

## The Total Economic Impact™ Partner Opportunity Analysis For Shopify Partners

Shopify is an omnichannel commerce solution that helps millions of merchants start, run, and grow businesses in more than 170 countries. The [Shopify Partner Program](#) offers agency, app, consulting, and technology partners the resources, network, training, support, and opportunities needed to build profitable practices serving merchants.

Shopify commissioned Forrester Consulting to conduct a Total Economic Impact™ (TEI) study to understand the potential business opportunities and return on investment (ROI) partners may realize by building and scaling a Shopify practice.<sup>1</sup> This study assessed the partner business opportunity and profitability across Shopify engagement models and regions, with a focus on services.

For this analysis, Forrester surveyed 91 respondents and interviewed 20 representatives of 15 existing Shopify partners across North America, Europe, and Asia Pacific. Partners included in the study include well-established agencies, systems integrators (SIs), and independent software vendors (ISVs).

To illustrate the financial impact and subsequent partner business opportunity for Shopify partners, Forrester aggregated the characteristics of these interviewees and survey respondents and combined the results into a single composite organization that is a Shopify partner serving high-growth and enterprise merchants globally.<sup>2</sup>

### INVESTMENT DRIVERS

Partners surveyed and interviewed for this study cited several factors for their continued investment in building Shopify practices and specialization

- **High growth, expanding market opportunity with Shopify.** The commerce market is growing rapidly, with Forrester predicting double-digit compound annual growth in online retail sales

### PARTNERS INVESTMENT IN GROWING SHOPIFY PRACTICES



ROI  
**155%**



PAYBACK  
**<6 months**

### PARTNERS ARE SEEING INCREMENTAL BUSINESS GROWTH



Forecast increase in  
revenue per client  
**Up to 60%**



Forecast practice  
revenue increases  
**Up to 200%**

over the next five years and partners expecting even greater double-digit Shopify practice growth over the next one to three years.<sup>3</sup> Shopify's growth offers opportunities for its partners, and 80% of survey respondents from partners agreed, saying they see their organization succeeding as Shopify succeeds. Shopify solutions are in high demand too, with interviewees reporting that their customers consistently request them by name.

Overall, interviewees noted that once their organizations got their Shopify practices up and running, they were rewarded with year-over-year growth.

The founder and managing director of an APAC agency shared: "When we started, Shopify was 20% of our revenue. Three years later, it's more than tripled." This growth is reflected in Forrester's model with the composite seeing an ROI of 155%.

- **Ability to deliver innovative client solutions and drive services revenue growth with Shopify.** Shopify's continued investment in product innovation presented new opportunities for the interviewees' partners organizations to

grow their businesses. In turn, the interviewees' partner organizations saw Shopify as a commerce leader. The technical director of an APAC agency shared: "The technical roadmaps of other platforms are slow compared to Shopify. They can't keep up with the new functionality Shopify is bringing in." This innovation allowed interviewees' partner firms to offer cutting-edge solutions to their clients that drove long-term value for their businesses. For interviewees from top partners that focused at least 75% of their business on Shopify, Forrester found attach rates of up to 90% for new business build and migration clients turning into recurring revenue.

- **High-quality partner ecosystem that drives stronger client outcomes.** Interviewees noted that Shopify's breadth and depth of commerce partners — including enterprise-grade integrations — helped partners deliver innovative commerce experiences for customers while minimizing complexity and cost. The managing partner at a large global SI underscored this: "Shopify's North Star is making commerce better for everybody. ... We bring [a] robust series of services and offerings around [Shopify, allowing Shopify to] stay focused on what it does best,

**“Shopify allows us to leverage best-in-market technology to deliver a product faster for a lower capital investment and a lower cost of ownership. The value proposition cuts multiple ways ... from the merchant side, from the agency side, and from the product side.”**

— Founder and CEO, North American agency

**“Shopify is not only the best [commerce] platform for [retailers, it’s the best] for ... building on and selling services. It just does not compare to [any other commerce solution] out there today.”**

*Principal, North American agency*

and we can partner with it to do what we do best. Ultimately, [this makes] our clients more successful.”

