

EU Small and Medium Enterprises Impact Report 2024



Introduction letter by Mariangela Marseglia, incoming VP, EU Stores

Artificial intelligence (AI) stands to be one of the most transformational technologies of our generation, reshaping the world in ways we could only have dreamed of a few decades ago. Its remarkable impact in recent years has been nothing short of revolutionary. AI is not just a fleeting trend, but a profound shift that promises to redefine the future of work and innovation.

However, despite incredible advancements, AI is still in its infancy. This early stage presents a unique opportunity: the chance to democratize its use and ensure that its benefits are accessible to all. It is imperative that we strive to make AI an inclusive tool, one that does not only cater to large companies but also reaches the small and medium enterprises (SMEs) that form the backbone of our economy.

These SMEs, often operating with limited resources, stand to gain immensely from the advantages AI offers. Imagine a world in which every small business owner, artisan, and entrepreneur can harness the power of AI to enhance their operations, compete on a level playing field and innovate beyond their wildest dreams. At Amazon, we are dedicated to turning this vision into reality by investing in the success of the SMEs selling in our stores. This includes investments in logistics, services, programs, and trainings across Europe, as well as new AI technology, tools and solutions.



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The results speak for themselves: in 2023 alone, more than 127,000 SMEs from the European Union sold more than 1.3 billion products on Amazon. This remarkable achievement underscores the potential of small and medium enterprises when given the right support and resources.

Looking ahead, we are committed to continuing this journey of empowerment by widening access to the use of AI.

Throughout this report, we will explore some inspiring examples of these innovative tools, such as the Amazon Ads AI-powered image generator and the AI tool for product descriptions, designed to make a significant difference and empower SMEs.

Our Amazon Ads AI-powered image generator helps SMEs make their ads more engaging and visually rich, delivering a better advertising experience for customers. In just seconds, the tool generates a series of lifestyle and brand themed images. Our AI tool for product descriptions helps SMEs create compelling product titles and descriptions, saving them time and helping customers make more confident purchase decisions.

However, we are also aware of the challenges of AI for SMEs. At Amazon, we are committed to responsible AI throughout each stage of the development process. Throughout design, development, deployment, and operations we consider a range of factors, including accuracy, fairness, appropriate usage, toxicity, security, safety and privacy. We are committed to continued collaboration with the technology industry, researchers, policymakers, and the AI community to advance the responsible and secure use of AI. Our participation in the Tech Accord to Combat Deceptive Use of AI in 2024 Elections, signed at the Munich Security Conference, is one instance of our collective efforts to implement safeguards against deceptive practices.

These examples, though still in the early stages of development, highlight the incredible transformative power of AI in our society as a whole and SMEs in particular. The future of this technology is in our hands, and we have the responsibility and opportunity to ensure its potential is developed safely and inclusively, benefiting everyone and driving us towards a brighter, more innovative world.

Thank you,

Mariangela Marseglia, incoming VP, EU Stores



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SMEs from the European Union selling on Amazon.

At Amazon, we invest in the success of the small and medium enterprises selling in our store. The results speak for themselves:



SMEs SELLING

127,000

More than 127,000 SMEs sell on Amazon.



NEW JOBS CREATED

350,000+

SMEs selling on Amazon have created more than 350,000 jobs in the EU to support their business online.



PRODUCTS SOLD

1.3+ billion

SMEs sold more than 1.3 billion products on Amazon.



PRODUCTS SOLD / MINUTE

2,500 products+

SMEs sold more than 2,500 products on Amazon every minute.



SMES EXPORTING

100,000+

More than 100,000 SMEs selling on Amazon have exported to customers around the world.



SMES EXPORTING INTERNATIONALLY

73,000+

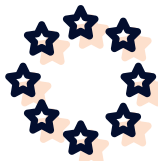
More than 73,000 SMEs selling on Amazon recorded sales to customers outside the EU.



INTERNATIONAL SALES

€3+ billion

SMEs selling on Amazon recorded more than €3 billion in export sales outside the EU.



EU27 SALES IN EU27

€34+ billion

SMEs based in the EU recorded more than 34 billion euros in sales in the EU.



INTRA-EU SALES

€11+ billion

SMEs selling on Amazon recorded more than 11 billion euros in intra-EU sales.

