

US-Based Brand Guidelines For Launching On Amazon UK

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Abstract— This whitepaper serves as a comprehensive guide for US-based brands seeking to expand their reach and establish a successful presence in the United Kingdom's e-commerce market through Amazon UK. With over 1.5 million sellers on Amazon, the UK market's 280,000 sellers may appear relatively modest. However, it represents the second-largest global market, contributing 5.5% of total retail sales. This whitepaper explores the distinct characteristics of the UK market, critical factors for entering it, and strategies for account management, product listing optimization, and marketing tailored to Amazon UK's unique landscape. The document also addresses account setup, VAT registration, Fulfillment by Amazon (FBA), and practical insights into VAT compliance. By embracing these insights, US-based brands can harness the vast potential of the UK market and thrive on Amazon UK.

Keywords—Amazon UK, e-commerce, UK market, international expansion, VAT registration, FBA, account management, product listing optimization, marketing strategies, account setup, US-based brands, cross-border selling.

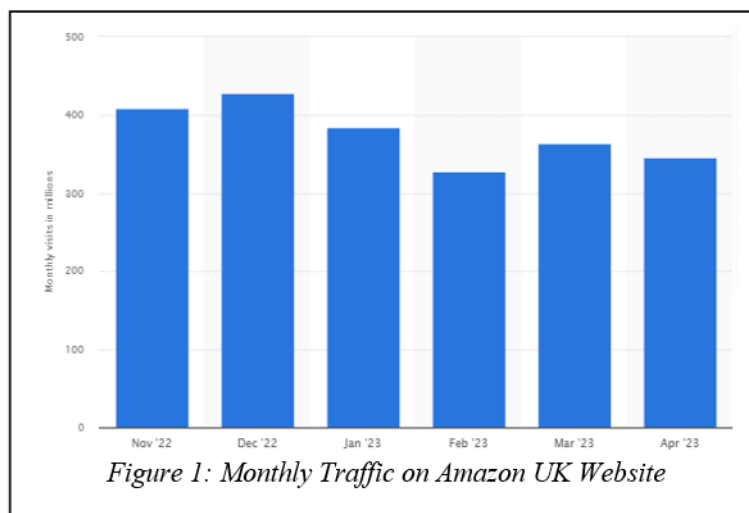
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I. INTRODUCTION

There are over 1.5 million sellers on Amazon, out of which the UK market comprises of over 280,000 sellers. This figure may seem underwhelming to US-based brands – and rightfully so, as it makes up less than one-third of the number of sellers on Amazon US, featuring over 1.1 million sellers.

Having said that, Amazon UK makes up for 5.5% of the total retail sales in the region, making it the second-largest market in the world. The monthly traffic to Amazon UK website average 378 million users from February to September. From October to December, however, this traffic more than doubles. Again, this is not as extensive as what you'll find in the US, but considering how there aren't as many sellers to cater to this large audience, there is definitely room to grow in the market.



Amazon UK Prime day is yet another key selling point at which Amazon reduces its fees significantly to transfer the benefit directly to its customers. This results in significantly higher sale volumes and a chance for sellers and customers to make the most out of the platform. In 2021, for example, Amazon Prime day resulted in

sales amounting to over \$1.9 billion, according to its press release. A similar trend was seen on Prime Day (July 11-12) 2022 and 2023, with sales exceeding \$2 billion in just one day.

This shows the vast potential that it has, not only for local sellers, but also for US-based brands looking to enhance their geographical reach.

