



2021 Amazon Small Business Empowerment Report

October 2021

Introduction

Hundreds of millions of customers shop for products in Amazon's store. Those products are sold by many sellers, including Amazon Retail and nearly 2 million small and medium-sized businesses that are our third-party selling partners.

Over 20 years ago, we made the decision to open our store's virtual shelves to third-party sellers. At the time, big-box retailers had been pushing small businesses out of the retail market. But we made a bet that bringing selling partners into our store would not only be a win for customers who want vast product selection, low prices, and fast delivery, but it would also be a win for small businesses that want to reach more customers, increase their revenue and profits, and create good jobs. It proved to be a great bet. Today, products from small and medium-sized businesses account for more than half of everything sold in our store.

Our decision kicked off an industry trend that has resulted in small businesses having a range of options when deciding how and where to sell their products. Small businesses now have the opportunity to sell to customers through the sites of major retailers, their own sites, third-party-only marketplaces, and through the top social media and search services. We know sellers have lots of options, and we work hard to make Amazon the best partner to help drive their success.

Every day, we see our selling partners provide great product selection, low prices, and convenience for customers. That's why we invested more than \$18 billion in selling partner success last year. These investments included logistics, teams, services, programs, and tools like Brand Follow and Stores that

allow sellers to connect their brands directly to millions of customers. Last year, while many other companies passed along the increased costs of doing business during the pandemic through surcharges and fee changes, we absorbed over \$5 billion of those costs on behalf of sellers and have continued investing billions more this year to help sellers as we all work toward recovery. These investments help selling partners quickly launch their business on Amazon, scale and reach more customers, and establish and build their brands.

This Small Business Empowerment Report shares more about our investments in seller success and how our selling partners are benefiting as a result. We continue to be inspired by our sellers' entrepreneurial spirit, resourcefulness, and creativity, especially as we all persevere through the COVID-19 pandemic.

Our success depends on the success of our selling partners. Amazon's work with third-party sellers is one of the greatest partnership stories in retail. Together, we make a great team. As always, it's Day 1 for us as we continue to listen to our selling partners and invent on their behalf.



—**Dave Clark**, CEO,
Amazon Worldwide Consumer



Ready. Set. Sell!

Amazon allows anyone with a great product idea to start selling online to consumers and businesses across the globe. We provide sellers with extensive guidance and training to help them list their products and begin managing a business. Our New Seller Success team helps them launch their products in our store and develops a tailored plan that meets the needs of new sellers.

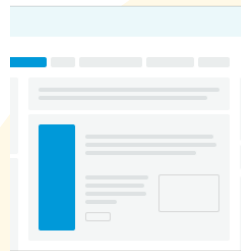
Sellers select from one of two selling plans—individual or professional—based on how many items they intend to sell per month. After choosing a selling plan, sellers provide their business, identity, and payment information to Amazon, which vets their submission. Once fully vetted, approved, and registered, sellers have access to Seller Central and the Amazon Seller mobile app, which act as portals to their Amazon business and enable them to easily manage their selling account.

200,000+ new sellers

In 2020, more than 200,000 new third-party sellers from around the world began selling in our U.S. store. This represents a 45% increase over the previous year, as selling in Amazon's store provided a lifeline to small businesses during COVID-19.

Connecting sellers with customers

Dedicated programs and storefronts help connect sellers and their brands with customers, such as Amazon.com/SupportSmall to shop from small businesses, Amazon Handmade for unique artisan-made products and Amazon Launchpad for innovative small brands.



What are **Seller Central** and the **Amazon Seller** mobile app?

Once sellers register with Amazon, they have access to Seller Central and the Amazon Seller mobile app, the go-to resources for selling on Amazon. Sellers can manage their Amazon business, add product information, make inventory updates, manage prices, and find helpful content to run their Amazon business.

Sellers use the Amazon Seller mobile app to track sales, fulfill orders, find products to sell, respond to customer questions, and capture and edit professional-quality product photos, all from their phone.

With Selling Partner APIs and the Selling Partner app store, sellers can automate their business operations by integrating with other software programs and third-party solutions.

3,000+ Seller University courses

We have more than 3,000 total Seller University courses available, which have been viewed more than 9 million times. New courses for 2020 include “Best practices for products sold on Amazon,” “Tips for improving customer service and satisfaction on Amazon,” and “Understanding Amazon’s intellectual property policies.”

