



Canadians Selling on Amazon 2021 Report

ECOMCREW

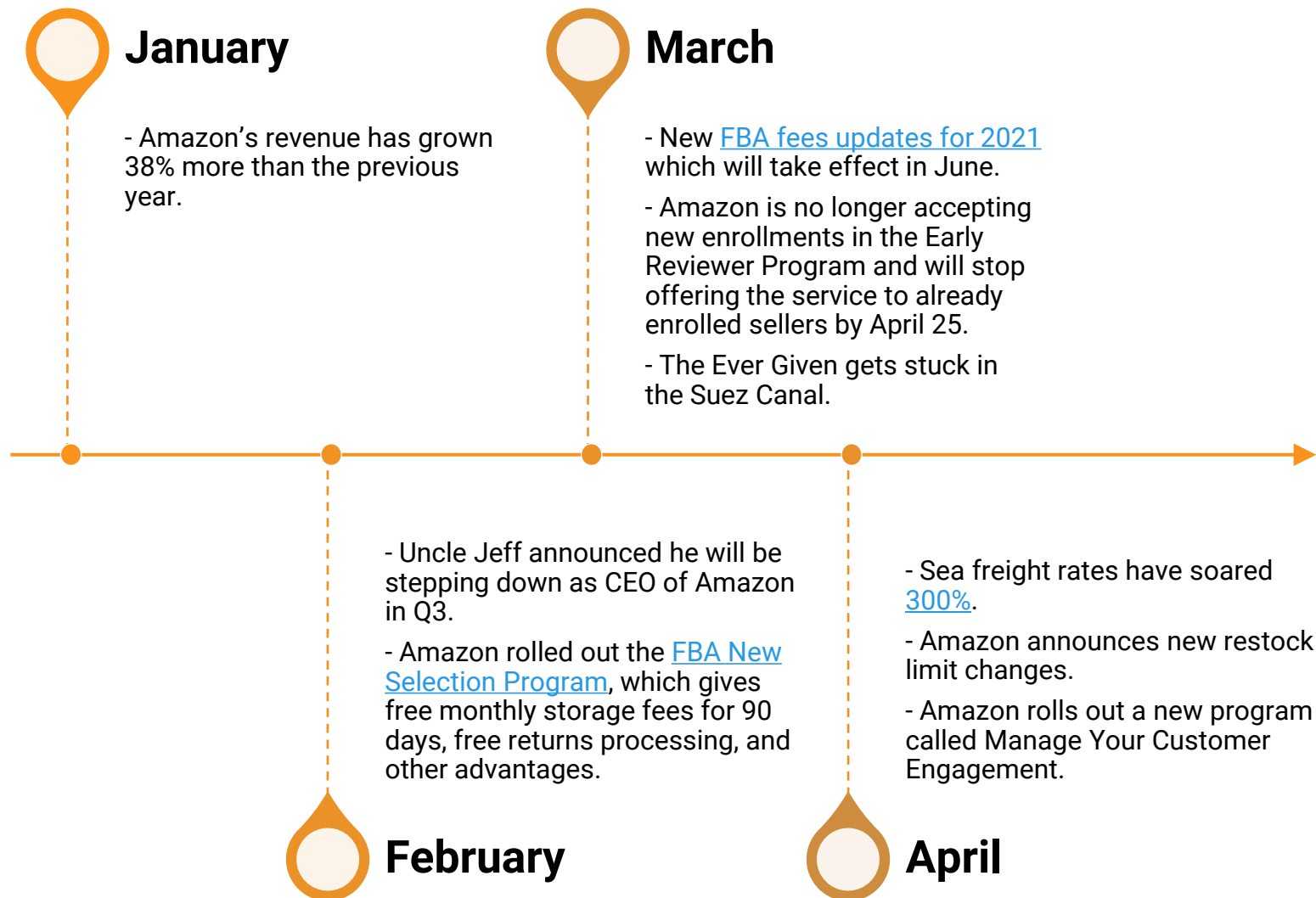


***Amazon continues to grow every year
and so do its sellers.***

WE'VE SURVEYED 82 CANADIAN THIRD-PARTY SELLERS, AND THIS REPORT SUMMARIZES THE MOST IMPORTANT INFORMATION WE'VE GATHERED FROM THE STUDY.

Ecommerce Landscape in 2021

Amazon continues to grow every year and so do its sellers. We've surveyed 82 Canadian third-party sellers, and this report summarizes the most important information we've gathered from the study.



May

- Amazon sellers experience massive reductions in restock limits. (as high as 85%).

July

- [Andy Jassy](#) becomes CEO of Amazon.
- Sellers had a chance to contact customers who left a bad review.
- Amazon Canada announces it won't have its Prime Day this year.

September

- [Mass suspension](#) of Chinese sellers.
- Sellers are still reporting major cuts on top of the original unannounced reductions.
- Apple rolls out a [new iOS](#) that will make open rates unreliable..

November

- Amazon updates eligibility requirements to the [Small and Light Program](#).
- Cargo ships get stuck in US ports as the country's infrastructure struggles to keep up with increasing import volumes.
- Amazon announces an increase in FBA for 2022.

- New referral and [FBA fees](#) have been implemented.
- Amazon announces that Prime Day will be on June 21st and 22nd.
- [Amazon ads](#) are getting more expensive.

June

- Recent floods in Western Europe and China hold up raw materials and products.
- Amazon require sellers to have product liability insurance.
- Amazon rolls out FBA Liquidations and FBA Grade and Resell.

August

- Amazon suspended [RebateKey's API](#) privileges.
- A [shortage in electricity](#) has swept much of eastern China.
- Amazon announces new programs and features in [Amazon Accelerate 2021](#).
- Amazon rolls out [Product Opportunity Explorer](#).

October

- Amazon informs sellers of [changes coming](#) to its restock limits policy and the IPI thresholds for FBA storage limits.
- Amazon is accused of [violating FTC](#) rules with how they run their ads.

