shopify

TOTAL COST OF OWNERSHIP MICRO EVENT

Improve your TCO by up to 36%

An inside look at the platform with the best
total cost of ownership*

* According to research commissioned by Shopify from a leading independent consulting firm to study TCO across major platforms in North America and
understand Shopify's relative positioning based on objective research methods.

Event speakers

Daniel Bowden
Senior Partner Expansion
Shopify

Josh Banfield
Account Executive
Shopify

The total cost of a platform can be difficult to calculate

Platform fees	Third-party apps	Support fees	Tech services	Migration & integration	Cost of downtime	Licensing

TCO cost

We get it →

Calculating TCO is hard

But it's a project worth doing…

So we did it for you
By engaging a leading independent consulting firm
to conduct research into TCO

251
enterprise executives

10
expert ecommerce
executives

innovative
subject matter experts

in-depth
secondary
research

THE RESULT

Shopify has the best TCO in commerce.

Shopify costs are up to 36% better than the competitors

Shopify offers the most value of major commerce platforms, 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

But How?
3 reasons

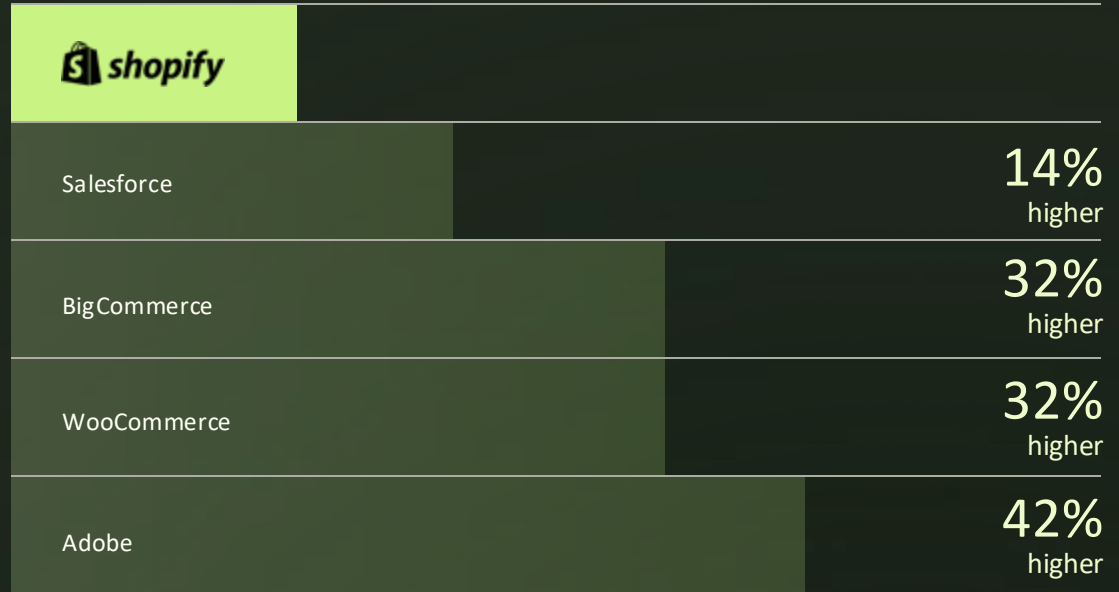## 01

Platform fees and
commerce stack costs

02

Operational
and support costs

03

Implementation
and setup costs

Platform fees and ecommerce stack costs

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

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

Behind the numbers

Platform fees

Items to consider:

→ External applications, plugins, complex integrations

→ Support for version upgrades and security patches

→ Internal operational support and management

→ Cost of downtime

What Shopify offers:

