



The data is in:

# Shopify POS delivers 22% better total cost of ownership



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# 01

## Executive summary

At Shopify, we've long believed that adopting a platform with natively unified POS and ecommerce capabilities is the most effective strategy to streamline retail operations and reduce costs. But the true cost and impact of different approaches has remained unclear. Until now.

A leading independent consulting firm was commissioned to conduct this study, comparing Shopify's total cost of ownership (TCO) against different POS providers. While TCO calculations involve multiple complex variables, the study aimed to provide retailers with objective data to inform their decision-making process.

The findings revealed that Shopify POS delivers a better TCO on average across major global POS competitors. Beyond savings, the study also found that retailers who unified their online and in-store channels on Shopify's platform were able to scale their operations and grow their revenue faster.

Shopify POS TCO is up to **37% better** than competitors.

Among the POS systems evaluated, Shopify is the only provider that has a natively unified POS and ecommerce solution, enabling unified commerce benefits not found on other platforms.

**37% better**  
than KWI

**33% better**  
than Teamwork

**20% better**  
than Retail Pro

**13% lower cost**  
across other competitors

For retailers operating separate POS and ecommerce systems, the costs and complexities compound as their business grows. Large enterprises, in particular, face mounting integration expenses, rising maintenance costs, and the operational burden of managing multiple platforms. **In this paper, we'll analyze the true cost of disconnected commerce systems and demonstrate how a unified approach transforms both operations and bottom-line performance.**

## First, a few definitions

### Unified Commerce

Unified commerce is a **business strategy** that aims to centralize sales channels, operations, backend workflows, and customer-facing shopping experiences. The objective is ultimately to drive growth, increase efficiency, and reduce costs.

### Total Cost of Ownership (TCO)

TCO is a financial concept intended to help decision makers determine the one-time and ongoing costs of a product, solution, or system. A comprehensive TCO assessment helps retailers make informed purchase decisions by providing clear line of sight into the one-time and recurring financial implications of a buying decision. As such, retailers should also consider the overall value the solution creates—such as costs avoided, boosts in productivity and operations, and subsequent revenue enhancements. **The independent consulting firm took both direct costs and value creation benefits into account when considering TCO for this research study.**





## Here's a quick overview of where expertise was drawn

For the competitive assessment, five POS vendors were selected for their ability to deliver on key capabilities required among mid-market and enterprise retailers: **Aptos**, **Retail Pro**, **NewStore**, **Teamwork**, and **KWI**.

In terms of respondents, the screening criteria excluded the retailers operating in the service industry and required an annual GMV of \$50M to \$500M+, focusing on omnichannel businesses primarily located in North America and EMEA.

### An overview of the cost categories explored

One-time costs associated with implementation, integration, staff training, and hardware purchases.

Ongoing costs associated with subscriptions, maintenance, middleware, and support.

### 130 retail executives surveyed

The survey compiled responses from 130 decision-makers (Director level and above) at mid-market and enterprise retail organizations. Only responses that met criteria for relevance, quality, and completeness were included. Adequate representation from each of the five competitors was captured.

### 40+ expert interviews

This analysis was further supported by insights from interviews with Shopify implementation partners, internal Shopify Subject Matter Experts (SMEs), and Shopify retailers directly.

### Top industries surveyed

33%

Apparel & Accessories

22%

Food & Beverage

8%

Sporting Goods

### Geographies surveyed

61%

North America

35%

EMEA

4%

Asia-Pacific

Survey respondents were asked about their POS expenses in Shopify, KWI, Teamwork, Retail Pro, NewStore, and Aptos.

The result? Shopify comes out on top, with POS costs up to 37% lower than the competition, and 22% lower on average.

# 02

## One-time costs

When evaluating POS solutions, retailers must look beyond annual subscription fees to understand the true financial impact. A solution's initial price point often tells only a small part of the overall financial story.

### Considerations

#### Implementation and integration

- Costs of end-to-end system implementation
- Costs incurred through setup activities
- Costs of internal and external implementation staff

#### Training and onboarding

- Cost of training retail staff on new system
- Costs to onboard back-office staff to maintain new POS system

#### Data migration and transition time

- Data migration costs
- Costs of running two POS systems during changeover
- Productivity loss during transitional period

#### Hardware

- Costs to purchase POS terminal
- Costs to purchase accessories to support payments

Retailers using Shopify POS report 6% lower one-time costs on average.

Retailers on Shopify POS enjoy:

~11% lower implementation and integration costs

~21% lower training and onboarding costs

~34% lower data migration and transition costs

"In a period of rapid growth, the ability to set up and control a store's POS system with a single click was a game-changer. It allowed us to open 60 new locations in a year."

