

# Merchants' Experience with Fulfilment by Amazon

**gamesbuyer.co.uk**



*Un Monde Ludique*

**Babys - Und - Kids**

**TROPICA<sup>®</sup>**

**Moschen**  
◆◆ Bayern ◆◆

## FBA in Action: Gamesbuyer.co.uk

When the Fulfilment by Amazon team first approached Mark Senior of Gamesbuyer.co.uk, Mark realized that FBA could be the answer to Gamesbuyer's growing need for warehousing and managing inventory. He had no idea this fulfilment solution would also be the mechanism that would propel sales upward by almost 70 percent.

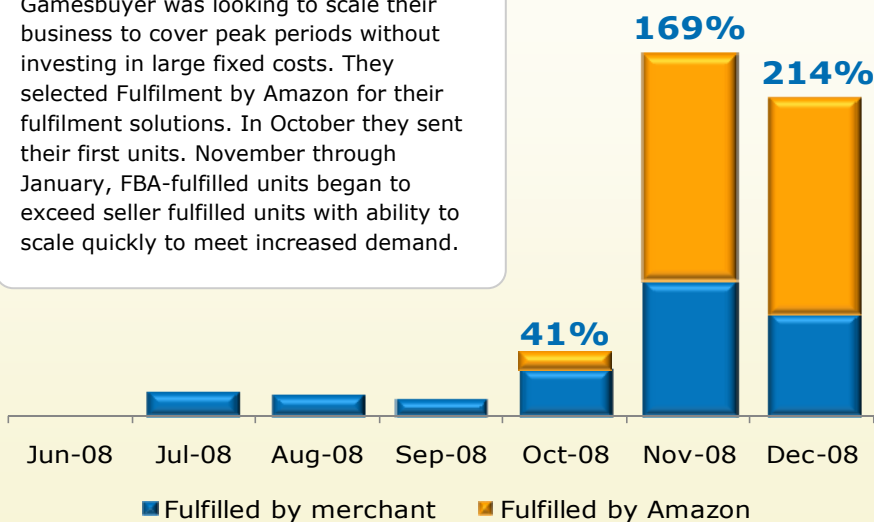
Mark Senior, like many merchants in the 1990s, got his start by pursuing retail strategies to build a line of brick and mortar stores. He launched Premier Entertainment, selling video and DVDs exclusively. With the growth of the Internet, he soon realized the advantages available to

anyone capable of creating an online sales channel. Mark started dabbling in online sales and by 2002 saw an opportunity in the electronic marketplace. He shifted his focus away from the high-capital investment of a brick-and-mortar store toward the fast-paced, on-demand platform of a click-and-mortar store. Through strategic planning within a very competitive media marketplace, Mark decided to specialize in games and Gamesbuyer.co.uk was born.



Gamesbuyer began selling products on Amazon.co.uk in 2003. Since its first listings went online, Gamesbuyer has experienced 95 percent uninterrupted growth, primarily online through Amazon.co.uk, its own website, and other marketing channels. Warehousing was a growing concern for Gamesbuyer. It needed a new strategy to meet its growing inventory. It was at that time that the Fulfilment by Amazon team approached Mark and asked him to evaluate the service. Gamesbuyer was running out of warehousing space, and FBA fit into its development plan. The growing retailer needed to scale their business to cover peak periods without investing in large fixed costs. Gamesbuyer selected FBA for their fulfilment solution.

Gamesbuyer was looking to scale their business to cover peak periods without investing in large fixed costs. They selected Fulfilment by Amazon for their fulfilment solutions. In October they sent their first units. November through January, FBA-fulfilled units began to exceed seller fulfilled units with ability to scale quickly to meet increased demand.



**gamesbuyer.co.uk**

Mark Senior, Founder and Owner

### Products

Electronic games and gaming accessories

### History

**1990s**—Developed retail strategies for brick and mortar store Premier Entertainment.

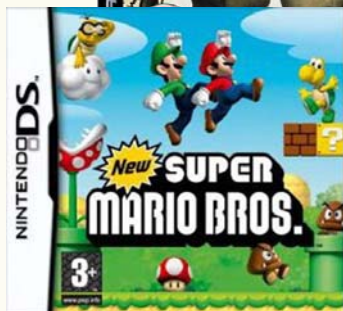
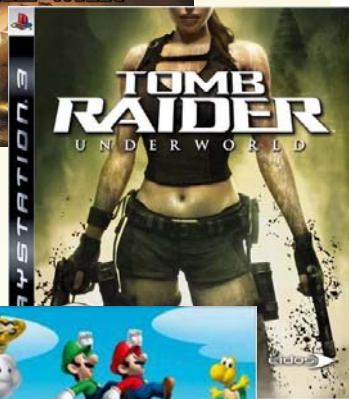
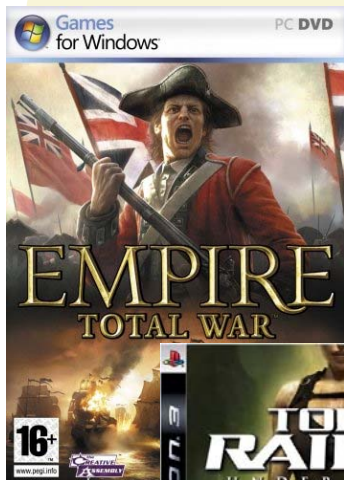
**2002**—Shifted focus from brick and mortar stores to online sales.

