

amazonbusiness

Seller Program

An Amazon Seller White Paper
by Bobsled Marketing



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MARKETING


BUSINESS SOLUTIONS


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 **Address:** Brooklyn, New York

 **Website:** www.bobsledmarketing.com

 **Phone:** 646-561-9936

 **Email:** sales@bobsledmarketing.com



BACKGROUND

Amazon launched the **Business Seller** program in 2015, with an eye to capturing the capturing some of the \$800 Billion B2B ecommerce category.

When you consider that offices, healthcare and education institutions, governments, and pretty much every other type of business also have purchasing needs, it's no wonder that Amazon has created a platform to serve this market.

In fact, the **B2B eCommerce market** is more than twice the size of the B2C market, but B2B commerce has usually been slower to evolve than its counterpart.

The **Amazon Business Seller Program** is great for Sellers as well as for procurement officers in organizations. Here's a quick rundown of the core aspects of the program and what type of business it is best suited to.



HOW AMAZON BUSINESS WORKS FOR BRANDS AND SELLERS

Amazon Business is a closed-access program for buyers and sellers - buyers must provide their EIN and are manually vetted to confirm that they are a business entity. And manufacturers or distributors must get an invite to sell on the platform. Ultimately, the program lets you sell to procurement buyers and organizations, rather than individuals. Once sellers are admitted to the program, they can take advantage of these program benefits:

- ❖ **Offer Business-Only Price Discounts & Quantity Pricing.** List products and prices specifically for business customers. Create discounts for business customers, and discounts on purchases of larger quantities.
- ❖ **Display your Quality and Diversity credentials.** List your current credentials to increase purchases from procurement specialists who need to meet quality sourcing objectives and corporate social responsibility goals.
- ❖ **Add Enhanced Product Content.** This can be a substantial benefit for technical products, since you can include useful product information including CAD drawings, user manuals, spec sheets, comparison charts, installation manuals and more.
- ❖ **Create a Seller Profile Page.** You can add banners, logos, and information about your company on this page which is not available to regular sellers on Seller Central.
- ❖ **Use The Fulfillment by Amazon (FBA) program,** or fulfill customer orders yourself.
- ❖ **Lower referral fees.** Referral fees are the percentage-based selling fees that Amazon charges on each product sale. This can be as low as 6% on orders to Business customers, versus 15% in most categories on the consumer platform.
- ❖ **Enable tax-exempt pricing.** Automate tax exemption on qualified purchases from sellers participating in the Amazon Tax-Exemption program.



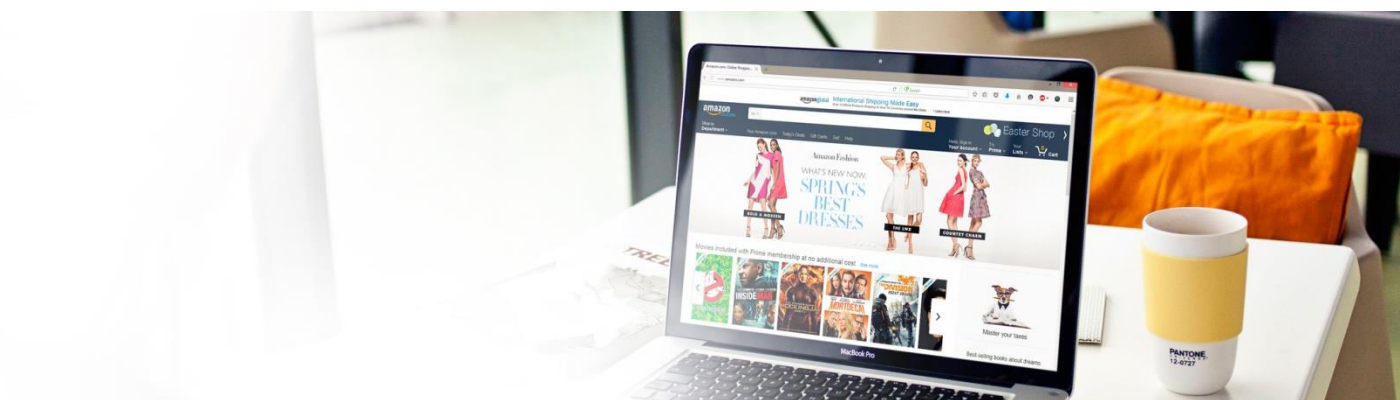
WHAT TYPE OF SELLER WOULD BENEFIT FROM AMAZON FOR BUSINESS?