December

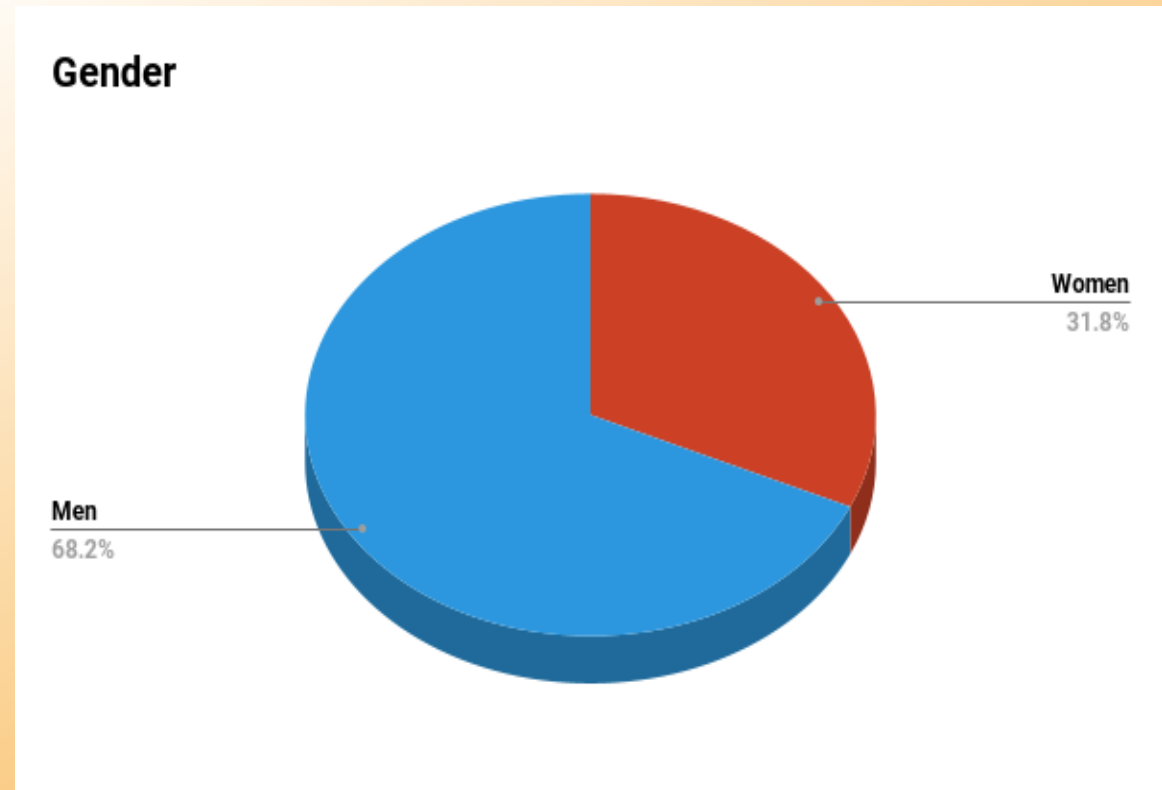


The Profile of a Canadian Amazon Seller

Gender of a Canadian Amazon Seller

Nearly **three-fourths** of Canadian sellers on Amazon are **male**.

- 68.20% are men
- 31.80% are woman

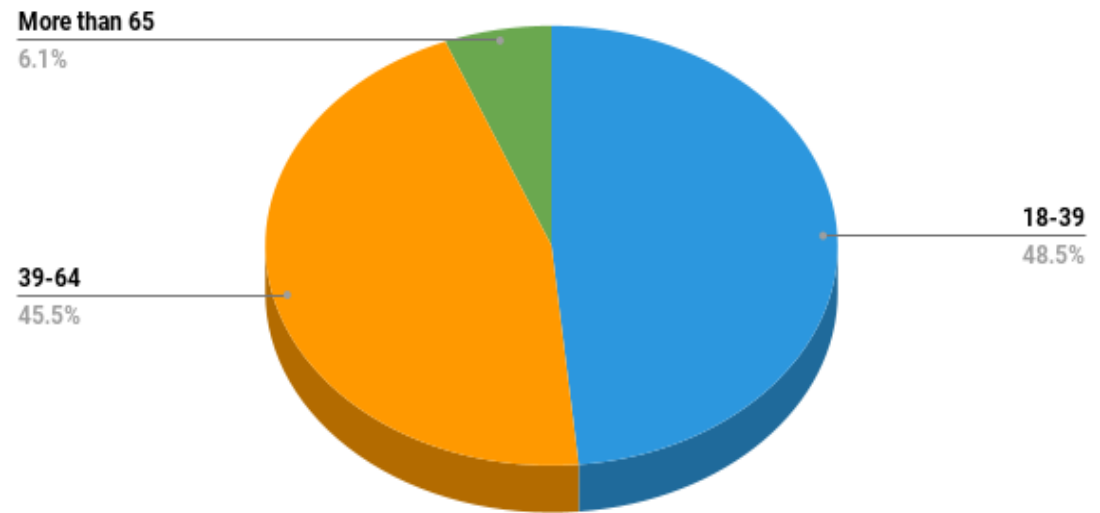


Age of a Canadian Amazon Seller

The majority of Canadians selling on Amazon are between 18 and 34 years old (**48.5%**), while **45.5%** are between 39 and 64 years old.

- 48.5% are between 18 to 39 years old
- 45.50% are between 39 to 64 years old
- 6.1% are more than 65 years old