Corey Hnat — Director of Marketing, Pepper Palace (Shopify Retailer)

## Implementation and integration costs

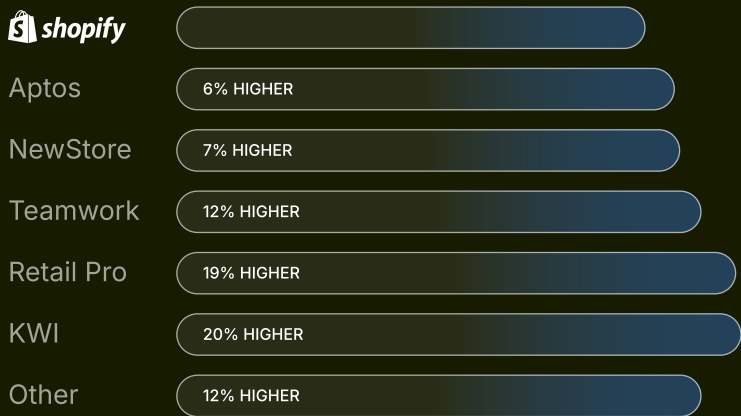
As retailers grow, increasing operational complexity can often lead to higher POS implementation and integration costs. This can be largely attributed to the growing number and intricacy of required integrations with backend systems.

Large retailers often use various systems to manage internal processes and functions, which can result in more integration points and subsequently greater development effort and costs to smoothly integrate a POS solution. For enterprise retailers, introducing a new POS system often involves significant effort to coordinate complex project management tasks as well, driven by the increased complexity of system configuration, integration, and customization. This complexity leads to longer testing timelines, quality assurance processes, and compliance standard adherence, among other factors.

Shopify's unified system is designed to streamline the integration of Shopify's ecommerce and POS solutions, and reduce the complexity and associated costs to integrate commerce components with the broader tech stack. Our natively compatible platform enables speed of set-up and quick scalability to additional locations, **resulting in a 20% faster implementation time on average than competitors surveyed.**

## Implementation and integration costs

On average, competitors' POS implementation and integration costs are ~13% higher than Shopify's.



*Data normalized with Shopify performance indexed at 100%.  
Competitor performance shown as relative percentage difference.*

## Training and onboarding

Training and onboarding can significantly impact the success and effectiveness of a new solution. While costs vary based on solution complexity, staff size, and training methods, user-friendly POS systems minimize these investments.

What's more, when switching to a new POS system, businesses often overlook the hidden costs of reduced productivity as staff learns to navigate new processes and technology.

Shopify POS's intuitive design reduces training requirements for both retail staff (especially valuable for seasonal workers) and headquarters teams. Its seamless integration with existing Shopify systems further simplifies adoption, minimizing productivity losses during transition.

**Retailers using Shopify POS report ~21% lower upfront training and onboarding costs on average per retail store.** This is attributed to minimal training time for basic functions, accelerating time-to-value and enabling faster realization of benefits. This quick adoption not only improves employee experience and retention but also helps to ensure immediate cost savings from implementation onward.\*

"The ease of use of Shopify helps us focus training more on how we want staff to serve and educate customers on our products, rather than teaching them how to use our systems. The time it takes to onboard new staff has easily been cut down by an hour on the first day alone—it's a very intuitive platform."

Alexandra McNab — Chief Operating Officer, Bared Footwear (Shopify Retailer)

## Data migration and transition costs

The transition costs associated with switching POS solutions are influenced by the duration of the transition period, including data migration and parallel running of new and legacy systems.

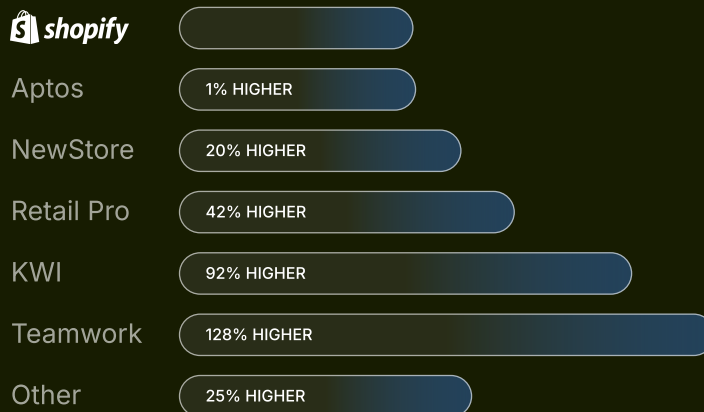
Retailers who have switched to Shopify POS report that the implementation and launch of Shopify POS required less time compared to previous or competitor POS solutions. As a result, the time and associated costs of maintaining both the legacy and new systems during transition were reduced.

