Shopify has the **best total cost of ownership**—here's how we know

According to research commissioned by Shopify from a leading independent consulting firm to study TCO across major platforms in North America through objective research methods.

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01 Executive summary

In December 2023 and January 2024, a leading independent consulting firm surveyed 251 enterprise executives to capture their commerce costs across several categories. The goal was to compare Shopify's total cost of ownership (TCO) to other major platforms through objective research.

At the time that we commissioned this project, we knew there was no guarantee that the results would come out in our favour. On top of that, TCO is notoriously difficult to calculate. **We went forward anyway.**

The result was an objective, detailed, highly researched report that paints a clear picture both of overall cost comparisons and of the many components that go into those calculations.

Shopify's TCO is up to **36% better** than its competitors.

Shopify offers the most value of major commerce platforms in North America, with the best-converting checkout in the world.

35% better
than Salesforce Commerce Cloud

29% better
than Adobe Commerce (Magento)

36% better
than WooCommerce

31% better
than BigCommerce

At the core of our operating and development philosophy is this mission: to tackle complexity head-on and reduce it for our customers. To us, TCO isn't just a number, it's how we help our customers operate with maximal efficiency, continually and seamlessly innovate, and focus on what they do best.

When your business is in the midst of scaling, every penny makes a difference to your growth. When your business is already scaled, every penny should be used to power your innovation. **In this guide, we'll show you how to do just that.**

First, a few definitions:

TCO refers to capturing and considering all costs incurred when buying a good or service from a supplier. It is used by enterprises to assess all direct and indirect costs incurred with a given purchase or business activity. For software and platforms, TCO typically includes the platform purchase price, management and support costs, end-user expenses, opportunity cost of downtime, and training and productivity losses during development.

TCO also incorporates costs over time, so it's critical to exhaustively account for recurring costs, as they can have disproportionate impacts on the overall TCO equation. Typically, a three- or five-year horizon is estimated for TCO.

Analysing TCO across platforms means considering the direct costs (e.g., platform licensing fees, payment gateway and processing fees, system setup costs), and indirect costs (e.g., technical FTE overhead, cost of downtime from implementation) that are influenced by the ecommerce platform deployed.

Here's a quick overview of where expertise was drawn from:

251 enterprise executives

with knowledge of the spend categories were surveyed across the five platforms studied, representing a variety of businesses that generally reflect top sectors for ecommerce, including apparel and accessories, electronics and gadgets, and grocery, food, and beverage, among others.

10 expert executives in North America

responsible for managing and making investment decisions related to ecommerce platforms (platform experience ranged from 15 to 30 years) were interviewed. Insights collected allowed for more qualitative and tailored insights (for example, profit and loss impacts of ecommerce platforms, technical considerations, etc.), providing qualitative depth to the overall research.

Insights were also collected

via secondary research (e.g., market and industry reports, review boards) as well as via global subject matter advisors with in-depth expertise in ecommerce and enterprise pricing.

Top industries surveyed

19%
Apparel and accessories (including jewelry)
48 respondents

18%
Electronics and gadgets
44 respondents

6%
Grocery, food, and beverage (excluding alcohol)
16 respondents

67%
United States
167 respondents

33%
Canada
84 respondents

An overview of the cost categories explored:

Platform fees and ecommerce stack costs

Implementation and setup costs; third-party application and payment processing

Operational, platform servicing, and support costs

Opportunity costs of lost conversions

Interviewees were asked about their experiences with Shopify, BigCommerce, Salesforce Commerce Cloud, Adobe Commerce (Magento), and WooCommerce.

The result? Shopify comes out on top. Shopify's TCO is **up to 36% lower** than the competition, and **33% lower on average**.

02 Platform fees and ecommerce tech stack costs

Considerations

Platform and licensing fees

- Fixed monthly/annual platform fee

- Variable transaction fee as a % of transaction

- Variable fee charged based on number of storefronts, price books, or as a % of GMV

Platform fees and support costs

- Platform maintenance and technical support

- Dedicated account management

- Third-party platform support agencies

Applications, plugins, and integrations

- Email marketing services

- Order management

- Search and SEO

- Automation tools

- Loyalty programmes

- Product information management

Payment and processing fees

- Payment processing fees for debit, credit

Organisations seeking to improve their operational efficiency may be attracted to low platform fees, but it's important to consider what low fees may be obscuring or omitting. Platforms with limited native enterprise functionalities and applications may rely on sourcing external applications and plugins at potentially higher costs to supplement their platforms, driving up total platform and tech stack costs.