→ Timely updates and upgrades on a reasonable project cycle

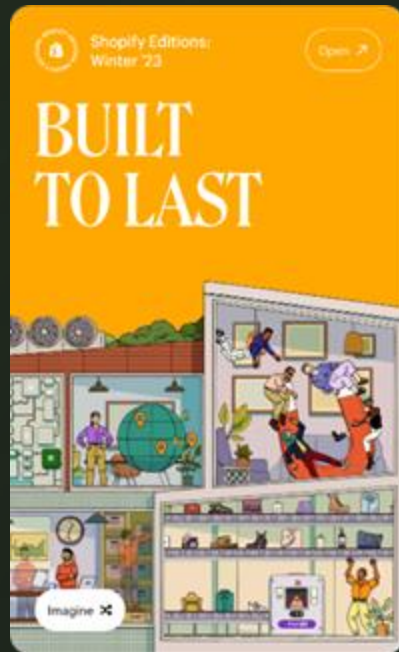→ Out of the box capabilities

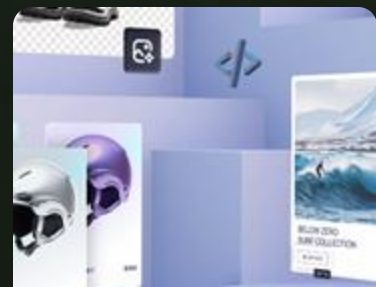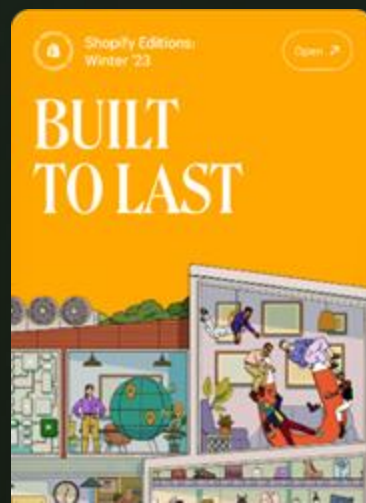→ Optionality

