

Amazon Predicts Record-Breaking Christmas for British Businesses Selling on Marketplace

November 24, 2015

UK-based sellers are expanding their use of Amazon's 11 websites in 7 languages and network of more than 100 fulfilment centres to reach 294 million customers in every corner of the globe

Sellers offering more products and participating in more of Amazon's Christmas deals than ever before

Export sales from UK-based Marketplace sellers set to hit nearly £1.4 billion and surpass 100 million units in 2015

LUXEMBOURG – 24 November 2015 – Amazon today announced it is predicting that UK-based businesses selling on Amazon Marketplace will see their best-ever sales this Christmas. The record-breaking sales are expected as a result of third-party Marketplace sellers offering more products than ever before, participating in Amazon Christmas deal events for the first time, selling across more of Amazon's international websites, and using Fulfilment by Amazon (FBA), so their products are included as part of Amazon's popular Prime and Free Super Saver Delivery programmes.

Last quarter, 46% of units purchased by customers on Amazon's websites around the world were sold by third-party sellers - predominantly small and medium sized enterprises (SMEs) - who list their own products of all kinds, from handmade artisan goods to high-end consumer electronics. Marketplace sellers play a vital role in helping Amazon offer Earth's biggest selection while achieving their dreams of starting and growing their own businesses. Today, tens of thousands of British businesses sell on Amazon, ranging from entrepreneurs working from their garage to larger businesses, many turning over millions in revenue. In Britain alone the number of sellers who generate over £1 million in annual sales increased 28% in the past year.

Secretary of State for the Department of Business, Sajid Javid, commented: "We should be very proud of the British companies manufacturing and selling British products all over the world; they all play an important part in driving our economy forward. Companies like Amazon, who are providing the tools to make all of this possible, play a valuable role in propelling the country towards our exports goals and helping both large and small British businesses thrive."

"We are thrilled to see our Marketplace sellers experiencing such rapid growth, creating jobs and playing an integral part in delighting customers," said Simon Johnson, Director of UK Seller Services at Amazon. "We anticipate the biggest Christmas ever for our third-party businesses as a result of using services such as Fulfilment by Amazon and Global Selling."

Here's why Amazon is anticipating a record-breaking fourth quarter for third-party sellers in Britain:

Sellers Adding More Products and Participating in Christmas Deals

The fact that Amazon.co.uk customers can find 150 million distinct products is only possible with the help of third-party businesses. These sellers offer Amazon customers everything from fresh flowers to virtual reality 3D headset glasses, and millions of other unique products. Sellers can upload their product listings in a matter of seconds or build a brand new storefront with a whole assortment of products in just a few minutes. Since last Christmas season, UK-based sellers have increased their selection of products available on Amazon by more than 40%, meaning there is plenty more for Christmas shoppers to discover and buy this year. Furthermore, Marketplace sellers are for the first time participating in Amazon's deals during the Christmas period, including Black Friday Deals Week.

Sellers Increasing their Exports

Amazon has created a suite of tools that make it easier for UK companies to sell their products abroad, including help to manage currency exchange, translation, marketing, and global delivery and distribution. Once a seller uploads a new product, it can be available on all of Amazon's 11 websites in 7 languages around the world. This means instant exposure to Amazon's 294 million worldwide customers. Since last Christmas season, the number of UK-based sellers exporting products to customers outside of Britain has increased 54%, and UK-based sellers are expected to reach nearly £1.4 billion in annual export sales for 2015 and deliver over 100 million items.

Global Fulfilment Network & Local Language Customer Service to Help Increase Sales

UK sellers are increasing their use of FBA to help to drive sales. Amazon has 100 fulfilment centres around the world, as well as Customer Service centres that are able to help customers in their local language. With FBA, sellers can send their products to one of these centres and Amazon will take care of the rest, fulfilling orders around the world and managing customer service. Plus, when sellers use FBA, their products are eligible for Amazon's popular Prime and Free Super Saver Delivery. Sellers taking advantage of FBA in the UK has increased 40% since Q4 2014.

More Pro Sellers

Amazon is seeing a rapid increase in the number of sellers taking advantage of its Pro Seller offering, which is designed for experienced volume sellers who prefer more advanced tools. Professional sellers listing on Amazon.co.uk has increased 43% since Q4 2014.