For example, although a platform like BigCommerce may be low/no-code, it is limited in terms of the native enterprise capabilities it offers, such as promotions, merchandising, and analytics. This can often result in a need for more costly third-party applications, plugins, and complex integrations to meet an enterprise's needs.

Plus, according to the firm that conducted this research, platforms like WooCommerce tend to require more support to manage and maintain due to version upgrades and security patches required to keep the platform current and improve performance. This is especially true for organisations with limited internal experience.

On the opposite end of the spectrum, platforms that are more sophisticated in nature require dedicated internal operational support and management, which adds more complexity and layers to technical operations. For example, managing Adobe platform updates and maintenance may require merchants to opt for expensive internal and external support resources.

Other platforms like Salesforce and Adobe may offer more native capabilities and third-party integrations than platforms like WooCommerce, but they lack flexibility in pricing, which positions their platform costs on the higher end.
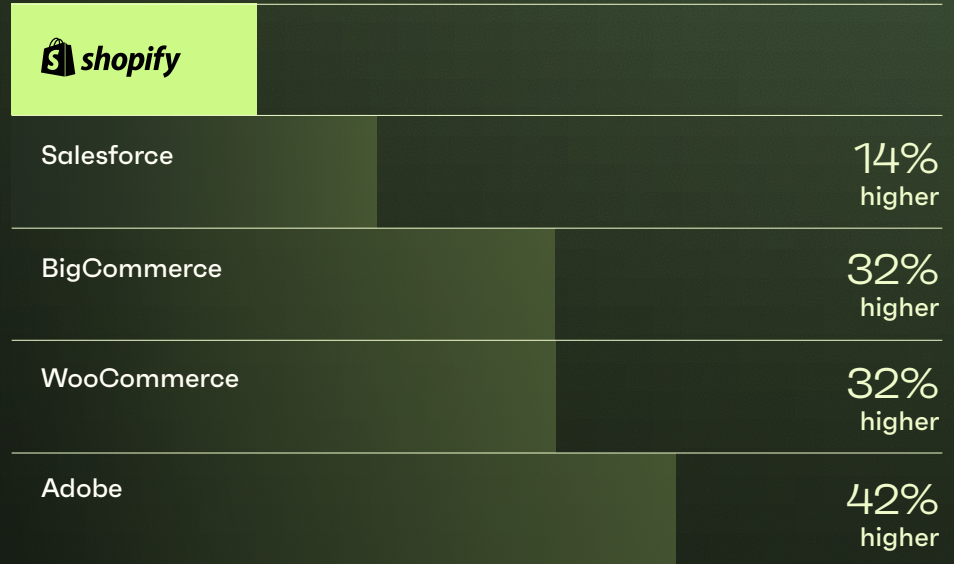
What the experts said:

"Version updates for certain platforms (e.g., on-premise Adobe instances) can be complicated and require more support, as updates can be complex and have implications on internal infrastructure and systems."

"Once an enterprise is live on Shopify Plus, most functionality is simple and easy to use, requiring limited support resources. Salesforce and Adobe support costs can range from $300,000 to $500,000 annually (for complex instances), while Shopify Plus will be significantly lower."

Platform fees and ecommerce stack costs

On average, competitors' platform costs are **30% higher** than Shopify's.

shopify	
Salesforce	**14%** higher
BigCommerce	**32%** higher
WooCommerce	**32%** higher
Adobe	**42%** higher

QUICK TAKE

Businesses looking to improve their overall TCO should consider platform fees in conjunction with the variety of ecommerce stack, support, and maintenance costs that are likely to arise down the line.

Shopify respondents had the best platform costs on average, which could be explained both by competitive platform fees and by lower needs for third-party applications. Shopify was perceived to better cover enterprise requirements out of the box than several of our competitors. Plus, the simplicity of the platform and user-friendly interface lower the learning curve to grease the wheels for speedier and easier onboarding.

