# The beginner's guide to

# Fulfilment by Amazon

Update on Feb 23, 2022

# Welcome to Fulfilment by Amazon (FBA)

Amazon has created one of the most advanced fulfilment networks in the world, and your business can benefit from our expertise. With Fulfilment by Amazon (FBA), you store your products in Amazon's fulfilment centres, and we pick, pack, ship, and provide customer service for these products. Best of all, FBA can help you scale your business and reach more customers.

This guide contains high-level information that will help you start your journey with FBA.If you want to dive in deeper, visit <u>sell.amazon.com.sg</u> or <u>Seller Central</u> help pages for moreinformation about all the topics covered here.



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# Introduction to FBA

# The Fulfilment by Amazon (FBA) Edge

FBA provides many benefits for both yourself as a seller and for your customers as follows:



<sup>\*</sup>Majority of Amazon sales are Featured Offers.

# Is FBA right for your business?

The short answer is: yes; if your products do not fall into the following categories; Heavy-bulky, products required installation, hazardous materials, short shelf-life, or slow-moving items.

FBA can help your products stand out from the crowd and sell more. They are automatically eligible for the Prime badge, are highlighted as "Fulfilled by Amazon" and are eligible to become the featured offer on the product detail page. With featured offer, you can drive sales via deals, voucher and sponsored products more effectively. Your products are also visible to Amazon's most loyal Prime customers who choose Prime products for fast, free delivery options.



<sup>\*\*</sup>Free participation in Amazon deals & campaigns until 31 December 2022 (subject to internal deal criteria).

<sup>\*\*\*</sup>Terms and Conditions Apply

# Take advantage of the FBA New Selection Program

To make it easier to sell new products through FBA, the FBA New Selection program offers free storage and free removals for eligible new-to-FBA parent ASINs for a limited time\*.

Professional sellers are eligible to enroll in the FBA New Selection program. You must enroll in the program before the first time an ASIN's first inventory arrived at a fulfilment centre for that ASIN to qualify for the program's benefits. FBA sellers enrolled in the program can use the fee waiver benefits for an unlimited number of new-to-FBA parent ASINs that are created.

# Enroll to gain these benefits in Seller Central here

\*Terms and conditions apply

#### Benefits of FBA New Selection programs

- Free monthly storage for the first 30 units of each new parent ASIN for 90 days after the first unit is received
- Free removals for the first 30 of those units within 180 days after the first inventoryreceived date

#### Products that are not eligible for FBA New **Selection Program**

- Media categories (Books, DVDs, Music, Software & Computer/ Video Games, Video, Video Game Consoles, Video Game Accessories)
- **Used items**
- Items that not available to send to FBA (eg: Apparel & Shoes)





# Product Search Tool

Use our <u>product search tool</u> to see if your ASIN is new to FBA in Amazon Singapore store and determine if your ASIN is eligible for the FBA New Selection Program.



# FBA New Selection Dashboard

Use our FBA New Selection Dashboard to check your enrolment status, enrolled ASINs, sales and savings from the program.

# **How FBA Works**

#### Step 1: Create your product listings and send your products to Amazon's fulfilment centres

- Upload your listings to Seller Central (step-by-step instructions on page 6)
- Let Amazon fulfil all or part of your inventory
- Use the Send to Amazon workflow to prepare your shipping boxes and print labels. Note that
  you can send products within given FBA inventory storage limits you have received. This
  storage limits will automatically change once your sales historical data has proven that your
  inventory turn is in a good shape
- Send your FBA-ready inventory to Amazon's fulfilment centre
- Confirm your tracking number(s) on the Send to Amazon workflow

After Step 1 your work is done! You can send products to Amazon.