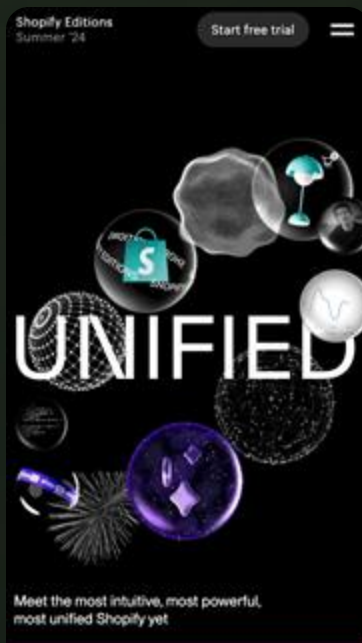→ Scalability

Out of the box capabilities

Storefronts & Content

Content Management

Search & Discovery

Headless Storefronts

Low-Code Storefronts

Cart & Checkout

Payment Platform

Checkout Platform

Headless Hosting

Tax Platform

Cart

Markets

Global Markets

Point of Sale

Fraud Protection

B2B

Operations & Logistics

Order Management

Fulfillment

Returns

Inventory Management

Data & Compliance

Data Analysis & Reporting

Security & Compliance

Card data & Vaulting

Core Commerce

Product Catalog

Marketing & Notifications

Discounts

Subscriptions

CustomerData

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Commerce innovation

100+ launches
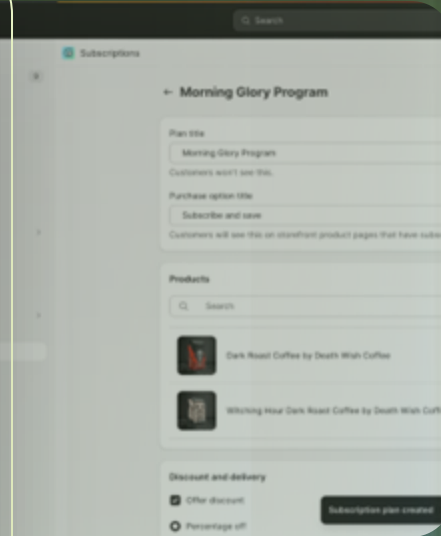
Commerce innovation

Platform Costs

Shopify's Advantages

Faster time
to market

Business user tools
and friendly UI

Seamless integration
and extensibility

Bespoke experiences without
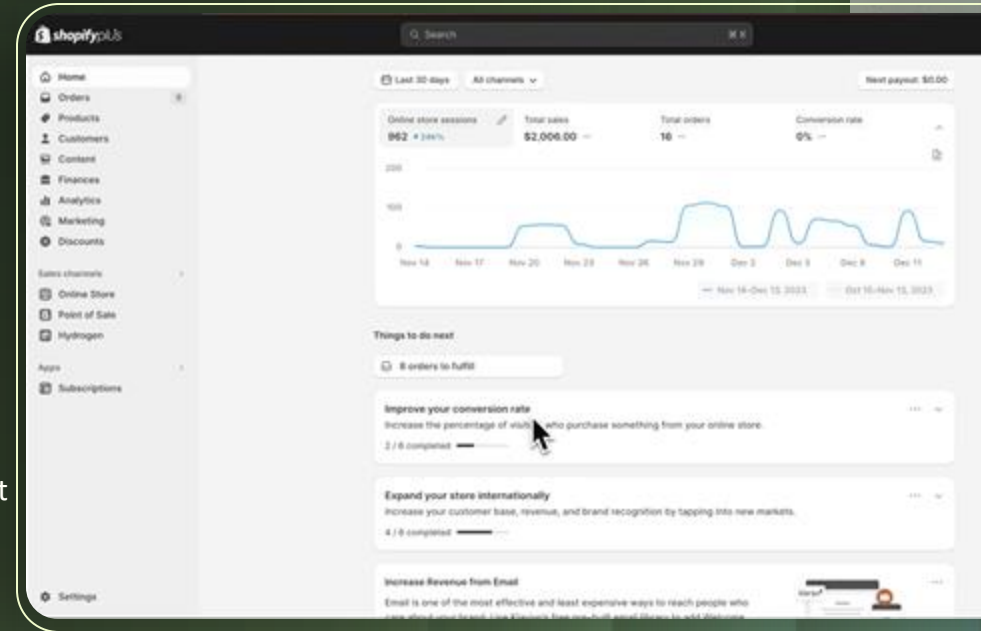high costs

ADMIN SETUP

1P SUBSCRIPTIONS

Platform Costs

Shopify's Advantages

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Bespoke experiences without
high costs

ADMIN SETUP

Avoid downtime costs

$9.3B Total BFCM 2023 sales by Shopify businesses

24%
YoY Sales increase

99.999%
Uptime

66%
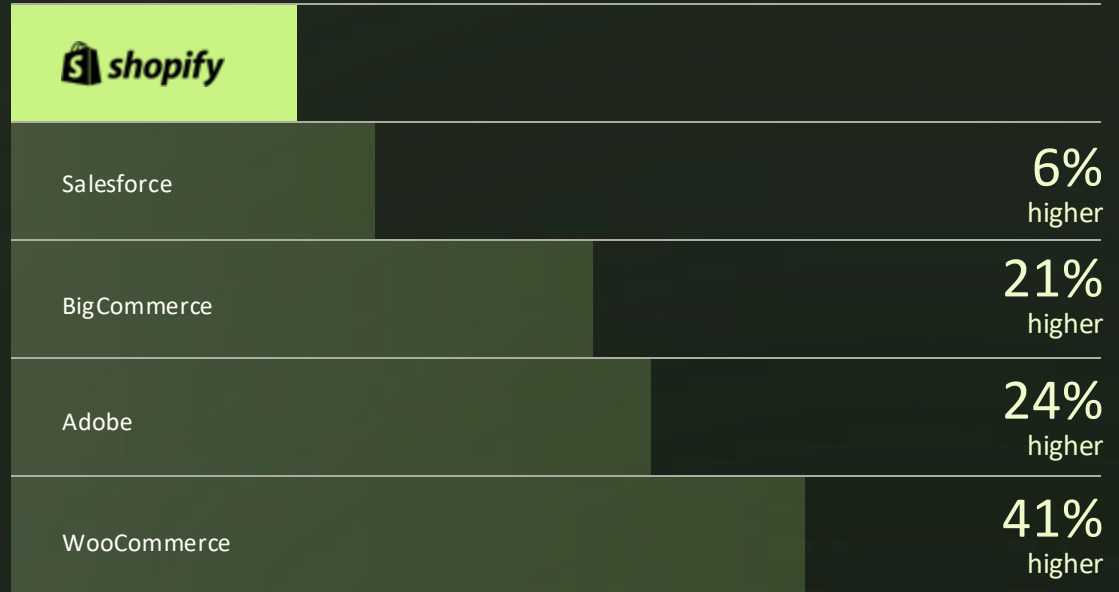higher than industry average of 8% growth