03 Operational and support costs

Considerations

Platform enhancements and applications

- Development team overhead

- Digital marketing and product manager resources as related to planning the evolution of the platform

Production and non-production platform management

- DevOps team overhead (direct ecommerce)

- Indirect IT FTE overhead (e.g., indirect ecommerce support)

Infrastructure costs

- IT team overhead costs (e.g., on-premise hosting, security)

- Third-party vendor costs (e.g., cloud vendor)

Platform ops and administration

- Systems administrator overhead

- Ecommerce operations team overhead

- Product information manager overhead

- Product team overhead

- Digital marketing team overhead

- Campaign management, SMS, retail

Operational and support costs are recurring expenses that enterprises incur to keep the platform live and functional. This is how teams maintain the day-to-day operations of their stores so that every time a customer visits, their store is stable, performs well, and can deliver in terms of back-end ecommerce. It also helps them ensure that the products the customer ordered can get to their door quickly and efficiently—and that they're even stocked in the warehouse in the first place.

These costs are driven by the technical resources needed to support them, as well as the staffing needed to continually maintain and enhance the platform. Development teams, digital marketers, and product managers are all a part of these tasks and their associated costs as teams keep pace with customer demands.

Operational costs also include merchandising, managing users, running imports from the product information manager (PIM), and managing new products, promotions, and store operations. In terms of infrastructure for SaaS ecommerce platforms, there are costs associated with elements like web hosting, security (e.g., SSL), and data backups.

Costs differ based on the varying degrees of infrastructure and hosting required to keep the platform live and able to handle increasingly large volumes of transactions and visitor traffic.

Operational and support costs are also dependent on the enterprise's operating model. Internal team structure and enterprise governance play a factor in total operational and support costs. Extensive customisations of platforms may require new specialised in-house talent or skilled partners to help with upgrades, new feature releases, and general maintenance and upkeep. For example, legacy platforms require more resources and dedicated technical teams to manage the enhancements, updates, and maintenance.

What the experts said:

"With platforms like Adobe On-Premise, it is critical to invest in long-term resources to ensure high-quality firewalls, DNS, etc., to minimise internal security risks (e.g., if something goes down, security breach, etc.)."

"WooCommerce, which has historically been a platform geared at SMBs and mid-market, is limited in terms of its ability to scale up enterprise functionality, requiring merchants to integrate more applications and add increased complexity and risk to their technical infrastructure."

Operational and support costs

On average, competitors' operating costs are **23% higher** than Shopify's.

shopify	
Salesforce	6% higher
BigCommerce	21% higher
Adobe	24% higher
WooCommerce	41% higher
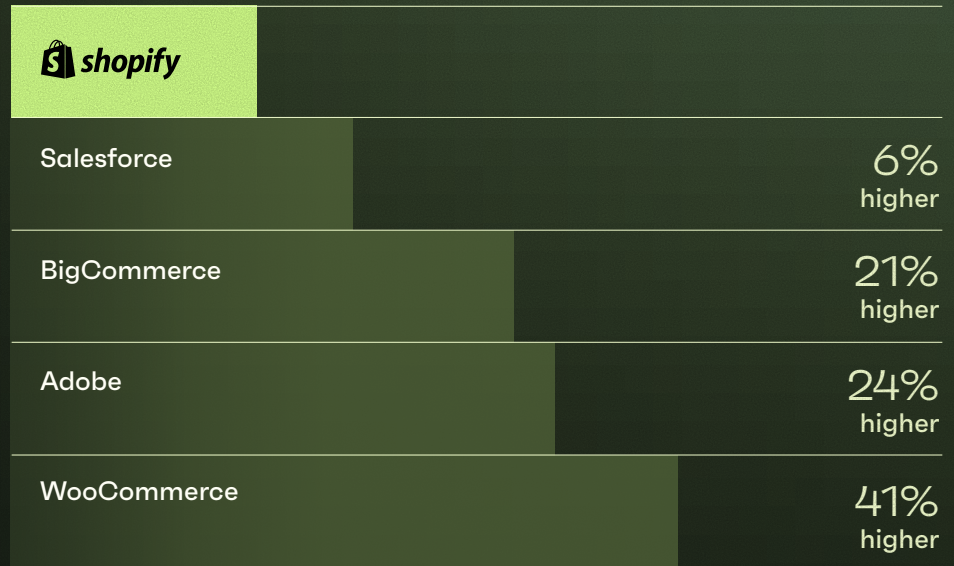
QUICK TAKE