A. *Market Distinctions*

The United Kingdom and the United States share historical ties, a common language, and a history of business relations. However, the UK market presents several notable distinctions that require attention when launching your brand on Amazon UK:

1) *Product Preferences:*

In the UK, consumer preferences and the product landscape vary from those in the US. Understanding these distinctions is crucial for success. The most popular product categories in the UK market include:

- **Books:** With a value of €345,334 (\$366,328), the book market holds a significant share in the UK. US-based book sellers can leverage their extensive catalogs to cater to this segment.
- **Clothing:** Valued at €335,084 (\$355,443), the clothing sector offers substantial opportunities for US fashion brands to expand their presence in the UK market.
- **Pet Supplies:** The pet supplies category, worth €327,864 (\$347,785), presents significant potential for US pet product manufacturers and retailers.
- **Automotive:** At €313,216 (\$332,247), the automotive sector is another promising category for US-based auto accessory and parts brands.
- **Sports & Outdoors:** Valued at €287,320 (\$304,777), this category caters to fitness and outdoor enthusiasts and is ideal for US sports equipment and apparel brands.
- **Electronics & Photo:** With a worth of €269,782 (286,174), this category opens doors for US electronics and photography product sellers.
- **Garden & Outdoors:** The garden and outdoor products market is valued at €232,856 (\$247,004) and is suitable for US outdoor and gardening product brands.
- **Grocery:** With a market value of €191,963 (\$203,627), this category offers opportunities for US food and beverage brands.
- **DIY & Tools:** Worth €189,420 (\$200,928), this category suits US-based tool and home improvement brands.
- **Beauty:** The beauty sector, valued at €187,222 (\$198,596), is a prime target for US cosmetics and personal care brands.

The UK also operates under distinct regulatory standards and compliance requirements that may differ from those in the US. These variances impact labeling, safety standards, and more, making it essential for US brands to align their products accordingly.

The competitive landscape in the UK may differ from what US brands experience domestically. Understanding the competition, both local and international, is vital to crafting effective market strategies.

2) *Why Choose the UK Market*

Amazon stands tall as the leading online store in the UK – and for good reason. Its ecommerce sale far surpassed all others, registering revenue of over \$15 billion in 2022 alone. Sainsbury's was the second most popular online store, registering online revenue of \$7.5 billion – almost half of what Amazon generated.



Expanding into the UK market offers several compelling advantages for US-based brands:

1. **Cultural Affinity:**
 - a. The shared language, similar business practices, and cultural connections make the UK a comfortable entry point for US brands looking to expand internationally.
2. **High E-commerce Penetration:**
 - a. The UK has a high e-commerce penetration rate, making it an attractive market for online sellers.
 - b. Amazon is one of the leading e-commerce platforms in the UK, providing a substantial customer base for US brands.
3. **Strong Consumer Purchasing Power:**
 - a. The UK has a relatively high per capita income, which translates to stronger purchasing power among consumers.
 - b. This can be advantageous for US brands selling higher-end or premium products.
4. **Favorable Business Environment:**
 - a. The UK offers a stable and business-friendly environment, making it an attractive destination for foreign brands.
 - b. Regulatory frameworks and tax systems are generally conducive to business operations.
5. **Expanding Export Opportunities:**
 - a. Launching in the UK not only opens doors to the local market but also serves as a gateway to expanding into the larger European market.
 - b. The UK's proximity and trade agreements with the EU provide opportunities for broader reach.

As you prepare to launch your US-based brand on Amazon UK, it is essential to understand the market distinctions, tailor your brand strategy to suit local preferences, and navigate the regulatory landscape effectively. This whitepaper will provide you with comprehensive guidelines to help your brand successfully establish a presence in the UK market through Amazon UK, taking full advantage of the exciting opportunities it offers.

II. ESTABLISHING YOUR AMAZON UK SELLER ACCOUNT

Expanding your US-based brand to the United Kingdom through Amazon UK involves setting up your seller account to navigate the unique requirements of this international market. Successfully establishing a presence in the UK marketplace requires careful adherence to specific account setup procedures and understanding the distinct nuances of the Amazon UK platform.

A. British Bank Account: A Beneficial Choice

The first crucial step in launching your Amazon UK endeavors is to consider setting up a British bank account. Although it is not mandatory, having a UK bank account offers various benefits.

One of the primary advantages of a UK bank account is the ability to transact in the local currency without encountering the intricacies of currency exchange rates. This simplifies financial transactions and ensures you're well-equipped to manage your UK-based operations smoothly.

