



# Small business success in challenging times

2020 AMAZON SMB IMPACT REPORT







## Jeff Wilke

CEO  
Amazon Worldwide Consumer



Amazon works with **more than 2 million** independent partners in the U.S., including sellers, developers, content creators, authors, and delivery providers.



SMBs selling in our U.S. Amazon.com store have **created an estimated 1.1 million jobs**.



Amazon Web Services is helping **hundreds of thousands** of SMB startups, customers, and partners launch and scale their businesses.



We partner with more than 2,200 U.S. delivery businesses who **employ more than 95,000 drivers**.

**A**t Amazon, supporting small and medium-sized businesses (SMBs) is a fundamental part of our work and an extension of our customer-centric culture. We see value in investing in the success of sellers, artisans, authors, package-delivery and logistics services, and software developers. When they thrive, our customers benefit from the products and services they offer. That's part of the reason that over the course of 2019 and 2020, Amazon will have invested more than \$30 billion in logistics, tools, services, programs, and people to foster the growth of our SMB sellers.

COVID-19 has changed the way we live and work and has created daunting challenges for small businesses around the world. Customers have changed buying habits, and many companies have had to curtail their operations or even close. Yet smaller companies have continued to grow with Amazon, despite the crisis.

Since the pandemic hit, third-party sellers have had record sales. Their products continue to account for more than 50% of all units sold in our online stores, and their sales continue to outpace our first-party sales. During the 12 months ending May 31, American SMBs sold more than 3.4 billion products in our stores, and averaged 6,500 products sold per minute.

And it's not just SMBs selling in Amazon's stores that are thriving. Amazon Web Services is helping hundreds of thousands of SMBs, startups, and partners launch and scale their businesses. There are more than 700,000 developers building skills for Alexa. These technology entrepreneurs are creating enormous economic value, and delighting customers with their innovations. Last-mile and middle-mile delivery businesses in the U.S. employ more than 95,000 drivers. In the last 12 months, authors earned almost \$320 million from the Kindle Direct Publishing (KDP) Select Global Fund.

In the U.S., Amazon works with more than 2 million independent sellers, authors, content creators, developers, delivery businesses and IT solution providers. We help them reach more customers, grow their business, pursue their entrepreneurial ambitions, and create jobs. SMBs selling in our U.S. store have created an estimated 1.1 million jobs.

I've always admired our small business partners' entrepreneurial spirit and drive to innovate. Recently, I've been inspired by their ability to adapt and deliver urgently needed products to our most vulnerable customers.

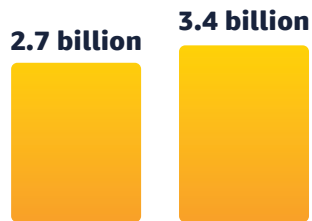
This SMB Impact Report demonstrates and celebrates the success of those entrepreneurs. While no one has a perfect playbook for how to respond to COVID-19, our commitment to supporting them has never been more steadfast. We at Amazon want to congratulate and thank the millions of SMBs whose work is represented here.

## Third-party seller products account for more than half of all units sold in our stores.

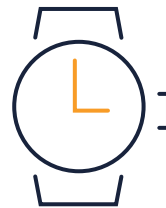
Since 2000, Amazon has made its virtual shelf space available so SMBs can reach hundreds of millions of customers, build their brands, and grow their business.



U.S. SELLER DATA  
June 1, 2019 – May 31, 2020



American SMBs sold more than 3.4 billion products in our online stores, up from 2.7 billion year-over-year.



**6,500+**  
products a minute

On average, American SMBs sell more than 6,500 products a minute in our stores.



American SMBs had an average of **\$160,000 in sales** – up year-over-year from about \$100,000.

### Sarah Ribner

CEO & CO-FOUNDER

*PiperWai, charcoal deodorant made from a proprietary blend of essential oils.*

*“Our sales grew over 70% after the first year we joined Amazon. Amazon added a layer of credibility for us as a small business and helped us bring in new customers we wouldn’t have reached otherwise. During COVID, Amazon has provided stable income and allowed us to continue our give-back campaign supporting food security in NYC and hand sanitizer donations to local hospitals.”*

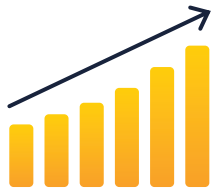


The number of American SMBs that surpassed **\$1 million in sales grew** by more than 20%.