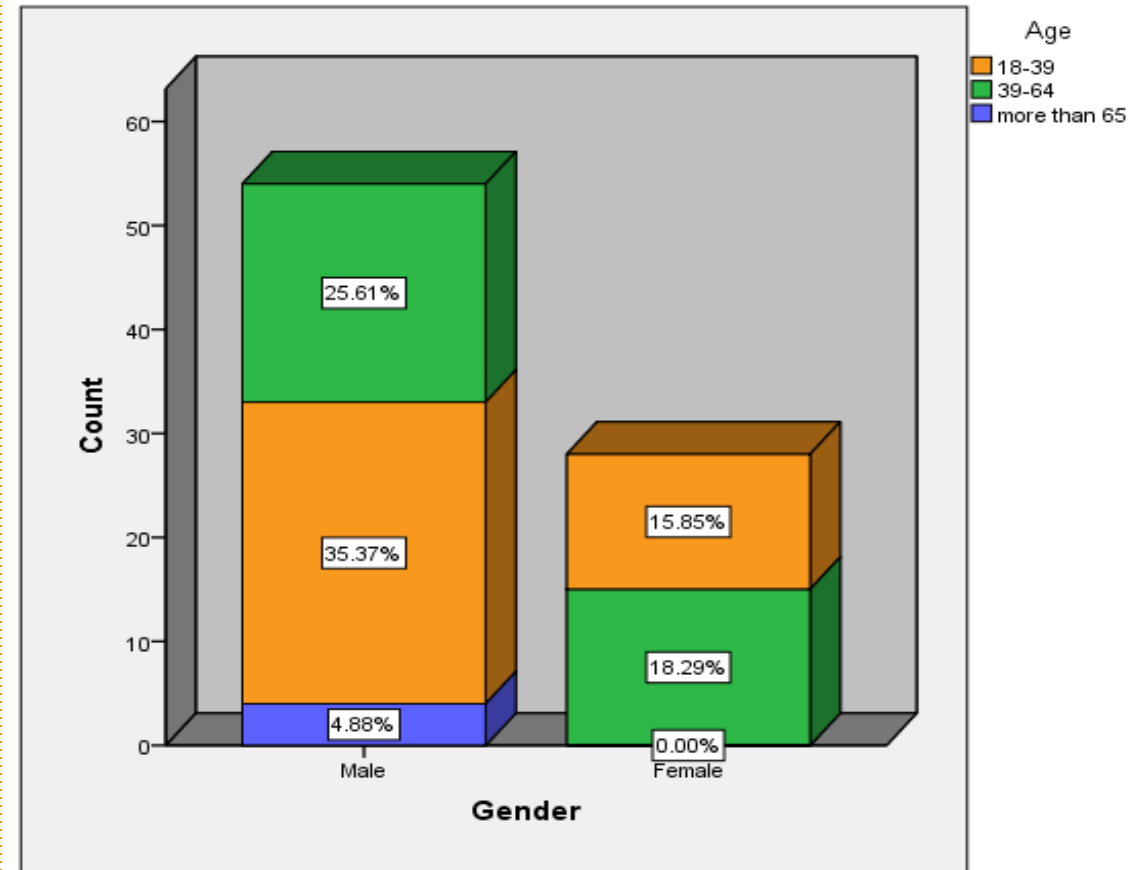
Age Profile of Canadian Amazon Sellers



The Profile of a Canadian Amazon Seller

Women make up **31.8%** of Canadian Amazon sellers, the majority of which are between 39 and 64 years old.

On the other hand, of the 68.2% who are men, **35.37%** of them are between 18 and 39 years old. This means that men start an ecommerce business on Amazon at an earlier age than women.



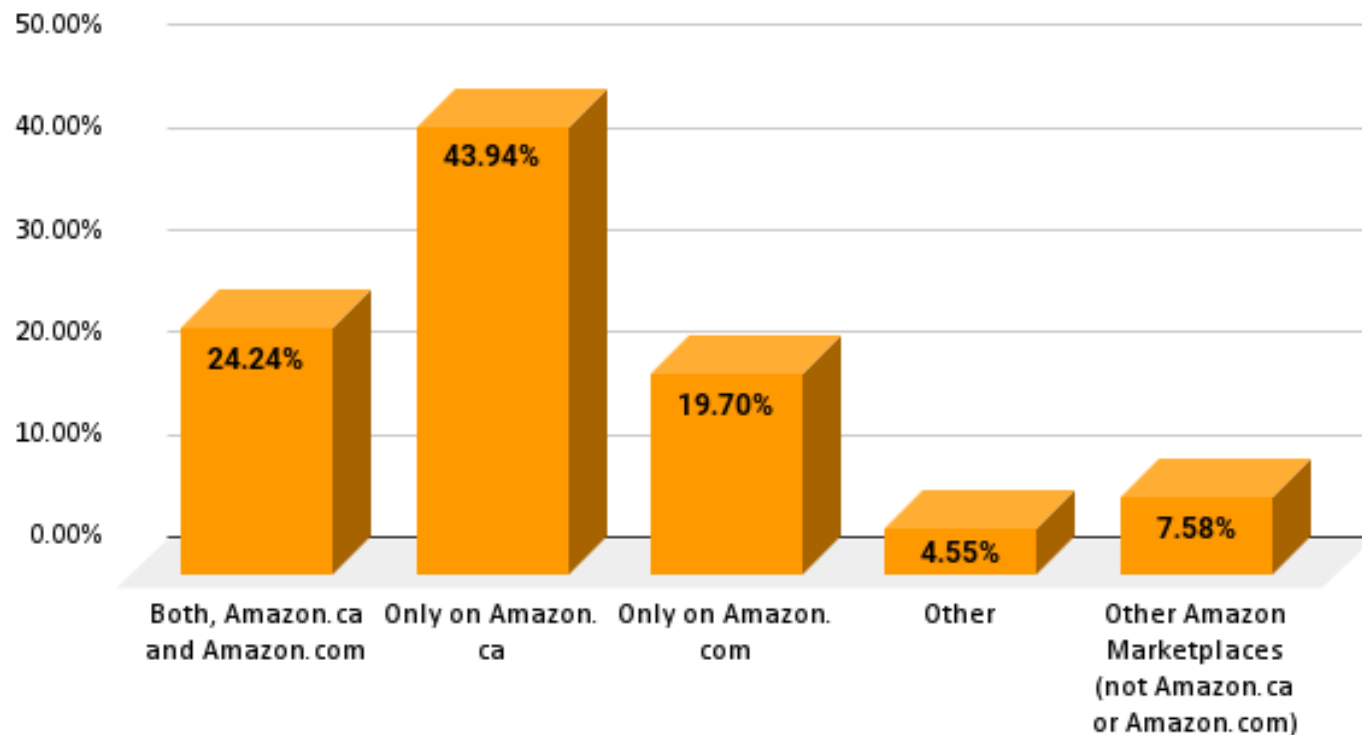


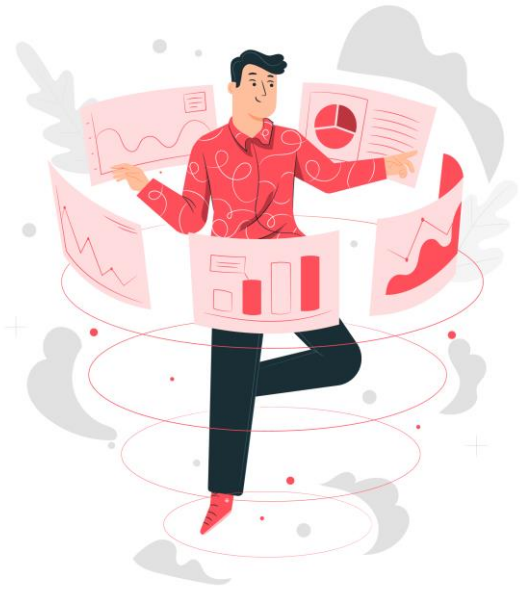
Canadian Amazon Sellers and Their Type of Business

What Marketplaces Do Canadian Sellers Sell On?

Based on the survey, **43.9%** of Canadian sellers list their products only on **Amazon.ca** while **24.24%** decided to sell on **both Amazon.com and Amazon.ca**.