#### Step 2: Amazon receives and stores your products in our ready-to-ship inventory

- Amazon receives and scans your inventory
- We record unit dimensions for storage
- You monitor inventory using our integrated tracking system
- FBA inventory storage limits may apply

#### Step 3: Customers order your products

FBA listings are eligible for the Prime badge and Prime members can get free shipping

#### Step 4: Amazon picks your products from the fulfilment centre and packs them for delivery

- Amazon locates your products, pick and pack items for delivery
- Customers can combine your orders with other products fulfilled by Amazon

#### Step 5: Amazon ships your products to customers

- Amazon ships customer orders and provide tracking information for customers
- Customers can contact Amazon for customer service and returns



FBA fees are designed to be cost-effective. FBA fees can be broken down into:

- <u>Fulfilment fees</u>: These fees cover picking and packing, shipping and handling, customer service and product returns for your FBA products. They're charged per unit according to the unit's dimensions and weight, within product size tiers. You will be charged a referral fee, based on the product sold.
- <u>Inventory Storage fees</u>: These are charged for all items stored in an Amazon fulfilment centre, based on your daily average volume of inventory measured in cubic metres.

**Tips:** You may use FBA Revenue Calculator to estimate FBA fees per each unit. You can download the guide here.



# First steps with FBA

You may start by listing your products by choosing FBA as your fulfilment method or you can convert also convert the fulfilment method for your existing inventory to use FBA.

If you would like to select products to convert to FBA, you may use business reports to determine your fast moving, high glance view inventory. amazon seller central

#### To convert to FBA:

- 1. Select the inventory on the 'Manage Inventory' page in Seller Central and select the product you want start fulfilling using FBA.
- 2. Click 'Change to Fulfilled by Amazon' under the drop down menu
- 3. Follow the instructions on page 7 and startselling with FBA!

# Best Practices when getting started with FBA

Enroll in the FBANew Selection Program	To make it easier to sell new products through FBA, the <u>FBA New Selection</u> <u>program</u> offers free storage and free removals for eligible new-to-FBA <u>parent-ASINs</u> . <u>Terms and conditions apply</u> .
Select high-volume inventory or best- selling items to send into FBA	If you are just getting started on Amazon, you may want to look at your other sales channels for reference or use your Seller Central <u>business reports</u> to identify your products with high page views and sales to fulfill using FBA.
Send in a variety of products	We recommend you send in a variety of different products but initially keep the volume of each stock low until you understand the demand. Note that we do have <a href="mailto:storage-limits">storage limits</a> for your inventory.
Review and confirm the accuracy of your shipment plan	Make sure your shipment is correctly labelled and classified (Small Parcel Delivery (SPD) or Less than truckload (LTL) / Full truckload (FTL)). This is critical to ensure there are no delays when processing the receipt of your inventory at our fulfilment centres. The faster we get your inventory stocked on our shelves, the sooner your listings will become active on the Amazon store.



## **Business Report**

As professional sellers, you can access Business Report. If your products have 1) high pageview with price competitive and low % of feature offer, or 2) have good sales performance, you can consider leveraging FBA to help you grow your sales.



# Quick links to help pages and **Seller University Guide**

- FBA New Selection Program
- **FBA Policies**
- **FBA Inventory Requirements**
- FBA Product Size Tier
- FBA Conversion (Video Guide)



Catalogue Inventory Pricing

Listing tools: All inventory FBA inventory tools: TBA IN

Manage Inventory

Convert to Fulfilled by Amezon

Send/Replenish Inventory

Set Replanishment Alerts Match low price Greate removal order

# How to create a FBA shipment step by step

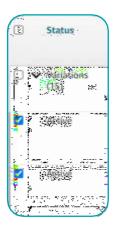
# (1) Create your Fulfilment by Amazon listings

To convert your existing product(s) to Fulfilment by Amazon you can choose from two options on the <u>Manage Inventory page</u>:

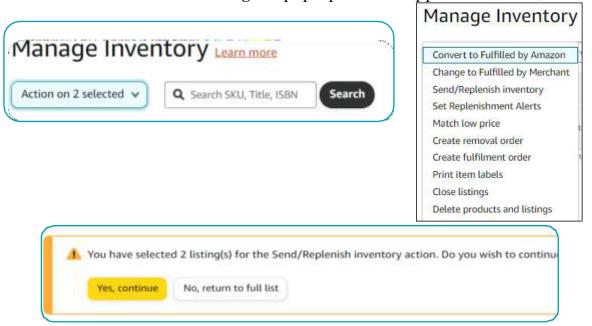
### Option 1:

You will only have one offer for this product in your inventory. Your customers will only be able to buy this product via FBA and the product will only be available when you have stock in our Fulfilment Centre. This is suitable for sellers who want to automate stock management and only use FBA to sell this product.