10 million selling tips

To help sellers discover and adopt ways to grow their businesses, the new Explore Programs section of Seller Central provides artificial intelligence-based recommendations and educational content about tools and services provided by Amazon. Explore Programs delivered more than 10 million recommendations to sellers in 2020.



Expert Insights

—**Laurie McCabe**, SMB Group

“Selling online is now table stakes for any small business—whether it’s brand-new or already established. Amazon is a launchpad for small businesses to quickly set up shop—and Seller Central provides all the tools they need to manage and grow their business.”



Seller Insights

—**Kyle Robertson**, BlueZone Sports

“When COVID-19 hit, BlueZone was forced to temporarily close all of its physical stores and downsize from 75 employees to 12. After going all-in on Amazon in April 2020, BlueZone now has more employees and more brick-and-mortar locations than we did pre-pandemic, thanks to growth on Amazon.”

Meeting customer demand

Every year, Amazon emails, texts, and posts billions of business suggestions to sellers about products, inventory, pricing, branding, and more to help them drive more customer demand and interest.

30,000 hours of how-to content

In 2020 at Amazon Accelerate, our largest-ever U.S. event dedicated to helping sellers succeed in our store, thousands of entrepreneurs, small business leaders, and brand owners consumed over 30,000 hours of streaming content across more than 65 sessions over three days.

Small Businesses, Big Capabilities

Amazon helps small businesses do what big businesses do. It takes a lot to run a small business, but partnering with Amazon allows sellers to benefit from Amazon's scale. They can focus on their own brand and products rather than on logistics, warehouses, fulfillment, customer service, and the many other sometimes-exhausting aspects of business ownership. Sellers can reach our hundreds of millions of customers and leverage our global operations, cost efficiencies, tools, and services to grow quickly. They can tap into our world-class logistics network, customer service, and powerful data insights to enable their business to maximize sales.

30%+ lower shipping costs

Half of all American selling partners took advantage of Fulfillment by Amazon (FBA), through which Amazon stores, packs, picks, and ships orders for sellers from fulfillment centers around the world. On average, shipping with FBA is more than 30% lower in cost compared to other shipping providers.

70,000+ new sellers adopt FBA

We invested tens of millions of dollars into the new FBA New Selection program, which has helped more than 70,000 U.S. sellers adopt FBA with almost no added costs.

20–25% sales increase with FBA

On average, sellers see a 20–25% increase in sales after adopting FBA.

130 customer support sites

Sellers can leverage Amazon's world-class customer service network to manage customer inquiries, refunds, and returns for FBA orders. Customers can contact our more than 130 customer support sites via phone, chat or email, day or night, and receive help in 15 languages.



What is Fulfillment by Amazon (FBA)?

Fulfillment is the process of getting products to customers, as well as handling returns and exchanges. Fast and reliable fulfillment delights customers. With FBA, sellers can leave it to Amazon and send their products to Amazon's fulfillment centers, where we pick, pack, ship, and provide customer service for those products. Sellers that leverage FBA are also eligible for same-day, one-day, and two-day Prime delivery.



Expert Insights

—**Gene Marks**, The Marks Group

“By partnering with Amazon, small businesses can look and execute like a big business. Amazon’s scale can be a very beneficial engine for a small business.”

50% more fulfillment and logistics network space

In 2020, we increased square footage across our fulfillment and logistics network by about 50%, opening dozens of new delivery stations and fulfillment centers around the world. We also hired more than 450,000 new employees across our fulfillment and transportation network to expand the operations team that supports selling partners.

A second life for 300 million products

The new FBA Liquidations and FBA Grade and Resell programs help sellers recover value and avoid losses by allowing them to resell returned and overstock inventory as used products or liquidate products in bulk via Amazon partners and technology. We expect these programs to give 300 million more products a second life each year, and they build on FBA Donations, an easy, automatic way for sellers to donate their returned or overstock inventory.

20,000 U.S. sellers launched globally

Last year, 20,000 U.S. sellers launched globally to accelerate international sales using our worldwide network.

\$245 million in savings for sellers

Amazon launched the Seller Messaging Assistant, an automated customer service agent that provides customers with fast, high-quality answers to their customer service questions. Seller Messaging Assistant has automatically resolved 49 million customer issues and saved sellers an estimated \$245 million in handling costs so far this year.

