

Partnership Guidelines and Expectations

Amazon has changed the way we work. The giant is the largest B2C commercial website in the world, operating across the globe, with millions of daily users who have their credit cards on file and are ready to purchase at the push of a button.

Getting your product on the store shelves of a big-box store like Walmart used to be the ultimate goal. It took a lot of time, a lot of research, a lot of money, and good connections to make it happen. And once it did happen, you had to sell it at whatever price The Big-Box store decided to sell it at.

Amazon has completely changed the game, allowing average everyday folk who are not masters of capital with millions of dollars of inventory and revenue to pony up to the bar and compete against multi-billion-dollar corporations.

Unfortunately, with a leveled playing field comes a large entourage of players. Today, getting your product found in Amazon can be an equally daunting task. If you are not successful in getting your product noticed, it will languish somewhere on page 17 and never generate any Revenue. However, if you get to the top of page 1 and get your product viewed by millions of people, it can mean a massive windfall in your favor. Here are some examples of the kinds of sales our partners and peers are generating on Amazon today:

	Last updated 5/2	3/16 3:17:20 PM PDT				
	Ore	dered product sales	Units			
	Today	\$760.47	31	Sales Summ	nary	
	7 Days	\$6,638.69	271		6/16 12:48:42 PM PDT	
	15 Days	\$14,621.86	592	Or	dered product sales	Units
	30 Days	\$25,014.18	1,022	Today	\$24.95	1
	View more of your sales statistics			7 Days	\$848.30	34
Sales Summary ast updated 24/05/16 16:12:23 BST				15 Days	\$1,550.89	63
				30 Days	\$2,522.95	105
	0	rdered product sales		Units		
oday		£404	4.73	27		
Days £2,443.37			163			
5 Days	5 Days £5,503.25			375		
0 Days	í.	£10,12	0.17	683		
	Vie	ew more seller metrics		s Summary odated 4/25/16 5:01:06	PM PDT	
				Ord	ered product sales	Units

Last apaated 4/1	7/16 11:48:49 AM PDT	
Ordered product sales		Units
7 Days	\$15,106.87	913
15 Days	\$32,646.75	2,025
30 Days	\$50,843.19	3,181

	Ordered product sales	
7 Days	\$18,153.39	1,396
15 Days	\$39,730.04	3,024
30 Days	\$80,272.02	5,977

View more of your sales statistics

There are dozens of other screenshots taken from the seller's Central section of Amazon that we could share with you. But these are enough hopefully to paint a picture of the possibility which lies before you. Naturally, we cannot guarantee any kind of result, as there are a lot of factors that go into ranking and doing well on Amazon, many of which are completely outside of our control, including the quality of your product and packaging and other issues that could affect customer experience like shipping and damaged goods Etc.

To that end, we are careful about which businesses we decided to partner with and which products we decide to represent. If we decide to work with you and your company and product, it means we see potential in your product as a long-term investment of our time. because we want this to work out in everybody's best interest, our preferred method of working together as a partnership whereby we retain 25% of all net profits from Amazon sales, rather than being paid our monthly consultation fee. the very nature of Amazon and Amazon products is somewhat prohibitive towards short term business Arrangements. Rest assured, if we decide to work with you we're in it for the Long Haul.

The following are our PROCESS GUIDELINES for partnership. It is expected that all partners (hereafter: "The Client") will agree

to these terms, having read and understood them, as they outline their relationship with us (hereafter: "the Agency").

- The client agrees to give us exclusive rights to the product on Amazon. That means there will be no other sellers of this product on Amazon but us. We have to do this in order for some of the various techniques we use, including but not limited to various promotions, to work.
- The client therefore also agrees to not authorize any secondary sellers, and to help remove or discourage existing secondary sellers.
- In the normal course of events, as success build upon success, many clients wish for us to handle multiple different products. Agreement to work upon one product in no way constitutes an agreement to work upon any future products. All products are evaluated on a case-bycase basis comma and are normal rubric is the only launch one product at a time per client.
- The client agrees to make sure that all products are fulfilled by Amazon and Prime eligible.
- The client also agrees to maintaining an ample inventory at all times, and understands that running out of inventory is unacceptable.
- The client also agrees that each time inventory remains at 0 stock for longer than 5 days the commission rate that

## we are on the product will increase permanently by

**1%.** (Note: this is a pretty severe penalty, and one we've never had to enforce, simply because being here is enough to severely discourage running out of inventory. However, running out of inventory can cause the product to lose all rankings that we have worked to gain for it, so we have to take a very hard line position on this.)

- The client agrees to allow us to run promotions and discounts of between 50 and 300 units every three months, where's sales may be made at a loss, typically for around \$2 or less; The client also agrees to allow us to sell at cost as much product as necessary.
- The client agrees to open and maintain a Seller Central Pro account in the client's name
- The client agrees to Grant full access to Seller Central accounts including all sales data to Hundreds of Customers
- The client agrees to have limited people authorized to engage actively within Seller Central comma and understands that our company will be proactive within the Seller Central account on a regular basis. We will do our best to keep you apprised of immediate modifications in a timely manner, but we will not be required to seek preapproval to make edits or take actions we deem necessary
- The Agency will handle:

