



Guide to Managing Amazon Orders

Amazon has captured more than 50% of the US eCommerce marketplace. Even as it expands into other categories, retail remains the primary source of revenue at the company. In 2019, Amazon reported revenue of more than \$280 billion USD. Along with sales from the vast product offering on the site, third-party seller revenues from Amazon Seller Central, its online marketplace, are a major driver.





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THE AMAZON QUESTION.

Once you start selling products online, you will inevitably face a decision.

“Do we sell on Amazon? Or not?”

When it comes to online marketplaces, there's no question Amazon is in a class by itself. No other retailer has its volume or reach, and few use data and technology as effectively.

But it's not without well-documented challenges. As dominant as it is—more than 60% of consumers now begin their online shopping searches on it—Amazon is not for everyone.

There are challenges. You'll give up some measure of control, margins can be tight, and it's extremely competitive.

Just like it can be difficult to gain attention when your products are on a retailer's shelf, it is not easy to attract a following among the millions—billions?—of products for sale on the site. It's a serious undertaking, and many brands have staff dedicated solely to marketing and managing their products on Amazon.

Bottom line: it takes effort and commitment to succeed on Amazon.

If you decide you want a piece of the action on Amazon, more decisions await. Specifically, which Amazon do you want to be on?



OFFLINE



ONLINE

“eCommerce has evolved in the last 20 years, but it was Amazon that did the most to alter how we buy, sell, and transact. It has been among the most innovative, and claims most of the eCommerce market.”

— Allison Schrager, Quartz Newsletter

WHICH AMAZON? I THOUGHT THERE WAS ONLY ONE AMAZON.

*It may seem like it's one Amazon to shoppers.
But sellers will face all kinds of choices.*

Products may be offered on Amazon through:

- ① Seller Central with Fulfilled by Merchant (FBM)
- ② Seller Central with Fulfilled by Amazon (FBA)
- ③ Vendor Central
- ④ Vendor Central Direct Fulfillment



SELLER CENTRAL

This is the Amazon launching point for many sellers. A true online marketplace, brands on Seller Central list their products themselves, establish prices, tackle marketing and promotion, and provide product copy and images. Companies that have products listed through Amazon Seller

Central can choose Fulfilled by Merchant (FBM) or Fulfilled by Amazon (FBA). With FBM, the seller assumes all the responsibility for getting products shipped when there is an order. With FBA, sellers ship their products to a distribution center and Amazon fulfills the order.

What are the challenges?

- With Seller Central, all order processing responsibility lies with the supplier.
- If you're a FBM seller, you need to ship all merchandise yourself, and Amazon has specific guidelines for fulfilling orders.
- To integrate or connect another system to Seller Central with an API, you need to be an Amazon-approved developer.
- Without the right software, suppliers are forced to log into multiple portals—Amazon, shipping providers, etc.
- Processing a lot of single-item orders can be very time-consuming—it's not like the wholesale model and demands a different approach.
- All those direct-to-consumer orders add challenges to shipping—you'll need to generate labels efficiently and make sure they're error-free.
- You need to ensure that your inventory is updated.
- Very few FBM sellers are approved for Amazon Prime. That usually requires FBA.
- If you are an FBM seller and you are approved for Amazon Prime, you'll need to ship with Amazon-branded packing slips and labels.

WHY USE LINGO FROM EZCOM?

- Process in bulk instead of one-at-a-time, including direct-to-consumer orders, making it easier to manage large sales volume.
- Connect directly to Amazon through Lingo—no need to switch to the Amazon portal as you process orders.
- Get easy API connections—we are an Amazon-approved developer.
- Connect directly to the major shipping providers to eliminate the need for time-consuming manual entry of information.
- Automate label creation to process hundreds of single-item orders in bulk instead of one at a time—a major advantage for FBM suppliers.
- Provide a 3PL partner with necessary shipping details through Lingo, while preventing access to any confidential financial information in your Amazon account.
- Make inbound shipments to Amazon easy, and automatically generate tracking information.
- Provide real-time inventory updates to Amazon.
- Save time with seamless Amazon integration.



Inbound Shipments for FBA

Generate shipping labels, and inform your warehouse when goods need to be picked, packed, and shipped to an Amazon distribution center—Lingo makes it easy for companies that use FBA.

Sellers can use our API to develop their own document flow and connect Amazon with their warehouse. If an ERP powers the business, it can be integrated with Lingo to create and communicate inventory transfers.

