

Shopify vs Etsy: Which Is More Profitable?

If you're deciding where to build your online business, Shopify and Etsy represent two fundamentally different paths — and the choice shapes your costs, your workload, your growth ceiling, and ultimately your profit. They're often pitched as competitors, but they're really opposite models: Etsy is a marketplace that brings customers to you, while Shopify is your own store that you must bring customers to yourself.

So which is more profitable? The honest answer is that it depends on what you sell, how you get traffic, and how big you want to grow — and this guide will show you exactly how to figure out which fits your situation. We'll compare startup costs, fees, traffic sources, profit margins, and scalability, with practical examples throughout, and end with clear recommendations for which sellers should choose each (and why many use both).

The central insight to keep in mind from the start: **Etsy's higher per-sale fees include access to its built-in audience, while Shopify's much lower fees do not include traffic at all — you pay for that separately.** That single difference drives almost everything that follows. All fee figures reflect each platform's official US rates as of mid-2026; verify current rates before committing.

1. Platform Overview

To understand profitability, you first have to understand that these are two different *kinds* of thing.

Etsy: a marketplace

Etsy is a curated marketplace — think of it as renting a stall in a busy, well-known mall. Its defining traits:

- **It brings you traffic.** Etsy has a large built-in audience (around 86.6 million active buyers as of late 2025) actively searching for handmade, vintage, and craft goods. You tap into that existing flow of shoppers.
- **You're restricted to specific categories:** handmade goods, vintage items (20+ years old), and craft supplies. You can't sell just anything.
- **It's easy to start:** open a shop, list items, and you're visible to buyers almost immediately.
- **You operate within Etsy's ecosystem:** its rules, its search, its branding constraints, and its fees on every sale. Etsy largely owns the customer relationship.

Shopify: your own store

Shopify is an ecommerce platform that lets you build and run *your own* independent online store — like owning a standalone shop on your own property. Its defining traits:

- **It brings you nothing — you bring the traffic.** Shopify provides the storefront, checkout, and tools, but no built-in audience. Your store is empty until you drive visitors to it through marketing.
- **You can sell anything** (within legal limits) — no handmade/vintage restriction.
- **You own everything:** your brand, your customer data, your email list, the full experience. There are no competing listings on your own site.
- **It costs more to start and run, and demands marketing skill,** but it offers near-unlimited control and growth.

The fundamental tradeoff

This is the heart of the comparison. **Etsy trades higher fees and less control for built-in traffic and an easy start. Shopify trades a harder start and self-driven traffic for lower per-sale costs, full ownership, and unlimited scaling.**

Neither is universally "better." Etsy is like getting customers handed to you in exchange for a cut of every sale and limited control. Shopify is like building your own business where you keep more of each sale and own the customer — but only if you can get customers through the door. Everything else in this guide is about quantifying that tradeoff for your situation.

2. Startup Costs

The barrier to entry is dramatically different, and it favors Etsy heavily for beginners.

Etsy startup costs

Etsy is one of the cheapest ways to start selling online:

- **One-time shop setup fee:** \$15–\$29 (introduced in 2024 for new shops), plus identity verification.
- **Listing fee:** \$0.20 per item listed.
- **No monthly subscription required** for a basic shop.

You can realistically open an Etsy shop and list your first products for **under \$30 total.**

There's no ongoing fixed cost just to keep the doors open — you mostly pay when you list and when you sell. This low barrier is a big part of Etsy's appeal for beginners and hobbyists testing an idea.

Shopify startup costs

Shopify requires more upfront and ongoing commitment:

- **Subscription:** the Basic plan is **\$39/month** (about \$29/month if paid annually). Shopify often runs an intro promotion (a free trial followed by a few months at a nominal rate), but the real ongoing cost is \$39+/month.
- **Domain:** optional but recommended, roughly \$10-\$15/year.
- **Theme:** free themes are available and good; premium themes are a one-time \$180-\$350.
- **Apps:** optional, but many stores add apps (\$0 to several hundred per month).
- **Marketing:** the big one — because you must drive your own traffic, you'll likely spend on ads or invest significant time in organic marketing from day one.

Realistically, a Shopify store costs **\$40-\$100+/month to run before any marketing spend**, and meaningful traffic usually requires an advertising budget or substantial time investment. The barrier is much higher than Etsy's.

Startup verdict

For pure startup cost, **Etsy wins decisively** — you can start for under \$30 with no monthly commitment, while Shopify costs \$39+/month from the start plus the cost of attracting traffic. For beginners, hobbyists, and anyone testing the waters, Etsy's low barrier is a major advantage. Shopify's higher cost only makes sense once you can put traffic through the store to justify it.

