

Shopify is pushing into cross-border commerce in a bid to attract larger merchants

Article

The news: Shopify's latest features are positioning the company to take advantage of the growing cross-border ecommerce market, per Modern Retail.

- In September, the company announced a global ecommerce hub for merchants called **Shopify Markets** and added B2B features to premium platform **Shopify Plus** last month.

How we got here: Merchants trying to maintain the ecommerce growth they saw in 2020 are eyeing to foreign markets and cross-border commerce, and platforms like Shopify are trying to meet their demands.

- In 2020, we found China was by far the fastest-growing market for cross-border commerce.
- **Of internet users ages 14 and older, 24.5%** purchased from a foreign merchant in 2020, followed by Brazil (14.2%), while the US lagged far behind (5.4%).
- But the cross-border ecommerce market is expected to grow significantly outside China in 2021.
- A study by Cross-border Commerce Europe and FedEx found that such sales in Western Europe and Scandinavia will **increase 51% by 2022** to €220 billion (\$251 billion).

With its large number of US-based merchants and growing international traffic, Shopify is well-positioned to capitalize on businesses' desire to go international.

- Per Modern Retail, **50% of Shopify's merchants are based in the US.**
- Meanwhile, **27% of its July store traffic came from outside the US.**

Shopify's opportunity: The platform's new cross-border commerce features attempt to alleviate difficulties merchants face with cross-border commerce—like language barriers and local regulations.

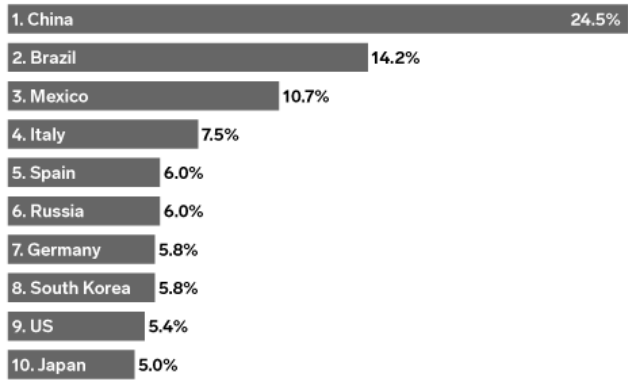
Shopify Markets promises to handle barriers to opening international storefronts for its merchants, taking care of currency conversion, localization, and even regional SEO, minimizing the burden on businesses.

A strategic shift: Shopify's push toward cross-border commerce is also a sign of the platform changing its priorities from smaller merchants to larger, international clients.

- During the pandemic, Shopify became popular partly due to its messaging that it could help local mom-and-pop shops open storefronts.
- However, its cross-border commerce push is oriented toward larger merchants eager to meet the growing demand from international shoppers or looking to get into international B2B sales.

Top 10 Countries, Ranked by Cross-Border Retail Ecommerce Buyer Growth, 2020

% change



Note: internet users 14+ who have purchased goods digitally from a seller in a foreign country, either directly or through an intermediary (i.e., marketplaces), at least once during the calendar year via any digital channel and device; excludes travel and event ticket sales, digital downloads, subscriptions, and other services
Source: eMarketer, May 2021

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