Shopify's native unified commerce platform makes data migration to POS simple, which can help to significantly reduce the effort and expenses involved. Direct support provided by Shopify throughout the data migration process further facilitates a smooth transition.



## Data migration and transition costs

On average, competitors' data migration and transition costs are ~53% higher than Shopify's.



*Data normalized with Shopify performance indexed at 100%.  
Competitor performance shown as relative percentage difference.*

## Hardware costs

Shopify POS is compatible with off-the-shelf iOS and Android tablets and mobile devices, while also offering purpose-built hardware options.

Shopify's POS goes beyond just accepting payments—it's built to drive better, more customer-centric shopping experiences. The POS terminal enhances customer interaction at checkout through a dedicated display for email collection and transparent transactions. Meanwhile, the versatile POS tablet stand can swivel between staff and customer views, doubling as both a POS device and customer display with integrated connectivity options. With Shopify, retailers also have the choice to use alternative stands if preferred.

This gives retailers the flexibility to experiment with locations and convert highly successful temporary retail locations into permanent stores. Retailers can leverage existing hardware and lean setup requirements to quickly open new storefronts, including temporary pop-up locations.

"One of our greatest areas of efficiency improvement is the management of omnichannel orders. We were able to cut down a three-step process to one action. This change has reduced ~50 hours/week in headquartered staff time, ~40 hours/week with customer experience teams, and ~10 hours/week from IT support."

Jennifer Pearson — Vice President of Information Technology & eCommerce, Oak + Fort (Shopify Retailer)

# 03

## Ongoing costs

The true cost of disconnected commerce extends far beyond licensing fees. As businesses scale, maintaining separate POS and ecommerce systems creates mounting ongoing integration and middleware costs, operational complexities, and strategic limitations.

The independent consulting firm's analysis reveals a critical insight about POS costs: while initial pricing appears competitive across providers, traditional solutions often mask substantial fees. Whether its custom development to implement critical functionality, costly ongoing maintenance, or complex integration requirements, the true cost of ownership frequently exceeds initial projections.

Shopify POS breaks this pattern by delivering a platform with comprehensive native functionality and reduced dependency on third-party solutions. This approach not only provides superior cost-effectiveness but also reduces the hidden costs of custom integrations, specialized staff, and ongoing technical support that impact competing POS solutions.

### Considerations

#### Software subscription and maintenance

- Fixed annual software licensing fees
- Software upgrade and update fees
- Maintenance fees for technical support
- Cloud services fees

#### Middleware

- Annual cost of middleware components
- Annual cost of maintenance for middleware components

#### Third-party support costs

- Account management fees
- Internal or external support
- Third-party application management fees

Retailers using Shopify POS report 16% lower ongoing costs on average.

Retailers on Shopify POS enjoy:

~25% lower annual software subscription and maintenance costs

~27% lower annual middleware costs

~89% lower annual third-party support costs

## Software subscription and maintenance costs

The cost of purchasing and maintaining software can represent a significant portion of a retailer's ongoing POS expenses and varies depending on the chosen solution. Even within a single provider's offerings, pricing is influenced by the required features and service levels needed.

In addition, the design of the solution architecture can impact software subscription costs. Modern, well-designed solutions typically require less maintenance and technical support, reducing the cost and effort associated with maintenance.

According to the independent consulting firm, Shopify POS can reduce the need for frequent and complex maintenance and support as a result of its robust architecture offering low/no-code native capabilities. This approach leads to lower long-term costs as the system experiences fewer issues and requires less ongoing maintenance. **Indeed, retailers using competitor platforms report ~33% higher annual software subscription and maintenance costs on average than reported by retailers using Shopify POS.**

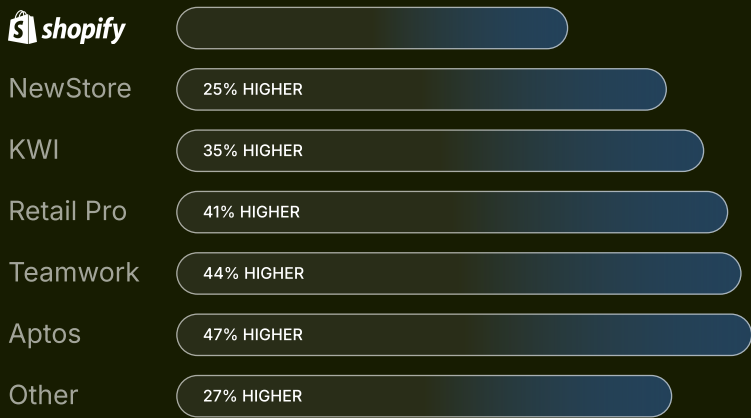
"Shopify's unified approach to data management leads to a substantial decrease in the time and technical resources spent on maintenance, eliminating the need for middleware by up to 60%."

