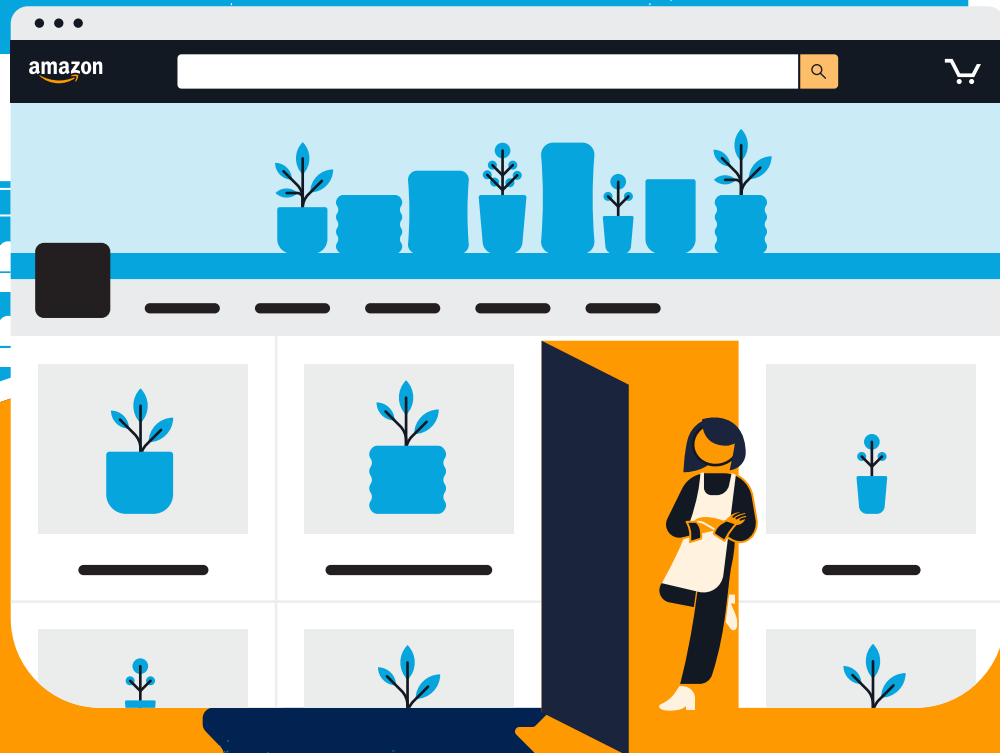




UK SME Impact Report

2022



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jobs created by SMEs
selling on Amazon

250,000

UK small and medium
enterprises sell on Amazon

85,000

UK entrepreneurs supported by Amazon
programs to help digitize their business

600,000



Top 5 Selling Categories



*Data covers FY2021

Executive Summary

The 2022 UK SME Impact Report is our annual look at how over 85,000 UK small and medium enterprises (SMEs) and brands selling on Amazon have developed their enterprises online in 2021.

We have a 20-year relationship with tens of thousands of UK selling partners of all sizes, most of whom are SMEs, and supporting them is fundamental to our work.

In 2021, we invested €3.4 billion in Europe to strengthen the relationship that enables UK SMEs selling on Amazon to access hundreds of millions of customer accounts, generate sales in our stores and succeed while delivering value and a great shopping experience to our customers. These investments are at every stage of an entrepreneur's journey including logistics (we doubled our fulfilment capacity in the last two years), services and tools that help to analyse and optimise a business as well as training. We also launched

a new digitisation program in the UK in partnership with Enterprise Nation to help 600,000 UK businesses of all sizes launch and grow their digital business with learning events.

All of these investments helped SMEs navigate economic uncertainty as well as evolving customer behavior by expanding their multichannel capabilities to reach customers both off- and online. This resulted in UK SMEs selling more than 950 million products on Amazon in 2021, up from 750 million year-over-year. We also helped them export their products to customers around the world. To date, UK SMEs have also created over 250,000 jobs in UK to support their business online – 175,000 in 2021.

Our success depends on the success of our UK SMEs, and the 2022 SME Impact Report demonstrates the successes, resilience, and entrepreneurial spirit of those 85,000 UK small and medium businesses and brands. We continue invent on their behalf and partner together to build a valuable and inclusive community that offers unique growth opportunities.

Scaling a business and creating jobs



William Johnson

TORRO

Amazon Seller Since 2013

Location: Newcastle upon Tyne, Tyne and Wear

Employees: 17

William Johnson forged a fifteen-year career in the police force, straight out of school. While searching for a case to protect his new iPhone, William identified a gap in the market to complement the burgeoning smartphone industry and launched TORRO in 2013. Starting with £500 in start-up capital, William has grown TORRO profitably and debt-free into a six-figure turnover business, alongside a growing team of employees in the Newcastle-upon-Tyne based headquarters and warehouse.