\$700 million to protect from fraud

In 2020, we invested over \$700 million and employed more than 10,000 people to protect our store from fraud and the abuse of customers and sellers. Our investment led to some of the lowest fraud rates in the industry and protected sellers from frivolous and unsubstantiated claims.



Seller Insights

—**Kennedy Lowry**, Live by Being

“Using Fulfillment by Amazon to manage storing and shipping my orders has been invaluable to my company’s growth. Because I can outsource those tasks, I’ve been able to scale at a rate I wouldn’t have otherwise thought possible as a small business owner just three years into running my company. In the midst of a pandemic, my sales were up 55% over the previous year and I’m forecasting that I will at least double my revenue numbers this year.”

Building Brands Together

We continually innovate to make our store the best place for brands to connect with customers. In 2020, we launched more than 250 tools and services to help selling partners manage and grow their businesses.

440,000+ brands

More than 440,000 brands are enrolled in Brand Registry, a free service that gives brand owners a set of powerful tools that helps them manage and protect their brand and intellectual property rights.

300,000+ sellers are using Stores

Stores, a free multi-page branded storefront, empowers brands to create a customizable destination that tells their brand story and provides a place for Amazon customers to both learn about their company and discover their full range of products. More than 300,000 sellers are currently using Stores to connect with customers.

Brand followers spend more than double

Brand Follow helps sellers boost sales and customer loyalty by allowing customers to follow their brand, increasing their visibility in Amazon's store. Customers who follow a brand on Amazon spend more than double that of non-followers.



Expert Insights

—Brent Leary, CRM Essentials

“The customer experience starts at discovery and continues through delivery. Amazon simplifies that process for brands, allowing them to focus more on creating innovative ways to stand out from the pack.”



What are branded Stores?

Stores is an Amazon tool that allows sellers to showcase their brands and products in a multipage, immersive shopping experience on Amazon. Sellers create and customize a dedicated brand destination on Amazon with a self-service Store at no additional cost, helping customers learn their brand story and discover their products. The Stores insights dashboard provides sellers with a powerful understanding of Stores-related sales, visits, page views, and traffic sources both on and off Amazon.

Optimize to **drive sales**

Manage Your Experiments lets brands test content that appeals to Amazon customers and ultimately helps drive more sales. Over the last year, thousands of sellers have used Manage Your Experiments to maximize product listings.

500,000 sellers use Brand Analytics

Brand Analytics offers valuable insights to empower brand owners to make informed, strategic decisions about their product portfolio, marketing, and advertising activities. Over the last year, more than 500,000 sellers have used this tool to accelerate the growth of their brands.

New IP protection for **7,000+** sellers

We have connected more than 7,000 sellers to trusted law firms in the U.S. and Europe through IP Accelerator to provide trusted guidance at competitive rates to help sellers establish and protect their intellectual property.



Seller Insights



—**Dean-Paul Hart**, Compac Industries

“We have grown year over year for over 10 years with Amazon, but so much more during the past year as customers have been able to find, try, and become loyal to our brands and products. With options such as Subscribe and Save, Brand Pages, Advertising, Amazon Live, and many other tools, Amazon allows us to share our solutions with customers worldwide.”

Improve **profitability**

The new Brand Referral Bonus program helps sellers improve profitability by providing bonuses on sales that were generated by marketing and advertising outside of Amazon. When sellers bring customer traffic to Amazon, they earn bonuses averaging 10% of sales of their products.

Shop local, **virtually**

Amazon Explore allows small business sellers to host customers for virtual visits and experiences at their neighborhood shops to share their stories. Amazon Explore includes one-to-one, personalized experiences that make it easier for customers to discover new brands and unique products, and shop from the comfort of their home.

World-class Support

Every day, our global teams work to provide selling partners with the strategies, answers, guidance, programs, and solutions they need to succeed in our store. We also invest heavily in putting sellers front and center in our store so customers can find them and their products during Prime Day, the holidays, and throughout the year.

24,000+ Amazonians

We have more than 24,000 Amazonians focused on supporting and inventing for selling partners.

\$150 million to support Black businesses

This year, we launched our Black Business Accelerator and committed \$150 million to providing access to capital, business guidance, mentorship, and marketing support to help Black business owners succeed as sellers in Amazon's store.