Commenting on his success using Amazon Marketplace, Zamir Cajee, Founder, iQualTech, said: "iQualTech year-to-date sales on Amazon.co.uk are currently running at 75% up year on year, and our Amazon European sales are up over 800% year on year. We sold 20,000 units on Amazon.co.uk in Q4 2014 and ran out of stock due to sales significantly above expectations.

"Growth this Christmas was anticipated at 75% year-on-year with an additional 25% buffer on key lines to avoid running out of stock as we did the previous year. However, following our participation in the inaugural Prime Day in July 2015, we realised we needed to dramatically revise our forecast to 150% year-on-year with an additional 50% buffer for key lines. Thanks to additional funding from Amazon Lending, we were able to fund this increase.

"Preparation for the Festive season started in March, with product selection, agreement on manufacturing deadlines and shipping dates. With Lightning Deals running in all key export markets, we are projecting exports of 20,000 units in Q4, a 2,000% increase year-on-year. We recently hired a part-time Distribution Specialist who, at 65+, brings a wealth of experience, and our first Junior Operations Manager, at just 19, who successfully completed an apprenticeship and is our first full-time employee outside of the original founders. We are also looking to hire one other part-timer this month for additional Christmas support.

"Marketplace enables iQualTech to leverage the world's most advanced e-commerce website to reach customers across the UK and the rest of the world - using FBA - through their preferred and trusted method of shopping online. We would find it very difficult to quickly scale up for the large-order days each year if we didn't have a partner like Amazon with their world-class fulfilment centre and distribution network."

Steve Oliver, ZOverstocks, commented: "In the last three years, the business has sold 30 million DVDs, games and CDs on Amazon – that's one product every three seconds! It is no exaggeration to say that we would not be here without Marketplace. As our primary online selling partner, it has facilitated explosive growth in a way I could never have imagined. There is little doubt that our 1,000 employees in the UK and 100+ team members in the United States are largely down to the growth on Amazon since we launched."

Dipesh Majithia, TVsandMore, commented: "We anticipate huge growth this Christmas – triple the sales in comparison to the same period last year, which was our strongest trading period on Amazon to date. We have invested time on market research to ensure our Christmas buy is absolutely right. This year, through Fulfilment by Amazon, we can participate in Black Friday and Cyber Monday deals for the first time. With exposure to millions of Amazon's Prime customers, we are predicting sales of more than 4,000 TVs.

"We are launching a brand new product – T4Tec, which is our first own manufactured line, and I predict it will be our best-selling Christmas product. As an Amazon exclusive, we have high hopes of huge sales volumes as it is a top quality product, great value for money and the perfect gift for tech addicts.

"Amazon is the perfect website for selling your brand to a huge customer base. FBA answers the problems we face on a daily basis, such as sorting, picking and dispatching. The money it saves is a great benefit, but the guarantee of the best possible customer experience is the ultimate reassurance. It reduces the time and money spent on resolving human errors, which in turn gives us the liberty to grow as a company and focus on developing new and innovative lines."

Ray Qudos, RDX, commented: "Being on Amazon Marketplace for Christmas is an outstanding opportunity for our business. You have the dual benefits of an incredible global retail partner and the best delivery options for customers.

"This helps us to plan and execute what is a crucial retail period for us globally. The festive season represents a 40% increase in sales and takes us over the £1 million a month barrier. We have been planning Black Friday, the Christmas rush and the January sales period for months now. We take full advantage of FBA and their international Fulfilment Centres, which historically perform better than all our other logistics carriers in this period.

"Most exciting of all, in 2015, our employment figures have increased in volume. Our factory has grown from 100 staff to 500 staff. Our customer service operation has grown from eight to 60 employees, and we opened a USA warehouse with a further 15 employees."

Read about European Sellers who are <u>Building Successful Businesses on Amazon Marketplace</u>. Businesses interested in selling on Amazon, FBA and Amazon Payments can visit http://services.amazon.com.

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About Amazon

Amazon.com opened on the World Wide Web in July 1995. The company is guided by four principles: customer obsession rather than competitor focus, passion for invention, commitment to operational excellence, and long-term thinking. Customer reviews, 1-Click shopping, personalized recommendations, Prime, Fulfilment by Amazon, AWS, Kindle Direct Publishing, Kindle, Fire tablets, Fire TV, Amazon Echo, and Alexa are some of the products and services pioneered by Amazon.

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