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
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

- Buyers (Strong)
- Suppliers (Strong)
- Substitutes (Moderate/Strong)
- Competitors (Strong)
- New Entrants (Strong)
Industry Analysis Cont..

[Diagram showing the relationship between price and quality for various online marketplaces: Amazon, Etsy, eBay, Bonanza, Zibbet, Hello Pretty, and Ezebee.com. The diagram illustrates the market positions of these platforms based on their price and quality offerings.]
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

### Weaknesses:
- Do not have a physical store
- Don’t allow much customization for sellers
- Lack of marketing and advertising

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

### Threats:
- Increase in competition
- Changes in foreign trade policies
- Changes in technology
- Seller loyalty
Competitive Strength Assessment

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

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<th>Importance Weight</th>
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Sum of Weights 1.00

Overall Weighted Competitive Strength Rating

- Etsy: 9.4
- Amazon: 9.4
- eBay: 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