

The Great Unlock: 1P vs. 3P Across EMEA Report

Which Amazon model
is actually right for your brand

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Executive summary



61%

of Amazon's worldwide paid units were sold through third party (3P) sellers in Q2 2026, with 3P seller services revenue up 16% year on year.

Source: Amazon Q2 2026 earnings disclosure

Numbers like that tend to get read one way. First party (1P) is losing, 3P is winning, brands still on 1P are behind. We think the story is more nuanced than that, and this report aims to explain why.

Two things are true across EMEA's ecommerce landscape at the same time. Complexity and the cost of getting it wrong are growing faster than the opportunity itself, as platforms multiply and each one demands its own budget, its own team, its own expertise. And brands, whether in London, Munich, Dubai or elsewhere, are pulling toward more visibility, more data and more control over how they sell.

This isn't 1P losing ground to 3P. It's the whole playing field rising. The question worth asking isn't which model is better. It's which model fits your brand.

That's not the same as saying every brand should move. Some genuinely shouldn't, as outlined in this report. What we do argue is that the decision deserves to be made deliberately, with the same care a brand would bring to any other strategic call.

This report, in three parts:



An overview of 1P vs 3P across Europe and MENA, including the case for staying on 1P and where it still holds.



What the evidence actually says when brands do move, drawn from real brand data.



Where the real costs sit under each model, so a brand can map its own numbers against the structure rather than against ours.

