



Jungle Scout





Amazon vs Shopify | 2022

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As an ecommerce brand or agency, one of the biggest decisions you need to make is where you or your clients are going to sell products. Of course, there are many platforms to choose from, but when first starting out it is likely a toss-up between Amazon FBA and Shopify.

Both Amazon FBA and Shopify are incredible ecommerce platforms to sell your products on, but which one is better for your brand? While there are some similarities between the two, they offer different solutions.

In this guide, we're going to explore:

-  The similarities and differences between Amazon FBA and Shopify
-  The pros and cons of each one
-  What it costs to sell on Amazon and on Shopify
-  Which platform is right for your brand or your clients



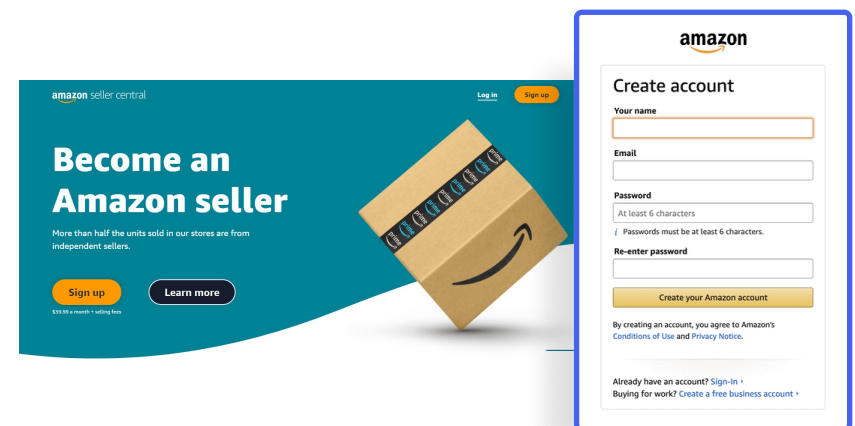
What are the similarities and differences between Amazon FBA and Shopify?

While both are great for selling products and growing brands, the two platforms are actually very different. Let's explore the similarities and differences between the Amazon marketplace and Shopify.

Similarities:

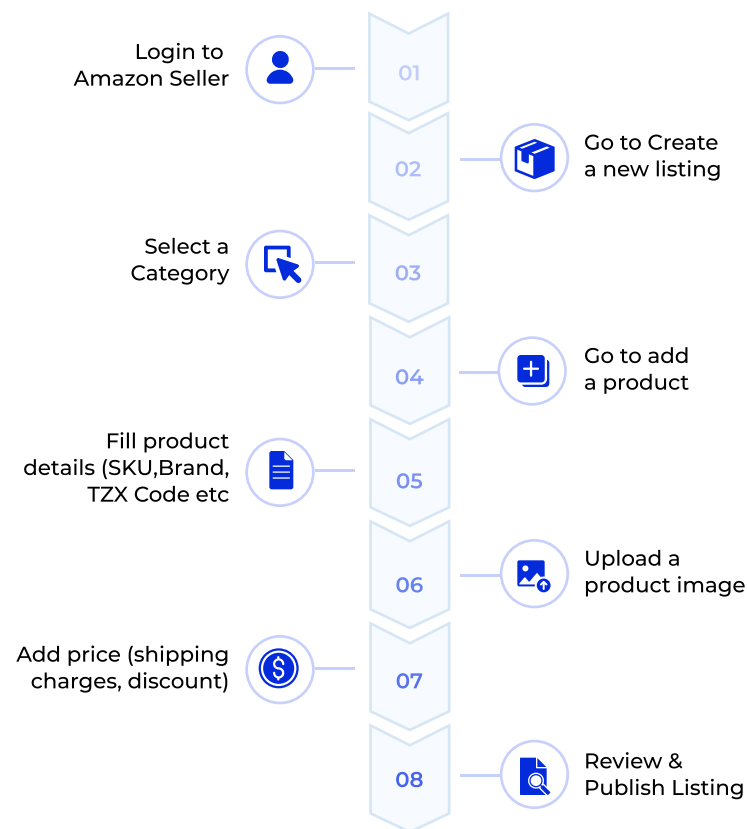
You don't need a registered business to get started

Although registering through Amazon's Brand Registry has many benefits, you do not have to have a registered business to sign up to sell on either Amazon or Shopify. You can sign up using your personal information and get started on selling products. Note that you need to go through an approval process on Amazon as they require a government ID, a chargeable credit card, tax information and other documents before you can create your account.



