



Small business
means big opportunity

2019 AMAZON SMB IMPACT REPORT





Jeff Wilke
CEO
Amazon
Worldwide
Consumer

Amazon's mission is to be Earth's most customer-centric company. Among the customers we're focused on are small businesses and entrepreneurs. They sell their products in Amazon's stores. They start businesses to deliver packages for Amazon. They write books available on Kindle and create videos to watch on Prime Video. They use developer tools from AWS and build skills on Alexa to reach their own customers.

In total, there are more than 1.9 million businesses, content creators, and developers in the U.S. using Amazon products and services to follow their dreams and reach customers.

To make those pursuits possible, we are making big investments: in our delivery network, data centers, AI research, robotics. And, of course, in our own people. Since 2011, we've invested tens of billions of dollars to help SMBs succeed working with Amazon.

As we noted in our most recent letter to shareholders, small and medium-sized businesses selling in Amazon's stores now account for 58 percent of our sales. That's up from 30 percent ten years ago.

That's just one measure of the success small businesses are achieving by working with Amazon. This second annual Amazon SMB Impact Report takes a deeper look at how small businesses are benefiting from Amazon's tools and services. The results are striking: SMBs selling in Amazon's stores have created an estimated 1.6 million jobs worldwide. Developers have built more than 90,000 Alexa skills. Hundreds of thousands of authors from around the world have self-published millions of books through Kindle Direct Publishing. Many of them are building incredibly successful writing careers as a result. In 2018, thousands of independent authors earned more than \$50,000, with more than a thousand surpassing \$100,000 in royalties.

Amazon is inspired by the type of courage and inventiveness that makes entrepreneurs tick. And our customers benefit from the products, books, videos, and skills they produce. We salute the millions of entrepreneurs, creators, and developers around the world whose impressive efforts are summarized in this report.



Millions of small and medium-sized businesses, content creators, and developers from around the world are working with Amazon.



More than half of the items sold in Amazon's stores worldwide are from SMBs.



There are hundreds of thousands of outside developers building skills for Alexa.



Since launch in 2007, hundreds of thousands of authors from around the world have self-published millions of books through Kindle Direct Publishing, many of whom are building incredibly successful writing careers as a result.

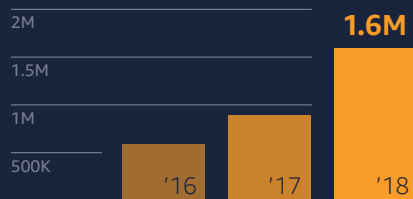
Our mission is to work every day to support and champion small and medium-sized businesses.

We help businesses sell products to customers worldwide through our website. Since 2000, Amazon has opened virtual shelf space so SMBs can sell in our online store. By selling in our store, SMBs do not need to invest in a physical store or the costs of customer discovery, acquisition, and driving customer traffic to their branded websites.



Global Seller Data

Number of jobs created worldwide by SMBs in Amazon's stores



SMBs selling in Amazon's stores created an estimated 1.6M jobs worldwide in 2018, up from 900,000 in 2017 and 600,000 in 2016.



Since 1999, third-party gross physical merchandise sales— primarily comprised of SMBs selling in Amazon stores—has grown from \$0.1 billion to \$160 billion in 2018.



\$Billions invested supporting SMBs

Since 2011, Amazon has invested tens of billions of dollars in infrastructure and technical services that help SMBs reach customers around the world.



Tara Darnley

Darlyng & Co.

Baby & toddler products

"We're in a good place. I like Amazon and the leverage it gives us as a family. It gives us that time, so we're always able to put family first."



In 2000, Amazon opened its virtual shelf space so SMBs can sell directly to customers in Amazon's stores.

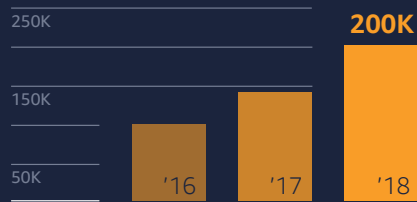
Today, millions of SMBs from around the world are thriving by selling in Amazon's stores. In fact, more than half of all units purchased in Amazon's stores come from these businesses. In 2018 alone, more than 50,000 SMBs exceeded \$500,000 in sales in Amazon's stores

worldwide, and nearly 200,000 surpassed \$100,000 in sales in our stores. The number of SMBs eclipsing \$1 million in sales in Amazon's stores worldwide grew by 20 percent in the last year.



