2018 Amazon Seller Fees: Cost of Selling on Amazon
Amazon seller fees include account fees and referral fees. Account fees range from $0 to $39.99 per month, and referral fees range from 6% to 20% of a product’s selling price, with the average seller paying 15%. Sellers also need to fulfill and ship orders, the cost of which will vary widely depending on the product.

Before we dive into the details, one thing you need to know before you start selling on Amazon is that sellers are paid every two weeks. For businesses that have to manage supplier bills and other ecommerce operating costs, a bi-monthly payout seriously crimps cash flow. But Payability, the sponsor of this article, solves this cash flow dilemma by making daily deposits into your bank account based on your Amazon sales. You even get a $100 account credit for signing up.

Below we explore the 4 primary Amazon seller fees in 2018 and show you how to estimate the fees you’ll pay for each product you sell on Amazon.

1. **Amazon Sale-Related Fees**

These 3 Amazon seller fees are what you pay when you sell products on Amazon. These fees vary based on your item category and selling price, so getting an accurate picture of your particular costs might take a little research.

**Referral Fees**

All Amazon sellers, both Individual and Pro, pay a **Referral Fee** for every item that sells on Amazon. The 2 things that determine your referral fee are:

- Your product category
- Your selling price
Referral fees are a percentage of your product’s selling price. Most sellers pay, on average, a 15% referral fee. But, these fees can range from 6% up to 20% depending on which categories your products fall under. You can determine exactly what referral fees you’ll pay on the products you sell by checking Amazon’s Seller Fee Schedule, which lists referral fees for specific Amazon categories.

**Minimum Referral Fees**

Amazon assigns a Minimum Referral Fee to some (not all) categories. This is usually $1, but is $2 for the jewelry and watch categories. If a category you sell in has a Minimum Referral Fee, then you'll pay the greater of the two fees (not both!), based on your product’s selling price.

**Example of Amazon’s Referral Fees & Minimum Referral Fees**

The following products sell in Amazon’s Home & Decor category. This category has a 15% Referral Fee, but also has a $1 Minimum Referral Fee. Here are the fees that sellers pay on 2 items with different selling prices:

**Here’s how it all works out:**

The Drink Coasters’ 15% Referral Fee is 89¢, which is less than $1. So, Amazon applies the $1 Minimum Referral Fee, because $1 is greater than 89¢. However, the Throw Pillows 15% Referral Fee is $3.75, which is greater than $1. So, the $3.75 Referral Fee is what Amazon applies when this item sells.

Remember, in categories with Minimum Referral Fees, the greater of the two fees (not both!) is what Amazon applies. You can see which categories have Minimum Referral Fees on Amazon’s Seller Fee Schedule.
Variable Closing Fee
Amazon charges an additional fee for products sold under its Media categories. This fee is the **Variable Closing Fee** and it’s a flat **$1.80 fee** which is **added on top** of the Referral Fees for items in any Media Category, including:

- Books
- DVD
- Music
- Software & Computer/Video Games
- Video
- Video Game Consoles

Now that we’ve covered the costliest fees that Amazon charges its sellers, let’s look at the other primary Amazon seller fee: Account fees.

2. Amazon Seller Account Fees
Amazon offers 2 types of Amazon seller accounts. The fees and features of each are geared toward the specific selling needs of low-volume individual and high-volume business sellers:

Along with the differences in fees, each type of account offers features that accommodate the particular needs of small or large sellers:

**Amazon Individual Seller Accounts**
Geared for occasional and low-volume sellers, Amazon Individual Seller accounts require little setup and have **$0 monthly fees**. But you have some restrictions compared to the Pro accounts:
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- Allows up to 40 product sales per month. This is not the number of product listings, but actual products sold.
- You have to create listings manually in the Amazon Seller Central dashboard. Bulk uploads aren’t supported
- Inventory management isn’t available
- Limited to certain categories
- Cannot offer gift wrap

Amazon Pro Merchant Accounts

Amazon Pro Seller accounts are designed to meet the needs of businesses and provide many volume-selling features for your $39.99/month fee:

- Unlimited product listings
- Bulk product uploads
- Connects to ecommerce and order management platforms
- Inventory management
- FBA inventory management
- Can offer gift wrap

Which Account is Best For You?

If you’re an established ecommerce seller moving to Amazon, the Pro Seller account is your best pick. The Individual account is very limited in comparison and requires more hands-on management.

