

SELLER SUCCESS STORIES

In conversation with Woldoshop

Find out about selling on Amazon.com



Woldoshop is an experienced Amazon seller based in Norderstedt. They have been selling several brands on Amazon.de since 2015 and decided to expand to the USA in 2024.



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Our aim when expanding into the USA was to open up a new market with high-quality products and efficient processes. Thanks to the support of Amazon and our strategic partners, we were able to gain a foothold quickly and successfully.

-Martin Walter

Managing Director

Tell us a little bit about your business and the start of your Amazon journey in Germany:

A few years ago, we started selling private label items on Amazon. In the beginning, we were a small team, but we were still able to handle an impressive 15-20,000 parcels a day. This was possible due to our efficient, automated processes and the use of Amazon as a service provider for shipping our goods. This combination allowed us to handle high volumes with a relatively small team. Our business continues to grow strongly, especially internationally. Here, Amazon supports us enormously by helping us to expand into new stores. The platform not only provides the infrastructure, but also valuable tools and resources to scale our business globally. This has enabled us to further expand our international business and reach new customers worldwide.

What inspired you to expand to the United States with Amazon?

Our decision to expand into the USA was inspired by several factors. Firstly, another seller who was already selling successfully in America impressed us with the size and potential of the market there. This inspiration led to several conversations and phone calls with other sellers who had also had positive experiences in the American store. A crucial point was also the possibility of taking reviews globally. This means that the reviews that our products have received in Germany are also visible in the USA. This gave us a significant advantage as we were able to build a positive reputation before we entered the American store. This combination of potential and the ability to capitalize on existing reviews ultimately led us to expand our operations to the US.

When in your expansion journey did you decide to expand to the US and why? Did you already have experience with expanding your Amazon business to another English-speaking country previously, e.g. the UK? If, yes why did you choose to expand to that country first, before expanding to the US? How does your company setup in the US look like?

In December 2023, we decided to expand our business to the American store. Thanks to Rödl & Partner's tax advice, we were able to bring the first products to America as early as February. Sales got off to an immediate and successful start, and by the second month we could already see how our products were performing commercially there. We have also expanded in Europe, incorporating stores such as Spain, Italy, France and smaller stores in Belgium, the Netherlands and Sweden. We see great potential in these countries, as tax hurdles and language barriers often prevent many retailers from expanding there. Our approach was to overcome these challenges and gain a competitive advantage. Before focusing on the US store, we had already gained experience of expanding into other European countries to ensure that we could develop the necessary processes and strategies to succeed internationally.

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How does your company setup in the US look like?

Initially, we considered whether we should run our business in the USA through our German company. However, we very quickly decided to set up an independent company in the USA and open an office there. We made this decision because it was more advantageous for us to separate the processes and the demarcation from Europe. Our US company is therefore independent of the German company, which allows us to work more efficiently and better fulfil specific market requirements. We have also integrated local employees who work independently of the German structure. This autonomy enables us to react more quickly and flexibly to market requirements in the USA, while at the same time ensuring clear organizational structures and responsibilities.

How did you manage the Tax setup? Did you seek third-party support?

We have positioned ourselves very professionally in the USA through Rödl & Partner. We were already familiar with this service provider from Europe and knew that this company had successfully supported both large and small companies in their expansion into the USA. Rödl & Partner's experience and expertise helped us to master the complex tax requirements in the USA and to ensure that we complied with all legal requirements. We set up the company ourselves via the company Alton, which we have also known for several years. Here, too, we were able to rely on proven partnerships and their extensive expertise to ensure a smooth start to our business in the USA.

Learn more about US tax requirements

How did you navigate US market requirements and regulations?

We have analyzed the US market intensively and made sure that we have a strong partner at our side. We use a specialized service provider to thoroughly check every product before we launch it on the US store. In this way, we ensure that all legal requirements and regulations in the USA are met. Of course, this process is not easy at the start and also involves high costs. Nevertheless, we can already see after a short time that these investments are worthwhile. The expertise we have gained significantly expands our capabilities within the company and ensures that we can expand into the US store in a sustainable and legally compliant manner.

What tools or software do you use to create and manage listings in the US store?

We only work with tools to a limited extent and instead rely on our own processes within our company to create customized listings. Thanks to our international experience, including in the UK, the hurdle here is not too high. All items are created manually via the Amazon system. This manual creation is still very important to us today, as it allows us to explain each product with a deep understanding and specific expertise. We believe that this personalized approach makes a crucial difference and allows us to provide our customers with detailed and accurate product information.

Learn more about selling globally 7

How do you manage the translations and quality of content? Any tools?