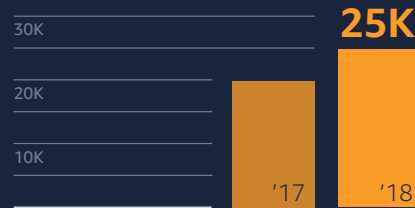
Global Seller Data

SMBs with more than \$100,000 in sales



In 2018, nearly 200,000 SMBs surpassed \$100,000 in sales in Amazon's stores, up from over 140,000 in 2017 and 100,000 in 2016.

SMBs with more than \$1M in sales



In 2018, more than 25,000 SMBs worldwide surpassed \$1 million in sales in Amazon's stores, up from more than 20,000 in 2017.

50,000+ SMBs earned >\$500K

More than 50,000 SMBs exceeded \$500,000 in sales in our stores in 2018.



Elena Castaneda

Bling Jewelry
Sterling silver jewelry

"My business has created jobs that wouldn't have existed. Watching them grow within my company is the most rewarding part of selling the jewelry."



We provide innovative tools and services such as Fulfillment by Amazon (FBA) to help small and medium-sized businesses succeed. Amazon has invested billions of dollars in infrastructure and technical services that help support the growth and success of our selling partners.

With FBA, small and medium-sized businesses selling in Amazon's stores can choose to have us handle shipment of their products, returns, as well as customer service for all orders placed on Amazon.



U.S.
Seller Data

\$1B loaned to SMBs

In 2018, Amazon lent U.S.-based small and medium-sized businesses more than \$1 billion to support their Amazon stores.



\$90K
in sales

On average, U.S.-based SMBs made more than \$90,000 selling in Amazon's stores in 2018.

↑ 2x
sales

SMBs in the U.S. using Fulfillment by Amazon more than doubled their export sales.