3. Fee Comparison

This is where the two models diverge most sharply — and where the "traffic included vs not" insight becomes concrete.

Etsy's fees (US)

- **Listing fee:** \$0.20 per listing (renews every 4 months or per item sold).
- **Transaction fee:** 6.5% of the total (item + shipping); not charged on US sales tax.
- **Payment processing:** 3% + \$0.25 per order.
- **Offsite Ads:** 12-15% on ad-attributed sales (mandatory at 12% once you exceed \$10,000/year; optional 15% below that).
- **Optional:** Etsy Ads (onsite, pay-per-click), Etsy Plus (\$10/month).

Combined standard Etsy fees run about 10-11% of each sale (6.5% + 3% + the fixed \$0.20 and \$0.25), before any advertising. With Offsite Ads, an attributed sale can cost 22-28%.

Shopify's fees (US)

- **Subscription:** \$39/month (Basic), rising with higher plans (Grow \$105, Advanced \$399).
- **Payment processing (Shopify Payments):** 2.9% + 30¢ per online sale on Basic (2.7% on Grow, 2.5% on Advanced).
- **No per-sale commission** — Shopify takes no percentage cut beyond payment processing if you use Shopify Payments.
- **Third-party gateway surcharge:** 0.5-2% if you *don't* use Shopify Payments (avoidable).
- **Apps:** variable.

Shopify's per-sale cost is just the ~3% payment processing, plus the fixed monthly subscription spread across your sales.

The crucial difference

Per transaction, Shopify is far cheaper: ~3% versus Etsy's ~10%+. But this comparison is incomplete and misleading on its own, because of what each fee *includes*:

- **Etsy's ~10% fee includes traffic.** That cut pays for access to Etsy's millions of built-in shoppers. You don't have to find customers — Etsy's marketplace does (largely).
- **Shopify's ~3% fee includes no traffic at all.** It's purely payment processing. You must pay to acquire every customer separately — through ads, or the time cost of organic marketing.

So the real comparison isn't 10% vs 3%. It's **10% (with traffic) vs 3% + your-cost-of-getting-traffic**. Whether Shopify is cheaper depends entirely on how cheaply you can drive traffic:

If your blended cost of getting a customer on Shopify is **less than ~7% of revenue** (the gap between Etsy's ~10% and Shopify's ~3%), Shopify is cheaper overall. If it costs **more than ~7%**, Etsy is cheaper.

Early on, Shopify traffic is expensive (you're buying cold ads), so Etsy's bundled traffic often wins. Over time, as you build organic search traffic, an email list, and repeat customers — all near-free — your Shopify traffic cost drops well below 7%, and Shopify pulls ahead. This dynamic is the key to the entire profitability question.

4. Profit Potential

Let's make the tradeoff concrete with examples. Take a handmade product priced at **\$40**

that costs **\$12** to make.

Per-sale comparison

On Etsy (no offsite ad):

- Fees: $\$0.20 + 6.5\% \times \$40 (\$2.60) + (3\% \times \$40 + \$0.25 = \$1.45) = \mathbf{\$4.25}$
- Profit: $\$40 - \$12 - \$4.25 = \mathbf{\$23.75}$ — and Etsy supplied the customer.

On Shopify (Basic):

- Payment fee: $2.9\% \times \$40 + \$0.30 = \mathbf{\$1.46}$
- Profit before traffic cost: $\$40 - \$12 - \$1.46 = \mathbf{\$26.54}$
- But you must subtract the cost of acquiring that customer:
 - If the sale came from **free traffic** (organic search, email, a repeat buyer): profit $\approx \mathbf{\$26.54}$ — better than Etsy.
 - If it came from **paid ads costing \$8**: profit = $\$26.54 - \$8 = \mathbf{\$18.54}$ — worse than Etsy.
 - If it came from ads costing **\$5**: profit = $\mathbf{\$21.54}$ — roughly comparable.

This single example captures everything. **Shopify lets you keep more per sale — but only if you can get the customer cheaply.** Etsy costs more per sale but includes the customer.