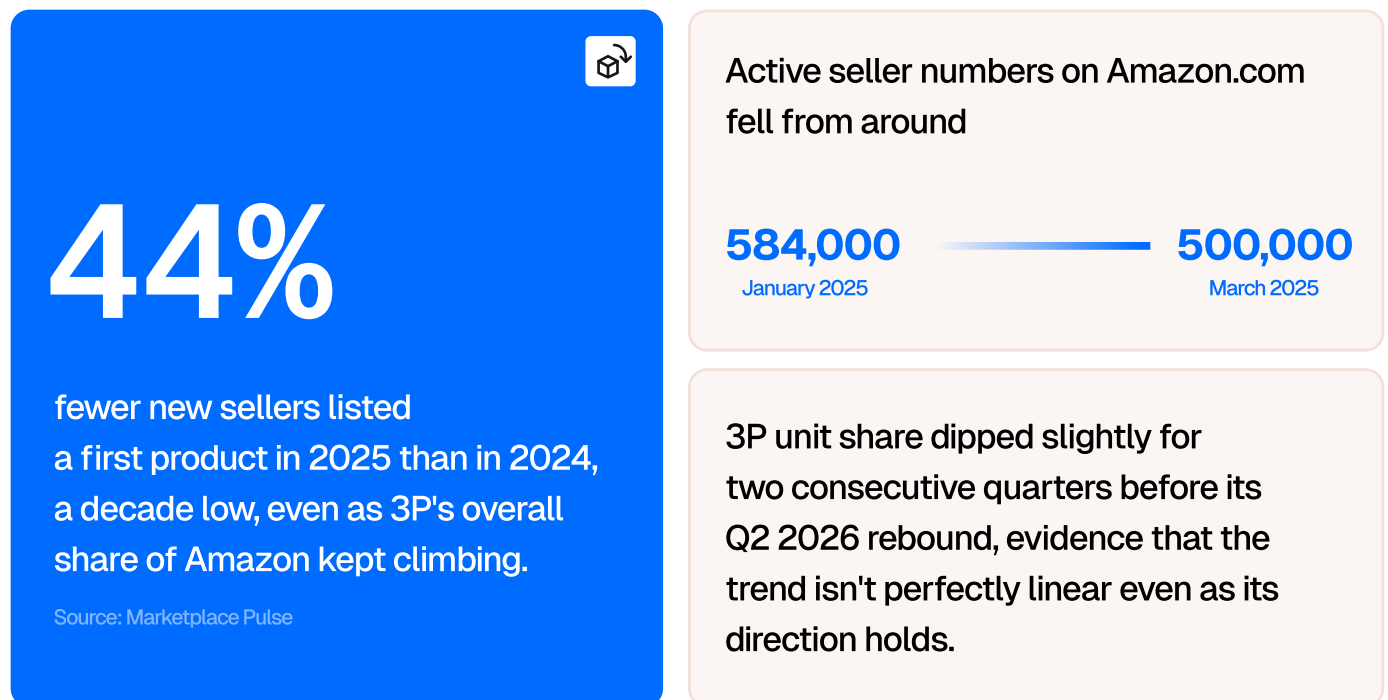


The Amazon and wider marketplace landscape

The shift is no longer a prediction

3P sellers accounted for 61% of Amazon's worldwide paid units in the second quarter of 2026, with 3P seller services revenue up 16% year on year. Verified in Amazon's own disclosure to its shareholders. By one independent estimate, 3P sellers now account for around 69% of Amazon's total sales value, and 3P fees and advertising together generate roughly a third of Amazon's total company revenue.

But bigger doesn't mean easier to enter



The platform is getting bigger for those already established on it, and harder to break into for those who aren't.

This isn't an Amazon only story

A brand's real decision about 1P and 3P rarely plays out on a single retailer. It plays out across a growing set of marketplaces, each with its own logic, and increasingly across a buying journey that starts on one platform and ends on another.

European brands face a genuinely crowded landscape of their own. Around 79% now run multi-marketplace strategies rather than treating it as optional, competing for a share of a market worth roughly £580 billion in 2026 and forecast to reach £850 billion by 2031. In the Middle East, competition is arguably sharper still: Amazon.ae, Noon and Carrefour UAE together account for an estimated 45 to 50% of UAE ecommerce GMV, with Noon alone reporting over 40 million registered users across the region.

Platform	Region	Scale	Signal
OTTO	Germany, opening to EU in 2026	6,500+ marketplace partners, up 33%	Marketplace now a third of total revenue
zalando	26 European markets	€17.56bn GMV, 62 million active customers	ZEOS infrastructure powers roughly €11bn GMV for 1,200+ partners
bol.com	Netherlands, Belgium	€5.9bn trading volume, 14 million customers	Held off a major rival's €1.4bn push into the market
allegro	Poland and wider CEE	21.1 million active buyers, 150,000+ merchants	International GMV up 56% in 2025
TESCO	UK	700+ sellers, 485,000 live SKUs	Seller count tripled in a year
TikTok Shop	10 European markets	\$66bn global GMV in 2025	Projected to reach \$112.2bn in 2026
 amazon.ae  Carrefour  noon	UAE	Jointly 45 to 50% of UAE ecommerce GMV	Noon alone reports over 40 million registered users

Beyond the channel: how buyers actually move

A brand's structure rarely matches how a customer actually shops

How brands are organised

A team per channel: Amazon, the brand's own site, social commerce.

Built up one platform at a time, as each new one demanded its own skills.

No single team owns the whole customer journey.

How buyers actually behave

Discover on one platform, research on a second, buy on a third.

Move fluidly across platforms within a single, largely unconscious journey.

The journey itself doesn't respect any one channel's boundaries.

A brand that sells as 3P across several marketplaces, not just Amazon, gets a fuller view of that journey, simply because it isn't limited to what one retailer chooses to share.

The dynamic is especially visible in the Middle East, where Amazon and Noon compete closely for the same shoppers rather than one platform dominating outright, so a brand's choice of where to hold inventory and control content matters just as much there as it does in Europe.

A history of the 1P to 3P shift: the great unlock

Amazon has been giving away its own advantage for twenty years

It helps to see this shift as a slow, deliberate handover rather than a sudden reversal. Since Amazon's marketplace first launched, one capability after another that used to belong only to 1P sellers has been opened up to 3P sellers too.



2000

Amazon puts every seller's offer on a single shared product page, forcing competition on the same listing rather than allowing it to fragment the way it had elsewhere.

2006

Fulfilment by Amazon opens up Amazon's own logistics network, at the time its single largest operational advantage, to any seller willing to use it.

2015

Seller Fulfilled Prime and Brand Registry bring the Prime badge and brand controlled listings to 3P sellers for the first time.