**2003**—Started selling on Amazon.co.uk

**2008**—Joined FBA to manage warehousing of growing inventory

*'Amazon is our strongest channel with more than 69 percent of our business and the largest growth in the last year.'*

Mark Senior  
Founder & Owner



In October of 2008, Gamesbuyer sent its first units to Amazon and experienced a 41 percent increase in unit sales for its items on Amazon fulfilled by FBA compared to those fulfilled by Gamesbuyer. By November that increase jumped to 169 percent. Its ability to leverage Amazon's free Super Saver Delivery and Prime discount programs gave Gamesbuyer additional conversion for its products. In December Gamesbuyer's unit sales more than doubled for its items fulfilled by FBA. Compared to units they sold on Amazon and fulfilled themselves, their FBA unit sales increased by 214 percent. This growth exceeded Gamesbuyer's expectations. FBA was able to more than double fulfilment capacity during the peak season. 'Amazon is our strongest channel with more than 69 percent of our business and the largest growth in the last year.'

Along with managing peak inventory and demand turns, handling customer service during these periods was becoming difficult for Gamesbuyer. 'A big plus we didn't anticipate was the customer service element of FBA. We put a low tariff on it until we saw how quickly FBA customer service handled questions about our Amazon orders at peak periods. Customer service was a big advantage to us during our huge growth in December! We were swamped with customer service from increases in sales. With FBA we are better covered for customer service.'

When Mark is making his buying choices he must also decide where to store inventory and how to manage it for the peak season. 'Now I don't have to consider these details! I'm moving from the standard fixed cost and fixed space of a warehouse to having a business that is fluid in all its form.' Gamesbuyer.co.uk also had to keep pace during key peak season of operation, where managing inventory before and during the Christmas season is challenging. '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 Fulfilment by Amazon has enabled us to continue to meet our increase in sales. We plan to continue the strong relationship.'

*'We didn't anticipate the customer service element of FBA. We put a low tariff on it until we saw how quickly FBA customer service handled questions about our Amazon orders at peak periods. Customer service was a big advantage to us during our huge growth in December!'*

*Mark Senior*



## Economic Comics Boosts Sales with FBA

**'FBA has likely been the best business decision we made in 2009— Sales are up and growing our business further is a very achievable goal.'**

Economic Comics was created in October 2006 to supply comic books to fans at the very best prices in the UK without compromising on quality or customer service. Based in Surrey, this online retailer, which also specializes in graphic novels, trading cards, and related products, is comprised of a team of three. Passionate about the environment and reusing or recycling over 95 percent of their packaging, Economic Comics started out with its own online store at [www.economic-comics.co.uk](http://www.economic-comics.co.uk) and selling on other third-party platforms. A decision three years later to put a large part of its listings on Amazon.co.uk and to test Fulfilment by Amazon considerably changed the landscape of this small but dynamic company and enabled it to take its business to the next level.

Simon Mott, the co-founder of Economic Comics, with his business partner and wife Clare, had been a customer of Amazon himself for 10 years and had always been impressed by what he referred to as 'the Amazon household name, trusted brand, wide product range, fast delivery and customer service.' So in February 2009 it was a logical step to sell his products on Amazon since these same traits were the foundation for his own growing business.

### Economic Comics finds FBA Economical

It was by chance that Economic Comics stumbled upon Fulfilment by Amazon. Simon Mott elaborates, 'In September 2009, we noticed a competitor using FBA and decided to investigate the service. We quickly found details and were very impressed. We had to read the PDF on the fee structure a couple of times to believe it. Amazon was running a promotion to try out the service and it was basically a no brainer to give it a go.'

Economic Comics were amazed by the speed with which they saw the first results and delighted that their decision to join FBA paid off so quickly. Simon explained 'In the first week alone we approximately doubled our sales. We also sold a number of items that had been sitting on our shelves

for months. 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.'

According to Economic Comics, the business benefits of FBA are numerous and include the ability to achieve a marked increase in sales, a rationalization of costs, and substantial expansion of their product portfolio.

'FBA has enabled us to sell a higher volume of existing products in addition to new lines at a very cost effective price,' enthused Simon.



