

Fulfilment by Amazon in the UK celebrates its second birthday and offers exciting new features

The Fulfilment by Amazon (FBA) programme in the UK has celebrated its second birthday. Two years after its launch, several hundred Amazon merchants are harnessing the numerous business benefits after registering for this innovative service. Merchants across Europe are praising Amazon's fulfilment services and taking advantage of the new features launched in 2009.

Fulfilment by Amazon is a key strategy to differentiate the Amazon buying and selling experience from other e-commerce sites. With FBA, sellers can offer the same customer experience, service and promotions that Amazon does. "FBA is really about delivering a consistent and great customer experience regardless of who is selling the product," says Jeff Bezos, CEO of Amazon. "We want to give our sellers all the tools they need to be successful, including access to the incredible Amazon fulfilment network, without a lot of hassle. If we make this easy, then Amazon, the seller, and our customers all win."

FBA - a competitive strategy

Fulfilment by Amazon has proven to be a competitive strategy for sellers who are looking for new ways to increase the success of their online business. For many, the results have been dramatic. Economic Comics, an FBA merchant based in Surrey, saw their sales almost double in the first week and was able to sell a number of items that had been sitting on their shelves for months. Co founder and owner Simon Mott attributes this primarily to FBA. "We were able to win on price, and customers were able to combine our items as part of any Super Saver Delivery or Prime order. FBA has enabled us to sell a higher volume of existing products in addition to new lines at a very cost effective price. It's a great time saver and incredibly good value for the money too. FBA has likely been the best business decision we made in 2009—our sales are up and the infrastructure Amazon has implemented with FBA means that growing our business further is an achievable goal."

Gamesbuyer saw sales grow by almost 70 percent after joining FBA. Mark Senior, founder and owner, also highlighted other parts of the programme that helped his business. "A big plus we didn't anticipate was the customer service element. We put a low tariff on it until we saw how quickly FBA customer service handled issues with our Amazon orders at peak periods. Customer service was a big advantage to us during our huge growth in December. With the flexibility of FBA, I can now buy inventory at a time during the year that it is discounted compared to other times of the year. I can shrink or grow my inventory at any time, flexing up and down during on- and off-peak seasonality. Amazon is our favourite channel and FBA has enabled us to continue to meet our increase in sales. We plan to continue the strong relationship."

The introduction in the summer of an enhanced Multi-Channel Fulfilment option, previously known as Basic Fulfilment, provided FBA merchants flexibility to increase their online business while reducing cost. Merchants can submit requests to Amazon to fulfil orders that originate anywhere other than on Amazon.co.uk, basically on their own website or another third-party platform. These orders are fulfilled directly from a merchant's inventory in Amazon's fulfilment centre with an option for standard or express delivery.

Several new features added in 2009

On 1 May new Fulfilment by Amazon fees were introduced in UK making FBA a more competitive option than ever before. The postage and gift wrap fees were removed and the weight handling fee reduced. The total fees to process a fulfilment order for a 500 g book ordered on amazon.co.uk are as

little as 65 p exclusive of VAT. All fees including fulfilling larger orders are now noticeably more attractive. Customer service enquiries and returns are free of charge, and with Prime and Super Saver Delivery, merchants have the ideal tools to help increase sales.

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Fulfilment by Amazon

view delivery estimates before they submit a fulfilment request for a Multi-Channel Fulfilment order, so they can decide what makes best business sense. Last and not least, with Multi-Channel Fulfilment, sellers only pay as they go with no monthly subscription fees.

Multi-Channel Fulfilment can be a lifesaver for fast-moving items during the busier times of the year, enabling users to save on warehouse space, capacity, and time by having their inventory shipped to only one location. Instead of managing the fulfilment process, merchants can focus on the issues that are most important to them.

As Dave Solomon, founder and owner of DST, a telecommunications specialist from the North West of England puts it, "FBA allows us to send some of our best-selling items to Amazon, meaning that we can focus our attentions on launching new products and developing our business while a large percentage of order handling is managed by FBA. FBA enables us to get maximum exposure for our products to test the true market potential. We know that every order fulfilled by us takes on average seven minutes to complete from receipt. Therefore, for every order fulfilled by FBA, our staff are freed up to work on other projects."

Using replenishment alerts in the FBA seller account to quickly identify low inventory during peak periods allows sellers to optimize their sales at the busiest time of the year. Mid 2009 this new feature was also added to the tool set available to FBA merchants.

Getting started is easy

To take advantage of the FBA programme, a merchant first needs to register and open an account for Selling on Amazon. As of August 2009, Amazon.co.uk has made it very simple for anyone with an existing Amazon selling account to offer the benefits of Fulfilment by Amazon to their online customers. FBA features and functionality are available in every seller's account at the click of a button.

Fulfilment Web Services - integration of FBA into a merchant's own MIS platform

In September 2009 Amazon introduced Amazon Fulfilment Web Service (FWS) which enables registered merchants already using FBA to access Amazon's world-class fulfilment capabilities through a simple web services interface. FWS helps merchants integrate FBA functionality into their own ERP or MIS system. There is no charge for using Amazon FWS; only fees for the underlying Fulfilment by Amazon services apply. There are two sets of APIs – Inbound and Outbound. With the inbound APIs, merchants can automate and simplify the inbound shipment creation process. With the outbound APIs, merchants are able to programmatically send order information to Amazon for Multi-Channel Fulfilment.

In October FBA increased the maximum replacement value for lost and damaged inventory to £ 700 per unit in the UK. This means more peace of mind for merchants when sending their high-value items to an Amazon fulfilment centre.

Some quick facts about the programme:

- There are no long-term commitments with FBA.
- A FBA merchant owns its FBA inventory at all times and can send more or request returns at any time.
- There are no minimum or maximum inventory or order requirements.
- Fulfilment fees are charged per order at the time of the sale.
- Storage fees are calculated daily for only the inventory a merchant has in an Amazon facility.
- Merchants can combine Amazon fulfilment with their own order processing or let Amazon handle it all.
- Inventory is stored and processed in Amazon's modern, secure fulfilment centres.
- Orders are processed immediately and are packed and shipped to arrive on time by whatever method the customer selects.

Benefits extend beyond just shipping

FBA items are listed and shipped like Amazon items including free Super Saver Delivery and Amazon Prime delivery, specific delivery date information on the listing page and Amazon shipping and gift options. FBA listings assume £ 0 for shipping price providing a sort advantage. Buyers can filter by Super Saver Delivery and Prime. Listings include the FBA logo and shipping information. Amazon handles all customer service and returns for FBA orders. This results in a competitive advantage, which includes more buyer trust and better sales. Amazon Prime is an annual membership programme which gives UK based customers ordering on amazon.co.uk unlimited free one-day delivery on millions of items for only £ 49 a year.

Merchants are seeing their companies grow with the expanded functionality of Fulfilment by Amazon. In 2010, Amazon will continue to collect feedback from merchants to understand their fulfilment needs and provide the tools and resources they need to succeed.

Amazon.com, Inc. (NASDAQ: AMZN), a Fortune 500 company based in Seattle, opened on the World Wide Web in July 1995 and today offers Earth's Biggest Selection. Amazon.com, Inc. seeks to be Earth's most customer-centric company, where customers can find and discover anything they might want to buy online and endeavors to offer its customers the lowest possible prices. Amazon and its affiliates operate websites, including www.amazon.com, www.amazon.co.uk, www.amazon.de, www.amazon.co.jp, www.amazon.fr, www.amazon.ca, the Joyo Amazon websites at www.joyo.cn and amazon.cn.