

# Amazon plans offensive against Shopify with point-of-sale solution

Article

**The news:** Amazon is reportedly working on a point-of-sale (POS) offering aimed at non-Amazon sellers that'll have integrations with Amazon-branded services, [according to](#) documents reviewed by Insider. The solution is spearheaded by Amazon's Project Santos, a task force launched last year to brainstorm innovations to compete with **Shopify**.

**Here's how it'll work:** The POS system can [process transactions](#) online and offline. It can integrate with Amazon One—the retailer's hand-scanning biometric payment solution—and the Flex delivery network. Merchants can also use it to create customizable loyalty programs that use Prime benefits and access other features like business analytics and inventory management.

**Amazon's opportunities:** The retailer is eyeing growth outside of its ecommerce marketplace. The retailer has a growing network of brick-and-mortar locations, but the recent expansion of retail innovations—like its checkout-free Just Walk Out technology, which will [soon land](#) in some Whole Foods locations—suggest a broader push in-store. Amazon already has a substantial online presence, but it may try to build out its in-store presence and prop up in-store volume with its forthcoming solution.

It's no surprise that the retailer is pushing more into the lucrative brick and mortar space: US non-ecommerce retail sales are expected to hit **a whopping \$5.149 trillion this year**, per [our](#) forecasts.

**The offering can also help Amazon capture more small and medium-sized (SMB) sellers.**

- An estimated **29% of small businesses** [operate entirely](#) in-person, and Amazon might be trying to attract these sellers with its POS solution. It might also be looking to grab a larger piece of the overall SMB market, which accounts for the overwhelming majority of all US businesses.
- In 2018, the retailer [had](#) **about 1 million SMB sellers on its US marketplace**—a sliver of the [31.7 million](#) SMBs in the country—so it has a large addressable market to work with. Grabbing more of these sellers can help drive [sales volume](#) and broaden Amazon's arsenal of merchant solutions.

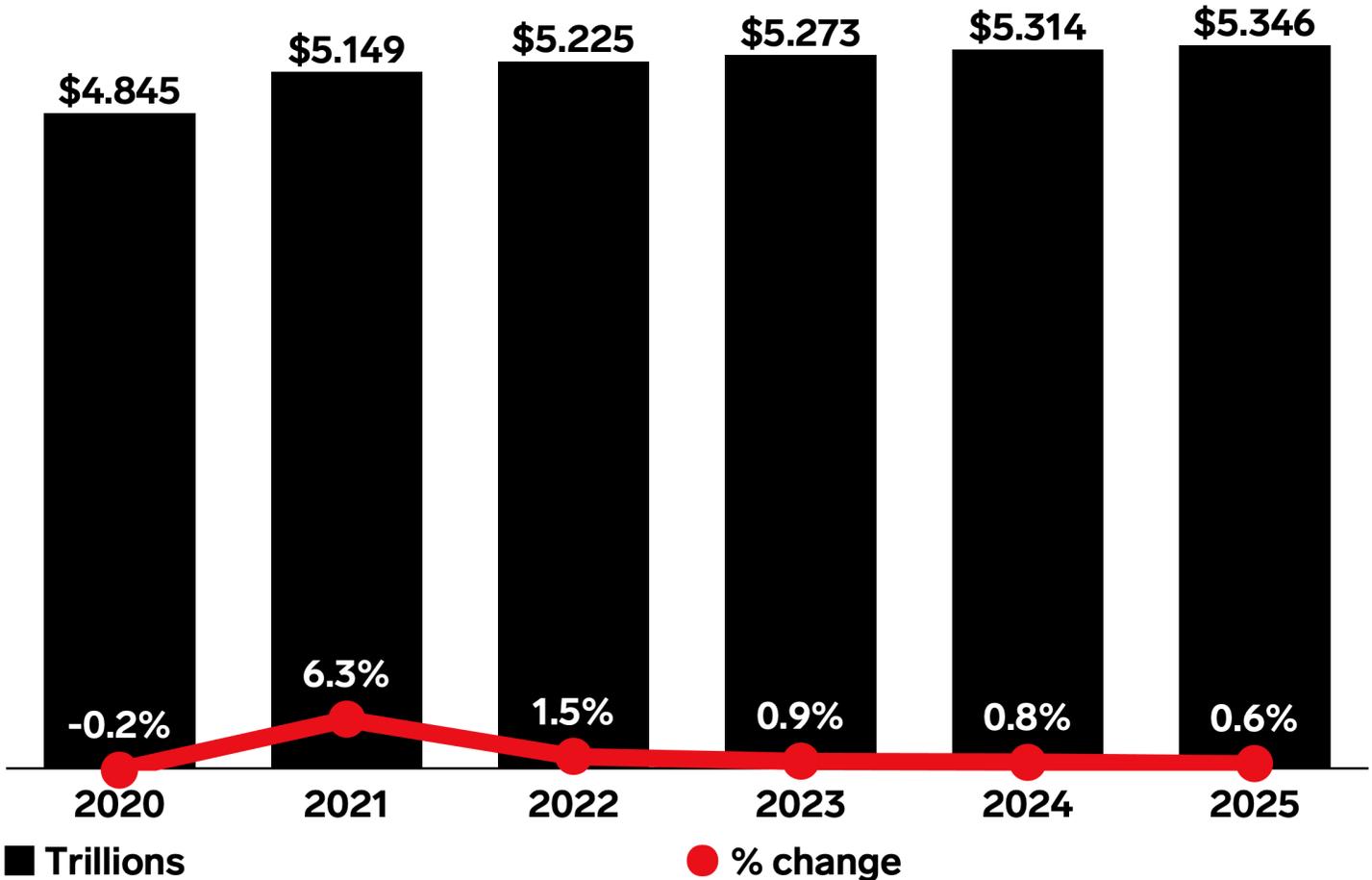
**The bigger picture:** Growing competitive forces from players like Shopify and PayPal might be pushing the retailer to ramp up merchant solutions.

As Shopify [beefs up](#) its own solutions, Amazon may be trying to maintain its appeal to sellers through new innovative offerings. And payments processors like [PayPal](#) and [Square](#) have also been expanding their in-store pushes, underscoring the growth opportunity that Amazon sees in brick-and-mortar retail.

**Related content:** *If you want to dig deeper into SMB opportunities and what Amazon is up against, check out the [Small-Business Payment Disruptors](#) report.*

# US Non-Ecommerce Retail Sales

US, 2020–2025



*Note: Excludes products or services ordered using the internet; excludes travel and event tickets, payments (such as bill pay, taxes, or money transfers), food services and drinking place sales, gambling, and other vice good sales. eMarketer benchmarks its retail sales figures against US Department of Commerce data, for which the last full year measured was 2020.*

*Source: eMarketer, May 2021*

*Methodology: Estimates are based on the analysis of data from benchmark source US Department of Commerce, estimates from other research firms, historical trends, consumer buying trends, and macro-level economic conditions.*

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