\$800 million in lending to help sellers grow

Year to date, Amazon and third-party lending partners have lent more than \$800 million to SMBs in the U.S. to support their growth.



Expert Insights

—Aaron Cheris, Bain & Company

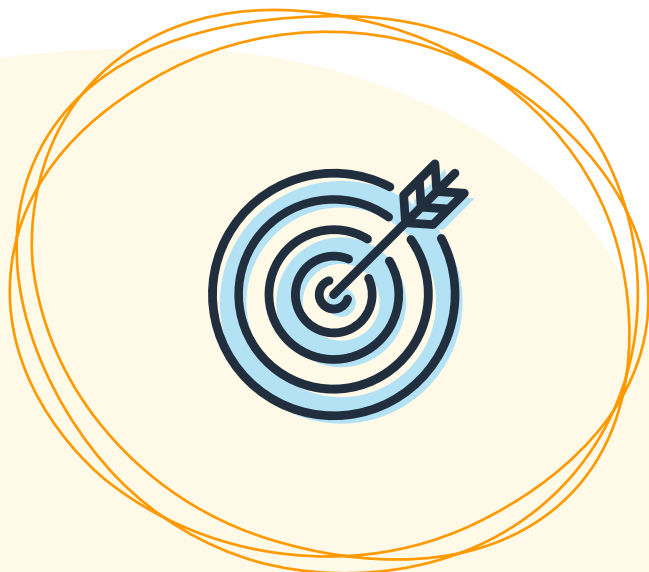
“Amazon’s third-party seller program has been an incredible success for both Amazon and the ever-growing set of sellers and insurgent brands.”

6,200 vetted service providers

The Seller Central Partner Network now offers more than 6,200 Amazon-vetted service providers and tools which are used by more than 1 million sellers worldwide to help sellers build, manage, automate, and scale their business.

\$100 million invested for small business success during Prime Day

We invested an additional \$100 million to encourage customers to shop with small business sellers on Prime Day and throughout 2021. Prime Day 2021 was the biggest two-day period ever for Amazon's third-party sellers. Additionally, during the two-week lead-up to Prime Day, customers spent over \$1.9 billion on more than 70 million items, which was more than a 100% year-over-year increase on sales compared to the Prime Day 2020 promotion in October.



Seller Insights



—Sara Mader, Palouse Brand

"The growth we experienced last year helped Palouse Brand put people to work who lost their jobs during the pandemic. We provided our new employees with medical, dental, vision, and other benefits. The positive community impact we've had in our small, rural town is what we're most proud of. Our partnership with Amazon also enabled us to engage more customers, and our sales are up 400%."

Economic Impact, Powered by Partnership

It is inspiring to see our selling partners continue to grow and thrive, especially during a pandemic that has presented enormous challenges for small businesses around the globe. Amazon continues to provide small businesses with powerful opportunities to reach more customers, grow sales and profits, and support good jobs. Sellers in our store saw strong sales increases over the previous year and have created more than 1.8 million U.S. jobs.

U.S. Seller Performance September 1, 2020 - August 31, 2021



There are **more than 500,000 sellers** in the U.S.



American sellers' exports amounted to more than **\$2.2 billion in sales**, up year over year from \$1.5 billion



U.S. selling partners sold more than **3.8 billion products** (7,400 every minute) and averaged more than **\$200,000 in sales**, up year over year from about \$170,000



The number of American sellers who surpassed **\$1 million in sales** grew by nearly 15%



More than **65,000** American sellers had over **\$100,000 in sales**, up 10% year over year



Nearly **4,000** American sellers surpassed **\$1 million in sales** for the first time

