Social Media Kit for ILSR Report on Amazon's Exploitation of Small Businesses

REPORT GOES LIVE 8am ET Wednesday, December 1

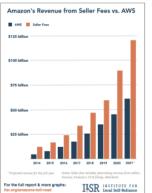
Report landing page: <u>https://ilsr.org/amazons-toll-road</u>

All Graphics Instagram Slide Series

Tweet drafts:

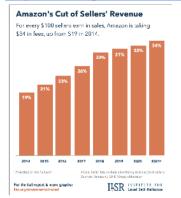
• New @ILSR research shows that Amazon's revenue from third-party seller fees on its site has MORE THAN DOUBLED since 2019. These steep and rising fees are a remarkable illustration of its monopoly power.

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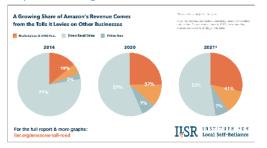


• This new @ILSR report shows Amazon earns record profits by exploiting small businesses. The company pockets a 34% cut of the revenue earned by sellers on its site, up from 19% in 2014.

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- Amazon's steep and growing fees make it nearly impossible for sellers to sustain viable businesses. Most fail. Don't miss @ilsr's latest research into Amazon's monopoly power: https://ilsr.org/amazons-toll-road
- "Operating an unregulated, monopoly tollbooth that sits between small businesses and their customers is wildly lucrative." This new @ILSR report exposes the high cost of Amazon's monopoly power. https://ilsr.org/amazons-toll-road
- Amazon has threatened to kick sellers off its marketplace if Congress acts to rein in its monopoly power. New research from @ILSR shows Amazon is bluffing — seller fees supply much of its revenue and most of its profits. More here: <u>https://ilsr.org/amazons-toll-road</u>
- Amazon now compels third-party sellers to buy product advertising on its site or lose their place in the search results. This is just a backdoor way for Amazon to impose even steeper tolls on the small businesses that have to rely on its site. <u>https://ilsr.org/amazons-toll-road</u> [graph: AmazonTollRoad-Graph-Fees-By-Type]
- New research from @ILSR shows that seller fees grew much faster than every other major revenue stream at Amazon. Without action from Congress, Amazon will continue exploiting ind. sellers on its site -- pushing many of them toward bankruptcy. <u>https://ilsr.org/amazons-toll-road</u>



 In 2020, Amazon's revenue from seller fees ALONE topped the annual sales of nearly all large corporations, including Facebook, Procter & Gamble, and Citigroup. Amazon's exploitation of small businesses funds its growing market domination. More from @ILSR: <u>https://ilsr.org/amazons-toll-road</u>

Amazon's Revenue from Seller Fees vs. AWS
AWS Selier Fees
\$125 billion
5100 billion
575 billon
550 billion
525 billion
2014 2015 2016 2017 2018 2019 2020 2021
* Projected revenue for the full year Nature Seller free includes advertising revenue from sellers. Subarres: Annazor's 10-8 filings: etderheter.
For the full report & more graphs: IISSTITUTE FOR Instantional IISS INSTITUTE FOR

• Amazon is driving up prices across the web. @ILSR reports that Amazon penalizes sellers that offer lower prices on other, less expensive shopping sites, inflating consumer prices as a result.

https://ilsr.org/amazons-toll-road

 AWS, Amazon's massive cloud-computing division, is regarded as a cash cow. But new research from @ILSR shows that seller fees are likely an even bigger source of profit for Amazon -- a fact that the company keeps hidden. <u>https://ilsr.org/amazons-toll-road</u>

Amazon's Reported Operating Profit in 2020	Estimate of How This Breaks Down
\$30 billion	
\$20 billion	\$24 B
\$10 billion \$13.5 B	\$13.5 B
\$0 billion	-\$15 B
\$10 billion	
\$20 billion	
AWS Direct Retail, Prime, & Marketplace	AWS Direct Retail Marketplace & Prime

Facebook/Instagram post drafts:

• "Amazon has us by the throat."

Amazon's monopoly position means that independent businesses have little choice but to sell on its online platform, but the company's ever-growing fees are pushing many independent sellers to bankruptcy. In fact, most of them fail. New research from @localselfreliance finds that Amazon's revenue from these seller fees has more than doubled since 2019 -- this year, its take will soar to \$121 billion.