Simon Mott, co founder and owner with co founder and wife Clare

#### Products

Graphic novels, trading cards and related products

#### History

**October 2006**— Founded company and started selling online.

**February 2009** —Started selling on Amazon.co.uk

**September 2009**— Signed up for the FBA Programme

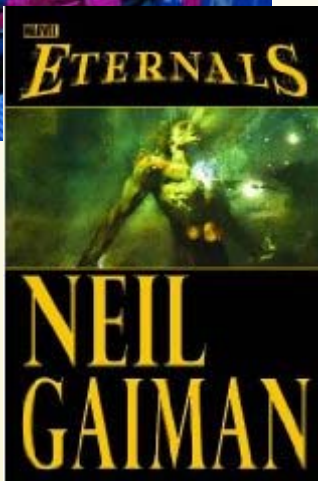
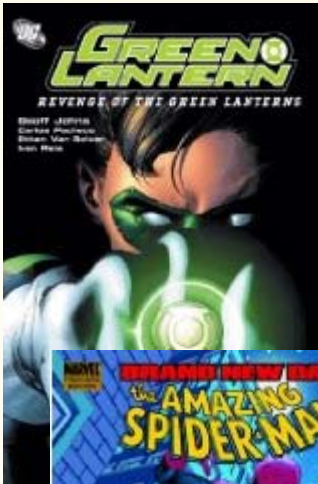
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Simon Mott



*'The number of products FBA delivers on our behalf means we currently save one working day a week. This saving increases every time we expand our product range and send new lines to Amazon. We're now selling a lot of bulkier toys that are too large for us to store in large quantities'*

*Simon Mott*



## FBA Saves Time

Time savings have also proven to be of great value and instrumental in propelling Economic Comics' business forward into a positive and growing spiral. 'The number of products FBA delivers on our behalf means we currently save one working day a week. This saving increases every time we expand our product range and send new lines to Amazon. We're now selling a lot of bulkier toys that are too large for us to store in large quantities.' Economic Comics states it is selling 100 percent more of the same lines on Amazon than they are on their own website and on other sites combined.



## Lessons Learned

Simon points out a key lesson he quickly acquired following his adoption of FBA, one which most successful businesses will quickly identify with and second.

'Stock control is unbelievably important. Try not to overstock—this is the fastest way for a business to go bust. Cash flow is the most important aspect of your business, and if you're not keeping it under control, you won't have one for very long!'

Asked what he likes most about FBA, something which noticeably facilitates the day to day running of his business Simon replies without hesitation, 'Pick & Pack! This means we can sell products without having to do any of the hard work, such as retrieving the product, packaging it, calculating the price of stamps, and handing them over to the post office—it's a great time saver and an incredibly good value for the money too.'

Praise for the support from Amazon's logistic infrastructure is easily forthcoming too, something which Simon rates as 'excellent.' 'All our consignments to the Amazon fulfilment centre have been received and made available for sale in less than 24 hours. It takes us approximately two to three hours a month to send a delivery to Amazon—this saves us approximately two working days (picking, packaging, customer support e-mails, and so on)—not only is this valuable time saved, but it also highly profitable when compared to the equivalent costs of labour!'

Economic Comics happily summed up their positive experience in one succinct sentence, confident in the belief they made a wise choice that is now clearly bearing fruit. '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.'

## DST on the Line with FBA

DST is a telecommunications specialist supplying home and business telephones to the UK market. Established in 1999 and registered as a Ltd company in 2002, DST has more than 10 years of trading under its belt and a wealth of knowledge. A small company of currently 10 employees, DST is based in the Northwest of England but provides products nationwide.

DST began trading online via a well known third-party platform, quickly developing its own website to cope with the demand for orders. For a while, DST had a corner of the market all to itself and 'saw unprecedented growth over the first few years of trading,' explains Dave Solomon, the founder and owner of DST. 'Since the arrival of competition in our field, it has been necessary to broaden our selling channels, and Amazon provided the perfect opportunity to do this.'

### Amazon's customer focus was a deciding factor

DST's decision to start selling on Amazon was rooted in the latter's solid and growing reputation as a reliable online platform that attached the utmost importance to the customer experience, something DST was easily able to embrace as values they attributed to their own expanding business.

As Dave Solomon puts it, 'The growth of Amazon was noticed by all those selling online. With its strong online presence and reputable service it had proved itself to be a worthwhile partner and someone with whom we would happily associate our business. DST has a very strong customer focus, and we believe that this is well matched by Amazon's customer focus; therefore, we were not deflecting away from our beliefs. We recognized the possibility to grow our business and brand through the Amazon platform, which was fast becoming a must-visit site for online shoppers.'

In 2008, not long after the introduction of Fulfilment by Amazon in the UK, DST started to test the programme. In April 2009, Amazon made an improvement to the feedback system that separated the buying and fulfilment experiences, with Amazon taking responsibility for the latter. This meant that a seller's feedback score would not be negatively influenced if there was an issue with delivery. As Dave emphasized, 'This was perhaps a small but extremely significant change, which meant we had the confidence to use FBA, safe in the knowledge that any mistakes would not reflect on our own score.'

