

Shopify Rolls Outs Email Marketing for Merchants

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Nine months after breaking up with Mailchimp, Shopify is moving on and saying hello to a new love: Shopify Email.

The ecommerce platform giant, which just reached 1 million merchants, is rolling out Shopify Email, its own email service provider (ESP) to select merchants; it will be more widely available next year.

It's yet another way, following the announcement of the Shopify Fulfillment Network, that Shopify is tightening the reins on its platform and continuing to try and own its entire ecommerce stack.

"We knew that there was a couple of things incredibly important to get right: Get the barrier of entry down to zero, and make it as easy as possible to use and make this a natural extension [of a merchant's] store," said Michael Perry, director of marketing technology at Shopify. "We wanted to take all the complexities out of it."

With Shopify Email, merchants can run and track email marketing campaigns within Shopify, with custom templates and ready-made brand assets. The new tool measures KPIs such as email open and clickthrough rates, number of items added to carts and purchased. It also works with third-party marketing apps such as Seguno.

Additionally, tools like segmentation are automatically available with Shopify Email, giving merchants the ability to

send marketing campaigns that target customers based on repeat purchases, location, abandoned carts and more.

To start, Shopify is rolling out Shopify Email as an early access phase to English-language customers for free, with plans to give all merchants access to it next year, and with no “concrete decision” on pricing—yet.

“Over the past decade, we’ve been looking at certain things that are still too difficult and trying to democratize those and make it accessible,” said Craig Miller, chief product officer at Shopify.

Email marketing is “something that’s been core to Shopify but we didn’t actually have,” Miller continued. Now, Shopify is helping merchants to build “a lifetime relationship with their customers” instead of having to pay to acquire them by other means.

The beginnings of Shopify Email

Shopify started paving the way for Shopify Email back in March, when it changed its terms of service in regards to its partnership program and API access, such as restricting partners that ask merchants to leave the Shopify platform and requesting all data collected by partners to be sent back to Shopify, which prompted Mailchimp to leave the platform (though it’s still available to use by merchants through third-party providers).

Ever since then, industry experts expected Shopify to either start building its own ESP provider in-house or acquire an ESP that already does it well such as Klaviyo.

However, Klaviyo, which recently raised a \$150 million Series B in April, is too pricey now, so Shopify built out an entry-level product for merchants just starting out. Shopify Email has the potential to become the new entry point for merchants who want to keep everything in the same place, as opposed to

using a different ESP provider like Mailchimp.

Chase Dimond, founder and CEO of Boundless Labs, an ecommerce and marketing agency, said Shopify Email will target smaller brands but still presents a potential problem for ESPs like Klaviyo and others.

“Depending on what all Shopify offers, it’ll be the new Mailchimp,” Dimond said. “A launchpad of sorts for small brands to get their feet wet before switching to something like Klaviyo. The only way that Shopify takes big clients from Klaviyo is if they make it extremely difficult or impossible to integrate with Klaviyo.”

Ben Parr, cofounder and president of Octane AI, an ecommerce platform specializing in conversational commerce, echoes the sentiment, saying small businesses and drop shippers will most likely be the ones to start using Shopify Email. But at the end of the day, it won’t impact the growth of other ESPs like Klaviyo.

“Shopify’s fallout with Mailchimp made this move inevitable,” Parr said. “Shopify wanted an email solution for its smaller stores that it could control. ESPs shouldn’t be worried that Shopify will eat up their business, especially the ones that service larger customers. This move was designed to fill in the gap that Mailchimp left behind.

“There will be a lot of buzz in the partner community about Shopify email, but it won’t impact the the long-term growth of Klaviyo or the ecommerce-focused ESPs.”

Klaviyo, however, isn’t too worried. Steve Wietrecki, CRO of Klaviyo, said the brand’s “excited to have Shopify enter the space,” as it gives merchants a chance to learn how to use an email marketing tool.

“They have a larger audience—they’re over a million merchants on their site at this point—and [can] help them understand the

importance of owning these channels,” Wietrecki said.

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