

# Selling in your Prime

Published  
August 2016

A Guide to Amazon  
Seller-Fulfilled Prime  
and Buy Shipping

Why more sellers are going Prime,  
how Seller-Fulfilled Prime works,  
Amazon Buy Shipping and more

# About this guide

This guide will help sellers understand Amazon Seller-Fulfilled Prime and how to leverage it for better profits.

Amazon is constantly making changes, like opening Prime to more sellers and changing its shipping process. It's important that sellers keep up to date to take advantage of the latest opportunities with Amazon - like Seller- Fulfilled Prime.

Get the inside track on how selling on Prime can boost your fulfilment operations and ultimately, your profit margins.

## In this guide...



The rise and rise of Amazon Prime.....	2
Why Sellers should go Prime.....	3
Seller-Fulfilled Prime.....	5
Am I eligible? .....	6
Pros and Cons of SFP.....	7
Amazon Buy Shipping .....	8
Introducing XSellco Swift.....	9
Lastly.....	10

# ■ The rise and rise of Amazon Prime

Millions of people across the globe are flocking to Amazon Prime, the membership service that gives customers access to a range of premium services for \$99 (£79) per year. Why the explosive growth?

It's simple. The benefits are wonderful and they're getting better. Prime Shipping options range from two-day to one-hour deliveries (Prime Now) for Prime members depending on the product and location.

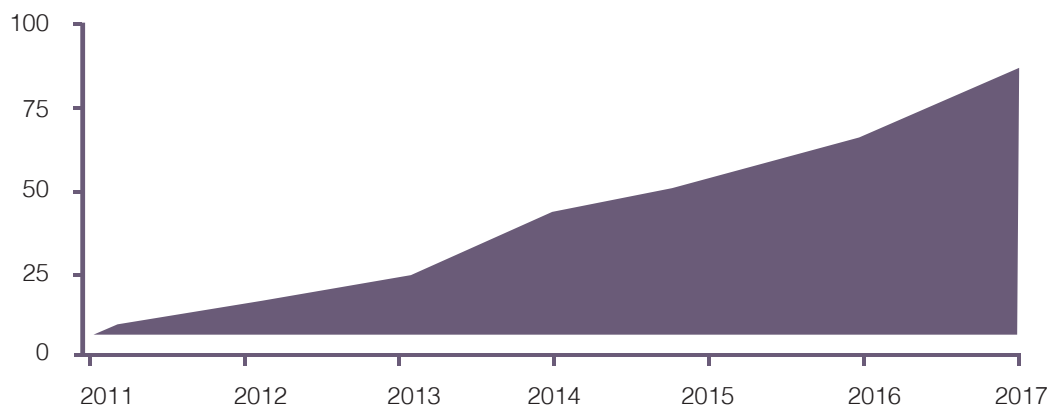
But what does this growth mean for Amazon sellers? For sellers using Fulfilled By Amazon, or FBA, not much has changed except that the market you access is growing fast. But for sellers who fulfil their own orders, there is a world of change ahead.

Prime used to be a luxury exclusive to FBA sellers, but Amazon has opened the door to a new world of selling – Seller-Fulfilled Prime.



# Why Sellers should go Prime

Amazon may not make the exact numbers public, but check out the growth estimates in our chart below to gauge Prime's increasing popularity.



Data based on CIRP research estimates

Consumer Intelligence Research Partners (CIRP), Amazon Prime members grew to 54 million in the US alone in 2015.

The global estimate for January 2016 is somewhere between 60 and 80 million. That's up from a modest 7million members in 2011.

