

Etsy: Reimagining and Crafting Innovation

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Company Background

- Online market place for handcrafted products
- Founded in 2005 in Brooklyn, New York
- Named after watching a Fellini movie
- Wide product range and product depth



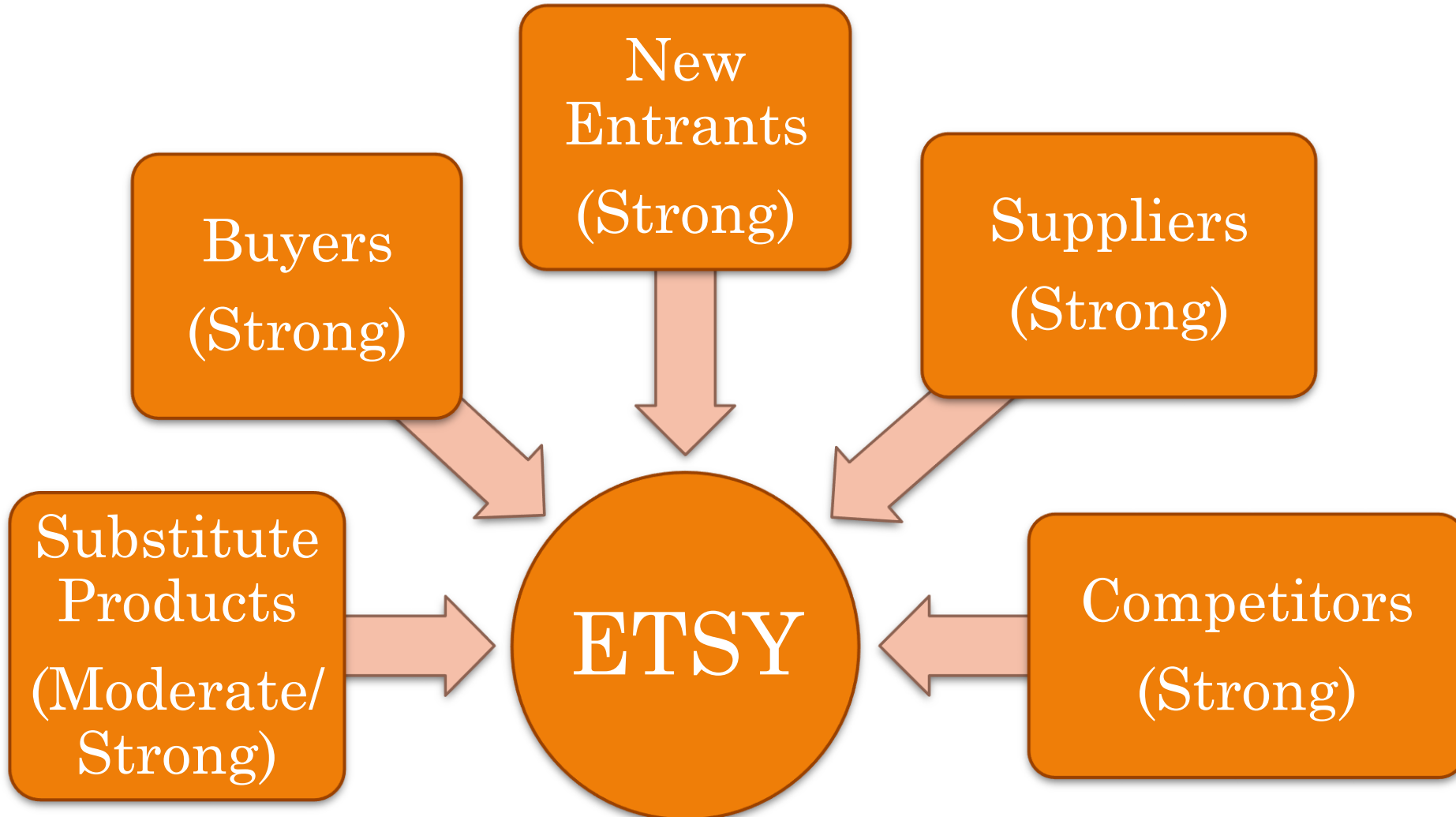
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Problems/ Strategic Issues