Translations are done in-house. As for the images and product detail pages, we use our existing products from the UK and adapt them slightly for the US store. We don't use any special tools here either. Instead, we archive information that already exists on Amazon, such as reviews, and analyses what information is important to the customer. All products and images are created based on these reviews and information. We make sure that the content is not influenced by the individual interests of an employee, an agency or the person who creates the images. This is a key difference and an aspect that sets us apart from others. Our aim is to address the needs and questions of our customers in the best possible way and to provide them with precise and relevant information.

How does your supply-chain / inbound logistics setup look like?

In the beginning, we produced our products here in Germany because we know the quality and know what is important. We then brought these products to the USA with our partners UPS Freight and DHL Express. For parcel shipments we use DHL Express, while for pallet shipments we have developed a special process with UPS that allows us to get pallet shipments to America within 5-7 days. As many of our products are produced in-house, air freight costs are not as critical for us. With DHL Express, we have developed a workflow that allows us to create shipments and customs documents quickly and efficiently. We use both in-house shipping and shipping via Amazon (FBA) to ship our products. In-house shipping gives us control over the entire process, while shipping through Amazon gives us the benefits of their logistics infrastructure and accessibility to a larger customer base. This combination allows us to react flexibly to different requirements and market conditions.

How did you handle the customs and import regulations? Did your logistics partner assist you with this?

We were supported by our logistics partners UPS and DHL in handling customs and import regulations. Both companies offer established processes that can be utilized by their customers to ensure compliance. This support has significantly helped us to make customs clearance efficient and smooth, which was particularly important for a quick and successful market entry in the USA.

How do you manage international returns?

We have a returns rate of around 1.2% for our products. Due to this low rate, it is no problem for us to have the returned goods destroyed by Amazon for a fee. This is an efficient solution that enables us to minimize the costs and effort involved in managing returns.

What is your advertising and brand strategy? What are the key tools you rely on?

For our market entry in America, we were supported by Amalyze. With their help, we were able to set targets for our campaigns at keyword level. By utilizing our internal data, we have developed a marketing strategy that works very successfully for us. Fundamentally, however, our goal is not to grow primarily through marketing, but through



organic sales and providing better products than the competition. We do not believe in long-term growth through intensive marketing. Our approach is that a product must be profitable after 3-6 weeks, after which we reduce marketing expenditure. Our focus is on the quality of our products and customer satisfaction, which leads to sustainable and organic growth.

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Do you see a significant difference between European and American customers?

We have not yet collected enough data to give a meaningful answer to this question. However, we believe that we will be able to recognize differences after around 6-12 months. If significant differences emerge, we will of course incorporate them into our products and strategies.

How do you decide about what selection to offer in the US?

Our decision on which products to offer in the USA is based on the expertise we already have in the company and the possibility of successfully selling these products in America. Firstly, we scan the market and check whether similar products already exist. If so, we analyze whether these products meet customer needs or whether there is room for improvement. We then use this information to decide whether a product should be produced and whether it offers real added value for the customer. We avoid entering into a price war with existing products. Our aim is to offer our customers innovations or significant improvements so that they can benefit from them in the long term.

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How long did it take to become profitable? Can you share any key learnings?

After entering the market with the respective product, we needed around 5-6 weeks until our expansion was profitable. As soon as we reached profitability, we reduced our marketing costs to further increase our margins. One valuable realization we have gained along the way is the importance of efficient and targeted marketing in the initial phase. It is crucial to quickly achieve a stable market position and then adjust marketing expenditure in order to remain profitable in the long term. It is also important to focus on the quality of the products and to offer customers real added value instead of engaging in price wars.

Where do you see your US Amazon business in the next 12 months?

We plan to quadruple our portfolio by the end of the year. We have already established the products in the European stores, so we mainly need to review and implement legal issues in order to be able to list these products in the USA. We see 3-4 times greater potential in the American store than in Europe, which we would like to achieve in the next 12-24 months. Our goal is to grow significantly through expansion in the USA and to strengthen our market presence. We are confident that we will achieve this goal through targeted strategic measures and adjustments to local market requirements.

What are your final words and advice for Selling Partners starting the US expansion?

Legally, you have to be well positioned if you want to get started in the USA. The US store is incredibly interesting, especially for European Sellers, and this potential is often underestimated. The German market is very challenging due to strong competition and price sensitivity, especially if you don't have a unique selling proposition - a problem that affects many private label sellers. This often leads to intense price wars. We therefore attach great importance to developing and customizing our products to meet the needs of our customers in the best possible way. My most important piece of advice for Sellers: Be prepared to act quickly and decisively and focus on creating real added value for your customers. This is the only way to achieve sustainable success in the US store. In addition, you should obtain sufficient information and the necessary expertise in advance, such as the punitive tariffs mentioned above.

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