TOP 5 CATEGORIES DOMESTIC



Home



Drugstore



Grocery



Apparel



Office



Home



Drugstore



Beauty



Electronics



Toys

TOP 5 CATEGORIES EXPORT



US



UK



Canada



China

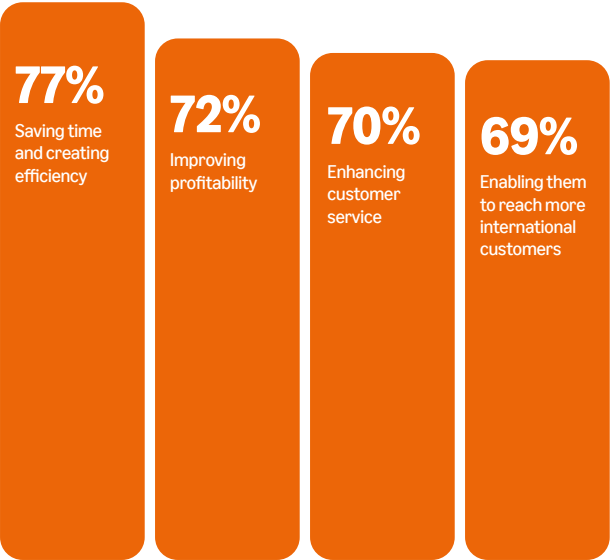


Japan

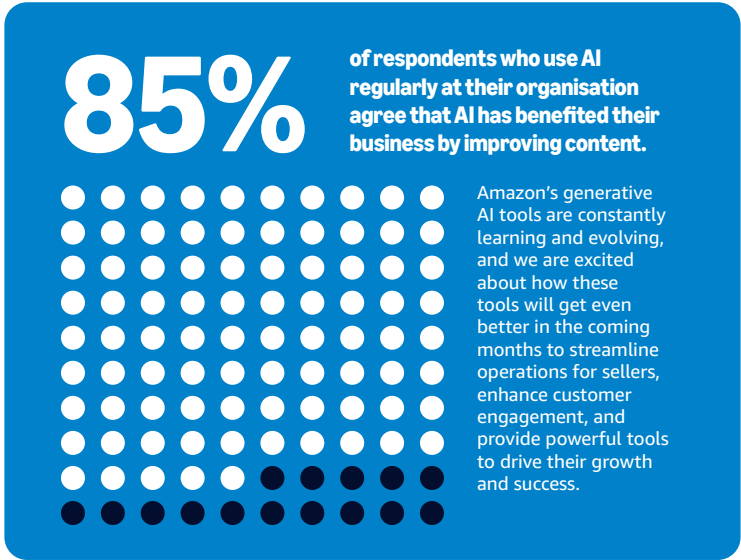
TOP 5 COUNTRIES EXPORT

European SMEs see value of AI to business.

Research conducted by the market research group Censurwide amongst 2,500 SMEs in France, Germany, Italy, Spain and the United Kingdom in 2024 found that the early adopters amongst those surveyed agreed that AI could or has benefited their organisation by:



This aligns with what we are hearing from Amazon selling partners, who tell us they are excited for how generative AI can improve their business operations, drive sales and increase profitability.



Amazon's AI tools to empower small and medium enterprises

In the EU, we have long used AI to support our selling partners, and we'll keep doing so.

For example, we pioneered the use of AI for personalized product recommendations, which enables sellers to create highly relevant product listings to interested customers.

We also use advanced machine learning (ML) models to forecast demand and automate inventory management, ensuring that our selling partners can better plan their inventory and make sure they don't end up being out of stock of popular products. With AI-powered pricing tools, sellers gain insights into dynamic pricing strategies based on real-time data, helping them maximize their pricing strategy.

And in the upcoming months, Amazon will roll out Project Amelia to EU SMEs. This generative AI assistant will provide sellers with a personal Amazon selling expert that understands their unique business. Project Amelia offers personalized recommendations, insights, and information to help SMEs thrive. By leveraging advanced AI technology, this tool aims to enhance the selling experience and further support business growth for SMEs across Europe.

Recognising the transformative potential of generative AI specifically, Amazon has already actively developed and deployed the following AI-powered tools designed to empower small and medium enterprises in the EU.



Image generation

AI-powered image generator to deliver a better ad experience.

How does the AI image generator work?

Our AI-powered image generator has been designed to remove creative barriers and enable SMEs to produce lifestyle imagery that helps improve the performance of their ads. In the Amazon Ad Console, SMEs simply select their product and click generate, with the tool leveraging generative AI to deliver a set of lifestyle and brand-themed images, based on product details, in a matter of seconds. The image can then be refined by entering short text prompts, while multiple versions can be quickly created and tested to optimize performance.

