



# FULFILMENT by **amazon**<sup>®</sup>

**Understanding Fulfilment By Amazon and how to increase unit sales without increasing fixed costs**

[fba.amazon.co.uk](https://fba.amazon.co.uk)

Amazon Services Europe

## Agenda



- ❑ What is Fulfilment by Amazon (FBA)?
- ❑ Why does Amazon offer FBA?
- ❑ Comparison & Benefits
- ❑ How it Works
- ❑ What are Merchants experiencing?
- ❑ Pricing
- ❑ FBA Summary
- ❑ Questions and How to Sign Up

## What is FBA?



Send your full or partial inventory directly to Amazon



Amazon will store and manage your inventory using a unique tracking system



Customers view and purchase your products



Amazon will pick and pack your orders



Amazon ships directly to your customers

## Why FBA?



- ❑ FBA is a key strategy to differentiate the Amazon buying and selling experience from other ecommerce sites.
- ❑ FBA is about delivering a consistent and great customer experience regardless of who is selling the product.
- ❑ Sellers can offer the same customer experience, service and promotions that Amazon does with all the associated advantages.

# Comparison



## Example – Regular merchant detail page



**LEGO City 7686 Helicopter Transporter**  
by [LEGO UK Limited](#)  
★★★★★ (4 customer reviews) [More about this product](#)

Price: **£33.25**

**In stock.**  
Dispatched from and sold by [lenneberg02](#).

Only 2 left in stock--order soon.

**9 new** from £30.00

[See larger image and other views](#)



[Share your own customer images](#)

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**Technical Details**

- Includes 3 minifigures and accessories!
- Loaded with action play! Build the helicopter, transporter truck and motorcycle!
- Lift the hood of the truck, spin the helicopter propeller and store tools in the various tool compartments!
- Transporter truck measures 15 inches (38.1cm) long by 2½ inches (6.4cm) tall!
- Helicopter measures 7 inches (17.8cm) long by 3 inches (7.6cm) tall!

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**£33.25** + £4.53 shipping

In stock. Dispatched from and sold by [lenneberg02](#).

Quantity: 1

[Add to Shopping Basket](#)

or

[Sign in](#) to turn on 1-Click ordering.

[Add to Wish List](#)

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**More Buying Choices**

**Fun Collectables**  
**£37.95** + FREE SHIPPING  
In stock  
[Add to Basket](#)

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**elektroworld**  
**£34.45** + £4.53 shipping  
In stock  
[Add to Basket](#)

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**wrington\_dvd**  
**£44.99** & this item Delivered FREE in the UK with Super Saver Delivery. [See details and conditions](#)  
In stock  
[Add to Basket](#)

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**9 new** from **£30.00**

Have one to sell? [Sell yours here](#)

# Comparison



## Example – FBA on the detail page

amazon.co.uk Hello. Sign in to get personalised recommendations. New Customer? Start here. Check out our January Deals Sponsored by American Express

Your Amazon.co.uk | Deals of the Week | Gift Certificates | Gifts & Wish Lists | Your Account | Help

Shop All Departments Search Electronics & Photo GO Basket Wish List

Electronics & Computing | Brands | Bestsellers | Deals Of The Week | Camera & Photo | Audio, TV & Home Theatre | iPod & MP3 | Computing & Office | Sat Nav & Phones | Sell Your Stuff



[Share your own customer images](#)

### LUPO USB Power Adapter UK Mains Charger for all Apple Ipods

by LUPO

★★★★★ (139 customer reviews) [More about this product](#)

Price: £6.99 & this item **Delivered FREE in the UK** with Super Saver Delivery. [See details and conditions](#)

**In stock.**

Sold by [GIZMO-DEALS](#) and [Fulfilled by Amazon](#).

**Want guaranteed delivery by Wednesday, January 20?** Order it in the next 4 hours and 24 minutes, and choose **Express** delivery at checkout. [See Details](#)

Quantity: 1

[Add to Shopping Basket](#)

or

[Sign in](#) to turn on 1-Click ordering.