Monthly comparison at small scale

A seller doing **50 sales/month at \$40** (\$2,000 revenue, \$600 COGS):

- **Etsy (no offsite ads):** fees $\approx \$4.25 \times 50 = \212.50 . Net = $\$2,000 - \$600 - \$212.50 = \mathbf{\$1,187.50}$ (traffic included).
- **Shopify with free/organic traffic:** payment fees $\approx \$1.46 \times 50 = \73 , plus \$39 plan = \$112. Net = $\$2,000 - \$600 - \$112 = \mathbf{\$1,288}$ (slightly better than Etsy).
- **Shopify with paid traffic at \$8/sale:** subtract \$400 in ad spend \rightarrow net $\approx \mathbf{\$888}$ (worse than Etsy).

At small scale, the platforms are roughly comparable *if* your Shopify traffic is cheap — and Etsy's built-in audience makes getting those early sales much easier. This is why beginners often profit sooner on Etsy.

At larger scale

A seller doing **\$50,000/month**:

- **Etsy:** $\sim 10\%$ in standard fees $\approx \$5,000/\text{month}$, *plus* mandatory Offsite Ads (12%) on attributed sales — easily \$6,000–\$8,000+/month in total platform fees. And Etsy owns

the customer relationships, so every sale keeps paying the full fee.

- **Shopify:** payment processing ~3% ≈ \$1,500, plus an Advanced plan (\$399) and apps (~\$500) ≈ \$2,400/month in platform costs, *plus* marketing. But by this scale you've likely built organic traffic, an email list, and repeat customers, so a large share of sales cost little to acquire — and you can remarket to your customer base at near-zero cost.

At scale, Shopify's structural advantages compound: lower per-sale costs, owned customer relationships you can sell to again cheaply, and brand equity. **Etsy tends to be more profitable early and at low volume; Shopify tends to be more profitable at scale,** especially once you've built traffic sources you own.

The profit verdict

- **Early stage / low volume / hard-to-get traffic:** Etsy is often more profitable, because its bundled traffic gets you sales you couldn't easily generate yourself.
 - **At scale / with owned traffic (SEO, email, repeat customers):** Shopify is usually more profitable, because you keep far more per sale and own the customers.
 - The pivot point is your **cost of traffic**. Cheap traffic favors Shopify; expensive or hard-to-get traffic favors Etsy.
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5. Marketing Differences

How you attract customers is the biggest practical difference between the platforms, and it determines how much work — and skill — profitability requires.

Etsy: built-in audience + Etsy SEO

On Etsy, much of your marketing happens *within Etsy*:

- **Built-in browse and search traffic:** Etsy's shoppers find products by searching and browsing the marketplace. Ranking well in Etsy's search (through good titles, tags, attributes, and strong listings) brings you traffic without external advertising.
- **Etsy SEO is the core skill:** optimizing listings to rank in Etsy's search engine is far simpler than running ad campaigns or building external traffic.
- **Offsite Ads:** Etsy can market your products on Google and social platforms for you, charging 12–15% only on resulting sales — effectively outsourcing external marketing (for a fee).
- **Lower marketing effort and cost to start,** because Etsy's audience does much of the work. The trade-off is competing against millions of other Etsy sellers for the same shoppers.

On Shopify, every visitor is your responsibility to attract:

- **You run the full marketing stack:** paid ads (Google, Meta, TikTok), search engine optimization, social media, email and SMS, influencer partnerships, and content. There is no built-in traffic.
- **It requires real marketing skill and budget**, which is the steepest part of the Shopify learning curve and the main reason stores fail.
- **But you own the audience and customer relationship.** You collect emails, remarket freely, build a brand, and turn one-time buyers into repeat customers at near-zero cost — none of which Etsy lets you do as fully.
- **No competing listings:** on your own store, customers see only your products, not a page of competitors' alternatives.

Marketing verdict

Etsy is far **easier and cheaper to market** at the start — its audience and search bring you customers with modest effort. Shopify demands **more skill, effort, and budget** to drive traffic, but rewards it with owned audiences and repeat-customer economics that Etsy can't match. If you don't want to (or can't yet) learn marketing, Etsy is the gentler path. If you can drive traffic — or are willing to learn — Shopify's ownership pays off over time.

6. Scaling Potential

Where the platforms differ most in the long run is how far and how profitably they let you grow.

Etsy's scaling limits

Etsy is wonderful for starting but has real ceilings:

- **Fees scale linearly forever.** Every sale, no matter how large your shop grows, pays the full ~10%+ (plus mandatory Offsite Ads above \$10k/year). There's no economy of scale on commission.
- **You don't own the customer.** Etsy controls the customer relationship and data, limiting your ability to remarket, build loyalty, and drive cheap repeat sales — the cheapest growth there is.
- **Limited branding.** Your shop lives inside Etsy's template and ecosystem; building a distinct, memorable brand is constrained.
- **Platform dependence and rules.** You're subject to Etsy's policies, fee changes, and category restrictions, and your shop's value is tied to the platform.

