



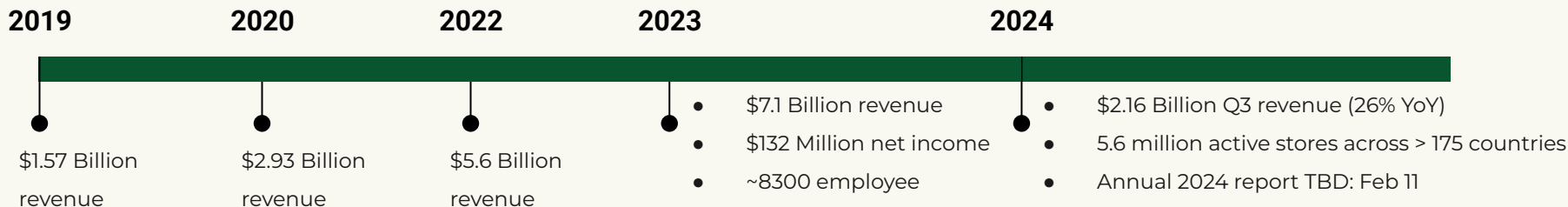
Business Strategy



About Shopify



- History
 - Founders: Tobias Lütke (CEO), Daniel Weinand, and Scott Lake
 - Founded in 2006
 - HQ: Ottawa, Canada
- Mission
 - Improve commerce for everyone by empowering businesses to build and scale their online presence
- Vision
 - To be the backbone of internet commerce by providing merchants with tools to win in digital-first world



Key Products and Services



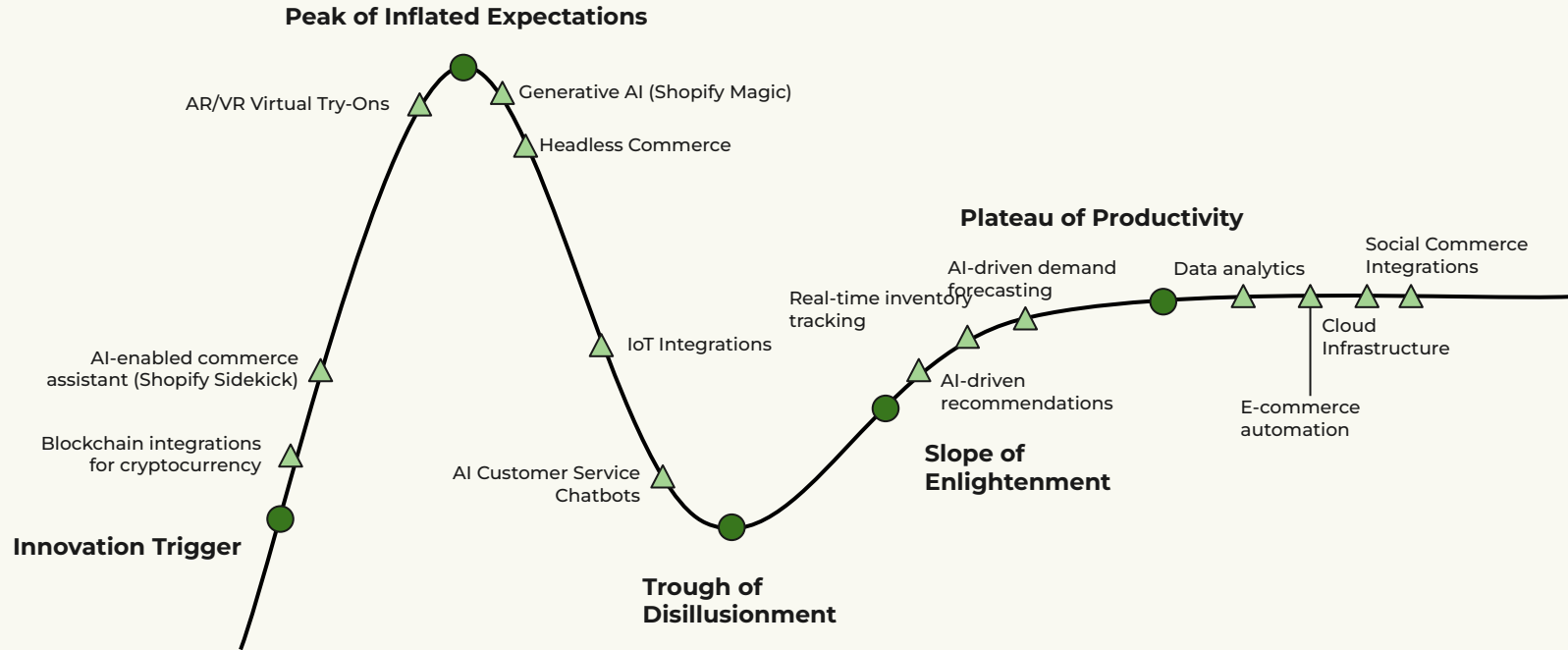
- E-Commerce Platform: Intuitive website builders with customizable templates.
- Point of Sale (POS) Systems: Integration for physical retail operations
- Payment Solutions: Shopify Payments, multi-currency processing, and financing options.
- Marketing and Analytics: Omnichannel, campaign management, and performance dashboards
- App Ecosystem: Thousands of third-party integrations to streamline logistics, inventory, and customer engagement
- Finance: One-stop for all thing finance for merchants i.e credit, investment, tax, etc.