Amazon Marketplaces Where Canadian 3P Sellers Sell On



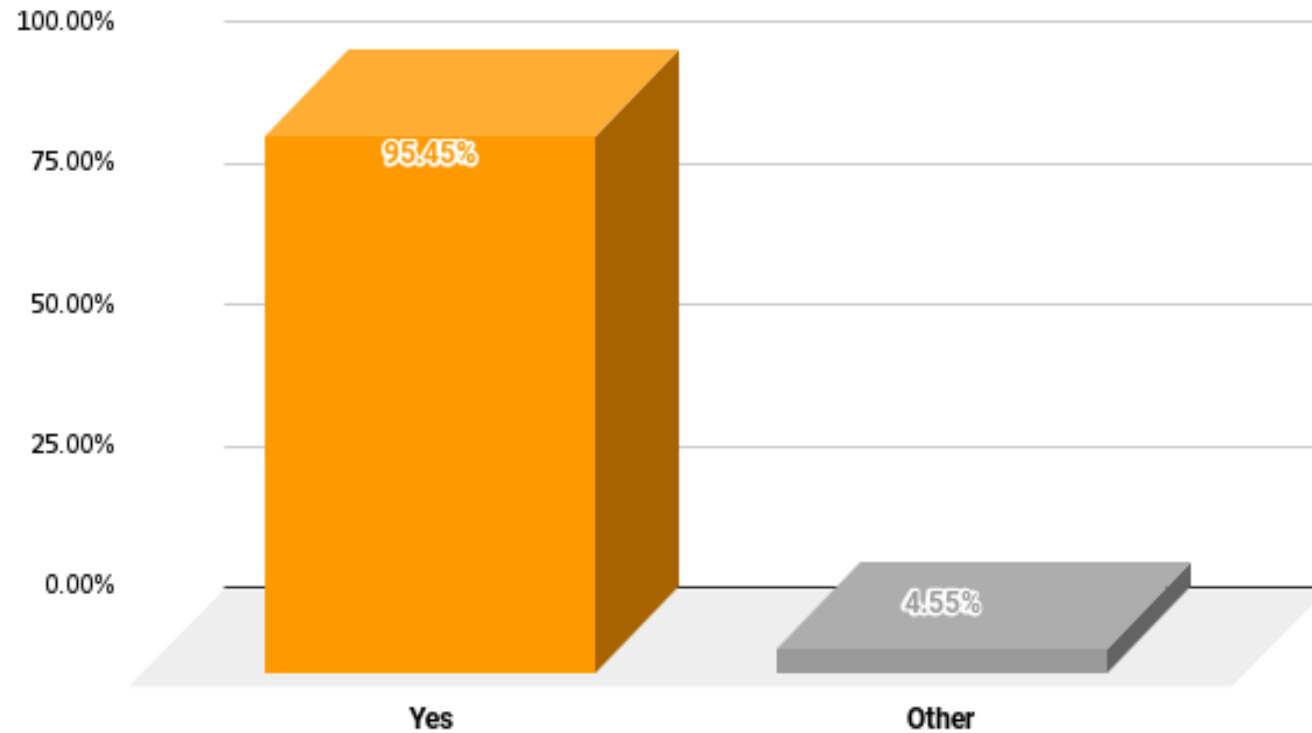


So a significant percentage of Canadian Amazon sellers decided to **not expand** their businesses to other Amazon marketplaces in 2021.

However, there are a lot of advantages in selling on other marketplaces. The sales channels that arguably have the highest probability of earning the biggest growth for your ecommerce company are other Amazon marketplaces, specifically Amazon.com, Amazon.co.uk, and Amazon.de.

What Fulfillment Method Do Canadian Amazon Sellers Use?

Canadian Amazon Sellers Who Use FBA





Despite the limitations of Amazon's warehouses due to the pandemic in 2021, most Canadian third-party sellers (**95.45%**) said that they use **Amazon FBA services**.

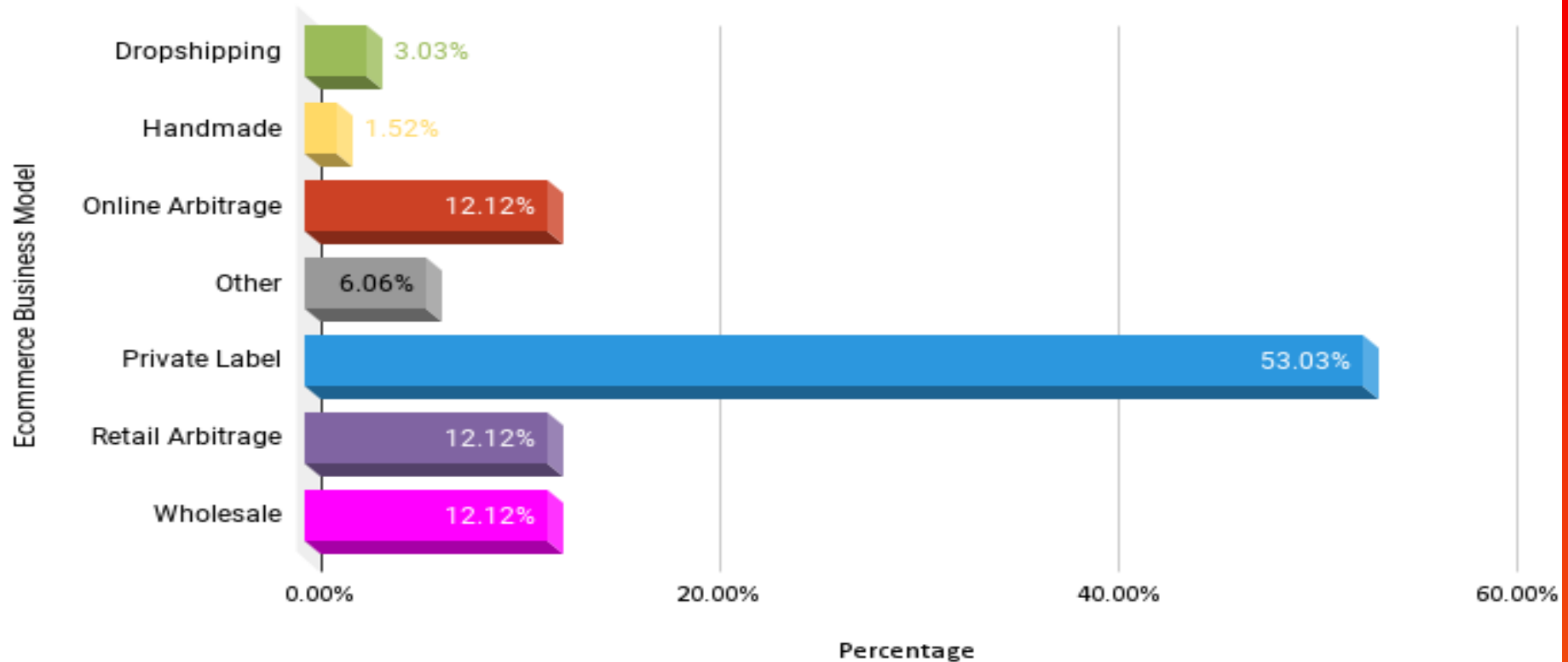
Fulfillment by Amazon (FBA) means having Amazon store, pick, pack, and ship your orders out for you with corresponding fees and also with a few in-house features designed to streamline your selling experience.

FBA vs. FBM

How Does FBA
Differ From
FBM?

