

FBA in Action: Art's Game Store

On December 16, 2007, Art Clem packed up the remaining inventory in his warehouse and sent it off to an Amazon fulfillment center. Art then locked up the warehouse and went home to enjoy two weeks of vacation—a luxury he hadn't entertained in years. But this year was different from past years because Art's Game Store began using Fulfillment by Amazon 10 months earlier, so in spite of the increased demand for his games over the holidays, Art knew that his inventory would continue to sell online and FBA would continue to fulfill orders without him.



Art's Game Store opened its doors in 2002, offering board games, puzzles and children's games—games that emphasized the personal interaction of face-to-face strategy games instead of the refined hand-eye coordination of video games. His merchandise had a strong appeal to teenagers on up to thirty-somethings. While Art's Game Store started off as a brick-and-mortar store, he knew that his customers were also drawn to the ease of shopping on the Internet. It was a natural progression to eventually establish a presence on the World Wide Web.



Art's Game Store includes classic board games and modern variations.

It wasn't long before Art realized he would need to hire more people just to handle the increased sales from his online store. The problem was the unpredictable nature of sales. One day he might receive a couple dozen orders and the next day he might have only a handful. During the holidays, his orders would more than double over his regular sales. "I could hire extra people to handle the holiday load," says Art, "but I'd have to let them go come January."

After the 2006 holiday season, Art knew that he needed to find a fulfillment solution that would enable him to grow without increasing his expenses too drastically. He had heard about Fulfillment by Amazon and was skeptical. Like many other merchants, he dismissed the advantages of using FBA when he considered the expense. "It wasn't until I ran the numbers that I realized FBA could work for me," says Art. "When I added up all my own fulfillment expenses—packaging, labor, shipment, storage, customer service—it became obvious that I could save money with FBA."

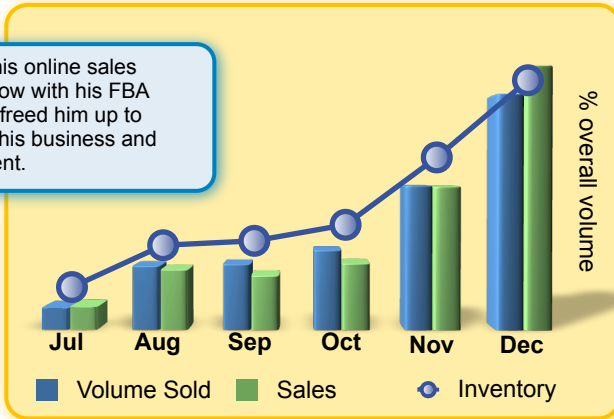
Art started off slow in February of 2007 to test the waters. "I picked some of my best selling items and shipped just a handful at a time," says Art. "At first, I monitored activity daily to make sure that Amazon was living up to my expectations, and I'd get all worked up if a product didn't ship out the moment it was ordered." FBA uses Amazon's promise-date formula to calculate when an order will be delivered to the buyer. They don't just tell when it will ship, they factor in such things as product availability, bundling products and the customer's chosen delivery method to provide an estimate for arrival. "One of my employees pointed out that with our own fulfillment process, it wasn't uncommon for us to receive an order on Monday and not have anything go out the door until Wednesday." Since then, Art has learned the value of patience. He still keeps an eye on orders, but his confidence in FBA has grown dramatically.

"It wasn't until I ran the numbers that I realized FBA could work for me. When I added up all my own fulfillment expenses—packaging, labor, shipment, storage, customer service—it became obvious that I could actually save money with FBA."

—Art Clem

In June, Art's Game Store began ramping up their inventory with the holidays in mind. Art found that his online sales were able to grow with his FBA inventory. This freed him up to focus more on his business and less on fulfillment.

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“We still sell products on Amazon that we fulfill ourselves,” says Art. Customers have a lot of questions about the figurines Art's Game Store sells online. Art and his staff like to handle those types of transactions personally. “Still, nothing beats shipping inventory off to Amazon and being able to forget about it. FBA frees us up to manage the transactions that need a bit of hand holding.”

Another advantage Art discovered with FBA was Basic Fulfillment. “I do a lot of rate shopping for shipping services,” says Art. “In most cases, using Basic Fulfillment for orders on my own Web site is cheaper than fulfilling from my warehouse. Sometimes the difference might be only \$0.50, but when you consider the volume of sales we have in a month, that savings adds up.”

Increasing sales and managing growth without additional expense has made using Fulfillment by Amazon an easy decision for Art Clem. “If I wasn't using FBA last year,” says Art, “I would have had to hire additional temporary employees to handle the fulfillment of our orders; and I would have spent my holidays right beside them taking orders, fielding customer questions and making sure shipments were going out on time. Instead, I spent the last two weeks of December enjoying time off with my family and friends.

Pricing for success

Art's Game Store sells *The Farming Game Board Game* for \$38.95 on Amazon.com. Since they use FBA, their orders are eligible for Super Saver Shipping and Prime shipping. Let's do the math to see how much Art's Game Store can make on this popular game.

The Farming Game Board Game
Other products by [The Weekend Farmer](#)
★★★★★ (33 customer reviews)

Price: \$38.95 & this item ships for **FREE with Super Saver Shipping.** [Details](#)

Availability: In Stock. Sold by [Art's Game Store](#) and ships from Amazon Fulfillment.

The Farming Game already exceeds the \$25.00 minimum for Super Saver Shipping, so the customer won't pay shipping and handling for standard delivery. The total cost for the board game will be \$38.95. On this item, Art's Game Store was listed as the lowest price even though the next listing was for \$31.95. That item plus the advertised shipping of \$7.19 brought the total to \$39.14. That's \$0.19 more than what the buyer would pay for Art's board game.

Price	+ \$38.95
Amazon commission (15%)	- \$5.84
Fulfillment	
Per order fee (Price > \$25)	- \$1.00
Pick and Pack Fee	- \$1.00
Weight Handling Fee	- \$1.60
Total Fulfillment Fee	\$3.60
Total Revenue	\$29.51

Art's Game Store receives **\$29.51** from the sale regardless of the shipping method selected by the customer.