Shopify Market and Trends



- **Market Positioning:** a dominant player in the e-commerce technology space, catering to both small-scale entrepreneurs and major brands
- **Target Customer Base:** Fashion brands such as Fashion Nova, Kith, Gymshark
- **Industry Trends**
 - **E-Commerce Growth:** significant adoption due to the shift toward online shopping, particularly post-pandemic
 - **Consumer Preferences:** merchants leveraging data analytics and AI for personalized shopping experiences
 - **Direct-to-Consumer (DTC):** The platform supports a growing trend of brands bypassing traditional retail models

Technology Footprint Assessment





Strategic Position: Porter's Five Forces



Industry Rivalry

Level: Very High

Shopify brands prefer control, but Amazon's logistics and reach create pressure.

Amazon is replicating Shopify's model (Selz acquisition, Project Santos).

Bargaining Power: Buyers

Level: High

Shopify must innovate with AI, automation, and omnichannel tools to stay competitive.

Social commerce growth intensifies platform competition.

Threat of New Entrants

Level: Moderate to High

Shopify Plus enables scaling, but big brands like Shein, Zara dominate.

Shopify's rapid expansion encourages new market players.

Threat of Substitutes

Level: Moderate

Shopify's unique ecosystem offers branding and logistics advantages.

Amazon's "Buy with Prime" challenges Shopify's market position.

Bargaining Power: Suppliers

Level: Low

Diverse supplier network: Merchants can switch suppliers easily, reducing dependence.

Big brands (H&M, Zara) have more supplier leverage due to bulk purchasing.

Red Ocean vs Blue Ocean



Improve **Shopify Fulfillment Network** efficiency & partnerships with regional logistics providers to expedite dropshipping delivery time and cost



Transform the platform to support **hyper-personalized fashion discovery** and enhanced advertising engine for trend-based product curation



Develop a **Fast Fashion Merchant Hub** with bulk order processing & wholesale-friendly features for larger merchants



AI-powered fashion trend insights for merchants to align inventory with demand based on active forecasting of trends



Blockchain to unlock new, untapped opportunities in fast fashion by enhancing **transparency, security, and ownership in e-commerce**



Embed the power of **AR/VR technology** into the fashion industry with unique **virtual try-on** features as a service baked into the platform tools