Operational and support costs vary widely based on the size and complexity of any given organisation. The throughline across organisation types is the need for a sophisticated yet intuitive platform, easy integrations, minimal need for support, and enterprise-level functionality out of the box with room for growth.

Shopify respondents indicated the lowest operating costs, due to the platform's streamlined front end and back end, as well as a comparatively lower need for developer support. On-premise or open-source platforms like Adobe and WooCommerce incur additional infrastructure costs, such as hosting, especially as they need scalable computing and security infrastructure to handle large amounts of web or store traffic and transactions.

Maintaining complex legacy platforms, such as Salesforce and Adobe, can also require more internal IT resources or partners for ongoing updates and enhancements.

Shopify's development frameworks are more user-friendly than programming languages used in other platforms, allowing for more flexibility and less dependency on vendor support.

04 Implementation and setup costs

Considerations

Front-end design

- Digital marketing and branding for UX/UI design

- Third-party vendors that help with front-end design

Front-end implementation

- Front-end engineering costs

- Back-end engineering costs (user-facing components)

- Third-party vendors for implementation

Back-end implementation

- Back-end engineering costs

- IT team overhead

- Project management overhead

- Testing and QA support

Data migration

- Cost of data migration

- Loss of revenue due to platform downtime (i.e., in the case of replatforming)

- Other quantifiable business impacts or disruptions

System and setup

- Platform one-time implementation fee

Ecommerce platform implementation requires upfront investment to set the systems up, integrate the platform with or into existing enterprise applications, and develop the front end and back end of the ecommerce website either in-house or with partners. These requirements add to an enterprise's overall implementation cost, with additional upfront investments for customisation of systems to ensure that functionalities are relevant and working properly.

A new Shopify storefront can be implemented **37% faster** than with the average competitor.

These are considered point-in-time costs rather than recurring, and they vary based on the amount of customisation and the complexity of the features needed by the enterprise.

The total cost of implementation can be viewed as front-end and back-end requirements. The front end refers to the design and development of the interface and customer-facing interactions within the website, impacted by availability and use of templated designs provided by the vendor. Front-end costs include items like digital marketing and branding for UX/UI design.

Back-end components refer to the customisation and systems that are needed for the platform to work in conjunction with other systems internally—costs such as development and data migration.

Whether or not merchants access third-party agencies and partners or rely on in-house technical talent also plays a factor in the total cost of implementation.

Shopify Plus can be implemented and launched in market quickly due to its simplicity and ease of use. In contrast, Salesforce and Adobe may not be as easy to configure as Shopify, particularly for business users, requiring more development resources for configuration and customisation. Given WooCommerce's limited native enterprise functionality, a significant amount of implementation costs may be incurred from customisation and integration of third-party applications and plugins.

Shopify empowers enterprises to ship, launch, and innovate faster than competitor platforms

Setting up and launching a new storefront on Shopify is up to **41% faster** than any other studied competitor platform.