2017

Brand Registry 2.0 and Transparency add listing control and anti counterfeit protection that had once been tied to being sold by Amazon directly.

2019

Amazon Vine, Amazon's early reviews programme, opens to 3P sellers.

2022

Premium A plus content, once a 1P hallmark, becomes free to any brand owner.

2022

The European Commission makes Amazon's commitments to treat marketplace sellers more fairly legally binding across the EU, limiting Amazon's use of non-public seller data and setting clearer conditions for Buy Box eligibility, a direct precursor to the 2026 change below.

2026

Amazon removes seller eligibility rules for the Buy Box across the UK and EU, closing one of the last remaining structural gaps between the two models.

Third party sellers grew from 3% of Amazon's sales in 1999 to 58% in 2018. They are kicking our first party business, badly.

Jeff Bezos, 2018 shareholder letter

However, this does not mean that 1P is disappearing. Both models are growing in absolute terms. What is changing is who 1P is really for. Amazon appears to be narrowing true vendor relationships down to a small number of genuinely strategic, tier one partners, while shifting everyone else toward paid, managed 3P support rather than direct vendor management. This is a widely observed pattern rather than something Amazon has confirmed outright.

The interesting question for brands today isn't which model came first. It's which one now fits.



A framework for the decision: visibility, data and control

Three things a brand actually loses or gains, not one

Strip away the language of platforms and negotiations, and the real difference between 1P and 3P comes down to three things.

Visibility



Seeing what's actually happening

Under a vendor relationship, a brand typically sees a fraction of what's happening to its own products on Amazon, filtered through Amazon's own reporting and released on Amazon's own schedule. A brand might know that sales dipped last month without knowing whether that's a pricing issue, a stock issue, a competitor issue or simply seasonal. Under 3P, that same brand can see sales, returns, search terms and customer behaviour directly, close to real time, which turns a vague monthly worry into a specific, fixable problem.

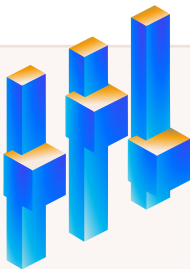
Data



Turning visibility into decisions

A brand that can see its numbers but can't segment them by customer, by campaign or by product variant still can't act on what it's seeing. This intensifies every quarter a brand continues to operate without it, since decisions about pricing, promotion and product development all get made on incomplete information, and each one becomes harder to unpick the longer it goes uncorrected.

Control



The sharpest difference of the three

Pricing, promotional activity, positioning and content are all levers a brand can pull directly under 3P, and are constrained, delayed or entirely unavailable under 1P. A brand on 1P is trusting Amazon to make decisions on its behalf that it could otherwise make itself, from how a product is priced during a competitor's promotion to how its own story is told on its own product page.

Put simply

Lens	What 1P typically limits	What 3P typically opens up
Visibility	A fraction of performance data, filtered through Amazon's own reporting.	Direct sight of sales, customers and performance, close to real time.
Data	Limited insight into who's actually buying and why.	Customer level detail that can shape pricing, promotion and product decisions.
Control	Pricing and promotional decisions made largely by Amazon.	Pricing, positioning and content levers a brand can pull itself.

When 1P still makes sense



The case for staying

For some brands, 1P still has a lot left to offer. 1P resembles the traditional manufacturer to retailer relationship most consumer businesses already understand. Amazon buys the stock, Amazon owns the risk of moving it, and the brand gets paid on delivery rather than on eventual sale. For a brand with the scale to absorb Amazon's terms, and a product that competes primarily on availability and price rather than positioning, that trade can still make sense.

There's also, for some brands, a simple mark of status in being sold directly by Amazon rather than through a 3P listing, even if that status is worth less today than it was a decade ago. And for brands without the operational capacity to run advertising, content and customer service themselves, and without a partner prepared to take that on, 1P's lower day-to-day burden is a viable solution.

The comfort myth

Brands often describe 1P as the easier option, the one that lets them hand things over and focus elsewhere.

