



PROFIT SOURCERY

**What is Amazon's FBA Service?**

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FBA stands for 'Fulfilment by Amazon'. This Amazon service helps sellers by providing them access to Amazons warehouses and shipping networks. The FBA service even helps sellers by handling the customer services of the business.

In 2013 Amazon saw the use of the FBA service increase by 65% and more sellers than ever are using the service to launch and grow their businesses.

We've put together this guide on FBA where we'll explain what the service is and the benefits it can offer for you and your Amazon store.

## What Is Amazon's FBA Service?

FBA stands for 'Fulfilment by Amazon'. In short this service opens up Amazon's warehouses for you to store your products and allows you to hand over the packaging and shipping of your sales to Amazon. You sell it, Amazon ships it. They'll even handle the customer service side of things for you too. Here's how it works:

1. Buy your stock (which you can use ProfitSourcery to help you do).
2. Ship your stock directly to one of Amazon's 'Fulfilment Centres', rather than piling up boxes in your house.
3. Amazon catalogues and stores your product, until...
4. Someone buys one of your products on Amazon.
5. Amazon then finds the product in their warehouse, packages it, and ships it directly to your customer.
6. Amazon then takes care of the customer service relating to the order, including refunds and returns.

The only responsibility sellers really have is finding stock to sell and ensuring that whatever they decide to sell through FBA is correctly packaged and shipped to Amazon's fulfilment centre.

*What's even better about Amazon's FBA service is that you can split your inventory between merchant fulfilled and FBA fulfilled. In other words you don't have to sell everything via FBA. You can decide to fulfil certain orders and let Amazon take care of the items that are harder and more awkward to ship.*

To see Amazon's FBA page where you can find out even more, click [here](#).

## What Are the Benefits of Using FBA

**Increase your sales.** According to Amazon, around two thirds of FBA sellers reported that their sales increased on Amazon.com by more than 20% since joining FBA. Since using FBA, 27% of sellers have seen sales increase by 50% and 13% of seller's sales have more than doubled since utilising the FBA service.

**More likely to win the Buy Box.** Amazon keep the secret of winning the 'Buy Box' close to their chest. But it certainly seems that by using FBA, you're in with a higher chance. The algorithm seems to favour sellers offering an outstanding customer experience, so when the customer experience is being dealt with by Amazon themselves, it stands you in good stead.

**Save space; grow!** As your business grows, and your inventory increases, so do your storage requirements. Most of us don't have the luxury of a large warehouse, and end up climbing over boxes of stock that pile up around the house. So let Amazon take care of the storage for you for a small fee, and don't limit the amount of stock you can hold.

**Save time.** Again, the more orders you're dealing with, the more time you'll potentially be spending on picking, packing and posting orders out to customers. Time that could be far better spent on growing your business rather than doing manual tasks. Outsourcing to Amazon frees up your time for the important stuff like finding new products to stock, as well as giving you time for yourself.

**Access to Prime Members and eligibility for Free Super Saver delivery.** It's estimated that Amazon Prime members spend twice as much as other shoppers on average. Amazon Prime members can filter their search results to only show "Prime-eligible offers", which surfaces only products sold by Amazon, or through FBA sellers. So by using FBA, you're increasing your visibility to the most active shoppers on Amazon. In addition if the item you're fulfilling through FBA is worth over £10, customers can get access to 'Free Super Saver' delivery. With free delivery you can appeal to more customers and increase your sales.

**Utilise World Class Customer Service.** Amazon have firmly established themselves as leaders in the e-commerce world, thanks in no small part to their emphasis on providing outstanding customer service. Using FBA, you can offer this same standard of customer care without having to lift a finger. Amazon can take care of enquiries, returns and refunds.

**FBA can fulfil orders from other sales channels.** You can use FBA as a single inventory source for a range of sales channels, including eBay, Newegg, and even your own web store. Note: Multi-channel fulfilment costs more than the standard FBA service, and doesn't provide customer service for orders that don't come through Amazon.

## Some of the More Technical Aspects of FBA

Amazon's FBA service is a great way to save time and effort managing your Amazon store. By handling the packaging, shipping and customer service, Amazon save you much of the hassle of running a business. If you use the FBA service, there are still requirements you need to meet.

Firstly, when you upload any inventory to Amazon, you need to make sure it is uploaded as FBA inventory otherwise customers may order directly from you.

Secondly, you will need to arrange shipments of your inventory so you can send the products to an Amazon warehouse. UPS are Amazon's chosen courier to collect your shipments.

Thirdly, you need to correctly package and send your products to an Amazon 'fulfilment centre'; this can be a technical process especially if you're sending lots of products to Amazon. It is also the most time consuming aspect of using the FBA service as you need to meet Amazon's strict packaging guidelines.

To assist you've we've created guides to take you through the process which we recommend you read:

- ***“Uploading & Shipping Your Products to FBA”***
- ***“Shipping Your Products to an Amazon 'Fulfilment Centre': Packing & Sticking Correctly”***

These guides will help you to understand the more technical aspects of FBA so you feel confident using the service.