Easy to list products for sale

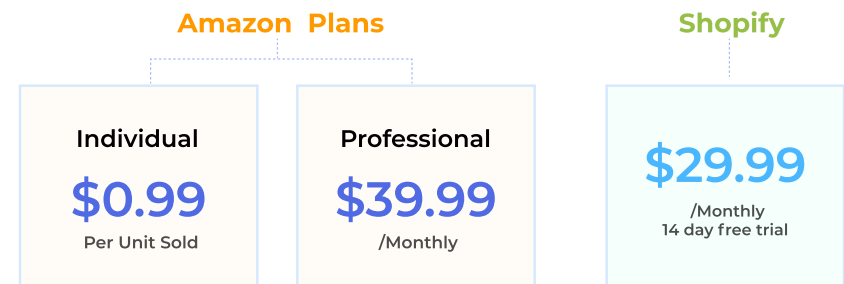
There is a bit of a learning curve on each platform but overall, both make it easy to list your products for sale once your accounts are set up. Each platform's user interface tells you what product information is required to go live. You don't need to know how to code to create a store on either platform!



Low set-up cost

Amazon has [two different seller plans](#) to choose from: Professional and Individual. While brands and agencies will ultimately want the added functionality of the Professional plan, you can use the limited Individual plan to get the hang of how Amazon works for free before committing to payments of \$39.99/month for the pro account.

Shopify typically offers a 14-day free trial, and then you will have to pay \$29.99/month for the basic selling plan.



Brand support

Both platforms offer support where you can ask questions as your brand begins its Amazon or Shopify journey. On top of that, both platforms also feature lots of helpful content and resources that can answer many of your brand's or clients' questions.

Differences

You have access to Amazon's loyal customers

If you sell on **Amazon**, you essentially have a built-in customer base of over 150 million Prime members.

[These shoppers trust Amazon](#) and are on the website to buy products they love and need. If you are selling popular products that customers are searching for, you can achieve organic sales without the use of advertising. (Though many brands take advantage of Amazon PPC Advertising.)

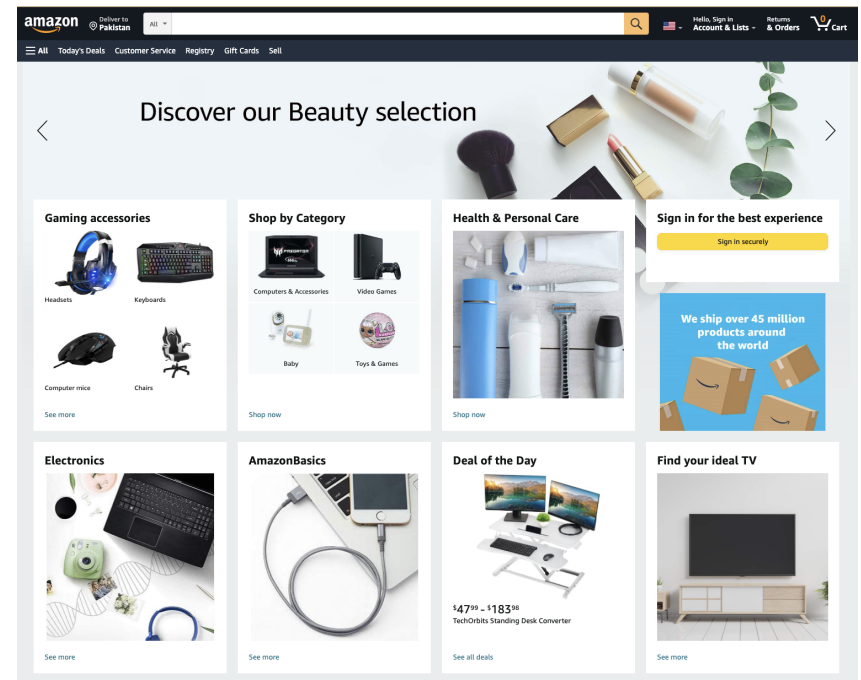
On **Shopify**, you are responsible for driving traffic to your website — Shopify does not do that for you. You can have the best website and product in your niche but if customers don't know that your brand exists, you obviously won't get any sales. Driving qualified traffic and profitable sales to your website can be challenging for brands just starting out on the platform.