The real difference isn't how much work is involved. It's who ultimately controls the outcome of that work. A brand managing its own stock flow into Amazon's warehouses under 1P is doing real operational work already. Moving to 3P mostly changes who that work is done for.

A rough guide, not a rule

1P tends to suit

Broad, mass market distribution at a given price point.

Brands prioritising reach over margin or positioning.

Brands with the scale to absorb Amazon's terms comfortably.

3P tends to suit

Brands that are control and equity focused.

Brands prioritising sustained, managed growth over maximum volume.

Brands that already feel the cost of limited content control.

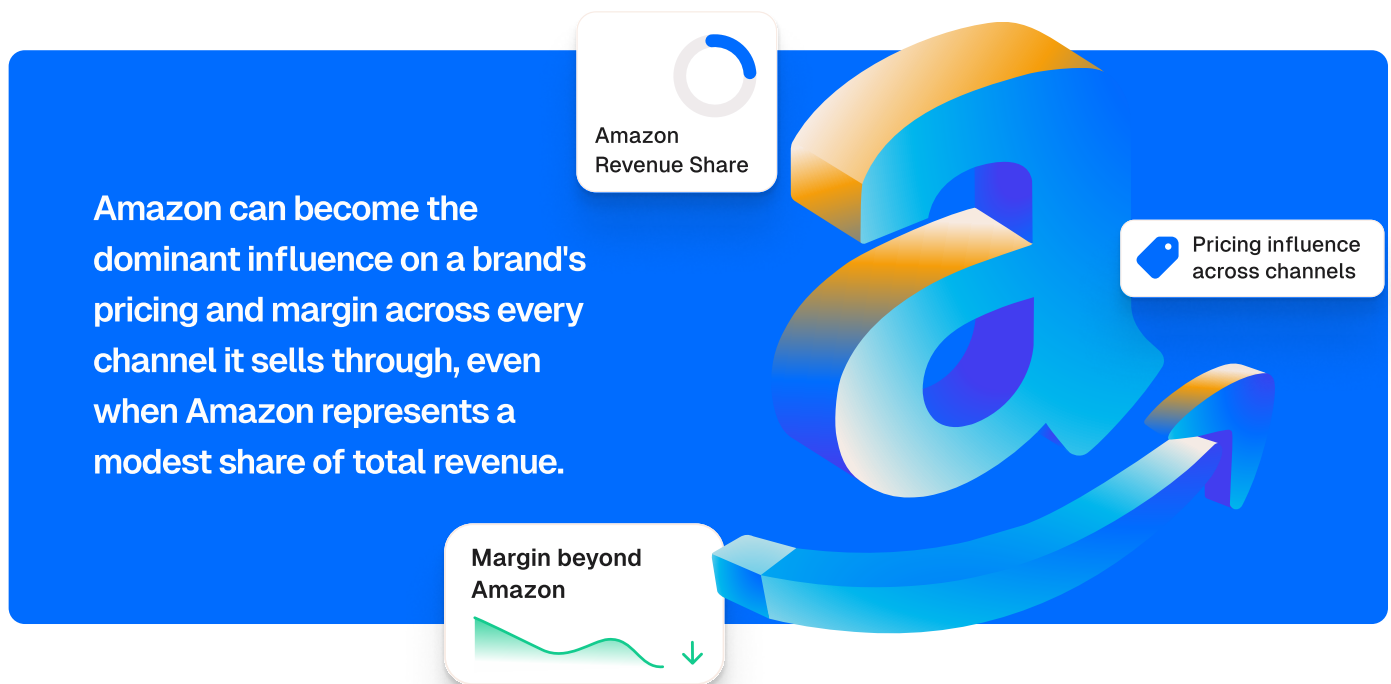
Signs 1P might still be right

- ✓ The brand competes primarily on shelf availability and price, not story or positioning.
- ✓ Amazon represents a small share of total revenue, so pricing influence from Amazon doesn't spill into other channels.
- ✓ There isn't yet the internal capacity to manage advertising, content and customer service directly.
- ✓ The category runs on thin margins already, where 3P's take rate would erode profitability faster than 1P's discount does.
- ✓ Most brands sit somewhere between the two.