Read the report: <u>https://ilsr.org/amazons-toll-road</u>

• Amazon has threatened to shut down its online marketplace if Congress acts to rein in the company's monopoly power, but they're bluffing.

New research from @localselfreliance shows that, thanks to ever-growing seller fees, Amazon's third-party marketplace is by far the most lucrative part of its operations.

Read more on the company's systematic exploitation of independent businesses and why Congress must take action here: <u>https://ilsr.org/amazons-toll-road</u>

• AWS, Amazon's massive cloud-computing division, is regarded as a cash cow. But new research from @localselfreliance shows that seller fees are likely an even bigger source of profit for Amazon -- a fact that the company keeps hidden.

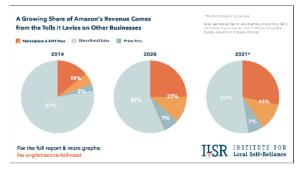
Read the new report: <u>https://ilsr.org/amazons-toll-road</u>

- Behind the scenes, Amazon exploits small businesses, rakes in profits from seller fees, then uses that money to fund further expansion and market domination.
 @localselfreliance took a close look at how exorbitant seller fees fund Amazon's empire in a new report: https://ilsr.org/amazons-toll-road
- New research from @localselfreliance examines something Amazon doesn't want you to know: the staggering amount of money the company makes from the fees it charges independent businesses to sell on its site.

Amazon's revenue from third-party seller fees has MORE THAN DOUBLED since 2019. Get the details: <u>https://ilsr.org/amazons-toll-road</u>

TWITTER THREAD

1. Amazon has faced scrutiny for copying sellers' products. But this isn't the only way the tech giant steals from independent businesses. It also pockets a large and growing cut of their revenue through the fees it charges. A thread on @ILSR's latest findings:



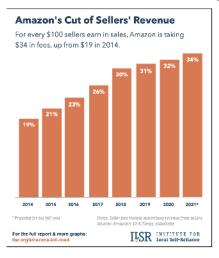
2. Since 2019, Amazon's revenue from the fees it levies on third-party sellers has more than doubled. This year, it will rake in \$121 billion in seller fees.

Total F	leve	nue						
\$500 billion								
\$400 billion								
\$300 billion								
\$200 billion								
\$100 billion						21%	23%	25%
	1496 2014	16% 2015	18%	19% 2017	20%	2019	2020	2021
"Projected for the f	Myser		Notes: 5 Sources	ieller foes i Amazon 1	icludes of IO-K fillings	oertising n ; eMarlnete	versæ fro 1.	n sellers

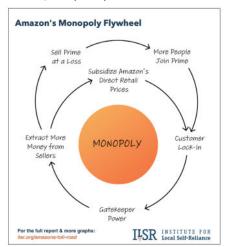
3. Third party seller fees grew much faster than every other major revenue stream at Amazon -- faster than the company's own retail sales division, faster than Prime membership, and faster than AWS, the company's massive cloud-computing division.

Amazon's Revenue from Seller Fees vs. AWS
AWS Seller Fees
\$125 billion
\$100 billion
\$75 billion
\$50 billion
2014 2015 2016 2017 2018 2019 2020 2021
* Projected resense for the full year Notes: Seller frees includes advertising resense from sellers Sources: Amazori's 10-K filings; eMarketer.
For the full report & more graphs: Itsr.org/amazons-toll-road Itsr.org/amazons-toll-road Itsr.org/amazons-toll-road

4. Amazon pockets an average of 34% of each sale made by independent businesses on its site. The company controls so much of the online market that sellers have no viable alternatives, and it uses its monopoly power to keep increasing fees without penalty.



- 5. The ever-increasing fees have made it nearly impossible for independent businesses to succeed. In fact, most sellers are failing! "Amazon has us by the throat," said one business owner.
- 6. Amazon uses the massive profits they rake in from seller fees to solidify + expand their dominance in the market. For example, it uses this revenue to absorb huge losses on



Prime (a key way that Amazon locks in consumers).

- 7. Amazon downplays or conceals all of this information. The company presents its third-party marketplace as merely a service for small businesses and not the main source of its power and profits.
- 8. Unless policymakers intervene, Amazon will continue to exploit sellers and use the revenue it extracts from them to pull an ever larger share of our economy and our democracy under its control.
- 9. Read Amazon's Toll Road to learn more: https://ilsr.org/amazons-toll-road