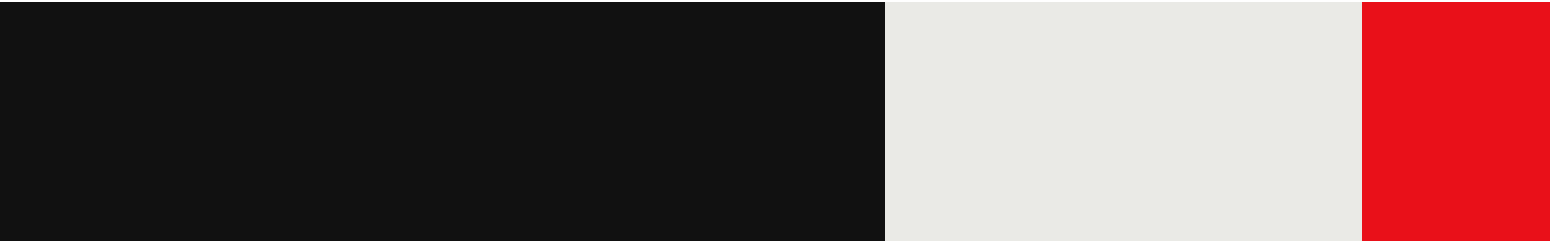



Etsy returns to its roots

Article



The news: Etsy is ditching its “handmade” and “vintage” product designations as part of a broader mission to add a human touch to ecommerce and restore the marketplace’s reputation for unique items.

- Items must fall under one of four new classifications—“made by,” “handpicked by,” “designed by,” and “sourced by”—to be eligible for sale on the platform.

A tactical move: Etsy’s decision to return to its roots is a pragmatic one. While the retailer’s decision to relax its rules on outsourcing production helped increase its product selection and drive considerable growth during the pandemic, it also made it more difficult to differentiate Etsy’s offerings from those available on other marketplaces—which became a problem once consumers began cutting discretionary spending.

- Nearly 30% of **Temu's** top-selling women's clothing items, and 19 of its bestselling jewelry products, were also listed for sale on Etsy but often with higher prices, according to a September 2023 analysis by MoffettNathanson cited by The Information.
- Under the new rules, products must have “a human touch,” which will make it harder for mass-produced items to make it onto the site, but could come at the risk of sales and seller revenues.

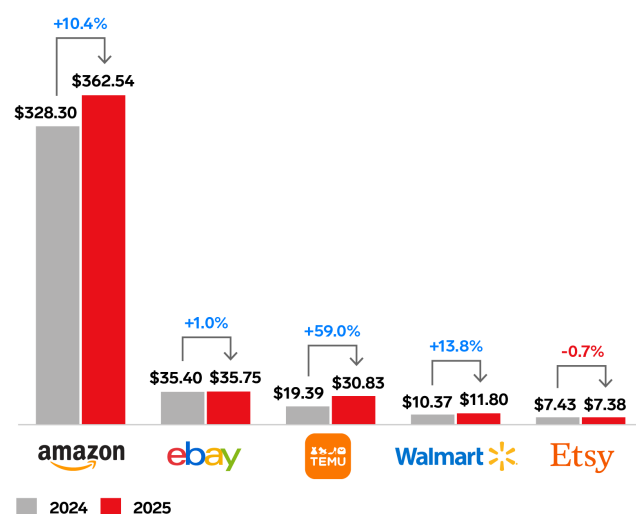
But that risk is one that Etsy CEO **Josh Silverman** is willing to take if it means avoiding the “race to the bottom in terms of commoditized commerce” that “everyone in ecommerce” is currently in the thick of. “They’re selling the exact same product and they're trying to sell it to you for 2 cents cheaper, or ship it two hours faster,” he told CNBC.

The big takeaway: Etsy is struggling to stay relevant as shoppers either look for discounts or prioritize convenience. While its efforts to “keep commerce human” are an attractive counterpoint to the increasingly similar offerings on competitors’ sites, they’re unlikely to be enough of a draw to keep rivals from siphoning Etsy’s share of marketplace sales.

Go further: Read our latest report on [The US Online Marketplace Shopper](#).

Amazon Towers Over the Marketplace Competition, While Temu Is Growing Fastest

billions of US ecommerce sales of select retail marketplace platforms and % change, 2024 & 2025



Note: product sales made through a retail marketplace platform (browser or app) where a third-party seller is the merchant of record that assumes legal ownership of the inventory prior to changing hands with the consumer; excludes first-party sales on these platforms; excludes travel and event tickets

Source: EMARKETER Forecast, May 2024

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