

7 Formulas Every Online Seller Needs

A one-page reference for pricing, ads, imports and inventory. Keep it open while you work.

1. Net Profit per Order

$$\text{Net Profit} = \text{Sale Price} - \text{Platform Fee} - \text{Payment Fee} - \text{COGS} - \text{Shipping} - \text{Ad Cost}$$

Example: \$40 sale – \$4 fee – \$1.50 payment – \$14 cost – \$3 shipping – \$6 ads = **\$11.50 net profit** (28.8% net margin).

If this number is negative, no amount of volume will save you.

2. Break-Even ACOS

$$\text{Break-Even ACOS} = \text{Pre-Ad Margin \%} = (\text{Sale Price} - \text{All Costs except ads}) \div \text{Sale Price}$$

Example: sale \$40, all costs except ads \$18.50 → pre-ad margin = $\$21.50 \div \$40 = 53.75\%$. That is your ACOS ceiling.

Above your break-even ACOS the ad is funded by your pocket. Below it, the ad funds itself.

3. True Landed Cost per Unit

$$\text{Landed Cost} = \text{Unit Price} + (\text{Freight} + \text{Insurance} + \text{Duty} + \text{Fees}) \div \text{Quantity} + \text{Import VAT} \div \text{Quantity}$$

Example: $\$4.20/\text{unit} \times 500 = \$2,100$ + freight \$380 + duty 8% (\$168) + fees \$75 → $\$2,723 \div 500 =$ **\$5.45 landed per unit.**

Always price off landed cost, never off the supplier quote.

4. Reorder Point

$$\text{Reorder Point} = (\text{Average Daily Sales} \times \text{Lead Time in Days}) + \text{Safety Stock}$$

Example: 12 units/day $\times$ 21 days lead time = 252 + safety stock 60 = **reorder at 312 units.**

Lead time should include production, not just shipping.

5. ROI on Ad Spend

$$\text{ROI} = (\text{Ad Revenue} - \text{Ad Spend}) \div \text{Ad Spend} \times 100$$

Example: $(\$980 - \$250) \div \$250 = \mathbf{292\% \text{ ROI.}}$

ROI looks great while the product still loses money. Check net profit too.

6. Fee Load

$$\text{Fee Load} = \text{Total Platform} + \text{Payment Fees} \div \text{Sale Price} \times 100$$

Example: $(\$4.00 + \$1.50) \div \$40 = \mathbf{13.75\%}$ of every sale gone before product cost.

Compare this across marketplaces before you list.

7. Bulk Pricing Target

$$\text{Bulk Price} = \text{Landed Cost} \times (1 + \text{Target ROI})$$

Example: \$5.45 landed $\times$ 2.5 = **\$13.63 minimum wholesale.**

Works for wholesale, bundles and B2B quotes.

Want these done automatically?

ShopFee, LandedCost, AdMath and StockPilot are offline calculators that do all of the above in one screen each.

→ [ShopFee](#) · [LandedCost](#) · [AdMath](#) · [StockPilot](#)

Code **LAUNCH** takes \$3 off any tool.

HotSellers · [globalhotsellers.net](#) · [pethotsellers.com](#)

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