The Amazon for Business program has potential benefits both for existing sellers as well as manufacturers and distributors with no existing e-commerce presence. Here are the types of companies who might benefit from Amazon for Business:

- 1** Manufacturers and distributors who specifically serve B2B markets. This could include: Education - schools, universities and colleges; Medical - dentists, hospitals, laboratories; Food - cafes and restaurants, food production facilities, food packaging; Industrial - raw materials, material handling, protective & safety equipment
- 2** Companies who can't or don't want to sell to individual consumers. This may be due to the complexity around sales tax collection and reporting, products not being consumer-suitable, or products with a low unit price that need to be sold in bulk.
- 3** Sellers with who have manufacturer and distributor part numbers (MPN/DPN) or National Stock Numbers (NSN), and whose customers often search for products using these identifiers.
- 4** Existing Amazon sellers who already have their products on Amazon, and whose products could also be used in a business or government context. Products like office supplies, technology devices, educational toys and games, even health & personal care.
- 5** Companies with Quality and Diversity credentials. The ability to list credentials like Small Business, Veteran-Owned Business, ISO9001 and others. Some procurement specialists are required to meeting quality sourcing objectives and corporate social responsibility goals by purchasing a certain percentage of goods and services from other

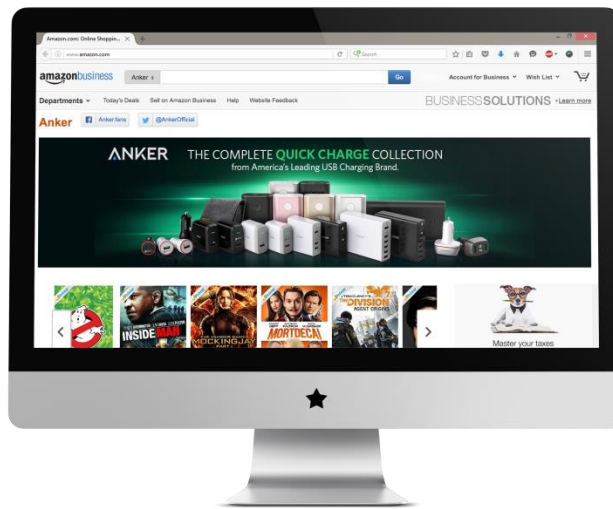
businesses with these credentials. By publishing your credentials, you can better win that business.

If you're a brand that focuses on consumer products, that doesn't mean that your products aren't in demand from businesses and other organizations. Businesses still need technology products, personal care products, and groceries. And institutions like schools and daycare centers purchase large quantities of games and educational products.