AMAZON FBM

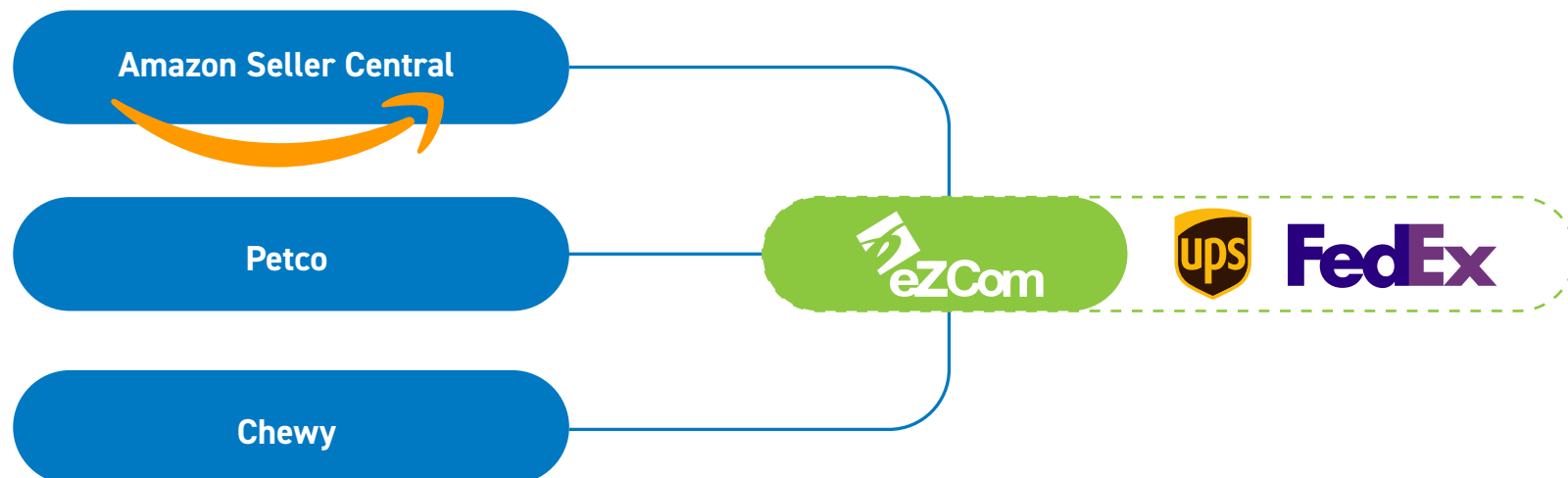
With Lingo, managing FBM orders can be done alongside EDI transactions, using the same process.

All orders, from one-off purchases made on Seller Central to large-volume wholesale orders from traditional retailers, are received through Lingo. You can choose how to receive notifications—most of our users choose automated emails.

Once in Lingo, you can quickly see all the orders that are ready to review and process. If it's a Seller Central order, you'll send Pick tickets from Lingo to your warehouse and be able to connect directly with shipping providers to

automate data transfer. That eliminates copy-and-paste actions, and the errors they routinely produce. The transfer of tracking information back to Amazon is also automated.

Guess what? That process you use to process a single order is the same one you'll use for large EDI orders with retailers. It also works in bulk, so you can process hundreds of orders with just a few clicks.

