

Shopify isn't taking Amazon's encroachment onto its turf lightly

Article

The news: Shopify is warning merchants that installing Amazon's [Buy with Prime](#) button on their storefront violates its terms of service, [per](#) Marketplace Pulse.

- Buy with Prime, which has been available to Shopify merchants since June, enables retailers to use Amazon's fulfillment and payments services to provide a streamlined checkout process on non-Amazon websites.

- Shopify, which has its own payment and checkout service called Shop Pay, said it cannot protect merchants who use Amazon's feature against fraudulent orders, and that doing so could lead to stolen customer data.

A shifting message: Shopify's warning is a marked shift from May when the company's CEO, Tobias Lütke, had a very different perspective.

- "We are actually thrilled with Amazon making a decision to take the amazing infrastructure that they've built . . . and want to share this broadly with small merchants across the Internet," he said. "We are happy to integrate this into Shopify."
- Because Shopify has long positioned itself as an alternative for merchants looking to sell online, Lütke's embrace of Buy with Prime was puzzling. It turns out the position was controversial within Shopify, as The Information [reported](#) the integration sparked intense internal debates.

The big takeaway: Although retail isn't a zero-sum game, there's also no reason to aid the competition—especially when that competition is Amazon, which is relentlessly rolling out new tools and [services](#) to gain an edge.

- "Shopify needs to strike a balance between its community-focused goal of helping merchants reach consumers across channels and platforms and the need to protect its chief source of revenues, which is payments," said **Sky Canaves**, eMarketer senior analyst at Insider Intelligence. "Shopify hasn't had a problem with its merchants selling on Amazon, but sticking Buy With Prime onto the Shopify storefronts seems like a step too far."

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