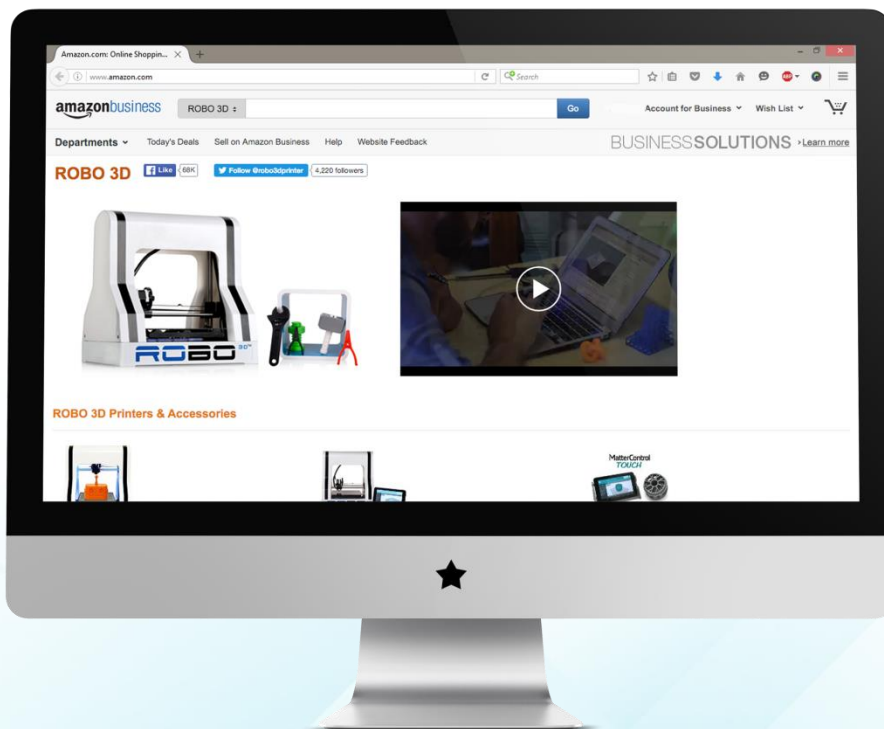


BUSINESS PROFILE PAGES

A Business Profile page is exclusive to sellers in the Amazon Business Seller Program. This page can include information about your business, your logo, a featured image, business address, DUNS number and more. Here's an example of a Business Profile page. It includes useful detail about the business, as well as premium content like a banner image, logo, and even a way to subscribe to them on social media. While Amazon's retail sales platform focuses on product selection and price, the Business program allows you to make more of a connection with potential buyers.



This customer-facing business profile page includes a compelling visual banner which communicates the brand's core benefits. Customers can also follow the brand on Facebook & Twitter right from this product page.







Above: This business profile page uses a promotional product video to communicate the benefits of their core product, as well as a text-based blurb further explaining the features.

ENHANCED CONTENT

The enhanced content is visible to both customers on Amazon.com and business customers on Amazon Business. This gives sellers an edge not only for business buyers, but also if they sell their products to consumers on Amazon.com. Customers can view and download enhanced product details for any listing on which you have uploaded enhanced content.

Types of content that can be added include:

ENHANCED CONTENT TYPE	DESCRIPTION	SUPPORTED FILE TYPES
MSDS	MSDS (Material Safety Data Sheets) or SDS (Safety Data Sheets) are widely used for cataloging information on chemicals, chemical compounds, and chemical mixtures and their potential hazards, and may include safe use instructions.	
2D & 3D CAD	CAD (Computer-Aided Design) drawings are used in the design of tools and machinery, and for detailed engineering of 3D models and/or 2D drawings of physical components.	2D PDF DXF DWG IGS 3D EPRT EDRW SIDPRT STP
USER GUIDE & MANUAL / APPLICATION GUIDE / INSTALLATION MENU	Documents that provide assistance to customers on how to use or apply a particular product. Can include technical information about installation, operation and maintenance of a product.	
SPECIFICATION SHEET	A document intended to provide technical specifications relating to the product.	
COMPARISON CHART	A document intended to compare products of the same brand by any specified dimension.	