	FBA	FBM
Prime Eligibility	Yes	No
Who handles customer concerns	Amazon Customer Service	Sellers
Shipping and handling	Amazon arrange shipping costs to customer and bills the sellers	Sellers deal with shipping and handling
Inbound shipping cost	Yes	None
Storage and fulfillment	Amazon takes care of storage and fulfillment, but sellers have to pay FBA fees	Sellers have to manage their warehouse or work with a 3PL
Returns	Amazon handles returns	Sellers have to deal with returns, refunds or other customer complaints

Amazon Business Models





Among Canadian sellers on Amazon, **private labeling (53.03%)** is the most popular sales model.

This model requires more time and energy as sellers need to find a niche to build their ecommerce company around and then find products to develop.

This is made more difficult by the fact that the ecommerce world is becoming more competitive, so you need to stand out from your competition in order to succeed.

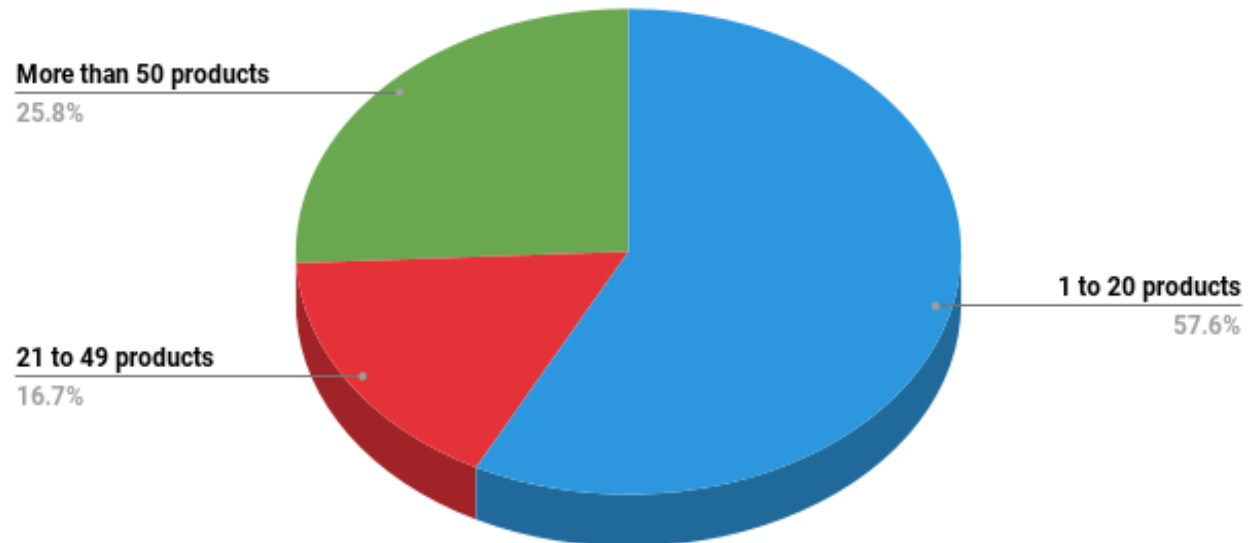
Other types of ecommerce business systems are more beginner-friendly like retail arbitrage, online arbitrage, and wholesale.

	Drop Shipping	Retail Arbitrage	Private Labeling
Competition	High	High	Medium
Ease	Medium	Easy	Hard
Margin	Medium	Low	High
Capital Requirements	Low	Medium	High

Finding the Right Niche and Products

Finding great products to sell in the right niche is the key factor in running a successful Amazon FBA business.

Number of Products Each Seller Sells on Amazon



The majority of the Canadian sellers we surveyed (**57.6%**) sell between 1 and 20 products, and **25.8%** have more than 50 products on Amazon.

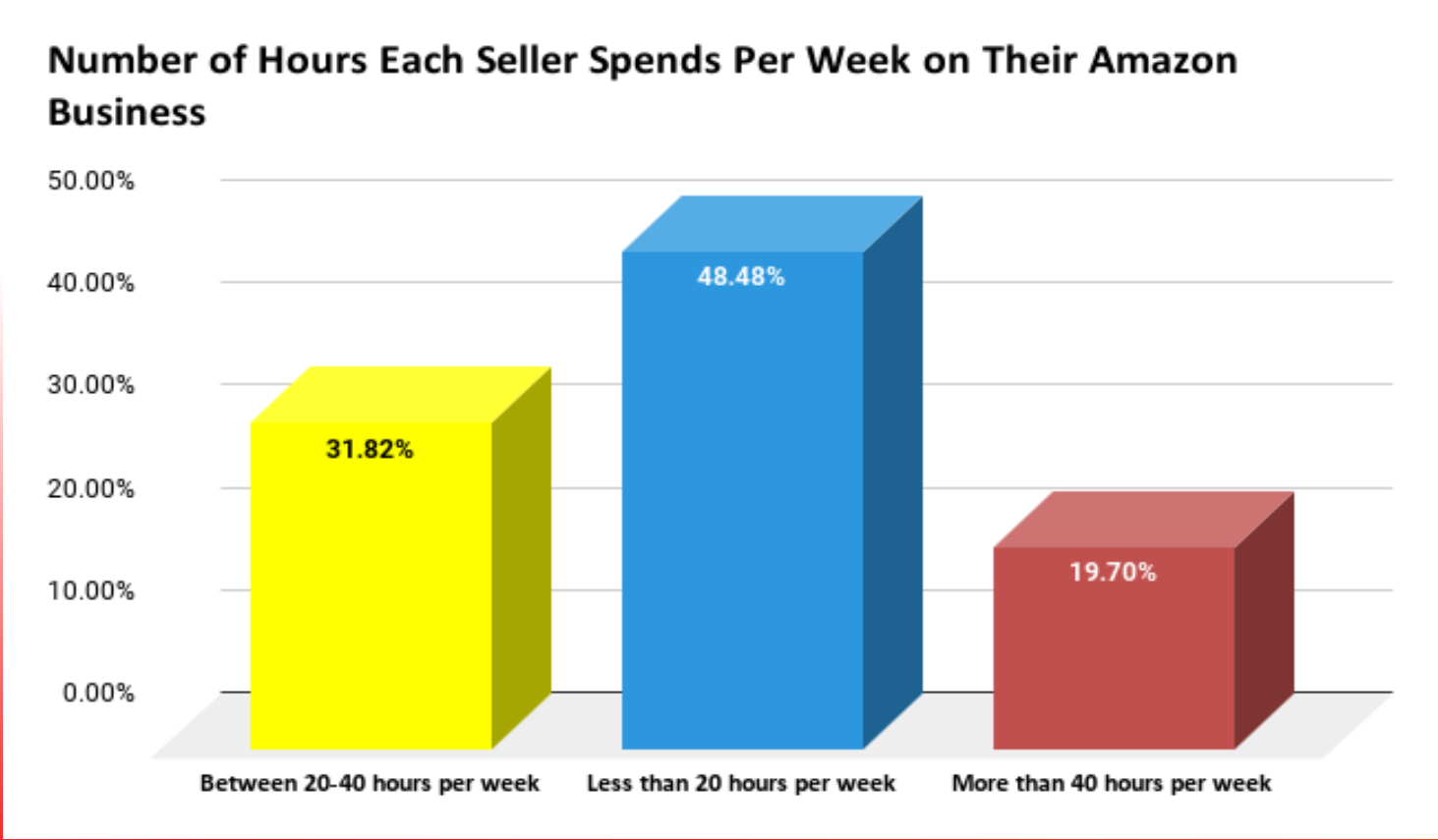
Most successful Amazon sellers don't make a full-time income by selling just one product. They build and sell a catalogue with several different products.