- **Challenges with existing commerce platforms and partners.** Challenges with competitor commerce solutions also drove partners to build new practices or expand their practices with Shopify. Of the surveyed partners, 71% said their organization partnered with Shopify to simplify development processes and time to market compared to competitor solutions, which increased their gross profit. Interviewees from partners described common struggles with competitor security, cost, functionality, and quality. The principal for a North American agency said: “[Our prior solution] was a poorly designed, monolithic application. ... We [said] we’d rather go out of business than sell something we don’t believe in. We went full in with Shopify.” Interviewees from partners also had concerns about the future direction of existing platforms. The cofounder at a North American agency shared: “We just didn’t think that any of the historical legacy ecosystems were going to innovate anymore. Without that, you have just a very old legacy tech stack where it really becomes a zero-sum game. Once you stop innovating, it really feels like all your growth comes at the expense of somebody else.”

## KEY REVENUE OPPORTUNITIES

Interviewees from Shopify partners leveraged Shopify technology to build new and innovative solutions for their commerce clients. Interviewees reported their organizations saw significant opportunities for continued business expansion and revenue growth fueled by Shopify’s growth. Key revenue and investment themes included:

- **Continued expansion of Shopify deal sizes and improved partner profitability.** Interviewees reported larger deal sizes with Shopify as their firms’ practices grew and matured and as Shopify’s enterprise product offerings strengthened. Interviewees reported that in the past year alone, their partner organizations have seen an average increase of nearly 30% average revenue per client, driven by Shopify’s expansion in the enterprise segment.

Additionally, more than half of survey respondents reported that enterprise build and migration projects took less time with Shopify when compared to other commerce platforms. This time savings offered significant financial value to partners, increased overall profitability relative to investment with other platforms, and

**“We saw [competing solutions] as unstable. ... The relationships we were having with customers were troublesome. We saw problems due to the poor quality of the upkeep and the complex technology on [other solutions’] implementations.”**

*Founder and managing director, APAC agency*

ensured they delivered value to their clients faster and focused on their long-term growth.

- **Higher revenue and increased profitability for partners that focus on Shopify.** In this study, Forrester found that partners focused on Shopify (75% or more of their business) saw even greater benefits compared to partner organizations less invested in Shopify. Survey respondents reported 17% higher total services revenue and an average margin 10% higher on build and migration projects.

Interviewees also noted higher build and migration project gross margins after partnering with Shopify. The director of an APAC agency explained how, before Shopify, the margins on their commerce projects were either single digits or negative. With Shopify, they increased margins, which enabled a business transformation and freed them up to expand and invest back into their team and clients.

- **Incremental opportunities through proprietary technology and IP built around Shopify.** Interviewees and survey respondents also discussed how their organizations generated recurring revenue and differentiated their businesses by building public apps, themes, integrations, and other intellectual property (IP). Building IP for Shopify offered opportunities for even higher-margin revenue than services. Survey respondents reported gross margins as high as 80%, with interviewees reporting average incremental revenue from apps and themes in the low six figures. For many interviewees, this was an exciting growth opportunity and an area of focus for the future to build more IP.

## AREAS OF OPPORTUNITY

Interviewees spoke to four key areas of opportunity that they anticipated would allow their organizations to scale their Shopify practice revenue, including:

- **Shopify’s expansion into the enterprise market.** Interviewees discussed business opportunities uniquely driven by their partnerships with Shopify. This included new business, new markets, and expanded revenue stream opportunities. The managing partner at a large global SI explained the expanded revenue opportunity with large brands, saying, “When [a merchant] shifts [its] commerce platform to Shopify, [it] needs to rethink its target operating model, supply chain, tax and trade, [and more].” Altogether, the managing partner estimated that the expanded revenue opportunity beyond basic build and migration services could be five to 10 times greater over time as enterprise customers grow and consume more services.
- **Shopify’s overall increased footprint.** Interviewees and survey respondents reported that their organizations’ practices grew as Shopify’s grew, particularly in the enterprise segment. They saw larger, more complex build and migration projects as Shopify increased its footprint with larger clients and new international markets. Over the three-year modeled period for the composite, Forrester estimates 11% growth in deal size for custom build and migration projects, and a 67% lift in deal size for those with more standard build and migration projects. This enabled additional services revenue opportunities beyond build and migration projects, including retained services driving sticky recurring revenue with satisfied merchants. The CEO of a North American agency shared: “We’ve been working with bigger clients, [and] they don’t want to disappear. They want you to stay with them. We have a lot less churn now.”
- **Commerce market demand.** Commerce is growing globally and has significant opportunities for innovation. By 2028, Forrester forecasts US online sales to reach \$1.6 trillion.<sup>4</sup> With this growth, interviewees discussed building Shopify-specific commerce practices with build and

migration services, retained services, technology revenue streams, and more. Additionally, with US total retail sales forecasted to reach \$5.8 trillion by 2028, interviewees optimistically discussed the total commerce opportunity with Shopify that includes B2B and retail.<sup>5</sup> For B2B commerce in particular, Forrester estimates US B2B e-commerce will reach \$3 trillion, up to 24% of total US B2B sales.<sup>6</sup>