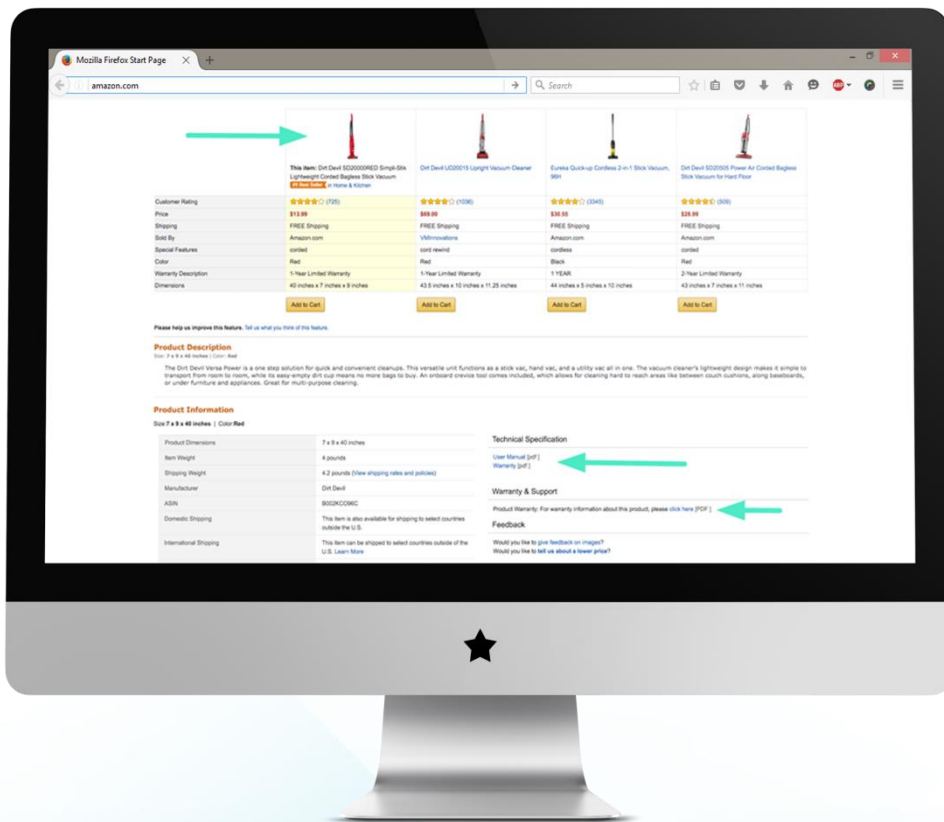
COA AND/OR COC

A Certificate of Analysis is a document issued by Quality Assurance which confirms that a regulated product meets its product specification. A Certificate of Compliance is a document certified by a competent authority that the supplied good or service meets the required specifications. Also called certificate of conformance or certificate of conformity.



SAFETY INFORMATION

A document intended to provide the reader with safety information related to the product.



Above: This product detail page on the Amazon Business marketplace includes a comparison table, User Manual, and Warranty which are all enhanced content features that are available to Business Sellers.

Note: not all product categories allow enhanced content. As of March 2016, you can only add enhanced content in the following categories:

- ❖ Automotive & Power sports
- ❖ Electronics
- ❖ Tools & Home Improvement
- ❖ Home & Garden
- ❖ Patio, Lawn & Garden
- ❖ Luggage & Travel
- ❖ Accessories
- ❖ Appliances
- ❖ Musical Instruments
- ❖ Office Products
- ❖ Computers
- ❖ Industrial & Scientific
- ❖ Camera & Photo

FEES

Monthly Membership fees

Are the same as having a professional selling account with amazon.com. And, if you already sell on Amazon.com (retail) then you don't pay any additional fees for being part of the Business Selling Program.

Referral Fees

These are Amazon's percentage-based fees, and are based on the selling price of the product. The good news is that the referral fees for Business Sellers are considerably lower than for retail buyers. Referral fees in the Business program are based on price tiers, which is different to the Retail price structure where the same percentage is applied regardless of the order value.

CATEGORY	BUSINESS SELLER PROGRAM FEE	RETAIL AMAZON PROGRAM REFERRAL FEE
Consumer Electronics	<ul style="list-style-type: none"> ❖ 8% for any portion of the total product value up to \$1,000 ❖ 6% for any portion of the total product value greater than \$1,000 	8%
Office Products	<ul style="list-style-type: none"> ❖ 15% for any portion of the total product value up to \$1,000.00 ❖ 10% for any portion of the total product value from \$1,000.01 up to \$3,000.00 ❖ 6% for any portion of the total product value greater than \$3,000.00 	15%
Tools & Home Improvement	<ul style="list-style-type: none"> ❖ 15% for any portion of the total product value up to \$1,000.00 ❖ 10% for any portion of the total product value from \$1,000.01 up \$3,000.00 ❖ 6% for any portion of the total product value greater than \$3,000.00 ❖ For base equipment power tools: ❖ 12% for any portion of the total product value up to \$1,000.00 (with a minimum referral fee of \$1.00 per item) ❖ 8% for any portion of the total product value from \$1,000.01 up to \$3,000.00 ❖ 6% for any portion of the total product value greater than \$3,000.00 	<p>12% For base equipment power tools,</p> <p>15% For other categories</p>
Industrial & Scientific*	<ul style="list-style-type: none"> ❖ 12% for any portion of the total product value up to \$1,000.00 ❖ 8% for any portion of the total product value from \$1,000.01 up to \$3,000.00 ❖ 6% for any portion of the total product value greater than \$3,000.00 	12%

A minimum fee of \$1.00 applies across all categories. For example, an Amazon Business customer orders 15 x \$110.00 filing cabinets. A 15% referral fee of \$150.00 will apply to the portion of the total product value up to \$1,000, and a 10% referral fee of \$65.00 will apply to the portion of the total product value from \$1,000.01 up to \$3,000.00.