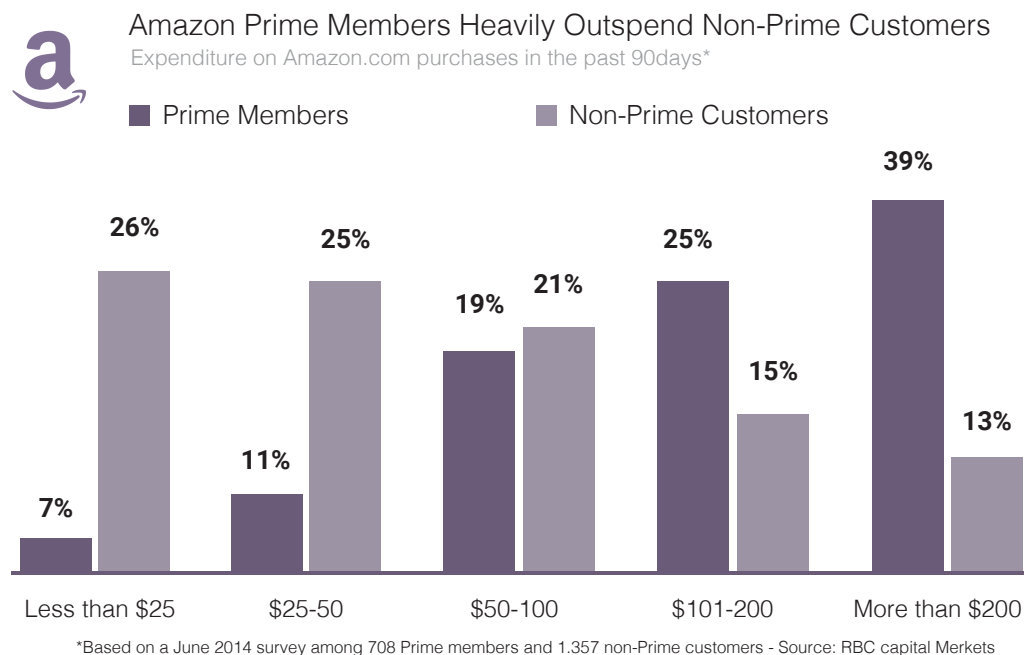
On Amazon itself, the shift to Prime has been even more rapid: 40% of Amazon customers in 2015 were Prime members, versus 25% in 2013.

# ■ Hey, big Prime spenders

If you thought your sales were doing well with general Amazon customers, Amazon Prime customers are like general customers on steroids.

Well, steroids that make you buy more. You're not only accessing a fast-growing customer base, you're also gaining access to significant purchasing power.

See the chart below for the performance-enhancing proof.



Amazon Prime customers spend significantly more than non-Prime customers. RBC also reported that 49% of Prime members spend over \$800 on Amazon per year, compared with just 16% of non-Prime customers.

And the longer they stay Prime members, the more they spend: 68% of longstanding Prime members (four years or more) spend over \$800 per year, compared with 41% of first-year Prime members.



# Seller-Fulfilled Prime

Amazon opened the Prime doors to non-FBA sellers in late 2015. This means sellers who meet Amazon's criteria can reap the benefits of selling to Prime customers while also maintaining control over their own inventory.

This is also an option for sellers using FBA to consider, as Seller-Fulfilled Prime allows you to keep your stock, effectively removing the costs of sending goods to Fulfilment Centres and other FBA fees.

## ■ Why now?

Amazon added 500,000 products to Prime in the second half of 2015 alone, thanks to an invite-only testing period of Seller-Fulfilled Prime with a few large retailers. Greater choice for Prime members means greater sales for Amazon – and sellers.

Seller-Fulfilled Prime also reduces the pressure on Amazon's fulfilment centres, in favour of sellers' warehouses which may be closer to the delivery destination.

Amazon is estimated to be losing \$1 billion a year on Prime-related shipping expenses. By inviting self-fulfilled sellers to join the Prime party, Amazon hopes to scale Prime membership quickly to combat these costs.

## ■ Is there a catch?

There is one catch. Sellers must use Amazon's list of approved shippers in order to avail of Seller-Fulfilled Prime.

To access the list of approved shippers, sellers can access Amazon Seller Central, or choose an third party integration. We cover the best solution to Buy Shipping for sellers on page 8.

# ■ Am I Eligible?

Before Amazon introduced Seller-Fulfilled Prime, you had to use FBA to be eligible. Now it's been opened up, sellers must prove their ability to offer Prime shipping benefits.

The requirements, which are listed on Amazon Seller Central, may appear to be discouraging, but don't worry.

If your performance metrics are in good shape, that's half the battle. Amazon accepts high performing sellers who are in good standing on Amazon.

In practice, a large number of sellers are already eligible under that criteria. One of the most important criteria is your shipping history. You will need to enrol in one and two-day premium shipping options and use premium supported carriers to collect from your location.



# ■ Pros & Cons of SFP

## Pros

- Access to Prime customers
- Control warehousing
- Competitive pricing
- Reduce FBA costs
- Reliable shipping partners
- Streamline fulfilment process
- Positive impact on sellers metrics
- Potentially cheaper shipping rates



## Cons

- Guarantee two-day shipping
- Requires workflow changes
- Reorganize stock for Prime
- Reduced choice of carriers
- Less control over shipping
- Consistently high seller metrics

# Amazon Buy Shipping works

A big implication for sellers looking to use Seller-Fulfilled Prime is that it will be mandatory to use Amazon's Buy Shipping feature to get Prime delivery quotes from approved shippers.