- **Strategic investments.** To build new revenue streams and take advantage of Shopify’s market growth, interviewees noted their partner organizations were making more investments in sales, operations, marketing, and partnership management, as well as in employee training and certifications with Shopify Academy.

Surveyed respondents reinvested an average of nearly one-third of their organization’s Shopify practice revenues into process and operations spend. Respondents from partners that had the highest growth rates said their firms reinvested up to almost half of practice revenue into these key areas. Marketing constituted another important area of investment, as respondents reported a 26% reinvestment of Shopify revenues into marketing spend to help gain clients and grow their organization’s practices. In terms of training, 62% of surveyed merchants leveraged Shopify Academy to train their staff and best serve clients.

A North American partner shared their confidence in the platform and the worthiness of the investment, saying: “Shopify is the future of commerce. Invest in your partnership, build out your practice, and start to get foundational case studies. Then the benefits of Shopify will materialize in a growing practice with great clients.”

**“The margins on [our prior commerce solution] projects were [in the] single digits or a loss. [We would] get to the end of the project, and it was not finished [and had] ongoing bugs. ... We saw a business transformation from having more bottom line added back. It freed us up to do a lot more to get expansion and investment back into the team and to the clients.”**

*Director, APAC agency*

## CONCLUSION

The representative interviews, survey, and financial analysis found that a composite partner organization experiences an ROI of 155% over three years and a payback period of less than 6 months. Overall, as commerce continues to grow globally across B2C and B2B, online and offline, both interviewed and surveyed leaders from partner organizations are optimistic about their Shopify partnerships and revenue opportunities as they discussed continued expansion of deal sizes and improving partner profitability. Furthermore, interviewees from partners spoke to new opportunities for growth as Shopify grows through new product offerings and with more complex, enterprise customers.

## GROWING PARTNER OPPORTUNITY



ROI  
**155%**



PAYBACK  
**<6 months**

## PARTNERS ARE SEEING INCREMENTAL BUSINESS GROWTH<sup>7</sup>



FORECAST INCREASE IN  
REVENUE PER CLIENT  
**Up to 60%**



FORECAST PRACTICE  
REVENUE INCREASES  
**Up to 200%**

INCREMENTAL FORECAST  
PRACTICE GROWTH DRIVEN  
BY NEW PRODUCTS

Enterprise: **Up to 50%**  
B2B: **Up to 30%**  
Retail: **Up to 20%**

## PARTNER PROFITABILITY HIGHER FOR SHOPIFY-FOCUSED PARTNERS<sup>8</sup>



GROSS MARGIN  
**45%**



GROSS MARGIN  
**+10% higher**



SERVICES REVENUE  
**+17% higher**

“Shopify has allowed us to create a profitable and successful business around their platform. [Our business] has been able to grow and scale [by exclusively partnering with] Shopify.”

— Cofounder, LATAM agency

## DISCLOSURES

The reader should be aware of the following:

- The study is commissioned by Shopify and delivered by Forrester Consulting. It is not meant to be a competitive analysis.
- Forrester makes no assumptions as to the potential ROI that other organizations will receive. Forrester strongly advises that readers use their own estimates within the framework provided in the report to determine the appropriateness of an investment in Shopify.
- Shopify reviewed and provided feedback to Forrester. Forrester maintains editorial control over the study and its findings and does not accept changes to the study that contradict Forrester's findings or obscure the meaning.
- Shopify provided the partner names for the interviews but did not participate in the interviews.
- Shopify provided partner contacts for the survey. Forrester exclusively managed fielding and data analysis.