41%
faster than WooCommerce

40%
faster than Adobe

36%
faster than BigCommerce

28%
faster than Salesforce
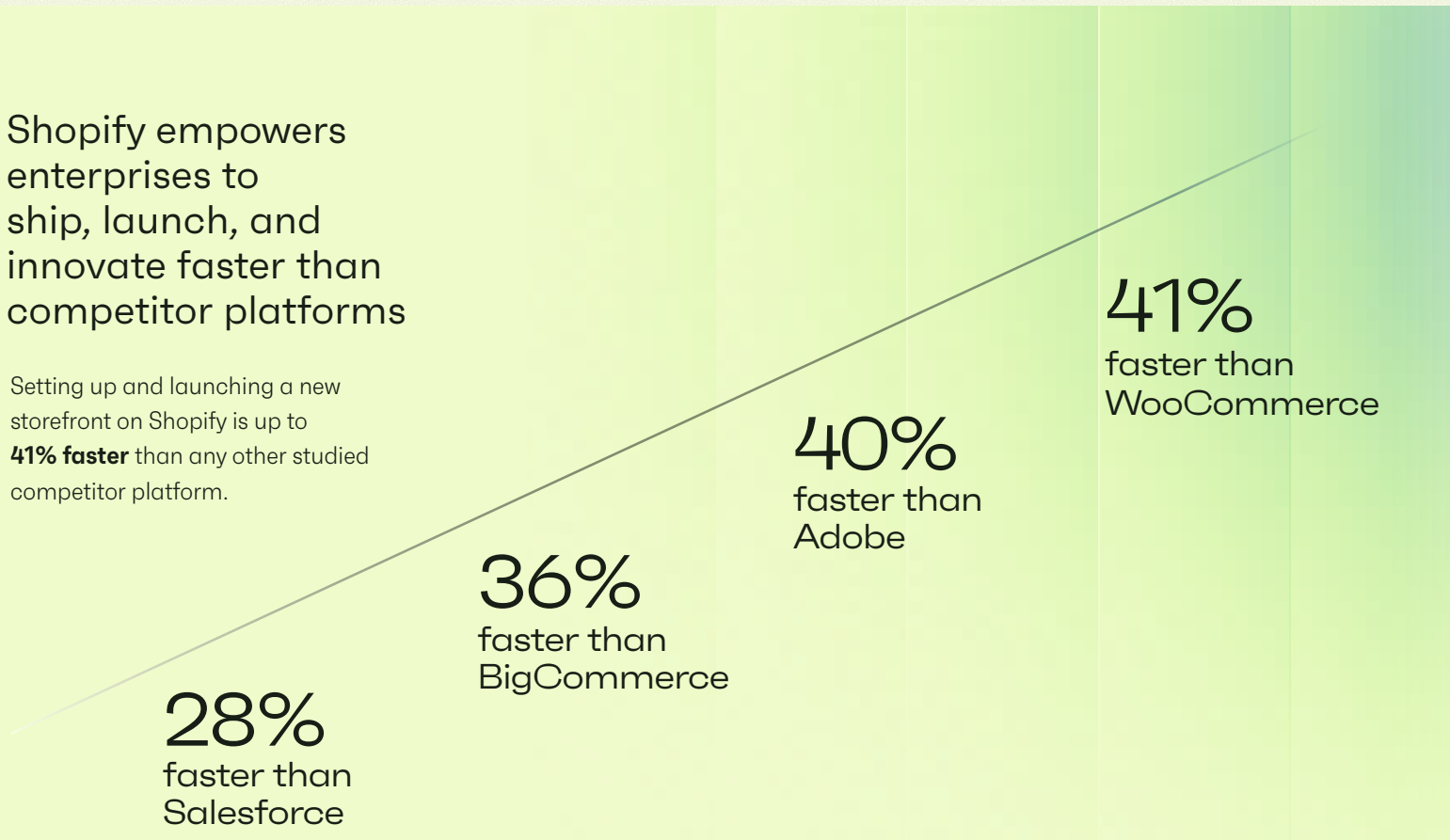
QUICK TAKE

Implementation costs are significantly affected by the levels of customisation needed, which is in turn determined by the business's needs as well as by the level of out-of-the-box capabilities offered. They are also affected by the complexity of the necessary integrations, accessibility of code, and availability and affordability of a platform's development talent pool.

Shopify is also less cost-intensive to implement, with respondents indicating the lowest average implementation costs across competitors, as well as the least amount of lost revenue during the implementation process. Enterprises that are replatforming to Shopify can recoup their lost revenue faster than with other platforms in terms of the operations that are impacted by platform implementation.

Platforms like Adobe and WooCommerce that are complex from an integration standpoint—for instance, requiring API gateways—can drive up development costs for deploying key applications to meet business requirements. Examples include purchase order functionality, order management systems, and shipping options.

Platforms like BigCommerce have limited native enterprise functionality— particularly in more complex use cases—can require significant investment in front-end and back-end development, which can significantly drive up costs and timelines.