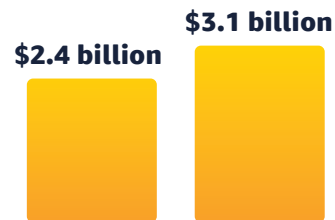
**In 2019, Amazon spent \$15 billion on logistics, tools, services, programs, and people to fuel the success of its third-party sellers, nearly all of whom are SMBs. Since June 2019, American SMBs received over \$1 billion in loans from Amazon to help them grow their businesses.**



U.S. SELLER DATA  
June 1, 2019 – May 31, 2020



American SMB sales from business customers on Amazon Business were over \$7 billion.



American SMB exports amounted to more than \$3.1 billion in sales, up year-over-year from \$2.4 billion.

Almost 3,700 American SMBs **surpassed \$1 million in sales for the first time.**



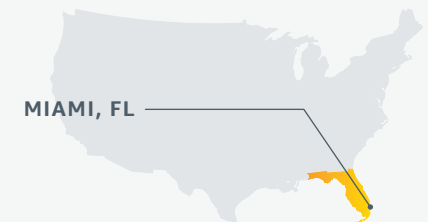
More than 450,000 worldwide SMB sellers on Amazon.com took advantage of Fulfillment by Amazon, and **their sales grew by 34%.**



## Ana Caputo

OWNER & DESIGNER  
*Sifrimania, unique artisan jewelry*

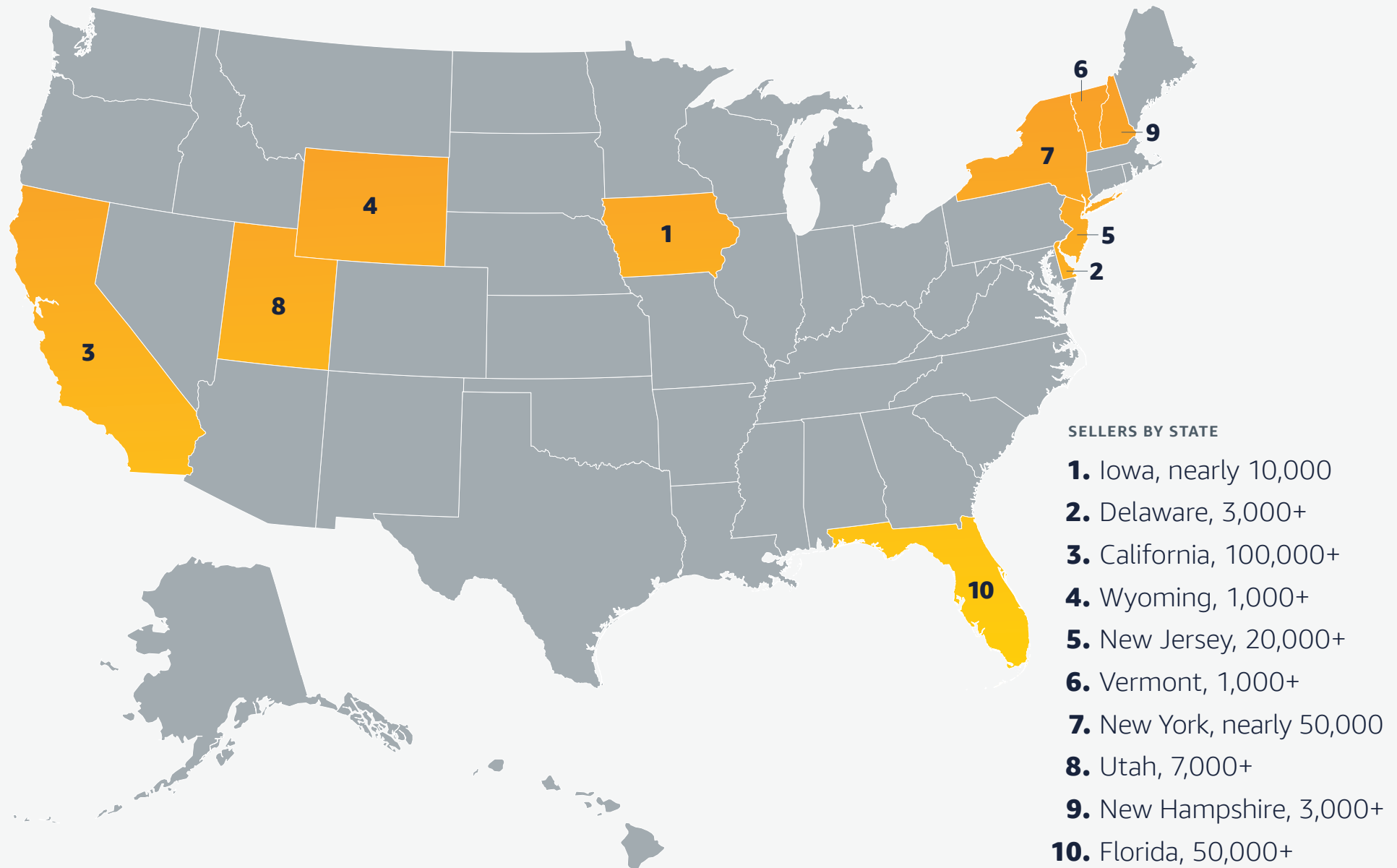
*"I love creating things that tell a story. In our pieces you can find the stories of people that work with love and dedication. We are a small artisan business, but due to our growth with Amazon, we have been able to hire students and senior women as part-time employees to help us create pieces that meet the highest quality standards."*