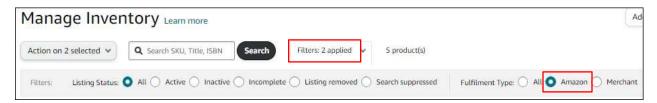
(a) Use checkboxes on the side panel to select all the listings you would like to convert to FBA.



(b) Click the drop down "Action on # selected" and select **Convert to Fulfilled by Amazon** to convert all selected to FBA listings. A pop-up box will appear, select **Yes, continue**.



(c) These listings are now FBA offers. Filter for **Fulfilled by Amazon** listings to easily find the listings. Please note: this can take a few minutes to convert.

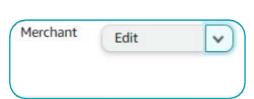


- (d) Use the checkboxes on side panel to select all the FBA listings you would like to include in shipment.
- (f) Click the **Action** button and select **Send/replenish inventory** to create the shipment for your selected listings.
- (g) A pop-up box will appear, select **Yes, continue** to be directed to the <u>'Send to Amazon'</u> shipment creation workflow.

#### Option 2:

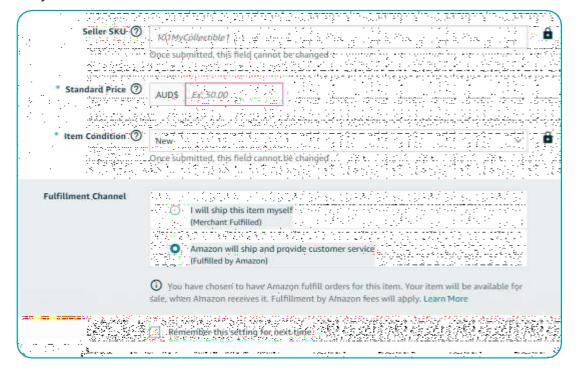
You will have two offers for this product in your inventory one fulfilled by you and one fulfilled by Amazon. When your FBA listing is available for purchase, the MFN offer will not be active. If at times you run out of stock in the Fulfilment Centre, you will be able to activate your MFN offer quickly and fulfil the order yourself to ensure you do not lose sales.

(a) Go to the listing you would like to duplicate. Click Edit > Add Another Condition to duplicate the listing.





(b) Enter new SKU Code (Recommend to just add FBA before the original SKU code e.g.,FBA-SKUCODE), Price and Quantity then save and finish. Select **Amazon will ship and provide customer service (Fulfilled by Amazon)**. The listing will duplicate in your inventory with the new SKU code. Select **Save and Finish**.



(c) You will now be directed to the Send to Amazon shipment creation workflow. If you wish to duplicate more listings proceed to step d. If you only wish to convert this listing to FBA, proceed to 'step 2: Create your shipping plan with Send to Amazon'.



help page for instructions.

(d) Repeat for all listings you would like to duplicate and convert into to FBA.

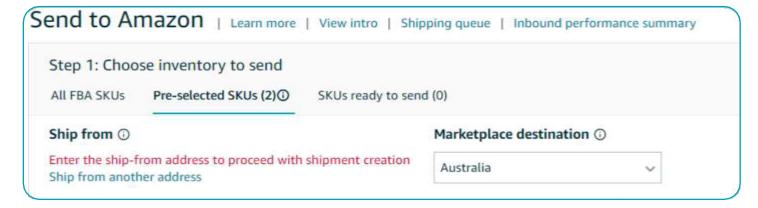
# (2) Create your shipping plan with Send to Amazon

<u>Send to Amazon</u> is a streamlined shipment creation workflow that requires fewer steps to replenish your Fulfilment by Amazon (FBA) inventory.

You can switch between as many as nine active workflows. Once all shipments in a workflow have been confirmed as shipped, the workflow is considered complete and will no longer count as active.

#### First, you will need to set up an active workflow:

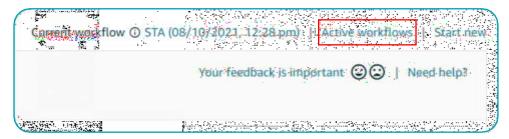
- (1) Select your Ship from address. This is the address from which you'll send your inventory. By default, this will show the last address from which you shipped. You can change this address by clicking Ship from another address. Note: You will not be able to change this address once you confirm your shipments in step 2 of the workflow.
- (2) Select the Marketplace. This is the Amazon store where your inventory will be sent. Note: The store might be pre-selected based on your Seller Central website. If not, select the store from the drop-down menu (ensure you have signed in to the Seller Central website for that store).