## ABOUT FORRESTER CONSULTING

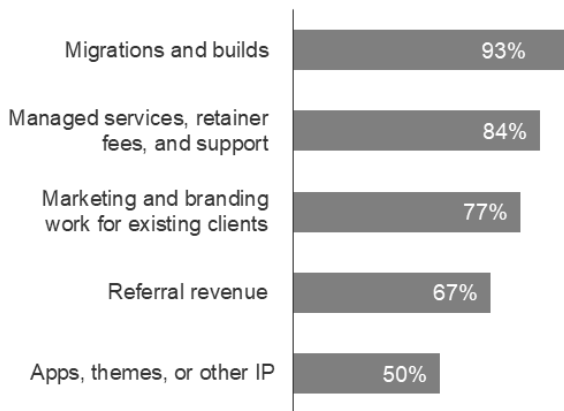
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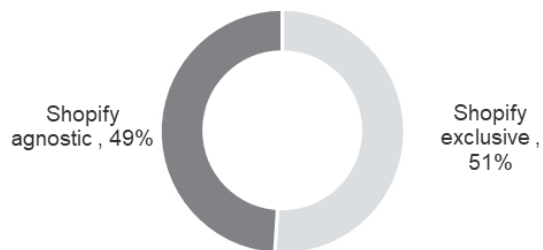
# Appendix A: Supplemental Data And Tables

## Survey Demographics

**“What revenue streams does your Shopify practice have?”**



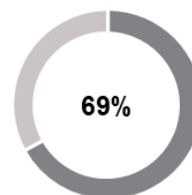
**“Are you a Shopify exclusive partner, or do you work with other commerce platforms (Shopify agnostic)?”**



**“In which region(s) does your organization do business?”**

61%	Europe, Middle East, and Africa
59%	North America
22%	Asia Pacific
10%	Latin America

**“What is your level of responsibility for your organization’s partnership with Shopify?”**



Base: 91 global Shopify Partners

(percentages may not total 100 because of rounding)

Source: A commissioned study conducted by Forrester Consulting on behalf of Shopify, September 2023

## Interviews

Role	Headquarters	Practice Revenue	Practice Employees	Shopify Exclusive
Managing partner Associate partner Senior manager	Global	\$30 billion to \$50 billion (organization)	400,000+ (organization)	No
Sales director	EMEA	\$20 million to \$30 million (organization)	300+ (organization)	No
CEO Vice president of revenue	NA	\$10 million to \$30 million	100+	Yes
Cofounder	NA	\$10 million to \$20 million	100+	Yes
CEO	EMEA	\$10 million to \$20 million	100+	Yes
Founder and CEO Managing director	NA	\$10 million to \$20 million	75+	No – 95% Shopify
Director	APAC	\$10 million+	75+	No – 90% Shopify
Founder and managing director Head of marketing	APAC	\$5 million to \$10 million	100+ (organization)	No – 75% Shopify
CCO and cofounder	EMEA	\$5 million to \$10 million	75+	Yes
CEO	NA	\$5 million to \$10 million	25+	Yes
CEO and cofounder	NA	\$1 million to \$5 million	25+ (organization)	No – 55% Shopify
Cofounder	LATAM	\$1 million to \$5 million	10+	Yes
Technical director	APAC	Undisclosed	400+ (organization)	No
Director of partnerships	NA	Undisclosed	75+ (commerce practice)	No – 75% Shopify
Principal	NA	Undisclosed	Undisclosed	Yes

## Appendix B: Endnotes

<sup>1</sup> Total Economic Impact is a methodology developed by Forrester Research that enhances a company's technology decision-making processes and assists vendors in communicating the value proposition of their products and services to clients. The TEI methodology helps companies demonstrate, justify, and realize the tangible value of IT initiatives to both senior management and other key business stakeholders.

<sup>2</sup>The composite partner is based in North America with a net-new Shopify practice, primarily generating revenue through build and migration projects, ongoing retained services, and Shopify Partner Program earnings.

<sup>3</sup> Source: [US Online Retail Forecast, 2023 To 2028](#), Forrester Research, Inc., July 20, 2023.

<sup>4</sup> Ibid.

<sup>5</sup> Ibid.

<sup>6</sup> Source: [Commerce Solutions For B2B Landscape, Q4 2023](#), Forrester Research, Inc., November 15, 2023.

<sup>7</sup> These figures are based on interviewee expectations.

<sup>8</sup> Survey respondents with organizations focused on Shopify (75% or more of their business) reported 17% higher total services revenue and an average margin 9.5% higher on build and migration projects compared to partner organizations less invested in Shopify.