For 54.5% of the sellers surveyed, the average annual revenue is more than \$50,000 per year.



Finding the right niches and high-quality products lay the foundation for a successful ecommerce business with a fairly high income.

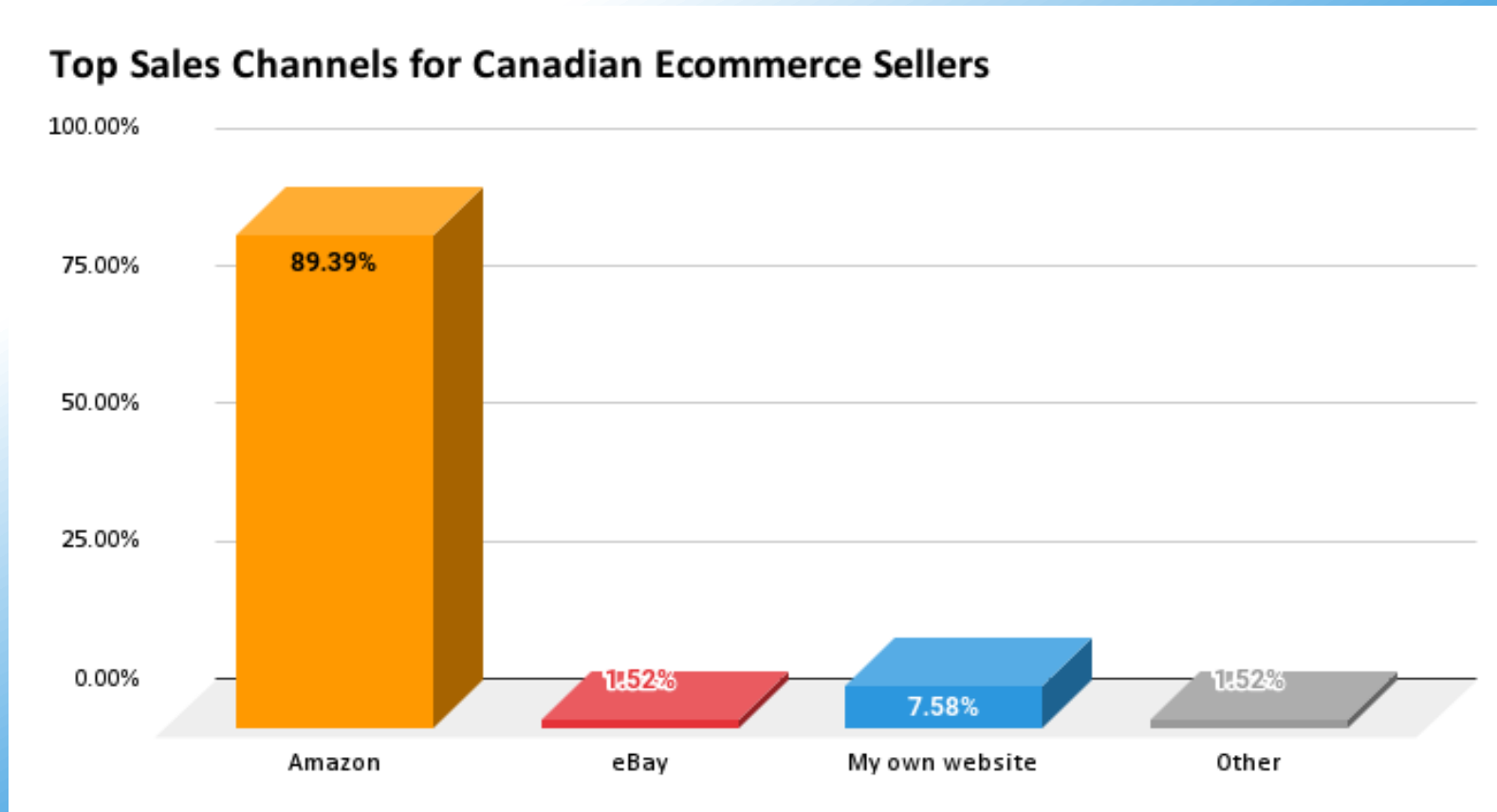
A significant percentage (**48.48%**) of those surveyed spend less than 20 hours each week on their Amazon business while 31.82% spend between 20 to 40 hours per week. Meanwhile, only about a fifth of them spend as much time on their business as a full-time employee would.





