

**Fulfillment by Amazon** 

## Amazon FBA: Fulfillment services for your ecommerce business







#### What is Fulfillment by Amazon?

Fulfillment by Amazon (FBA) is a program that lets you outsource order fulfillment to Amazon. It's part of a fully automated set services we call Supply Chain by Amazon. Sign up for FBA to send products to Amazon's global network of fulfillment centers and offer customers free, two-day shipping through Prime. When a customer makes a purchase, Amazon fulfillment specialists can pick, pack, and ship the order. We can also provide customer service and process returns for those orders.

Learn more about ecommerce fulfillment



#### **Spend less**

Shipping with FBA costs 30% less per unit than standard shipping options offered by major U.S. carriers and 70% less per unit than their premium options comparable to FBA.



#### **Increase sales**

Use FBA to deliver orders with the speed and reliability customers love. That can help you increase sales and repeat purchases.



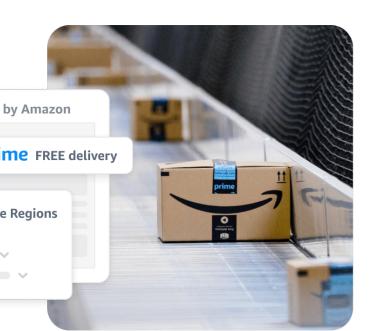
#### **Grow your business**

Our network includes hundreds of fulfillment centers worldwide and can help you reach customers around the globe.



#### **Operate with greater ease**

Instead of spending time processing orders, handling customer inquiries, and managing returns, use FBA to focus on developing products and delighting customers.



**New Seller Incentives** 

## Get shipping credits, free storage, and more

You've put everything into your business—so let's start your Amazon journey with confidence. All new Professional sellers can take advantage of the following:

- √ \$100 off shipments into the Amazon fulfillment network using the Amazon Partnered Carrier program
- ✓ \$200 credit towards fulfillment costs when you use Amazon Global Logistics
- ✓ \$400 credit for inbound placement costs
- ✓ Free storage and customer returns with auto-enrollment in the FBA New Selection program

Learn more

#### **How FBA works**

Amazon FBA can help decrease fulfillment headaches as you scale your business.

#### Step 1 Set up FBA

Create your Amazon selling account, and login to Seller Central to set up FBA. You can review FBA costs and get an estimate for each product you want to enroll in the program.

#### Step 2 Create product listings

Once you add products to the Amazon catalog, specify FBA inventory.

#### **Step 3** Prepare products

Prepare the products for safe and secure transportation to a fulfillment center, according to Amazon packing guidelines and shipping and routing requirements.

#### Step 4 Ship products to Amazon

Create a shipping plan, print Amazon shipment ID labels, and send shipments to Amazon fulfillment centers. Learn more about sending inventory to Amazon.

Once Amazon receives products at the fulfillment center, the items are available for customers to buy. Visit Seller Central Help to learn about how to manage FBA orders.



Seller spotlight: Kahili Creations

As long as I have my tools and materials, I can depend on FBA to keep my income constant.



#### **3** Did you know?

## Amazon Warehousing and Distribution (AWD) may lower your FBA costs

AWD is a low-cost bulk storage solution for your inventory that distributes to the Amazon store and other distribution channels.

Ship to AWD to get:

- Simple, pay-as-you-go pricing with no additional costs for the holiday season
- No separate charge for the FBA inbound placement service, which is covered by AWD pricing
- Auto-replenishment to maintain the right FBA inventory levels and avoid FBA capacity limits

Learn more about AWD

#### **FBA** costs

Costs for FBA depend on the products you sell and the exact services you use. Compare FBA to the cost of fulfilling customer orders yourself, then select the right fulfillment method for each product.



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The fulfillment cost per unit includes picking and packing your orders, shipping and handling, customer service, and product returns. Costs are based on the weights and dimensions of your product. Shipping weight is calculated based on the item's unit weight or dimensional weight.

Low-Price FBA: Apparel

Learn more about product size tiers

Learn how to determine your product's shipping weight

Non-apparel Apparel Low-Price FBA: Non-apparel Small standard 2 oz or less 2+ to 4 oz 4+ to 6 oz 6+ to 8 oz 8+ to 10 oz 10+ to 12 oz 12+ to 14 oz 14+ to 16 oz Large standard 4 oz or less 4+ to 8 oz 8+ to 12 oz 12+ to 16 oz 1+ to 1.25 lb 1.25+ to 1.5 lb 1.5+ to 1.75 lb 1.75+ to 2 lb

	2.25+ to 2.5 lb
	2.5+ to 2.75 lb
	2.75+ to 3 lb
	3+ lb to 20 lb
Large bulky	0 to 50 lb
Extra-large 0 to 50 lb	0 to 50 lb
Extra-large 50+ to 70 lb	50+ to 70 lb
Extra-large 70+ to 150 lb	70+ to 150 lb

#### **FBA** storage costs

Size tier

Inventory storage costs are charged monthly based on the daily average volume (measured in cubic feet) for the space your inventory occupies in Amazon fulfillment centers. The volume measurement is based on unit size when properly packaged and ready to ship.