Control and profitability across every channel

How Amazon quietly sets prices everywhere else

The most useful way to think about control isn't as an Amazon specific problem. It's a whole business profitability problem that happens to show up first on Amazon.



This happens through a fairly mechanical process rather than any deliberate strategy. Many retailers and distributors watch Amazon pricing as a reference point, sometimes automatically through their own repricing tools. A brand that drops its Amazon price to win a Buy Box during a promotion can find that price reflected back within days on a retailer it never intended to discount. Once that happens, reversing it takes far longer than the original promotion did.

Additive, or undermining

Profitability across channels follows the same logic. Amazon can be a genuinely additive part of a brand's business, bringing in incremental customers it wouldn't otherwise reach. Or it can quietly compete with and undermine the rest of that business, forcing a brand to keep funding retailer and distributor margin support just to stay competitive against its own Amazon listings.

- Other retailers start asking for the same discount Amazon received.
- Amazon becomes the single biggest driver of the brand's blended margin, even at a modest share of revenue.
- Promotional decisions get made reactively, in response to what's happening on Amazon rather than as part of a wider plan.

Growth, redefined

Growth under this framework doesn't mean the fastest possible increase in volume. It means growth a brand can sustain and defend, using the pricing, content and promotional levers available under 3P rather than competing purely on price. A brand that grows by discounting itself into a cheaper position within its own category isn't securing growth. It's borrowing it against future margin.

What actually brings a brand to this decision

Let's discuss what brings a brand to this decision. It's rarely the promise of selling more effectively on Amazon in isolation. Brands generally come to this point because 1P is eroding their margin and misrepresenting their brand, and because that isn't sustainable as a long term strategy. Selling on secondary marketplaces can support a wider goal of expansion and profitability management, but it's very rarely the reason a brand starts asking these questions in the first place.

The cost difference: what 1P actually costs against 3P

A structural comparison

Rather than offer a single number or a calculator, this section sets out where the real costs sit under each model, using a worked example drawn from Pattern's own profit and loss modelling on a £100 product, so a brand can map its own numbers against the structure rather than against ours.

The 3P side of this comparison already reflects a brand working through an experienced partner, in this case Pattern, rather than running 3P alone. That is why several costs a brand would otherwise carry (media agencies, creative agencies, a dedicated brand specialist, bulk purchase discounts, reporting and market share data, price intelligence) show up as included below rather than as separate line items.

Pattern absorbs that work directly so 3P here doesn't add operational burden to a brand's own team so much as move it to the partner, closer to how 1P already delegates most of the day to day work to Amazon.

Amazon 1P: a P&L with a long, negotiated cost stack

Amazon 1P P&L	Rate	Amount
MSRP / MAP, trailing period margin	Product price	£100.00
Amazon base discount, PPM	20%	£80.00
Accrual costs		
MDF, pay to play, 10%	10%	£8.00
Freight allowance, 3 to 4%	3%	£2.40
Damage and liquidation, 3 to 4%	4%	£3.20
SAS / AVS brand specialist, 1.25%	1%	£0.80
Marketing co op, 1% plus	1%	£0.80
Pallet / truck ordering, 3 to 4%	0.5%	£0.40
FC transfer / IDX, \$0.30	0.25%	£0.20
Spectra discounted bulk buys, 1 to 10%	1%	£0.80
S&S discounts, 5%	0%	£0.00
CRAP / MCP price matching funding	1%	£0.80
Promotions / markdowns, fully funded by brand	0%	£0.00

Net PPM	37.40%	£17.40
Other costs		
Chargebacks	10%	£8.00
Shortage payments	3%	£2.40
SIOC / package reductions	4%	£3.20
Advertising	1%	£0.80
CM, contribution margin	1%	£0.80
Total costs on Amazon's P&L		
Chargebacks	10%	£44.20
Additional expenses		
Media agencies, 1%	0.25%	£0.25
Creative agencies, 0.25%	0.5%	£0.50
Data providers and market data, 1.75%	1%	£0.80
Price intelligence and compliance, 1%	1%	£1.00
Operations, bundling, erratic ordering, multiple FCs	0.5%	£0.50
Additional offsets, 2%	2%	£2.00
True total costs		£49.25
Net profit		£50.75