Positive impact on SMEs selling on Amazon

In a March 2023 survey, Amazon found that among advertisers who were unable to build successful campaigns, nearly 75% cited building ad creatives and choosing creative format as their biggest challenges. Our AI-powered image generator enables SMEs that do not have in-house capabilities or agency support to more easily create brand-themed imagery. It is easy to use and requires no technical expertise.

For example, an SME may have standalone images of its product against a white background, like a toaster. When that same toaster is placed in a lifestyle context -on a kitchen counter, next to a croissant- in a mobile Sponsored Brands ad, click-through rates can be 40% higher compared to ads with standard product images.

Colleen Aubrey, senior vice president of Amazon Ads Products and Technology:

“Producing engaging and differentiated creatives can increase costs and often requires introducing additional expertise into the advertising process. With the launch of our AI image generation capability, any SME can now use a simple tool to create unique, lifestyle creative assets that make their campaigns more compelling and at no additional cost.”



Generative AI tool to help write compelling product descriptions.

How does the generative AI tool work?

Creating compelling product titles, bullet points, and descriptions requires significant work for small and medium enterprises. We have launched a generative AI tool to simplify that process, reducing the need to enter many pieces of specific product data to just one step. It uses a type of machine learning model specifically trained on large amounts of data that can recognize, summarize, translate, predict and generate text and other content, to build more comprehensive product descriptions.

To get started, SMEs only need to provide a brief description of the product in a few words or sentences and Amazon will generate high-quality content for their review. SMEs can refine it, if they want to, or they can directly submit the automatically generated content to the Amazon catalog.

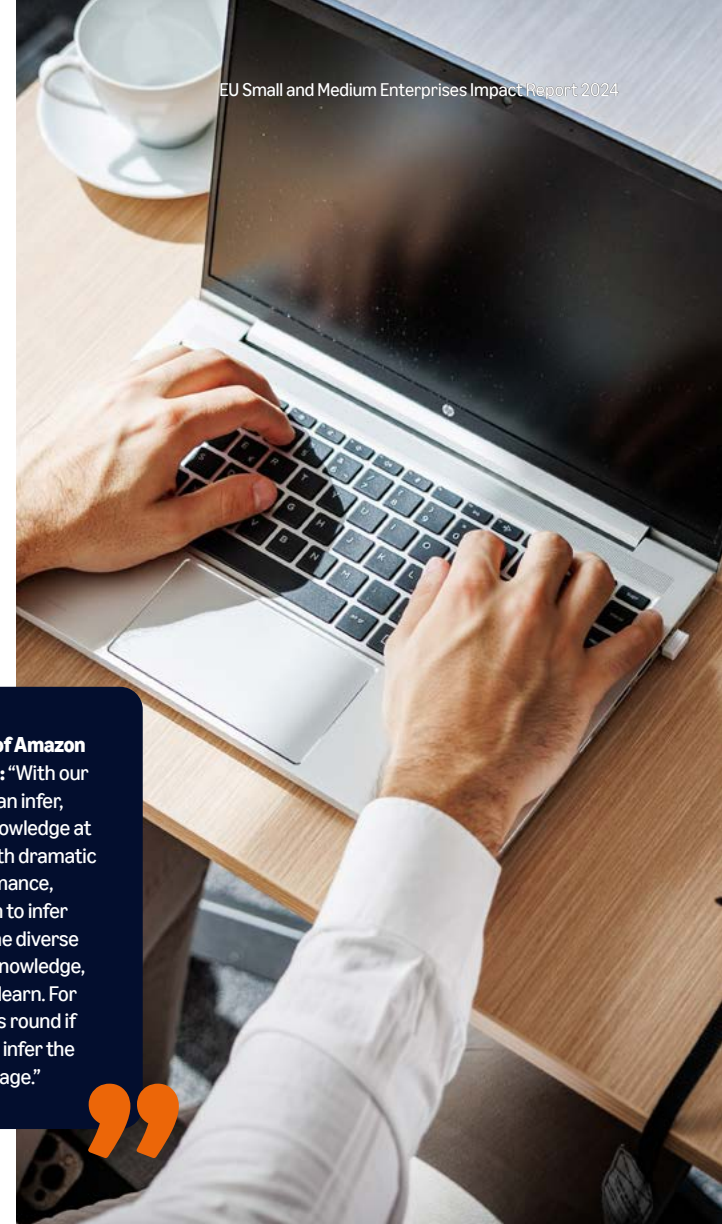
Positive impact on SMEs selling on Amazon

With our generative AI tool, SMEs can create more complete, consistent and engaging product descriptions with less effort. In addition to saving time, more thorough product descriptions also help improve the shopping experience.