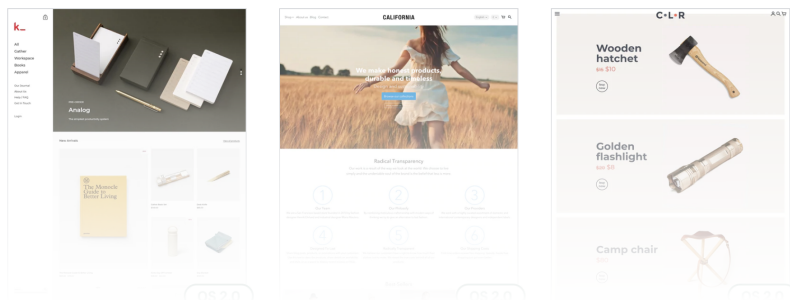
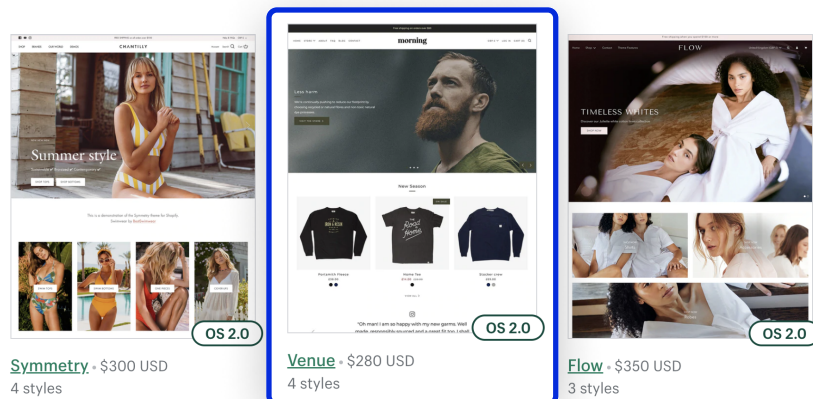
Amazon is a marketplace, Shopify is an ecommerce platform

When listing products for sale on Amazon, you or your clients are competing with thousands of other brands, sometimes on the same product listing. Brands compete with one another to gain the top spots in search results, vying for customer conversion.

On **Amazon**, brands cannot really customize listings like on **Shopify** but if your brand is enrolled in Brand Registry, you can create [A+ Content](#) and a customized [Amazon Storefront](#).



On **Shopify**, your brand has a customized online storefront that is all about your products, with no distractions from competitors or sponsored ads. You can build your brand's store with free and paid [themes](#) along with many useful apps you can connect to your store.



You'll pay various fees selling on Amazon

The one downside of selling on Amazon:

The numerous fees, which can account for nearly 30-40% of your sales revenue. When choosing a product to sell, be careful to accurately calculate the fees you will need to pay to Amazon. While they can add up, Amazon really does a lot for brands, especially if you're using FBA to fulfill orders.

On **Shopify**, the only fees your brand will need to pay are the monthly subscription cost, payment processing fee, and yearly domain name registration. All in all, it is much less than what you would pay in Amazon selling fees.

Amazon Fees



\$30 to 40%

No Shopify Fee



\$0.00

The pros and cons of selling on Amazon

Amazon's significant base of loyal customers makes it an exceptional platform for large brands to sell products. With that being said, there are some drawbacks that sellers need to consider. Let's go over the pros and cons of selling on Amazon.

Pros

- Once your products are live, you have immediate access to a vast audience
- Amazon is built for brands; you won't need to build your own ecommerce store
- You can use Amazon's advanced fulfillment network, Fulfillment by Amazon, to store inventory and fulfill your orders for you
- Amazon will handle FBA returns and customer service issues

You have access to advanced advertising tools such as Sponsored Products ads, Sponsored Brands ads, Sponsored Display ads, and much more

- Amazon is constantly innovating to make the marketplace better for brands
- You can sign up for various international Amazon marketplaces to have access to more customers worldwide
- You can try various business models such as [retail arbitrage](#), [wholesale](#), [dropshipping](#), and [private label](#)
- You can enroll your brand in Amazon's Brand Registry to have access to more advanced selling tools such as A+ Content, storefronts, [video ads](#), [Amazon Attribution](#) and [Amazon Live](#)
- Customers are much [more likely to convert on Amazon](#) than on other ecommerce stores

We can go on and on about the pros of selling on Amazon, but these are just some of its main selling points.

