

FBA in Action: Piece of Mind Media

In January of 2006, Piece of Mind Media opened its virtual doors selling new and used books online. This new division of NorAm International Partners, LLC has become one of the fastest growing and most successful online distributors of new and used media in the country. Piece of Mind Media quickly expanded to include DVDs and CDs to their inventory and process up to 5,000 customer orders per day.

In early 2008, Fulfillment by Amazon approached Kellie DuGally, president of NorAm, with an invitation to use Amazon's fulfillment services to manage their distribution process. Kellie and her husband Michael took a close look at Amazon's offer over the next few months and sent in some test products. In July of 2008, Kellie and Michael agreed that Fulfillment by Amazon was a good fit for Piece of Mind Media's business model.

Kellie attributes much of their success to offering their products on multiple marketplaces. "We provide the lowest-cost used and new books, DVDs and CDs in the various marketplaces we sell through," says Kellie. "Our focus is on only Very-Good and Like-New quality, ensuring our customers are getting the very best price and quality combined."

Piece of Mind Media's growth in 2007 necessitated an increase in full-time employees. Managing orders on five marketplaces required some major logistics and a lot of people power. At their peak, they had 50 employees covering two shifts to manage the process. Unfortunately, the cost of doing business seemed to increase proportionately with their growth. "It got to the point where we didn't need more sales," says Kellie. "We needed a way to cut our overhead." Fulfillment by Amazon provided them with the solution they were looking for.



Products

New and used DVD, CD's and books

History

2006—Started online division selling new and like-new books—later added media. Staff quickly grew to 50 employees.

2007—Rapid growth challenges the ability to scale the business

2008—Joined Fulfillment by Amazon

Annual Sales

2006—2.0M
2007—4.5M
2008—8.6M

Employees

25 Full-time Employees
1 part time customer service

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*Kellie DuGally
President*



"We increased our speed of delivery by 250 percent. Amazon Prime members love to take advantage of their shipping discounts. So not only did we cut back on our overhead, our customers benefited from our use of Fulfillment by Amazon."

*Michael DuGally
Founder*

After three months of testing Fulfillment by Amazon, Piece of Mind Media was ready to ramp up their volumes. Fulfillment by Amazon's scalability kept pace with their growth.

In just a few months, Piece of Mind Media was able to reduce staff to 25 full-time positions. These positions are now dedicated to focusing on value-added tasks such as sourcing the right kinds of books and media to sell online. Most of the quality logistics were transferred to Amazon. Where once six employees were dedicated to responding to the 400 to 500 customer service e-mails every day, now one person could handle customer questions and concerns on a part-time basis. Additional savings were found by cutting back on materials needed for packaging, storage space, and shipping costs. Overall overhead expenses were cut 75 percent.

"Selling on different marketplaces, we discovered that Amazon customers are different than customers on other sites," says Michael. "Amazon customers are more discriminating. They have higher expectations. Using Fulfillment by Amazon enabled us to maintain that high level of quality. And using Fulfillment by Amazon to ship orders on other platforms enabled us to exceed the expectations in those marketplaces." By using FBA's Basic Fulfillment, Piece of Mind Media has been able to standardize their shipping services. Whether buying their media on Amazon, half.com, Alibris or AbeBooks.com, Fulfillment by Amazon provides Piece of Mind Media's customers the same world-class customer packing and shipping, which reflects well on Piece of Mind Media.

Piece of Mind Media also discovered that people are more willing to buy their used books when offered through Fulfillment by Amazon. Customers were making multiple orders to take advantage of Amazon's Super Saver Shipping. "We increased our speed of delivery by 250 percent," says Michael. "Amazon Prime members love to take advantage of their shipping discounts. So not only did we cut back on our overhead, our customers benefited from our use of Fulfillment by

Amazon." Michael is projecting that sales for 2008 will double the \$4.5 million in sales made in 2007.

Fulfillment by Amazon enabled Piece of Mind Media to grow their business successfully without increasing their overhead proportionately. "Amazon's model of an open marketplace—providing an online venue for merchants to sell their products—becomes a greater value when you add their fulfillment services to the mix," says Michael. "FBA is ahead of the curve, and we're glad to be a part of it."

