

Three quarters of merchants do not see Amazon as a partner

BVOH presents report with the extensive results of a survey on the relationship between merchants and Amazon

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In December 2020, the Bundesverband Onlinehandel e.V. (Federal Association of eCommerce) surveyed commercial merchants on their relationship and cooperation with Amazon by the survey "111 Questions about Amazon". More than 1,600 people took part in the extremely comprehensive survey, thus providing an unprecedented insight into practices between Amazon and merchants.

The report includes findings from over 20 topics and service areas in commercial selling on Amazon. For the first time, there are figures on the cooperation with Amazon as well as the use of various services such as Buy Box, FBA (Fulfilment by Amazon), Prime by Seller (SFP), Amazon Pay and merchant support. Measures such as warnings, article deletions, plan-of-action (POA), money withholding and account suspensions are also analysed extensively. The consulting firm p.digital gmbh was commissioned with the implementation and evaluation. The results can be purchased at www.p.digital/shop.

Across all topics, it emerges that merchants are extremely dissatisfied with Amazon's support. 78% of the merchants see a difficult to no partnership. A maximum of 5% of the merchants receive satisfactory support from merchant support. At the same time, the merchants state that they generate an average of 51.2% of the company's turnover through Amazon, which clearly shows the merchants' dependence on business on Amazon. For merchants who have been selling on Amazon for more than 5 years, this dependence rises to 55%.

Oliver Prothmann, President of the Bundesverband Onlinehandel (German Federal Association of eCommerce), says: "The merchants, with their average of 11 employees, have geared their operational planning towards selling the goods they buy via Amazon. If Amazon now prevents sales by deleting articles, wrong price error blocking, sales restriction, withholding money up to account blocking, it must at least be possible to find out a clear reason from Amazon and to find a solution with an employee at Amazon."

The results clearly show how difficult it is to sell successfully via Amazon:

- In order to get the so-called Buy Box, merchants state that the sales price must be 22.3% cheaper than the comparable offer from the Amazon merchant.
- 44% of merchants say they are prevented from selling a branded product, with 78% of merchants saying Amazon puts this restriction on sales.
- 80% of merchants have already had experience with item deletions on Amazon and almost always, when it comes to accusations of selling testers, samples, used items instead of new or even fake products, this accusation was unjustified.

From the point of view of the BVOH, Amazon's handling of so-called price errors is a very problematic procedure. More than two thirds of the merchants state that Amazon uses unknown algorithms to set the sales price. With so-called low-price or high-price errors, Amazon pressures the merchant to quote a certain price for the offer. President Oliver Prothmann says: "Amazon interferes with the freedom of the merchant to set prices in violation of antitrust law. Without knowledge of, for example, purchasing conditions, cost structure and availability, which determine the merchant's sales price, Amazon believes it can dictate what the sales price should be. This further encroachment by Amazon on the freedom of retailers must stop."

The biggest threat to a merchant is an account suspension. Nearly a quarter of merchants say their account has been suspended by Amazon in the last 12 months. Over two-thirds of merchants only found out on the day of the suspension and were not warned by Amazon in advance.

These and many other results show that Amazon does not act in a legally compliant manner and also that Amazon does not adhere to the agreements with the German Federal Cartel Office (July 2019) and the EU Platform-to-business Regulation (P2B Regulation).

The German Online Trade Association calls on Amazon to reform its relationship with merchants and to renew its business cooperation with clear and unambiguous communication. Furthermore, all algorithms should be revised so that merchants are only confronted with real failures. Thirdly, the BVOH demands from Amazon that legally compliant action on Amazon must be possible and that wherever Amazon does not guarantee this, Amazon itself assumes responsibility (polluter pays principle).

From the federal government, the BVOH demands an enforcement authority for compliance with laws and regulations such as the P2B regulation. What good are laws if they are not complied with?

About the BVOH

The Bundesverband Onlinehandel e.V. (German Federal Association of eCommerce) was founded on 8 April 2006 in Dresden by marketplace merchants and sees itself as the spokesperson and representative of the interests of medium-sized online merchants (SMEs). It is the visible voice of the honourable online merchant and has set itself the task of bringing together eCommerce retailer, politics, online marketplaces, suppliers and outfitters.

Its programme is the realisation of fair, safe and successful online trade for all those involved in it. Current programmatic approaches are the fight against sales restrictions in eCommerce, legally secure sales on Amazon, international action, as well as consumer protection at the European level.

The BVOH and its members not only actively support politicians in Brussels and Berlin, but also advise various marketplaces on the strategy and further development of their respective platforms.

In all matters, the BVOH represents the medium-sized multi-channel online retailer and thus ensures that the hurdles in online retailing are dismantled step by step.

Press contact

Cindy Mattern | Bundesverband Onlinehandel e.V. (BVOH) Capital Office | Friedrichstr. 123 | 10117 Berlin
Phone +49 30 49 87 66 60 | Fax +49 351 450 42 00 | Mobile +49 176 623 17 604 | E-mail presse@bvoh.de