

# IN KNOW

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## **In the Know** **Greg Mercer**

Recorded Greg: I was thinking, "I want to enter this Amazon game, I hear how much money some people are making and so forth." My No. 1 tip would be get into some of the less competitive niches – learn the ropes, how the system works and so forth – and then you can scale up from there.

### **[Intro Music]**

Recorded Buckley: Hello, hello and welcome to "In the Know." This podcast is dedicated to all those listeners who want and need the best strategic and tactical advice on engineering growth. And, for Season 2, it's all about digital commerce. Alright, buckle up. We'll see you on the inside.

Buckley: Hey, insiders, welcome to "In the Know," the digital commerce series and I'm Buckley Barlow. What is up today? We've got a great show for you today and I've got Greg Mercer, an Amazon selling machine on the line who is also the creator/founder of Jungle Scout. Now Jungle Scout is a cool software tool or app that helps Amazon sellers decide which products to sell. Now, that's a total understatement of what it can do and we'll get into what it can do to help you save tons of time and money if you're looking to sell product on Amazon.

So Greg is no stranger to selling on Amazon, by the way. Greg has done millions in revenue and so to have him on to talk about how the lines between physical and online commerce is blurring and how to capture profits during this unique transition – and obviously talk more about Jungle Scout – that's going to be a real pleasure. So, Greg, thanks so much for coming on today.

Greg: Buckley, thank you for having me on the show. I appreciate it. I'm a big fan of your podcast so it's very exciting for me to be on here. I think we're going to have some fun today.

Buckley Well, awesome. And look how good you're sounding or how well

# IN THE KNOW

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you sound and you're halfway across the world.

Greg: I am. I'm in Barcelona right now so –

**[Crosstalk]**

Buckley Oh, you dog.

Greg: Yeah, the term they use for it these days is being a digital nomad which I have found is really just a nice word for being homeless, right? I don't have a home. I live in an Airbnbs from week to week but my wife and I, we really enjoy it.

Buckley No, I think that's a killer lifestyle. I think it's great. How is the Airbnb treating you in Spain by the way?

Greg: Oh, it's fantastic. I have a nice view out the window and fast internet so life's good.

Buckley Well, thanks for taking this on such short notice. I appreciate it. So we're just going to wing it in a lot of ways and have a casual conversation that I hope is actionable for our listeners. But Greg, what I find really cool about your product and, obviously, I saw you advertising on Facebook – I do want to ask you about that and how it's going a little bit later in the episode – but what I like about your product is it fits so nicely with our topic this season of digital commerce. And here you have this digital tool helping people sell physical products digitally. I'd say the world we live in has come full circle, hasn't it?

Greg: Absolutely.

Buckley Now, before we dive in, will you catch us up to speed on your role – who Greg is – and what you do day to day?

Greg: Sure. So I'll just give you a quick background. So just a few years ago – I guess it was about three or four years ago, now – I used to have a day job, a corporate job as a civil engineer. I didn't enjoy it too much. I was looking for a way out of it. I've had a strong entrepreneurial spirit my whole life. So that's when I started selling on Amazon so that was, I think, a little over three years ago now. Over the years, I scaled that up to where I'm at today. We sell a few hundred thousand dollars each month strictly on Amazon.

# IN KNOW

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Buckley Greg, are you kidding me? A few years ago, you were employed and you're doing several hundred thousand in product today? Several years later? That's amazing.

Greg: Yup. That's correct. So it's a nice change. And then, from that is when I saw the need to create a product research tool and that's when Jungle Scout was born.

Buckley Well, that's incredible. I mean, there's not many people that are out there crushing it like this and I'm excited to get into some of the nuts and bolts. We don't have the show format – the luxury – to talk for an hour or two hours but I'm really excited to see the highlights and listen to the highlights. Now, with all the information out there today from podcasts like Scott's "The Amazing Seller" to all the online courses, it just seems to me, Greg, that everybody's clamoring to wanting to know more about FBA or selling product online – especially on Amazon because they've got all the eyeballs, right?

Greg: Yup.

Buckley But the question I've got to ask you is this – is there still room for people to jump in and carve out a really successful living selling products on Amazon today? Is there still room?