Cons

- It can be expensive, with fees ranging from 15% (if you don't use FBA) up to 40%
- Competition continues to grow every year
- Aside from images and copy, you cannot customize your brand's listings to stand out
- You must follow Amazon's Terms of Service or risk suspension/permanent removal
- Amazon can change its rules at any time
- Amazon PPC is competitive and can eat up your entire profit margin if not done correctly
- If you have an issue, Seller Support isn't always very helpful
- Some categories and products have become saturated and competition is tough

The pros and cons of selling on **Shopify**

Shopify is an incredible platform that helps to empower brands to build or grow their ecommerce business. It has many valuable features, including the ability to create a custom website for your brand. However, there are some downsides that you need to be aware of before creating a store for your brand on Shopify.

Pros

- A free 14-day trial allows you to explore how Shopify works and play around with its features
- You have full control over your brand's dedicated and customizable ecommerce store
- Shopify provides you with free store themes to choose from
- Shopify's [Fulfillment Network](#) can store and fulfill orders for you, similar to Amazon FBA
- There are no costly selling fees that eat into your profit margin
- The Shopify app store lets you download various plugins that add functionality to your store
- You can create a one-product store or sell as many products as you'd like
- You can build a mobile-friendly store so customers can easily make purchases from your brand on the go

Cons

- Shopify makes it easy to build a store but there's a bit of a learning curve for first-timers
- Since it's not a marketplace with built-in customers like Amazon, [eBay](#), [Facebook](#), or [Walmart](#), you need to market and drive traffic to your brand's website through platforms such as Google ads, Facebook ads, and social media
- Most apps in the app store are not free
- Shopify offers only 9 free themes with simple functionality; advanced customization features are found in paid themes

As you can see, there are pros and cons to both Amazon and Shopify. **Figure out what is most important and decide which — if not both — is right for your brand or clients.**

What does it cost to sell on each Platform?

Now that we've gone over the pros and cons of both Amazon and Shopify, what does it cost to actually sell your brand's products on each one? Both have their own fee structures that you will need to evaluate when choosing where to sell your products.

Amazon Fees

Referral fees

This fee is paid by all Amazon sellers, whether or not you use FBA. It is Amazon's "commission" for selling on their platform.

Cost: It is typically 15% of each sale, depending on the category.

Selling plan fees

This will vary depending on the selling plan you choose. As mentioned previously, enterprise brands and agencies will want to opt for the Professional plan for \$39.99/month. This plan gives you access to more selling features such as the

[Buy Box](#) and [PPC advertising](#).

Cost: It is typically 15% of each sale, depending on the category.

Selling Plan Fees



15%
of Each Sale

Selling Plan Fees



\$39.99
/Monthly

Refund administration fees

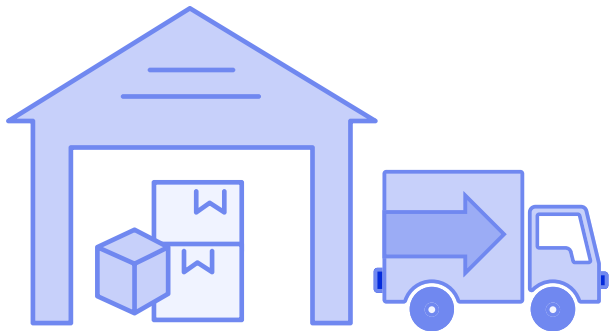
Amazon charges you a fee to process your FBA returns. The fee is either \$5.00 or 20% of the refunded amount, whichever is less.

FBA fees

Amazon stores, picks, packs, and ships your items for you. To cover that cost, Amazon charges an FBA fee, which depends on the size and weight of the product shipped.

FBA storage fees

If you have inventory left over in Amazon's warehouses at the end of each month, you will be charged a storage fee, which depends on how much space is being used. If your inventory has been stored at a fulfillment center for over 180 days, Amazon charges you a long-term storage fee.



