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Complementor Strategies in Digital Platform Ecosystems: Evidence from Amazon and Shopify

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1. Abstract:

The modern e-commerce landscape is defined by a fundamental strategic tension: the choice between "renting" an existing audience on a marketplace or "owning" a digital asset on a dedicated platform. This chapter explores the divergent philosophies of Amazon and Shopify, analyzing how brands must navigate these ecosystems as "complementors" to achieve sustainable, hybrid growth.

While Amazon offers immediate access to a massive, high-intent customer base, it imposes a "landlord" dynamic that restricts brand identity and obscures customer data. Conversely, Shopify provides a comprehensive toolkit for building independent "landowner" assets that prioritize data ownership and brand storytelling, though they require independent customer acquisition.

We provide a comprehensive framework for the Complementors to devise and implement right strategies in a Digital Platform Ecosystem.

2. Introduction:

Understanding Digital Platform Ecosystem

Table 1-The Participants in the Ecosystem:

1.Producers/Content Creators	2.Platform Owners	3. Consumers/Platform Users
Functions: •List goods and services •Generate Content •Provide special assistance/Expertise •Engage Customers/Platform Visitors	Functions: •Sets the rules •Manages Infrastructure •Formulates Platform Policies •Builds experience	Functions •Access products •Generate Demand •Provide valuable reviews and feedback •Generate Revenue for the platform ecosystem

The internal and External Ecosystem

The internal ecosystem is what the platform controls directly — the matching engine, the producer-consumer relationship, trust & safety, analytics, and governance. Every component is accountable to the platform owner. Value and revenue flow in predictable, designed ways.

The external ecosystem has two concentric layers. The inner layer is the partner ecosystem — third-party developers, payment networks, logistics providers, data enrichers, advertisers, and technology vendors. These actors extend the platform's capabilities but operate independently; the platform can set terms for them but can't fully control them. The outer layer is the market environment — regulators, competitors, and public/media opinion. These exert pressure on the platform from outside without being partners at all.

The platform owner is the leading Business partner of the complementors within proprietary platform ecosystems. (Martin Engert J. E., 2023).

The modern e-commerce sector owes its rapid growth to the Content Management System (CMS) platforms such as word press and shopify and their respective ecosystems. CMS platforms act as core technological platforms augmented by specialized modules developed by a diverse ecosystem of independent third parties commonly referred to as Complementors. (Martin Engert J. E., 2021)

Focus of the Chapter

The main objective of this chapter is to provide a framework for brands to navigate defensive protection within the limitations of the platform while simultaneously building independent value.

Complementors are not merely the players in the platform ecosystem. They define the success of the platform itself. No platform can ensure long term success without a significant contribution from the complementors. This chapter aims to:

1.Analyze how complementors foster the value for the digital platform?

2.Identify and evaluate the choice of strategies for the complementors to add value to their role as well as add overall value to the digital platform itself.

3. Understand how the participants in the digital platform ecosystem connect with each other and how they exchange the value and benefits with each other in the ecosystem?

Review of Literature

Digital platform ecosystems are defined as socio technical environments where a central platform owner coordinates a network of autonomous complementors to co-create value.

Platform owners manage the inherent tension between openness and control through governance strategies. Platform boundary resources such as Application Programming Interfaces (API) and Software Development Kits (SDK) used by the platform owner to run the platform. PBRs facilitate two critical processes-resourcing (empowering complementors to innovate) and securing (maintaining control over the platform’s core).

The degree of regulation varies significantly: strictly regulated platforms such as Apple App store focus on quality effects and brand loyalty while weakly regulated platforms like Google Play prioritize the size effect of network externalities.

