



FULFILMENT by **amazon**[®]

Understanding how Fulfilment by Amazon (FBA) can help merchants grow their business and make the 4th quarter 2010 a resounding success

fba.amazon.co.uk

Amazon Services Europe

- ❑ What is Fulfilment by Amazon (FBA)?
- ❑ Why does Amazon offer FBA?
- ❑ Comparison & Benefits
- ❑ How it Works
- ❑ Pricing examples
- ❑ What are Merchants experiencing?
- ❑ How can FBA help increase sales and ensure the 4th quarter is a resounding success
- ❑ 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](#)

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!

£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](#)

More Buying Choices

Fun Collectables

£37.95 + FREE SHIPPING

In stock

[Add to Basket](#)

elektroworld

£34.45 + £4.53 shipping

In stock

[Add to Basket](#)

wrington_dvd

£44.99 & this item Delivered FREE in the UK with Super Saver Delivery. [See details and conditions](#)

In stock

[Add to Basket](#)

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

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?


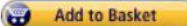
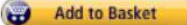

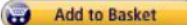
Close

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

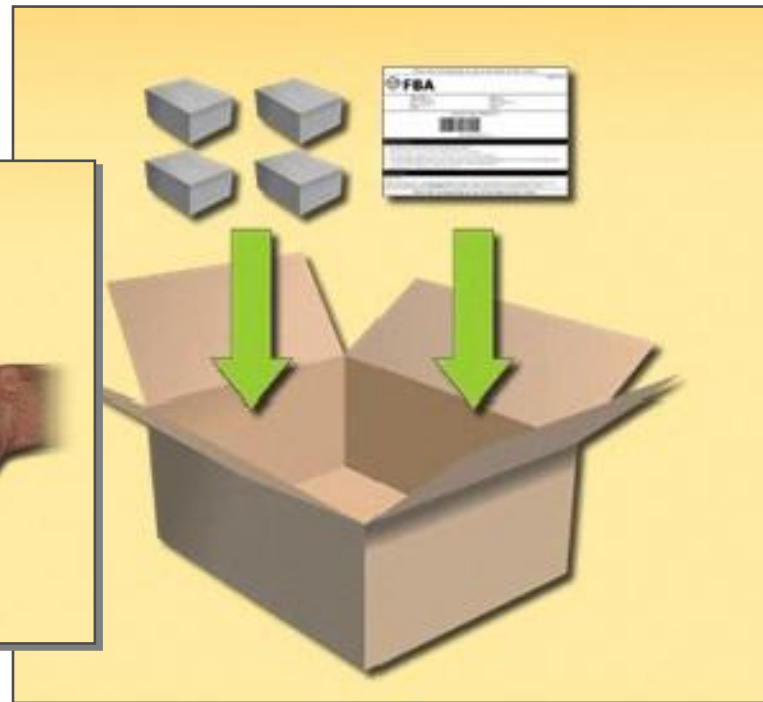
Example - FBA on the offer listing page

Amazon.co.uk: Used and New: Okami...			
New (1 to 5 of 13 offers sorted by : Price + Shipping)			
Price + Shipping	Condition	Seller Information	Ready to buy?
£16.93 <small>Eligible for  Learn more</small>	New	gamesbuyer FULFILLED BY AMAZON Rating: ★★★★★ 98% positive over the past 12 months (13126 ratings.) 16466 lifetime ratings. Delivery: In stock. Want guaranteed delivery by 1pm Wednesday, January 20? Order it in the next 4 hours and 14 minutes, and choose Express Delivery at checkout. See details . See Delivery Rates . See return policy . Comments: OFFICIAL SONY UK, MICROSOFT, NINTENDO RETAILER. BRAND NEW UK STOCK.	 or Sign in to turn on 1-Click ordering.
£12.45 <small>+ £4.50 shipping</small>	New	MY MEMORY Rating: ★★★★★ 95% positive over the past 12 months (44601 ratings.) 86070 lifetime ratings. Delivery: In stock. Dispatched from United Kingdom. International delivery available. See Delivery Rates . See return policy . Comments: We endeavour to dispatch all orders within 24 hours. Please allow 3 - 5 working days for delivery.	 or Sign in to turn on 1-Click ordering.
£15.38 <small>+ £1.99 shipping</small>	New	Seller: BLUEBARRELSURF Rating: ★★★★★ 89% positive over the past 12 months (19 ratings.) 21 lifetime ratings. Delivery: In stock. Dispatched from United Kingdom. International delivery available. See Delivery Rates . See return policy . Comments: Only £15.38 plus postage. Okami for the Nintendo Wii, Brand New and Boxed, Posted within one working day, cheapest on Amazon!	 or Sign in to turn on 1-Click ordering.
£15.39 <small>+ £1.99 shipping</small>	New	Seller: MITZYBEAR Rating: ★★★★★ 95% positive over the past 12 months (169 ratings.) 169 lifetime ratings.	 or

