

Fulfilment—new latitude for new business

"Consumers have been increasingly well informed ever since the Internet became accessible to the masses. Thanks to official descriptions from manufacturers, buyer ratings, and test reports, they often know more certain products than sellers. Customers no longer depend on classic retail advice and tips for their purchase decisions. We retailers particularly have to have the right knack when it comes to choosing and buying products, and we have to be capable of processing clients' orders quickly and reliably. This is an area where Fulfilment by Amazon (FBA) can help us a lot," says Bruno Wirth—and he should know. The proprietor and managing director of Radio Wolf GmbH, who runs the business together with his wife, is one of the pioneers of online trading with hifi, TV, video, and photographic products.

1999 was the year that changed everything. Radio Wolf gained its initial experience with web-based selling as a founding member of Alando, a German online auction house. The next logical step followed twelve months later—the last of the firm's former five branches was closed down and from that point on, Radio Wolf's core competency became online retail. With one exception: a traditional retail outlet with regular opening hours still exists at the company's seat in Jahnsdorf, not far from Chemnitz (Saxony), though Bruno Wirth describes this location as essentially a distribution point for the Internet that also has a local sales function.



Bruno Wirth, proprietor and Managing Director of Radio Wolf GmbH

Radio Wolf has been selling on Amazon.de since 2005. Its own web store www.RadioWolf.de and a second online platform (which is quickly dominating the original) are used as additional sales channels. Today, Amazon trading forms the backbone of the firm's high growth. The revenue generated through Amazon.de is ten times the sales volume on Wolf's own web store. Bruno attributes much of the steep upward curve of his Amazon business to a steadily rising awareness of its merits as a sales platform and the sterling reputation it enjoys among consumers.

FBA helps make up for lost time

Bruno Wirth's decision to register for FBA in February 2009 was well-founded. Is it the almost unlimited capacity and flexibility that FBA offers his small team with regard to storage space, shipping, and all aspects of logistics? Or the fact that Radio Wolf's burden has been greatly eased now that customer service and processing of returns are handled by Amazon? According to Wirth, it is a combination of all of this, plus one other very important aspect: "Internet merchants basically only have one problem: they never



Bruno Wirth,
Managing Director

Products

hifi, TV, video, and photographic products

History

1999—Started selling on the internet

2005—Amazon merchant

2009—Joined FBA

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Bruno Wirth



have a minute to spare because business in the twenty-first century is a 24/7 affair. Since joining FBA, I not only have more free time—I can also make better use of it for strategic buying, establishing contacts with new vendors, sounding out sales opportunities in other countries, and more.”

He goes on to clarify: “We weren’t an FBA member during the 2008 Christmas season. Although we were highly automated, we had reached the limits of our capacity at about three hundred parcels a day. Now they are packed for us by Amazon before I even get out of bed. For sellers who still do the majority of their outward handling manually, FBA is probably an extremely attractive proposition with much smaller volumes than ours.”

The multifaceted benefits of Fulfilment

Added to this are several genuine advantages that in Radio Wolf’s view make Fulfilment by Amazon unique. The very low shipping costs per parcel that Amazon charges to its FBA merchants are a good example. “The price structure is so cheap that at first I found it difficult to believe. I had to telephone Support to get confirmation. It makes such good business sense that we simply couldn’t resist,” Wirth continues. He is convinced that participation in the FBA programme raises the importance for Amazon of individual merchants. They are part of a partnership from which they profit in a variety of ways and their sales boost is virtually automatic. The guarantee of “Fast delivery” to end customers is one element of this. The “Delivered FREE” label is another—two magic words that instantly increase the customer’s inclination to order. “If customers see that Radio Wolf ships via Amazon, they are more likely to order because they trust Amazon’s logistics. This is a clear competitive advantage,” Wirth reports based on his experience.

“I think successful merchants on other platforms would be well advised to outsource their fulfilment to Amazon. And we should do the same with the articles we sell through our own web store. That way, we’d be able to free a fair bit of space in our warehouse,” he concludes.

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