### Growth in sales and valuable saving in time to bring more products to market

With a full commitment to the FBA programme, DST was able to see the business benefits kick in and the start of a noticeable upward trend in their sales as a result.

'Amazon currently contributes almost 50 percent of our sales volume with FBA slowly growing to increase this figure. Year on year, our Amazon



Dave Solomon  
Founder and Managing Director

### Products

Home and business phones

### History

**1999:** Company founded

**2003:** Started selling on Amazon

**2008:** Signed up for Fulfilment by Amazon



'Amazon currently contributes almost 50 percent of our sales volume with FBA slowly growing to increase this figure. Year on year, our Amazon sales are significantly higher, and we will beat last year's total sales figure within the first nine months of this financial year.'

*Dave Solomon*



*'We have found that by using Amazon we have been able to reach customers who might not have visited our website directly. Amazon is such a well-known brand that many people will not buy online without first checking out the pricing etc. on Amazon.'*

Dave Solomon



sales are significantly higher, and we will beat last year's total sales figure within the first nine months of this financial year,' explains Dave with satisfaction.

DST attributes their growth to a couple of important factors including the time they are able to save and subsequently devote to expanding their product portfolio and turnover, and the customer trust in Amazon that serves as an additional lever to drive up revenue. '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. We also believe that customers seeing items fulfilled by Amazon as opposed to a seller gives them more confidence. This drives sales up, and the option of Super Saver Delivery gives the customer more options for delivery, again producing higher sales traffic.'

### FBA as a marketing tool

Dave Solomon compliments the positive marketing aspects and associated benefits of the FBA programme and stresses the importance of system integration to effectively manage inventory and guarantee prompt time to market and customer satisfaction.

'We have found that by using Amazon we have been able to reach customers who might not have visited our website directly. Amazon is such a well-known brand that many people will not buy online without first checking out the pricing etc. on Amazon. We found integrating the Amazon orders into the CMS (content management system) of our website was crucial in the turnaround time for orders and to ensure that our stock is always up to date and customers get the best possible service. FBA allows us to get maximum exposure for our products to test the true market potential.'

The results tend to speak for themselves. DST has seen on average a 40 percent increase in business for products supplied through FBA compared to when they have been supplied directly. They are confident with FBA as 'a market growing tool.' As Dave points out, 'DST has one of the best feedback reputations in our sector and we attribute our reputation partly to FBA being so efficient and buyer friendly.'

### Time savings and inventory management

Time savings are another important factor as Dave Solomon explains and quantifies from his own experience. '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 is freed up to work on other projects.'

Receive times in the fulfilment centre and timelines for getting products online for sale are also closely monitored by DST. 'The guide line is 48 hours, and on the whole most shipments are booked in and available well before this time. We are more than happy with the time frame!'

Balancing the pros and the cons of the FBA programme, Dave Solomon reflects and concludes, 'On the whole we find Amazon and FBA to be an extremely worthwhile sales channel and one that we will continue to develop over future years.'

## Undisguised growth

If you're selling items such as fancy dress costumes and fairy outfits, then surely you should be entitled to expect assistance at the wave of a magic wand, or at the very least some kind of solution that will make your life easier? Élise Phelippeau could almost believe that Amazon has been her company's fairy godmother!

Created by Élise Phelippeau and her husband in October 2007, Un Monde Ludique specialises in selling fancy dress outfits. Based at the couple's home in Luton, in the United Kingdom, the company operates exclusively via the Internet.

In the beginning, it sold goods to customers located mainly in France, via Amazon and other websites, and then delivered directly from the UK using postal services. Élise explains, "The postage rates were quite good. However, the main problem was the lack of traceability, and delivery times that could vary from three days to three weeks. I could never be sure that products would arrive on time. We had to make numerous refunds and take back a lot of goods. Our customers were posting some critical comments about us on Amazon and our satisfaction rating was low."

To improve her deliveries, the young entrepreneur initially experimented with a solution involving an intermediate company. "It cost us almost 5 € per package and it was time-consuming, since we had to fill out the shipping notes by hand. It wasn't even completely reliable."

### A Day Late is Too Late

Shipping goods between the United Kingdom and France was therefore the company's weakest link.

Un Monde Ludique sells costumes for children and adults, from Halloween disguises to fairy costumes and masks. People purchase this type of product for a specific event, such as a fancy dress party or a birthday. If the goods do not arrive on time, they are of no use and the customer is entitled to request a refund. Adherence to delivery times is therefore vital for Un Monde Ludique.

"We couldn't guarantee precise shipping times from the UK," explains Élise. "To make matters worse, we have had a series of postal strikes over the last few months."



