**CASE STUDY**

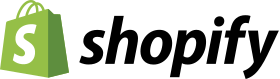


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Case Study: Shopify

# Overview and Origin

**Shopify inc,** is an ecommerce platform based on open source called liquid that the company created. Shopify is made for people that want to build an ecommerce business but have not enough technical knowledge to build it, the platform is user friendly so anyone can just drag and drop objects and launch a store in minutes.

Shopify also has tools for marketing and social media to promote the store and the products offered. These tools are free but if you want more you can find tons of payable and free tools that you can add to your store and get unexpected results.

Nowadays over 1.5 million of business runs on Shopify all over the world according to Wikipedia.

 Shopify was founded in 2006 by Tobias Luke and Scott Lake. Before Shopify, its founder tried to open a Snowboard Online Store (**Snowdevil**), they found that the existing resources for e-commerce products on the market were too poor. After this attempt, they decided to build their own platform and used **Ruby on Rails.**

After weeks coding, they launched the platform in June 2006, Shopify is an online store builder concept created for people who want to try luck on ecommerce. Shopify has templates based on Ruby on Rails that allows users to choose from a large variety, most of them not free.

In 2009 the company launched an API to allow developers create apps for the platform and sell it on the shopify market.

Since the platform was created, users just were able to use it on a Desktop or Laptop, was in 2010 when the founder launched a mobile app to allow Store Owners to view and manage their Stores, at this point just available for IOS.

# The Founders

*Tobias Lutke* growed up in Germany, he learned programming by the age of 12, he started rewriting code and modifying computer hardware, by the age of 16 he left school and entered in a program to become programmer. Lutke moved to Canada in 2002, in 2004 Lutke and his partners launched an Online Store and after that the idea of a better and easier way to create an ecommerce became.

In 2006 he and his partners launched shopify as a platform to create online stores user friendly, just drag and drop objects, from templates already built.

Along his career Lutke has made big donations, in 2018 he was presented with the **Meritorious Service Cross** for his work in supporting the growth of the Canadian Technology Industry.

*Scott Lake,* there is not too much information about Lake on the internet, other than is a Canadian billionaire who partnered with Tobias Lutke on Snowdevil project that later evolved to Shopify.

# How did the idea of Shopify come about

When Lutke arrived in Ottawa he visited many companies and had talks trying to join one of them, even though he did not go to university or college different companies were interested in hired him because of his knowledge, the time to sign a contract came but the company realized that he did not have a work permit and without it they could not hire him, Lutke decided to talk with his family lawyer and he said he can not work in Canada without a work permit, but something he can do is create his own company.

That was the time when he decided to open an Online Store with his partner Scott Lake in 2004 the store has for name Snowdevil and is still alive and shopify uses it as a demo store, after tried to opening Snowdevil, they got disappointed because the lack of resources to promote a business or product online and how hard was to build a Store, that was when Lutke with his programming skills started a project based on Ruby on Rails, he coded a platform where users can create online stores in minutes using templates based on an open code they called Liquid.

# Founding

As today the company is public but in the beginning the company received funds from investors, they received around 22 million by 2010. In 2014 Shopify earned 105 million in revenue, in 2015 they went public on the New York Stock Exchange and Toronto Stock Exchange, the company started trading at 28 dollars per share instead of 17 dollars filled when they went public.

As 2021, the company has a total equity of US 11.13 billion with a net income of 2.91 billion and US 630 per share.

# Business Activities:

In my opinion the founders of Shopify, after their own experience trying to launch a business, wanted to give people the ability to build a business where coding experience is not required, give people the chance to succeed without being an employee, to be an entrepreneur. Using technology, shopify offers to their customers an excellent tool to build an online store and make it publish the same day, Shopify platform is intuitive and responsive, also counts with tools to promote your business / products online without hire a third party person or company, of course you can hire somebody to do that for you if you do not want to deal with it.

Shopify servers hosted more than 1.5 millions of stores all over the world, the company’s intended customer and all people who wants to be an entrepreneur with or without knowledge, small business that are only physical can go online very easy, but be aware, is true that Shopify offers an easy way to create an online business, but just because of this, there are also lots of fake store trying to scam people.

The main advantage that Shopify has against other is how easy and fast is build an online store, also the integration with suppliers to add their products into your store and sell them has yours, many suppliers are available to choose when you are creating your store, from China, USA, Canada, Europe and more, depending on your target you must choose the one that offers the best shipping time and cost for you model.

On the other hand, Shopify also has a professional network ready to be hired and help you with your project in case you need it from developers to create specific apps for your store, people that can help you with your products, campaigns and brand engagement.

# Landscape:

Shopify is an original company, as today the company does not have direct competitors since Amazon closed its WebStore seccion, there are other solutions like WordPress that allows you to build a store and integrate it with products suppliers, but this one requires coding knowledge, there are plugins and pixels that we can use but as I mentioned before, requires a little bit of coding, companies like Weebly allows you to build a store in minutes without coding, you can select a template and update it using a drag and drop tool but this one does not have integration tools for product suppliers, that makes Shopify unique in the market.

# Results

Shopify allows people to grow a business without being a big corporation, shopify resources helps you to reach people around the world according to your business target.

As mentioned before, Shooify is a unique company with no direct competitors, companies on this domain does not offers all the services that Shopify offers, the metric that the company uses to measure success is a combination of, total business hosted, new customer, customers sales, store traffic, sales conversion etc.

**Recommendations**

There are scams everywhere, people create fake stores to steal customers and payment information. The company should integrate a process where store owners upload a photo with an ID and a recent bill with the current address just to confirm the person that figures as owner of the store using a face recognition system.

In case of Scam customers can claim to shopify and the company can take legal actions against the scammer providing information to the FBI, we can stop the scams one step at a time.

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