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 (if permitted in that category).
- ❑ System decides which fulfilment centre depending on size of shipment and product type to ensure most efficient receive time
- ❑ Inventory may be removed by merchant at any time



The screenshot shows the 'Amazon-Fulfilled Inventory' page in Seller Central. It includes a navigation bar with 'INVENTORY', 'ORDERS', 'REPORTS', and 'SETTINGS'. Below the navigation bar, there are tabs for 'All Inventory View', 'Inventory Amazon Fulfills', and 'Shipping Queue'. The main content area has a 'Quick Search' section with a search box and a 'Search' button. Below the search section, there is a table of inventory items with columns for 'Merchant SKU', 'Title', 'Condition', 'Price', 'Inbound', 'Fulfillable', 'Unfulfillable', 'Reserved', and 'Unit Volume (cubic feet)'. A dropdown menu is open over the 'Apply to 3 Selected Item(s)' button, showing options like 'Send/Replenish Inventory', 'Convert to 'Fulfilled by Merchant'', and 'Create Fulfillment Order'.

Merchant SKU	Title	Condition	Price	Inbound	Fulfillable	Unfulfillable	Reserved	Unit Volume (cubic feet)
03-KUV2-ZW0E	Peugeot 309 Service and Repair Manuals)	New	£3.95	0	1	0	0	0.04
16-4XVU-ZLZW	DRAPER 1/8in DRAPS7859	New	£1.65	0	1	0	0	0
1A-VGEC-J7YY	Citroen 1.7 and 1.9 Diesel Engine Owner's Workshop Manual (Haynes Owners Workshop Manuals)	New	£3.95	0	1	0	0	0.03
26-NAGJ-FPD2	Draper 20546 E10 TX-Star Socket 3/8-inch Drive	New	£1.65	0	1	0	0	0
2H-IN77-2J7M	Peugeot 405 Diesel Service and Repair Manual (Haynes Service and Repair Manuals)	New	£4.95	0	1	0	0	0.04

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

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 delivery cost to the customer providing a price advantage
- ❑ Listings include the FBA logo and Amazon association
- ❑ Gift wrap option is available on FBA orders
- ❑ Amazon handles customer service and returns
- ❑ Negative feedback related to fulfilment will be removed

Result. Competitive advantage helps increase buyer trust and drive 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 – including their own website and other 3rd party sites deciding which fulfilment channel makes best business sense.



New – FBA Export in the EU



- ❑ FBA products listed on Amazon.co.uk can now be purchased by customers outside of the UK
- ❑ Extend your market reach to cover 9 countries in Western Europe and millions of potential new customers at currently no extra cost
- ❑ Let Amazon take care of customer returns and provide top class customer service.
- ❑ To get started, simply add FBA Export to your FBA account



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, merchants pay a fulfilment fee determined by the number of items and the weight of the shipment

Pricing

UK FBA 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 ¹ per month
October thru December	£ 0.40 / cubic foot ¹ per month