Gradually, she began to consider the possibility of storing inventory in France. However, her initial research proved disappointing. In most cases, the service providers she contacted were only interested in storing large quantities and didn't handle returns. "It would have ended up costing even more than shipping from the UK," she says. "I was looking, to put it simply, for a solution that required very little of my time and that would help to cut costs."

## Un Monde Ludique



Élise Phelippeau, founder

### Products

Fancy dress costumes and fairy outfits

### History

2007: Company was founded

2007: Started selling on Amazon

2009: Signed up for the FBA Programme

*"I recorded a 40 percent increase in sales in October 2009 compared with the same period last year."*

*Élise Phelippeau*



*"I was pleasantly surprised by the short timeframe between the arrival of our products in Amazon's fulfilment centre and their appearing for sale online. In general everything happened the same day. Before, I had to pack the boxes at home then queue at the post office. Today I just need to click on my screen and furthermore I can do everything while holding my baby in my arms."*

*Élise Phelippeau*



### Cost Savings and Time Gains

In the end, Fulfilment by Amazon was the obvious choice, thanks to the wide range of benefits that Élise now recognises. The fact that her products are stored in France means that they are delivered to French customers far quicker. Amazon's good image and reliable reputation encourages customers to trust the quoted lead times, and this is boosting her sales. Another benefit has been Amazon's free delivery on orders over 20 euros, which has allowed Un Monde Ludique to increase its margins without any adverse effect on its customers. "I have been able to increase the prices of all the products I used to invoice at between 15 euros and 19.99 euros plus shipping, but the final price to my end customers is still the same."

Just a few weeks after signing up for the Fulfilment by Amazon programme, the growth in Un Monde Ludique's sales is clearly measurable. "I recorded a 40 percent increase in sales in October 2009 compared with the same period last year." Lower costs, streamlined operation, and greater responsiveness—Élise is full of praise about her partnership with Fulfilment by Amazon. She identified a further benefit at Halloween, further proof of the reliability of the service: since Amazon is one of the few service providers to offer a next-day service (Express delivery), more customers placed orders at the last minute.

### Peace of Mind

Reassured by her positive experience in France, the young executive has now set her sights on Germany, still in cooperation with Amazon. In the United Kingdom, she plans to launch her own website soon, alongside her presence on Amazon.co.uk.

In the end, she feels the main benefit is peace of mind. There are no more packages to prepare, late deliveries to process, or refunds to manage. Thanks to Fulfilment by Amazon, Élise is safe in the knowledge that her customers will receive their deliveries on time. In the event of any error along the line, it's not her fault. It's up to Amazon to resolve it.

"I can now offer a better quality service. Before, I used to tell my customers that they would receive their goods in five to seven days, but sometimes that didn't happen. There was no tracking facility, so I didn't know what the problem was and had no way of resolving it. The customer can now see that his or her order has been dispatched and knows when it will arrive. Since I signed up for Fulfilment by Amazon, I have never had to take anything back. With Amazon, everything's clear and precise."

Élise is even beginning to dream. "My ideal scenario would be managing my business from my BlackBerry while relaxing on a beach in Mallorca. I would just need to send my stock to Amazon and they would take care of everything else."

On a more serious note, in the future she plans to completely stop shipments from her home and entrust all her stock and orders to Amazon. "It's all so easy to manage now!"

## Babys-Und-Kids trusts FBA

There is at least one thing Babys-Und-Kids has in common with the large community of children at whom its products are targeted: both are growing fast. As far as Babys-Und-Kids is concerned, this growth—and its international expansion—is a direct result of using Fulfilment by Amazon (FBA).

### Promoting a feel-good factor among babies, infants, and parents...

The main focus of the product range is on baby equipment and bed accessories—many of them designed and manufactured on the premises—as well as carriers, toys, and clothing. The people at Babys-Und-Kids set great store by the high quality and eco-compatibility of the items on offer. Environmental friendliness and sustainability are an important priority at Babys-Und-Kids with regard not only to bought-in merchandise but also to proprietary collections, such as baby quilts or sleepsuits made entirely from natural materials.

The head office of Babys-Und-Kids, which accommodates the Purchasing and Production departments in addition to a retail outlet, is located in Herrenberg, South-West Germany. The company has operated its own web store ever since its establishment in 2005. 2009 proved to be a year of fundamental decisions that will shape Babys-Und-Kids' future—with the extension of online sales to Amazon.de in January only the beginning. The Amazon involvement and the launch last May of a limited liability UK branch in Halesowen, not far from Birmingham, were key factors in the firm's expansion and globalization strategy, of which participation in the FBA program is just one element.

### ... not forgetting the merchants themselves

All Amazon sales are processed through the British company, with Babys-Und-Kids products marketed via the Amazon platforms in the UK, Germany, and France. Approximately 500 different items are listed on Amazon.de with around 100 each on Amazon.co.uk and Amazon.fr.