## To switch to another active workflow, follow these steps:

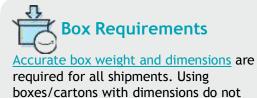
- (1) Click Active Workflows
- (2) Find your desired workflow, and then click Switch to this workflow



### Follow the next 2 steps to create your shipping plan

# 1. Choose Inventory to Send

To add inventory to your workflow from a list of available FBA SKUs, choose Select from list as your SKU selection method. You can add inventory as single-SKU boxes (also called case packs) or as individual units. You can choose from the following 3 options:



required for all shipments. Using boxes/cartons with dimensions do not exceed 150 cm on any side and weighing under 30 kg to reduce delays in receiving.

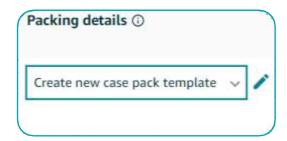
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# Add single-sku boxes to a workflow

(Skip to option B if you pack mixed SKUs or your packing details change frequently)

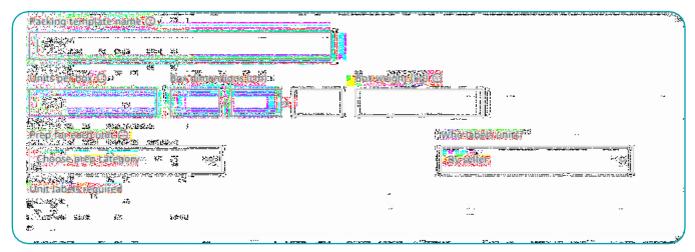
# Create a case pack template:

1. From the **Packing details** drop-down menu, select Create new case pack template for the SKU you want to work on.





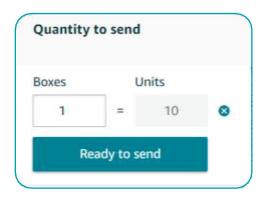
- 1. Enter the following information into the template:
  - Packing template name: Name the template so that you can tell it apart from any others that you create for the same SKU.
  - Units per box: The number of sellable units in each shipping box. A sellable unit is the
    item that a customer can buy. For example, a pack of 10 pens sold together is 1 sellable
    unit.
  - **Box dimensions:** The outside dimensions of the shipping box.
  - **Box weight:** The total weight of a packed shipping box, including dunnage.
  - **Prep for each unit:** The <u>packaging and prep requirements</u> for your SKU.
  - **Who preps units (if required):** Choose By seller if your units will be prepped before they arrive at the fulfilment centre. Choose By Amazon to opt in to the <u>FBA Prep Service</u>.
  - Who labels units (if required): Choose By seller if your units will be labelled before they arrive at the fulfilment centre. Choose By Amazon to opt in to the <u>FBA Label Service</u>.
     Labelling with an Amazon barcode may not be required if your inventory is tracked using a <u>manufacturer barcode</u>.



- 1. Click Save.
- 2. You can edit a template by clicking the Edit icon in the packing details column.

Once you have created a case pack template for a SKU, enter the number of boxes that you want to send.

- With the correct case pack template selected under Packing details, enter the Number of boxes to send for the SKU that you want to send.
- If an expiration date is required for your product, you will be prompted to enter it. For more information, go to <u>Expiration-dated FBA</u> <u>Inventory</u>.
- Click Ready to send.





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#### Add individual units to a workflow

If you are shipping mixed-SKU boxes (boxes that contain more than one SKU) or single-SKU boxes that change from shipment to shipment, follow the steps below:

- 1. From the Packing details drop-down menu, select Individual units for the SKU that you want to work on.
- 2. Enter the following information into the template:
- **Prep for each unit:** The <u>packaging and prep requirements</u> for your SKU.
- **Who preps units (if required):** Choose By seller if your units will be prepped before they arrive at the fulfilment centre. Choose By Amazon to opt in to the <u>FBA Prep Service</u>.
- Who labels units (if required): Choose By Seller if your units will be labelled before they arrive at the fulfilment centre. Choose By Amazon to opt in to the <u>FBA Label Service</u>. Labelling with an Amazon barcode may not be required if your inventory is tracked using a <u>manufacturer barcode</u>.