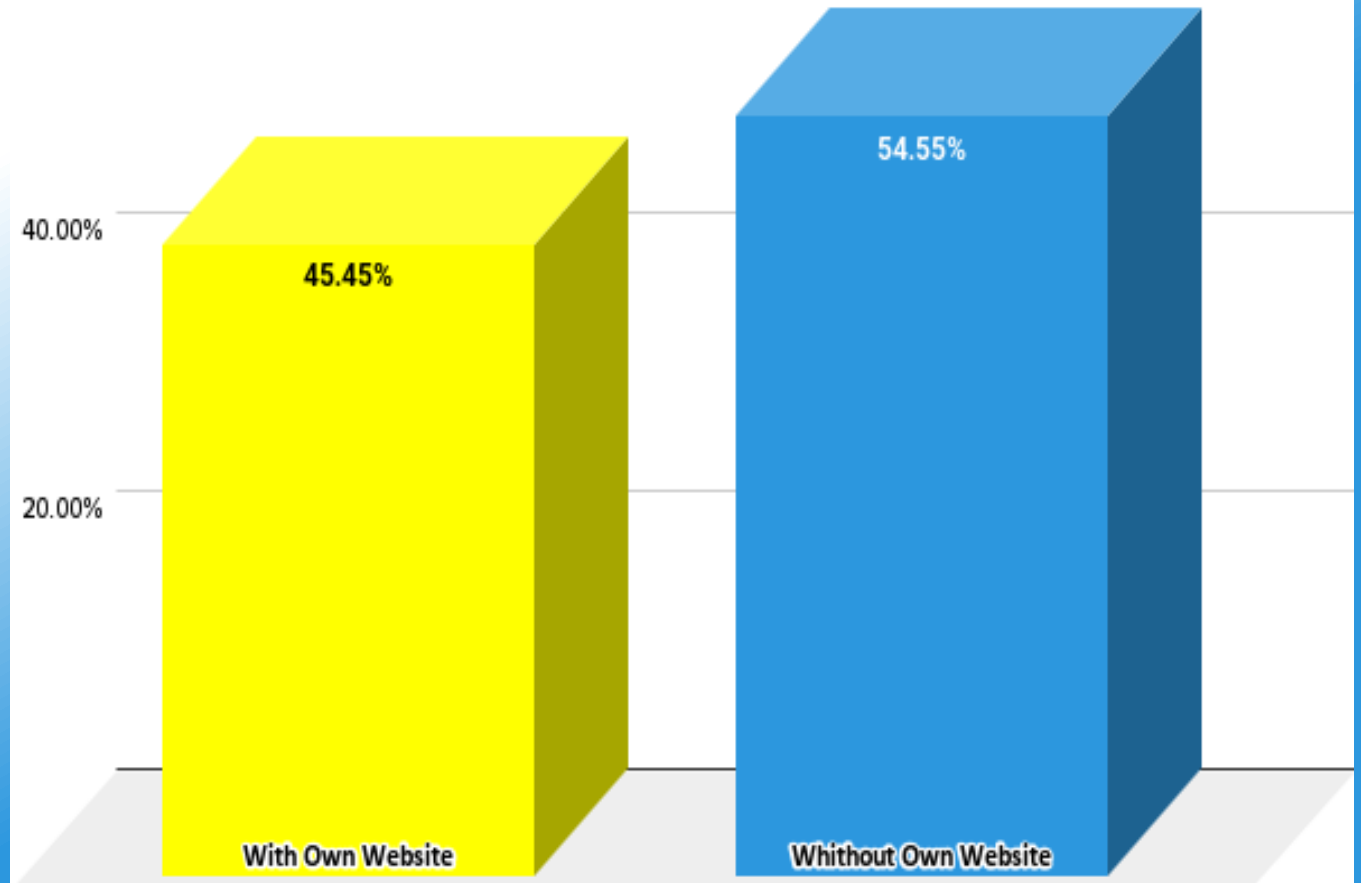
How Canadians Are Driving Traffic Off Amazon

Definitely, Amazon is *the* place to sell for Canadian sellers who affirm that their top sales channel is the Everything Store (89.39%).



While 54.55% of Canadian sellers have their own ecommerce website, 45.45% don't own one, despite the fact that having your own website can be used to boost your conversion rates on Amazon.

Canadian Amazon Sellers Who Have Their Own Ecommerce Website



Other channels, like **Walmart**, are simply a bet on future growth. And finally, there are a number of niche-dependent sales channels like **Etsy**, **Houzz**, and **eBay**, which can result in very strong sales if your product assortment matches those channels' target market.



Perks of Having an Ecommerce Website



- ✓ Helps establish credibility
- ✓ Supports your conversion rate
- ✓ Easy to set up
- ✓ Ability to ship the products using Amazon Multi-Channel Fulfillment
- ✓ Personalized pages for each brand
- ✓ Autonomy
- ✓ Cheap plans



The Challenges of Selling on Amazon as a Canadian

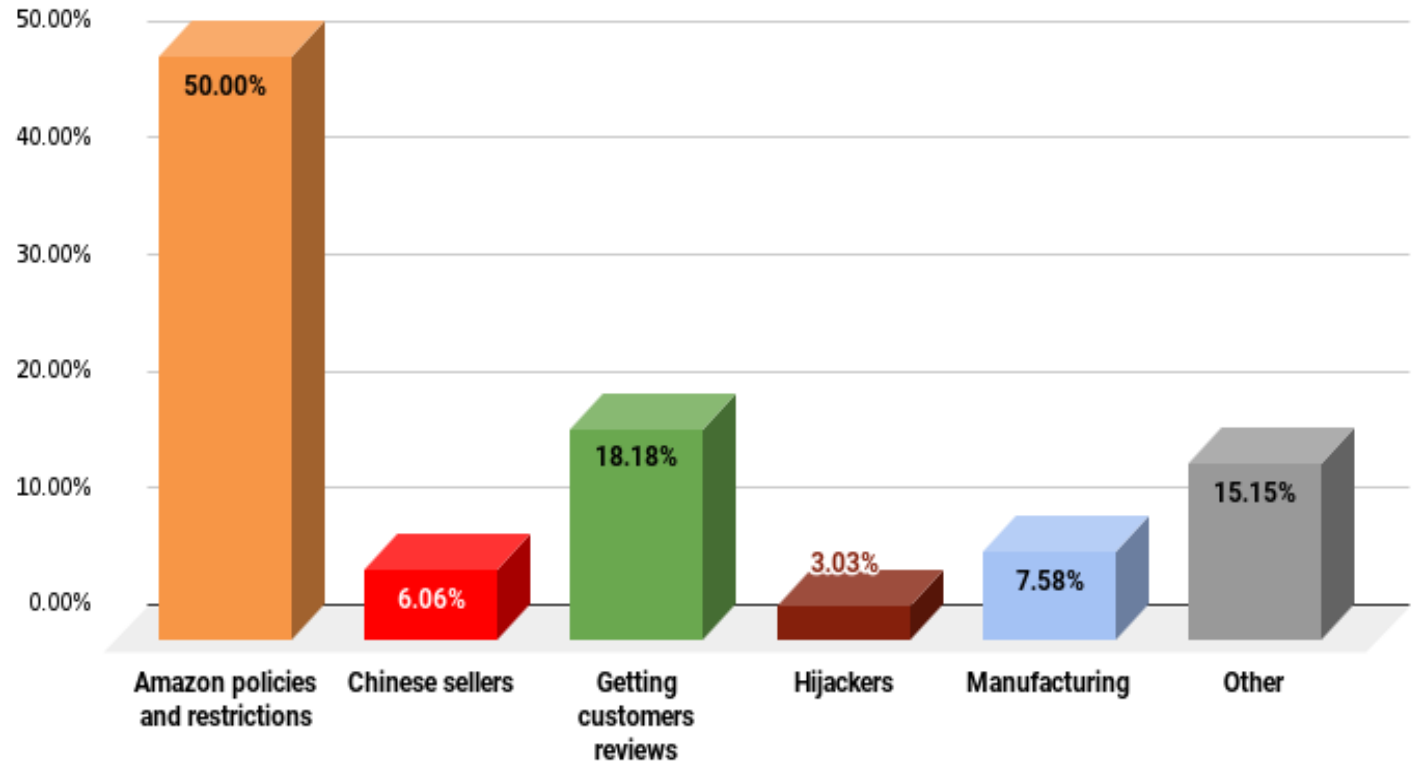


A lot of things were up in the air in 2021, especially for ecommerce sellers. From the massive increase in sea freight rates, the ever-changing Amazon restock limits, stricter privacy regulations that hurt targeted marketing campaigns, to the steadily increasing number of competitors looking to take advantage of the COVID ecommerce bump.

