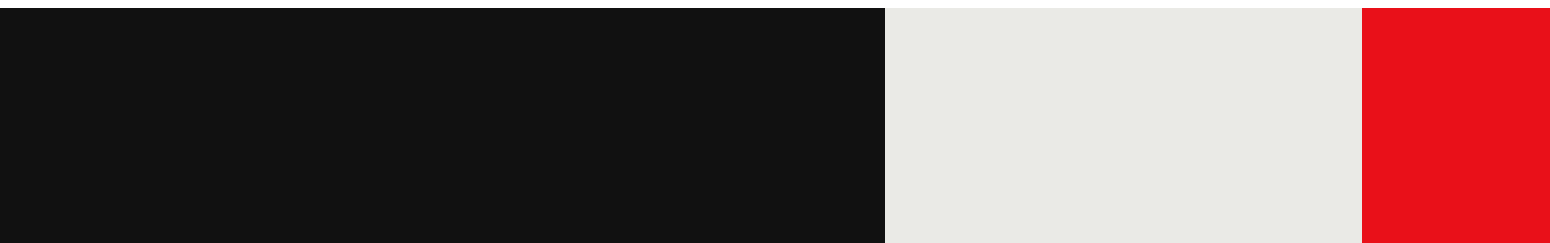



Shopify rolls out a new service to woo large retailers

Article



The news: Shopify launched a new service called Commerce Components by Shopify that allows large retailers to pick and choose from the company's array of [tools and services](#)—such as checkout and social commerce—to integrate into their existing commerce stack.

- That makes for a more flexible solution than standard Shopify and Shopify plans, which offer a single platform that retailers can tailor to their businesses.

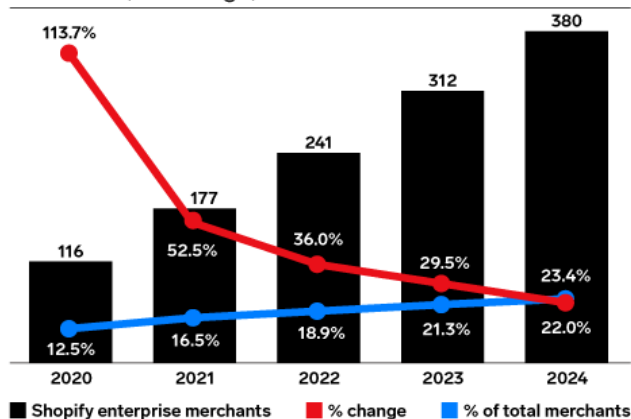
- **Mattel**, which is one of the first enterprise retailers to use the service, is bringing its entire portfolio of brands to Shopify.

Looking to large retailers for growth: Shopify’s growth soared in the early days of the pandemic. Between 2020 and 2021, it nearly tripled its revenues and more than doubled its gross merchandise volume (GMV). But its US GMV growth rate has slowed since 2021, just as the broader US retail ecommerce market has slowed.

- With digitally native vertical brands—Shopify’s mainstay customers—struggling, Shopify has sought to attract enterprise retailers to help it drive growth. The strategy is working as that cohort will make up nearly a quarter of Shopify’s total merchant count in 2024, nearly double its share in 2020.
- In addition to Commerce Components, the company’s Shopify Plus enterprise-level offering accounted for roughly one-third of its monthly recurring revenues in Q3.
- It also **launched** partnerships with **EY** and **KPMG** to help it make further inroads with businesses with greater GMVs.

US Shopify Enterprise Merchants Growth and Penetration, 2020-2024

thousands, % change, and % of total merchants



Note: enterprise merchants are merchants whose annual GMV is over \$50 million

Source: eMarketer, April 2022

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eMarketer | InsiderIntelligence.com

Broadening Shopify’s reach: Shopify has also rolled out a number of initiatives in several areas to unearth growth drivers.

- **Fulfillment:** Shopify began building its own fulfillment network in 2019 and recently **acquired** asset-light fulfillment tech startup **Deliverr** for \$2.1 billion. Together, they power Shopify’s new

Shop Promise service that guarantees next-day and two-day delivery.

- **Payments:** It is extending the reach of its payment services to grab a bigger cut of overall retail sales by making Shop Pay available to any merchant selling on **Facebook** or **Google**, regardless of whether they are a Shopify user. And its POS system brings its payment services into physical stores and is integrated with the digital commerce platform.
- **Social commerce:** It has inked social commerce partnerships with almost every social platform, including **TikTok**, Facebook, **Instagram**, **Snap**, and **Pinterest**.
- **Advertising:** Shopify's Audiences aims to help brands counteract the impact of **Apple's** AppTrackingTransparency push by allowing them to pool customer data and upload it to **Meta's** advertising platform.

And in June it [launched](#) more than 100 new tools that push it deeper into business-to-business (B2B) ecommerce, offline and local retail, and social commerce.

The big takeaway: Shopify CEO and founder **Tobi Lütke** has long said that he is “trying to arm the rebels” with the tools they need to challenge **Amazon's** ecommerce empire. By continuing to diversify and expand its offerings, it is giving retailers more reason to consider its services over its competition.

Go further: For more on Shopify's growth prospects, read our [Spotlight report](#).

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