Moreover, having a UK bank account is advisable to avoid complications when changing bank account information within your Amazon seller account. It provides a seamless financial foundation for your business in the UK market.

B. Registering Your European Seller Account

In order to sell on Amazon UK, you need to establish a European seller account. It's important to note that your US seller account cannot be used to sell in the European marketplace. Setting up a European account is essential for conducting cross-border business in the UK and Europe.

The benefit of creating a European account is that it is considered a "Unified" account. This unified account structure sets you up for potential expansion into other European countries within the European Union. This expansion flexibility can be a valuable asset to your business growth strategy.

C. Listing Your Products on Amazon UK

Listing your products on Amazon UK is a straightforward process and follows similar rules to those in the US. You can use the knowledge and experience you've gained from selling in the US marketplace as a foundation for creating your listings on Amazon UK.

Amazon UK operates in a manner similar to its US counterpart, making the listing process relatively familiar. The keys to success are high-quality product listings and understanding your UK target audience.

D. Setting Up Your Shipping Channel

One of the critical aspects to address when launching your brand on Amazon UK is the establishment of a shipping channel to efficiently distribute your products across the UK. It's important to note that your US fulfillment center inventory cannot be used to fulfill orders in the UK. Here's how you can navigate this logistics challenge:

E. Freight Forwarder:

If you're sourcing your products from manufacturers outside of the European Union (EU), consider employing a freight forwarder. A freight forwarder can help you in two ways:

- Ship the products to your location first, and then distribute them to your UK customers.
- Directly ship the products from the manufacturer to a European fulfillment center.

F. Delivery to UK Customers:

You must decide how you want to ship and fulfill products for your UK customers. Amazon offers the following shipping and fulfilling options in the UK:

1) FBA (Fulfillment by Amazon) and MFN (Merchant Fulfilled Network):

Among these options, FBA is highly recommended for efficiently managing cross-border sales. Amazon FBA in the UK operates similarly to its US counterpart.

It takes charge of delivering products to your customers on your behalf, managing customer service, and handling returns. This can streamline your UK operations.

Once you opt for Amazon FBA in the UK, you need to consider the three different options available in Europe:

2) EFN (European Fulfilment Network):

EFN stores your products in one of Amazon's local fulfillment centers in Europe and then distributes them across the continent.

3) MCI (Multi-Country Inventory):

This option involves shipping your FBA stock to various Amazon distribution centers across Europe.

4) Pan-European FBA:

This service allows you to send your products to a designated Amazon fulfillment center, and Amazon handles European distribution based on current demand levels. However, it's crucial to note that pan-European FBA from the UK is unavailable after Brexit and can only be managed from other European countries.

G. Registration and Account Protection

To establish your Amazon UK seller account:

1. Visit Amazon.co.uk to create your UK seller account. If you find it feasible, you can link your professional US account with the UK account to manage all sales efficiently from a unified Seller Central.
2. The registration process typically involves providing identification documents such as your passport or driver's license, current address, bank statements, and relevant business registration documents.
3. Set up two-step registration to enhance the security of your account. Amazon will send a verification code to your registered phone number through SMS, voice message, or a designated app.
4. Utilize the "Build International Listings" tool to synchronize your listings across all the markets where you're active.
5. Fulfill your UK orders by either shipping goods directly to your customers or taking advantage of Amazon's FBA options, as discussed earlier.

Navigating the setup of your Amazon UK seller account requires attention to detail and adherence to the specific account requirements for this market. With your account established, you'll be well-prepared to introduce your US-based brand to the UK and unlock the promising opportunities it holds.

III. BUSINESS REGISTRATION OPTIONS FOR AMAZON UK

Expanding your eCommerce business into the UK market via Amazon necessitates important decisions regarding business registration. Before delving into the intricacies of selling on Amazon UK, you must determine the most suitable approach for your business in terms of company registration. This important choice hinges on several considerations that can significantly influence your operations and financial commitments.