In platform ecosystem the complementor and complement are different. A complement is a component that relies on the platform for value creation. For example, in Mobile phone platforms Apps are complements. A complementor is an actor that develops and deploys a complement in a platform ecosystem. For example, in a Mobile phone ecosystem, the developers of the apps are complementors. Which firm is core and which is complementor is a matter of perspective (Adner, 2017)

Complementarity can be Vertical or Horizontal. Modern smartphone platforms such as Apple IOS or Google Android prominently feature vertical complementarity between Platform and Apps.The same can be observed in

data-based platforms for example a Map database can be considered a platform and the business information added on top of it is a complement.

Similarly Horizontal complementarity reflects interoperability between the various complements within the platform ecosystem and occurs when platform user consumes different complements together. Example on Mobile phone platforms different office productivity apps such as E-Mail and Calendar apps typically offer complementary value if used together. (Llewellyn D.W. Thomas, 2025).

Tang and Qian (2020) adopt a computational modelling approach to explore the co-innovation dynamics between platform firms and two distinct types of complementors: generalists and specialists. Generalist complementors are characterized by components that are relatively independent of the platform's architecture, enabling them to collaborate across multiple platforms simultaneously (analogous to Google's Android ecosystem, which welcomes broadly compatible third-party developers). Specialist complementors, by contrast, have components that are tightly coupled to a specific platform's architecture, making their contributions highly tailored but narrowly applicable (analogous to Apple's iOS ecosystem, which restricts developer activity to platform-specific applications).

A platform firm and different types of complementors form a ‘Centre Spokes structure’

(Fangcheng Tang, 2020)

Complementor connections (Case study of Philips Hue platform)

Hilbolling, Berends, Deken, and Tuertscher (2020) investigate how platform owners manage open innovation with complementors through an in-depth qualitative case study of the Philips Hue smart lighting platform. The core products in Philips Hue platform for smart lighting systems are LED light bulbs with connectivity capabilities. Philips has also launched lighstrips, light switches and a sensor. In order to operate these devices users, need ‘Hue Bridge’ a hub connected to a local Wi-Fi network-that communicates with the network of devices. Example to change light color or intensity. Since its launch in 2012 this platform has become hugely popular attracting several complementary third-party apps that connect to the Hue Bridge through an open API. Complementary products are connected to the platform in different ways:

1.Dedicated complements that connect to Hue Only

2.Complements that bridge the Hue platform and other products

3.Embedding Hue in broader platforms that connect to open ended set of products and services

(Susan Hilbolling, 2019)

Case study of Spotify

Spotify has developed a new Ad server, brought out a programmatic Ad exchange and revamped its Ad manager. The industry usually buys Spotify for its reach but Spotify wants to be valued for its attention. Spotify is leveraging its platform as a window for the companies to advertise their products and services and make extra money out of it. This is a classic case of Complementors being allowed the use of Digital platform not for selling their products but to promote and increase the brand awareness. (Source: Times of India, Brand Equity,6th May,2026)

Who are complementors and what they want to achieve?

The term Complementor was first coined in the book “Co-opetition” by Brandenburger and Nalebuff in 1996.

“A player is your complementor if your customers value your product more when they have the other player’s product than when they have your product alone” (Brandenburger and Nalebuff 1996, p. 18).

Complementors plays a key role in the Digital Platform ecosystems and aims to achieve the following strategic objectives:

1.Capturing value and increasing profits: Maximizing value for the platform and seizing new business opportunities is one of the primary objectives of Complementors.

2.Providing access to huge user base: By providing attractive product offerings and leveraging on their strengths Complementors aims to expand the user base for the platform.

3.Maximising efficiency and optimum resource utilization: Complementors aim to reduce costs by utilizing the platform's shared technological assets, boundary resources (like SDKs and APIs), and established transaction services such as payment processing and user verification.

4.Reducing risk: Complementors often pursue multihoming i.e. being present on multiple platforms simultaneously instead of being overdependent on one single platform. This shields the complementor from the negative impact in case of failure of a specific platform.

5.Establish Competitive differentiation: This is done by a complementor by differentiating their products from other complementors within the same ecosystem and increasing brand awareness.