- **Category restriction caps your range.** You can only ever sell handmade, vintage, or craft supplies.

Shopify's scaling strengths

Shopify is built to scale into a real, valuable business:

- **Per-sale costs shrink relatively as you grow.** With only ~3% payment processing and a fixed monthly fee, your platform cost as a percentage of revenue *falls* as volume rises (and higher plans lower processing rates further).
- **You own the customer relationship and data.** Email lists, remarketing, loyalty, and subscriptions let you sell repeatedly to existing customers at near-zero acquisition cost — the engine of profitable scaling.
- **You build brand equity.** A Shopify store with its own audience and brand is a genuine business asset that can be grown, expanded across channels, and even sold — unlike a platform-dependent Etsy shop.
- **Unlimited control and range.** Sell anything, customize everything, add channels and markets, and grow without category limits or a marketplace's constraints.

Scaling verdict

Etsy is built for starting; Shopify is built for scaling. Etsy's ease makes it ideal for getting going, but its linear fees, lack of customer ownership, and branding limits create a ceiling. Shopify's lower per-sale costs, owned customer relationships, brand equity, and unlimited flexibility make it the far stronger platform for building a large, durable, valuable business. The bigger your ambitions, the more Shopify's advantages matter.

7. Which Sellers Should Choose Each?

There's no universal winner — the right platform depends on what you sell, your stage, your skills, and your goals.

Choose Etsy if...

- **You sell handmade, vintage (20+ years), or craft supplies.** These are Etsy's native categories, where its audience is actively shopping. (If you sell these *and* want easy traffic, Etsy is a natural fit.)
- **You're a beginner or hobbyist** who wants the lowest-cost, easiest start with built-in customers.
- **You don't want to learn marketing** (yet). Etsy's audience and search do much of the customer-finding for you.

- **You're testing a product** and want quick validation without building a store and traffic from scratch.
- **You sell low volume** or treat it as a side project where the ~10% fee is worth the convenience.

Choose Shopify if...

- **You sell products outside Etsy's categories** (anything not handmade/vintage/craft) — Shopify (or a marketplace like eBay/Amazon) is your path by default.
- **You want to build a brand** and own your customer relationships, data, and experience.
- **You can drive traffic** — through marketing skill, an existing audience, content, or ad budget.
- **You're scaling** beyond hobby volume and want lower per-sale costs and repeat-customer economics.
- **You want a business asset** with real, sellable value independent of any marketplace.

Use both (a common, smart strategy)

Many successful sellers don't choose — they use **both platforms for different jobs**:

- **Etsy as a discovery channel:** tap its built-in audience to find new customers and generate early sales, especially for handmade goods.
- **Shopify as the brand home:** build your own store to capture repeat customers, sell at lower cost, control branding, and grow customer lifetime value.

A typical path: start on Etsy for its easy traffic and low barrier, learn what sells, then build a Shopify store to own your brand and customers — directing repeat buyers there to avoid Etsy's per-sale fees, while continuing to use Etsy for new-customer discovery. This captures Etsy's traffic advantage *and* Shopify's ownership and scaling advantages.

8. FAQ

Which is more profitable, Shopify or Etsy? It depends on your stage and traffic. Etsy is often more profitable early and at low volume, because its ~10% fee includes access to built-in customers. Shopify is usually more profitable at scale and when you can drive traffic cheaply (organic, email, repeat buyers), because you keep far more per sale and own the customers.

Which is cheaper to start? Etsy, by far. You can open a shop for under \$30 (a one-time setup fee plus \$0.20 per listing) with no monthly cost. Shopify is \$39+/month from the start, plus the cost of driving traffic.

Which has lower fees per sale? Shopify — roughly 3% payment processing versus Etsy's ~10%+ per sale. But Etsy's fee includes traffic, while Shopify's doesn't, so Shopify's lower fee only translates to higher profit if you can acquire customers for less than the ~7% difference.

Does Etsy bring me customers? Yes — that's its main advantage. Etsy has a large built-in audience searching its marketplace, so ranking in Etsy search brings you traffic without external advertising. Shopify brings you no traffic; you must attract every visitor yourself.