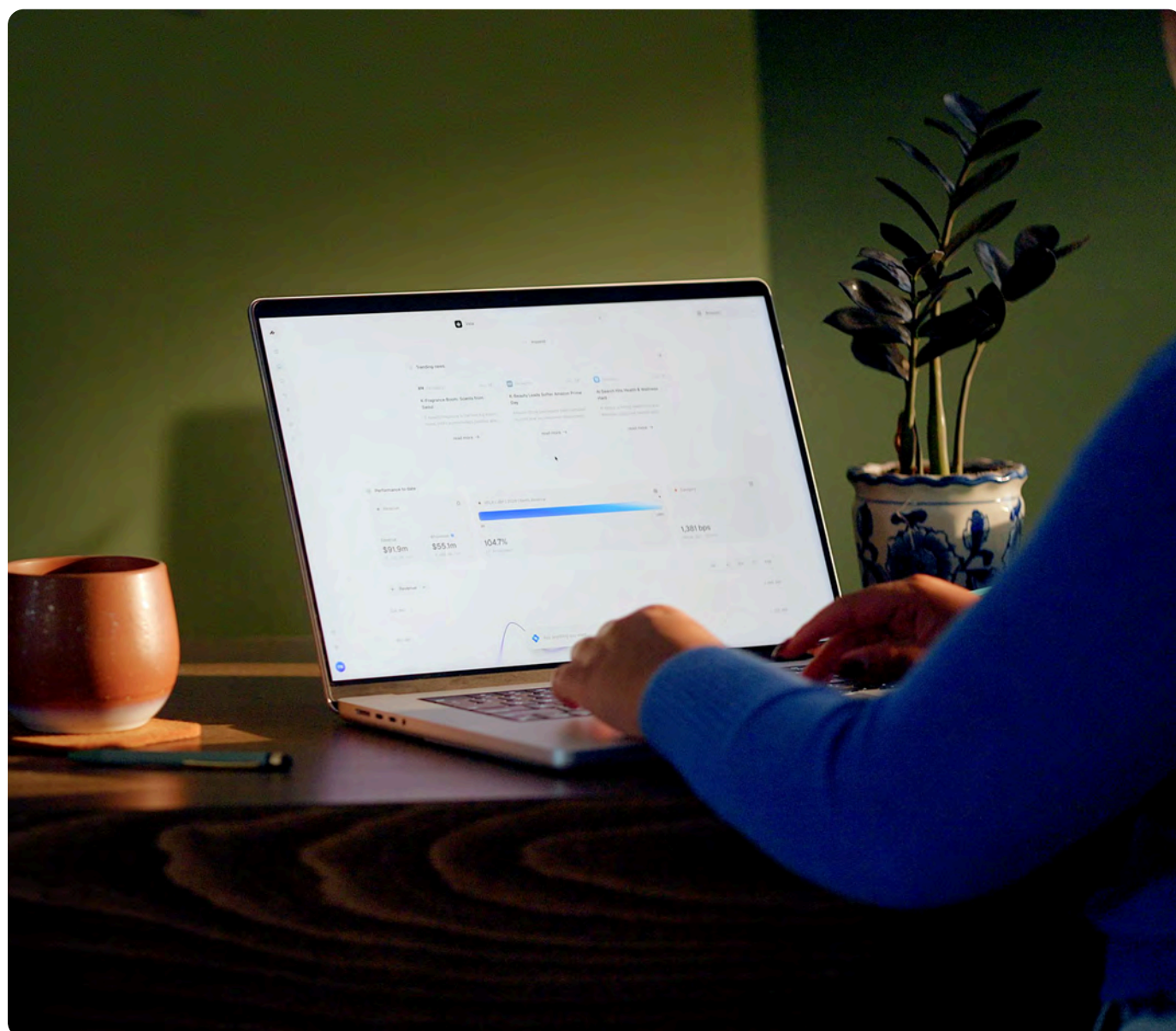
Pattern 3P: a shorter, more predictable stack

