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Amazon to stop accepting all products other than medical supplies and household staples to its warehouses amid coronavirus crisis — read the memo it just sent sellers

Eugene Kim 16 hours ago

8-10 minutes

- Amazon told sellers and vendors on Tuesday that it was suspending shipments of all nonessential products to its warehouses to deal with the increased workloads following the coronavirus outbreak.
- · Amazon is now prioritizing medical supplies, household staples, and other high-demand products to its warehouses until April 5.
- · The change only affects shipments to Amazon's warehouses, not the last-mile deliveries to consumers.
- "We are temporarily prioritizing household staples, medical supplies, and other high-demand products coming into our fulfillment centers so that we can more quickly receive, restock, and deliver these products to customers," the message read.
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Amazon is blocking all shipments of nonessential products to its warehouses in response to the significant increase in orders it's seeing as the novel coronavirus spreads across the US.

On Tuesday the company told sellers and vendors that it would accept only shipments of "household staples, medical supplies, and other high-demand products" to its warehouse until April 5 to deal with the high demand of those products amid the coronavirus crisis.

That means sellers who use Amazon's storage and delivery network for a fixed fee, through a program called Fulfillment by Amazon, will no longer be able to ship nonessential products to Amazon. The same restrictions apply to vendors who wholesale their products to Amazon, who then resells them at a markup.

It doesn't affect last-mile shipments of those products to consumers.

Amazon said in an email to sellers that it was now prioritizing shipment in the following six categories: baby product; health and household (including personal-care appliances); beauty and personal care; grocery; industrial and scientific; pet supplies.

"We are seeing increased online shopping, and as a result some products such as household staples and medical supplies are out of stock," the email obtained by Business Insider said. "With this in mind, we are temporarily prioritizing household staples, medical supplies, and other high-demand products coming into our fulfillment centers so that we can more quickly receive, restock, and deliver these products to customers."

The move follows huge increases in orders of certain products on Amazon, like face masks and toilet paper, as more shoppers flocked to e-commerce sites like Amazon for their shopping. That's put huge strains on Amazon's supply chain, resulting in shipment delays, technical glitches, and labor shortages.

"Amazon is taking drastic measures to address logistical challenges faced amid the coronavirus pandemic," Steven Yates, CEO of Prime Guidance, an agency that helps Amazon sellers, said. "Amazon has struggled to keep up with demand on essential items, so this move will allow them to focus more available resources to meet this increased demand."

For the vendors, Amazon said they would see "reduced purchase orders" as it "temporarily paused" orders for all non-essential products until April 5. It also extended the delivery windows for existing orders, giving vendors more time to deliver those products to Amazon.

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"We understand this is a change to your business, and we did not take this decision lightly," Amazon wrote in the note. "We appreciate your understanding as we prioritize the above products for our customers."

A group of vendors told Business Insider earlier this week that some changes were expected, as Amazon stopped placing purchase orders that it normally does on Mondays. They suspected Amazon was only placing orders in high demand because it ran out of stock for household staples over the weekend.

"We would like to notify you, due to the current health concerns, we are taking actions to prevent more health issues. We will share more information in the upcoming days," Amazon wrote to one of the vendors who asked about the order change on Monday.

Yates said sellers of nonessential goods have seen their sales drop by 40% to 60% on Amazon lately, as shoppers significantly cut back on discretionary spending during the coronavirus outbreak. While many of the sellers have 30 to 60 days' worth of inventory in stock, Yates said they are scrambling to figure out how to deal with the changing shopping behavior.

Other sellers are now storing and shipping their products on their own, instead of using Amazon's fulfillment service, according to Will Tjernlund, the CMO of Goat Consulting, an agency that helps Amazon sellers. For example, they are now fulfilling their products out of their own warehouses, using services like Amazon's Seller Fulfilled Prime, which still gives their products Prime eligibility and better exposure on the site, even if they don't ship them to Amazon's warehouses.

"It may be difficult for some sellers to ship every item themselves, but if they want to have their products for sale on Amazon, they have no other choice until April 5," Tjernlund told Business Insider.

On Monday, Amazon also announced that it was hiring an additional 100,000 employees in its warehouse and delivery networks. It also said that it would raise their pay by \$2 per hour through April, as the coronavirus causes an "unprecedented" increase in demand for this time of year.

Here's the full message from Amazon:

Hello from Fulfillment by Amazon,

We are closely monitoring the developments of COVID-19 and its impact on our customers, selling partners, and employees.

We are seeing increased online shopping, and as a result some products such as household staples and medical supplies are out of stock. With this in mind, we are temporarily prioritizing household staples, medical supplies, and other high-demand products coming into our fulfillment centers so that we can more quickly receive, restock, and deliver these products to customers.

For products other than these, we have temporarily disabled shipment creation. We are taking a similar approach with retail vendors.

This will be in effect today through April 5, 2020, and we will let you know once we resume regular operations. Shipments created before today will be received at fulfillment centers.

You can learn more about this on this Help page. Please note that Selling Partner Support does not have further guidance.

We understand this is a change to your business, and we did not take this decision lightly. We are working around the clock to increase capacity and vesterday announced that we are opening 100,000 new full- and part-time positions in our fulfillment centers across the US.

We appreciate your understanding as we prioritize the above products for our customers.

Thank you for your patience, and for participating in FBA.

Correction: The original headline on this article has been updated to clarify that Amazon is prioritizing essential shipments to its warehouses and is not suspending nonessential shipments to consumers.



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