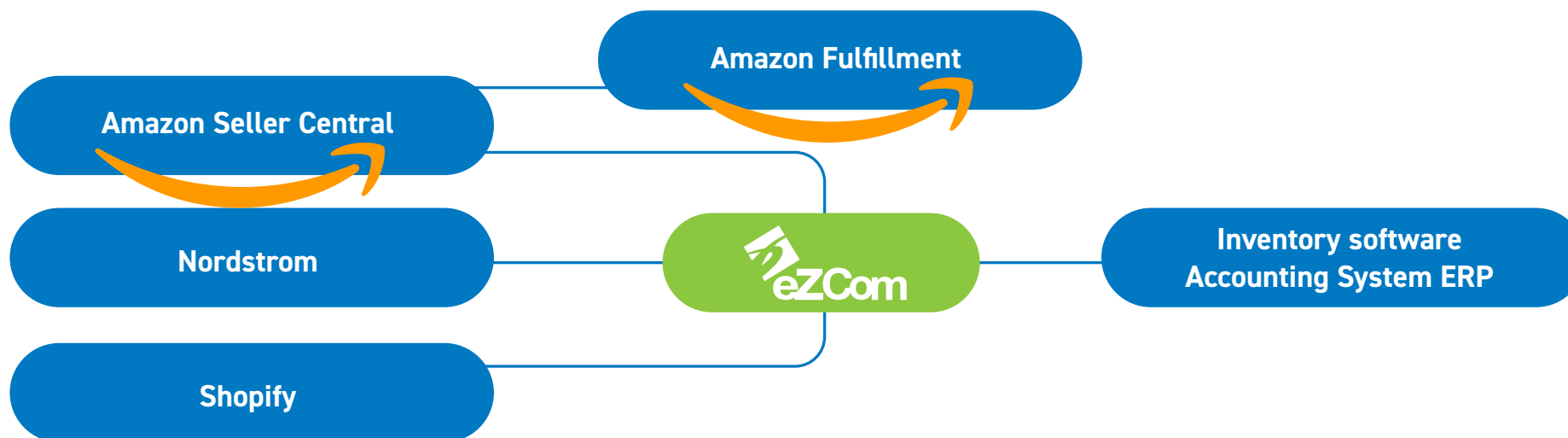


AMAZON FBA

With eZCom and Lingo, it's easy to process FBA orders on the same platform that you use for orders from a retailer like Nordstrom or purchases made through your company's Shopify store.

In Lingo, you can quickly complete a Stock Transfer Order and move inventory from your warehouse or 3PL facility to an Amazon distribution center. After Amazon has stock, you'll still want visibility. With Lingo, you can quickly see how many items have sold, and send more inventory as necessary. When new orders come in, you can be confident the stock is available and ready to be Fulfilled by Amazon.

Of course, you're likely to have orders from channels beyond Amazon Seller Central. For example, if you sell to a major retailer such as Nordstrom, you will need to be EDI-compliant. But you may also process orders from your own Shopify or eCommerce store. Instead of logging into multiple portals—time-consuming and more opportunities for errors—you can process all your orders the same way through Lingo. If you expand and add more retail channels, it's easy to scale or create even more efficiency by integrating with an ERP, accounting software, or WMS.



VENDOR CENTRAL

Vendor Central follows the wholesale model. Brands sell their products to Amazon and, after that, the online giant manages just about everything else—pricing, discounting or bundling with other products, and fulfillment.

With Vendor Central, sellers need to use EDI (EDifact for EU countries), and comply with the standards and requirements of Amazon. EDI software is a must.

Vendor Central is how most larger, multinational brands sell on Amazon. Smaller brands that demonstrate success on Seller Central are often invited to Vendor Central, and truly unique, high-demand products may go directly into this channel.

What are the challenges?

- Vendor Central requires compliance with the EDI standards of Amazon. Managing EDI orders with in-house staff can be expensive, time-consuming, and have a significant learning curve.
- You will need to regularly update your EDI mapping as Amazon changes requirements regularly.
- You will need to complete EDI testing.
- You will be required to print GS1-128 labels, along with shipping labels.
- It can be very time-consuming—you may be forced to process orders one at a time.
- Amazon will most likely dictate how you must ship the order, and you will need to add this data to your EDI 856. If you rely on copy-and-paste, the process is slow, error-prone, and likely to cause chargebacks.
- If you are getting orders from lots of places, it can be challenging to manage multiple portals and any manual transfer of data can produce errors.

WHY USE EZCOM?

- Connect directly to Amazon through our Lingo software.
- Sell with confidence—Lingo is robust and we have a proven track record of maintaining EDI compliance with Amazon.
- Get the support of a team with extensive experience in all the documents that Amazon requires.
- Receive insight from our experts that will help you manage and complete testing with Amazon.
- Connect and process orders from other retailers and online stores using the same approach that you do with Amazon.
- Integrate with another system such as an ERP, accounting software, or WMS.



“We forecast that Amazon’s 2020 US retail ecommerce sales will rise 17.2% to \$260.86 billion—four percentage points higher than the expected overall growth rate for US retail eCommerce sales.”

— eMarketer

MANAGING THE EDI PROCESS WITH AMAZON.

Remember that no two companies are alike. Yours is unique, and you need to establish an Amazon workflow that lets you process orders in less time and avoid mistakes that cost you money.