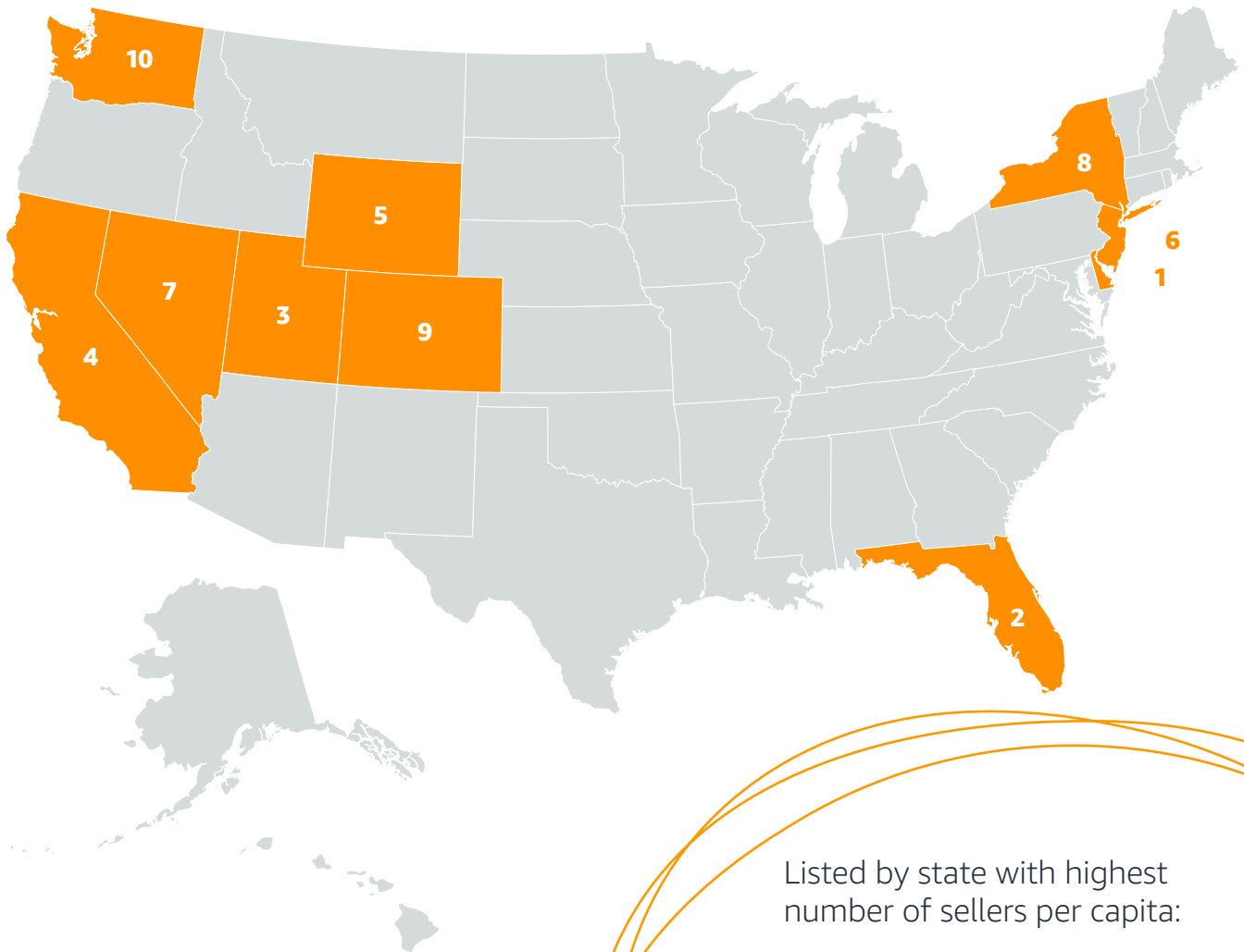


More than **27,000** American sellers had over **\$500,000 in sales**, up more than 10% year over year

The number of American sellers that surpassed **\$10 million in sales** increased nearly **40%**

The Top 10 States with the Most Amazon Sellers Per Capita

Amazon sellers are based in all 50 states. Forty-six states are home to more than 1,000 sellers, while 27 states have more than 5,000 sellers. The top 10 states with the most sellers per capita are:

