

Amazon Threatens Distribution

Written by Nick Graves
09. May 2014

Amazon has proved itself a significant retailer in major markets across the world, and technology, including mobile accessories, is increasingly a strong category for the company. However recent moves into the wholesale business in the US through its Amazon Supply arm, highlighted by an in-depth Forbes article, suggest a much more disruptive move by the giant.

Amazon has proved a lucrative channel for accessory vendors, distributors and resellers in the countries it addresses in Europe. These are currently the UK, France, Germany, Italy and Spain. Vendors and distributors have often been successful with Amazon themselves, while resellers have been able to extend their reach through the Amazon Marketplace. In all cases, understanding how Amazon operates, and working wisely within these frameworks, has been the best recipe for success.

The screenshot shows the Amazon Supply website. At the top, the 'amazon supply' logo is on the left, followed by 'FREE 2-Day Shipping! On orders over \$50' and a 'Learn More' link. To the right is a phone number '800-220-4242' and links for 'Sign Out', 'My Account', 'My Lists', and 'Help'. Below this is a navigation bar with 'Shop all Categories' and a search bar. A sidebar on the left lists categories: 3D Printing, Abrasives & Finishing, Cutting Tools, Fasteners, Food Service & Grocery, Fleet & Vehicle Maintenance, Hydraulics, Pneumatics & Plumbing, Industrial Electrical, Janitorial & Sanitation, and Lab & Scientific. The main content area features a large graphic with the text '2,250,000+' and 'Supplies for Businesses & Organizations'. At the bottom of the navigation bar, there are links for 'Index: Product, Material, Brand', 'Line of Credit', 'Where's My Order?', and 'FREE Two-Day Shipping'. The top right of the page shows a shopping cart with '1' item for '\$179.00' and a 'Check Out' button.

The Forbes article highlights Amazon Supply as the unsung initiative that could threaten wholesalers and distributors in every category Amazon covers. Amazon Supply leverages the company's scale, logistical excellence, and low margin business model to offer access to much of its catalogue at wholesale pricing.

Vendors and distributors in the US are already starting to review their relationships with Amazon. For many distributors, the company is a good customer, while vendors have longstanding distributor partnerships to consider. The potential for conflicts of interest are

Amazon Threatens Distribution

Written by Nick Graves

09. May 2014

significant, and how much these are a concern to Amazon remains to be seen.

Amazon Supply has not launched in Europe yet, but is an initiative worth tracking, in particular by distributors. A good time to review the fine print in those Amazon agreements perhaps.

Go [Forbes on Amazon Supply](#)

Go [Amazon Supply](#)

Go [Amazon Services Europe](#)