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FOCUS

Amazon offers simple ways to reach buyers worldwide

EVER SINCE ITS INCEPTION 30 YEARS AGO, ONE OF THE MOST FUNDAMENTAL FUNCTIONS OF AMCHAM HAS BEEN TO MAINTAIN PLATFORMS FOR SHARING PROFESSIONAL KNOWLEDGE AND EXPERIENCE BETWEEN ITS MEMBERS. THERE ARE SEVERAL SUCH PLATFORMS, INCLUDING AMCHAM MONTHLY MEETINGS, THE AMCHAM COMMITTEES, ONLINE EXPERT DISCUSSIONS AND *AMCHAM.PL QUARTERLY* AVAILABLE IN PRINT AND ONLINE AT AMCHAM.PL

FOCUS

E-commerce

SELLING IN THE US, SELLING GLOBAL



For a few years now, Poland-based company Rainbow Socks has been using sea cargo transportation to ship their goods to the US.

AMAZON OFFERS SIMPLE WAYS TO REACH BUYERS WORLDWIDE

In March, AmCham American Investor Desk and Amazon held a workshop devoted to how the trading platform can help companies expand their business abroad, including the US markets. The speakers were Rolf Kimmeyer, Manager of Global Selling at Amazon; and Cyprian Iwuć, owner of Rainbow Socks, a Polish company specializing in socks that has been growing its sales in the US through the Amazon Services platform since 2017. The online meeting was moderated by Mariusz Mielczarek, Public Affairs Director for CEE at Amazon.

EXCELLENT PROSPECTS

In speaking about the pros of using Amazon, Rolf Kimmeyer said that the company's vision is to bring all sellers and buyers from around the world into one business area, thus creating a truly global trading platform. With over 300 million buyers and hundreds of thousands of sellers supporting both B2C and B2B transactions, the company is slowly but surely heading in that direction. The company has a support program for its selling partners, who presently generate 50 percent of all purchases on Amazon globally. The company

has selling partners—small and medium-sized companies—in 130 countries worldwide and ships its products to over 200 countries and territories worldwide. Amazon provides a wide array of infrastructure solutions to its sellers. By using these solutions, a company in Poland can start selling in Australia or the US and use Amazon logistics to have its products shipped to those markets ahead of transactions. It takes 1-2 days of the delivery time for the products sold in those markets to reach the buyers and is a cost-effective solution for sellers, as Amazon

takes care of the logistics in foreign markets.

Amazon invests in its partners because the company needs their expertise and practical market knowledge.

Rolf Kimmeyer added that e-commerce has excellent prospects, with global sales growing from the estimated USD 4.629 trillion in 2021 to USD 6.821 trillion in 2024, according to market analyst eMarketer.

A SUCCESS STORY

The pros of using Amazon as a business platform were also covered by Cyprian Iwuć, owner of Rainbow Socks, a producer of designer socks with a product range of gift socks and socks registered as medical products for people with diabetes. All Rainbow Socks products are manufactured in Łowicz, Poland.

The company has been in business since 2016 and reached the desired critical mass of its salesforce in 2017. All members are trained to work with Amazon's Marketplace. Today, the company sells its products to 80 countries worldwide. As much as 99 percent of its sales are generated through Amazon, including the US selling platform, Amazon.com.

SHIPPING AND LOGISTICS

Companies that plan to sell bulk amounts of their products in the US also need to consider shipping and logistics costs. Rainbow Socks began doing business in the US by sending their products via the air shipping service UPS. This type of delivery is reliable and fast but costly. For a few years now, the company has been using sea freighter cargo transportation, which is very cost-efficient when shipping large amounts of products. However, there are times when seaports are closed, which can cause massive shipping delays. Delivering containers to the US by sea is also subject to substantial price fluctuations.

Another issue with using sea freighter cargo is timing. Door-to-door delivery usually takes approximately six weeks. However, during the sales season in Q4, there may be some delays. To avoid this, Iwuć advised executing shipping well ahead of time. There is no problem finding an Amazon fulfillment center across the US. Rainbow Socks ships its goods to a large Amazon logistics center near Chicago, Illinois.

Iwuć added that UPS is a reliable shipping partner that delivers directly to all Amazon centers across the US.

CONVENIENCE

Another convenient aspect of using Amazon.com is the company's new system of clearing local sales taxes on transactions executed by its selling partners. With this

solution, sellers are no longer required to register in the US as sales taxpayers.

Before beginning to sell in the US, vendors need to consider the legal forms of their commercial activity in the US. Iwuć said that he established a company in the US before his company began selling on Amazon.com. It was a good solution because bookkeeping and accounting procedures are very simple in the US compared to Europe and relatively inexpensive. If his company decides to expand its sales to Amazon platforms in Canada, Japan, or Australia, it is very easy to do so formally, having already a company registered in the US.

PATENT PROTECTION

While the US market is enormous and competitive, many dishonest companies try to copy original products and sell them illegally. Before launching its products in the US, Rainbow Socks registers its designs with the US Patent Office. Iwuć noted that Amazon has an efficient reporting system for counterfeit products. "Once such a product is identified," Iwuć said, "it is blocked across the entire Amazon platform for good."

HIGH INTEGRATION

Amazon is a highly integrated platform across all geographic areas it caters to. Those who learn to use Amazon to sell goods in European markets will find it very easy to use Amazon.com. It has the same functions for listing products, using Excel spreadsheets, and creating advertising campaigns. The interface is the same, and there is practically no need to learn anything from scratch. Iwuć also said that because Rainbow Socks operates as two separate companies (in Poland and in the US), both companies could be integrated within the Amazon Seller Central dashboard. Iwuć noted that Amazon is definitely the only company today that offers sellers a



Cyprian Iwuć said that Amazon could be viewed as a huge interactive ecosystem supporting sellers across all functions that are vital for their business.



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wide variety of interactive tools for areas such as sales, logistics, marketing, and client service. The Amazon platform can be viewed as a huge interactive ecosystem supporting sellers across all functions that are vital for their business. For instance, companies with product sales histories on the European Amazon platforms may find it easy to expand in the US if they sell the same products in the US that they have been selling in Europe. Their product review histories generated in Europe also appear on the US platform, which helps vendors better position those products in the US.

LARGE AND CHALLENGING MARKET

The US market is huge and cannot be compared to any market in the EU in categories such as product range available or the number of transactions generated daily. For instance, a keyword search for "pizza socks" in the UK will generate one or two pages of product offers, while the same search on Amazon.com will result in several pages of available products. This shows how competitive the US market is.

The speaker said that when beginning to sell on Amazon.com, vendors need to consider how to market their products in terms of what makes them attractive or different on the US platform. It is very difficult to get noticed and start selling without a clearly defined competitive edge for the US platform. Competitive products with rich histories of customer reviews will overshadow others, making them extremely hard to sell.

Iwuć noted that one way of differentiating Rainbow Socks in the US is marketing the socks as quality products made in Europe, a fact which is often appreciated by American customers.