6.Platform alignment: A key ongoing objective for the complementor is to ensure technical, legal, and regulatory alignment with the platform (referred to as complementor securing) to maintain continuity and avoid retaliatory measures from the platform owner.

7.Increase bargaining power within the platform ecosystem: Complementors may engage in collective action or disintermediation (transacting directly with users) to shift the power balance and secure better terms from platform leaders.

In the modern era of technology, the app developers serve as critical complementors to platform companies. Apple's App store hosts more than 1.8 million apps and together they make iPhone more valuable to the customers. This complementor ecosystem is developed by Apple through developer tools, APIs and revenue sharing arrangements. From the strategic point of view the presence of high-quality Apps increases the appeal of iPhone as well as justifies the premium price it charges in the market. It acts as a great differentiator of Apple against Android. So complementors acts as a source of competitive advantage for a digital platform ecosystem.

A given firm can conceive of itself as core and see the rest of the system as complementary to its value creation (e.g., personal computers are a complement to spreadsheet software, and spreadsheet software is a complement to a personal computers). Standard competition takes place at each position (e.g., computer makers compete with computer makers; spreadsheet software makers compete with software makers). (Ron Adner, Disruption through Complements, 2021)

A Complementor engagement with their platforms can be divided into following types:

1.Product Development

2.Compliance

3.Product enhancement

4.Product Commercialization

5.Cooperation

The presence of Complementors enables Cocreation along with their Platforms. Together they enhance the overall value of the platform.

The Amazon and Shopify Business Model

- The Rental Model (Amazon): According to eDesk, merchants "rent" the audience on Amazon. Communication is restricted by a "Compliance Wall" that prohibits solicitation or external links.
- The Ownership Model (Shopify): This is a "Loyalty Engine" where sellers have unrestricted access to first-party data, facilitating relationship building.

Table 2-Amazon and Shopify Business Model

	Amazon	**Shopify**
Platform Type	Third Party Marketplace	Website Builder and Host
Pricing	99 cents per each item sold on Individual plan; $39.99 per month for Professional plan	$39 to $399 per month
Transaction Fee	All sellers must pay a referral fee based on the product category	Zero percent on all plans only if using Shopify Payments. If using an external payment gateway, transaction fees are 2% for Shopify Lite and Basic Shopify; 1% for Shopify and 0.5% for Advanced Shopify.
Marketing Options	Amazon paid ads, competitive pricing	Social media integration, gift cards, discount codes, Google Ads credits

The Amazon Marketplace offers access to more than 197 million people a month, which is more than Shopify's 56.5 million unique visitors per month. Despite the high traffic on Amazon, it's a lot more competitive than Shopify. It's harder to stand out because the design and layout for every merchant are the same. However, Amazon ads let you advertise product offers and increase your visibility on product pages and search results.

Unlike Amazon, which has one platform, Shopify lets users build their online store. However, you have to attract customers to your site and market your business yourself.

On the bright side, Shopify has a lot of marketing and SEO capabilities. You can integrate it into social media platforms and start selling on Facebook. There are also options to boost sales with discounts and gift cards. Even if marketing is complicated, Shopify won't display your products alongside your competitors, so it's not as competitive. (Monique Danao, 2024)

Table 3-Platform Comparison Matrix

Attribute	**Amazon (Marketplace)**	**Shopify (Platform)**
Primary Goal	Selling products within an existing ecosystem	Building a standalone branded store
Audience Access	Built-in (310M+ active customers)	Must build and attract own audience
Brand Control	Limited; brand is secondary to Amazon	Complete control over UX and design
Customer Data Ownership	Restricted; Amazon owns the relationship	Full ownership of customer data
Setup Speed	Faster; utilizes existing framework	Slower; requires building from scratch

Financial Realities

- **Amazon:** Participation requires a $39.99 monthly Professional fee, plus referral fees typically ranging from **8% to 15%**. Total operational costs (including FBA and advertising) often consume 25–40% of total revenue.