A. Existing Business or New UK Company?

On your journey to sell on Amazon UK, you'll be confronted with a fundamental decision: whether to register a new UK business entity or continue using your existing Limited Liability Company (LLC). The direction you choose depends on various factors, including your business goals, tax implications, and risk tolerance.

B. Utilizing Your Existing LLC:

If you opt to continue with your established LLC, you have the option to do so when registering as a seller on Amazon UK. This can be an appealing choice for businesses with pre-existing LLC structures. However, there are essential considerations to keep in mind:

- **VAT Registration:** Registering as a seller on Amazon UK using your existing LLC requires you to register for Value Added Tax (VAT) immediately. This means that you will be liable for paying sales tax from the outset.
- **Account Linkage:** An inherent aspect of this approach is that your Amazon UK and US accounts will be linked. While this linkage offers convenience, it comes with a caveat. If any issues arise with one of your selling activities, such as account suspension due to non-compliance or failure to meet Amazon's performance metrics, it will impact both your UK and US sales.

C. *Registering as a New UK Business:*

On the other hand, you can choose to create a new UK business entity to start selling on Amazon UK. This approach is not without its unique considerations:

- **VAT Delay:** When you register as a new UK business on Amazon, there is no immediate obligation to register for VAT. However, it's important to note that VAT registration will be required at a later stage as your business grows.
- **Account Separation:** Opting for a new UK business means that your UK and US Amazon accounts will function as distinct entities, free from direct linkage. While this approach offers independence between the two markets, it comes with the requirement of establishing a UK business entity from scratch. The choice between utilizing your existing LLC or establishing a new UK business should be made after careful evaluation of your specific business circumstances and goals. It's vital to weigh the advantages and disadvantages of each approach, considering factors such as taxation, account linkage, and the long-term growth strategy of your brand.

1) *Seeking Professional Guidance*

While this article provides valuable insights to set you on the right path, it's essential to emphasize the importance of consulting with a professional Amazon marketing agency based in the UK.

Such agencies often possess the knowledge and expertise required to navigate the complexities of Amazon UK and ensure that your business registration aligns with your broader objectives.

In the subsequent sections of this whitepaper, we will delve deeper into the VAT registration process, tax obligations, and the impact of these decisions on your Amazon UK journey. Understanding these intricacies will empower you to make informed choices and position your brand for success in the UK marketplace.

IV. LEVERAGING AMAZON FBA FOR US-TO-UK SALES

When it comes to expanding your reach and making your products readily available to UK and European audiences, Fulfillment by Amazon (FBA) stands out as the optimal choice. This streamlined service simplifies your cross-border operations and enhances the customer experience. Here's how it works:

1. **Inventory Shipment:** To get started, you send your inventory to a European Amazon fulfillment center. Once your products arrive, you can rely on Amazon's dedicated team to manage the distribution and delivery of orders to the right customers.
2. **Efficiency and Customer Service:** FBA empowers you with faster order turnarounds and elevated customer service standards. By entrusting order fulfillment to Amazon, you ensure that customers in the UK receive their purchases promptly and efficiently.
3. **Consideration of Fees:** It's important to note that while FBA offers numerous advantages, it does come with associated fees. These fees are an investment in the superior service and accessibility that FBA provides. The efficiency and customer satisfaction achieved through FBA can offset these costs and contribute to your business's success.

A. *Exploring FBA Options for the UK Market*

When it comes to the FBA, you'll encounter several strategic options tailored to your business's needs and objectives. It's crucial to understand these options to make the most informed decision. Here are some key considerations:

1) *PAN-EU (Pan-European FBA):*

With PAN-EU, you only pay the local fulfillment costs, even if your orders are destined for different European marketplaces. This means that your customers can enjoy efficient fulfillment from a nearby Amazon center, regardless of their location.

2) *EFN (European Fulfillment Network):*

EFN allows you to store your products in a designated fulfillment center. You will begin selling in multiple European markets once you've localized your product listings to cater to the specific preferences and needs of different countries.