The best process will be automated as much as possible. Automation lets you complete many tedious tasks in far less time, and avoid the errors that are common when data is entered manually.

EDI Documents Used by Amazon

- 850 (Purchase Order)
- 855 (Purchase Order Acknowledgment)
- 856 (Advanced Shipment Notice)
- 810 (Invoice)
- 846 (Inventory Advice/Update) is optional but required for D2C
- 753 (Request for Routing Instructions) is optional
- 754 (Routing Instructions) is optional
- 852 (Product Activity Data) is optional
- GS1- 128

When is the GS1 Prefix used?

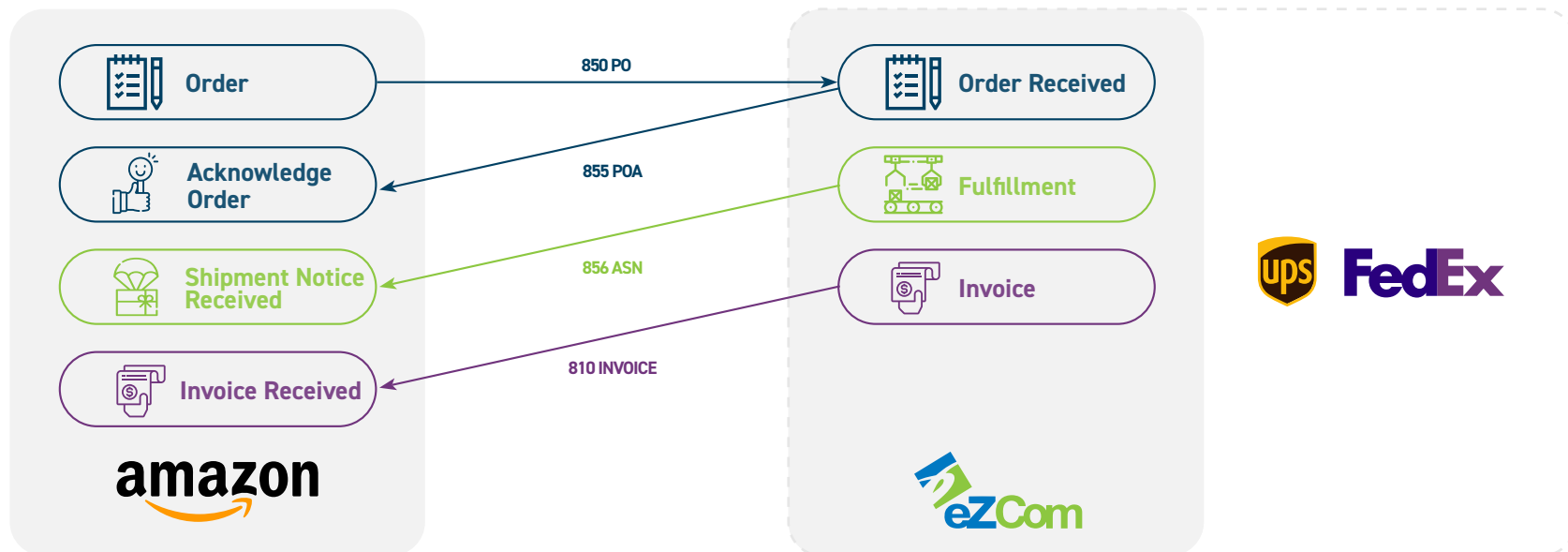
The most common use of a GS1 prefix is as a basis for assigning UPCs to products, however, GS1 prefixes are also used in EDI. The main function it serves for EDI is as a basis for assigning a unique Serial Shipping Container Code (also known as SSCC-18) number to the GS1-128 carton labels you must affix to each of your cartons when shipping as an EDI compliant vendor.



SAMPLE WORKFLOW: AMAZON VENDOR CENTRAL

Company A receives an EDI 850 (Purchase Order) from Amazon. Company A reviews the order and returns an EDI 855 (Purchase Order Acknowledgement) to confirm with Amazon that the order has been received. Once that is done, Company A will pick-and-pack the order. Without leaving the Lingo platform, Company A will connect with the shipping provider to generate shipping labels. Company A will send the EDI 856 (Advanced Shipping Notice or ASN) to Amazon to provide the following information: what the shipment includes, how

it is being shipped, and when it will be shipped. Tracking numbers will also be included in this data set. When the ASN is transmitted, Lingo can automatically generate the EDI 810 (Invoice) that Company A sends. All of these steps can be completed for a single order, or thousands of orders can be completed in just a few clicks with bulk processing.