#### Through March 30, 2024

January - September	\$0.87 per cubic foot
October - December	\$2.40 per cubic foot
Starting April 1, 2024	
January - September	\$0.78 per cubic foot
October - December	\$2.40 per cubic foot

Additional inventory storage costs apply to products classified as dangerous goods and for sellers who have a high volume of inventory stored relative to the



#### **9** Did you know?

#### You can use PCP, Stickerless, and Ships in Product Packaging to lower fulfillment costs

Looking to save on fulfillment? Try these programs:

- Our Partnered Carrier Program (PCP) can help you connect with trusted carriers and take advantage of pre-negotiated rates when you send inventory to FBA.
- Amazon Stickerless lets you send eligible products to FBA using manufacturer barcodes—no Amazon barcode labelling required. Save up to an estimated \$0.11 per unit.
- With Ships in Product Packaging, your FBA orders are delivered in your own custom packaging—without
  any Amazon-added material. That can reduce your fulfillment costs by up to \$1.32 for each certified item.

Learn more about cost saving programs for sellers

#### Other FBA costs

#### **Aged inventory**

Charged monthly for all items stored in a fulfillment center for more than 181 days. Maintaining sound inventory health can help you avoid this cost.

#### **Returns processing**

Charged on orders when Amazon provides a customer with free return shipping.

## Removal, disposal, and liquidation orders

You can have Amazon return, dispose of, or liquidate your inventory in a fulfillment center for a per-item charge.

#### **FBA Inbound placement service**

Placing inventory closer to customers in multiple fulfillment centers across the country is critical to delivering products faster and at a lower cost. The cost for the FBA inbound placement service for standard and large bulky sized products reflects the cost of distributing inventory to fulfillment centers close to customers. When you create a shipping plan, you'll see a cost estimate for each available inbound placement option (Premium or Discounted Service). You'll be charged for the FBA inbound placement service 45 days after your shipment is received based on inbound location and quantities received. Go to FBA Inbound placement service for more information.

Learn more about inventory placement service on Seller Central Help

**Revenue Calculator** 

## Estimate your FBA costs



- Search the Amazon catalog for a product or define one using dimensions, weight, category, price, and shipping charges.
- Review and adjust inputs for Amazon Fulfillment and Your fulfillment to calculate—and recalculate—fees, costs, and revenue.

Compare fulfillment options with the Amazon revenue calculator



# Product examples T- Large standard size shirt (Apparel, 12+ to 16 oz) Baby Small oversize Cot Product

#### FBA inventory management

Use the tools in your seller account to list products, create shipping plans, send in shipments, track and monitor your shipments, and remove inventory from Amazon fulfillment centers.

Learn more about inventory management

#### **Inventory Performance Dashboard**

Your Inventory Performance Dashboard displays your Inventory Performance Index (IPI) score, along with key influencing factors. Be sure to check your IPI score regularly—a low score could lead to overage costs and limit your ability to send more inventory.

Learn more about protecting your brand

#### **Manage excess inventory**

Optimize your inventory levels by knowing when to mark down or remove your products. Monitor detailed information about storage costs,

**Video** 5:30

#### What is FBA's Manage Excess Inventory?

Learn how to manage excess inventory.

Video 2:38

#### What is FBA's Excess Inventory Percentage?

Learn about Influencing Factor: Excess Inventory Percentage

#### **Track inventory age**

Improve sell-through rates and avoid additional costs for aged inventory. Use Inventory Age tools to understand how much inventory you're holding, and see how long it's been in fulfillment centers.

Video 3:38

#### What is FBA Sell-Through Rate?

Learn about Influencing Factor: FBA Sell-Through rate

#### Fix stranded inventory

Keep your listings active by including necessary pricing and condition information and resolving errors. If your inventory is in fulfillment centers without an associated active listing, it's not available for purchase.

**Video** 1:52

What is FBA's Stranded Inventory Percentage?



#### **Restock inventory**

Maintaining your FBA inventory at the right level is key to offering fast delivery to Prime customers. Amazon's free tools on Seller Central can help you:

- Get more one day and same day orders
- Reduce out-of-stocks
- · Protect your sales rank
- · Minimize excess inventory

The tools offer recommendations based on your sales history, demand forecast and seasonality, and your inputs to help you determine how much inventory to send and when to send it. They are free to use, and directly integrated into Seller Central's shipment creation workflow.