How does Fulfilment by Amazon (FBA) fit into this picture? Extremely well, as Reinhilde Joachim explains: "We opted for FBA because Amazon's testimonials confirmed that by participating in the FBA program, a lot of merchants have succeeded in significantly increasing their sales. Of course, in addition to the

## Babys-Und-Kids

**Reinhilde Joachim**, Owner and Managing Director

### Products

Baby equipment, bed accessories, toys, clothing for babies and infants

### Milestones

- 2005:** Company established, Internet sales launched through its own web store
- 2009: January**—Sales launch on Amazon.de
- 2009: March**—FBA involvement kicks off in Germany
- 2009: August**—Sales launch on Amazon.fr and Amazon.co.uk

*"We opted for FBA because Amazon's testimonials confirmed that by participating in the FBA program, a lot of merchants have succeeded in significantly increasing their sales. Of course, in addition to the growth opportunities, we were also attracted by the flexibility FBA offers in terms of warehouse and shipping capacities. As a relatively small company with limited space and human resources, this versatility is an enormous advantage for us."*

*Reinhilde Joachim*





*"Based on our experience to date, FBA is synonymous with lower costs, higher sales, and a greatly reduced workload."*

*Reinhilde Joachim*

growth opportunities, we were also attracted by the flexibility FBA offers in terms of warehouse and shipping capacities. As a relatively small company with limited space and human resources, this versatility is an enormous advantage for us."

Babys-Und-Kids took the plunge with Fulfilment by Amazon in Germany in March 2009. Reinhilde Joachim generally chooses comparatively fast-moving items for this purpose, where the handling fees incurred are particularly low—applicable to roughly one third of her Amazon range. "There are certain product groups where the benefits of FBA are quite simply unbeatable," she asserts. "We started off with baby carriers then gradually added more and more items to our FBA portfolio while keeping a close watch on the sales curve." The sales leapt by an average of 30 percent for the products in question.

### **FBA boosts sales and eases the burden**

Reinhilde attributes this upward trend in FBA business above all to the in-stock and shipping status label "Shipped by Amazon.de": "This predicate alone suffices to build client confidence and generate additional orders. After all, Amazon has a reputation for fast and reliable delivery. That's the most important criterion for our customers—along with the merchant rating." The fact that her FBA products qualify for the Amazon Prime program is obviously another crucial sales driver.

When prompted to describe the preparation and shipment of FBA stocks to the Amazon fulfilment centre, Reinhilde can scarcely contain her enthusiasm about the problem-free procedure. "Of course, aspects like customer service and handling of returned parcels, which are taken care of by Amazon under the FBA agreement, also help reduce our workload," Joachim adds. "If a buyer wishes to return an item, he either gets in touch with Amazon's customer service or contacts the online Returns Centre. Returns are processed as soon as they arrive at the Amazon Fulfilment Centre. The great thing for us is that we are shielded from all of this and free to concentrate on our day-to-day work. Interestingly, the highest return rates are for the baby carriers in the fulfilment program. The reason behind this is that they are a product that basically requires a certain amount of explanation. Returns on the toys side, by contrast, are very rare."

### **Good prospects with Multi-Channel Fulfilment**

The Multi-Channel Fulfilment option also offered by FBA has already been approved by the Babys-Und-Kids manager as compatible with her business model. "We intend to open a new web store of our own a few months from now that will provide a platform for our complete product range," Joachim continues. "The idea is to have not only FBA products but also any other items sold via the web store shipped by Amazon. This is precisely what Amazon's Multi-Channel Fulfilment is all about."

"Based on our experience to date, FBA is synonymous with lower costs, higher sales, and a greatly reduced workload," Reinhilde Joachim provides as way of a first interim assessment. "In fact, we are only just embarking on this exciting journey. At present, no more than about 10 percent of our store portfolio is listed with Amazon. We need to take it step by step owing to our company structure. However, we are also considering extending our range to include so-called baby hardware, such as technical equipment, bottle warmers, etc. This kind of product is just made for FBA."



## Growth with Growth Products

Buying and selling seeds hardly sounds like the most exciting business niche. However, when these seeds grow into something like the white fig, the Australian firewheel tree, or the purple pitcher plant—species you are unlikely to stumble across in the average corner shop or garden centre—it is easier to understand the fascination. The sale of rare seeds from far-off countries and continents is at the core of Tropica's activities—ever since the company was first established back in 1997. With its range of exotic seeds and seed-growing equipment, Tropica targets not only hardened amateur and professional botanists but also a broad mass market. Tropica's presence on Amazon and its use of Fulfilment by Amazon (FBA) are therefore only logical.