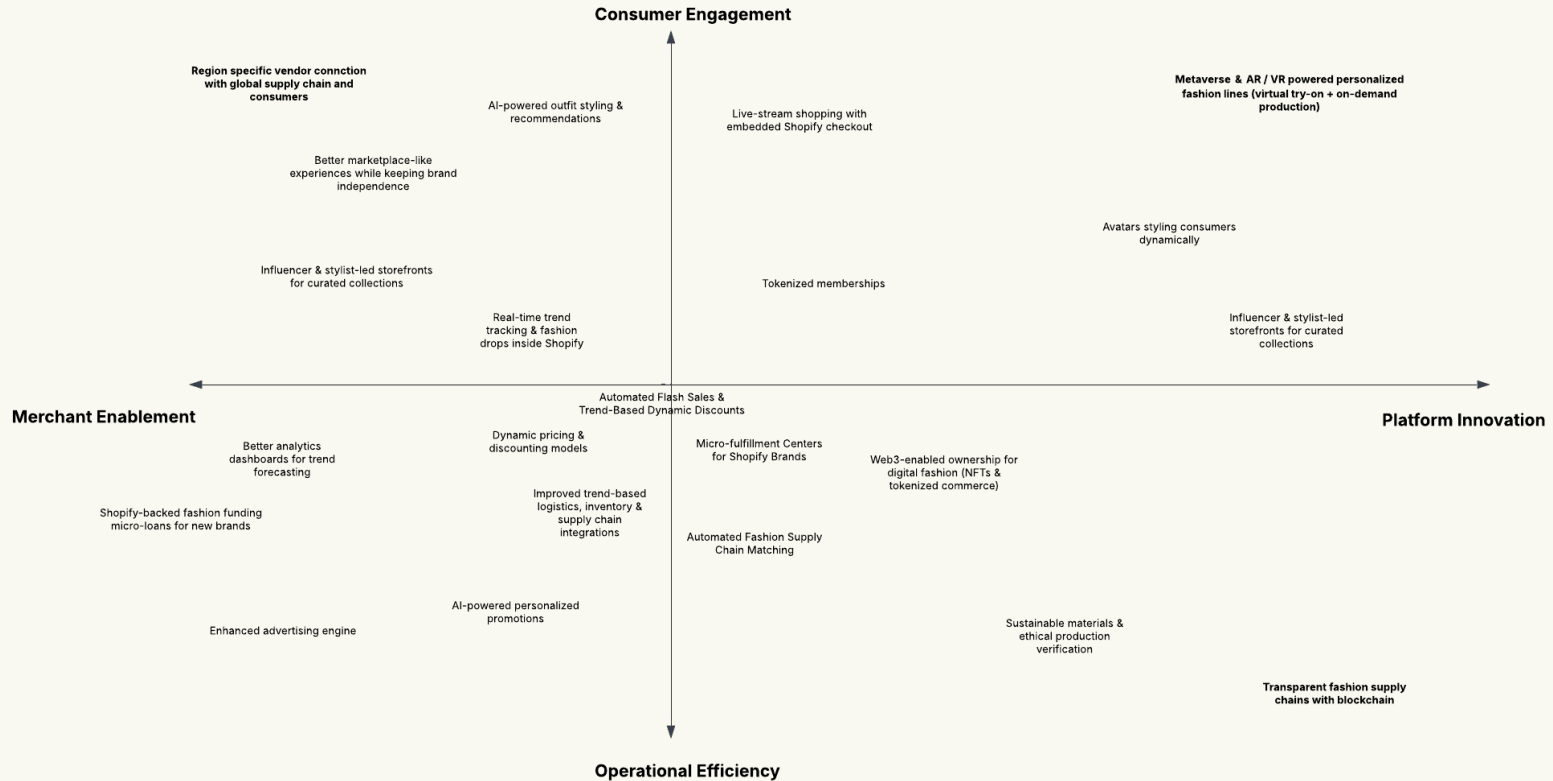


Expand into emerging markets by **connecting exquisite small scale regional fashion** to the global supply chain providing wider visibility

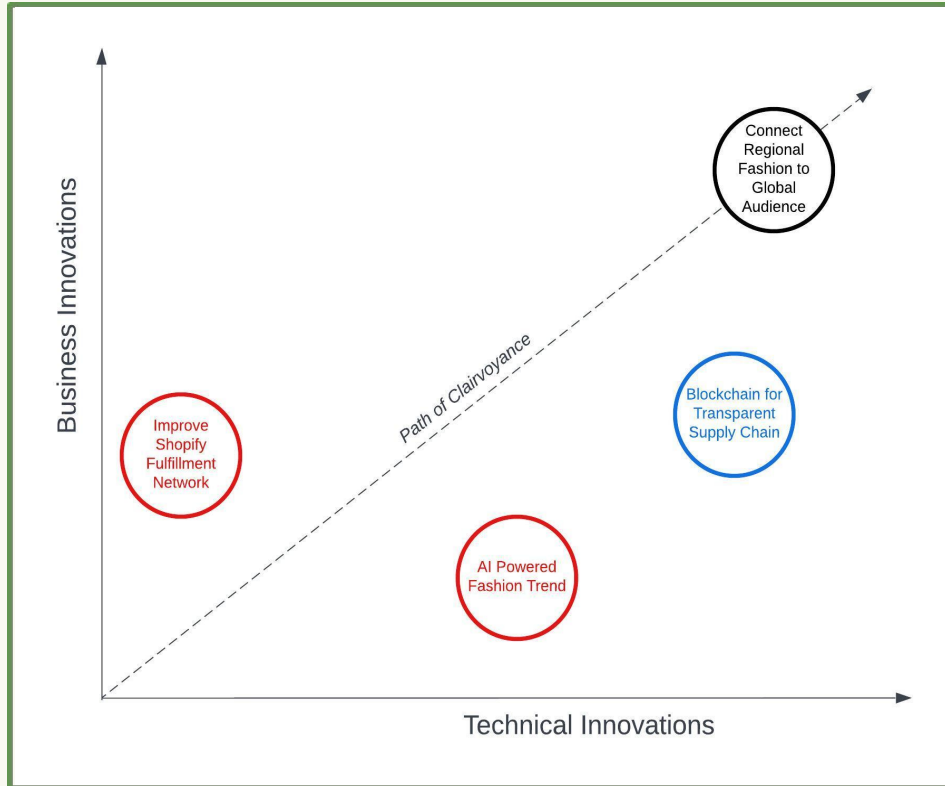


Sustainable fast fashion initiative with verified eco-friendly supply chains and optimized carbon neutral practices by all the partners

Opportunity Landscape



Final Recommendation



- Improve Shopify Fulfillment Network: Enhancing Shopify's logistics and supply chain to better support merchants, reduce delivery times, and optimize fulfillment efficiency.
- AI-Powered Fashion Trend: Leveraging AI to predict fashion trends, optimize inventory, and personalize shopping experiences based on consumer data.
- Blockchain for Transparent Supply Chain: Utilizing blockchain technology to enhance supply chain transparency, reduce fraud, and provide traceability for ethical sourcing in the fashion industry.
- Connect Regional Fashion to Global Audience:
 - **Shift from a traditional marketplace to a curated cultural commerce platform**
 - **AI-driven cultural profiling to recommend regionally inspired products**
 - **Empower independent brands through social commerce, influencer collaborations, and cross-border logistics**
 - **Differentiate itself from mass-market competitors like Amazon and Shein**



THANKS!

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