Greg: Yes. I think there is. I'm still personally launching products. It's more competitive than it was a few years ago but there certainly is still room and a few of the other things I'm really excited about is Amazon's constantly expanding into other marketplaces – like Germany's really exciting right now, even Japan and some of these other countries. So even, let's say, a year from now or two years from now, if the American marketplace gets too crowded, too competitive, there's always new ones constantly opening up. So I see Amazon being a good opportunity for years to come.

Buckley That's interesting. I've got to ask this. I think that, with a lot of people trying to get into the business, what's the biggest hurdle that you see people have to overcome to start making money with Amazon? So they may start selling product but they're not making anything on the bottom line. So what's the biggest hurdle that you see there?

Greg: Yeah, so two – so for one, one small downside to this particular business is that it is fairly cash intensive to get started. You might

# IN THE KNOW

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be able to do it for under \$1,000 but if you have a little bit more money like \$2,000 - \$3,000, it's going to be a little bit easier to get started because a lot of the minimum order quantities are 200 or 500 units. At a few dollars a pop, that's going to be a few thousand dollars. So that's one hurdle for people. The other one is the product research phase – and I can't stress this enough – is extremely important for being successful on Amazon. You make it or break it during your product research.

So if you pick a really good item that there's plenty of demand and it's not too competitive, it's all downhill from there. Whereas if you try to get into something super competitive or a particular niche that there's just no existing demand for, it's going to be pretty tough to make it. Yeah.

Buckley

Now, before you created Jungle Scout, I'm sure that your life was probably filled with just loads of cumbersome spreadsheets, right? And you spent a lot of time trying to find the needle in the haystack.

Greg:

Yeah, that's exactly right. So before Jungle Scout, actually, what I was doing was I had a team of VAs in the Philippines and I'd give them lists of items to research and it would literally take them days and days – multiple people – to research all these items. So that's when I was like, "Okay, there has to be a better way." I went out and looked for the better way but I couldn't find it. I thought, "Alright, I think there's certainly a need for this particular item or for this particular product."

Buckley

Well, let's jump into that product, Jungle Scout. Like I said, we don't have the time to do a full blown analysis of the tool, but give us the highlights of how you and your clients are using Jungle Scout to really start to augment the business. Sure. So inside Jungle Scout, we have two main tools. One is the browser extension. So what this tool is it integrates into your Google Chrome browser and you can actually run it inside of the Amazon store. So I can make a search on the Amazon store – or it works on pretty much any page on Amazon – and you can click the little Jungle Scout button after it's integrated into your Chrome and you'll see a popup that will show you all of the key information you need to know about all these particular products on Amazon including the estimated monthly sale.

So, right away, I can go on there and say, "Hey, I'm interested in

# IN **THE** KNOW

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how many yoga mats sell each month." I could search for yoga mats. I could click it. Right away, I would see about how many units each of those listings were selling each month, how much money's left over for me after Amazon fees, how competitive it is, and a few of these other key metrics that we look for to make educated purchasing decisions or product research decisions.

And then the other part of it – this was Phase 2, 2.0 – is a web-based app that – Essentially what we've done is rebuilt Amazon's store in a way that's user friendly for sellers to search through it. So Amazon.com is probably the best in the world at selling products to consumers. However, it's not set up in such a way that's user friendly for sellers to search through.

Buckley                      Yeah, that's right.

## **[Crosstalk]**

Greg:                         So we just rebuilt their catalog, created essentially new user interface built for sellers so we can say, "Hey, show me all the products that sell at least 300 a month that aren't too competitive, that are at this price point," and some of the other filters that sellers would like to sort through the Amazon store with. So, in a nutshell, that's what it does. It makes choosing a product that's going to be successful on Amazon about 100 times easier and that was the idea behind it. That was the biggest bottleneck in my business at one point was just figuring out which other products I should sell. So it's specifically targeted for sellers who are looking for either their first or their hundredth or whatever product to sell on Amazon that will be successful.

Buckley                      So let me ask you this, Greg – so you have hundreds of products out there, I imagine. You're going to open up your tool and you're like, "Okay, I want to add a product." What's the criteria that you're going to set in this tool – I would imagine it has filtering – but what's the criteria that needs to be set for you to say, "Okay, I love this. I'm going to move forward,"?

