

# Etsy's Ad Campaign Promotes New Free Shipping Strategy—a Must Have for Holiday Shoppers

## ARTICLE |

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**A**s powerhouses like [Amazon](#), [Walmart](#) and [Target](#) roll out same-day or one-day shipping initiatives, it can be difficult for smaller retailers to keep up. But with the holiday season around the corner, it's important for retailers to understand that while [fast shipping is a key consideration](#), free shipping is often a requirement.

Research from [Comscore](#) found that the vast majority of desktop ecommerce transactions over the past four holiday seasons (November-December) have included free shipping. Between 2015 and 2017, that share generally ranged from 67% to 77%. But in 2018, there was a noticeable jump well into the 80% range through most of the holiday shopping season, peaking at 87% across several weeks between Thanksgiving and mid-December.

### Share of US Ecommerce\* Transactions with Free Shipping During Holiday Season, 2015-2018

% of total

Week of:	2015	2016	2017	2018
Nov 4	77%	69%	73%	79%
Nov 11	73%	68%	70%	81%
Nov 18	74%	70%	74%	81%
Nov 25	72%	71%	74%	87%
Dec 2	71%	71%	71%	87%
Dec 9	71%	68%	68%	86%
Dec 16	71%	68%	68%	87%
Dec 23	71%	67%	68%	86%
Dec 30	73%	70%	70%	86%

Note: based on corresponding week of each year; \*desktop only

Source: Comscore, "2019 State of Online Retail," July 17, 2019

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This growth is the combined byproduct of consumers pushing for more convenient and cost-effective shipping options and retailers delivering on that request. But it also illustrates that shoppers are more likely to transact when incentivized with free shipping.

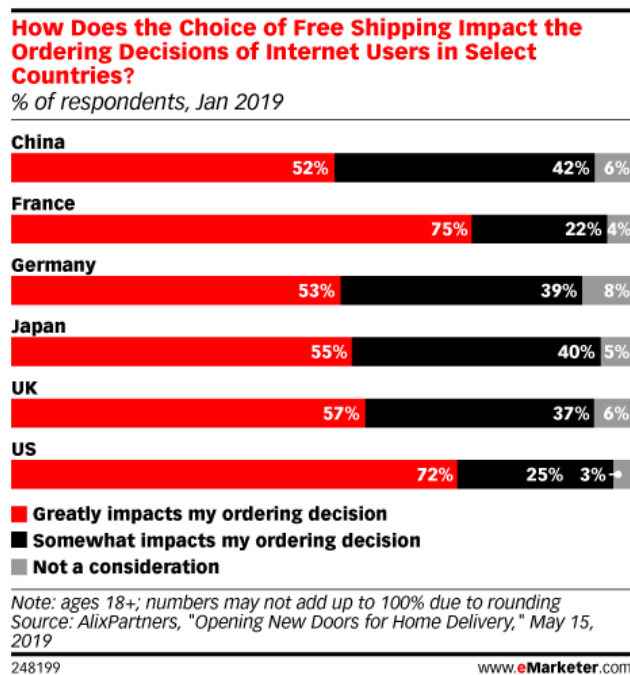
"Free shipping has always been the primary incentive during holiday promotions, particularly around Cyber Monday, and online shoppers have grown very accustomed to receiving it," said Andrew Lipsman, principal analyst at eMarketer. "At this point, they expect free shipping during the holidays for most purchases, and if they don't see it offered at checkout, they'll abandon their cart and turn to a competitor."

One of the last established retailers to offer such an incentive is gift-giving marketplace [Etsy](#). In an attempt to cater to expectant holiday consumers, Etsy recently launched its first-ever holiday TV campaign. The advertisements will spotlight unique products available for purchase, while simultaneously highlighting the marketplace's launch of free shipping on millions of products, including those featured in the ad.

"Etsy is in the sweet spot for holiday gift-giving, and this policy change is a recognition that not having free shipping more standard means a lot of lost sales during the holiday season," Lipsman said. "Etsy promoting free shipping with a major branding campaign gives you an indication of how important the company thinks this can be for its holiday sales."

For consumers, this is welcome news. But for sellers, the rollout could prove costly. Unless they eat the cost of shipping themselves, or tack it on to the price of their products (which isn't actually free shipping), sellers lose out on lucrative real estate—appearing on the first page of Etsy's search results. And as Etsy noted in a letter to sellers, it's important for them to “keep in mind that 83% of purchases from search on Etsy come from the first page.”

Sellers who implement Etsy's suggested shipping change will likely see an uptick in their holiday sales, as nearly two-thirds of shoppers in the US note that free shipping “greatly impacts” their ordering decisions, according to a January 2019 survey from consulting firm [AlixPartners](#). US consumers were willing to wait a maximum of 4.3 days to receive these purchases—much less than the 5.5 days US consumers said they were willing to wait in the company's 2014 survey.



These survey results illustrate the evolution of consumer expectations likely driven by the "Amazon Effect" and the notion that cost-effective convenience is the new norm. But as bigger retailers continue to roll out insanely fast shipping options, smaller sellers should keep in mind

that if the price is right (free), consumers are willing to wait a little longer for delivery.