Customers will find more complete product information, helping them find exactly what they are looking for and driving sales of SMEs.

The research conducted by Censuswide revealed that SME business owners felt that by using generative AI they could reduce time spent writing product descriptions from an average of eight hours to one hour and reduce time updating product descriptions from an average of seven hours to just one hour. The research further uncovered that AI-generated content can significantly enhance the creation of engaging product descriptions. One in three SMEs felt that AI-generated content can increase a product's discoverability when customers search. Attracting new customers ranked top -32%- as the key business challenge SMEs are facing, and making their products more discoverable through AI-generated content will meet this business challenge head on.

Robert Tekiela, vice president of Amazon Selection and Catalog Systems: "With our new generative AI models, we can infer, improve, and enrich product knowledge at an unprecedented scale and with dramatic improvement in quality, performance, and efficiency. Our models learn to infer product information through the diverse sources of information, latent knowledge, and logical reasoning that they learn. For example, they can infer a table is round if specifications list a diameter or infer the collar style of a shirt from its image."



Product detail pages

Generative AI tool to create high-quality product detail pages.

How does it work?

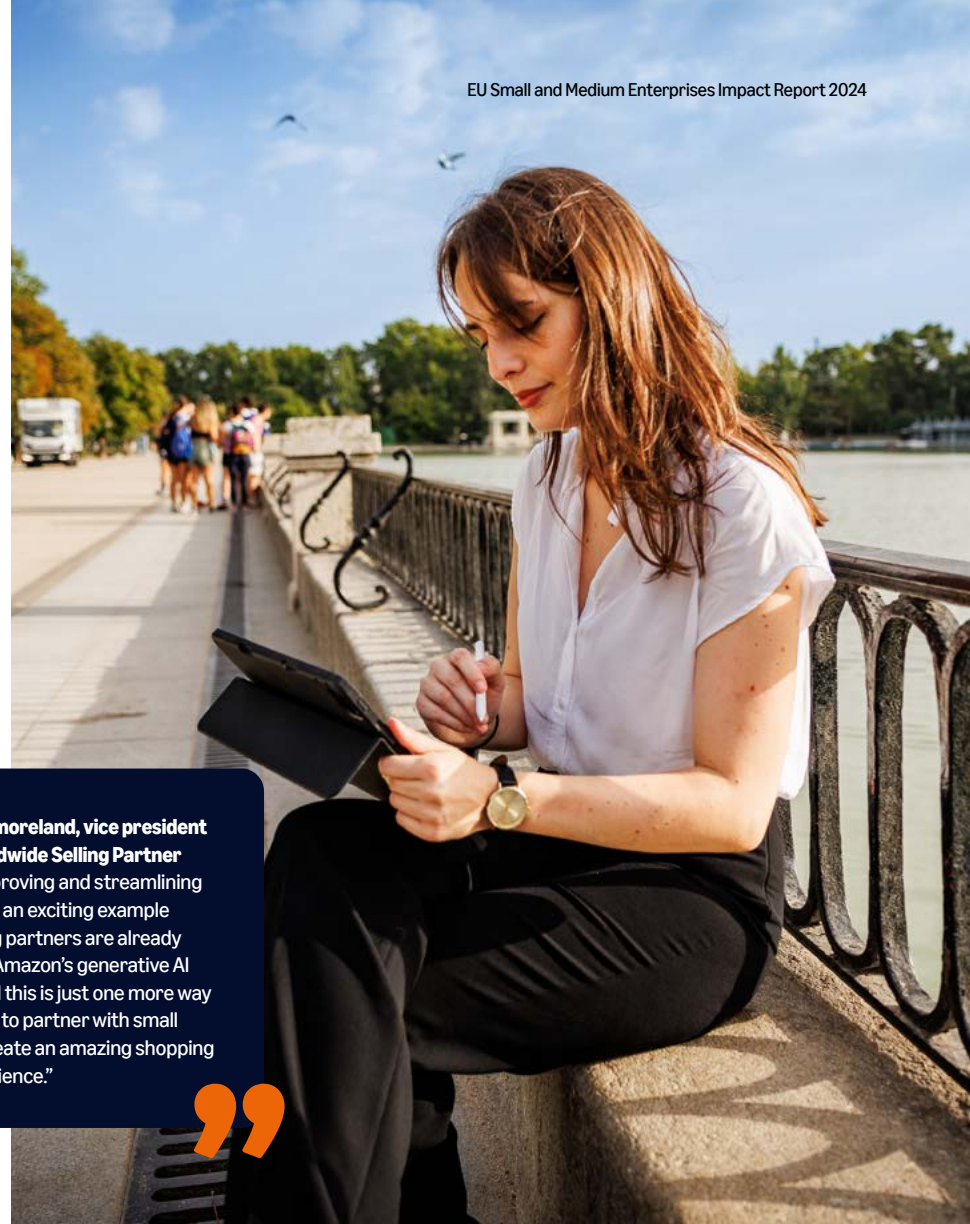
This generative AI tool simplifies the listing creation process, allowing sellers to generate compelling product titles, descriptions, and other details by simply providing a few descriptive words or just uploading a product image. We suggest product listings that are high-quality and designed to be engaging for customers in our store. This streamlines operations and allows sellers to focus on other aspects of their business. Listing innovations include generating premium content for branded products, including rich text, imagery, as well as generating augmented reality visualizations such as placing furniture in a room.