- **Shopify:** Operates on subscription tiers ranging from **$25 to $399 per month**. Primary variable costs include payment processing (typically 2.9% + 30¢) and significant independent investments in Customer Acquisition Cost (CAC).

The strategic choice between Amazon and Shopify reflects a fundamental business model alignment, best categorized by the **Landlord vs. Landowner** metaphor. Amazon acts as the "Landlord" of a digital shopping mall, providing the infrastructure and foot traffic while maintaining control over the tenant's environment. Shopify represents the "Landowner" model, where the merchant owns the plot of land and the architecture of the store, bearing the responsibility of driving their own traffic.

To make a choice the executives must balance three primary trade-offs:

- **Brand Control:** The degree of customization over the user experience (UX) and visual identity.
- **Audience Ownership:** Whether the customer relationship belongs to the platform (Amazon) or the brand (Shopify).
- **Operational Focus:** Whether strategic energy is spent on winning the "Buy Box" and satisfying algorithms (Amazon) or on storytelling and driving qualified traffic (Shopify).

Table 4-The services provided by Amazon to support Complementors

Market Entry & Set up	Operations & Logistics	Demand Generation	Optimization & Growth
• Professional Seller Central	• FBA-Fulfillment by Amazon	• Amazon advertising	• Brand Analytics
The operational nervous system for managing inventory, pricing and global accounts	Outsourced supply chain management: Storage, transport and customer support.	Sponsored products, brands and video ads	Deep data on consumer behaviour and market trends
• Amazon Brand Registry	• Multi-Channel Fulfillment	• Amazon Vine	• Automated Pricing
Critical marketing protection and access to advanced marketing features	Leveraging Amazon's logistics for off platform sales	Manager review program for new product launches	Algorithmic tools to maintain competitiveness and Buy Box Ownership
• Global Selling Tools	• Amazon Warehousing	• Amazon Business(B2B)	• Amazon Lending
		Specialized tools for reaching high volume institutional and corporate buyers	
Automated listing translation and currency conversion for international expansion	Bulk upstream storage to ensure inventory continuity and prevent FBA stockouts		Lending services based on internal sales metrics and growth potential

Amazon Selling Partner App store is a powerhouse and the access to this App store is free with a professional seller account. Amazon reviews all third-party apps on this app store and ensures that they are compliant with Amazon policies. This App store has variety of third-party apps to help the sellers streamline and automate their

operations. Examples of some applications present on the App store are Seller board which is a profit analytics tool for seller and Nine-yard which deals with inventory and shipment management. Some of the apps listed are free and some comes with a price tag.

Apart from the above services Amazon also provides few specialized services for the Sellers. These services are provided by Amazon on various apps to increase the attractiveness of the brand thereby increasing the number of complementors and becoming their preferred choice.

Also, on the Amazon consumer app the company has recently launched Amazon Now which is a direct competition to quick commerce brands Blinkit, Big Basket etc. In addition, Amazon has got several specialized services for local kirana stores to get the benefit of the Amazon platform and increase their business.



Fig. 1-Specialized services provided by Amazon for sellers

(Source: sell.amazon.com)

From the above it can be concluded that the Business model of Amazon is Platform as a service (PaS) model while Shopify serves as the platform for high-Life Time Value (LTV), community-driven brands. Success for Shopify is driven by the speed of Time-to-First-Value. However, the barrier to success is high: **14% of merchants uninstall a Shopify app within the first 24 hours.** Merchants have a **65% probability** of activating within the first four weeks, but this drops to **18%** thereafter.

