

Fulfilment by Amazon – New Latitude for New Products and More Growth

“Without Fulfilment by Amazon, we wouldn’t be where we are today,” says Pero Vrdoljak, summing up his wholly positive experience. He is a merchant through and through – and he has been since 1991. Together with his wife Silke and a small team of employees, the managing director and proprietor of Empressia GmbH has been developing new, textile-based products for bathrooms, wellbeing, sleeping and living for several years. These articles are manufactured and sold under the registered brand Empressia—beyond the normal merchandise. The boss of this company, which resides in Emsdetten in Northwest Germany, is visibly enthusiastic about anything linked to “wellbeing” as well as aesthetic objects intended to beautify homes and gardens.

The Fascination with FBA

Empressia launched into Internet retailing in 2006. This marked a milestone in the company’s expansion of its product range from less than one hundred articles originally to more than one thousand today. Silke Vrdoljak displays a keen instinct for products that harmonize with the existing portfolio items and mirror end customer tastes.

In addition to its own web store, Empressia is also represented on various online sales platforms. Even before last year—when Pero Vrdoljak resolved to take advantage of Fulfilment by Amazon—25 percent of its overall sales were achieved through Amazon.de.

Following a hesitant start in the summer, demand for FBA picked up rapidly in October 2008, notably for bathroom and home linens as well as Empressia’s own brand of textile decor products. Since then, business with Amazon has exploded, as Vrdoljak aptly illustrates with the following statement: “By June this year, our Amazon sales had already equalled the total volume for 2008. As a result, we are expecting the figure to more than double in 2009. This is truly fascinating.”

What are the factors that have made Fulfilment by Amazon so popular with Empressia’s makers? “Owing to our strong growth, our ability to ship to customers and our warehouse space were consistently being pushed to the limits of our capacity last year. We were therefore on the lookout for a partner that could offer professional support. We wanted to avoid investing in more personnel or additional storage areas, yet our steep growth curve



appeared to leave us with no alternative,” Pero Vrdoljak explains. “When we first heard about FBA, we were sceptical. You can probably imagine how we felt, having developed a successful brand of which we were rightly proud. The idea that we should send it off to a practically unknown location for storage took some getting used to.”

empressia

Pero Vrdoljak,
Owner and managing director

Products

Bath and home textiles, apartment accessories and decor for home and garden

History

2006: Opened web store and sold on Amazon

2008: Joined FBA

“Our clients place an incredible amount of trust in Amazon. They can rely on their FBA goods arriving the next day if they order express delivery or within two days at the latest if they choose one of the other delivery options. With all other platforms, it takes a lot longer to transfer the money and arrange the delivery. The name Amazon automatically increases customer satisfaction.”

Pero Vrdoljak



Pero Vrdoljak, owner and managing director Empressia GmbH



"In order to be successful in the marketplace, you have to believe in what you do one hundred percent and know how to bundle your energies. In the future, we intend to concentrate on product design, the development of sample collections, brand management, and our own marketing. This is essential if we want to extend our complete sales portfolio by 30 to 50 articles every month. FBA gives us that all-important extra latitude."

Pero Vrdoljak

Trust + Purchase Savings + Speed = More Business

The positive overall assessment was additionally influenced by the excellent reputation Amazon enjoys with end customers. "Our clients place an incredible amount of trust in Amazon. They can rely on their FBA goods arriving the next day if they order express delivery or within two days at the latest if they choose one of the other delivery options. With all other platforms, it takes a lot longer to transfer the money and arrange the delivery. The name Amazon automatically increases customer satisfaction," confirms the man behind the Empressia brand. "What's more, Amazon's high standing and the quality of its customer service are consistent with our brand promise." Of course, he is also well aware of the stimulating effect on sales of the "FREE Super Saver Delivery" label that hits customers in the eye underneath every FBA product. This option helps boost the order volume—ideally, with more Empressia articles.

From Vrdoljak's point of view, Fulfilment by Amazon's trustworthiness and speed are further enhanced by the service's good value for money. No wonder parcels destined for the Amazon fulfilment centre leave the Emsdetten premises every single day. It is this continuity that makes the experienced FBA merchant the perfect person to ask how long it takes for articles to be ready for online ordering after they reach the centre. "The process is surprisingly fast. There are naturally exceptions, but once the goods have arrived it's never more than a day before they are available for sale online."

Business development needs latitude—Fulfilment by Amazon creates it

The decision to outsource fulfilment and customer services was totally in keeping with the Empressia managing director's adopted strategy: "In order to be successful in the marketplace, you have to believe in what you do one hundred percent and know how to bundle your energies. In the future, we intend to concentrate on product design, the development of sample collections, brand management, and our own marketing. This is essential if we want to extend our complete sales portfolio by 30 to 50 articles every month. FBA gives us that all-important extra latitude."

Pero Vrdoljak is a staunch advocate of outsourcing warehousing and end-customer shipping. All products Empressia sells through other platforms, or that are external to its FBA range, are currently dispatched via a service provider in Southern Germany. It would therefore be logical next for Empressia to consider switching to Amazon's new Multi-Channel Fulfilment service. Vrdoljak answers without hesitation: "Multi-Channel Fulfilment will be top of our priorities list. What is the point of supplying to several different warehouses in the long term? If we are going to change at all, however, it makes sense to do so across the board because, after all, our aim is to dramatically streamline the organization, handling, and monitoring of our goods logistics."