Amazon.co.uk Fulfilment²

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 ³	£ 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
Envelope: 300g Maximum Fits within a 300 x 200 x 20mm envelope	£ 0.05 per 100g		N/A
Box: Up to 2kg	£ 0.10 per 100g		
Box: More than 2kg	£ 2.00 + £ 0.02 per 100g above the first 2kg		

Pricing

UK FBA Fees – Multi-Channel Fulfilment



Multi-Channel Fulfilment ⁵			
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			
Envelope: 300g Maximum Fits within a 300 x 200 x 20mm envelope	£ 0.34 + £ 0.13 per 100g		
Box: Up to 2.2kg	£ 1.00 + £ 0.15 per 100g		
Box: 2.2kg - 30kg	£ 4.30 + £ 0.02 per 100g above the first 2.2kg		
EXPEDITED			
Envelope	N/A		
Box: Up to 1.5kg	£ 4.00 + £ 0.15 per 100g		
Box: 1.5kg - 30kg	£ 6.25 + £ 0.40 per kg above the first 1.5kg		

New – Zero Fee Fulfilment

Zero Fee Fulfilment

Zero Order Handling. Zero Pick & Pack. Zero Weight Handling.



New to Selling on Amazon?

[Register for FBA Today](#)

Already Selling on Amazon?

[Add FBA to your Account*](#)

*Seller Central sign in required



With **Zero Fee Fulfilment**, standard-size items¹ selling at £ 300 or more will have no fulfilment fees² for orders sold on Amazon.co.uk.

This is an addition to the following features that are standard with most items with Fulfilment by Amazon:

- Products eligible for FREE Super Saver Delivery & Amazon Prime
- Amazon's Trusted Customer Service and Returns

Learn more about [Fulfilment by Amazon](#).

The example on the right shows costs involved with a standard shipment of a camera sold on Amazon.co.uk and fulfilled by Amazon. The Order Handling, Pick & Pack, and Weight Handling fees are waived for items sold on Amazon.co.uk since the item is standard size and more than £ 300.

1. Standard-sized items fit within a space measuring 45 cm x 34 cm x 26 cm and weigh less than 12 kg including unit packaging.
2. Fulfilment fees include Order Handling, Pick & Pack, and Weight Handling fees. Selling on Amazon fees, storage fees and other applicable fees still apply.

Fulfilled by Amazon



The customer pays	
Price + Delivery	£ 300
Fulfilment Costs	
Order Handling	Zero
Pick & Pack	Zero
Weight Handling	Zero
Other Costs	
Customer service	Included
Eventual customer returns	Included

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FBA Fee Examples

		FBA Fees
	USB Flash Drive (Price : £ 17.99, Weight : 20 g)	
	Order Handling	£ 0.25
	Pick + Pack	£ 0.60
	Weight Handling	£ 0.05
	Fulfilment by Amazon Fees	£ 0.90
	CD (Price : £ 14.65, Weight : 118 g)	
	Order Handling	£ 0.00
	Pick + Pack	£ 0.15
	Weight Handling	£ 0.10
	Fulfilment by Amazon Fees	£ 0.25
	Digital Camera (Price £ 443, Weight : 1.8 kg)	
	Order Handling	£ 0.00
	Pick + Pack	£ 0.00
	Weight Handling	£ 0.00
	Fulfilment by Amazon Fees	£ 0.00
	Electric Drill (Price £ 89.99, Weight 2.6 kg)	
	Order Handling	£ 0.25
	Pick + Pack	£ 0.60
	Weight Handling	£ 2.12
	Fulfilment by Amazon Fees	£ 2.97
	Toy (Price : £ 29.99, Weight : 3 kg)	
	Order Handling	£ 0.25
	Pick + Pack	£ 0.60
	Weight Handling	£ 2.20
	Fulfilment by Amazon Fees	£ 3.05
	Coffee Maker (Price : £ 71, Weight : 6 kg)	
	Order Handling	£ 0.25
	Pick + Pack	£ 0.60
	Weight Handling	£ 2.80
	Fulfilment by Amazon Fees	£ 3.65

Prices shown are exclusive of VAT

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."