[Add to Wish List](#)

**More Buying Choices**

Have one to sell? [Sell yours here](#)

**What Is Fulfilment By Amazon?** Close

Fulfilment by Amazon (FBA) is a service Amazon offers sellers that lets them store their products in Amazon's warehouses, and Amazon directly does the picking, packing, shipping and customer service on these items. Something Amazon hopes you'll especially enjoy: *FBA items are eligible for **FREE Super Saver Delivery** and for **AmazonPrime** just as if they were Amazon items.*

If you're a seller, you can increase your sales significantly by using Fulfilment by Amazon. We invite you to [learn more about this programme](#).

# Comparison

## Example - FBA on the offer listing page



Price + Shipping	Condition	Seller Information	Ready to buy?
<b>£16.93</b> <small>Eligible for  <a href="#">Learn more</a></small>	<b>New</b>	<b>gamesbuyer</b> <b>FULFILLED BY AMAZON</b> <b>Rating:</b> ★★★★★ <b>98% positive</b> over the past 12 months (13126 ratings.) 16466 lifetime ratings. <b>Delivery:</b> In stock. Want guaranteed delivery by 1pm Wednesday, January 20? Order it in the next 4 hours and 14 minutes, and choose <b>Express Delivery</b> at checkout. <a href="#">See details</a> . See <a href="#">Delivery Rates</a> . See <a href="#">return policy</a> . <b>Comments:</b> OFFICIAL SONY UK, MICROSOFT, NINTENDO RETAILER. BRAND NEW UK STOCK.	<b>Add to Basket</b> or <a href="#">Sign in</a> to turn on 1-Click ordering.
<b>£12.45</b> <small>+ £4.50 shipping</small>	<b>New</b>	<b>MY MEMORY</b> <b>Rating:</b> ★★★★★ <b>95% positive</b> over the past 12 months (44601 ratings.) 86070 lifetime ratings. <b>Delivery:</b> In stock. Dispatched from United Kingdom. International delivery available. See <a href="#">Delivery Rates</a> . See <a href="#">return policy</a> . <b>Comments:</b> We endeavour to dispatch all orders within 24 hours. Please allow 3 - 5 working days for delivery.	<b>Add to Basket</b> or <a href="#">Sign in</a> to turn on 1-Click ordering.
<b>£15.38</b> <small>+ £1.99 shipping</small>	<b>New</b>	<b>Seller: BLUEBARRELSURF</b> <b>Rating:</b> ★★★★★ <b>89% positive</b> over the past 12 months (19 ratings.) 21 lifetime ratings. <b>Delivery:</b> In stock. Dispatched from United Kingdom. International delivery available. See <a href="#">Delivery Rates</a> . See <a href="#">return policy</a> . <b>Comments:</b> Only £15.38 plus postage. Okami for the Nintendo Wii, Brand New and Boxed, Posted within one working day, cheapest on Amazon!	<b>Add to Basket</b> or <a href="#">Sign in</a> to turn on 1-Click ordering.
<b>£15.39</b> <small>+ £1.99 shipping</small>	<b>New</b>	<b>Seller: MITZYBEAR</b> <b>Rating:</b> ★★★★★ <b>95% positive</b> over the past 12 months (169 ratings.) 169 lifetime ratings.	<b>Add to Basket</b> or



## Benefits

### FBA – Competitive Advantage

- ❑ FBA items qualify for the same shipping options as Amazon.co.uk:
  - ❑ Super Saver Delivery, First Class, Express and Evening Delivery (London and Birmingham)
  - ❑ Eligible for Amazon Prime
  - ❑ and can be combined in the same box as Amazon orders!
- ❑ FBA assumes £0.00 for delivery providing a price advantage
- ❑ Listings include the FBA logo and Amazon association
- ❑ Gift wrap option is available for all FBA orders
- ❑ Amazon handles customer service and returns
- ❑ Negative feedback related to fulfilment will be removed

**Result:** Competitive advantage increasing buyer trust and driving sales.



## Benefits

Benefits many FBA merchants are harnessing today



- ❑ Increased Sales
- ❑ Significant time savings and reduced costs
- ❑ More time to concentrate on sourcing and making other important strategic decisions
- ❑ Ability to scale at peak periods and manage a staged growth