Corey Hnat — Director of Marketing, Pepper Palace (Shopify Retailer)



## Middleware costs

On average, competitors' middleware costs are ~37% higher than Shopify's.



*Data normalized with Shopify performance indexed at 100%.  
Competitor performance shown as relative percentage difference.*

## Middleware costs

Middleware costs are expenses retailers incur for software that connects various applications within their technology ecosystem, such as linking POS systems with ecommerce platforms. These costs typically include the price of middleware, and the expenses for technical maintenance and support.

Shopify's architecture reduces middleware costs by having both POS and ecommerce channels natively unified on a central platform. There is no need for additional software to connect two separate channels and data sets—customer, product, and order data are stored in Shopify's central data model, enabling seamless data flow and consistency across all channels. **Because of this, retailers using competitor platforms report 37% higher annual middleware costs than reported by retailers using Shopify.**

"When all sales are coming through Shopify, you don't have to maintain the integrations required when you use different systems to manage each channel. We can re-invest where it matters: delighting customers with impeccable products and service, and growing the business."

Alexandra McNab — Chief Operating Officer, Bared Footwear (Shopify Retailer)



## Third-party support costs

Most POS systems require costly and developer-dependent customizations to implement new functionality. While fulfillment options like buy online, pick up in-store (BOPIS) may be supported by both the ecommerce platform and POS system, developing cross-platform integrations are often required to bridge disparate business logic, processes, and workflows.

Shopify takes a different approach, combining native omnichannel capabilities with a robust app ecosystem and first-party developer tools to reduce dependencies on third-party developer support.

Natively unified ecommerce and POS solutions enable retailers to deploy omnichannel capabilities like BOPIS and endless aisle without custom development. Non-technical business users can easily customize the platform and deploy new functionality with no-code tools and pre-built apps, while developers can leverage Shopify's SDKs, UI extensions, and APIs for efficient in-house custom development. **As a result, retailers on Shopify report 89% lower annual third-party support costs than the competition.**

"Our brand has been able to unify our ecommerce and in-store customer experience and develop omnichannel strategies for the first time thanks to the adoption of Shopify POS after migration onto the Shopify ecommerce platform. We have gone from spending 80% of our time fixing technical incidents to a number closer to 10%. And the time we used to devote to solving technical issues, we now use to add value to the business."

Saül Aleu — Chief Technology Officer, Bobo Choses (Shopify Retailer)



# 04 Value creation

Selecting a core retail technology, such as a POS system, should encompass a holistic set of criteria that measure the solution's total value, considering both costs and return on investment. The right POS goes beyond savings, offering deeper insights, better productivity, and accelerated revenue growth.

As a standalone solution and compared to competitors, Shopify POS can deliver immediate operational benefits, including reduced payment processing fees, enhanced system uptime, improved staff productivity, and faster checkout processes.

But the true power lies in Shopify's unified commerce ecosystem. When retailers combine Shopify POS with their Shopify ecommerce operations, the value compounds significantly, **allowing retailers to realize an uplift of 8.9% in GMV on average.**

## Considerations

### Immediate benefits of Shopify POS

- Reduced payment processing fees
- Retail FTE productivity
- Enhanced uptime
- Faster checkout

### Extended benefits of Shopify through unified commerce

- Integrated inventory management
- Headquarters FTE productivity
- Enhanced return on marketing efforts

"Revenue growth experienced by retailers post-Shopify POS implementation is driven by unified commerce. We've helped retailers achieve a 100% unified view of the customer and a 100% unified view of serialized inventory via the single platform. Meaning, the retailer had a unified view of in-store credit, gift card balances, and inventory availability online.

This unified database between in-store and online customers supported their insights into customer segments, such as repeat buyers, and has been fed into marketing engines to create new revenue opportunities leading to online revenue growth of 78%."