This equates to a total referral fee of \$215.



FULFILLMENT FEES

FBA fees. If using the Fulfilled By Amazon program, their standard fulfillment fees (order handling, pick-and-pack, and weight-based fees) are applicable.

Vendor fees. If using the Vendor Central or Vendor Express program (Amazon’s wholesale program), generally the freight or shipping fees are factored into the COGS that you negotiate with Amazon.

Sellers handle the customer service on orders fulfilled by the seller and Amazon handles the customer service orders fulfilled and shipped through **Fulfillment by Amazon**.

REQUIREMENTS AND OTHER CONSIDERATIONS

Amazon will accept applications for the Business Seller program, but approval is not guaranteed. Before applying, you should make sure that the program is right for your company.

1 You must either be a “**Professional Seller**” on the Seller Central program, or a Vendor in Amazon’s wholesale program. If you aren’t yet a Seller or Vendor, it is very easy to apply.

2 **Pristine Seller Metrics.** Amazon Business sellers are held to a higher standard of performance metrics compared with other Sellers. Amazon requires a lower order defect rate and pre-shipment cancellation rate than for retail sellers. If you plan on using the Fulfilled By Amazon program to fill all orders, then this metric will be easy to meet. If you plan on fulfilling

your own orders (or contracting with a third party to do so), then be sure that your fulfillment capabilities can stand up to these requirements.

SELLING ON AMAZON

- An Order-Defect Rate (ODR) of 1% or less.
- Pre-shipment Cancellation Rate of 2.5% or less.
- Late Shipment Rate of 4% or less.

AMAZON BUSINESS SELLER PROGRAM

- An Order-Defect Rate (ODR) of .5% or less.
- Pre-shipment Cancellation Rate of less than 1%.
- Late Shipment Rate of less than 2%.
- Few chargebacks, A-to-z Guarantee claims, and negative feedback.

Sellers must also always provide a tracking number, packaging slip, and purchase order (if provided by the customer). We would recommend the use of Order Fulfillment and Management software like [Shipstation](#) to manage your orders to help with order quality control and in meeting these requirements.

FAQs

Can you differentiate between orders placed by business customers versus retail customers?

Yes, business transactions are identified by the 'Business Buyer' label in your order details and Order Reports.

How are Business products added?

Adding new products follows the same process as is used to add products in Seller Central. Adding enhanced content to product pages requires the use of flat files.

Can a product have a business price and a customer price?

Yes. You can choose to list products in either marketplace, or both, and apply different pricing rules to each.

Do product reviews and customer Q&As transfer over from the retail site?

Yes, since the product listings are driven by ASINs and UPCs, existing product reviews and customer questions appear automatically on your Amazon Business product listings.

IS IT WORTH IT?

Amazon appears to be quite heavily investing in marketing this program to businesses to meet their procurement needs. We see the Amazon for Business program becoming a primary destination for procurement specialists in large organizations, as well as small businesses. It's still "early days" with this program, which means far less competition for brands that can take advantage now and capture market share.


Given that the program comes at no additional cost to existing sellers, this seems like a no-brainer way to extend your customer base and pay less in Amazon fees.


If you don't have a wholesale line sheet or capability to track and fill Purchase Orders from business customers, this can be a great way to send organizations who wish to buy in products bulk from your company.


Want to get started as an Amazon Business Seller, without the hassle? At Bobsled Marketing we launch and grow brands on Amazon. Our revenue share model means that we're invested in the growth of your business.


If you are interested, we would love to talk through your company's brand and product assortment, and see if we are good fit to work together. The easiest way to proceed is to book a call with a member of our team to talk through your ideas, goals, and learn more details about our process: www.bobsledmarketing.com/contact

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