74%
mobile checkout

$4.2M
peak sales per min

30%
higher than industry average of 52% growth

1. Adobe BFCM Industry Report 11/28/23

Operational and support costs

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

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Salesforce — 6% higher

BigCommerce — 21% higher

Adobe — 24% higher

WooCommerce — 41% higher

Behind the numbers

Operational costs

Items to consider:

→ Costs of development teams, digital marketers,
product managers

→ Web hosting, security (SSL),
data backups

→ Variances based on complexity of
infrastructure, amount of customization
required, legacy vs. new systems

What Shopify offers:

→ Ease of use

→ Developer tools

→ App hosting

→ Headless Hydrogen storefront with
free Oxygen hosting

"Make the important easy, and everything else possible."

Tobi Lütke

Operational Costs

Ease of use and extensibility

Simple product merchandising
(i.e. collection management, filters, etc.)

Drag & drop design changes
(i.e. page layouts, checkout, etc.)

App extensions
(i.e. personalization, loyalty)

One click payment methods
(i.e. Apple Pay, GPay, etc.)

Operational Costs

Build anything. Reimagine commerce.

Accelerated app development

Create personalized shopping experiences

Expand platform to support and centralize business processes

Front-end
→ Hydrogen/Oxygen
→ Mobile SDKs
→ Storefront API
→ Marketplace SDK
→ Github integration
→ Lighthouse CI integration
→ CLIs/Plugins
→ Proxy tools

Back-end
→ GraphQL admin API
→ Rest admin API
→ Webhooks
→ Integration management
→ Identity services
→ SSO/SAML Integration
→ SDKs

Checkout
→ UI extensions
→ Branding API
→ Functions
→ Extensions (Pixel, PPU)

Use **Hydrogen** to build fast and dynamic Shopify custom storefronts.

Use Shopify's JavaScript library **App Bridge** to seamlessly embed your app in the admin

Branding API

Shopify functions

Post-purchase checkout extension

Web pixel extension

EXAMPLE LIFECYCLE

App developer

START

Adds a function
to an app

→

Deploys
The app

Makes an API call with
the function
configuration

Creates
a discount app

Merchant

Installs the app

→

Configures the
function

Creates an app-
based
discount

Customer

Interacts with
a Shopify store

Adds
to cart

shopify

Executes
the function

Recalculates
Discount using
the function

END

```
Script    ▾

    discounts: [
      {
        targets: greenJeans,
        message: "GREEN JEANS DISCOUNT",
        value: {
          percentage: {
            value: "10.0"
          }
        }
      },
      {
        targets: purpleJeans,
        message: "PURPLE JEANS DISCOUNT",
        value: {
          percentage: {
            value: "20.0"
          }
        }
      }
    ],
    discountApplicationStrategy: DiscountApplicationStrategy.First
};
```

	6	Jeans	$350.00

Purple

	4	Jeans	~~$40.00~~

Green
$34.00

GREEN JEANS DISCOUNT (-$6.00)

Volume   Product discount

APPLIES TO

➕ Add products   ➕ Add collections

PRICE TIERS

Quantity   Type   Discount amount

[   ]   [Fixed amount | Percentage]   [%]

