

amazon
launchpad

2021 Amazon Launchpad Innovation Report

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Chadd Ciccarelli

Head of Amazon Business Development



Small to medium sized businesses' (SMBs) ability to demonstrate resilience and fortitude over the past year is nothing short of astounding. Every business in Australia had to completely rethink how it operated over that time, with many leveraging the power of e-commerce and digital tools to propel them forward.

While there is still much uncertainty as we head down the road to recovery, twelve months on from the first lockdown restrictions across Australia, green shoots are starting to appear.

New research commissioned by Amazon Australia that surveyed more than 1,000 Australian SMBs revealed that 89 per cent are feeling more resilient in running their businesses, 92 per cent feel optimistic about the growth of their business, and 78 per cent will use e-commerce and digital tools to allow them to work from anywhere.

A commitment to innovation will be key to this process, alongside small businesses' propensity to embrace e-commerce. Both of these areas are key themes in the 2021 Amazon Launchpad Innovation Report. The current sentiment of Australian small business owners, how they evolved their businesses over the past 12 months, and their future plans as the economic recovery gathers pace.

The Amazon Launchpad program, supports Aussie startups and entrepreneurs to bring innovative products online and reach Amazon customers. To acknowledge businesses that have demonstrated an especially forward-thinking approach during a time of extraordinary challenge and change, Amazon Launchpad Innovation Grants have returned for 2021.

This year, our finalists will have an opportunity to virtually pitch to Amazon Australia HQ and have the chance to win one of five grants, each worth more than \$200,000. Each grant includes a \$20,000 cash grant, marketing support and advertising packages, mentorship from Amazon experts, and industry networking opportunities.

Australia is a nation of entrepreneurs and our SMBs are renowned for their innovation and originality. We look forward to reviewing all the entries for this year's Innovation Grants and, most importantly, continuing to support local businesses through Amazon Launchpad.

Chadd Ciccarelli
Head of Amazon Launchpad

Lockdowns helped fast track e-commerce adoption



E-commerce has been a key driver for business continuity and growth over the past 12 months with almost a third of SMBs (30%) stating lockdown restrictions changed the way they sold to customers.

Many SMBs transformed their business models in 2020 to embrace e-commerce and digital channels as they navigated restrictions. As a result, 44 per cent of SMBs were able to reach new customers online and 15 per cent were able to make a sale online for the first time.

As lockdowns necessitated a shift to online shopping, over a quarter of SMBs (27 per cent) invested more in developing their online channels to reach new customers.

As a result, 21 per cent said the ability to sell over the internet reduced the impact of restrictions, and 39 per cent of SMBs report that customers are now more open to buying online.



Innovation is the key to growth

To help navigate the uncertainty of the past twelve months, almost a third (30 per cent) of SMBs said they invested in product or business innovation to reach new customers, and 82 per cent said they will lean into innovation to grow their business over the next 12 months.

Looking ahead, 42 per cent of businesses want to prioritise expanding their digital presence to enable innovation, while many are revising their business model to meet the changing needs of their customers.

Below are the top five ways businesses are planning to innovate over the next 12 months:



Growing digital presence
(42%)



Growing business into
new markets (39%)



Revising product offering
(33%)



Research and develop new
products (32%)



Revising business model
(31%)



Kylie Frazer

Managing Partner at tech
investment group Eleanor Ventures
and 2021 judge

"It's been positive to see the majority of Australian SMBs lean into innovation and adopt an agile attitude to meet changing consumer demands."

Technology empowers success



SMBs recognise the importance technology and online channels can play in their growth.

The research showed the vast majority of small to medium sized businesses intend to build on gains made last year by embedding technology in their operations, with 75 per cent of local SMBs stating online sales will help grow their business. They recognise they require resources and technology to achieve this, with 74 per cent investing in online channels to spearhead growth and 69 per cent using online channels to pursue investors.

Importantly, a large majority of SMBs are investing not just through money, but also time in building their digital capacity and technology capabilities. In total, 75 per cent say they will invest more time in understanding how to use e-commerce over the next 12 months to transform their business.