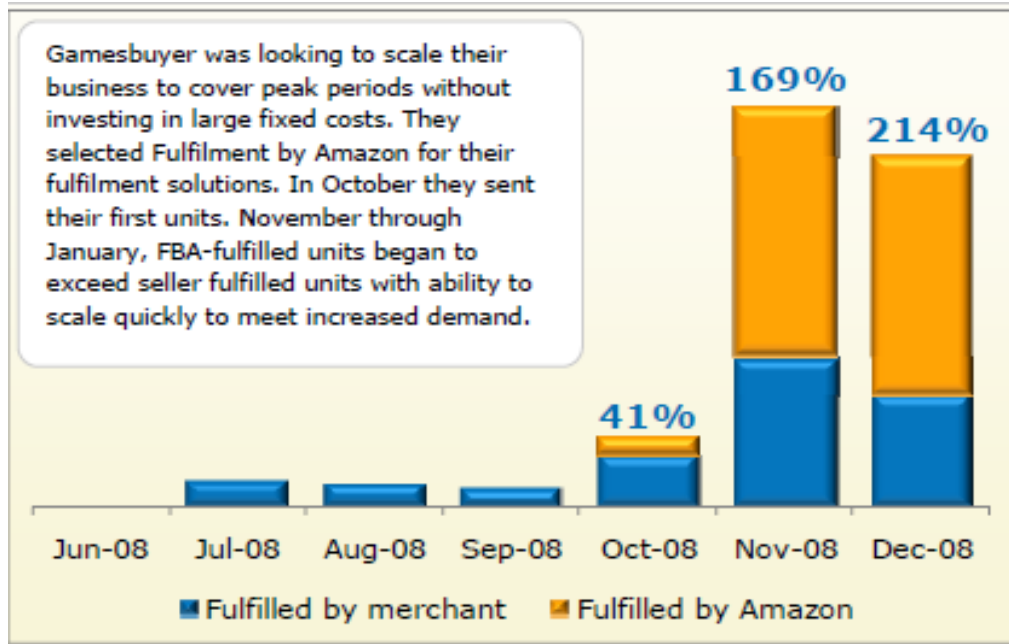
*Mark Senior
Founder & Owner*

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

Good timing and planning can make Q4 a success



Ship your inventory to Amazon early to take advantage of the peak shopping days. With FBA:

- ❑ We will ship most items until very shortly before Christmas.
- ❑ Many late purchasing customers trust Amazon to deliver by Christmas Eve and will therefore place a last minute order.
- ❑ Your customers can request different delivery options for faster delivery, opt for Free Super Saver Delivery or benefit from Amazon Prime
- ❑ Many online gift shoppers combine purchases and FBA items can be shipped together with those from Amazon
- ❑ Amazon can offer gift wrap including personalised gift messages

Result : Increased customer confidence = a competitive advantage which can lead to a lift in sales

And for you as an FBA Seller



- ❑ You can ensure you don't run out of stock by using Amazon's replenishment alerts.
- ❑ Your listings can remain active even when you are on holiday so your business keeps turning (e.g. between Christmas and New Year)
- ❑ Amazon takes care of customer service and returns on your behalf
- ❑ You have the flexibility to scale your business at the busiest time of year without having to take on extra staff or work non-stop

Result : Time and cost savings, peace of mind and optimisation of your turnover

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.

Save up to £ 1500 when you sign up for FBA Take advantage of our Q4 2010 Promo Rebate

FULFILMENT
by **amazon**[®]


You sell it. We ship it.



New to Selling on Amazon?

Register for FBA Today 

Already Selling on Amazon?

Add FBA to your Account * 

*Seller Central sign in required

Register now
for Fulfilment
by Amazon

Save up to
£1,500

Up to
£1,500
rebate

Sign Up Now

Visit our website on
<http://services.amazon.co.uk> for more
details

Next Steps

❑ Existing FBA merchants

- ❑ Refer to the FBA Merchant 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
- ❑ Please type “Webinar questions – (and your company name)” in header

Wishing you a prosperous Q4!

The FBA Team