However, if you’re just starting to sell products on Amazon, you can get started on Amazon with no up-front costs at all using an Individual account. It costs $0 to register an Individual Seller account and list products. You’re only charged fees when your product sells. In fact, you’re not even “charged.” Amazon takes their cut from your payout, so you really don’t pay a dime out-of-pocket.
How Fast do Amazon Sellers Get Paid?

Speaking of payouts, it’s important to know that the Amazon marketplace pays its sellers every 14 days. Some older “grandfathered” seller accounts and high-volume sellers are on a faster payout schedule, but the average individual or small business Amazon seller is stuck with a 14-day payout.

Even then, you don't actually receive your money in 14 days. Once a payout is released by Amazon, the transfer time between Amazon and your bank account can add 3 to 5 more days until funds are deposited. Because of this, you'll usually wait about 19 days to receive your money after a sale is made and the item shipped.

How to Get Amazon Payouts Faster

If Amazon is your main source of sales, this wait time can seriously affect your ability to grow. It can slow stock purchases, cause inventory shortages, and make it hard to stay on top of your bills. While you can't change Amazon's payout schedule, there is a way to get payments daily using a service called Payability.

Payability is a factoring service that connects to your Amazon Pro Seller account, tracks your daily Amazon sales, and direct-deposits funds daily based on your Amazon sales. You can even choose between having funds deposited into your bank account or onto a prepaid MasterCard.

Payability charges a **2% fee**, based on your Amazon revenues, for their Amazon payout service. But if you choose their prepaid MasterCard option, you also get a 2% cash back on your purchases. That makes the service practically free if you, like many Amazon sellers, use a credit card to manage inventory buys and other expenses.
So, we've examined the sales-related and account fees that you'll encounter, and looked at how you can get paid faster than Amazon’s usual 14-day payout. Next, we’ll explore your operational expenses such as shipping and order fulfillment.

3. Shipping Credits & Costs

These are not seller fees, but they can cost you money if you’re not careful. If you ship Amazon orders yourself, Amazon pays you a Shipping Credit on every sale to cover your shipping costs, but there’s a catch. The credit they pay sellers is generally low compared to the shipping rates you actually pay to ship orders.

Depending on what you sell and the total size and weight of each package you ship, you may wind up spending far more to ship orders than you receive from Amazon’s Shipping Credit. To ensure you don’t lose all of your profits to shipping costs, you need to know how much you’ll get from Amazon for each item you sell.

You can use the Amazon Shipping Credit Chart below to estimate your credits for each product:

![Amazon Shipping Credit Chart](chart.png)
To see if credits will cover shipping costs for your products, use the chart to figure out what Amazon will pay you for shipping when your products sell. Then, compare these amounts to your actual shipping costs. If you sell small, lightweight items, you might come out on ahead. But if your products ship in large and/or heavy boxes, you might find you'll lose on every sale.

One thing that can lower your shipping costs dramatically and boost your Amazon profit is shipping rate comparison software. With it, you can quickly compare costs among all carriers; UPS, FedEx, USPS, and even DHL. This helps you ship every order at the lowest possible rate.

Figuring up your Shipping Credits vs. actual shipping costs is vital in determining whether you can price items profitably after seller fees and shipping costs are tallied up. You'll likely find that Amazon is feasible, and even ideal, for certain items, but may not be right for everything you sell.

In fact, shipping costs are a top reason that Amazon sellers, especially Pro account holders, turn to Fulfillment by Amazon (FBA) to ship the goods they sell on Amazon.

4. Fulfillment by Amazon (FBA) Fees

Both Individual and Pro sellers can use Fulfillment by Amazon, or FBA, to stock, pack, and ship their Amazon products. Of course, Amazon charges fees for this, but many Amazon sellers find the FBA fees are quite reasonable for certain items. Plus, it takes time-consuming daily order packing and shipping tasks off your shoulders and even makes your items Prime-eligible.
FBA fees vary based on product size and weight. Like every other facet of selling on Amazon, you need to understand the total fees you’ll pay to store and ship your products with FBA before jumping onboard.

**FBA fees cover two services**

Amazon’s FBA fees are pretty streamlined, they roll all of the picking, packing, and shipping costs into one charge, and the other charge is for inventory storage. FBA fees include boxes and packaging, and even covers returns handling if your buyers return items to Amazon. The 2 FBA fees you’ll see are:

- **Pick, Pack & Weight Handling Fees:** This is your entire pack-through-shipment fee, including your shipping cost.
- **Monthly Storage Fees:** This is the cost of storing your products in Amazon’s warehouse.