Underpinning the future with digital tools



Lockdown restrictions fast tracked the digitalisation of Australian businesses with 78 per cent of SMBs saying digital tools and e-commerce could allow them to run their business from anywhere.

SMBs embraced digital tools over the past 12 months to engage with stakeholders. The research showed 81 per cent of SMBs are now using digital tools to network, which may include video conferencing, and social media to harness their potential and easily engage with employees, stakeholders and suppliers.

Finding freedom with online tools to reach new customers, digital strategies supported SMBs to pivot in 2020.

Last year prompted a shift in many SMBs' approach to digitisation, with 30 per cent saying restrictions changed the way they sell to customers.

The research showed that 80 per cent of SMBs feel more confident using digital tools to market to customers than they did 12 months ago. They have been prepared to adapt their approach along this journey, with 30 per cent changing their business strategy to develop new opportunities and 19 per cent redefining target audiences to enter new markets. As a result, 27 per cent have invested in developing online channels to reach new customers, a trend that will continue this year.



Carolyn Creswell

Founder of Carman's and 2021 Judge for the Amazon Launchpad Innovation Grants.

"I remember making our first sale on Amazon.com.au and how exciting it was to be reaching a whole new customer base. E-commerce is such an important channel for revenue growth and with more consumers open to buying online, businesses need to embrace digitalisation to expand and remain competitive."



What do small businesses need most in 2021?

Guidance and support remain important for SMBs in 2021.

Guidance and support remain important for SMBs in 2021, with 34 per cent seeking marketing, advertising and social media support, 30 per cent seeking help with future growth planning, 21 per cent wanting help building their e-commerce capabilities, 14 per cent seeking mentorship from established businesses and 17 per cent wanting help with infrastructure and logistics.

34%

marketing, advertising and social media support

30%

help with future growth planning

21%

help building their e-commerce capabilities

14%

mentorship from established businesses

17%

help with infrastructure and logistics

The Amazon Launchpad Program and 2021 Innovation Grants



Amazon Launchpad highlights innovative, cutting-edge products from startups and entrepreneurs from around Australia and the world, making it easy for them to on-board, market and launch new products to millions of Amazon customers.

Participants benefit from custom product pages on the Amazon.com.au Launchpad store, marketing support and access to Amazon's local fulfilment network including Amazon Prime.

Amazon Launchpad also gives Australian consumers a chance to discover and support local brands.

Launchpad Innovation Grants

Amazon Launchpad Innovation Grants celebrate innovation from Australian startups, entrepreneurs and SMBs, in our changing way of life.

This year, the value of each Amazon Launchpad Innovation Grant is more than \$200,000. Each grant package includes:

- \$20,000 cash grant
- Amazon Advertising display credits
- Amazon mentorship and bootcamp experience
- National advertising package with JCDecaux Nurture
- Amazon.com.au marketing placements
- Networking opportunities with industry experts



The Amazon Launchpad Innovation Grants entry period is live

**Entries are
now open**
and close on
Monday 10 May
at 23:59 AEST.



Go to

[Amazon.com.au/launchpad](https://amazon.com.au/launchpad)

to find out more.

T&Cs apply

Supporting SMBs in Australia and around the world



Since Amazon.com.au launched its online store in December 2017, we have been focused on growing our products and services to earn trust with Australian customers and businesses, including the 10,000+ Australian selling partners who are selling direct to customers through Amazon.com.au.

Sellers are an integral part of Amazon's DNA, and have grown to more than 50 per cent of paid units sold globally. 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.

Around the world, Amazon has invested billions of dollars in infrastructure and technical services that help support the growth and success of our selling partners. We provide innovative tools and services to help small businesses and entrepreneurs succeed in selling online, including Fulfilment by Amazon (FBA), where businesses selling on Amazon can choose to have us handle shipment of their products, returns, as well as customer service for all orders placed on Amazon; and Amazon Launchpad

There are many ways customers can find products from Australian small to medium sized, businesses including through our [Shop Local storefront](#)

The Shop Local storefront features a range of exciting products that can delivered right to your front door, including electronics, kitchen and dining, pantry, beauty, health and sports.