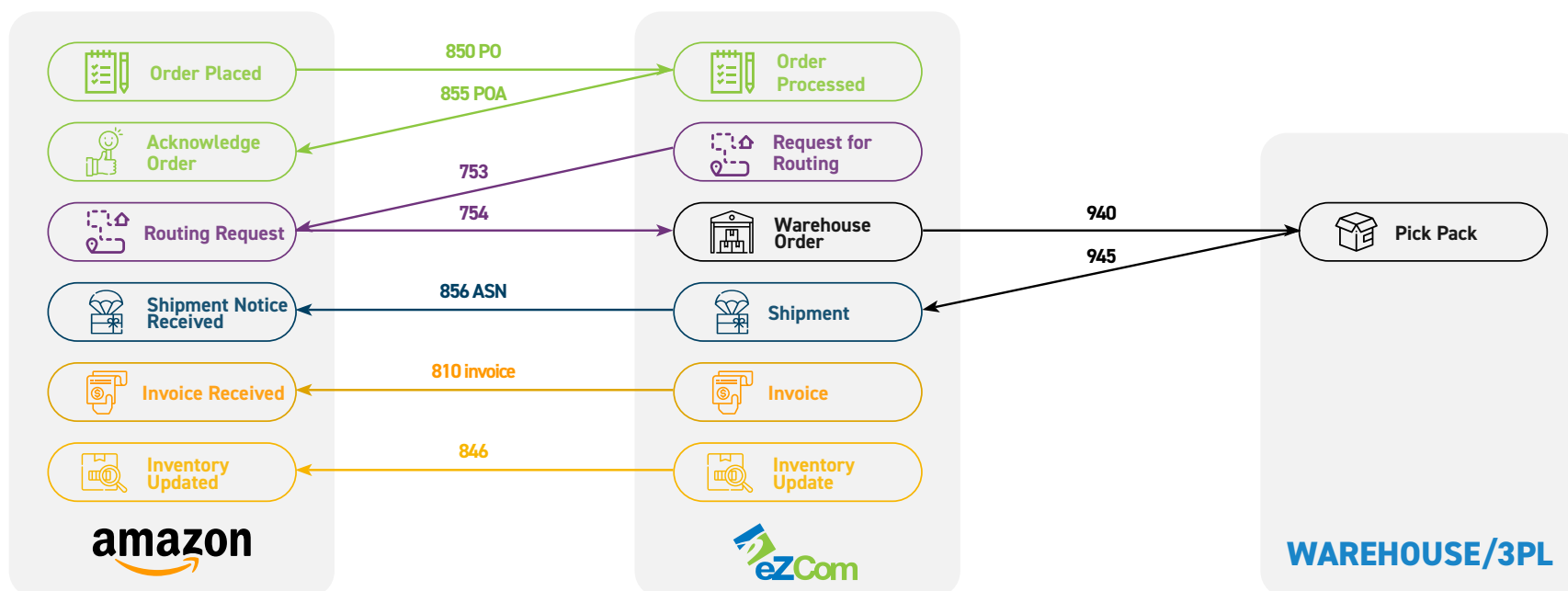


SAMPLE WORKFLOW: AMAZON VENDOR CENTRAL

Company B receives an EDI 850 (Purchase Order) from Amazon. Company B returns an EDI 855 (Purchase Order Acknowledgement) to confirm with Amazon that the order has been received. After reviewing the order, Company B sends an EDI 753 (Request for Routing) that asks Amazon how this order should be shipped. Amazon returns an EDI 754 (Routing Instructions) with the necessary details. Company B sends an EDI 940 (Warehouse Shipping Order) to their 3PL provider so the pick-and-pack begins. The 3PL provider returns an EDI 945 (Warehouse Shipping Advice) to confirm the shipment and inform Company B that the EDI 856 (Advanced Shipping Notice or ASN) can be sent. All the details about the order, including tracking data for the shipment, is automated and populates the ASN.

Since Company B uses bulk processing, the creation and transmission of the EDI 810 (Invoice) is automated. Lingo generates it based on the ASN, so any changes to the order are reflected in the EDI 810.

