



AMAZON 2021 ANNUAL TERMS REVIEW

Review and accept terms to help build a successful partnership with Amazon.



Annual Terms Review Overview

Why do we have new terms?

Amazon's vision is to be the **Earth's most customer-centric company**. We value your collaboration and support that help us achieve a shared vision for growth and an enhanced customer experience. We want to continue to work towards your success with terms that allow us to support the **growth of your business** and offer our customers your full selection and a **best-in-class experience**.

REVIEW OF PRODUCT COSTS

To cover our costs, we may ask for a product cost reduction for selected ASINs. You will have the option to accept the proposed price or make a counter proposal which will decrease the percentage of the other terms.

MARKETING DEVELOPMENT FUND

MDF covers a minimum base marketing development investment based on the nature of the products sold. Automated marketing is one of the most powerful tools to help surface your products to the right customers.

RETURN TERMS FOR DAMAGED PRODUCTS

Damaged/Defective inventory is any inventory that is unsellable as 'new'. The majority is customer returns, but it also includes inventory damaged in shipping and handling (from you to Amazon and from Amazon to a customer), or a product that we discover is defective.

RETURN TERMS FOR OVERSTOCK PRODUCTS

Overstock is sellable inventory that we identify as being in excess of its current and forecasted demand. By accepting the overstock return right, we will send all such inventory back to you. If you want us to hold this inventory you can choose the overstock allowance to cover any additional storage costs.

REVIEW OF PAYMENT TERMS

Payment terms specify how quickly Amazon pays for goods after receiving them in our warehouses. Mutually favorable payments terms can have a positive impact on the way we order from you.

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Growth Programs

What's in it for you? (1)



Accepting the 2021 terms is the first step to **build a successful partnership** with Amazon; it will allow us to include you in our 2021 **business planning**, giving you access to the following exclusive programs:

SELECTION EXPANSION

Get **tailored recommendations on your product catalog** and speak to an account manager on how to make the most out of your selection.

OPERATIONAL EXCELLENCE

Our Business Coach can help you to **overcome operational blockers** and guide you through solutions to the most common root causes.

BORN TO RUN PROGRAM

Born to Run helps you **increase sales** of newly launched products, allowing you to request orders for a product by telling Amazon how many units of that product you expect to sell through in 10 weeks.

0% PROMOTION PROGRAM

0% Fee Promotion Program is a **sales acceleration program**, allowing customers to access installment options on high-price purchase, without paying extra-fees.

Annual Terms Review Business Opportunities

What's in it for you? (2)

We strive to build virtuous business relationships, rewarding you with the possibility to choose one of the following business opportunities:



UP TO 3 VINE CREDITS

OR

**UP TO EUR/GBP 5000 IN
AMAZON FUNDED COUPONS**

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FAQs (1)

Why new terms are needed?

To continue working on growing our businesses together, improvements need to be made. The costs and nature of the services that we provide to our vendors are not static, requiring periodic review. To proceed with 2021 orders, we require new terms that cover the costs of the services provided by us to you in selling your products.

How is the Base Accrual/MDF calculated?

MDF is calculated to require each vendor to cover a minimum base marketing development investment based on the nature of the products sold. Our priority is to continue activities that grow your business, but, to do so, we require each vendor cover their respective costs. Base accrual (MDF) funds are spent on capabilities to understand our customers, effectively market to them, and overcome purchase barriers that affect your products' sales. These investments are key to the success of retail vendors on Amazon, both in terms of growing traffic to their products and also improving conversion

How is the Overstock Allowance calculated?

Amazon Fulfillment centers (FCs) have limited space, which means that we cannot keep inventory with no demand indefinitely. In order to keep the inventory that over time becomes unhealthy, Amazon needs setup an Overstock allowance agreement to cover the costs of these items. Instead, you can choose to receive the unhealthy overstock returns. Note that if we change the return rights in your contract, all the inventory stocked in our FCs from that moment on will be considered to be sold or returned. Any increase in OA are indeed based on your performance from the previous year.

Why should I pay an OA or accept returns if Amazon keeps placing Purchase Orders?

Amazon system evaluates orders and returns independently. This means that you can receive orders from one FC that needs more inventory to satisfy customer demand, but you can be receiving returns from other FC where inventory is already unhealthy.

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FAQs (2)

How are Return Terms calculated?

The damage allowance is calculated based on our actual historical costs, to cover the costs for damaged returns of your products. If you do not wish to pay the damage allowance, you can choose to accept full damaged product return rights. Under this option, we will return all damaged products to you at the cost of the item, a 15% handling fee and the cost of return shipping.

Why should I pay a DA or accept returns for customer/warehouse damaged items?

Amazon aims to ensure the best customer experience. Customers are eligible to return products if they are not satisfied with them. For this reason, we always suggest making improvements to the product detail pages with as much detailed information as possible in order to improve the customer experience when buying on Amazon. This will most likely decrease the chances of customer returns. Warehouse damage occurs in most cases due to the packaging of the products. We always suggest reviewing the packaging of the products that most frequently fall under this scope and provide them with an e-commerce ready packaging that will prevent any kind of damage to the goods. If you do not wish to pay the damage allowance, you can choose to accept full damaged product return rights. Under this option, we will return all damaged products to you at the cost of the item and the cost of return shipping.

Why do we amend Payment Terms?

We need your support with payment terms because it allows us to carry your full catalog. Offering your full selection builds customer trust in your business, gives customers choices they value, and ultimately allows more opportunity for your business to grow. Insufficient payment terms affect on-site placements, product ordering methodology, and ultimately sales growth.

[**CLICK HERE TO LEARN MORE**](#)

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Book an Appointment

STEP 1: CHECK YOUR EMAIL
TO FIND THIS MESSAGE

STEP 2: BOOK AN APPOINTMENT
WITH AN ACCOUNT MANAGER



Dear vendor,

We want to continue to work towards your success with new terms that allow us to support the **growth of your business** and offer our customers your full selection and a best-in-class experience. While thanking you in advance for your commitment, we would like share the **new 2021 terms** we prepared for you.

Accepting the terms is the first step to build a **successful partnership with Amazon**; it will allow us to include you in our 2021 business planning, giving you access to multiple **growth programs and business services**.

Download the **brochure** and **book an appointment** with an Account Manager to learn more about the new terms.

[DOWNLOAD THE BROCHURE](#)

[BOOK AN APPOINTMENT NOW](#)

Your Account Management Team