Can I sell anything on Shopify? Yes (within legal limits). Shopify has no category restrictions. Etsy, by contrast, only allows handmade goods, vintage items at least 20 years old, and craft supplies — so non-qualifying products can't be sold there at all.

Which is better for handmade products? Etsy is the natural home for handmade goods, with an audience specifically seeking them and an easy start. But handmade sellers building a brand often add a Shopify store to capture repeat customers at lower cost and grow beyond Etsy's limits.

Which is easier for beginners? Etsy. It's cheaper to start, requires no store-building or traffic generation, and hands you a built-in audience. Shopify has a steeper learning curve, mainly because you must drive your own traffic.

Which scales better? Shopify. Its lower per-sale costs, owned customer relationships, brand equity, and unlimited flexibility make it far stronger for building a large business. Etsy's linear fees, lack of customer ownership, and branding limits create a ceiling.

Do I own my customers on each platform? On Shopify, yes — you own customer data and can remarket and build loyalty freely. On Etsy, the platform largely controls the customer relationship, limiting repeat-marketing — a key reason Shopify scales more profitably.

How much does each really cost at \$5,000/month in sales? Etsy: roughly \$500+ in standard fees (~10%), more if Offsite Ads apply. Shopify: about \$150 in payment processing (~3%) plus the \$39+ plan — but you must also fund the marketing to generate that \$5,000, which Etsy's fee partly covers for you.

What is Etsy's Offsite Ads fee and does Shopify have one? Etsy charges 12-15% on sales that come from its external ads, mandatory once you pass \$10,000/year. Shopify has no equivalent mandatory ad fee — you choose and control all your own advertising.

Should I use both Shopify and Etsy? Often, yes. A common strategy is using Etsy for customer discovery (its built-in traffic) and Shopify as your brand home for repeat customers and lower-cost sales. This captures Etsy's traffic advantage and Shopify's ownership and scaling benefits.

Which should I choose if I'm not technical? Etsy is simpler and requires no store-building or marketing-tech setup. Shopify is designed to be user-friendly too, but running a

successful store involves more moving parts — especially marketing — so Etsy is the gentler entry point.

Will I make money faster on Etsy or Shopify? Usually Etsy, because its built-in audience can generate sales almost immediately, while a new Shopify store starts with zero traffic and must build it. Shopify's payoff comes later, as you grow owned traffic and a brand.

Can I move from Etsy to Shopify later? Yes, and many sellers do. A frequent path is starting on Etsy to validate products and build early sales, then launching a Shopify store to own the brand and customers — often running both, with Etsy for discovery and Shopify for repeat business.

9. Conclusion

Shopify and Etsy aren't really the same kind of competitor — they're two different models, and "which is more profitable" comes down to one question: **can you get traffic cheaply, or do you need it handed to you?** Etsy hands you a built-in audience in exchange for ~10%+ of every sale and limited control. Shopify charges only ~3% payment processing and gives you full ownership — but the traffic is entirely your job.

For **beginners, hobbyists, and handmade sellers who want an easy, low-cost start**, Etsy is usually more profitable early: its built-in audience generates sales you couldn't easily produce yourself, and its sub-\$30 startup cost removes the barrier to entry. For **brand builders, sellers of any product type, and anyone scaling with traffic they can drive cheaply** — through SEO, email, social, or repeat customers — Shopify becomes more profitable over time, because you keep far more per sale, own your customers, and build a real, sellable business asset. The pivot point is your cost of traffic: below roughly 7% of revenue, Shopify wins; above it, Etsy does.

The smartest sellers often refuse to choose, using **Etsy for discovery and Shopify for brand and repeat business** — capturing the strengths of both. Whichever path you take, run the real numbers for your products and your traffic situation: estimate your fees on each platform and, crucially, your realistic cost of acquiring a customer on Shopify versus the traffic Etsy includes. Match the platform to your product, your stage, and your ability to drive traffic, and you'll know exactly which one makes *you* more money — today and as you grow.

All fees reflect each platform's official US rates as of mid-2026. Etsy: \$0.20 listing, 6.5% transaction, 3% + \$0.25 payment processing, 12-15% Offsite Ads on attributed sales, plus a one-time shop setup fee. Shopify: \$39/month Basic (higher on upper plans) and 2.9% + 30¢ Shopify Payments processing (lower on higher plans), with no per-sale commission. Both

platforms update fees periodically, and rates vary by plan, category, and circumstance. Profit and traffic-cost figures are illustrative examples, not guarantees — actual results depend on your products, margins, and ability to drive traffic. Always verify current rates and model your own numbers before deciding.