Jodi Lewis

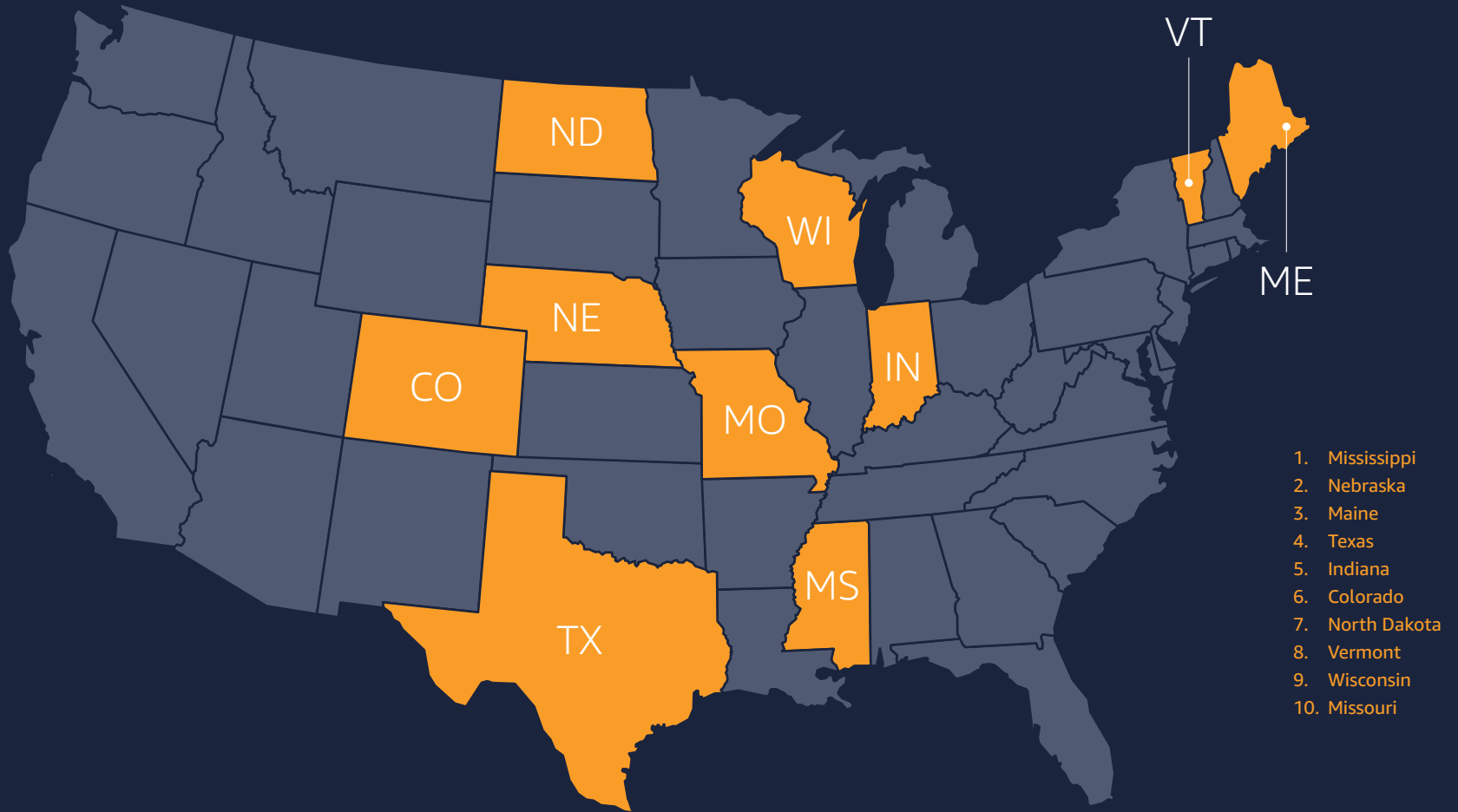
Lucy Lews
Personalized decor

"Here I am in my house in a rural area, selling vinyl wall decals to people in New York or Pennsylvania, and even the UK. From the outside looking in, you would never think that this was a business that's selling a lot of products."



Jodi's handmade décor is featured in Amazon Storefronts. Launched in September 2018, Amazon Storefronts has over 1 million products from nearly 20,000 U.S. small and medium-sized businesses.

10 states with the fastest-growing SMBs selling in Amazon's stores: SMBs in Maine, Nebraska, and Mississippi saw the fastest growing sales in Amazon's stores in 2018.



To further help small and medium-sized businesses thrive in Amazon's stores, Amazon hosts a variety of events to educate sellers, including Amazon Academy events across Europe, the Boost Conference specifically

for businesses using the FBA service, and the new Selling Partner Summits across the U.S. The new Selling Partner Summits are a series of six conferences designed to help sellers grow their business in Amazon's stores.



U.S.
Sellers

ITEMS SOLD:

4,000/minute

On average, U.S.-based SMBs sell more than 4,000 items per minute in Amazon's stores.



Amazon hosts events worldwide to support and educate SMBs.



Top categories for SMBs selling in Amazon's stores are Health & Personal Care, Home, and Beauty.



Master Sergeant
Sean Brownlee

Frontier Market Solutions
Sporting lifestyle products

"A key piece of our growth is that I'm able to work remotely. I'm constantly traveling for business and for drilling with the Marine Corps. The ability to be able to continue to work, whether with Amazon or any other aspect of my business, has been critical."





Olaoluwa Abimbola

En Route Logistics
Delivery service

"In just five months, I hired more than 40 employees, and it's encouraging to know that any driven individual can use Amazon's support and the Delivery Service Partner community to build a successful, thriving business."



Over time, the DSP program will empower hundreds of new small business owners to expand and hire tens of thousands of delivery drivers across the U.S., and help us meet growing customer demand.

Delivery Service Partner Program

We create opportunities for entrepreneurs to start their own delivery business. Through the Delivery Service Partner (DSP) program, Amazon helps entrepreneurs build their own business delivering Amazon packages. With this program, Amazon is taking an active role in helping interested entrepreneurs start, set up, and manage their delivery business. Business owners

earn as much as \$300,000 in annual profit operating a fleet of up to 40 delivery vehicles. 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 discounts on a suite of assets and services, including vehicle leases and comprehensive insurance.



\$300,000 in profit

Successful owners can earn as much as \$300,000 in annual profit operating a fleet of up to 40 delivery vehicles.



\$10K to start

Entrepreneurs can start a delivery business for as low as \$10,000.

