

Shopify Margin Leak Self-Check

A one-hour check of the six places margin goes between the order total and your bank, using reports and exports you already have in Shopify.

Before you start

- You need: a Shopify admin login, a CSV viewer, a calculator, and the last 90 days as your period.
- Work on your own computer. Do not paste customer data into online tools.
- Write down the rows behind every finding. A finding without rows is a guess.
- Treat results as leads. One odd order is noise; the same pattern across many orders is a decision.

The six checks

1. Discounts
2. Shipping
3. Returns
4. Payment fees
5. Apps
6. Product cost

Statements about how Shopify works come from Shopify Help Center pages, listed on each page. Help Center pages change, so check the current page before relying on a detail. Dollar figures are invented examples, not benchmarks. This worksheet makes no promise about how much any store can recover. Not affiliated with, endorsed by or sponsored by Shopify Inc.

Discounts

Which discounts cost you the most, and are any still running that should not be?

Where to look

- Analytics > Reports > **Sales by discount codes**. Shopify says it groups sales by discount name (code or automatic) with columns including orders, total sales, discount amount and shipping.
- Settings of each large discount: **Combinations**. Shopify says each discount has its own setting and both discounts must allow a combination; a customer can use up to 5 product or order codes and 1 shipping code on one order.

Do this

1. Run the report for 90 days.
2. For each row, divide discount amount by total sales.
3. Mark any code older than its campaign.
4. Open Combinations on your three largest discounts and note what they allow.

Write it down

Discount name	Orders	Total sales	Discount amount	Share (÷)	Still meant to run?

Worked example (invented numbers). \$40 price, \$22 cost: margin $(40-22)/40 = 45\%$. With 20% off: $(32-22)/32 = 31.25\%$. Profit per order falls from \$18 to \$10, so you need 80% more orders to earn the same total. Try your own numbers:
marginleakaudit.com/discount-impact-calculator

Source: Shopify Help Center, Discount combinations; Sales report; Profit reports. Guide:
marginleakaudit.com/blog/shopify-discount-codes-margin

Shipping

What did customers pay for shipping, and what did the labels cost you?

Where to look

- Analytics > Reports > Orders: **Shipping labels over time** (total label cost for a period) and **Shipping labels by order** (carrier, service, package, weight, customer shipping price, label cost). Shopify says these reports exclude return labels.
- If you buy labels outside Shopify, use your carrier invoice and match by order number.

Do this

- Export Shipping labels by order for 90 days.
- Add a column: customer shipping price minus label cost.
- Sort most negative to most positive and total it.
- Look for a pattern by product, destination, service or weight.

Write it down

Item	Your number
Total charged to customers for shipping	
Total label cost	
Net shipping result (charged – cost)	
Import duties you paid (if any)	
Pattern found (product / destination / service)	

Remember. Free shipping is a discount. A \$9 label on a free-shipped order comes straight out of that order's profit. Shopify's product-level sales reports exclude shipping, so shipping needs its own line.

Source: Shopify Help Center, Order reports; Sales report; Shipping rates. Guide: marginleakaudit.com/blog/shopify-free-shipping-margin

Returns

Which products come back, and what does a return cost beyond the refund?

Where to look

- Analytics > Reports > Orders: **Orders and reversals by product**. Shopify has no dedicated returns report; reversals include refunds, returns, cancellations and edits.
- Shopify says credit card fees are not refunded with Shopify Payments, and transaction fees are also not refunded with a third-party gateway where Shopify Payments is available.
- Your return rules: return shipping and restocking fees.

Do this

1. List your top five products by reversals and divide by units sold.
2. For each, estimate the cost of one return: fee not refunded + labels + shipping refunded + waived fees + stock you cannot resell.
3. Compare with that product’s margin.

Write it down

Product	Reversals	Units sold	Rate	Cost per return	Margin per order

Source: Shopify Help Center, Order reports; Refunding orders; Creating and processing returns and exchanges. Guide: marginleakaudit.com/blog/shopify-returns-real-cost

Payment fees

What did you actually pay to take payment, as a share of sales?

Where to look

- Settings > Payments > Shopify Payments > Manage shows your standard rates; a payout's detail page shows an overview of the fees charged for that payout. Shopify says your credit card rate depends on your plan, and that third-party providers add a Shopify transaction fee to the provider's own fees.
- If you use a third-party provider, use that provider's statements.

Do this

1. Take total sales for 90 days.
2. Take total fees for the same period (include any Shopify transaction fee).
3. Divide fees by sales. This is your effective rate. Use it, not the headline rate.

Write it down

Item	Your number
Total sales, 90 days	
Total fees, 90 days	
Effective rate (fees ÷ sales)	
Other fees seen on payouts (disputes, currency, other)	

Do not copy a rate from anywhere else. Rates depend on plan, country and provider. Your statements are the evidence.

Source: Shopify Help Center, Viewing your Shopify Payments payout fees; Refunding orders. Guide: marginleakaudit.com/blog/shopify-payment-fees-per-order

Apps

What do your apps cost each month, and what does each one earn or save?

Where to look

- Settings > Billing: **View current charges** and **Past bills**. Shopify says subscription and usage charges appear on your Shopify bill, one-time purchases are billed on separate invoices, and some apps bill outside Shopify and do not appear there.
- Settings > Apps for the installed list. Your bank or card statements for external charges.

Do this

1. List every installed app and match it to a charge for the last three months.
2. Add external and one-time charges.
3. Total the monthly cost and divide by that month's sales.
4. For each app write one line: what does it earn or save, and how do I know?

Write it down

App	Monthly cost	Billed by Shopify? (Y/N)	What it earns or saves, with evidence

To stop an app billing, uninstall it in Settings > Apps before its next billing cycle; cancelling on the developer's site does not uninstall it (Shopify Help Center). Source: Shopify Help Center, App charges. Guide: marginleakaudit.com/blog/shopify-app-costs-margin

Product cost

Which products have no cost recorded, and so may be missing from your profit reports?

Where to look

- Analytics > Reports > Profit: Gross profit by product, by variant, Profit margin by order. Shopify says profit is reported only for products and variants that had cost recorded at the time they were sold.
- Product page > Pricing > **Cost per item** (optional; can be bulk-edited or imported). Margin is $(\text{price} - \text{cost}) \div \text{price}$.

Do this

1. Export products. Open the file and check whether a cost column is included; the export help page does not say.
2. Filter for variants with a blank cost.
3. Sort them by units sold from your orders export.
4. Enter costs for the top sellers first and re-run the profit report.

Write it down

Variant with no cost	Units sold	Price	Cost found	Margin

Cost per item excludes shipping and other costs, so it is a starting point, not your full cost of selling. Source: Shopify Help Center, Profit reports; Product details page. Guide: marginleakaudit.com/blog/shopify-cost-per-item-profit-reports

SUMMARY

Your results

Check	What I found (with the rows behind it)	First action
1 Discounts		
2 Shipping		
3 Returns		
4 Payment fees		
5 Apps		
6 Product cost		

Rank by size, then change one thing at a time

Re-run the relevant report a month after each change.

If you would rather hand it over. Margin-Leak Audit is a fixed-price \$199 audit. You send standard Shopify exports; a written report follows within 5 working days of payment and usable files. No Shopify login, no retainer. Full refund if fewer than 3 specific, evidence-backed, actionable issues are found. Details and terms: marginleakaudit.com/order

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