Greg:                         Yeah, that's a really good question and there's good bit of actual advice I can give to your audience. So a few of the things that I look for is I want to see existing demand on Amazon. I'm not going to try to get into a new market or create a new market if there's not existing

# IN KNOW

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demand for it. I want to find something that people are already going to Amazon for, searching for, and already buying it. So I look for a particular niche that, in total, has about 3,000 units being sold every month in that niche. So all the yoga mats combined – I'd like to see that there's at least 3,000 units being sold for me to want to pursue that any further. That's what I've found is a good rule of thumb that works well for me. I also –

## [Crosstalk]

Buckley

And your tool parses that information, right?

Greg:

Yup. So it could give you that information. And then I also want to find something that isn't too competitive and the best indicator of that is how many reviews the products have. So, really mature, competitive niches will have a whole bunch of reviews. And these are really hard ones to get into. These are the type of niches that you'll be stuck on Page 5 if I try to enter them today.

So if I were to make a search on Amazon – and you can do this even without the tool – is you could search for yoga mat. And I like to see the top 5 listings – one or two sellers with under 50 reviews – and in the top 10 listings – maybe three or four sellers with under 50 reviews. And that part right there is on Amazon that anyone can go and look at. And then a few of the other criteria is I just want it to be – I usually shoot for something over \$20 because under that is just not a lot of money left over for margins or profit. Anyhow, those are the main criteria that I look for for a new product.

Buckley

So No. 1, you've got to evaluate existing demand? You're looking for something greater than 3,000 units being sold. The number of reviews is absolutely critical because Google's – oh, not Google but Amazon's – algorithm probably has put those company's products with those reviews so far to the top it's going to be hard to – You're going to spend a lot of time and money trying to strip those reviews, right?

Greg:

That's absolutely right. Yup.

Buckley

And then something above \$20 but less than –?

Greg:

Yeah, usually, I do less than \$50. I find above \$50, there's usually less impulse purchases or people usually want to know a little bit

# IN KNOW

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more about the product or brand and so forth.

Buckley: Well, that's cool. Now let me ask you something. I'm getting ready to launch a couple books. I'm just trying to provide really good, valuable, impactful content out there – could this work for books? Could you do this for books?

Greg: You could do it for books. For instance, if you were trying to find a new niche that you want to write a book in, you could do similar criteria. However, that criteria's mainly geared toward physical products or I'd say non-books and non-media type products.

Buckley: Greg, I would tell you there are tons of authors out there trying to get on Amazon. I think you've got a really good shot at tweaking your software and opening it up for books. I think that would be an amazing tool. I'm not sure –

**[Crosstalk]**

Greg: Yeah.

**[Crosstalk]**

Buckley: – exactly what's out there right now, I've seen a few tools but I'm sure you would do very, very well there.

Greg: Okay, yeah, I appreciate the tip there.

Buckley: Now, let me ask you, how successful has your app been in your overall profit picture? How many users do you have, if I may ask and –?

Greg: Yeah. So it's going really well. It's only about a year and a half old and, in total, we have over 20,000 users now.

Buckley: Wow. That's great.

Greg: So customers have taken to it really nicely. I think it's a pretty easy value proposition which is good because I'm not a very good marketer. For me, personally, any product that will make me more money than it costs is always a no-brainer to me.

Buckley: Exactly.

# IN THE KNOW

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Greg: So I feel like Jungle Scout is a pretty easy value proposition. It doesn't cost very much money and will show you the products that will make you a bunch of money so I think that's part of the reason it's been pretty successful.

Buckley And what's someone going to spend if they use the extension or the web-based –?

Greg: Yeah. So the extension runs about \$90 or \$150 for a one-time fee and then the web-based app is a monthly SaaS product and the price ranges go from \$40 for the basic package or up to \$100 a month for the more professional package.

Buckley That's great. So for starters, this is a great way to dip your toe in the water is to check out the extension on Google, right?

Greg: Yup.

Buckley Now, Greg, I saw that you were advertising on Facebook. I'd love to know how's that working for you?