Peter Tivy — CEO and Founder, Teifi Digital (Shopify Implementation Partner)

## Immediate benefits of Shopify POS

The independent consulting firm found that retailers using Shopify POS can quickly improve their bottom line through four key advantages: lower payment processing costs, enhanced productivity, platform uptime, and faster transactions. **In fact, the immediate advantages of migrating to Shopify POS alone can drive a 4% GMV improvement on average.**

### ROI snapshot

Retailers using Shopify POS to optimize staff productivity saw a 0.2% increase in GMV. For a business with \$100 million CAD annual GMV, that's an added \$200,000.

- 1. Reduced payment processing fees:** Integrating payment processing with a POS solution can reduce "all-in" transaction fees for retailers. Payment processing fees typically comprise two main components: a pay-per-transaction flat rate, and a variable processing fee which may differ based on the type of transaction, such as credit or debit charges and the card brand. This reduction is achieved through integrated payment processing within the Shop Pay ecosystem, which optimizes both flat-rate and variable processing fees across credit and debit transactions.
- 2. Retail FTE productivity:** Shopify POS's intuitive design enables staff to shift focus from administrative tasks such as inventory and order management to value-add activities, resulting in a 0.2% GMV boost. One retailer reported saving 10-20 seconds per transaction through streamlined workflows and automated routine tasks, creating significant efficiency gains at scale.
- 3. Enhanced uptime:** With 99.9% platform uptime during peak sales events like Black Friday/Cyber Monday, Shopify POS delivers 0.4% lower downtime costs annually compared to competitors on average. This reliability minimizes revenue loss from system outages and reduces the need for technical support resources, allowing retail staff to focus on sales rather than troubleshooting.
- 4. Faster checkout:** Shopify POS streamlines the checkout process through features like email capture at checkout, which automatically identifies buyers via credit card identifiers within the Shop Pay network. By connecting to the network's more than 150 million consumers, retailers can speed up customer data capture while also building a more comprehensive view of their behavior.

"The POS software itself, along with the hardware, is really easy to use. Instead of troubleshooting our card readers, checkout is much smoother. We've shaved off a good 10 to 20 seconds off each transaction, which adds up to big efficiency gains when you operate at our scale."

Corey Hnat — Director of Marketing, Pepper Palace (Shopify Retailer)

## Extended benefits of Shopify through unified commerce

Shopify stands alone in offering a truly native unified commerce platform, where POS and ecommerce solutions are built on the same architecture and business logic, share a central data model, and can be managed from a centralized back-office. **This unique approach delivers an additional 5% GMV uplift on average through integrated inventory management, improved headquarters productivity, and enhanced marketing effectiveness.**

- 1. Integrated inventory management:** Shopify's unified commerce ecosystem delivers approximately 1% improvement in annual GMV through integrated inventory management. Real-time inventory visibility across all channels enables optimized stock levels and enhanced reliability for features like Buy Online Pickup In Store (BOPIS). This seamless integration ensures accurate product availability, facilitates quick inter-location transfers, and maximizes sales potential across retail locations.
- 2. Headquarters FTE productivity:** By consolidating data into a centralized database, retailers using Shopify POS observed an average annual GMV boost of 0.5% by reallocating staff efforts from data reconciliation to other value-add activities. This equates to an estimated \$500,000 increase for a retailer with \$100M annual GMV.
- 3. Enhanced return on marketing efforts:** Through unified customer data across online and in-store channels, retailers report approximately 3% increase in GMV on average from improved marketing effectiveness. This single source of truth enables highly personalized campaigns, better customer segmentation, and more effective cross-selling opportunities.

"Shopify delivers the ultimate unified commerce experience under one easy-to-use platform. You can't underestimate just how much easier that makes things. I've been on projects where it's taken 12 to 18 months to roll out omnichannel capabilities. Whereas with Shopify, we did it in four months."

Navid Jilow — Director of Technology, Belstaff (Shopify Retailer)



# 05 Lower POS costs, improve your ROI

The independent consulting firm's research validates that Shopify POS is the most cost-effective solution among major competitors studied, delivering 22% better TCO on average. But the true strategic advantage lies beyond the cost savings—it's about how retailers choose to redirect resources to drive business growth.

While competitors continue spending time and money managing fragmented or legacy systems, Shopify retailers are reinvesting those resources into strategic initiatives that drive their business forward, realizing an average of 8.9% uplift in their GMV as a result.

The question isn't whether you can afford to switch to Shopify POS—it's whether you can afford not to. In today's retail environment, the competitive edge belongs to those who invest in growth rather than maintenance, in innovation rather than integration, and in customer experience rather than system upkeep.

Ready to claim your  
competitive advantage  
with Shopify?