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TECH

Amazon Completes Purchase of Shopify Competitor Selz

Web retailing giant had formed team to study Shopify amid growing competition for smaller merchants creating online stores



The terms of Amazon's deal for Selz weren't disclosed.

PHOTO: KEVIN MOHATT/REUTERS

By [Sebastian Herrera](#)

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[Amazon](#), [AMZN +0.22%](#) ▲ com Inc. said it has acquired Australian e-commerce company Selz, in a deal that underscores an increased focus on fast-growing rival [Shopify Inc.](#) [SHOP -2.26%](#) ▼

Terms of the deal weren't disclosed. A spokeswoman for Amazon said the deal, which Selz announced on its website about a month ago, has been completed and nothing will change for Selz's merchants or their customers.

Founded in 2013, Selz serves as an online platform that helps small and medium-size companies launch and maintain their online businesses. The private company employs more than 30 people, according to data firm PitchBook. Previous backers include Macdoch Venture and Adcock Private Equity, PitchBook said.

Amazon has [heightened its efforts](#) to match fast-growing Shopify, which also aids small merchants in creating online shops. Last year, Amazon created a secret team named "Project Santos" to replicate part of Shopify's business model, The Wall Street Journal reported in December.



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As the pandemic has made online shopping more popular, brick-and-mortar stores have invested more into their e-commerce presence. Some estimates have the sector expanding by 50% in 2020.

Shopify has become a significant threat to Amazon. The company saw aggregated sales of \$5.1 billion over Black Friday weekend, topping Amazon's \$4.8 billion from its third-party sales, according to the companies. Shopify's share price has more than tripled since January 2020, to a market capitalization of roughly \$177 billion.

Amazon, which initially dismissed Shopify's rise, began to zero in on the company over the past year, people familiar with the matter said. Amazon learned that many sellers had been defecting to the Canadian firm because of Amazon's increasing cut. Its seller fees can on average amount to roughly 30% of each sale on its platform from outside vendors, up from 19% five years ago, according to the Institute for Local Self-Reliance. Shopify collects 2.9% plus 30 cents on a transaction.

Amazon created its top-secret task force to study Shopify and copy parts of it. Peter Larsen, a longtime Amazon executive who was tapped to lead the project, recruited dozens of executives. The team presented its work to company head Jeff Bezos in October. Mr. Bezos was enthusiastic about the project's potential to reduce the amount of seller defections to Shopify.

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