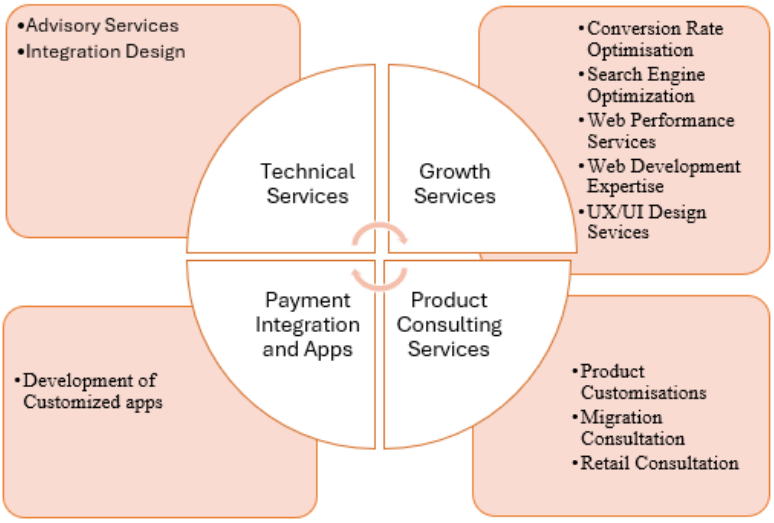


Fig. 2-Services provided by Shopify to support its complementors

A professional setup on Shopify goes far beyond creating an account and adding products.

Shopify store setup services include:

- Store architecture planning
- Product, collection, and navigation structure
- Payment gateway, tax, and shipping configuration
- Checkout optimization
- Policy pages and compliance setup
- Performance and security configuration

A strong foundation ensures your store is scalable, SEO-friendly, and automation-ready from day one.

Shopify SEO Services Include:

- Technical SEO (site structure, schema, indexing)
- Page speed and Core Web Vitals optimization
- Collection and product SEO strategy
- AI-friendly content structuring
- Internal linking and topical authority
- Conversion-focused keyword mapping

Shopify Website Design Services Include:

- Brand-aligned UI/UX design
- Mobile-first and thumb-friendly layouts
- AI-driven personalization blocks
- Conversion-optimized product pages
- Accessibility (WCAG) compliance
- Checkout and funnel optimization

The Complementor Strategies

The competitive position in the digital industry depends more on the health of the platform ecosystem rather than on direct competitive superiority. A platform with superior complementors can defeat a rival who is technically more superior. Example Android Vs. Windows phone which is technically more superior but still lost the battle in the smartphone industry to Android.

The complementors use various strategies to maximize the value creation and gain competitive advantage as follows:

Multihoming: This is the strategy in which the complementor offer products across multiple platforms. This is a prominent defensive strategy which helps expand the reach and at the same time mitigates the risk posed due to platform failure.

This strategy can be sometimes very costly due to homing costs (the costs of adaptation and coordination). The early entrants in new markets generally resort to this strategy to shield against the risk of market uncertainty.

Network Effects: Leveraging the growing user base to attract more complementors and expand the reach of the ecosystem.

Attractive pricing: Complementors can offer incentives and discounts to attract more customers or complementors which will help expand the complementor and customer base.

Collaboration with Platform Owners: This is a good strategy for the long-term benefits on a platform ecosystem. Partnering with platform owners in product, process or service development always helps for example Intel partnering with Windows to develop the world class processors for its computers is a classic case of long-term sustainability in the most competitive market.

Utilizing platform boundary resources: This involves complementor accessing and utilizing the resources provided by the platform.



Fig. 3-Complementor Strategies

Vertical Integration Strategy by Complementors

Complementors not only acts as a source of competitive advantage for the platform but also has the potential to disrupt the Digital platform in three ways: Commoditization, adjacent entry and value inversion. Commoditization means that the presence of complementor impacts the influence and margin of the core platform company.

Adjacent entry means the complementor's direct entry into the production of the core offer. For Example, Netflix and Amazon's upstream entry into the Film Production and Amazon's downstream entry into the package delivery. This is a vertical integration strategy adopted by the complementors.

Platform Envelopment

This strategy can be described as follows: Firm X starts by offering its product or service as a complement to Firm Y's platform. If X proves successful than the firm Y will have an incentive to extend its platform to incorporate a wholly owned version offering the same functionality as X's offering. For example, NETSCAPE started as the world's first commercial internet browser acting as powerful complement to Microsoft Windows Operating System. But as the browsing grew in importance Microsoft introduced its own browser with the same functionality integrated directly into windows ultimately driving Netscape from the market.