**FBA fees are based on product size**

FBA fees are based on the size of the product you’re storing and shipping. Size includes any packaging for your product, such as shoe boxes, blister packs, or retail packaging. Amazon divides FBA products into 2 size categories:

- **Standard-size products:** Standard-sized items, fully packaged, must weigh less than 20 pounds and not exceed 18”x 14”x 8”.
- **Oversize products:** Any item over 20 pounds and/or exceeding 18”x 14”x 8” is considered oversized.

Here’s a look at how FBA fees stack up based on these variables. Note the difference in the FBA inventory storage fees during the October-December holiday season. And remember! The FBA fees below are added on top of the Referral and Account Fees discussed earlier:
Here are some examples of what Amazon FBA fees run for different types of products. You can estimate FBA fees for your own products using Amazon's FBA fee calculator.

<table>
<thead>
<tr>
<th>Product Examples</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>T-shirt</strong></td>
</tr>
<tr>
<td>Large standard size (1 lb. or less)</td>
</tr>
<tr>
<td>Dimensions: 8.5&quot; x 5.8&quot; x 1&quot;</td>
</tr>
<tr>
<td>Unit weight: 0.35 lb.</td>
</tr>
<tr>
<td>Outbound shipping weight: 1 lb.</td>
</tr>
<tr>
<td>Per-unit clothing fee: $0.40</td>
</tr>
<tr>
<td><strong>Per Unit FBA Fulfillment Fee:</strong> $3.59</td>
</tr>
<tr>
<td><strong>Baby Cot</strong></td>
</tr>
<tr>
<td>Small oversize</td>
</tr>
<tr>
<td>Dimensions: 25&quot; x 8&quot; x 7&quot;</td>
</tr>
<tr>
<td>Unit weight: 7.05 lb.</td>
</tr>
<tr>
<td>Outbound shipping weight: 10 lb.</td>
</tr>
<tr>
<td><strong>Per Unit FBA Fulfillment Fee:</strong> $10.79</td>
</tr>
<tr>
<td><strong>Monitor</strong></td>
</tr>
<tr>
<td>Large oversize</td>
</tr>
<tr>
<td>Dimensions: 53.3&quot; x 33&quot; x 6.8&quot;</td>
</tr>
<tr>
<td>Unit weight: 48.45 lb.</td>
</tr>
<tr>
<td>Outbound shipping weight: 50 lb.</td>
</tr>
<tr>
<td><strong>Per Unit FBA Fulfillment Fee:</strong> $73.18</td>
</tr>
</tbody>
</table>

Source: Amazon

If you're considering FBA, you need to be aware of other fees that can creep onto your bill. These include long-term storage fees and relabeling fees for improperly labeled products. If you don't stay on top of these, your profits can slip away. So be sure to understand all of the FBA fees you might face if you go that route.
“When you get your Amazon bill every month, they automatically deduct FBA storage fees from each product and then lump all storage into a top line item. So, you can’t actually see what your per-product storage costs are unless you pull a spreadsheet that could be thousands of rows long, depending on how many items you sell. When you run the numbers, you’ll notice that storage fees add only a few pennies per month to the costs of goods sold for smaller items, but for larger items, storage fees can literally add $0.50 – $0.60 or more to your COGs for every item, each month.”

— Michael O’Donnell, Amazon Seller & Chief Executive Officer, CaveTools

**Bottom Line: Amazon Seller Fees**

Nearly half of US online sales happen on Amazon. The marketplace pulls in a mighty big pool of shoppers looking to buy. In fact, it’s estimated that more than half of online shopping searches start on Amazon. If you want to hit roughly half of shoppers looking to buy online every day, you need to start selling on Amazon. But there are costs involved.

Amazon seller fees are based on several factors and include:

- The type of Amazon seller account you have, Individual or Pro
- The types of products you sell, and which categories they fall under
- How you ship products if you fulfill orders yourself
- Your FBA fees if you go that route for order fulfillment

The difference between profit and loss can be slim on every item you sell, so it’s vital that you understand all of the fees and costs that go into selling on Amazon. If you do, you’ll be able to find profitable products and enjoy success on this huge, ever-growing marketplace.