According to Managing Director Frank Laue, longstanding contacts with specialist growers and botanical gardens, a worldwide purchasing network, and a keen instinct for unconventional packaging forms and unusual product ideas are just a few of the numerous success factors in this specialist field. Tropica products are not dispatched in traditional seed packets, for instance, but on attractive postcards, in special theme collections, or as complete motif packs like the 'Green Hell of the Amazon,' including a miniature greenhouse. All in all, the assortment comprises around 250 items.

Tropica resides in Münster, a medium-sized town in Germany's Westphalia region. Its three proprietors and six salaried employees take care of all levels of trade: direct selling at all kinds of events, business with resellers, and online retail. The company has been selling on Amazon.de since April 2009. Laue, a qualified business administrator, explains what lay behind the decision to join Amazon by citing his own experience as a consumer: 'I'm a committed Amazon buyer myself, and I spent a while watching the platform from our business perspective. There are several key arguments in Amazon's favour. To begin with, its entire order processing concept is unique in the German online retail sector. It also enjoys a reputation for respectability as well as fast and reliable deliveries. This baseline security is a feature you won't encounter anywhere else on the web. Last but not least, Amazon has evolved into one of the Internet's biggest marketplaces, making it a huge source of potential custom for us.'



TROPICA<sup>®</sup>

Frank Laue, Managing Director of Tropica GmbH & Co. KG, Münster / Germany

### Products

*Exotic plant seeds and seed-growing equipment*

### History

**1997** – Company established

**1999** – Internet sales launched through own web store

**2009** – April: Sales launch on Amazon.de



Frank Laue, Managing Director of Tropica GmbH & Co. KG

*'There are several key arguments in Amazon's favour. To begin with, its entire order processing concept is unique in the German online retail sector. It also enjoys a reputation for respectability as well as fast and reliable deliveries. This baseline security is a feature you won't encounter anywhere else on the web. Last but not least, Amazon has evolved into one of the Internet's biggest marketplaces, making it a huge source of potential custom for us.'*

Frank Laue

*'The underlying idea is that customers will order a batch of Tropica articles at once to benefit from the advantages generated by FBA products—such as their relevance for Amazon Prime. The more we succeed in accommodating several items in one order, the more attractive that order becomes for us.'*

Frank Laue



### FBA as a sales promotion instrument

Laue's motivation for participating in Fulfilment by Amazon was likewise linked to personal expectations: 'When I search for a product on Amazon, I always look out for the green line in the product description that tells me the deadline for Express orders. I'm no different from any other customer—I want to receive my goods as quickly as possible. The free delivery option is another powerful incentive. We can offer all of this now since we registered for the FBA programme.'

Yet is FBA really worthwhile for this exotic seed merchant in view of the fact that most of the some 200 articles Tropica offers on Amazon.de are priced between 3.50 and just short of 5 euros? 'The charges for FBA obviously have an impact on individual products, but we as the manufacturer can live with this because we compensate for several levels of trade. The underlying idea is that customers will order a batch of Tropica articles at once to benefit from the advantages generated by FBA products—such as their relevance for Amazon Prime. The more we succeed in accommodating several items in one order, the more attractive that order becomes for us.'

### Sales growth with no extra workload

Tropica's owner goes on to describe how he and his partners view their Amazon involvement as a form of collaboration with a major reseller to whom they supply in bulk and who in return attends to all other tasks, namely the retail function as well as packaging and shipping. Things like customer service and handling of returned parcels, which are taken care of under the Fulfilment by Amazon agreement, also play a part.

In the meantime, the organization of goods logistics and shipments to the Amazon fulfilment centre are absolutely routine. Laue keeps a constant eye on stocks and makes sure they are replenished before the system churns out a warning about low stock levels. As soon as he has enough articles to fill a pallet, they are sent on their way.

The burning question, of course, is whether Fulfilment by Amazon has actually helped Tropica achieve its stated targets.

### New fertile ground in the UK and France thanks to FBA

'Once you start to understand the FBA philosophy, it's clear that FBA is a wonderful multiplier,' says Frank Laue, alluding to his company's entry into the UK (early October 2009) and French (pre-Christmas 2009) markets. 'We had already translated almost our entire portfolio into English and French, so that we had relatively little hesitation when the issue of international expansion first arose. Aside from the transport costs, it makes no difference to the bottom line whether we dispatch our pallets to a fulfilment centre in this country or abroad. As things stand today, the English Amazon platform is particularly interesting because we are the first to be represented there in our product segment.'



## FBA—the latest fashion in traditional attire

Clothes make the man. And clothes inspired by traditional costumes make the personality. No one knows that better than Gina Moschen and her team at Moschen-Bayern. The company, which specializes in the design, production, and sale of high-quality traditional couture as well as felt garments and knitwear, offers a comprehensive range that combines cultivated chic with finishing perfection under the motto "Our credo—beauty plus uniqueness." Rooted in the deep tradition of Bavarian country-style clothing, yet much more than simply "old ideas passed down"—this is how Moschen-Bayern sees itself, as a regular setter of new trends in "Trachten" fashions and accessories. The company profits on the one hand from the massive "dirndl" hype of the last few years and on the other, from its steady business with classic elegant styles.