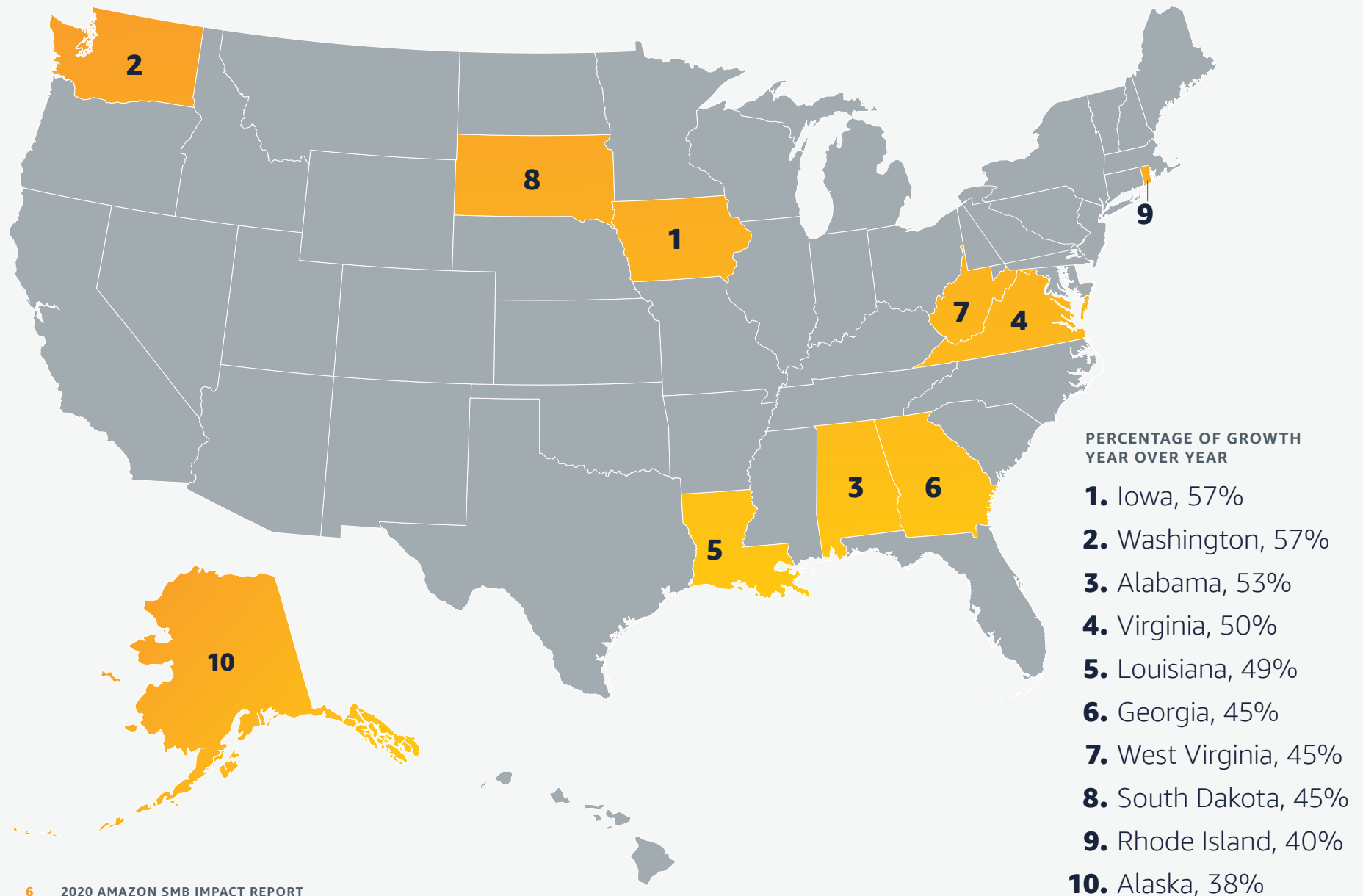
## The top 10 states with the most digital entrepreneurs.