- We will take care of the product set up, editing all images, editing all product detail page copy, such as titles, bullet points, descriptions, Etc. However, we will need sample copy, suggested keywords, images, etc, to help us effectively do what we do.
- We will set up and manage various promotions and Amazon ads.
- The client agrees to handle:
  - All Financial issues related to the selling of the product
  - Inventory management, including making sure that ample amount of inventory is always available
  - There will occasionally be additional expenses recommended for strategy implementation. (e.g., The cost of a press release, a piece of software or tool needed, we may need printing -say for stickers, coupons etc., we might decide to run external ads (Google AdWords, Facebook ads etc.) If so, after discussing the strategy or tool, this would be paid for by CLIENT and not deducted in any way when calculating commissions.
  - Known Extra Expenses:
    - AUTO-RESPONDER A customer autoresponder system (such as: Feedback Genius) is required. These type systems offer a sliding scale fee

based on number of emails. (\$80 per mo. covers 10,000 emails and should cover our needs initially.) This type system is proven to increase FEEDBACK, REVIEWS and SALES. It will be set-up by the agency, the log-ins being sent to amazon@hundredsofcustomers.com.

- CARD INSERTS (or package stickers) Our best next customer is an existing customer buying again (re-orders). Existing customers also provide valuable word-of-mouth. Card inserts or package stickers which include a DISCOUNT PROMO CODE can be effectively used to encourage or remind customers to RE-ORDER same product or a related product (or share with a friend). These will be required as soon as feasibly possible and included in packaging fulfilled by Amazon. Design and messaging will be discussed.
- POSTCARD FOLLOW-UP MAILINGS Amazon provides the street addresses of all customers. Mailing postcards is an effective method for increasing Amazon sales and reviews. This is not an initial expense requirement, but it will be discussed as a smart possibility once rankings have been achieved and sales are rolling in.

- FNSKU LABELING: Amazon requires that an FNSKU number that they generate be attached to all products in their inventory. They charge currently \$.20 per label, which the client may either pay, or else the client will take it upon themselves to label each product prior ro shipping to Amazon.
- Most phone matters in communication with Amazon that arise from regular day-to-day issues.
- The client will handle other day-to-day issues except when there are issues such as complaints, bad feedback, bad reviews, refunds, Etc. In these instances, we will collectively work together to find the best solution, and then under normal circumstances the client will carry out that solution.
- The client is also responsible for prompt payment of the agency's commission.
- All parties agree to the following:
  - Each party shall provide a consistently available form of communication such as a mobile phone that is text enabled, email, mailing address, Etc.
  - Each party agrees that they will always respond within 24 hours up and issues arising.
- If needed, the client agrees to cooperate in revamping the product if necessary. This may include different bundling,

different packaging, different pricing, Etc. (Usually with an eye to increasing Attention, Interest, Desire, and Action (AIDA) with customers)

- Getting good product reviews will be a collective effort, and it will be an ongoing never-ending part of the required strategy. Naturally, bad reviews will happen. And many of them will not be able to be removed by Amazon no matter how egregious they are. It is agreed that the client will help brainstorm tactics to help mitigate such bad reviews
- one strategy which we will deploy is "over refunding" A technique which is allowed by Amazon, and can be both very effective and worth the cost. It is agreed that over refunding up to \$20 above the product costs may be used as a strategy from time to time
- The client agrees to acquire at least the first 10 4- to 5star reviews (usually using Family, Friends, and various connections)
- Anything necessary to complete our job must be made available in a timely fashion. This would include up-to-date product materials, descriptive copy, images (preferably layered in Photoshop files), and samples, which will be delivered to:

- Hundreds of Customers LLC
  % Justin West
  115 N 2nd St
  Atchison, KS 66002
  amazon@hundredsofcustomers.com
- It is absolutely imperative that we be made aware of any related Marketing Online or offline in other channels for the same product including advertising on sites like Edwards, the product existing on store shelves, various commercials, blog posts, social media or Facebook Marketing, sales reps, Distributors, Affiliates, resellers, wholesalers, at cetera.
- Define degrees to pursue marketing opportunities to promote Amazon sales via existing customer and Prospect list, company web sites or blogs, and partner or cooperative lists.
- The client agrees that whenever possible potential buyers will be given the opportunity to buy on Amazon if that potential buyer is at a company site, blog, or social media page.
- The client understands that allowing wholesalers, Distributors, outlets, and resellers to buy on Amazon, using promo codes to deliver at wholesale pricing, is a smart idea and will consider these options and opportunities on a case-by-case basis. The client also understands that our agency will earn no commissions on

bulk wholesale orders purchased via Amazon in this matter.

- The client understands that driving Amazon sales via another sales channel for example an infomercial or commercial comma is also a smart idea and will consider these opportunities on a case-by-case basis. Again, our agency will earn no Commission on pre-arranged external Channel orders purchased via Amazon in this manner.
- The client also understands that giving away products (e.g., for contests, charity, samples, etc.) Is also able to be done in this fashion.

## **TERMINATION of AGREEMENT**

- It should be understood that this is intended to be an ongoing, long-term partnership. neither party should flippantly seek to terminate this agreement. However, in the event that cells do not materialize or sustain themselves despite all efforts, we the agency May terminate this agreement at any time by providing 60 days' worth of notice to the client.
- The client May terminate this agreement by meeting each of the following three criteria:

- The client must provide 60 days' written notice;
- AND, within the same 60 days, product is unable to be sustained on page 1 of Amazon for at least one of the keyword phrases agreed upon;
- AND, the net payout from Amazon Falls below certain monthly threshold for the same 60-day period
- Should the client or any managing corporation decide to sell or transfer ownership of the products which we represent on Amazon, this agreement must be transferred intact without modification, or a buyout must be negotiated.