Established in 1965, Moschen-Bayern originally supplied exclusively to the retail sector. It only launched into direct marketing in 1983, when a factory outlet was opened at its headquarters in Türkheim/Unterallgäu. The enormous latent potential for direct online selling was recognized as early as the mid-nineties. "We were the first in our field to open our own web store," comments managing director, Gina Moschen.

## Amazon—an empirical choice

The only other online sales platform used by Moschen-Bayern apart from the web store is Amazon.de, which it joined in August 2008—the outcome of the proprietress' personal experience. "I'm a great fan of Amazon in my private life as well as professionally. As a successful businesswoman, I generally don't have the time to wander around stores, and Amazon is the ideal answer. In addition, I've always admired Amazon's service," Moschen reveals. "Its consistent orientation toward what the customer wants and the gigantic market at Amazon's fingertips meant we didn't have to think for long about becoming a seller on Amazon."



Today, Moschen-Bayern lists about 350 out of the 700 to 800 items in its selection on Amazon.de. "The products we list on Amazon are fast-moving items that sell relatively easily and don't necessarily require personal advice from us—in contrast to luxury dirndls where a perfect fit is a must."

## Fulfilment by Amazon—nothing but benefits

Moschen-Bayern's decision to take advantage of Fulfilment by Amazon (FBA) was spurred by opportunity for sales growth. A pleased Gina Moschen continues, "Our sales of the items we delegate to Fulfilment by Amazon have leapt by between 30 and 40 percent." She attributes this welcome development to several different aspects. For one thing, the "Shipped by Amazon.de" label that is attached to individual

**Moschen**  
Bayern

Gina Moschen, Managing Director

### Products

Design, production, and sale of high-quality traditional couture as well as felt garments and knitwear

### Milestones

**1965:** Company founded

**2008: August:** Started using FBA

*"Our sales of the items we delegate to Fulfilment by Amazon have leapt by between 30 and 40 percent"*

*Gina Moschen*





*"We tried them  
[accessories] out  
explicitly in the run-up  
to Christmas 2009.*

*The accessories proved  
to be a huge success."*

*Gina Moschen*

products suffices to build client confidence and generate additional sales, thanks to the almost legendary Amazon service quality. For another, FBA also spawns sales opportunities through the reference to the free delivery option and the fact that FBA products qualify for the Amazon Prime program. "A large portion of our FBA products are purchased by men as gifts—often at the last minute. In such cases, the overnight express delivery offered by FBA is a clear advantage."

The majority of Moschen-Bayern's FBA products are accessories such as chokers, necklaces, and other "Trachten" style jewellery—items that tend to be sold in large quantities. "We tried them out explicitly in the run-up to Christmas 2009. The accessories proved to be a huge success," the Moschen-Bayern proprietress explains. Yet another benefit of Fulfilment by Amazon is visible here—the burden on the retailer is eased when it comes to warehousing, packing, and shipping, especially for items with high sales. In addition to lowering staffing requirements and hence costs—parallel to boosting sales—this puts the company in a position to adapt effortlessly and flexibly to extreme seasonal variations in stock and fulfilment capacities. FBA also takes the heat out of particularly busy periods with respect to customer inquiries, because Amazon takes care of customer service as well as handling of any returned parcels—including the shipping costs.

### Good cooperation—an invaluable experience

Motivated by its positive experience so far, the Moschen-Bayern team is already making plans to extend the FBA range in the weeks before and after the Munich Oktoberfest. This mega beer festival and funfair—the biggest and best of its kind in the world—always stimulates exceptional consumer interest in traditional Bavarian attire as well as in fashionable matching accessories. With Amazon's support, the company hopes to leverage this business potential even more effectively in 2010. Gina Moschen sums up the situation: "Good cooperation is an invaluable asset."

Not only Germany but also Austria—and especially the Tirol region—is traditionally a lucrative market for "Trachten" wear and related products. The opportunity to export FBA items from Germany to Austria, introduced in the fall of 2009, was therefore exactly right for the company. Under this new service, Amazon ships items ordered on Amazon.de direct to customers across the border. Moschen-Bayern has been able to expand the market reach of its own FBA items enormously while simultaneously offering a better local service to Austrian customers—for instance, when it comes to returns.



If Gina Moschen could have just one wish regarding Amazon's export options, it would be the opportunity to ship items to clients in the US and Canada. Although it's possible to sell through Amazon in the States today, the company would have to open a seller account on Amazon.com and make its own arrangements for the goods to be transported to America. From her numerous contacts with folk dance and cultural preservation societies on the other side of the Atlantic, she is aware of a substantial North American target group that is "crazy about original Bavarian attire."

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