Complex configurations also require increased implementation support resources. The same goes for platforms that require more advanced technical development to deploy, such as system integrators and specialised implementation partners or agencies.

Platforms like Adobe, and in some cases Salesforce, may have higher implementation costs due to the complexity of their back-end integrations—for example, with ERPs and financial systems. WooCommerce also requires more customisation upon implementation due to its reliance on plugins and third-party applications for most enterprise capabilities.

For Salesforce instances that rely on few customisations, implementation costs can be manageable, which may explain why Salesforce had the second-lowest average implementation cost as per the survey. For example, an instance with very little customisation can cost less, with costs to launch additional brands and in additional geographies to be marginal. But according to an expert interview conducted by the consulting firm, a larger company deploying Salesforce from scratch can have much higher minimum costs, considering the need to integrate many back-end systems.

Availability of expertise is also a key element of implementation costs, as having a more accessible pool of technical resources can drive down costs. In contrast, platform expertise that is comparatively more difficult to find than others could drive the implementation cost up. Shopify has a more available and accessible developer talent pool, while BigCommerce and Salesforce experts are increasingly limited—potentially adding more costs for merchants that require specialised skills for custom implementation.

What the experts said:

"System integration is the first major cost when thinking about a Salesforce implementation."

"When replatforming to Adobe, data migration alone took almost 6 months because we had to rebuild our product catalogue. Spent $800,000 in migration alone and had to hire agency specifically for migration (in addition to agency support for front end)."

"Shopify and Salesforce make their technical documentation available to all, making the barrier to entry very low for developing technical expertise, helping drive a larger developer pool over time. WooCommerce and Adobe, which have open-source options available, also have large pools of developers, however, reliable and quality expertise can be harder to come by, which can impact implementation risk and costs."

Implementation and setup costs

On average, competitors' implementation costs are **49% higher** than Shopify's.

|	
shopify	
Salesforce	16% higher
Adobe	42% higher
WooCommerce	49% higher
BigCommerce	88% higher
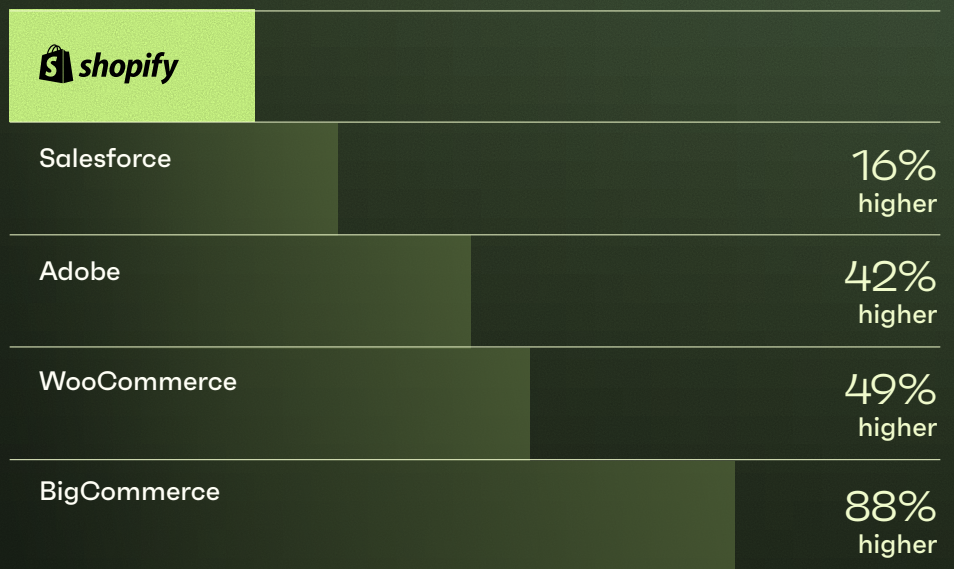
05 Lost conversion opportunity

In some TCO calculations, a difference in conversion rate can be applied as an "additional cost" because it's value that businesses would otherwise be capturing if they were on Shopify instead.