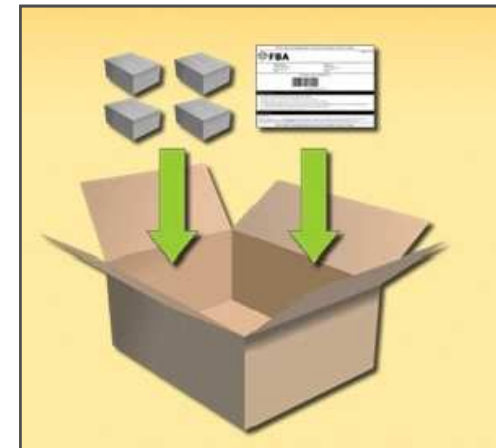
## Multi-Channel Fulfilment

- ❑ Merchants can also fulfil orders placed on other sales channels – incl. their own website and other 3<sup>rd</sup> party sites using Multi-Channel Fulfilment, deciding which fulfilment channel makes best business sense.

## How FBA Works

### General Requirements and Getting Started

- ❑ Requires a Selling on Amazon account
- ❑ Merchants match or create products in the Amazon catalogue
- ❑ Merchants prepare product for shipment to Amazon's fulfilment centre
- ❑ Each item should be in consumer-ready packaging with scannable barcode, or apply your own FBA labels (printable through Seller Central)



# How FBA Works

## General Requirements and Getting Started

- ❑ Create FBA shipments within Seller Central. Supports New or Used (varies by category).
- ❑ Amazon FC receives product within 72 hours of receipt (generally much quicker)
- ❑ Inventory may be removed by merchant at any time

The screenshot shows the 'Manage Inventory' page in Amazon Seller Central. It features a table with columns for 'Select', 'Merchant SKU', 'ASIN/ISBN', 'Product Name', 'Date Submitted', 'Quantity', 'Condition', 'Your Price', 'Low Price', 'Fulfilled By', and 'Edit'. The table lists several products, including Necco's Sweetheart, Ghirardelli's Valentine's Paper Heart Gift, Ghirardelli Unsweetened Cocoa, Ghirardelli's Milk Chocolate, and Ghirardelli's Unsweetened Cocoa. Each row includes a checkbox for selection and an 'Edit' link.

Select	Merchant SKU	ASIN/ISBN	Product Name	Date Submitted	Quantity	Condition	Your Price	Low Price	Fulfilled By	Edit
<input type="checkbox"/>	NECCOHEART-REGULAR	B001688P2U	Necco Sweetheart 1 oz Box 72ct	01/22/2009	87N	New	\$19.99		Amazon	Edit
<input type="checkbox"/>	PAPERGHIRHEART	B00124YQ5E	Ghirardelli Valentine's Paper Heart Gift	01/21/2009	87N	New	\$11.99	\$5.00	Amazon	Edit
<input type="checkbox"/>	100ZGHRARDELUNGSWEETENOCOCOA	B0005283E0	Ghirardelli Unsweetened Cocoa 10 oz	01/17/2009	87N	New	\$12.99	\$5.25	Amazon	Edit
<input type="checkbox"/>	160ZHOCHACHOCOLATE	B000520LWV	Ghirardelli Milk Chocolate 16oz	01/17/2009	87N	New	\$12.99	\$5.95	Amazon	Edit
<input type="checkbox"/>	GREENTE46	B0018FCUJH	Ghirardelli Unsweetened Cocoa 10 oz	01/12/2009	87N	New	\$19.99		Amazon	Edit



## How FBA Works

### Excluded Products

#### Hazardous Materials

- No regulated hazardous materials
- Includes aerosols and items under pressure



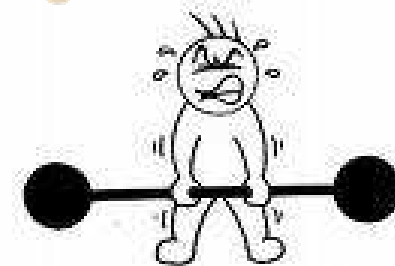
#### Perishables

- No climate control capability in FCs
- No expiration / lot control



#### Special Handling

- No items heavier than 30 kgs
- No items requiring special handling or delivery (e.g. fridge freezers, etc)