Offer Bundling

Microsoft bundled its offer of the Browser by integrating it with its operating system, literally offering the same at a net price of Zero. This bundling can be done by the Complementor on the platform as and when the right opportunity arises and can create a highly competitive position for itself in the market.

Displacement through value inversion

As the complementors create increased value for the core offer of the platform firm they can move in three different trajectories over a period of time. First is the situation where complementors keep on increasing the value of the core offer as they improve, also known as **continued synergy**. Second is the situation of **Maturity**, where complementors reach a point beyond which their own continued improvement stops impacting the core offer. Third is the critical trajectory where the complementors continued improvement beyond a certain point begins to undermine the focal offer's value. In this case the complementor becomes a **substitute** through value inversion and poses a threat to the Core offer and the platform itself.

This substitution is unfolding in the electronics Industry where the Tablets and Smartphones which started as a complement to Computers are increasingly becoming substitutes to them.

The strategic choice of Complementors on Amazon (Defensive Strategy)

A critical strategic consideration for Amazon complementors is platform-owner entry (**encroachment**).

Entry Patterns: Amazon is empirically more likely to enter product spaces that are successful (high sales and high ratings) and those that do not use Fulfillment by Amazon (FBA).

Defense Mechanisms: To mitigate this risk, complementors should focus on:

- "Non-blockbuster" or long-tail products that may not attract enough volume for the platform owner to target.
- Products requiring significant platform-specific investments or specialized knowledge, as Amazon tends to avoid niches that require high-touch customer effort to grow.

Complementors must layer technical tools to protect their listing integrity and Buy Box ownership on Amazon.

The Identity Layer

- **Trademark Registration:** The prerequisite for all Amazon protection. **Word Marks** are strategically preferred over design marks as they provide broader protection across various fonts and styles.
- **GS1 UPC Ownership:** Ownership of a GS1 Company Prefix ensures Global Trade Item Numbers (GTINs) are permanently tied to the brand, preventing catalog abuse and providing standing in disputes.

The Enforcement Layer

- **Brand Registry:** A gateway providing listing content authority and access to the "Report a Violation" tool for manual IP complaints.
- **Project Zero:** An advanced suite featuring:

1. **Self-service counterfeit removal:** Instant takedown of listings without a review period (requires 90% accuracy).
2. **Automated protections:** Machine learning scans that analyze over 8 billion listing updates daily.
3. **Product serialization:** Verification of individual units through unique codes.

- **Brand Gating:** A proactive restriction requiring new sellers to provide invoices or authorization letters before listing a brand's products.

The Physical Layer

- **Transparency Program:** A serialization system where Amazon scans unique 2D codes at fulfillment centers; units without valid codes are rejected. Costs range from **$0.01 to $0.05 per unit** depending on volume.
- **FNSKU Labeling:** The use of "Amazon Barcodes" (FNSKU) instead of manufacturer barcodes (UPC) to prevent "commingled inventory fraud," ensuring brand inventory is stored separately from third-party stock.

Logistics and Fulfillment: Amazon Vs. Shopify

When it comes to Fulfillment the complementors have a strategic choice between the "Speed and Trust" of the Amazon Marketplace and the "Identity and Flexibility" of the Shopify ecosystem. According to Reddog Consulting Group and Cahoot, while Amazon's FBA is a "logistics machine" providing turnkey convenience, Shopify's 3PL ecosystem offers the flexibility required for branded unboxing and customization.

Table 5-Logistics and Fulfillment-Amazon Vs. Shopify

Feature	**Fulfillment by Amazon (FBA)**	**Shopify / 3PL Models**
Primary Value	Prime Badge & **Buy Box Advantage**	Brand Expression & Unboxing Experience
Impact	FBA is critical for winning the Buy Box, where **80% of sales occur**.	Allows for custom packaging, branded inserts, and personalized touchpoints.
Operational Lift	Hands-off; Amazon handles service and returns.	Requires active management of 3PL partner relationships.
Inventory	Strict prep and labeling requirements.	High flexibility for kitting, bundling, and seasonal variations.