TORRO specialises in creating premium functional lifestyle accessories, designed in Britain, with expert craftsmanship. "I started TORRO on the side of my job as a police detective, with just £500 in start-up capital, having spotted a gap in the market for premium quality and affordable phone cases back in 2013," Johnson said.

The first trial-run of products was such a success that they sold out online within a week, and the earnings were reinvested into growing the business online. Success in the first year of trading with Fulfilment By Amazon led Johnson to step away from his role at the police and focus entirely on taking the TORRO brand to the next level. "In our first year as a selling partner using Fulfilment by Amazon, TORRO went from being a hobby business to a company turning over six figures. This year, we're on track to turnover £5 million and we're continuing to recruit and invest in the business," Johnson commented.

He added, "Amazon's logistics network, their trusted brand reach,

and their ready-made customer base have made a huge difference for us at TORRO. Personally, it's been a life changing experience to take an idea like this and be able to really scale it, with no retail experience and with zero debt, remaining profitable through every step of the journey."

TORRO now creates a wide range of premium leather lifestyle accessories growing to a team of 17 employees in a 6,000 square foot headquarters and warehouse in Newcastle, serving customers worldwide through the Amazon network. Concluding, Johnson said, "I'm incredibly proud and grateful for where we are today, having become a well-known brand in the North East that has been able to invest in our office and warehouse space, employing a brilliant team of 15 staff, and selling our products to customers across the UK and as far afield as Australia and the USA. Truly, this would never have happened without the support and operational model that Amazon offers."

Innovative capabilities to empower SME success

Amazon's selling tools provide Small and Medium Enterprises with powerful, cost-effective opportunities to reach more customers and grow sales.

85,000+ SMEs

Over 85,000 small and medium enterprises sell on Amazon—a 25% year-over-year growth.

950+ million products sold

UK SMEs sold more than 950 million products on Amazon (1,750 every minute) in 2021 - 20% more than in 2020.

Top 5 categories

The top five categories for UK SMEs were:

1. Home
2. Health & Personal Care
3. Apparel
4. Toys
5. Beauty

£100,000 in sales

Over 15,000 UK SMEs surpassed £100,000 in sales in 2021.

£1 million in sales

Over 700 UK SMEs surpassed £1m in sales for the first time in 2021.

Amazon Warehouse

Amazon Warehouse sold over 4 million used products.

Growing a business internationally



Hannah Saunders

Toddle Born Wild

Amazon Seller Since 2020

Location: Newent,

Gloucestershire

Employees: 7

As an intrepid traveller with a career in the RAF, Hannah Saunders was determined for her first son to enjoy her passion for the outdoors. Unable to find suitable products to protect him from chapped lips and windburn during adventures, Hannah created protective balms in her own kitchen. In March 2020 Toddle Born Wild officially launched, filling a gap in the market for natural skincare to protect active children.

Toddle Born Wild is Hannah Saunders' answer to protecting children's skin when in the outdoors. The range of natural and vegan children's skincare protects children when being active and comes in innovative packaging to make parents' lives as efficient as possible. From its beginnings in Hannah's home kitchen, Toddle now employs seven employees and is moving to a larger unit to accommodate the larger team. "On average, 40% of our revenue has been through Amazon, and this has enabled us to recruit more people, to scale and grow," Saunders commented.

Selling on Amazon has given Toddle access to a larger digital footfall. Saunders added, "Being a part of Amazon Launchpad has also given us access to an Account Manager who has been invaluable with helping us gain a greater understanding of how best to utilise Amazon and get the most from it."

"We officially launched Toddle Born Wild in March 2020 with a B2B model, however with the pandemic we pivoted to primarily serving customers directly through ecommerce," she explained. Toddle then began exporting to Europe through Amazon, and the business is on track to launch in the USA through Amazon.com. Saunders said, "Amazon has made exporting so much easier, especially using the free VAT services through Amazon Launchpad". Amazon has been absolutely key to us succeeding as a business. Our product lines now encompass a whole range of skincare products from our adventure balm to insect repellent."

Having won multiple awards, Toddle also secured funding from Steven Bartlett and Deborah Meaden in 2021, following a pitch on the BBC One series, Dragon's Den.

Trusted partner at every stage of an entrepreneur's journey

Amazon invests billions to foster the growth of UK Small and Medium Enterprises and pave the way for the next generation of entrepreneurs.

€3.4+ billion invested

We invested more than €3.4 billion in Europe in SMEs success in 2021. These investments included logistics, teams, services, programs, and tools. More than 28,000 people globally is dedicated to supporting our SMEs selling on Amazon store.

New services and tools

We introduced many new services and tools in 2021 that work backwards both from SMEs feedback on what is most important to helping them achieve sustainable growth and from the biggest challenges they will face in the future.

60+ logistic sites to support SMEs

We have more than 60 fulfilment centres, sortation centres and delivery stations. We have doubled our fulfilment capacity in the last two years.

Sales grew by 25%

Over 20,000 UK SMEs listed products in our store in 2021, but managed all storage, shipping, and customer support independently. Around 50,000 SMEs used Fulfilment by Amazon to deliver their products to customer's doorsteps, and their sales grew by 25% in 2021.