# How FBA Works

## Key Points

- ❑ Merchant decides which products Amazon fulfils; either entire inventory or any portion of inventory
- ❑ Merchant sends products to Amazon.co.uk's fulfilment centre (FC)
- ❑ Amazon stores Merchant's inventory in its FCs along with other merchandise
- ❑ Merchant always owns the inventory and will be the Seller of Record when items sell through Amazon, their own website or other channels
- ❑ Merchant remains responsible for listing, images, description and pricing
- ❑ Merchant has real-time access to inventory information and reporting



## How FBA Works

### Automate with Fulfilment Web Services (FWS)



- ❑ FWS 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 FBA services apply.
- ❑ If you have integrated your business processes with Amazon already, we provide a complete range of tools and web services to continue this automation when using Fulfilment by Amazon.

## What Are Merchants Experiencing?

### Gamesbuyer – Scaling for strong growth

- ❑ In 1999 ran a traditional brick and mortar store
- ❑ Started selling on Amazon.co.uk in 2003.
- ❑ Since first selling online, Gamesbuyer has experienced 95% uninterrupted growth, primarily online through Amazon.co.uk, its own website, and other marketing channels.
- ❑ Joined FBA in 2008 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*

**gamesbuyer.co.uk**





# What Are Merchants Experiencing?

## Gamesbuyer



*"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 issues with our Amazon orders at peak periods. Customer service was a big advantage to us during our huge growth in December!"*

*Mark Senior*

"I am moving from the standard fixed cost and fixed space of a warehouse to having a business that is fluid in all its form. 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". Mark Senior – April 2009

## What Are Merchants Experiencing?

### Economic Comics - Grow Your Business!



Simon Mott, co-founder with wife Clare

- ❑ Products – Comic books, graphic novels, trading cards and related products
- ❑ History
  - ❑ 2006 started selling online
  - ❑ Feb 2009 started selling on Amazon and in September 2009 joined Fulfilment by Amazon
- ❑ In the first week sales almost doubled and items sitting on the shelves for months were sold.
- ❑ Economic Comics have already sold via Amazon and FBA 100% more of the same lines than on their own website and other sites combined

## What Are Merchants Experiencing?

DST (UK) Ltd – Growth in sales and valuable time savings to bring more products to market



*'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*

- ❑ Products – home and business telephones
- ❑ History
  - ❑ 1999 Company founded
  - ❑ 2003 started selling on Amazon
  - ❑ 2008 signed up for Fulfilment by Amazon
  - ❑ DST sees on average a 40% increase in business for products supplied via FBA compared to when supplied directly.

**"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."**

**Dave Solomon, Founder and Managing Director DST UK Ltd**

## Pricing

### Flexible Pricing

- ❑ No setup fee
- ❑ Merchant pays inbound shipping to Amazon
- ❑ Merchants pay storage fees for items in inventory
  - ❑ Charged monthly, based on daily average
  - ❑ Based on cubic feet of actual inventory
  - ❑ Pay only for what you consume!
- ❑ Merchants pay fulfilment fees for each item fulfilled by Amazon
  - ❑ When order is placed, pay a fulfilment fee determined by the number of items and the weight of the shipment

# Pricing

## UK Programme Fees – Storage, Picking and Packing



Inventory Storage	
This fee is assessed to every unit for as long as it's in an Amazon centre.	
Monthly Storage (per cubic foot)	
January thru September	£ 0.30 / cubic foot <sup>1</sup> per month
October thru December	£ 0.40 / cubic foot <sup>1</sup> per month