➕ Add another tier

QUANTITY THRESHOLD

🔘 Per product variant
   Each variant is counted separately to determine its price tier.
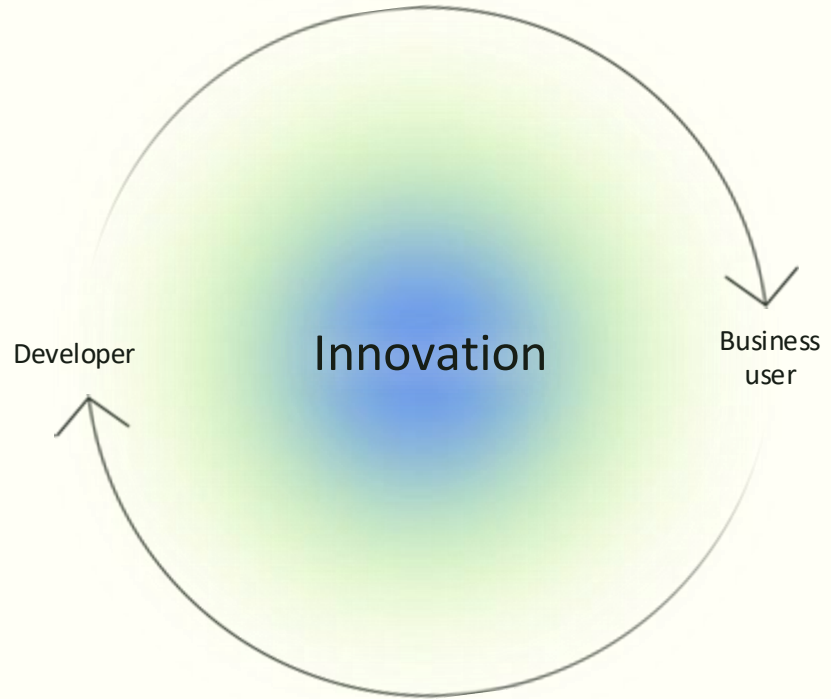
⚪ Per product
   All variants of a product are counted together to determine their price tier.

⚪ Everything together
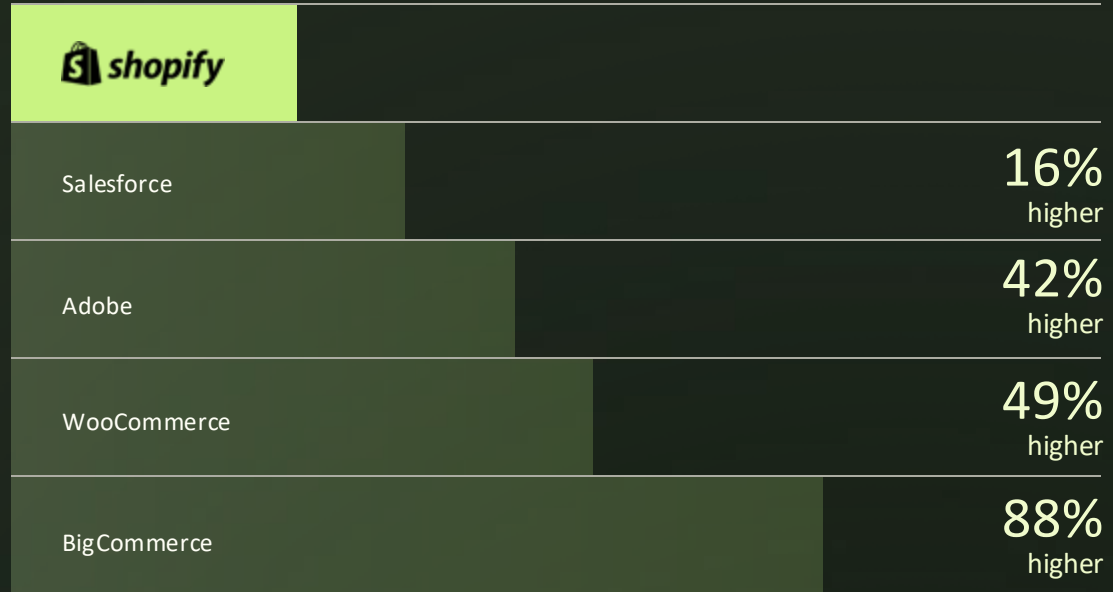   All qualifying products are counted together to determine their price tier.