3) *Multi-Country Inventory (MCI):*

This approach involves sending your listings to multiple fulfillment centers across Europe. It's an excellent choice if you aim to offer expedited deliveries to customers in various European locations simultaneously.

B. *Common Queries for US Sellers Venturing into Amazon UK*

1) *Is Amazon FBA a Worthwhile Investment?*

Amazon FBA can be a highly cost-effective solution, especially for US sellers looking to expand their operations to the UK. The suitability of FBA depends on factors such as your product range, business model, and specific needs. It's essential to choose the right type of Amazon FBA to maximize its benefits, and Amazon offers comprehensive guidance to assist you in this decision-making process.

2) *Do I Need to Register for VAT?*

Yes, VAT registration is mandatory in any country where you intend to sell. Since your products will be imported into the UK, compliance with local customs laws and regulations, as well as VAT registration is a requisite. Furthermore, as you will be storing and selling goods within the UK, VAT registration is an essential step.

3) *Can Amazon Assist with VAT Registration?*

Amazon offers a dedicated service to support sellers with VAT registration, filing VAT reports, and submissions. This service can be conveniently accessed through Seller Central. As a US seller, you can leverage this service to facilitate sales within the UK, Czech Republic, and Germany for an annual fee of €400 per country. You'll need to provide business documentation and banking details to initiate the process.

4) *Understanding Amazon FBA Unified Accounts:*

Once you successfully register for an Amazon UK account, you gain the ability to sell not only in the UK but throughout Europe with an Amazon unified account. This versatile account allows you to expand your reach to Amazon's French, Spanish, and Italian marketplaces, in addition to the UK. All your orders will be managed from a centralized location within your account, streamlining the management and promotion of sales across multiple European regions.

In the subsequent sections of this whitepaper, we will delve deeper into VAT registration, tax compliance, and strategies for optimizing your FBA operations, ensuring that you are well-prepared to seize the opportunities presented by the UK market.

V. THRIVING ON AMAZON UK: ACCOUNT MANAGEMENT, PRODUCT LISTING OPTIMIZATION, & MARKETING STRATEGIES

Succeeding as a US-based seller on Amazon UK requires a well-thought-out approach to account management, product listing optimization, and tailored marketing strategies. Here's a comprehensive guide on how to navigate these aspects effectively in the unique landscape of Amazon UK.

A. *Account Management Strategies*

1) *Account Type Selection:*

When setting up your Amazon UK seller account, choose between an Individual Seller or a Professional Seller account. Opting for the *Professional Seller account* provides access to a broader range of tools and features, making it the preferred choice for most businesses.

2) *VAT Registration:*

As mentioned earlier, VAT registration is mandatory when selling in the UK. Register for VAT promptly to ensure compliance with local tax laws. Amazon offers support for VAT registration, which can simplify the process for US-based sellers.

3) *Account Protection:*

Safeguard your account by enabling two-step verification and other security measures. This helps protect your account from unauthorized access and potential security breaches.

4) *Linking Accounts:*

Consider linking your US Amazon seller account with your UK account in Seller Central. This allows you to manage sales across both marketplaces from a centralized location.

5) *Local Customer Support:*

Make use of Amazon's customer support services designed for UK sellers. Prompt and effective communication with Amazon support can help address issues and inquiries specific to the UK market.

B. *Product Listing Optimization*

1) *Localized Listings:*

Tailor your product listings to cater to the preferences and needs of UK customers. This includes using British English spellings and terminology and complying with local regulations and standards.

2) *Pricing Strategy:*

Stay competitive by researching and setting competitive prices in the UK market. Consider exchange rates and local pricing trends.

3) *High-Quality Images:*

Use high-resolution images that showcase your products effectively. Follow Amazon's image guidelines for quality and dimension.

4) *Detailed Descriptions:*

Craft detailed and informative product descriptions. Highlight the features and benefits that are particularly appealing to the UK audience.