## How Buy Shipping works

To buy courier services, sellers must submit information on the proposed shipment to Amazon Buy Shipping. This includes package size, weight; shipment origin, destination and delivery date. Once submitted, you'll receive comparison quotes for all available services with Amazon-partnered carriers.

Choose from the options returned by Amazon, then receive shipping labels to fulfil them. You're required to buy shipping through Amazon.

The shipping rates offered through Buy Shipping are described as competitive by Amazon. The Buy Shipping carrier charges will be deducted directly from your seller account.

For now, the changes only affect UK, Germany & US sellers.

The new Buy Shipping service is how Amazon plans to stay in the logistics loop, offering Prime benefits to self-fulfilled sellers in return for greater control over delivery.

## Accessing Buy Shipping

Amazon has provided a dashboard for sellers to access Buy Shipping in Amazon Seller Central. However, for multichannel sellers, this means logging into separate Buy Shipping dashboards for each Amazon channel.

# Introducing XSellco Swift

We realised that managing Buy Shipping through Amazon Seller Central will be an extremely time-consuming process for multichannel sellers.

So we decided to take the pain out of the process and make it simple. Introducing XSellco Swift – the first class Buy Shipping solution for multichannel sellers. With XSellco Swift, you can quickly connect to the Amazon Buy Shipping API – giving you access to the high-spending, fast-growing Prime community.

Manage Amazon Buy Shipping for multiple Amazon channels in one simple dashboard. XSellco Swift allows you to automate key steps in the shipping process by creating your own unique rules - saving you time, allowing you to be more responsive to customers and simplifying your shipping operations.

We'll be releasing more great features in the coming weeks to provide sellers with the best Buy Shipping experience..

Amazon Buy Shipping is currently available in the US, UK and Germany.

Amazon plans to expand this to more marketplaces in 2016.

Try XSellco Swift on a **Free 30-day trial**



[Click here now](#)

# ■ Lastly...

Amazon has the world's largest fulfilment network. It provides and buys carrier services cheaper than sellers can. Seller-Fulfilled Prime offers the benefits of FBA without the pain points and related costs. It solves the problems for sellers of goods that don't fit the FBA model.

It's an ideal opportunity for sellers to reach more customers. With Prime, your products are highly visible to greater numbers of loyal customers who spend larger sums with Amazon.

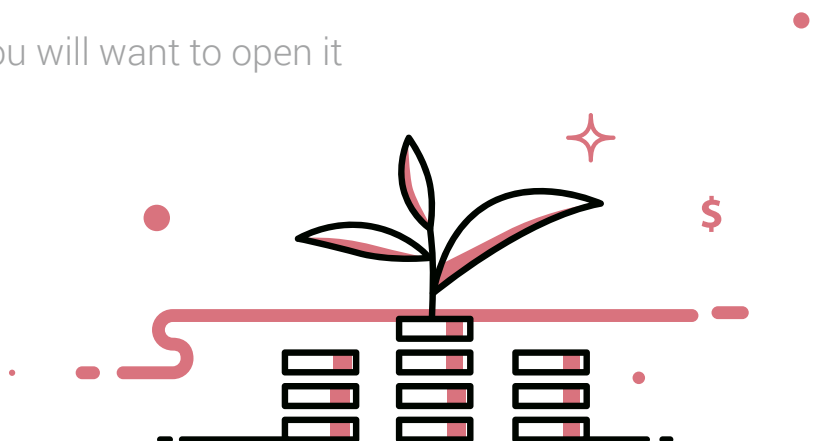
Increasing the number of Prime members is vital to Amazon. Offering more diverse and previously unavailable products with Prime shipping benefits is how Amazon plans to do it. Having Prime goods stored by sellers reduces the burden on Amazon's overcrowded fulfilment sites.

If you still have doubts, consider this. Prime members are the cream of the Amazon crop – spending more money, more often. And they're multiplying! Membership has grown from just seven million in 2011 to over 60 million global members in just four years.

Amazon has rolled out the red carpet to self-fulfilled sellers to join the Prime party. Don't pass up on this invitation. Seller-Fulfilled Prime is the closest thing to a suitcase full of cash that Amazon has ever offered sellers.

Sooner or later, you will want to open it

**Why Wait?**



# About XSellco

XSellco is a software solutions company based in Dublin, Ireland, that builds and scales innovative products for the eCommerce community

XSellco **Fusion** is the leading helpdesk solution for multichannel sellers

Fusion helps you respond faster to queries from any marketplace, delivering a better experience to you and your customers

Our repricing tool, **Price Manager**, helps you to sell smarter, win more Buy Box and, crucially, make greater profit

Gain a five-star seller rating with our feedback solicitation tool, **High5** - helping you drive more sales by increasing your positive feedback

