DEMYSTIFYING amazon FEES

Amazon has attracted millions of ecommerce entrepreneurs for its convenience and low barrier to entry, but many of these aspiring online retailers never stopped to think about all of Amazon's fees. Even for veteran sellers, the maze of fees is challenging to untangle: account fees, sale fees, FBA fees, advertising fees, and more abound.

\$

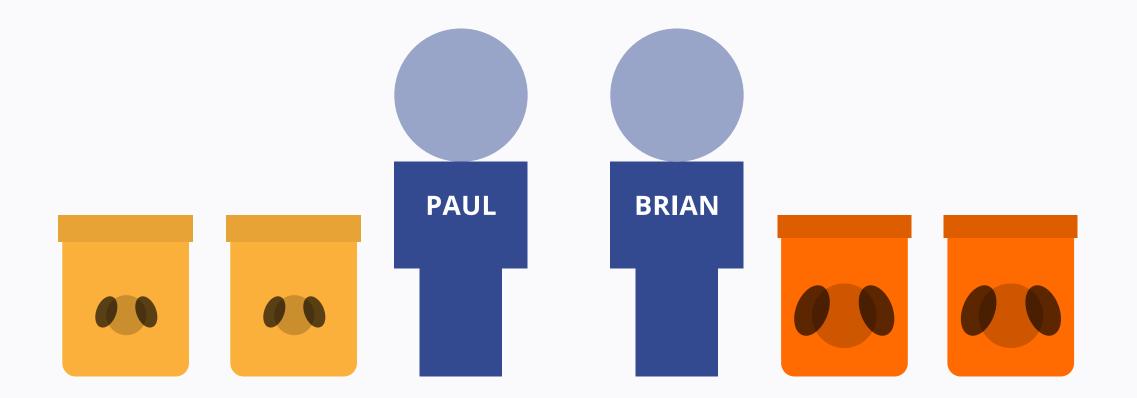
This is how Amazon's fees shake out for two sellers.

For more information, see our white paper.

A TALE OF TWO SELLERS

IMAGINE THE FOLLOWING SCENARIO:

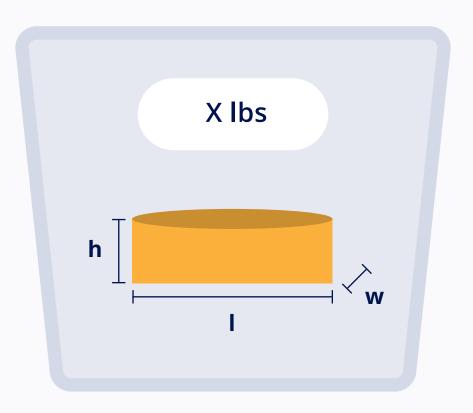
2 brothers each run their own business that offers a range of dog supplies.Peter caters to small dog breeds, while Brian sells large breed products.Both use FBA, but Brian ends up paying more in FBA fees because the nature of his product line means his items are larger and heavier.



To start out, both brothers pay some of the same Amazon fees



If both brothers want to sell a food and water dish stand for a similar price, the fees that would be paid out are almost completely based on the weight and dimensions of the dish stands.



CALCULATING MONTHLY STORAGE FEE

- 1. Multiply length x width x height in inches to get the volume.
- 2. Divide the volume by 12 cubic inches $(12 \times 12 \times 12 \text{ inches} = 1,728).$
- Ex: DISH A measuring 15.35 x 7.48 x 4 inches divided by 1,728 = 0.26 ft³
 0.26 ft³ x \$0.69 per ft³ = \$0.18 monthly storage fee

DISH A

DISH B

DIMENSION	length: 15.35 inch width: 7.48 inch tall: 4 inch	DIMENSION	length: 22 inch width: 11 inch tall: 15 inch
WEIGHT	2.4 pounds	WEIGHT	7.7 pounds
FEES	\$0.30 referral fee	FEES	\$7.50 referral fee
	\$5.26 fullfullment fee Large standard-size item		\$11.30 fullfullment fee Small oversize item
	\$0.18 monthly storage fee		\$1.45 monthly storage fee
	\$5.56 * paid to Amazon per item sold		\$18.80** paid to Amazon per item sold

* add \$0.18 for each month the item is in storage

* add \$1.45 for each month the item is in storage

For more information about each of Amazon's fees and how your online store's items would be affected, see our <u>white paper</u>.