Amazon SMB sellers are based in all fifty states. Forty-seven states are home to more than 1,000 sellers, while twenty-six states have more than 5,000 sellers. These are the states with the most sellers, per capita.



## The top 10 states with the fastest growing digital entrepreneurs.

SMB sellers in Iowa, Washington, and Alabama had the fastest growing sales between June 1, 2019 and May 31, 2020.





# Delivery and logistics

Amazon takes an active role in helping entrepreneurs start, set up, and manage their delivery business. Through the Delivery Service Partner (DSP) program, Amazon helps entrepreneurs build their own business delivering Amazon packages, while linehaul service providers are small businesses that haul Amazon packages to and from fulfillment

centers around the country, and in and out of air hubs. They can build their business knowing they will have delivery volume from Amazon, access to the company’s sophisticated delivery technology, hands-on training, and, for DSP, discounts on a suite of assets and services, including vehicle leases and comprehensive insurance.



U.S. DELIVERY & LOGISTICS DATA



**82,000**  
partner drivers

There are now more than 1,000 American Amazon Delivery Service Partners in the last-mile network, employing more than 82,000 drivers in the United States.

**3,700 U.S. Linehaul drivers in 2018**



**13,000 U.S. Linehaul drivers in 2020**



There are now more than 1,200 American linehaul service providers employing more than 13,000 drivers, up from fewer than 800 carriers and roughly 3,700 drivers in 2018.

Amazon committed **\$5 million, up to \$10,000 per veteran,** for eligible military veterans to **start their own delivery business.**



## Theo Devine

**OWNER**  
*Integrated Delivery*

*“I was an educator and administrator with the Baltimore City Schools for many years. One of my proudest achievements was starting “integrity centers” for students who needed extra attention. The Delivery Service Partner opportunity to start my own small business delivering packages for Amazon was exactly what I was looking for next. When I launched my business, I named it Integrity Delivered after those centers I started at the schools and the job opportunities I could create for the Baltimore City youth. I want more young people in the community to see that future for themselves, too, and consider entrepreneurship as a path.”*





### Justin Copie

CEO  
Innovative Solutions, a nationally recognized  
AWS Advanced Consulting Partner

“Even though 2020 has been a challenging time for everyone across the world, I am inspired by how resilient and forward-thinking our small business customers have been. Along with AWS, we have been able to help our customers save money, keep their data secure, and continue to leverage technology to move their business forward. Without the flexibility, reliability and pay-only-for-what-you-need AWS platform, I think the effects of COVID-19 would be even more damaging to our customers and other small businesses around the world.”



