

Product Research

Finding inspiration

Search Queries

You can establish market trends and popular products by looking for popular and trending keyword searches. There are some free products that provide keyword volumes:

- [Google trends](#) show trending searches across the world.
- [Google keyword planner](#) provides search term volume for Google ads customers.
- Amazon search volume. [Sonar](#) is a free Amazon keyword research tool from Sellics.

Browse Popular Products on Online Marketplaces

Published market research from companies such as [Mintel](#) is costly. However, online marketplaces, such as Amazon, publish lists of best-selling items which can be used to get inspiration for stock to buy. Sources of information include:

- **Amazon best sellers** ([UK](#) and [US](#))
- **Amazon sales rank.** Amazon product pages state a 'Best Sellers Rank' showing how popular an item is in its category.
- **Google Shopping.** Google's [Best Sellers](#) report lists popular products and brands on their Google shopping ads programme.

Other Sources of Product Data

- **Media.** Look for what products are advertised on major websites and in print media.
- **Competition.** What is promoted on the websites of major retailers?
- **High street stores.** Take a trip to a local store to see their inventory in the flesh.

Different types of product

There are several types

Inventions

If you have an excellent idea for a product that you think taps into an unfulfilled demand, great! However, bear in mind that developing a product from scratch is very time consuming, expensive and risky. Perhaps you are the first to notice this market opportunity, or perhaps there is no demand...

Handmade

Marketplaces like eBay and Etsy make it easy for makers to create and sell their handmade products. Amazon has also jumped on the bandwagon with its Handmade category.

Making products is an excellent option if you want to run a part-time business or love working with your hands. It can, however, be challenging to scale.

Branded products

Branded products are products made by product manufacturers, which they sell wholesale. These companies will typically sell wholesale to retailers, who will then sell these to consumers. Increasingly brands are selling directly, but most major brands still depend on their retailers.

These are products bought off-the-shelf, so they are easy to source. If the brand is well known, your business will pick up on the demand they generate through their marketing activities. Many products are available from 'wholesalers' who will sell a range of products which can be bought together, allowing small quantities of any individual product to be purchased.

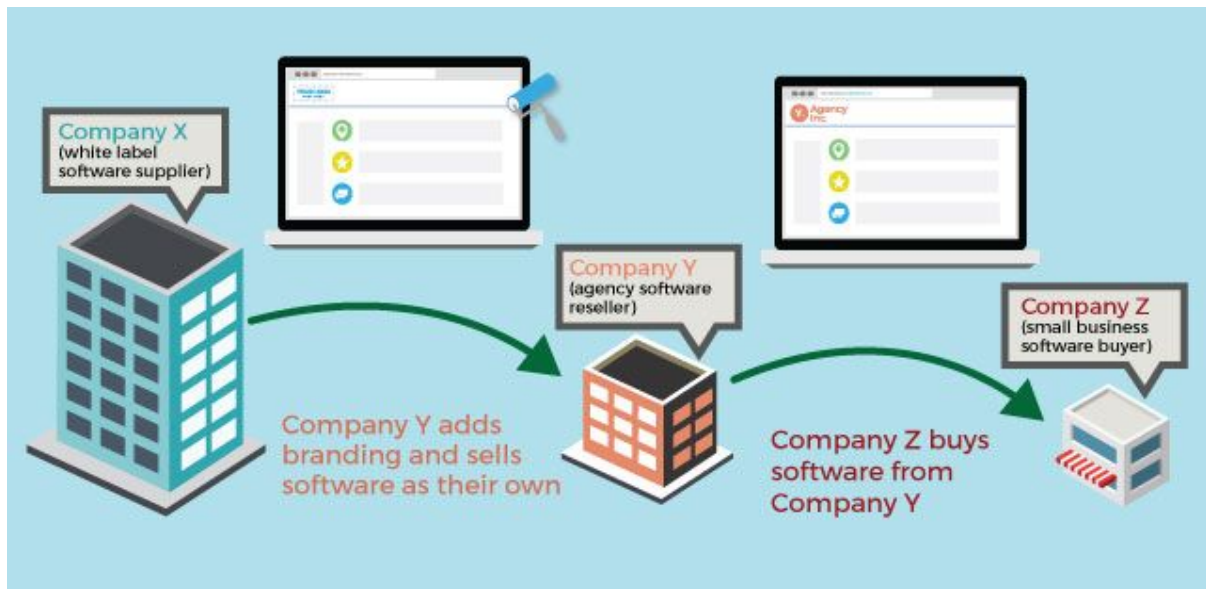
However, it is unlikely you will be the only seller for any barcoded product unless you have managed to enter an exclusive arrangement with the manufacturer. Therefore, margins are likely low as sellers compete for business on price.

Private label

A private label product is typically sourced from a manufacturer and then sold for exclusive sale under the retailer's brand. Retailers can then change the product, such as colour or size, to develop their own unique brand identity and fit their specific niche. As a result, private label products are usually less expensive than national brands, and if marketed correctly, they can bring in a significant profit.