£400+ million in sales with Amazon Business

UK SMEs selling on Amazon Business grew by over 25% and generated more than £400 million in sales in 2021. UK SMEs sold around 20 million items across a variety of categories including IT, hospitality, healthcare product, office supplies, products for maintenance repair and operations.

Making use of the Amazon Small Business Accelerator



Dominique Woolf

The Woolf's Kitchen

Amazon seller since 2020

Location: London, Greater London

Employees: 1

Inspired by the flavours of her Thai heritage, the professionally trained chef Dominique Woolf created an initial range of three sauces that would be easy to incorporate into everyday cooking. After attending one of the Amazon Small Business Accelerator bootcamps, she started to sell on Amazon, and has not looked back.

The Woolf's Kitchen is founder Dominique's twist on the sauces her aunt would make and the snacks she remembers eating as a child. Inspired by bold flavours from her travels, the products are designed to be the perfect addition to easy meals.

Founded In June 2020, Dominique started selling her initial range of three sauces to independent farm-shops and delis. By August of that year, she had signed up to one of Amazon's Small Business Accelerator bootcamps with Enterprise Nation, which inspired her to start selling her products as an Amazon third party seller.

"Amazon Small Business Accelerator bootcamps highlighted the true benefits of becoming an Amazon selling partner," said Woolf. "Not only was the weeklong bootcamp really educational in terms of some of the key fundamentals in how to grow a small business, but there have since been lots of other resources that I've been able to access and consult. The whole experience made selling on

Amazon much less daunting. As the first port of call for most of my customers, my business has grown substantially on Amazon. I would definitely recommend anyone trying to scale their business to consider looking into Amazon's bootcamps and signing up."

Since launching on Amazon, The Woolf's Kitchen has gone from strength to strength, really seeing the brand start to take off in the last 12 months, generating approximately £20,000 of revenue in the last year. Based in North London, The Woolf's Kitchen's products are manufactured in the UK and Dominique has ambitions to enter international markets with her products once she expands her team.

On the back of her initial success, Dominique appeared on Jamie Oliver's Great Cookbook Challenge, winning the programme and a publishing deal. The book is now available for purchase on Amazon and has been named a Sunday Times bestseller.

A force for good in local communities

SME selling on Amazon create jobs and benefit their local economies.



85,000+ jobs

To date, UK SMEs selling on Amazon have created more than 85,000 jobs in the UK to support their business online.

600,000 entrepreneurs trained

We launched the Amazon Small Business Accelerator to help 600,000 people start and grow a business.

20+ partners

We worked with more than 20 partners to deliver not only e-learning content, but also run dedicated events on focus topics such as multi-channel commerce or building business resilience.

The Top 5 Regions by number of SMEs Selling on Amazon in 2021:

1. London
2. South East England
3. North West England
4. East of England
5. West Midlands

Scaling a Business from scratch



Eddie Latham and PJ Scott

Majority Velocity

Amazon seller since 2013

**Location: Cambridge,
Cambridgeshire**

Employees: 50

Founded ten years ago by Eddie Latham and PJ Scott, Majority Velocity began selling a small range of radios, with the aim of using ground-breaking technology to deliver quality consumer electronics at an affordable price. Now ranked as one of Sunday Times' top 100 growing companies in the UK for three consecutive years, Majority is an Amazon best-selling brand with devices in over three million homes across the globe.

Having met at work, founders Eddie Latham and PJ Scott could agree on one thing; that they had a mutual hatred for their day job. With a business idea to start selling radios that used cutting edge technology at affordable prices online, they launched Majority with initial funding of £3,000. Eddie and PJ worked on the business part time for 18 months, before the brand started to rapidly grow once being launched on Amazon in 2013.

Initially operating from their garage at home, they have continued to move office space to fit their growing business, and now operate out of third-party warehouses all over the world utilising services including Amazon FBA, which allows them to rely on Amazon's fulfilment logistics services. Co-Founder, Latham said, "You look at the number of units that we are selling each year and the amount of customer we're reaching with such a small team, and it's nothing short of a miracle. Being able to rely on Amazon fulfilment has been invaluable."

With the UK only accountable for a third of sales, Europe and the US have grown rapidly as key markets for following Majority. The business now generates over £30 million in annual revenue.

The success of the business has not gone unnoticed, with Latham commenting, "Majority has recently been awarded the Queen's Award for International Trade, a prestigious award in the UK. Amazon FBA has been a huge benefit for us, and this award would have not been possible had we not benefitted from Amazon's ability to help us sell around the world. Amazon has made scaling the business very easy, with 100% of our international sales over the years have been from Amazon."

Learning from the success of their own brand, Latham and Scott have since founded Velocity Commerce, an online consultancy which supports other companies selling on Amazon, by helping advise on growth, ROI for advertising, elevating sales, and developing export strategies.



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