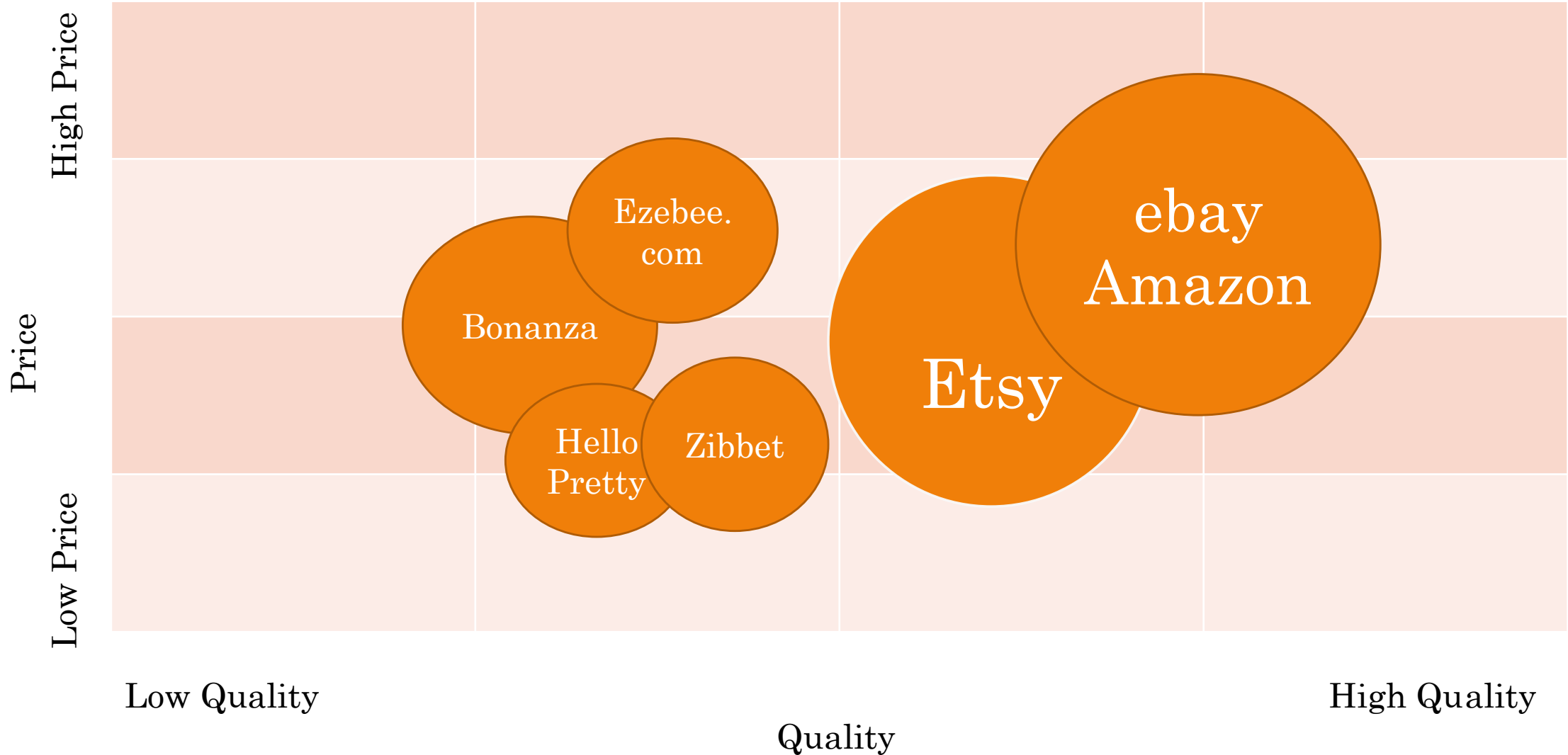
- Sellers have a high fee obligation
- Whether or not to allow sellers to outsource their products
- Low marketing and advertising presence
- Increase profits for long term viability