Pattern 3P P&L	Rate	Amount
MSRP / MAP		£100.00
Pattern purchase price	46%	£54.00
Costs		
Inbound shipping to Pattern	2%	£1.60
Advertising spend, 100% pass through	1.75%	£1.40
Damage and liquidation	2.35%	£1.88
S&S discounts, 5%	0%	£0.00
Promotions / markdowns, partially funded by Pattern	0%	£0.00
Total costs		£4.88
Profit		£49.12
Additional expenses		
Media agencies, 1%		Included
Creative agencies, 0.25%		Included
SVS / AVS brand specialist, 1.25%		Included
Bulk purchase discounts, 1.5%		Included
Reporting, ARA, and market share, 1.75%		Included
Price intelligence and compliance, 1%		Included
True total costs		£49.12
Net profit		£50.88

What this worked example actually shows

On this £100 product, the two models land in a very similar place. Net profit comes out at £50.75 under 1P against £50.88 under 3P, a gap of only 13 pence.

The real difference isn't the headline profit. It's everything sitting above it. The 1P stack runs to more than twenty separate cost lines, each one individually negotiated, several renewed annually on terms that tend to move in Amazon's favour over time. The 3P stack runs to five, most of them fixed rather than negotiated, and several services a 1P brand pays for separately are simply included in the 3P take rate rather than billed on top.



What the evidence shows when 3P is put into practice

Real cases, and what they do and don't prove



WEIDER

Weider is a legacy sports nutrition brand selling vitamins and supplements across Amazon Germany, Italy, Spain and France. In November 2024 the brand began working with Pattern to move from 1P to 3P across around 100 SKUs, with a clear goal: keep revenue moving through the transition rather than pausing to let it happen.

Pattern managed the shift in phases, selling down 1P inventory carefully so Amazon didn't return unsold stock, while phasing top selling products into 3P in line with how well each one was actually selling. Dynamic pricing through Pattern's own repricing tool helped protect position during the handover, and a parallel compliance effort, between Weider and legal partner Vorys, cleaned up the seller landscape.

Weider recorded its first 3P sale within two months of starting the transition. Buy Box ownership then increased 31% within four months, and the brand saw a 183% sales lift in Q2 2025.



Up 31%

Buy Box ownership,
in 4 months



Up 183%

Sales lift, Q2 2025

5

New products launched,
on Amazon Germany

11

Non-
compliant
listings
reactivated



**<90
days**

Time to first 3P sale
from onboarding

This is a real, named Pattern client result, published at uk.pattern.com/case-study/weider



GREEN PEOPLE

Green People is a natural and organic skincare brand selling across the UK, Germany, Italy and Spain. As a 1P seller it faced growing challenges around Buy Box ownership and brand integrity, with unauthorised sellers disrupting control, alongside a need for consistent, premium content across several European channels and a way to break out of its seasonal sun care identity to build year round growth.

Pattern helped Green People move from 1P to a multi market 3P strategy, using Pattern's Repricer to defend Buy Box ownership and Destiny, Pattern's advertising platform, to reach new shoppers. The brand's European footprint expanded across Amazon UK, Germany, Italy and Spain, plus Zalando, with 148 products optimised across four languages to drive visibility in every market.

Buy Box ownership increased 26% year on year after the move, while revenue grew 10% year on year against 1P performance the year before. New to brand customers rose 25%, organic sales grew 71%, and the brand reached number one organic rankings for high value search terms. Non sun categories, launched 9 to 18 months later than the core range, now make up 52.7% of total ad revenue, with the hair category reaching a 12.98 times return on ad spend.



Up 26%

YoY Buy Box ownership

Up 10% YoY

Revenue growth, against 1P



Up 71%

Organic sales growth

Up 25%

New to Brand customers

52.7%

despite launching
9 to 18 months later

Non sun category
share of ad revenue

This is a real, named Pattern client result, published at uk.pattern.com/case-study/green-people

If you're on 1P today

What to actually ask this quarter

Q. Where does your brand sit between mass distribution and controlled positioning, honestly rather than aspirationally?

✓ Sets which end of the spectrum actually applies.