5) *Keyword Optimization:*

Utilize relevant keywords that UK customers are likely to use in their search queries. Leverage Amazon's search term fields to improve discoverability.

C. *Marketing Strategies*

1) *Sponsored Products:*

Implement Sponsored Products campaigns to boost the visibility of your products. Target relevant keywords and products to drive traffic and increase sales.

2) *Amazon PPC Advertising:*

Leverage Amazon's Pay-Per-Click (PPC) advertising platform to run targeted ad campaigns. Monitor your campaigns regularly, adjust bids, and refine ad content based on performance data.

3) *Promotions and Deals:*

Create limited-time offers, discounts, and promotions to attract UK customers. Amazon UK features various promotional tools that you can use to drive sales.

4) *Customer Reviews and Ratings:*

Encourage satisfied customers to leave reviews and ratings. Positive reviews can boost your product's credibility and visibility.

5) *Localized Customer Service:*

Provide top-notch customer service to UK customers. Address inquiries promptly and professionally to enhance your seller rating.

6) *Market Analysis and Trend Tracking:*

Continuously monitor market trends, competitor activity, and customer behavior in the UK market. This information can guide your product and marketing strategies.

7) *Cross-Border Shipping and Fulfillment*

Efficient shipping and fulfillment are crucial when selling in the UK. If using FBA, consider which fulfillment option aligns best with your sales strategy, whether it's PAN-EU, EFN, or MCI, as discussed earlier.

For self-fulfilled orders, partner with reliable carriers that offer competitive shipping rates and efficient delivery to UK customers.

D. *Adaptability & Continuous Improvement*

Adapting to the Amazon UK marketplace is an ongoing process. Regularly assess your account's performance, customer feedback, and sales data to identify areas for improvement. Experiment with different strategies, test new products, and refine your approach to optimize your presence in the UK market.

By implementing these account management techniques, product listing optimization, and marketing strategies, you can position your US-based business for success on Amazon UK. Keep an eye on market developments and be ready to adapt to the ever-evolving e-commerce landscape to maximize your growth and profitability.

VI. CONCLUSION

In the dynamic world of e-commerce, venturing into the UK market through Amazon UK presents a wealth of opportunities for US-based brands. Although the number of sellers may be smaller compared to Amazon's home turf, the UK market stands as the second-largest worldwide, accounting for 5.5% of total retail sales. Its monthly web traffic of 378 million users, which more than doubles during the holiday season, showcases its vast potential.

Amazon Prime Day, marked by significant fee reductions and resulting in billions of dollars in sales, exemplifies the power of the UK market. These statistics reveal not only a lucrative space for local sellers but also an attractive gateway for US-based brands aiming to expand their geographical reach.

As you step into the UK marketplace, understanding its unique distinctions becomes imperative. The UK market features distinct product preferences and regulatory standards, setting it apart from the US. To succeed, adapt your product offerings, labeling, and safety standards to resonate with British consumers.

The UK's shared language, cultural affinity, and robust e-commerce penetration make it a comfortable and lucrative expansion destination for US-based brands. Its strong consumer purchasing power and business-friendly environment offer a welcoming atmosphere for foreign brands. Furthermore, the UK serves as a strategic entry point to the larger European market.

Establishing your presence on Amazon UK begins with careful attention to account management, meticulous product listing optimization, and tailored marketing strategies. Choosing the right account type, VAT registration, and account protection ensure a solid foundation for success. Optimizing product listings, setting competitive prices, and crafting localized descriptions enhance your visibility and appeal to the UK audience.

Through marketing strategies like Sponsored Products, Amazon PPC Advertising, and promotions, you can drive sales and boost your brand's presence. Managing customer reviews and ratings, providing top-notch customer service, and tracking market trends contribute to long-term success.

Leveraging Fulfillment by Amazon (FBA) for US-to-UK sales streamlines operations, offering speed and efficiency in serving UK customers. Selecting the right FBA options, understanding VAT registration, and tapping into Amazon's resources can help you optimize your FBA strategy.

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