WEST HENRIETTA, NY

## Amazon Web Services

Amazon Web Services (AWS) is helping hundreds of thousands of SMB startups, customers, and partners launch and scale businesses that enrich their communities and the world. With the power of AWS, businesses can instantly scale resources up or down as

their demands change. AWS provides startups, including both smaller, early stage companies and more advanced digital businesses, with free tools and resources to get started quickly on AWS and accelerate their growth and development. It’s no wonder more startups build on AWS than any other cloud provider.



**\$1B** credits given

AWS is helping hundreds of thousands of SMB startups, customers, and partners launch and scale their business.

Since June 2019, Amazon has provided more than \$1 Billion in AWS credits to help startups accelerate their growth and development as they build their businesses.



AWS Activate has provided **hundreds of thousands of startups** with a host of benefits, including **AWS credits, technical support and training.**

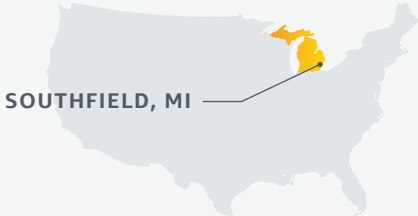




### Nick Schwab

**FOUNDER**  
*Invoked Apps, a top developer of voice apps such as Sleep Sounds*

*“What started as a passion project building Alexa skills is now a full-time, profitable business with a growing team thanks to Alexa In-Skill Purchases and the hundreds of thousands of customers who use Invoked Apps’ Skills every day. A year ago I was a software engineer climbing the corporate ladder and building Alexa Skills on the side. Earlier this year I resigned from my comfortable corporate job to focus on growing my voice-first business. Today, I’m living my dream as the CEO of a profitable voice-first company, have a growing team, and reach millions of Alexa customers every month.”*



## Alexa developers

Alexa is an opportunity for builders, developers, and entrepreneurs to innovate and build a voice-first business. Today, there are hundreds of millions of Alexa devices in customers' hands, including more than 100,000 smart home

products that can be controlled with Alexa, from more than 9,500 unique brands. Customers interact with Alexa billions of times each week, and engagement with Alexa has nearly quadrupled over the last two years.



### GLOBAL ALEXA DEVELOPER DATA



**700,000**  
**Alexa developers**

There are now more than 700,000 developers building for Alexa.



**100,000**  
**Alexa skills**

There are more than 100,000 Alexa skills built with the Alexa Skills Kit.



Skill developers can earn **more than \$100,000 per year** through in-skill purchasing.



There are more than **100,000 smart home products** that can be controlled by Alexa from more than 9,500 unique brands.



# Kindle Direct Publishing

Kindle Direct Publishing (KDP) enables authors to self-publish and distribute their books to millions of readers around the world, choosing where they want to sell, setting their own prices, and earning up to 70 percent of every

sale in royalties. Since launch in 2007, millions of authors from around the world have self-published millions of books through KDP, many of whom are building incredibly successful writing careers as a result.



GLOBAL KINDLE DIRECT PUBLISHING DATA



**Millions**  
of books self-published  
since 2007

Millions of independent authors have self-published millions of books through KDP since launching the service in 2007.



**1,000+**  
authors reached over  
**\$100,000 in royalties**

Thousands of independent authors earned more than \$50,000, with more than a thousand surpassing \$100,000 in royalties in 2019 through KDP.

In the last 12 months, **authors earned \$319 million** from the Kindle Direct Publishing (KDP) Select Global Fund, **totaling more than \$1.28 billion** since the launch of Kindle Unlimited.

## Tonya Duncan Ellis

**AUTHOR**  
*Sophie Washington children's book series*

*"I felt an urgent need to share my stories with audiences, specifically children, in the Houston area and Kindle Direct Publishing allowed me to bypass the hurdles and timelines of traditional publishing to connect with readers. It was so important to me that kids have access to books that reflected the diversity of the real world and could see themselves in stories, whether they were Black, Hispanic, Middle Eastern or Asian. I would have never been able to connect with as many schools, parents and young readers without Kindle Direct Publishing."*







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