Amazon.co.uk Fulfilment <sup>2</sup>			
Use this table if the order was placed through Amazon.co.uk			
The total fee to process a fulfilment order = Order Handling + Pick & Pack + Weight Handling.			
A Order Handling			
	MEDIA	NON-MEDIA	OVERSIZE
Per Order <sup>3</sup>	£ 0.00	£ 0.25	£ 0.00
B Pick & Pack			
	MEDIA	NON-MEDIA	OVERSIZE
Per Unit	£ 0.15	£ 0.60	£ 2.30
C Weight Handling			
	MEDIA	NON-MEDIA	OVERSIZE
<b>Envelope:</b> 300g Maximum Fits within a 300 x 200 x 20mm envelope	£ 0.05 per 100g		N/A
<b>Box:</b> Up to 2kg	£ 0.10 per 100g		
<b>Box:</b> More than 2kg	£ 2.00 + £ 0.02 per 100g above the first 2kg		

# Pricing

## UK Programme Fees – Multi-Channel Fulfilment



Multi-Channel Fulfilment <sup>5</sup>			
Use this table if the order was placed anywhere other than Amazon.co.uk			
The total fee to process a fulfilment order = Pick & Pack + Weight Handling.			
D Pick & Pack			
	MEDIA	NON-MEDIA	OVERSIZE
Per Unit	£ 0.85	£ 1.35	£ 4.05
E Weight Handling			
STANDARD			
<b>Envelope:</b> 300g Maximum Fits within a 300 x 200 x 20mm envelope		£ 0.34 + £ 0.13 per 100g	
<b>Box:</b> Up to 2.2kg		£ 1.00 + £ 0.15 per 100g	
<b>Box:</b> 2.2kg - 30kg		£ 4.30 + £ 0.02 per 100g above the first 2.2kg	
EXPEDITED			
<b>Envelope</b>		N/A	
<b>Box:</b> Up to 1.5kg		£ 4.00 + £ 0.15 per 100g	
<b>Box:</b> 1.5kg - 30kg		£ 6.25 + £ 0.40 per kg above the first 1.5kg	

## Pricing example

### ❑ Digital Camera (price £200, weight 1Kg)

Order Handling fee	25p
Pick & Pack fee	60p
<u>Weight handling fee</u>	<u>£1.00 (i.e. 10p per 100g)</u>

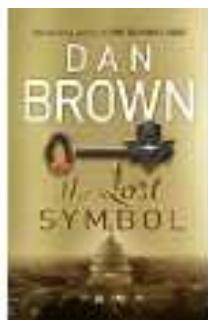
**Total FBA Fees**                    **£1.85**

**Selling on Amazon fees**       **£14.00** (i.e. 7%\*\* commission within Electronics category)

**TOTAL**                                 **£15.85**



### ❑ Book (price £10, weight 400g)



Order Handling fee	0p
Pick & Pack fee	15p
<u>Weight handling fee</u>	<u>40p (i.e. 10p per 100g)</u>

**Total FBA Fees**                    **55p**

**Selling on Amazon fees**       **£1.50** (i.e. 15%\*\* Books commission)

**Variable Closing Fee**           **49p** (applicable to Media categories)

**TOTAL**                                 **£2.54**

\*\* assuming VAT registered merchant in both examples.



# FBA Summary



FBA items stand out on key Amazon.co.uk pages with logos and text that emphasize Fulfilment by Amazon, and drive incremental sales.



Buyers know that FBA items will be delivered on time. Get the benefit of building your brand while adding the credibility of association with the Amazon brand.



Super Saver Delivery and Prime shipping; buyers can combine their Amazon and FBA items in a single cost-saving shipment.



FBA items qualify for return and customer service direct from Amazon for items that are purchased on Amazon.co.uk further increasing buyer trust and satisfaction.



FBA can fulfil orders for all your sales channels lowering your cost of investing in fixed capital and leveraging our technology to scale your business effectively.

## Next Steps



- ❑ Existing FBA merchants
  - ❑ Refer to the FBA Manual in Seller Central
  - ❑ Or liaise directly with the Seller Support team via Seller Central.
- ❑ New FBA merchants
  - ❑ Register for FBA and create a shipment
  - ❑ Contact the Business Development team for assistance in getting started: [Bizdev-uk@amazon.co.uk](mailto:Bizdev-uk@amazon.co.uk)
  - ❑ Please type “Webinar questions – (and your company name)” in header