Shopify provides agility for developers and autonomy for business leaders

Developer   Innovation   Business user

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

Behind the numbers
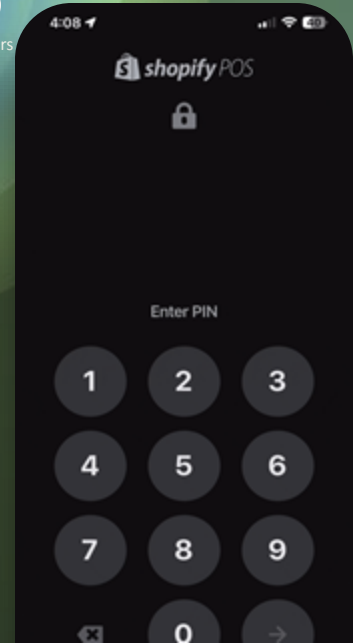
Implementation and setup cost

Items to consider:

→ Front-end costs, e.g. digital marketing, branding for UX/UI design

→ Back-end costs, e.g. customizations and systems needed for development and data migration

→ In-house vs. outsourced expertise—and its availability

What Shopify offers:

→ App ecosystem integration

→ One-click integrations

→ Developer tooling

Implementation & Setup

Unlock every channel

50%
reduction in consumer acquisition cost

4x
conversion rates

4.5x
return on ad spend

Shopify Email

Shopify Audiences

Shopify Collabs

Benchmarks New
Compare your ad performance on Meta to stores like yours.   Last 30 days

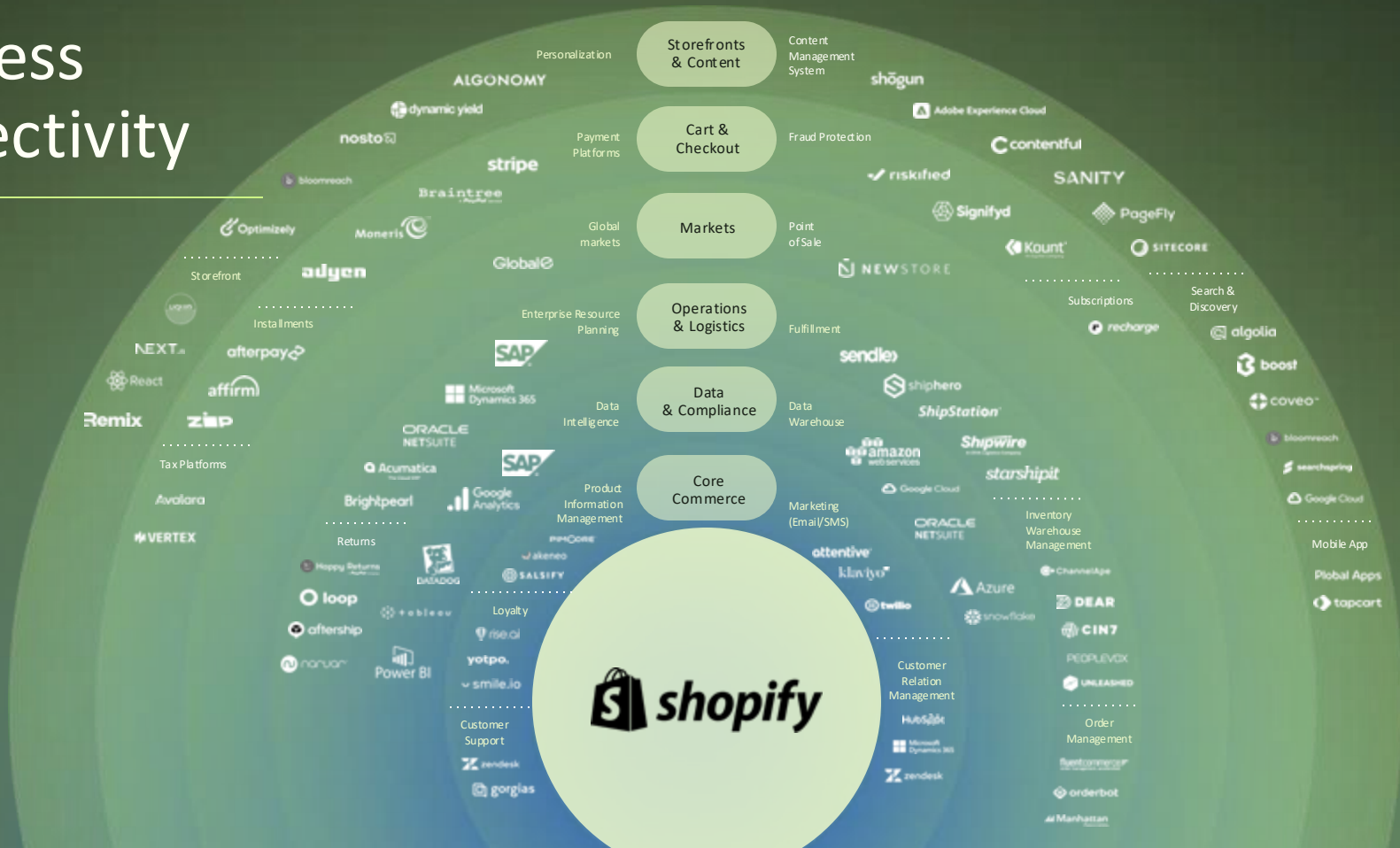| Metric	Your store	Similar stores	Your standing
Average order value	$1,009.47	$834.50	
Click through rate	1.40%	1.45%	
Conversion rate	1.03%	2.80%	
Cost per 1000 impressions	$12.63	$14.80	
Cost per click	$0.95	$0.88	
Cost per acquisition	$94.36	$102.40	