Q. What visibility does your brand have into its own Amazon customers today?

✓ Reveals decisions currently being made blind.

Q. Where is Amazon influencing pricing or perception beyond Amazon itself?

✓ Surfaces the whole business impact, not just an Amazon metric.

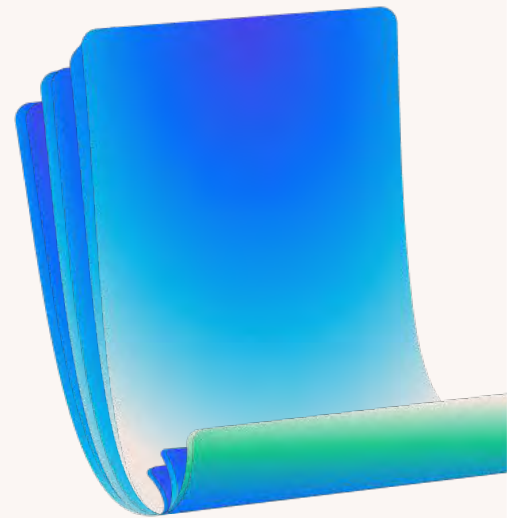
Q. What would need to be true operationally for a move to be manageable, not just desirable?

✓ Turns ambition into a workable plan.

How to win Amazon Vendor Negotiations

Preparation decides most negotiations before they start

Before any conversation with Amazon's Vendor Managers, gather the performance data that proves the brand's value and be clear on which terms matter most. Get internal alignment ahead of time on what's non-negotiable, where there's room to flex, and the brand's appetite for risk if talks stall or a purchase order cutoff is threatened. Vendor manager turnover is frequent, roughly every twelve months, so documenting every conversation and agreement protects a brand when institutional memory changes hands.



● Document every conversation and agreement.

Most vendors underestimate their own leverage

It's expensive and risky for Amazon to walk away from an established brand, particularly one that contributes strong sales or genuine variety to its category. Clean, clear data is the strongest asset in the room. A brand whose net profit per unit beats its category average should say so plainly and use that evidence to anchor the conversation from a position of strength, rather than assuming Amazon holds every card.

Tactics that hold up at the table

- ✓ Ask for more than the brand actually needs. It creates room to trade down on points that matter less.
 - ✓ Time the conversation close to Amazon's own annual deadlines, when Amazon has more incentive to close quickly.
 - ✓ Make the first move rather than waiting for Amazon's opening position.
 - ✓ Give ground selectively. Higher MDF rates or extra Amazon Business discounts are often the easiest concessions to offer and among the least valuable to accept.
 - ✓ If talks escalate, ask for a call rather than negotiating over email, and don't assume terms can only move in one direction.
-

The work continues after the deal is signed

A negotiated deal isn't the end of it. Contract terms should be reviewed regularly rather than filed away until next year, and advertising and vendor management teams should coordinate closely. Advertising spend can grow sales without necessarily improving net profit per unit, so campaign data is better used to argue for more marketing funds than to justify spend that simply returns value to Amazon. Any MDF spent should come with a clear account of what it actually bought.



Conclusion

The model needs to match the brand

Two decades of Amazon's own history point in one direction: capabilities that once belonged only to 1P sellers now belong to everyone. That shift isn't a story of 1P losing to 3P, it's the story of a playing field levelling out, until the real question left standing isn't which model is better, but which one fits a brand's actual position today.

For some brands, 1P still earns its place. For others the two models can produce almost identical net profit. The real difference isn't the number but everything sitting above it, a shorter, more predictable, more consolidated cost structure against a longer, more negotiated one.

The more visibility, data and control a brand has, the further ahead it stays.

Whatever your next move, we hope this report allows you to either build a stronger case for staying on 1P or a clearer one for moving on.



Win on every
Marketplace.

Want to discover what an ecommerce accelerator can do for you?

Let's get in touch.

Learn more