\$1M to veterans

Amazon committed \$1 million, up to \$10K per veteran business, to fund startup costs for eligible military veterans to start their own delivery businesses.

Amazon Web Services

We offer AWS technology to level the playing field.

Amazon Web Services (AWS) is helping hundreds of thousands of SMBs and startups launch and scale their businesses. With the power of AWS, businesses can provision the amount of resources that they actually

need, knowing they can instantly scale up or down as their demands change. In 2018, more than \$500 million in AWS credits were given to help startups accelerate their growth and development as they build their businesses.



Amazon Web Services is helping hundreds of thousands of SMBs and startups launch and scale their businesses.

\$500M

 credits given

In 2018, Amazon gave more than \$500 million in AWS credits to help startups accelerate their growth as they build their businesses.



Tens of thousands of startups take advantage of specifically tailored programs providing the resources they need to quickly get started on AWS—including credits, training, and support.



Nayeem Islam

Blue Hexagon

Network threat protection

"We've developed the world's first network threat protection platform harnessing deep learning. Our solution detects known and unknown threats in less than a second at greater than 99.5 percent efficacy. Every day, we train and evaluate thousands of deep learning models, and when you're operating at that scale, it's impossible without a good partnership with a cloud infrastructure provider. AWS has been a true partner from the very beginning; we've worked closely with them since our inception to optimize the AWS deep learning infrastructure for security."





Milkana Brace

Jargon
Alexa Fund entrepreneur

"I wanted to have a shot at building a different kind of company. I had no specific idea, no co-founders, and no plans. But, I took the plunge and never looked back."

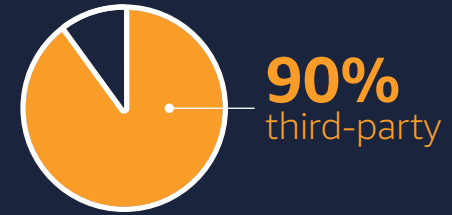
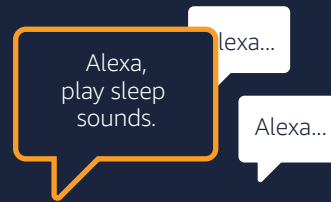


The Alexa Fund has invested in more than 60 companies building with Alexa, and launched programs like the Alexa Accelerator and Alexa Fellowship to provide additional support to early-stage startups working with voice and AI.

Alexa Developers

Builders and developers are shaping the future of Alexa. Alexa has become an opportunity for entrepreneurs to innovate with voice technology. Today, there are hundreds of thousands of outside developers building skills for Alexa. And, more than 90 percent of the

Alexa-enabled products that launched in 2018 were built by someone other than Amazon. Alexa gives SMBs and entrepreneurs the opportunity to reach millions of engaged customers, and the ability to invest in and build a voice-first business.



90K skills

Third-party developers have built more than 90,000 Alexa skills.

More than 90 percent of the Alexa-enabled products that launched in 2018 were built by someone other than Amazon.

100 million devices

Customers have purchased more than 100 million Alexa-enabled devices. Alexa gives SMBs and entrepreneurs the opportunity to reach millions of engaged customers.

Kindle Direct Publishing

We empower authors to self-publish. Kindle Direct Publishing (KDP) enables authors to 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, hundreds of thousands 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. Over the past year, authors have earned more than \$260 million from the KDP Select Global Fund. In 2018, thousands of independent authors earned more than \$50,000, with more than a thousand surpassing \$100,000 in royalties.

More than
1,000 authors earned
>\$100K

In 2018, thousands of independent authors earned more than \$50,000, with more than a thousand surpassing \$100,000 in royalties.

Kindle Direct Publishing
author earnings

\$250M

\$150M

\$50M

\$260M

'18

In 2018, authors earned more than \$260 million from the Kindle Direct Publishing Select Global Fund, totaling more than \$840 million since the launch of Kindle Unlimited.



Authors keep 70%

Kindle Direct Publishing enables authors to 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.



Aleron Kong

Kindle Direct Publishing Author

"Writing these books has completely changed the trajectory of my life. It's letting me live a real-world fantasy where I'm doing what I dreamed of doing when I was a child, that I always felt was completely beyond reach."





To learn more about the millions of small and medium-sized businesses, content creators, and developers worldwide working with Amazon, visit:

aboutamazon.com/smallbusiness