- 1. Click **Save**. When you are done, enter the number of units for each SKU that you want to send to Amazon.
- 2. With **Individual units** selected under **Packing details**, enter the **Number of units** of the SKU that you want to send.
- 3. If an expiration date is required for your product, you will be prompted to enter it. For more information, see <a href="Expiration-dated FBA Inventory"><u>Expiration-dated FBA Inventory</u></a>.
- 4. Click **Ready to pack**. If you are shipping multiple SKUs in a box, you'll be taken to <a href="Step 1b Packing individual units">Step 1b Packing individual units</a> to provide box content information for these SKUs. If you selected byseller for Labelling in Step 1, you will need to Print all SKU labels before you proceed to thenext step.

  Boxes

  Units

1

8

Ready to pack

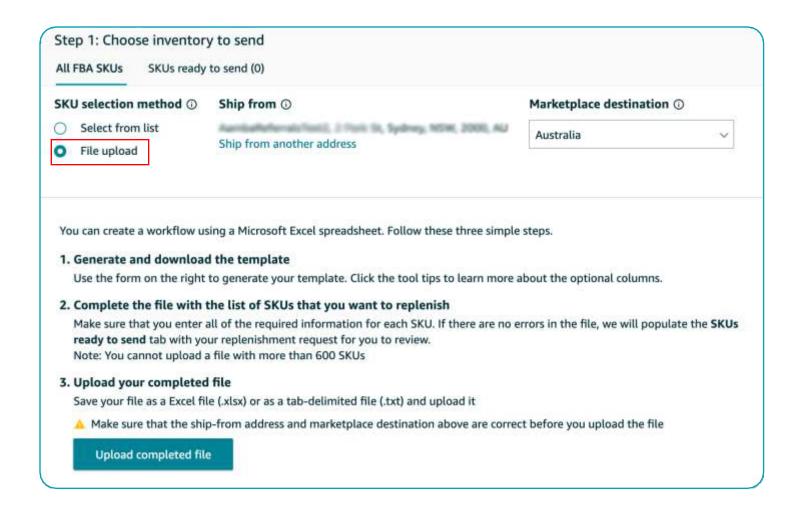
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# Add inventory in bulk using a template file

To add inventory to a workflow in bulk using a template, choose File upload as your SKU selection method. To create and upload the file, follow the steps below.

#### (1) Generate and download the template

- (i) Choose optional columns to add to your template:
  - Choose Case pack information if one or more of your SKUs will be packed in single-SKU shipping boxes. You can enter box content information, weights, and dimensions in the template so that you won't need to re-enter this information during the workflow.
  - Choose Expiration date if one or more of your SKUs require an expiration date. You can enter the expiration date information for your inventory in the Excel template.



### (2) List your SKUs in the spreadsheet

The downloaded template has tabs with instructions, data definitions, examples, and a blank spreadsheet to create your workflow.

- (i) Review the instructions and data definitions.
- (ii) Fill out the spreadsheet and list your SKUs in the Create workflow template tab. Individual units and case packed SKUs can be listed together in the Create workflow template tab. The spreadsheet will include the optional columns that you selected when you generated the template.
- (iii) Upload your completed file.
- 1. After you have filled out all of the required information, choose one of the following save options:
  - Save the entire spreadsheet in .xlsx format. Do not rename the tabs or change the structure of the cells in the spreadsheet.
  - Save the Create workflow template tab in .txt format. Do not change the structure of the cells in the tab.
- 2. Click **Upload completed file** and select your file. This can take a few minutes depending on file size. Don't refresh or leave the page while the upload is in progress. If the information is accurate, the **SKUs ready to send** tab opens for you to review all the SKUs. If there are errors, they will appear in the **SKUs requiring attention tab**. You must either resolve the error or remove the SKU from the workflow before you can proceed to the next step.

After you have added all of the inventory that you want to send, you can review all of the SKUs by clicking the SKUs ready to send tab. Proceed to <a href="Step 2">Step 2- Confirm shipping</a> (if packing mixed SKU boxes, go to <a href="Step 1b - Pack individual units">Step 1b - Pack individual units</a> first) by clicking Confirm and continue.