White labelling

A white label product is a product that a manufacturer creates for sale by many retailers. Each retailer can resell the generic white label product under its name and branding. With white label manufacturing, the retailer can charge a premium on the product by attaching their existing brand because of their position in the marketplace.



White vs Private labelling

With white labelling, a generic white label product is created by a manufacturer for multiple resellers. For example, a white-label manufacturer would sell a generic soap to 10 different retailers. Each retailer can rebrand the soap as their own, but they essentially sell the same soap without modifications. This is why the many store-branded products sometimes look identical.

White labelling is a fast way to get to the market, but your products will be very similar to those of other retailers. So with nothing but the label differentiating your products, you'll need to shift your focus to differentiating your brand.

However, with private labelling, the product is created for exclusive sale by a single reseller. In the soap example, the private label retailer would have the option to modify it to fit their selling requirements and brand. The modified soap is exclusive to that particular retailer and sometimes can be customised with the retailer's logo or branding colours, unlike generic white label products.

With either eCommerce business model, you will not have to go through the trials and tribulations of manufacturing a product. Without the investment in product design and creation, you'll save both time and money. In turn, you can focus on marketing and branding the product to your target audience without stretching yourself too thin.

Attributes of successful white/own-label products

To be successful, products should have the following attributes:

- **Existing demand.** It is challenging to create a new market, so aim to find opportunities in existing markets.
- **Low competition.** Look for popular niches which are not saturated.
- **Good margins**

In addition, the following attributes are desirable in :

- **Small and lightweight.** These will be easier to store and ship to the end customer or a fulfilment house
- **Low seasonality.** If your product can be sold year-round, sales potential will be higher.
- **Simple and durable.** Complex, fragile products will generate more customer service issues and returns.

Researching products

Researching products on Amazon

1. **Researching popular niches and products.** Find niches that contain popular products and successful sellers
2. **Analyse competition within niches.** Can your product compete in this niche?
3. **Analyse listing optimisation within niches.** Can you create a better product listing that outperforms the competition
4. **Identify suppliers from supplier directories.**

Product

eBay and Amazon sales are great to analyse actual sales trends in near real-time. Several cheap or free software products can be used in your research

- **Terapeak.** This is eBay's marketplace research tool which is available to all eBay sellers
- [Jungle Scout](#). This tool provides historical data into sales on Amazon's marketplace

- **Helium 10.** Similar to Jungle Scout
- [Bqool](#)

Find a popular niche

When researching products, look for a product or niche where the top 10 sellers have at least 2,000 sales per month. Finding a popular niche with plenty of sales activity and customers looking to purchase is essential.

Analyse competition

Once you have found popular niches, the next step is to gauge the level of competition within those niches. Questions to ask are:

- **How many reviews do competing products have?** If there are products with thousands of reviews, it will not be easy to compete.
- **How many competing products are there?** If there are a lot of very similar products, it will be challenging to differentiate.

An ideal situation would be a niche with two more sellers selling 200+ items per month with an Amazon review rating of 3.7 or worse. People are still purchasing many of these units even though they get rated very poorly on Amazon, which is an excellent indicator that you can improve this product and sell a lot better than these other competitors.

Analyse listing optimisation

Look at the quality of the listing within the niches you have identified. If the top-performing products have poor quality listings, then it may be possible to create a higher quality listing that outperforms them. Look at the following attributes of each listing:

- **Descriptions.** Are the listing poorly written and missing relevant, high volume search terms
- **Images.** Are the photos used of a poor quality
- **Attributes.** Have search attributes been complete

Finding suppliers

Once you have identified your target products, you will need to find suppliers. These suppliers will almost certainly be overseas. Here is a list of the most popular manufacturer directories:

- <https://www.thomasnet.com/>
- <https://makersrow.com/>
- <https://www.alibaba.com/>
- <https://www.mfg.com/>
- <https://www.globalsources.com/>

Tips for dealing with suppliers

- Request a product sample to verify quality
- Verify that it was delivered quickly and in good condition
- Request total manufacturing costs and whether there are any hidden fees
- Review how they handle product defects and damaged goods

Margins

Before sourcing products, investigate the price you can sell using the aforementioned research tools and work out your profitability. Margins vary widely by sector. For example, Marks-up in the fashion

sector tend to be higher, but this needs to be considered against the high return rate and the short shelf life of products.

Factor in the following costs into an online sale:

- **Product cost.** The cost price of the purchased product. Volume discounts may be available. Always ask!
- **Warehousing.** Oversized items will be more expensive to store as they take up more room.
- **Delivery.** If you are selling physical goods, there will inevitably be a delivery cost whether you deliver yourself or dropship.
- **Tax.** As Mark Twain said, 'in this world, nothing is certain except death and taxes'. There will be sales tax in most countries, ranging from 10-25%.
- **Payment.** Online payment services such as PayPal charge between 1 and 4% for accepting payment.
- **Marketing.** Marketing can be a fixed commission (e.g., Amazon, eBay) or variable (e.g., Google Ads charged by click).