The difference in conversion rate between Shopify and the studied competitors is based on previous research commissioned by Shopify showing that:

Shopify's overall conversion rate outpaces the competition by up to 36%.

Shopify converts up to 36% better

When expressed as a percent of TCO, Shopify's average 18% higher checkout rate translates to a roughly 1.8% TCO offset.*

$ shopify	+36%
Salesforce	
Adobe	
BigCommerce	
WooCommerce	
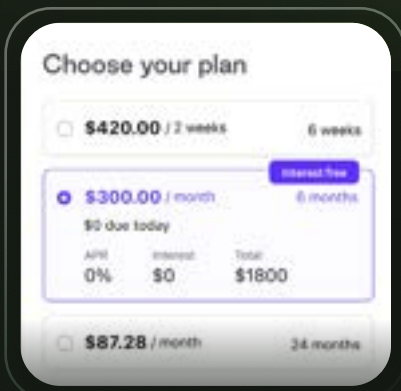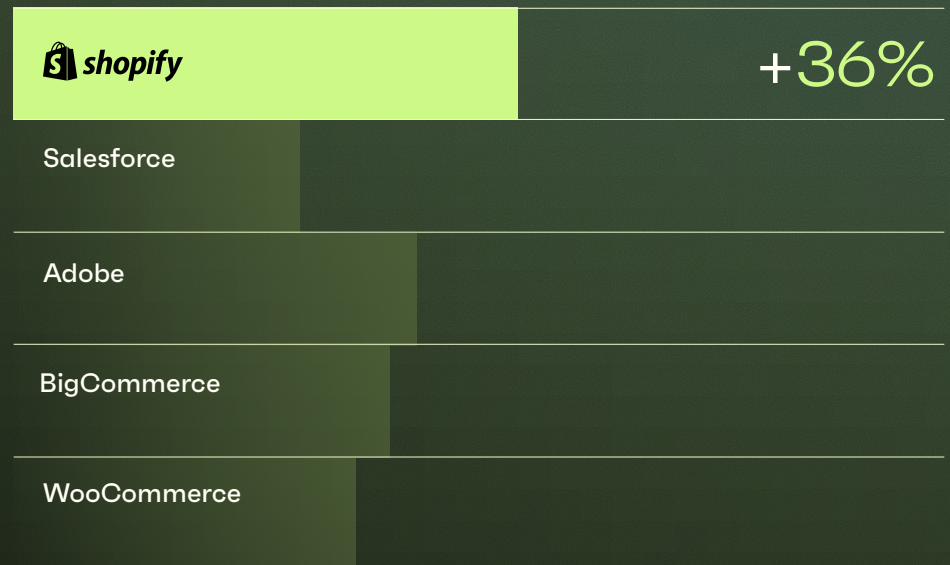
One important factor in Shopify's conversion strategy is **Shop Pay**, our accelerated checkout offering. When used, it can lift conversion by as much as 50% compared to guest checkout, outpacing other accelerated checkouts by at least 10%. The mere presence of Shop Pay, according to the previous study, can increase lower funnel conversion by 5%.

There's a hidden cost to **not** using Shopify checkout

36% higher average conversion rate than **Salesforce**

Assuming 10% margin, this translates to a TCO offset equal to 3.6% of a brand's GMV, or $3.6 million annual savings for a $100 million GMV brand using Shopify instead of Salesforce.

17% higher average conversion rate than **WooCommerce**

Assuming 10% margin, this translates to a TCO offset equal to 1.7% of a brand's GMV, or $1.7 million annual savings for a $100 million GMV brand using Shopify instead of WooCommerce.

12% higher average conversion rate than **BigCommerce**

Assuming 10% margin, this translates to a TCO offset equal to 1.2% of a brand's GMV, or $1.2 million annual savings for a $100 million GMV brand using Shopify instead of BigCommerce.

5% higher average conversion rate than **Adobe**

Assuming 10% margin, this translates to a TCO offset equal to .5% of a brand's GMV, or $.5 million annual savings for a $100 million GMV brand using Shopify instead of Adobe.

With the best TCO and the world's best-converting checkout, see how Shopify can help you make every dollar count.

Visit Shopify.com/TCO to request your custom TCO calculation.