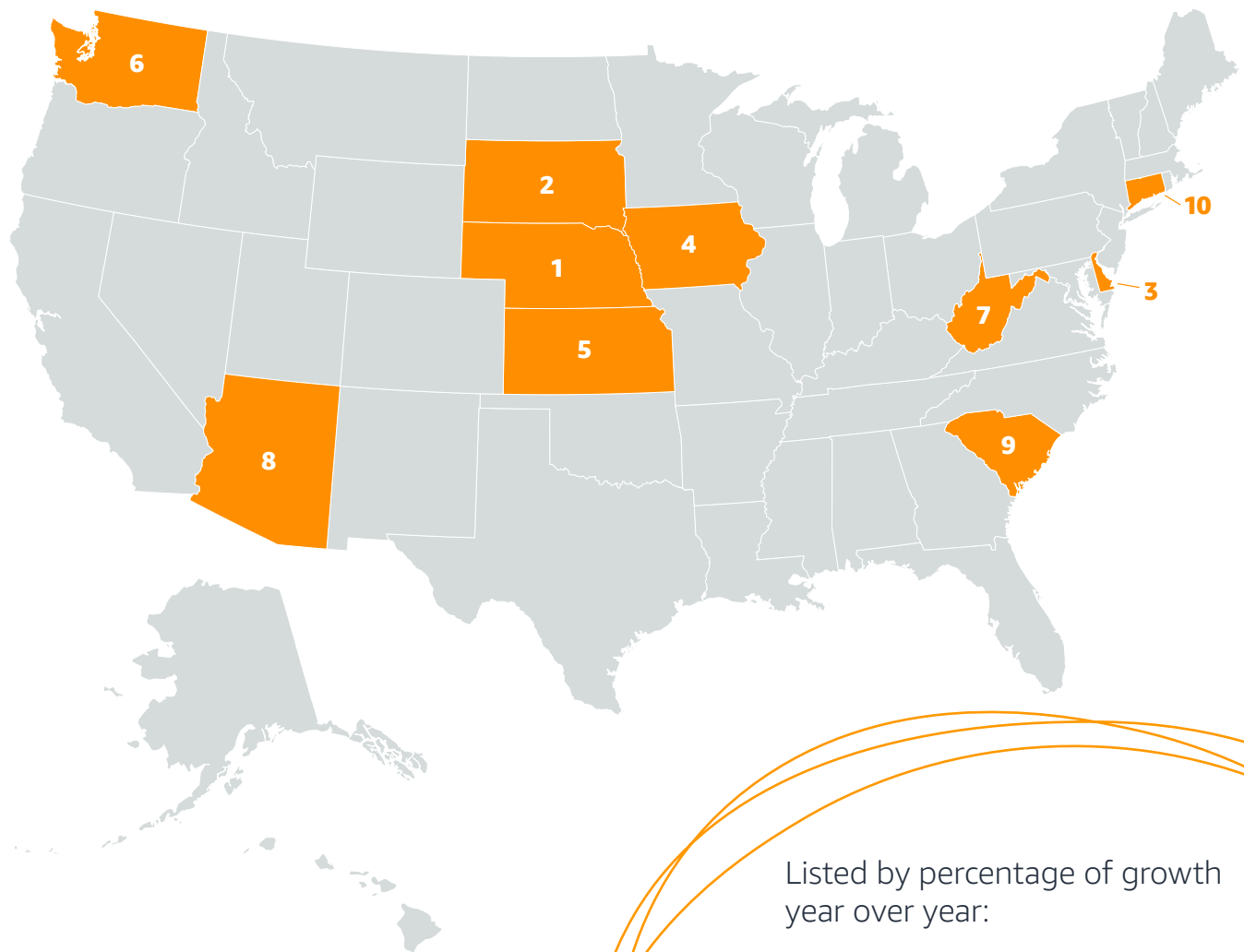


Listed by state with highest number of sellers per capita:

| State | Total sellers |
|----------------|---------------|
| 1. Delaware | 2,000+ |
| 2. Florida | 50,000+ |
| 3. Utah | 7,500+ |
| 4. California | 88,000+ |
| 5. Wyoming | 1,000+ |
| 6. New Jersey | 20,000+ |
| 7. Nevada | 6,500+ |
| 8. New York | 40,000+ |
| 9. Colorado | 10,000+ |
| 10. Washington | 13,000+ |

The Top 10 States with the Most Year-Over-Year Growth for Amazon Sellers

Amazon sellers in Nebraska, South Dakota, and Delaware had the fastest-growing sales between September 1, 2020, and August 31, 2021.



| State | Growth |
|-------------------|--------|
| 1. Nebraska | 60% |
| 2. South Dakota | 40% |
| 3. Delaware | 35% |
| 4. Iowa | 33% |
| 5. Kansas | 32% |
| 6. Washington | 29% |
| 7. West Virginia | 28% |
| 8. Arizona | 27% |
| 9. South Carolina | 27% |
| 10. Connecticut | 25% |



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