Half of Canadian Amazon sellers said that **Amazon's policies and restrictions are their biggest challenge** in growing their businesses.

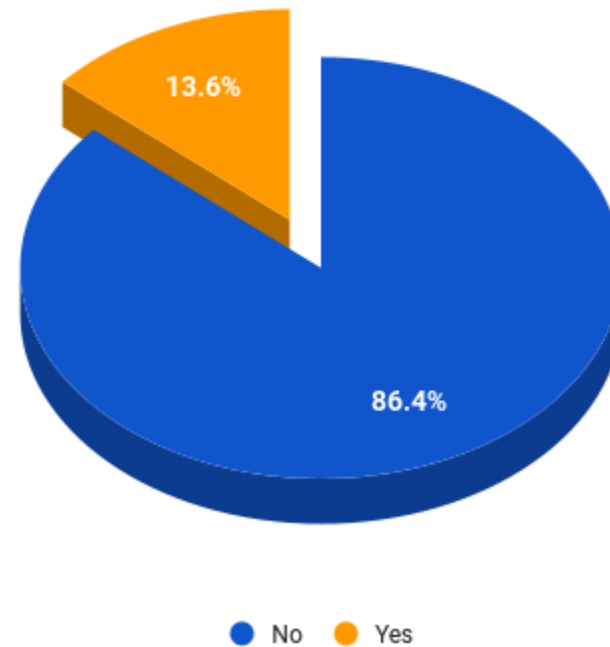
Their second biggest challenge is getting customer reviews (**18.18%**). As we know, reviews are critical to a product's success on Amazon. Ever since Amazon removed incentivized reviews, getting reviews has been harder and harder for Amazon sellers.

Canadian Sellers' Biggest Challenges When Selling on Amazon



Another surprising data that we have found is that **13.6%** of Canadian sellers said they had their **Amazon account suspended**. This situation highlights growing tensions between the e-commerce giant and the small-business community, since sometimes these suspensions are justified, but other times, they are not.

Canadian 3P Sellers Who Got Their Amazon Account Suspended

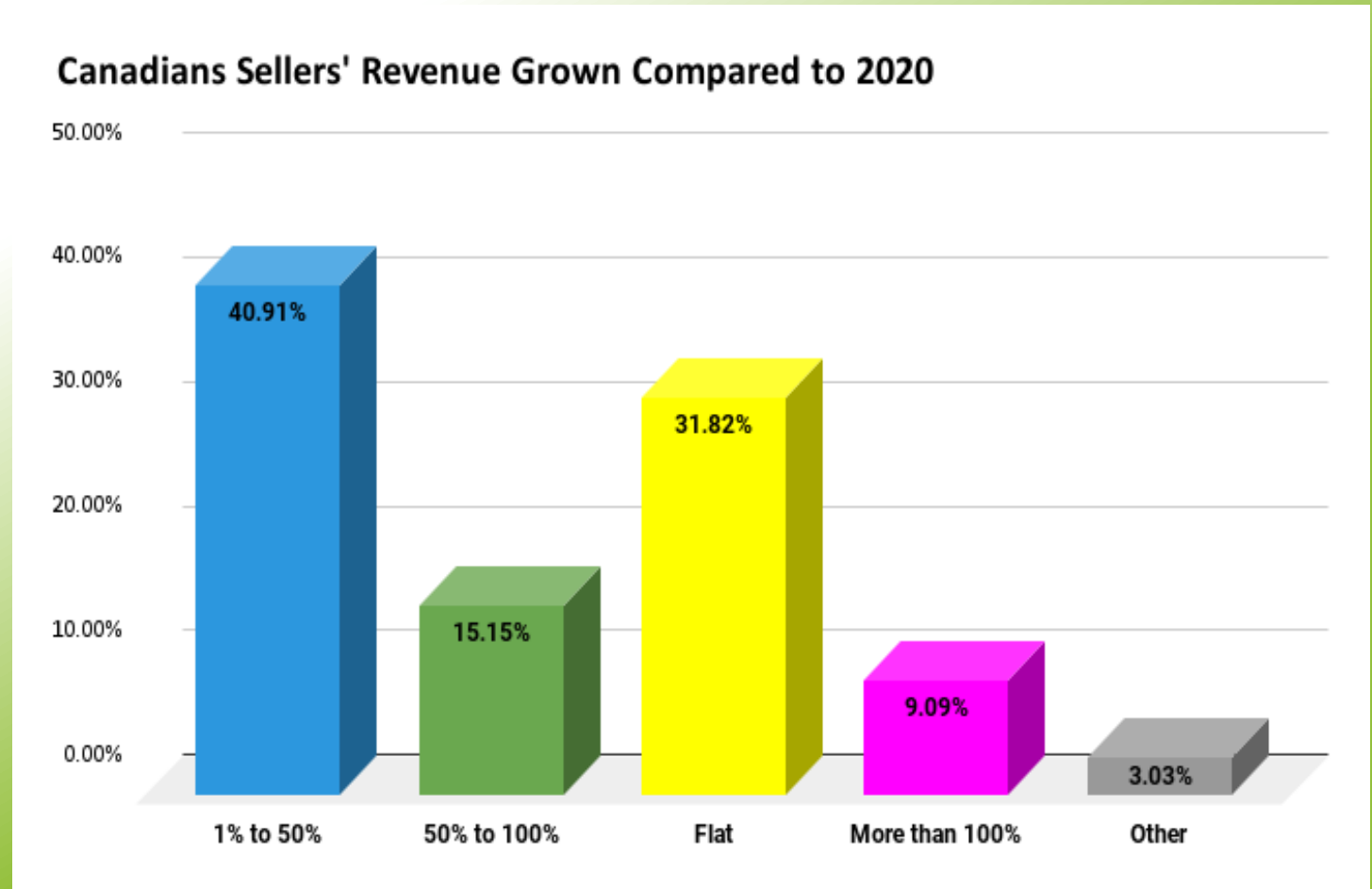




Canadian Amazon Sellers Got a Boost in Their Annual Revenue Compared to 2020

However, despite all the challenges that third-party sellers have suffered, the majority of Canadians who sell on this platform have reported that **2021 has been a better year in terms of revenue** compared to 2020.

Only 31.82% of those surveyed said they did not experience any increase in revenue. However, more than half have seen an improvement compared to 2020, with 9.09% doubling.





Methodology

Between October 6th and November 30th, 2021, EcomCrew surveyed 82 Canadian Amazon sellers who sell on Amazon and who have at least one product listing live on the platform.

The respondents are all based in Canada and they may sell in any or all of the Amazon marketplaces and in any or all of the categories listed on Amazon. They are of all genders and are 18 to more than 65 years old.