

Amazon's Profitability Calculator

HOW TO GET **MORE SALES FOR YOUR**ECOMMERCE BUSINESS



Calculating Profitability For your Amazon Products

Amazon has a handy tool for calculating your fulfillment costs and seeing real-time cost comparisons, which you can use in your marketing promotion strategies.

You can access it by clicking on the link below, and logging in with your Amazon seller central's account.

https://sellercentral.amazon.com/fba/revenuecalculator/index?lang=en_US&

Once logged in, you'll see a search bar much like the one below:

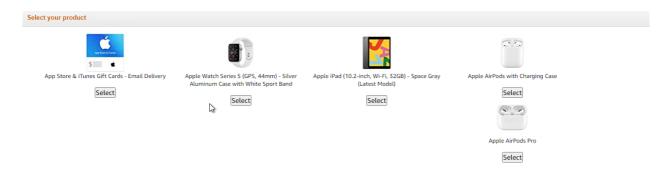
Fulfillment by Amazon Revenue Calculator

Provide your fulfillment costs and see real-time cost comparisons between you

Disclaimer This Fulfillment by Amazon Revenue Calculator should be used as a guide in evaluating FBA or up-to-date costs and fees. The New Amazon Fulfillment option reflects your current Selling on Amazon $f \epsilon$



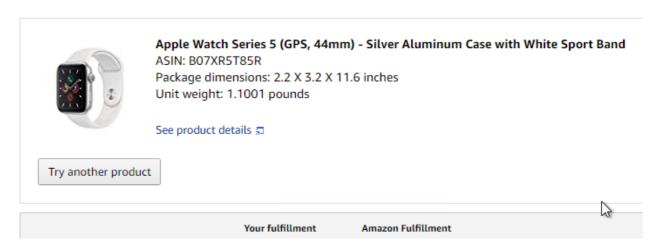
You'll want to enter one of the following: product name, UPC, EAN, ISBN, or ASIN in this field, and click on "Search". Now a new window will pop up prompting you to select your product. Click on "Select"







Now you'll see a window with the dimensions and weight of your product. If it does not display this information Amazon might ask you to fill these in. Once filled in, you can scroll down the page and find some fields to fill in. Let's go over these.



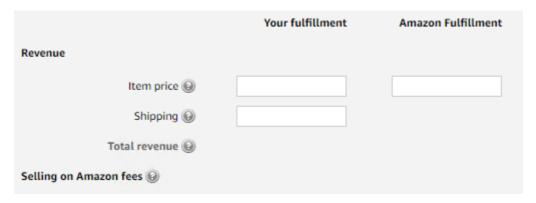
Calculating Total Revenue & Selling fees on Amazon

Item Price

Price charged to the customer. Amazon adds the item price and shipping when assessing competitiveness across sellers.

Shipping

Price charged to the customer for shipping. For seller-fulfilled orders, the seller collects this amount as revenue. For FBA orders, since shipping is already included, this amount is zero and doesn't affect FBA fulfillment fees







Calculating Fulfillment Cost

Total fulfillment cost is the sum of fulfillment fees and the cost to ship to Amazon.

Cost of Seller fulfillment

This is the total cost per unit for you to fulfill a customer's order

Fulfillment by Amazon fees

Fulfillment by Amazon fees are calculated based on the dimensions and weight of the item.

Ship to Amazon

Cost of shipping the item to an Amazon fulfillment center. You may use an average to account for zone differences.







Calculating Storage Cost

The estimated amount you will pay in storage for the product per unit sold. Calculated by dividing the total estimated storage cost [Monthly Storage Cost per Unit X Average Inventory Units Stored] by the Estimated Monthly Units Sold for each fulfillment channel.

Monthly storage cost per unit

The amount it costs to store a single unit of this product per month. At Amazon, this is reflected in the monthly storage fee, which is calculated based on the volume of the product.

Average inventory units stored

The average number of units you hold in inventory for this product



Seller's Proceeds & Cost of Product

In the last two windows you'll have to fill in the Seller's Proceeds & Cost of Product

Seller's Proceeds

Total revenue minus Selling on Amazon fees minus Total fulfillment costs minus Storage cost per unit sold

Cost of Product

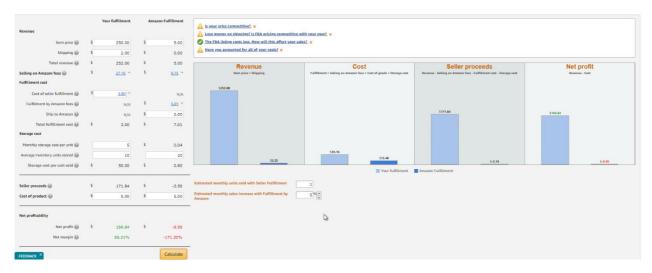
The cost of acquiring the product from your supplier, or the cost required to manufacture or produce a single unit





Calculating

Now click on Calculate, and it'll show you some calculations regarding your product.



After the calculation you can still change numbers on the left hand side and re-calculate.

You'll also notice these two fields in the picture below, you can adjust the estimated monthly units sold with Seller Fulfillment and Estimated monthly sales increase with fulfillment by Amazon in %.

Estimated monthly units sold with Seller Fulfillment	1
Estimated monthly sales increase with Fulfillment by Amazon	5 %



