Main customers are women



Product/niche is NOT seasonal



Product is NOT commoditized

Can not be easily found at local stores. Such as regular toothbrushes, soap, toilette paper etc.



It's an embarrassing product

Example: sex products, enema bags etc.

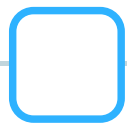


Product is small and lightweight (less than 1 lbs)

This is because bulky and heavy products are expensive for air shipping.



You can differentiate, add value and improve at least some part of product based on negative reviews of similar competitor's product.



It can be promoted through influencer marketing



You have skills in at least one of the following **traffic methods**: Google AdWords, Google SEO, selling on Amazon, Pinterest Ads and organic, media buying, content marketing, YouTube marketing, email marketing.



It's a stable niche/product with exit potential

This means that business can be sold. It's important that it's not a fad like hoverboard. Niche should be around for at least several years and you should be able to build stable and predictable traffic sources.

ADDITIONAL NOTES

I want to expand my thoughts about certain criteria.

First let's begin with **how big is the niche** that you want to enter. You want to find out two things:

- Keyword search volume
- Sales volume of similar products on Amazon

The best way to find out **keyword search volume** for a product or niche is to look at search volumes on Google. Since Google Keyword Planner has discontinued to show exact figures, you can use keywordtool.io instead. Find out the main keyword related to your product and make sure it has at least 1000+ searches per month. The more the better!

To find out **sales volume** of a particular product type, you can head over to Amazon and analyze best seller rank (BSR) numbers. Amazon is the largest eCommerce store, which makes it the best place to uncover how well a certain product type is selling. Enter main product keywords in the search bar on Amazon and open top 5-10 products that are similar to the one that you want to sell. Make sure that at least 1 product has BSR of less than 1000 and 3-5 products have BSR of less than 10,000.

Competition analysis depends on your channel of distribution. But generally, you can either sell physical products on Amazon or through your own eCommerce store. On Amazon, make sure that for your main product keyword there are not too many identical products and that top ranked products have on average less than 200 reviews. This is an example of a bad niche with too many identical products: <http://amzn.to/2lku48Z> If badly optimized product listings rank high on the first page then that's a big plus. The more you differentiate and the stronger your unique selling proposition is the less direct competitors you are going to have.

If you are going to sell primarily through your own eCommerce store then competition analysis should be directed towards analyzing competition on your main traffic source. By selling on Amazon you tap into an existing buyer traffic and by selling through your own eCommerce store you are responsible for getting relevant and targeted traffic. That's why one of the criteria is knowledge and experience in at least one traffic source.

If you have targeted traffic coming to your website you are most likely going to sell anything. Website design, product offers and all technical stuff are less important as long as you have traffic problem solved.

If your main traffic source is going to be Google then analyze competition for your main and long tail keywords.

If you intend to drive traffic from FaceBook then reverse engineer successful sales funnels. This goes for media buying as well.

Sorry there is no exact step by step for this one. You need to master a skill of at least one traffic source in order to successfully start your own eCommerce store. Otherwise stick with selling on marketplaces such as eBay or Amazon

Minimum viable product (first version) should be launched in less than 30 days. Online businesses are changing fast. Decision on what you are going to sell is based on your current experience and knowledge. The faster you get feedback from customers and data from sales channels the more experience you are going to have to make better decisions on whether the product is worth continuing. If you are just starting out, avoid products that require months to be sourced and launched. Start with minimum viable product and then improve based on customer feedback.

Influencer marketing, in my opinion, is the most underestimated form of marketing. Basically, it means giving products away to people who have authority and followers in your niche in order to review and promote your brand and product. Not every product is suited for influencer marketing. For example, nobody worthwhile would accept to promote a generic product like silicone spatula or lemon squeezer. Product needs to be custom, different and have a unique selling proposition. For example fashion and custom designed products are perfect for this type of promotion.

And finally the **exit potential of a business**. Online businesses are considered to be cash flow businesses, which can usually be sold between 20-25x of monthly profit. This depends of how stable and predictable the business is. The less risk it has the higher the monthly multiplication. Building a business that doesn't have an exit potential, in my opinion, is a waste of time. To get a feeling of which type of online businesses can be sold take a look at these websites:

feinternational.com

empireflippers.com/marketplace

websiteclosers.com