

Shopify stands in the way of Buy with Prime's success

Article

The insight: Amazon's Buy with Prime initiative is finding it difficult to attract retail partners, [per](#) a report by Marketplace Pulse.

- The report estimates that only a few hundred brands signed up with the program in the year since its launch.

- An Amazon spokesperson disputed the claim, saying that "the number of brands offering Buy with Prime is much higher and growing every day as more merchants discover the value that Buy with Prime can bring to their business."

Zoom out: On the face of it, the lackluster adoption is somewhat surprising given the significant benefits Buy with Prime can offer—most notably, access to Amazon's highly lucrative Prime member base, as well the ability to leverage the company's fulfillment and payments systems.

- But the program's rollout has been stalled by one significant roadblock: **Shopify**, which warns merchants looking to implement Buy with Prime that the code violates the company's terms of service.
- Shopify and Amazon are currently in talks for the former to provide an integration on its site, but the reality is that doing so could undermine Shopify's entire business model. Shoppers who use Buy with Prime on Shopify storefronts circumvent the latter's payments system, preventing Shopify from seeing purchase data and collecting transaction fees.
- Shopify could lose anywhere between 8% to 18% of annual revenues and 6% to 12% of gross profits to Buy with Prime, **per** a UBS analysis reported by Insider.

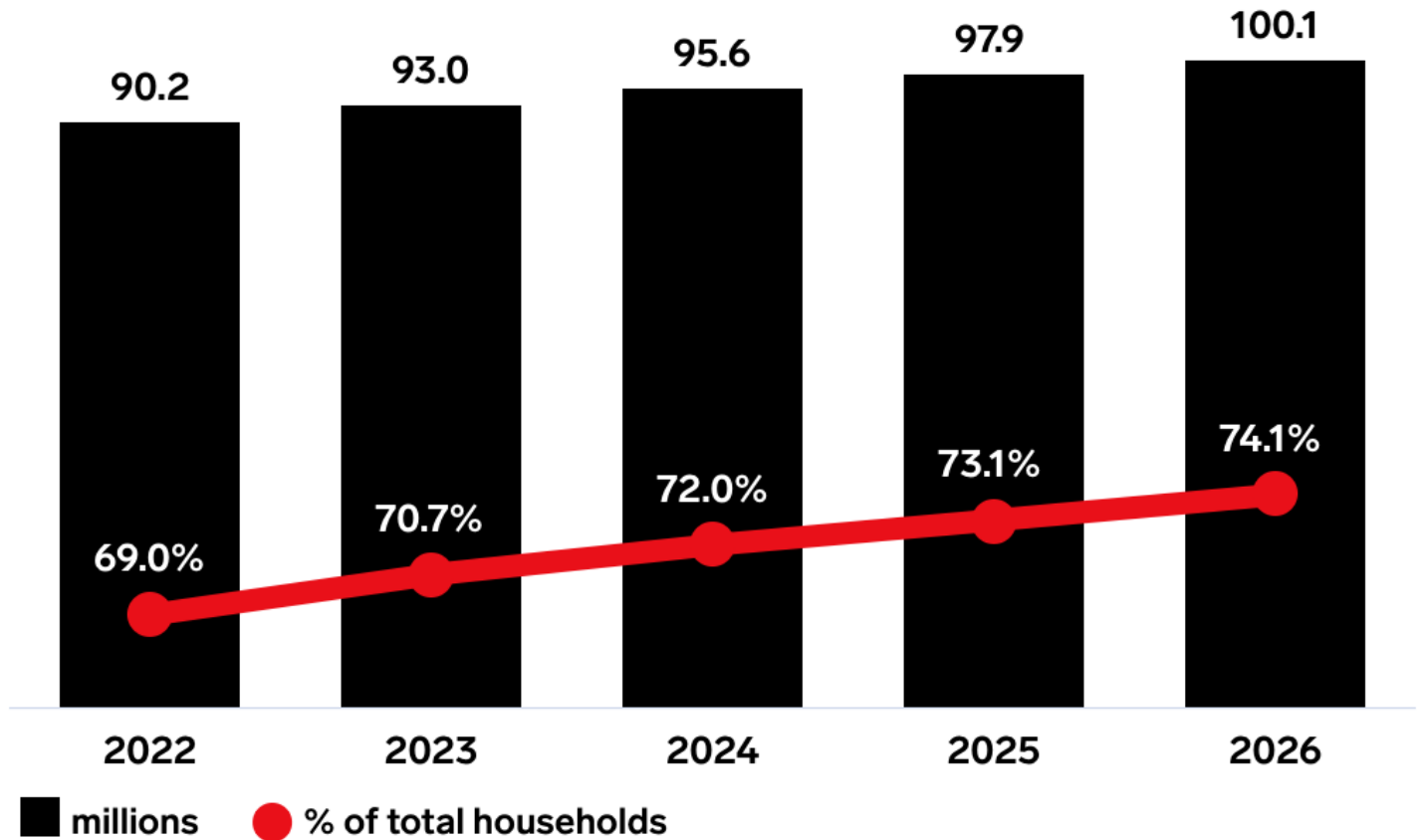
Other roadblocks: Shopify isn't the only barrier to Buy with Prime adoption.

- The system currently doesn't allow shoppers to order more than one product at a time, limiting its utility for consumers and potentially increasing retailers' fulfillment costs.
- Larger retailers are likely wary of sharing too much information with Amazon, while fulfillment and seller fees can quickly eat into profits.

Clearly, Amazon has some work to do to improve the Buy with Prime experience—and its utility—for both consumers and merchants.

Amazon Prime Households

US, 2022-2026



Note: households with a paid membership to Amazon Prime, where at least one person of any age in the household signs in to the account at least once during the calendar year

Source: eMarketer, November 2022

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