

Shopify adjusts strategy ahead of Buy with Prime launch

Article

The news: Shopify CTO Allan Leinwand will step down from his role next month, per The Information, marking the third executive departure in less than six months as the company recalibrates its strategy amid a difficult economic landscape.

How we got here: Shopify has made a number of moves aimed at shoring up revenues as ecommerce growth slows from its pandemic heights.

- **The company raised prices for its monthly plans by one-third**, its first significant price hike in 12 years, [per](#) a blog post from chief operating officer and VP of product **Kaz Nejatlan**.
- Earlier this month, Shopify rolled out a [new enterprise solution](#), Commerce Components, to make it easier for large retailers to integrate its products into their tech stacks.
- And Shopify invested heavily to build its own fulfillment network to offer next- and two-day delivery for the merchants on its platform.

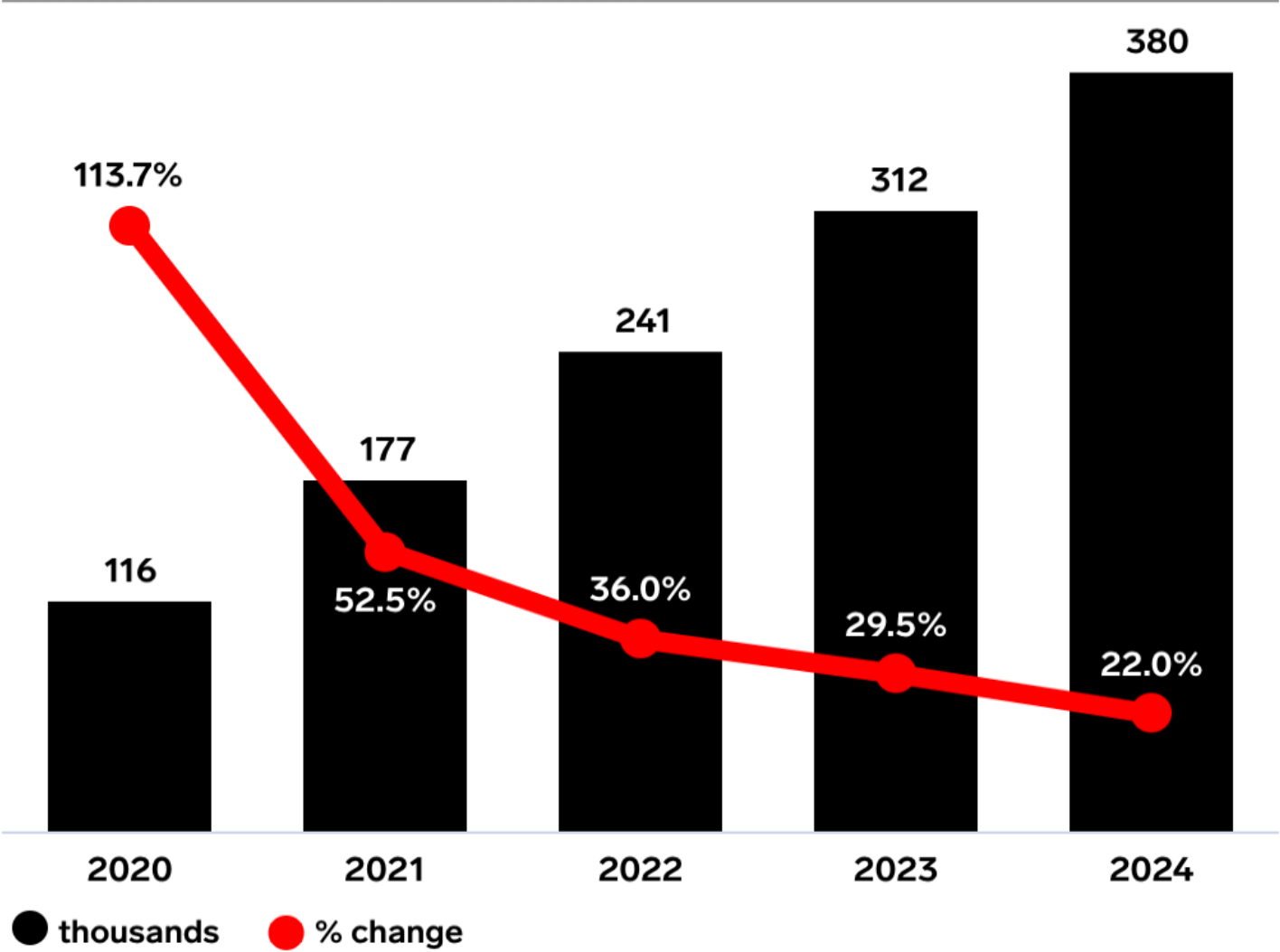
Looking ahead: These initiatives may not be enough to dispel the threat that **Amazon's** Buy with Prime poses to Shopify's business.

- UBS analyst **Kunal Madhukar** believes Buy with Prime's launch could put anywhere between 6% and 14% of Shopify's revenues and 2% to 6% of its gross profit at risk, [per](#) The Motley Fool.
- Shopify is also facing competition from smaller logistics operators, like **American Eagle's Quiet Platforms**, which just [inked a partnership](#) with ecommerce shipping platform **Shipium** to offer retailers two- to three-day shipping and reduce fulfillment costs.

That said, Shopify is unlikely to see a mass exodus of merchants, even with the price increases, given the hassle of switching platforms and the wide range of solutions the company offers. The ecommerce platform is also well-positioned to benefit from continuing [US ecommerce sales growth](#), which we expect to stay in the double digits this year through 2026.

Shopify Enterprise Merchants and Penetration

US, 2020-2024



Note: enterprise merchants are merchants whose annual revenue is over \$10 million

Source: eMarketer, April 2022

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