

Amazon Business Account Benefits



Amazon Business makes it easy for registered businesses to purchase business products and services directly from Amazon and third-party vendors who sell on the platform.

It's free, so there's really no reason not to sign up for an Amazon Business account.

To create your Amazon Business account, all you have to do is visit the Amazon Business page, click the "Create Free Account" and follow the on-screen instructions to complete the setup process.

Whoever creates the account is considered the Administrator, and that person's information is used for account verification.

You must register your business using your company email then provide Amazon with proof of your business information. It must include your address, business tax ID, and a credit card.

Within 24 hours, Amazon will verify the business and in the meantime, you can track the status of your verification.

In theory, business owners can create a standard Amazon Prime account to get the same free shipping and delivery as a regular customer, but will always have to

pay sales tax, even if they would qualify for the Amazon Tax Exemption Program (ATEP).

This approach is intended as a single-user personal use account, and using it means a company misses out on spend visibility tools and heavy discounts.

After the account has been created, the administrator can add people to the account, create groups, and build approval workflows. We cover this in more detail in our Amazon Punchout Catalog post.

The added users have the authority to make business purchases from Amazon on behalf of their employers.

The main administrator is the one who controls authorized users, payment methods, shipping addresses, and more. Everything can be customized based on the needs of the business.

What difference does it make whether you use a personal or business Amazon account?

There are a few perks that make it worth it compared to using a personal account. Business pricing is a bit different, helping you to save money.

It's also possible to secure large quantity discounts and tax exemption, where applicable. Business analytics tools are also included to help you track business spending.

“Customers can look at their spending activity and total costs on purchases at the individual, purchasing group or type of spend level - giving small businesses the information they need to better control their bottom line,” said Martin Rohde, Amazon Business Commercial Vertical Director.

Amazon Prime is available for both personal and business accounts, making it even easier for businesses to procure the goods they need.

What Does Amazon Business Offer?

The main Amazon Business account is free, but if you want Prime benefits, you'll have to pay an annual fee.

Business Prime includes free two-day shipping on eligible items. Some items are available for one-day delivery. The free account provides business benefits and makes it easy to:

- Manage multi-user accounts (you must be one of the account administrators to add or edit single accounts)
- Opt into Amazon corporate credit options, such as the Amazon Business American Express card (a card with no annual fee)
- Integrate your purchasing system to create the Amazon Punch-Out catalog, which makes it possible for your buyers to shop Amazon without ever leaving your procurement software
- Establish order approval workflows and spending limits
- Receive multi-unit discounts and request those discounts from some sellers
- Access price cuts on millions of business products
- Conduct price comparisons from multiple sellers
- Provide access to a company credit card to certain users
- Save preferred suppliers
- Set certain qualifying purchases for consolidated delivery on a pallet to your dock or doorstep.
- Get free super saver shipping (not the same as Prime shipping) on all orders over \$35 with eligible items.
- Tax Exemption Program: this allows organizations with tax-exempt status to apply that to eligible purchases from Amazon, Amazon Services, Amazon Digital Services, Warehouse Deals, and any other participating sellers in the Amazon Marketplace. If you have tax-exempt status, you can use the Tax Exemption Tool for guided enrollment in the program.

Amazon Business customers in the United States, Germany, and Japan can upgrade to Amazon Business Prime at any time.

It's worth noting that while a standard Amazon Prime membership for personal use costs \$119 a year, this is not the case for businesses. Business prime costs are based on tiers:

- Duo: \$69 per year, with one user. It lacks spend visibility reports, guided buying, and extended pay by invoice terms. Learn more about those perks below.

- Essentials: \$179 per year, with three business users allowed
- Small: \$499 per year, with a maximum of 10 business prime members allowed on the account.
- Medium: \$1,299 per year with a maximum of 100 users allowed.
- Enterprise: \$10,099 per year with a minimum of 100 Amazon business account users required.

For businesses operating in the public section, there's the option to get the Enterprise plan at a cost of \$3,499 per year, though this is only available to governments, public education institutions, healthcare facilities, and nonprofit educational institutions.

You have control over the payment methods each business user has access to, regardless of account type.

When an authorized user makes a purchase with one of the cards registered on your account, they will only see the last four digits of the card for security purposes.

Beyond spend visibility, additional perks of a Business Prime account include guided buying and extended terms for pay by invoice.

Guided buying means you can tag certain products and suppliers as preferred, place restrictions on certain categories of products, and more.

The extended terms for pay by invoice means that your business can pay monthly membership dues 45 to 60 days after Amazon sends an invoice, compared to the usual 30-day term in your Business account contract.

What Businesses Can Use Amazon Business?

Businesses of all sizes can take advantage of the Amazon business account.

It's a great way for small businesses to separate personal purchases from business expenses.

In theory, any kind of business can make use of it. For instance, a small e-commerce business may find it useful to automate the delivery of crucial office

supplies.

Larger companies, such as those with more than 100 employees, may find it helpful for ensuring guaranteed delivery of office supplies and other goods.

Rohde said, “We provide easy access to hundreds of millions of products - everything from IT equipment to janitorial supplies - to businesses of all sizes and across all industries.”

He also says, “We constantly hear from Amazon Business customers that our business-only prices across such a vast selection of products are key to solving their ‘tail spending’ challenges. (Tail spending refers to purchases that are not planned or managed supplies.)

Tail spending can be costly and time-consuming for businesses, as it often requires managing hundreds, or even thousands of different suppliers.”

If your business earns money by selling products to other businesses, if possible to use Amazon business as a Marketplace to reach your customers.

If you sell office supplies or any other business good in bulk at discount prices and want to move toward an e-commerce business model, it’s possible to register as a seller on Amazon and then create a business profile.

While many businesses do find value in Amazon business Prime, it’s not always the cheapest way to shop.

The value that free shipping offers on selected items from Amazon is largely based on local availability and prices, bulk prices for business shoppers, and order scheduling.

For instance, if you own a restaurant and generally order from Restaurant Supply Warehouse a few times a year, you need to do a price comparison.

It’s possible you’re already getting the best deal. But, if you live in a remote area where there aren’t very many in-store shopping options or delivery costs are high, you may find prime to be worth the investment.

Though the program offers many benefits, it’s important to do some research ahead of time and make sure that decision-makers are aware of all the caveats

before deciding to participate in the program.

It is helpful for some companies more than others in various areas. It works best for companies that have products that can be purchased in bulk.

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