

Trading via Amazon

Business Information Factsheet

BIF508 · May 2023

Introduction

Creating an Amazon seller account allows traders to list and sell their items directly on Amazon's UK website, with Amazon handling payment and, if required, fulfilment.

Traders with a seller account can also access several additional programmes, including Amazon Business, which provides tools for B2B sellers, Amazon Global Selling, and specialist marketplaces such as Amazon Handmade, Amazon Renewed and Amazon Launchpad.

This factsheet provides an overview of how small and micro businesses can trade via Amazon. It also covers advertising options and opportunities to make money via Amazon's affiliate marketing and other programmes.

Amazon seller accounts

There are two types of seller account: Individual and Professional.

- **Individual** is for traders who sell fewer than 35 items per month. It charges a per-item fee of £0.75 (excluding VAT) when items are sold (plus referral fees which are typically between 7% and 15% of the item's selling price).
- **Professional** is a subscription account for traders who sell more than 35 items per month. It charges a monthly fee of £25 (excluding VAT) plus referral fees, and provides access to a number of selling tools and reports.

Many items can only be listed by traders with a Professional account who have been approved by Amazon. These include, for example, clothing, jewellery, music and DVDs, and organic food. For more information about product categories requiring approval, go to

<https://sellercentral.amazon.co.uk/help/hub/reference/external/200333160?locale=en-GB>.

Programmes for small business traders

Traders who create a seller account on Amazon have access to a range of additional programmes enabling them to grow their business by targeting B2B customers or specialising in certain items. These include:

- **Amazon Business**, which provides features for B2B sales such as quantity-based discounts, VAT-exclusive price display, and the ability to offer business customers a Pay by Invoice option for which Amazon handles credit risk assessment, billing and payment collection (<https://sell.amazon.co.uk/programmes/amazon-business>).
- **Amazon Handmade**, which is a marketplace for genuinely handmade items. Product listings are free and there is a 12.24% referral fee for every item sold (<https://sell.amazon.co.uk/programmes/handmade>).
- **Amazon Custom**, which enables traders to offer products that can be customised with text, images, logos or other options specified by the trader (<https://sell.amazon.co.uk/programmes/custom-products>).
- **Amazon Launchpad**, which is aimed at start-ups and small businesses selling unique, innovative or sustainable products. Benefits include strategic business support and specialised customer engagement tools (<https://sell.amazon.co.uk/programmes/launchpad>).
- **Amazon Renewed**, which is a marketplace where traders can sell high-quality like-new products (refurbished and pre-owned) to Amazon customers worldwide (<https://sell.amazon.co.uk/programmes/renewed>).
- **Specialist marketplaces** for selling apps (<https://developer.amazon.com/apps-and-games>), software (<https://aws.amazon.com/marketplace/partners/management-tour>) and self-published books (https://kdp.amazon.com/en_US).

Order fulfilment and delivery

As an alternative to packing and shipping their own products, most traders use Fulfilment By Amazon (FBA). This involves the traders sending their products to Amazon's fulfilment centres, where they are stored. When an item is purchased, it is picked, packed and shipped by Amazon, which also handles customer service and returns.

Traders who use FBA must pay a fulfilment fee and a monthly storage fee.

Using FBA can help traders make their products more visible and accessible to shoppers. For example, items sold by traders that use FBA are eligible for Amazon Prime delivery options.

Traders who do not use FBA (for example because they sell hazardous goods that do not meet fulfilment centre requirements, or seasonal products that would incur high storage fees) must store and ship items directly to customers themselves.

For more information about order fulfilment when trading via Amazon, go to <https://sell.amazon.co.uk/fulfil>.

International orders

Amazon provides a number of programmes to help traders sell to customers overseas. These include:

- **Amazon Global Selling**, which allows traders on Amazon UK to expand into Amazon marketplaces in North America, Australia, Japan and the Middle East (<https://sell.amazon.co.uk/global-selling>).
- **Pan-European FBA**, which enables traders to reduce the costs of selling to customers in Europe by storing products in Amazon's fulfilment centres in Germany, France, Italy and Spain (<https://sell.amazon.co.uk/fulfilment-by-amazon/fba-europe>).
- **Customs clearance and shipping support** for traders who fulfil international orders themselves (<https://sell.amazon.co.uk/compliance-solutions/international-trade>).

Advertising on Amazon

Amazon provides a range of ways for sellers to advertise their products. These include:

- **Sponsored products**, which target people browsing or searching for similar products, by placing ads within search results and on product pages.
- **Amazon stores**, which are customisable web pages that sellers can use to showcase their brand and products using pre-designed templates as well as their own videos, text and images.
- **Sponsored brands**, which are ads that appear in search results and include the brand logo and customised brand information as well as links to a range of products.
- **Sponsored display**, which are ads that appear on Amazon pages as well as on third-party websites.

For more information about advertising on Amazon, go to <https://sell.amazon.co.uk/advertising>.

Other ways to earn revenue via Amazon

In addition to trading on its online marketplaces, Amazon offers traders a number of other ways to make money. These include:

- **Amazon Associates**, which is an affiliate marketing programme that enable traders with their own website, blog or social media account to earn revenue by advertising Amazon products online. Adverts contain links to products sold on Amazon and if a sale is generated, the affiliate earns a fee. For more information about Amazon Associates, go to <https://affiliate-program.amazon.co.uk/>.
- **Amazon Flex and Amazon Delivery Service Partner**, which provide opportunities for traders to deliver parcels on behalf of Amazon. For information about Amazon Flex, go to https://flex.amazon.co.uk/?ref_azuk_gen_all_flex. For information about Amazon Delivery Service Partner, go to <https://logistics.amazon.co.uk/marketing>.
- **Amazon Hub**, which is Amazon's network of click-and-collect pick-up locations. Traders with a physical location can host an Amazon Hub kiosk in order to benefit from the potential increase in foot traffic and sales (www.amazon.com/b?ie=UTF8&node=13853235011).

Useful resources

'Build your Business with Amazon'

Amazon

www.amazon.co.uk/b/?node=17751657031

'The Beginner's Guide to Selling on Amazon'

Amazon

<https://sell.amazon.co.uk/sell-online/beginners-guide>

'Seller University'

Amazon

<https://sell.amazon.co.uk/sell-online/seller-university>

'Ecommerce Fulfilment Guide: How to Grow Your Business and Earn Customer Trust'

Amazon

<https://sell.amazon.co.uk/learn/ecommerce-fulfilment-guide>

'Amazon Webinars'

Amazon

<https://sell.amazon.co.uk/learn/events-and-webinar>

DISCLAIMER While all reasonable efforts have been made, the publisher makes no warranties that this information is accurate and up-to-date and will not be responsible for any errors or omissions in the information nor any consequences of any errors or omissions. Professional advice should be sought where appropriate.

Cobweb Information Ltd, YBN, 7 & 8 Delta Bank Road, Metro Riverside Park, Gateshead, NE11 9DJ.

Tel: 0191 461 8000 Website: www.cobwebinfo.com