For a full breakdown of all of Amazon's fees, please check out: [Amazon FBA Fees: How They Work and How to Profit as a Seller.](#)

Shopify fees

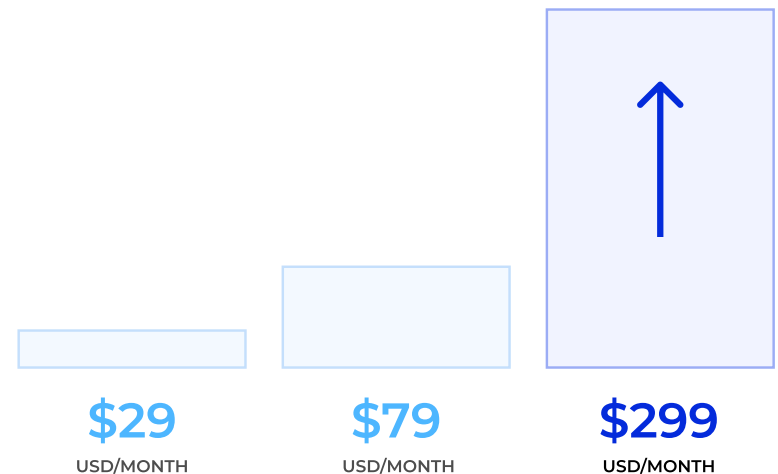
Does Shopify cost money?

Yes, let's go over the selling plans. When signing up for Shopify, you'll have three options to choose from:

01 The Basic Shopify Plan

02 The Shopify Plan, and

03 The Advanced Shopify Plan



For some ecommerce brands, the basic \$29/month plan is perfect. Many, however, will need the added functionality of the Shopify or Shopify Advanced plans. As you grow your business, revisit the plans and assess which ones could be more profitable or beneficial for your brand.

As you can see below each plan, you will also be charged a credit card processing fee per transaction. For the basic plan, that cost is 2.9% + \$0.30.

Is Amazon or Shopify better for my business?

This depends on your brand's goals. Weigh the pros and cons listed in this guide and figure out which solution will work best for your business.

If you are a reseller doing retail/online arbitrage or wholesale, Amazon will likely be the better option for you. This is because you can list your products on an already existing Amazon listing with a sales history. While you can do this on Shopify, it will be more difficult to make sales.

Shopify is a favorable option if you really want to grow your brand awareness with a fully customizable website. It is also a much better option for brands who want to get into [dropshipping](#).

Also, just because Amazon has millions of customers worldwide, that does not automatically mean you will be successful and make sales. Since there is a low barrier to entry, the marketplace welcomes new brands every day.

A lot of research needs to go into choosing the right products and creating effective advertising campaigns to grow your brand's organic rank on Amazon. Amazon is more beginner-friendly; you can sell and advertise directly to the built-in audience that is already visiting the website. Ultimately, it is really up to you to decide where you want to sell your brands.



Can I sell my products on both Shopify and Amazon?

Yes, of course, you can! As you grow your brand, it is always best to diversify your sales channels and implement an omnichannel presence. Amazon is great for making money and increasing brand awareness with a large audience; having a Shopify store helps to build your brand identity with the potential to scale.

If your brand decides to sell on both platforms, you can sync your Shopify store with your FBA inventory. This means that Amazon can ship your Shopify orders for you, just like they do for your Amazon orders! This is a good option for brands that have lots of products and inventory that don't have the capacity to store and ship online orders.

To learn more about how to integrate Amazon FBA with Shopify check out our in-depth [How to Integrate Amazon FBA with Shopify guide.](#)



Where will you sell your products?

Choose Shopify if you want full control over your branding and choose Amazon if you're looking for more of a "hands-off" approach to selling online.

We hope this helps you to figure out the similarities and differences between selling on Amazon and selling on Shopify, and brings you steps closer to deciding where to sell your brand's products or how to advise your clients. They're both excellent options!

Here are some in-depth guides on how to sell on both Amazon and Shopify:

How to Sell on Amazon for Beginners

[Read More](#)








How to Sell on Shopify

[Read More](#)

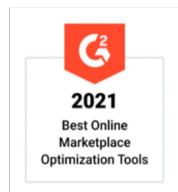
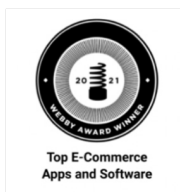
About Jungle Scout

Jungle Scout is the leading all-in-one platform for selling on Amazon and beyond. Founded in 2015 as the first Amazon product research tool, Jungle Scout today features a full suite of best-in-class business management solutions and powerful market intelligence resources to help brands, agencies and investors manage their ecommerce businesses.

-  Supports \$40 billion in Amazon revenue
-  Serves more than 600,000 customers worldwide
-  Raised \$110 million in growth equity in 2021
-  Monitors over 1.8 billion data points daily
-  Supports up to 17 global marketplaces

Recognized as the most trusted platform for selling on Amazon

Industry Leaders



Find out more about the tools and insights Jungle Scout offers today!

[Learn more](#)