# 2. Confirm Shipping

To confirm shipping, follow these steps:



- (i) Set ship date and shipping mode
- 1. Enter the estimated **ship date** for the shipment in the workflow. Telling us the date on which you expect to hand off your inventory to your carrier lets us plan for the arrival of your inventory and avoid unnecessary delays.
- 2. Select your **Shipping mode**. The shipping mode refers to how your shipment will be transported. You can send your inventory as small parcel shipments or pallet shipments.



Small parcel shipments

Small parcel delivery (SPD) is for items packed in shipping boxes that are individually labelled for delivery. Normally, these are smaller shipments. To complete your delivery request, follow these steps:

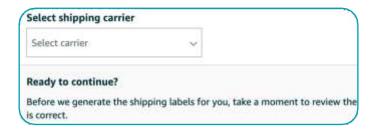
- 1. Select **Small parcel delivery** as your preferred shipping mode.
- 2. Select your carrier
- 3. Review the shipments assigned and any applicable estimated charges for prep, and labelling, and click **Accept Charges and confirm shipping** if everything is fine.

Pallet shipments

Less than truckload (LTL) delivery is for shipping boxes on pallets that are labelled for delivery.

Please refer to acceptable <u>Pallet size and Pallet requirements</u> before packing and confirm your shipment. To complete your pallet delivery request, follow these steps:

- 1. Select Less than truckload as your preferred shipping mode.
- 2. Review the shipments assigned and any applicable estimated prep and labelling charges and click **Confirm shipping destinations** if everything looks right.





To learn how to change or cancel your shipment, see Send to Amazon: <u>Change or cancel shipment</u>.



# (3) Send out your shipment with Send to Amazon

Once you have confirmed your shipment in step 2 of the Send to Amazon workflow, you can print labels for each box. This page has information on how to print and apply box labels for both small parcel and pallet shipments. Follow steps 3 - 4 to send your shipment to our Amazon Fulfilment Centres.

# **FBA Prep Services**

FBA offers a range of optional prep services to get your products ready for fulfilment, from bagging, taping, bubble wrapping or labelling products. These services are available for a per unit fee only for products with scannable barcode (Eg: UPC, EAN).

You can also choose to prepare and label products yourself as you create your shipment plan.

# 3. Print Box Labels

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# Small parcel shipments

All boxes for small parcel delivery must have a Fulfilment by Amazon (FBA) box ID label and a carrier label. To download the labels, click on Print box labels in step 3 of the Send to Amazon workflow.

- 1. Click on Print box labels to generate a PDF with FBA box ID labels and carrier labels.
- 2. Work with your carrier to create the carrier labels for your boxes.
- 3. Apply the right FBA box ID and carrier label to each box.
- 4. Hand off your boxes to the carrier.
- 5. Select Mark all as shipped to tell us that your inventory is on its way.
- 6. Click Track shipment for each shipment in the workflow and provide tracking IDs for your boxes in the Tracking events tab on the Shipment Summary page.





# Pallet shipments

You must put an FBA box ID label on the outside of each box so that the labels will be visible when the pallet is unpacked at the fulfilment centre. Click on Print box labels to generate a PDF with a box ID label.

- 1. Apply the right FBA box ID label to each box.
- 2. Click Continue to carrier and pallet details.

For more information on labelling your boxes, see **Shipment label requirements**.



# 4. Confirm carrier and pallet information

If you're sending your inventory in pallet shipments, you'll be asked to confirm carrier and pallet information after printing and applying box labels. In this step, you will select the carrier that will ship your pallets to Amazon.