Greg: Yeah. So it's going pretty well. The remarketing stuff has always worked really well for us. It's very cost effective to retarget some of the users who have visited our site and didn't purchase it so that's going really well. We are trying to do, also, some driving traffic to a particular opt-in which we can then send out further emails to help them. The marketing term's a funnel. That still requires some tweaking. I don't think it's quite profitable yet so, yeah, we're still working on that.

Buckley That's great. Okay, but the Facebook is still driving results? Still ROI for you? Can you talk about those numbers a little bit or is that something you want to stay away from?

Greg: No, I can talk about them a little bit. For the remarketing stuff, it's pretty cost effective. I think we're getting conversions for anywhere for \$15 to \$30. For driving traffic to our opt-in pages, I forget off the top of my head but essentially, what it comes down to for that, I think, is we were capturing email addresses for fairly inexpensive. They just – it wasn't a targeted enough market or our email funnel after that wasn't enough optimize to really make it cost-effective. I think, on that end of the cold traffic, we haven't been able to make it

# IN KNOW

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profitable yet.

**Buckley** That's cool. Now I'm going to ask you a question that I'm excited to see where you stand. Do you consider yourself a competitor to brick and mortar business since that's what Amazon stands for or do you see yourself more as a hybrid where you can take brick and mortar products and increase that exposure and reach online while still preserving brick and mortar? Tell me where you stand and then, also, I'd love to know where you see the future of brick and mortar going.

**Greg:** Yes, I'd probably be on the latter of that. I think a fair amount of our customers, I think they will have a product either in brick and mortar or maybe an invention or whatever and they just want to see how much demand there is for that type of product on Amazon. So it's really easy for them to then see how much their competitors or that particular niche is selling each month. For your second question, there, for the future of brick and mortar, it's hard to know for sure. I mean, I think industry trends are showing us it's decreasing but, to be honest with you, I really just don't know that much about brick and mortar style businesses to give you too good of an answer with it.

**Buckley** Well, you'll learn a lot in Barcelona, let tell you. They're still there, going strong.

**Greg:** Yeah.

**Buckley** I read a funny bumper sticker the other day that says, "Go to Best Buy, view it and then buy it at Amazon at home." And it's so true, isn't it? And that's where I like this hybrid model. It is blurring the lines where you can create this physical presence of a brick and mortar store but then you can have the luxury of buying it whenever you want. And I think it's pressing that space into a new transition so you're doing a great job. You're banging it up and I appreciate that. And that's awesome, awesome, stuff. So before we launch into our final round of questions with Greg, I'd like to take a brief moment to thank our sponsor.

**Recorded Buckley:** I hope you're enjoying this episode. Hey, let's take a quick second to thank my sponsor, SamCart. What a wonderful tool Brian Moran and his team over there have created a shopping cart, an e-commerce company that really is focused on the marketing company that wants

# IN THE KNOW

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to grow and do upsells. So they have this amazing one-click add it upsell component. Their integrations are great. Their built-in integration with payment gateways is already there. It's a fantastic, fantastic shopping car experience. You can find them over at [samcart.com](http://samcart.com) or head on over to my resource page – I do have them over there at [beintheknow.go](http://beintheknow.go). Now back to the episode.

Buckley Alright Greg, here's the question. I have a few questions. Out of all the mistakes you see people doing selling online via Amazon, via FBA, what's the biggest mistake you see people making out there?

Greg: The biggest mistake I see people make is to get into too competitive of a niche. If you do this, it's very hard or very expensive to get your product ranked and get it to where you can start making organic sales. You'd have to spend a ton of money on the paper click inside of Amazon or do a lot of giveaways and so forth. So if you were just starting out, it's much better to pick a particular niche or product type that is less competitive – that might not have quite as much demand you want – than go the other route which is very competitive. It's just really hard to recover from.

Buckley And then, on the flip side, what is the No. 1 tip you'd recommend? Would that be the same thing or would you say, "Hey, you've got to diversify." I know a lot of people have different opinions on selling on Amazon.

Greg: Yeah, so the No. 1 tip then would probably just fits into the first part there of if you just want to get started today. It's like, "I want into this Amazon game. I hear how much money some people are making and so forth." I would just pick something that – If I were to a store on Amazon, I would just pick an item or niche that has if I were to search for it, the top 10 listings maybe only have 30, 40, 50, 60 reviews instead of these products that have 500, 1,000, and so forth – those would be the really competitive ones. So my No. 1 tip would be get into some of the less competitive niches, learn the ropes – how the system works and so forth – and then you can scale up from there.