Download the Amazon FBA restock guide

Video 2:14

#### What is the FBA Restock Tool?

Learn how to use the restock tool to manage your inventory.

**Video** 3:31

#### What is FBA In-Stock Rate?

Learn about Influencing Factor: Instock rate

**Inventory Performance Dashboard** 

Manage excess inventory

Track inventory age

Fix stranded inventory

**Restock inventory** 

## Save time and help grow your business

You sell it, we ship it. Amazon has one of the most advanced fulfillment networks in the world. With FBA, you store products in Amazon's fulfillment centers, and we pick, pack, ship, and provide customer service for these products. FBA can help you scale your ecommerce business and reach more customers.

**Download the FBA Getting Started Guide** 



Blog 6 min read

## Still not sure if FBA is right for you?

We'll walk you through cost, sales volume, and other considerations for choosing FBA.

Read 5 factors to consider

#### **FAQ: Amazon FBA**

What is Amazon FBA?

Fulfillment by Amazon (FBA) is a program that lets you to outsource order fulfillment to Amazon. This ecommerce fulfillment option is part of a fully automated set services we call Supply Chain by Amazon. With FBA, Amazon stores, picks, packs, ships, and delivers the products to customers.

How does Amazon FBA work?

You can enroll products in FBA and ship inventory to Amazon fulfillment centers for storage. When products sell, Amazon personnel can pick, package, and ship the orders to customers for you. Amazon fulfillment specialists can also process returns and exchanges, in addition to handling customer service. You can also track deliveries and sales via the Seller Central dashboard.



- List products
- Prep and ship inventory to Amazon

#### Learn more about how to get started with FBA

Do I need a Professional selling plan to use FBA?

You can use FBA with either an Individual or a Professional selling plan. However, FBA might be a more cost-effective choice if you sell 40 items or more per month with a Professional plan.

To determine whether FBA is right for you, calculate your margins by taking storage and fulfillment costs into account. You might also want to consider upgrading to a Professional selling plan if you'd like to use advanced features like Sponsored Brands product listing ads and brand analytics. Learn more in this guide to selling on Amazon.

How much does FBA cost per item?

Costs vary per item and include fulfillment and storage. Use our Revenue Calculator to compare estimated costs for FBA and your own fulfillment method.

What is an FBA seller?

An FBA seller is an ecommerce business that sells in Amazon's store and outsources inventory management to Amazon through the FBA program. The seller sends products to Amazon warehouses for order fulfillment. Amazon stores the inventory until a customer places an order. Then Amazon picks, packs, and ships the order.

How can I become an Amazon FBA seller?

If you're already selling on Amazon, you can enroll products in FBA through Seller Central. Choose to register as little as a single product, or outsource your entire inventory to FBA. Then, package and ship inventory to Amazon fulfillment centers, and we can take care of the rest.

If you're new to Amazon, sign up for a selling plan and create product listings. Then you can send inventory to Amazon fulfillment centers.

What to sell with Amazon FBA?

Generally speaking, most products for sale in Amazon's store are eligible for FBA. You can sell virtually anything—from teas to quirky T-shirts or surfboards. Some products require prior approval before you can sell them. In addition, certain products are either not eligible for FBA or must meet specific requirements before qualifying for FBA.

#### **Learn more about FBA Product Restrictions**

What is "fulfillment"?

Fulfillment is the process of storing, packing, and shipping orders, as well as handling returns and exchanges. Some businesses manage fulfillment in-house, while others use a service like Fulfillment by Amazon or some combination of in-house and third-party options. Effective, reliable fulfillment delights customers.

Learn more about ecommerce fulfillment options



## with Fulfillment by **Amazon**

Already selling on Amazon?

**Get started** 

New to Amazon?

Sign up

\$39.99 a month + selling fees

English

United States

Feedback

Sell with Amazon

Sell online

How to sell on Amazon

How much does it

cost?

Product ideas

What is dropshipping

Sell books online

**Selling Programs** 

Fulfillment by

Amazon

Amazon Advertising

Global selling

Amazon Business Black Business

Accelerator

More programs

**Amazon for Brands** 

Online store builder

Amazon Brand

Registry

Brand management

Product reviews

**Customer Behavior** 

Analytics A+ Content Resources

Selling Partner Blog

Seller University

Seller Central Help

Accelerate Seller

Event

Seller FAQs

More ways to make money

Tools

Login to your seller

account

Amazon Seller App

Seller Central Selling Partner

Appstore

Find products to sell

Revenue calculator

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