Industry Analysis



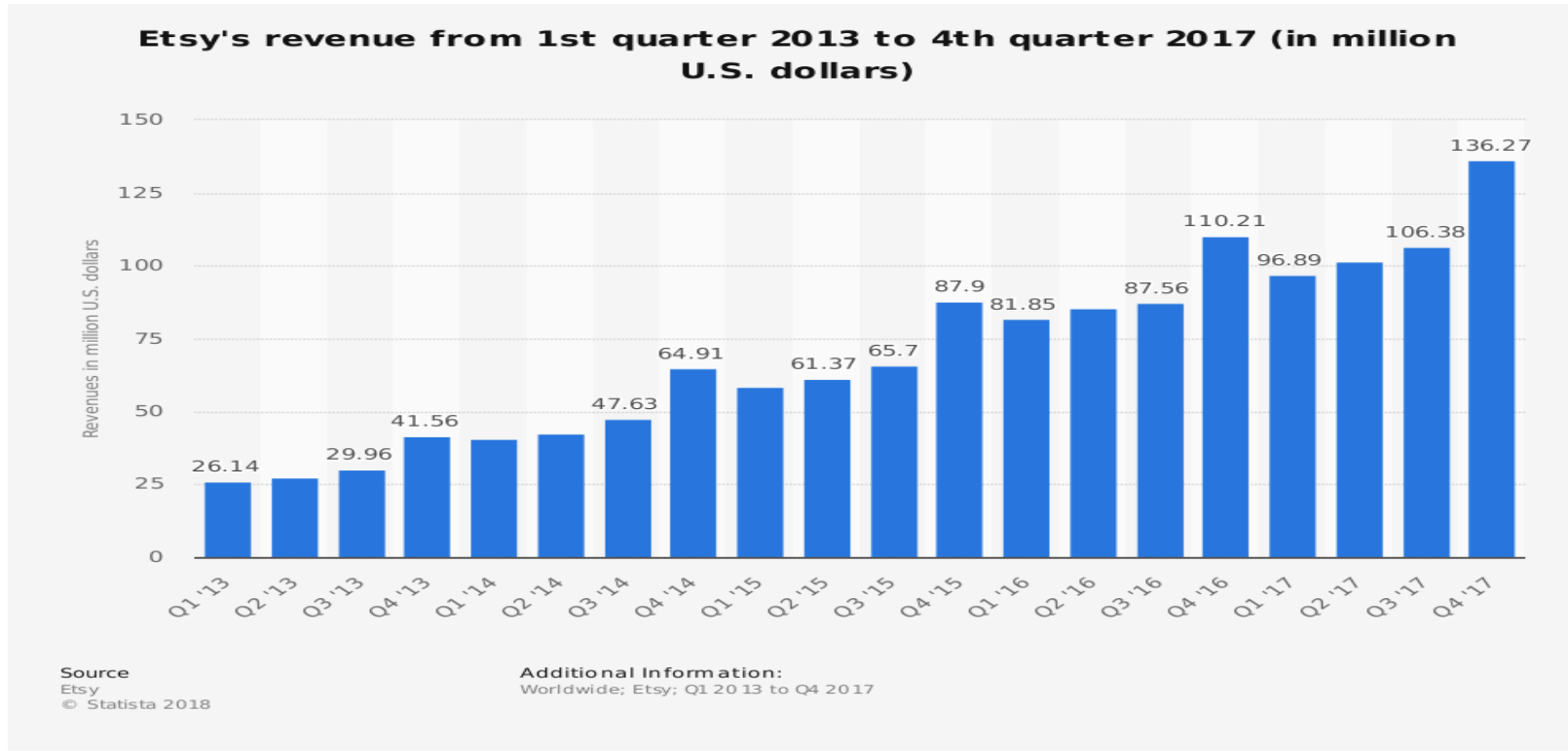
Industry Analysis Cont..



Company Analysis

Financial Analysis:

- Revenues of \$136.3 million
- Gross Merchandise Sales (GMS) of \$1.0 billion
- Current ratio: 4.29
- Gross Profit of \$92.0 million
- Operating Expenses of \$73.8 million



SWOT Analysis

Strengths:

- Strong Brand name/Company Image
- Wide geographic coverage
- Easily accessible
- Leader in the handmade/crafted market
- Offer unique products

Opportunities:

- Expand Globally
- Serve new customer groups
- Meet rising demand for products
- Increase the number of sellers

Weaknesses:

- Do not have a physical store
- Don't allow much customization for sellers
- Lack of marketing and advertising

Threats:

- Increase in competition
- Changes in foreign trade policies
- Changes in technology
- Seller loyalty

Competitive Strength Assessment

Competitive Strength Assessment
(rating scale: 1= very weak, 10= very strong)

Key Success Factors	Importance Weight	Etsy		Amazon		ebay	
		Strength	Weighted	Strength	Weighted	Strength	Weighted
Quality	0.20	10	2	9	1.8	8	1.6
Value	0.20	10	2	10	2	10	2
Image	0.20	9	1.8	9	1.8	9	1.8
Technological Skills	0.20	8	1.6	9	1.8	9	1.8
Distribution Capability	<u>0.20</u>	10	<u>2</u>	10	<u>2</u>	10	<u>2</u>
Sum of Weights	1.00						
Overall Weighted Competitive Strength Rating			9.4		9.4		9.2

Recommendations

- Increase their advertising and marketing
- Allow sellers to customize their store fronts
- Introduce new product offerings
- Stick to their original business plan/model
- Lower or change seller's fee obligations



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