*Source: https://www.shopify.com/ca/audiences

Limitless connectivity

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 3.6% of a brand's GMV, or $3.6 million annual savings for a $100 million GMV brand using Shopify instead of Salesforce.

12%
higher average conversion rate
than BigCommerce

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.

5%
higher average conversion rate
than Adobe

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.

Grow revenue

The checkout advantage

Millions of customers around the world use Shop Pay every day. Powered by Shopify Payments, Shop Pay's one-tap checkout boosts conversion across all devices—and keeps your customers coming back.

150M+
Total Shop Pay
users globally

#1
preferred digital wallet used
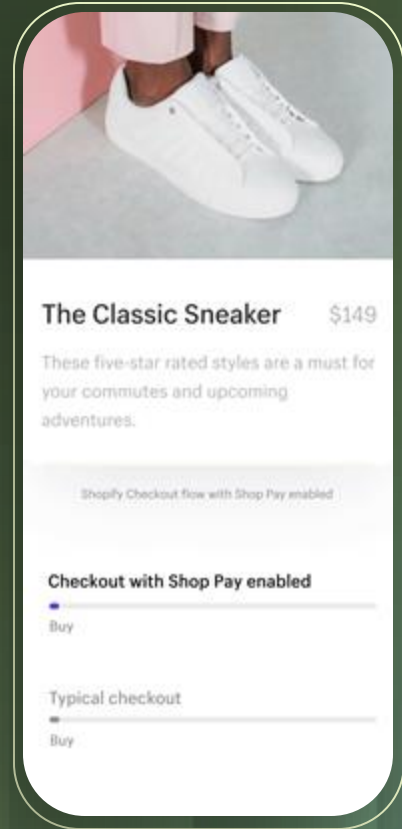by Shopify brands.

15%
Conversion
lift

500B
processed in GMV across
millions of stores

4x
faster than traditional checkout
experiences

40K
checkout starts
per minute

*Based on an external study completed with a Big Three global management consulting firm in April 2023
*Source: https://www.shopify.com/checkout

The Classic Sneaker $149

These five-star rated styles are a must for your commutes and upcoming adventures.

Shopify Checkout flow with Shop Pay enabled

Checkout with Shop Pay enabled

Buy

Typical checkout

Buy

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

What's your TCO?

→ Visit Shopify.com/TCO

→ Speak to ScreenPages