Positive impact on SMEs selling on Amazon

By streamlining the process of creating product listings, SMEs save time and effort, staying competitive in an ever-evolving market. This AI tool also enhances the customer experience by providing richer, more comprehensive product information. Amazon leverages generative AI to summarize product reviews, which helps customers to make better purchasing decisions and drives more informed purchases for our selling partners. As more SMEs leverage the technology to enhance their own product listing experience, we will provide them with increasingly relevant results, reducing effort for SMEs while improving efficacy of generated listings.

Mary Beth Westmoreland, vice president of Amazon, Worldwide Selling Partner

Experience: “Improving and streamlining listing creation is an exciting example of how our selling partners are already benefiting from Amazon’s generative AI investments, and this is just one more way that we continue to partner with small businesses to create an amazing shopping and selling experience.”



Package Decision Engine

Reducing packaging waste through AI.

How does the Package Decision Engine work?

Reducing packaging waste is an important part of our goal to become a more sustainable company, but choosing the most efficient, optimal amount of packaging that both reduces waste and protects products can be challenging. Thus, we developed the Package Decision Engine to gather information about each item to produce a score that predicts the best packaging type to use in the most sustainable way. The packaging selection is remembered by the engine and used to understand future packaging needs.

When an item first arrives at one of our fulfillment centers, it is photographed in a computer vision tunnel that determines the product's dimensions, spots defects and captures multiple images of the product. This also allows the model to detect if there is a bag or box around an item, or detect the presence of exposed glass. It also collects information in near-real time from customer feedback that is reported through Amazon's Online Returns Center, product reviews and other customer feedback channels.

Positive impact of the Package Decision Engine

Our product catalog has hundreds of millions of items and is always growing and changing, in addition to having regional and country-specific products worldwide. Prior to the use of AI, our associates used physical testing on individual products to determine how to optimize packaging, but that sustainability work was impossible to scale through human efforts alone.

The Package Decision Engine has helped automate portions of this work, allowing our associates to focus on addressing other sustainability challenges. Along with other packaging innovations, the model has helped us avoid over 2 million tons of packaging material worldwide since 2015.

Kayla Fenton, senior manager of technology products with Amazon's Packaging Innovation team: "The use of AI through the Package Decision Engine has allowed us to advance our packaging efficiency work at scale quickly, and it has worked so well that we're implementing this technology across Amazon's broader global footprint."





Amazon's AI tools to empower small and medium enterprises

Through our AI-powered image generator, SMEs selling on Amazon can create unique, lifestyle creative assets that make their products more compelling and at no additional cost.



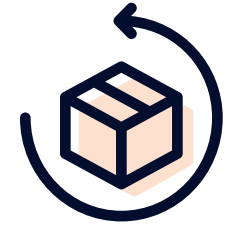
Generative AI tool to help write compelling product descriptions

With our AI tool, SMEs selling on Amazon can create more complete, consistent and engaging product descriptions with less effort, improving the shopping experience of customers.



Generative AI tool to create high-quality product detail pages

Our generative AI tool allows SMEs selling on Amazon to generate compelling product detail pages by simply providing a few descriptive words or just uploading a product image.



Package Decision Engine

Our Package Decision Engine gathers information about the products sold via Amazon to predict the best packaging type to use in the most sustainable way.



Learn more at aboutamazon.eu