If you're interested in learning more about selling on Amazon, please visit: [Becoming an Amazon seller](#)

Amazon Launchpad success stories



Crockd

DIY pottery kit

Crockd was co-founded by Rosa-Clare Willis and her partner, Andrew Ford in February 2020 after they found themselves searching for a way to temporarily suspend the pressures of everyday life and immerse themselves in something messy, imperfect and creative.

They initially thought it would just be a fun 'side hustle' that would bring them closer together. More than 12 months on, they're working on the business fulltime, and have grown the team from two to ten people.

According to Rosa and Andrew, launching a business for the first time in 2020 was challenging, but not for the reasons you might expect. As they had nothing to benchmark the year against, it was hard to determine whether this was just a 'COVID success'. On one hand, they felt incredibly lucky to have a business that was perfectly positioned to help keep people connected and entertained during the pandemic, but on the other hand, they were unsure about what the future held and how they were going to build on their growth and success.

Thanks to the Amazon Launchpad program, Crockd has received assistance setting up their business for the long term and as a result, they have achieved a 15% increase in sales through an omni-channel presence, a 21% reduction in distribution costs, a 10% increase in delivery success metrics, and were able to achieve global Amazon expansion within three months into the USA, Canada and Mexico.

On taking part in the program Rosa-Clare said: "The mentorship, marketing and logistics support that comes with the grants and the program is something that has made a huge mark for us and will continue to contribute to the growth of Crockd well into the future."

Rosa and Andrew have joined our exceptional panel of 2021 Innovation Judges.

Amazon Launchpad success stories



Niki's Natural Wipes

The world's first all-natural baby wipes

Niki's natural wipes are the world's first baby wipes that are 100 per cent natural, utilising Manuka Honey essence and Coconut Oil to promote skin health for babies. Co-founded in 2019 by parents Suthan and Dr. Durka Naganayagam, the duo created the product to meet the needs of their newborn child, Niki, who suffered from a serious UTI and ongoing issues with nappy rash.

By selling on Amazon.com.au, Niki's has achieved steady growth, regularly exceeding revenue targets month-on-month. In 2021, sales of single packs have grown 50% compared to the same time last year, with Niki's now seeing the full benefit of building a brand on Amazon.

On winning a 2020 Innovation Grant, Suthan said, "We were so honoured to be awarded an Amazon Launchpad Innovation Grant especially during a year that was so tough for many businesses. As an Australian company with a world first innovative baby wipe product, we have been blessed to have Amazon Australia's support, which has allowed us to propel our businesses forward, not only in Australia but across the world. This grant has helped us increase our exposure in global markets while assisting in the development of new and complementary product lines."



Meet the judges



Rosa-Clare Willis and Andrew Ford, Co-founders of Crockd

2020 Amazon Launchpad Innovation Grant winners Rosa and Andrew launched DIY pottery firm Crockd in 2020 as a side hustle. Since coming onboard Amazon Launchpad last year and winning the 2020 Innovation Grant, Crockd has built up the business to a 10-person team selling in Australia, New Zealand, UK and North America.



Kylie Frazer, Managing Partner at Eleanor Ventures

Kylie is the founder of Eleanor Venture, an early-stage venture capital firm, which makes it easy for private investors to build their own diversified technology portfolios. Eleanor Venture has invested in more than 20 Australian startups including Fresh Equities, JigSpace and Goterra and is always looking for new ventures to support.



Carloyn Creswell, Founder of Carman's

In the 90s, then 18-year-old, Carolyn Creswell bought a small muesli company for \$1000 and through perseverance, industry partnerships and many learning curves, has built the business into one of Australia's favourite muesli brands, Carman's.



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Research was conducted by McCrindle in March 2021 with a nationally-representative sample of 1,003 small to medium businesses.