Table 6-Benefits Comparison

Amazon	Shopify
Massive Customer Base	**Multichannel e-commerce**
Simplified operations	**App store**
Logistics (FBA) facility	**Themes**
Trust and Reputation	**Built in Tools**

Multichannel Integration Strategy

This is Strategically a good choice for the complementors which allows them to leverage the best of both the platforms.

The modern growth strategy leverages the combined strengths of both ecosystems to build a resilient sales engine: **Acquire on Amazon → Migrate via Package Insert → Retain on Shopify.**

Brands or Complementors should adopt a Multichannel selling strategy to get the best of Shopify and Amazon.

- **Sell on Amazon**-List the products on Amazon and benefit from its massive audience for consistent sales.
- **Build on Shopify**-Run your own branded online store on shopify. Manage customer relationships and experience on this store.
- **Integrate them**-Manage inventory, unify the branding and move the customers from Amazon to your own online store using various tools and strategies.

Technical Integration Narrative

The complexity of the system setup for a Business is completely dependent on what a particular business needs. It starts easy for a Business on Amazon with direct connections to sales channels. Then, it can get more advanced with tools that keep inventory and prices updated automatically. For very large, worldwide businesses, custom systems are made to handle everything smoothly.

Global Expansion Narrative

Growing your business internationally means moving fast but also keeping your brand strong. First, you test the market easily and with little risk using Amazon Global Selling. After that, you create a local version of your store with Shopify Plus, which lets customers pay and shop in their own language.

Amazon typically works best for:

- New brands with limited marketing budgets – Leverage Amazon's traffic without building your own audience.
- Products with proven market demand – Compete effectively in established categories.
- Commoditized products – Items where price and convenience drive purchase decisions.
- Businesses with limited operations capacity – Use FBA to handle fulfillment.
- Side hustles and part-time businesses – Amazon requires less operational oversight.

Shopify typically works best for:

- Brand-focused businesses – Create distinctive shopping experiences.
- Products with unique stories or features – Communicate value beyond price.
- Subscription-based models – Build recurring revenue streams.
- Businesses with marketing expertise – Effectively drive your own traffic.
- Custom or made-to-order products – Manage complex product options.

Table 7-How to select the platform?

Choose Amazon if:
Selling search-based commodity or standardized products.
Seeking rapid market validation with minimal marketing infrastructure.
Prioritizing logistical simplicity and Prime-driven conversion.
Choose Shopify if:
Building a high-LTV, loyalty-driven, or custom product.
Prioritizing full ownership of first-party customer data and retargeting.
Developing a brand community and high-consideration storytelling.

Conclusion

The complementors are the source of competitive advantage for the platform and the platform also needs them to support their visibility and growth. Together both are an integral part of a platform ecosystem and are responsible for the overall quality of service provided to the end users or Customers. The complementors can use a variety of strategies to protect their rights on a digital platform. While multihoming is a typical defensive strategy the complementors can choose vertical Integration for faster growth and sustainability. Complementors create a variety of strategic advantages for a digital platform. They not only help create value, increase profits but also enhances the scope of businesses by providing access to a huge customer base of the platform and maximise efficiency. Complementors face a risk in the form of suffering huge losses in case of platform failure and also there is a fear of the product offering of the complementor being replicated by the platform owner resulting in the complementor being thrown out of market.

Platform owners also face technical and scalability issues as without scalability the platform will eventually lose its shine.

Complementors should:

- Not rely on one channel and minimize their risk posed due to platform failure.
- Negotiate the terms and conditions even for a smaller scale integration.
- Build Proprietary differentiation (Data, Analytics, UX) that will survive even when the accessibility to the platform is negatively impacted.