Company B also needs to keep inventory updated regularly in the Amazon system. Company B has multiple SKUs so logging into the Amazon system and updating each item would be very time-consuming. Instead, Company B completes inventory updates in bulk with the EDI 846. Updates can be done at any time depending upon the relationship and volume sold on Amazon—Company B automates the process so it occurs weekly.



VENDOR CENTRAL DIRECT FULFILLMENT

Companies that are Amazon Vendor Central suppliers may also need to process orders with Direct Fulfillment. If an item is not available at an Amazon distribution center, Amazon may continue to accept online orders for it. When this occurs, the supplier is required to fulfill the order and ship direct-to-consumer. Once the inventory of that item is replenished at the distribution center, Amazon resumes order fulfillment responsibilities.

What are the challenges?

- Products appear as “Sold by Amazon” and suppliers will need to deliver the kind of seamless experience Amazon customers have come to expect.
- While shipping is paid for by Amazon, you must pick, pack, and fulfill the order.
- Amazon shipping times are famously fast—the supplier needs to match them.
- The supplier will need to ship with Amazon-branded labels and packing slips.
- The supplier is still required to send all EDI data, including tracking numbers, to Amazon.
- A reliance on manual entry of data will lead to errors.

Why Use eZCom?

- Generate Amazon-branded labels and packing slips on the same platform you rely on to transmit EDI documents.
- Process labels and packing slips in bulk—completing this task quickly makes it easier to meet the deliver-by standards for shipping that Amazon enforces.
- Connect directly to shipping providers from Lingo to automate the transfer of information.

WORKING IN AN ERP

Seamless integration of our Lingo software with most ERPs sets eZCom apart. You can choose a pre-built connector, a custom solution developed by our in-house team, or develop your own document flow with our API.

We start with a Discovery Process to determine the optimal workflow. Some users prefer to work partly in Lingo and partly in their ERP, while others want to work only in their ERP. When companies elect to work solely in the ERP, Lingo serves as a control center. If issues appear, our software can be used to trace the data and resolve them.

With Lingo integrated with your ERP, it's easy to connect all your sales channels, and process everything the same way, whether it's an Amazon Seller Central order or the exchange of EDI documents with a brick-and-mortar retailer. Your ERP will be more robust, data will be far easier to manage, and greater efficiencies will be achieved.



AMAZON GLOBAL SELLING

Amazon Global Selling lets you sell products around the world, offering access to additional markets, including Europe, Japan, Australia, and Brazil. Most suppliers generally sell only within their market, but Amazon provides sellers with tools and services that simplify international expansion. It does, however, add complexity to order processing, so companies need to be sure they have a system that can adapt and scale as they expand into new markets.

- Amazon Advantage
- Amazon Australia
- Amazon Canada
- Amazon China
- Amazon France
- Amazon Direct Fulfillment
- Amazon Germany
- Amazon Italy
- Amazon Mexico
- Amazon Middle East & North Africa
- Amazon Netherlands
- Amazon Spain
- Amazon UK
- Amazon United Arab Emirates
- Amazon United States



SHOULD I COMMIT TO AMAZON?

Amazon offers many great features to help sellers succeed, and smart companies take advantage of them. But it's not always straightforward to meet their requirements, and the sheer volume can be challenging. Instead of shipping one large wholesale order to a retailer, you can find yourself sending hundreds or even thousands of single item purchases. Each one will have a different address, of course, and the opportunities for costly mistakes compound. Without the right system or software in place, the demands on your time will also quickly grow.

Amazon is also very competitive, and places a real premium on the feedback of customers. When a shipment arrives late or damaged or is unavailable

because of an inventory shortage, there's a good chance the buyer will leave a less-than-positive review. Too many negative reviews will not only hurt your chances of making new sales to prospective buyers, but they can also cause Amazon to remove you from the site. In other words, your product may be incredible, but if you don't have seamless, error-free order management, your sales numbers are going to take a serious hit.

Still, countless brands, large and small, have grown their business through a presence on Amazon. With Lingo, you can manage orders and take advantage of this important marketplace in an efficient, profitable way.


LET'S CONNECT.


We would welcome the opportunity to discuss how we can help you make Amazon order processing less time-consuming and more cost-effective.

To get the conversation started, send an email to sales@ezcomsoftware.com or call us at 201-731-1800 and select Option 1.



HOW TO CONNECT

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