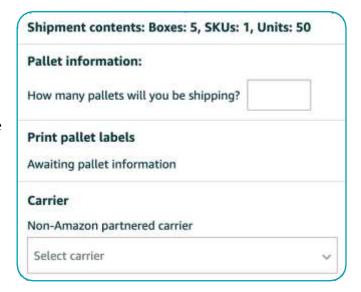
Continue to carrier and pallet information

# Pallet shipments

- 1. Confirm the Number of pallets in each shipment.
- 2. Click Print pallet labels to get four copies of each Fulfilment by Amazon (FBA) pallet ID label for each pallet in your shipment. The labels include information that the fulfilment centre uses to verify the arrival and contents of the shipment.
- 3. Place one label on each side of the pallet, in the centre and near the top.
- 4. Schedule pick-up and hand off your inventory to your carrier.
- 5. Select Mark all as shipped to tell us that your inventory is on its way.
- 6. Click Track shipment for each shipment in the workflow, and provide bill of lading (BOL) numbers in the Tracking events tab in the Shipment Summary

For more information on the carrier requirements and delivery of pallet shipments, see <u>Carrier</u> requirements for LTL and FTL deliveries.

You can now contact your carrier to ship your products to Amazon! All your hard work is done and we take care of the rest. Remember to come back into the Send to Amazon workflow to add your tracking numbers so we know when to expect your delivery.





# **Tracking your shipments**

Your <u>Shipping Queue</u> within Seller Central makes it easy to view the progress of all shipments you're working on, as well as shipments you have already sent to Amazon. View the Shipment Summary page to track each specific shipment from creation to closure.



# You've started using FBA: what's next?

While our fulfilment services are designed to guide and support all sellers, here are several <u>FBA best practices</u> that could help improve your sales and success. Here are some FBA inventory best practices that are advised to maintain as an FBA seller.

Manage FBA orders

To review the status of orders placed on Amazon on your <u>Manage Orders</u> <u>page</u>, click the view FBA orders link and see your list of all Unshipped, Pending, Shipped, and Cancelled orders. If you sell your inventory on Amazon using Fulfilment by Amazon, Amazon manages your orders for you. Find more information here.

Optimise your Inventory Perfromance Index Scores

Your <u>Inventory Performance Index</u> gauges your inventory performance over time. Be sure to fix stranded inventory and maintain a healthy inventory balance with products that have a high sell-through rate.

Consider inventory storage limits

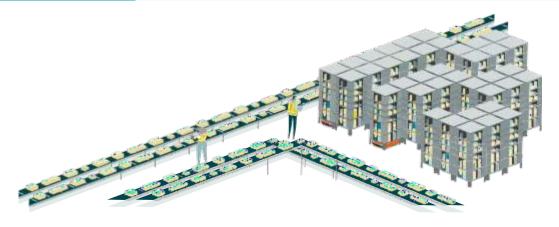
Amazon may apply an <u>inventory storage limit</u> for your seller account. These limits depend on factors such as your selling plan, your <u>Inventory Performance Index</u>, historical sales volume and available capacity of the fulfilment centre.

Fix stranded inventory

<u>Stranded inventory</u> is inventory that is sitting in a fulfilment centre without an active offer on Amazon. Keep your listings active by addressing any issues and ensuring key pricing and condition information is included.

Replenish inventory

Maintaining healthy inventory levels can help you bring in revenue and provide reliable product availability for customers. Regularly monitor your stock levels so you can prepare and <u>send FBA inventory</u> to Amazon as stock gets low.



# A checklist for FBA



With any new project, things take time to ramp up. Here are the key takeaways when you are getting started with FBA:



# The Amazon Seller App

Did you know you can keep track of your Amazon business even while you're on the go? The Amazon Seller app lets you analyse your sales, fulfil orders, find products to sell, manage offers and inventory, respond to customer questions, capture and edit professional-quality product photos, and create listings—right from your mobile device. Never be more than a swipe away from your Amazon business. Download it for <a href="Phone">iPhone</a> or <a href="Android">Android</a> to get started.

ш	Select a variety of your fast-moving and high-glance view inventory to convert to FBA
	Convert your products to FBA and create your shipment using the Send to Amazon workflow
	Take advantage of Amazon's fulfilment expertise to fulfil orders from all of your channels with Multi-Channel Fulfilment
	Use Amazon's Seller Central tools to manage your FBA orders and maintain your Inventory Performance Index score



# Preparing to ship checklist

The shipment details listed in your seller account must match the physical shipment being shipped to the fulfilment centre, including:

- Merchant SKU
- FNSKU
- Condition
- Quantity delivered
- Packing Requirments (<u>individually packedor casepacked</u>)

To help you physically pack your goods, check out our <u>FBA Preparation Video Tutorials</u> from product labelling to packing.