The competition between Amazon and Shopify is a "positive-sum" evolution towards specialization. Shopify has matured into an **Innovation Platform**—an asset-light ecosystem where developers and merchants co-create unique brand value. Amazon remains the world's dominant **Transaction Platform**—an asset-heavy machine optimized for logistical efficiency and demand capture. In conclusion, the strategic choice between Amazon and Shopify is not a binary technical preference but a decision between reach and ownership. Amazon provides a world-class logistics machine and immediate exposure to over 300 million active shoppers, but it imposes high fees and the constant threat of encroachment on successful products.

Shopify offers a resilient foundation for long-term brand building and full data ownership, though it requires the merchant to master independent traffic generation. The literature suggests that the most sophisticated complementors operate multichannel strategies, leveraging the "Buy with Prime" integration to marry Amazon's logistical efficiency with Shopify's branded checkout experience. While Amazon is best for new brands or the businesses with limited operational capacity, the shopify offers brands with marketing expertise or unique stories to leverage on its design capabilities and sophisticated technology to multiply their business growth.

Ultimately, success in the 2026 e-commerce landscape depends on a complementor's ability to navigate the "compliance wall" of centralized markets for acquisition while building an independent "loyalty engine" for sustainable profitability. Success for the modern e-commerce complementor lies in "Platform Openness." By integrating these divergent models, brands can capture demand where it is most concentrated (Amazon) and retain equity where it can be fully owned (Shopify).

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Key Terms and their Meaning

[1] **API — Application Programming Interface** A set of rules/protocols that allows different software applications to communicate with each other. In e-commerce, APIs connect platforms, tools, and third-party services.

[2] **Brand Registry** A program (notably Amazon Brand Registry) that allows brand owners to register and protect their trademarks on a marketplace, giving them more control over product listings and intellectual property.

[3] **Brand Gating** A marketplace policy that restricts unauthorized sellers from listing products under a specific brand, protecting brand owners from counterfeits and unauthorized resellers.

[4] **Buy Box** The highlighted "Add to Cart" or "Buy Now" section on a product page (common on Amazon). When multiple sellers offer the same product, only one wins the Buy Box at a time, based on price, fulfillment, and seller metrics.

[5] **Complementor** A business or product that adds value to another product/platform. For example, accessory sellers are complementors to device manufacturers.

[6] **CMS — Content Management System** A software platform (e.g., Shopify, WordPress) that allows users to create, manage, and publish digital content without needing to code, often used to run e-commerce storefronts.

[7] **FBA — Fulfillment by Amazon** A service where sellers send inventory to Amazon's warehouses, and Amazon handles storage, packing, shipping, and customer service on their behalf.

[8] **FNSKU — Fulfillment Network Stock Keeping Unit** A unique barcode Amazon assigns to a product for a specific seller. It's placed on product labels so Amazon can track and attribute inventory correctly within its fulfillment network.

[9] **Multi-Channel E-Commerce** The practice of selling products across multiple platforms simultaneously (e.g., Amazon, Flipkart, your own website), managing inventory and orders from a centralized system.

[10] **Platform** A digital infrastructure or marketplace (e.g., Amazon, Shopify, Flipkart) that enables buyers and sellers to interact, facilitating transactions and business operations.

[11] A **platform boundary** refers to the **defined limits of what a platform controls, allows, or restricts** — separating what happens inside the platform's ecosystem from what happens outside it.

[12] **SDK — Software Development Kit** A collection of tools, libraries, and documentation that developers use to build applications for a specific platform or service (e.g., Amazon's SDK for integrating with their APIs).

[13] **UI — User Interface** The visual elements a user interacts with on a website or app — buttons, menus, layouts, colors. It focuses on the look and feel of a digital product.

[14] **UX — User Experience** The overall experience a user has while interacting with a product or service — how easy, intuitive, and satisfying it is to use. UX encompasses UI but also includes flow, logic, and usability.