Buckley No, that's perfect. Now, you have a growing team but if you were to hire someone right now that could really transform your business – take it to another level – who would you be looking for and why? What is the most valuable set of skillsets or combination of skillsets that someone could bring to the table?

# IN THE KNOW

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Greg: Yeah, so if I were to hire someone for my business, I'd probably be looking for someone in a product manager type role for, actually, my Amazon business. So I've seen how powerful it is. I have quite a few products selling on there and of late, we have devoted most of my efforts towards the software side but it still pains me that I don't have enough time to work on my Amazon business because I also know how profitable it can be. So that's what I would be hiring. I'd be hiring a product manager type person who could do the product research, do the sourcing of these items from China, take care of the day to day management and so forth. Yeah, I guess if anyone is listening to this podcast and you fit that role, hit me up.

Buckley That's great. Now, do you use Alibaba for product sourcing with suppliers?

Greg: Yes, I use Alibaba and I use Global Source, as well.

Buckley I was going to ask you – I'm glad you brought that up. Any favorite tools other than Jungle Scout that you're using that are absolutely critical to your business?

Greg: Well, Amazon stuff, I use quite a few tools. We did also make another product called Review Kick so, of course, I'm a little biased because it is my tool but that's something that you can give away products for to real Amazon shoppers at a discount and they'll leave you a review on your product. So that's a good way to initially jumpstart your product listing and that's completely within the terms of service. Some of the other tools I use are – There's one called Forecastly – I use that for inventory management and forecasting. I just started using, actually, a really cool tool called AMZSplit and it does AB testing for your Amazon listings and it's amazing how much these small tweaks can help improve your conversion rates. So that's my new favorite tool right now.

Buckley I bet. Isn't it fun to see those small, small tweaks making huge, huge RLI changes. It's great.

Greg: Yeah, it's crazy. On one of my listings, it went from a 12 percent conversion rate to almost 20 percent.

Buckley That's great.

# IN THE KNOW

Greg: And if you do the dollar amount, you're talking like \$1,000 in profit that are extra per month so, again, it's one of those tools. I spend \$50 and I make \$1,000 – that's a good trade for me any day.

Buckley Yeah, perfect. Well, those are some great recommendations. Wow, Greg. I'm envious of your lifestyle right now, let me tell you. I've been sick with pneumonia and I'm stuck here in cold Utah and it's not getting – it's warming up a little but I would kill to be in Barcelona right now. I went there last year and it's a great place. So, Greg, thanks so much for coming on and sharing your knowledge and expertise. I think you crushed it and I think you added a lot of actionable tidbits and nuggets of wisdom that people are really going to love. And let's point them to an area where they can go check out Jungle Scout. Where can they find you or learn more about the tool?

Greg: Yeah, so I wanted to give your audience a discount if they were interested in trying out Jungle Scout. So they can get that at [junglescout.com/intheknow](http://junglescout.com/intheknow) and, yeah, you can access that and you can get a small discount. I'm pretty active on the blog on [junglescout](http://junglescout.com) so if you want to go there and check out the blog. There's a whole bunch of good information. If you have any questions, you can leave them in the comments. I'm good about replying to all of them. And, yeah, I hope to connect with you and your listeners some more in the future.

Buckley That is great, Greg. Again, thanks a lot. You can also find out more at [beintheknow.com/podcast](http://beintheknow.com/podcast) or go straight to [junglescout.com/intheknow](http://junglescout.com/intheknow). We appreciate Greg coming on such short notice. He crushed it. He killed it. A lot of great information here. So again, thanks, Greg and we'll see you on the flip side.

Greg: Alright. Thanks, Buckley. Take care.

**[Music]**

Recorded Buckley: We appreciate you joining us for this episode of In the Know. You can find show notes, past episodes and special giveaways for the insiders at [beintheknow.com](http://beintheknow.com). Thanks again and we'll see you next Tuesday on In the Know.

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**Duration: 24 minutes**