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How to Sell on Etsy



Selling on an online marketplace affords many advantages to first-time entrepreneurs, including increased visibility, access to storefront management tools and the ability to accept mobile payments easily.

However, it's easy to get lost in the shuffle when you join the ranks of small businesses on eBay, Amazon and other generalized marketplaces selling everything from pasteurized milk to prefabricated homes.

Etsy is a niche marketplace for handmade goods, vintage items and craft supplies. Products sold on Etsy include home decor, jewelry, wedding essentials, artisanal food, artwork and furniture made by skilled artists, designers and carpenters.

In 2021, roughly 7.5 million sellers peddled goods on Etsy, up from approximately 4.4 million active sellers the previous year.

While wares sold on Amazon are often criticized as low-quality and cheaply made, Etsy remains a go-to destination for people seeking unique, handmade, quality items.

The main advantage of selling on an established marketplace is a faster time to market. There's no need to build a website and spend weeks or months doing paid advertising and SEO to attract visitors to your storefront.

You also avoid paying domain and hosting fees. However, marketplaces charge sellers fees for each sale made on their platform, so carefully examine the fee structures you agree to.

Here's a step-by-step guide on how to open your Etsy shop and make money as a crafter.

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Who Should Sell on Etsy?

Before selling on Etsy.com, decide if the platform is right for you. Items sold on Etsy are generally one-of-a-kind and customizable. Some sellers specialize in made-to-order items. Etsy's buyer demographic primarily falls between the ages of 18-35.

In fact, 81% of buyers on Etsy are female, 15% of whom are younger than 25. If you cater to this demographic and you sell unique, handmade, quality items, then you may be a good fit.

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Why You Should Sell on Etsy

Selling on Etsy is a relatively low-risk way to start your business and test a concept before investing in building a website. Etsy is a rapidly growing marketplace that exposes sellers to a built-in audience.

In 2021, 96 million people were active buyers on Etsy. Sellers on the platform can learn best practices from Etsy's Seller's Handbook, a comprehensive knowledge base to help optimize your commerce profile.

Personalize your storefront.

To stand out on Etsy, a strong brand identity is key. Etsy sellers have four ways to communicate their brand: through products, graphics, images and words.

Everything from your shop name, logo and banner image to your product descriptions and seller profile must reflect your brand's unique approach. Sellers can add a brief bio, announcements and links to a website or social media accounts on their store's homepage. They also have the option to create an 'About' page to tell the story of their business in greater depth.

Large built-in audience.

When you start your own ecommerce website, search engines can take months or even years to index it. Even then, you must continuously update your website using SEO best practices to have a chance at appearing on the first page of Google search results.

Etsy makes it easier for buyers to discover lesser-known brands. In 2020, during the pandemic lockdowns, Etsy's active user base ballooned by 76%.

Control your shipping policies.

Etsy encourages sellers to offer free shipping if possible. There are three ways to do this:

- **Price your items to include shipping costs**: This way, customers know upfront what they will pay.
- **Offer a free shipping guarantee**: Pay shipping fees for US buyers who make a minimum purchase at your Etsy store. You can choose between two options: the buyer purchases an individual item priced at $35 or up, or their order totals $35 or more. If a buyer purchases shipping upgrades, they will be charged for those even if their order qualifies for free shipping.

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- **Use Etsy's smart pricing tool**: If you haven't used options 1 and 2, you can use the smart pricing tool to adjust item prices in bulk to recover the cost of offering free shipping. In other words, if buyers purchase a certain quantity, they are eligible for free shipping.

If you want more control over your shipping prices and prefer to make those choices yourself, you can set up shipping profiles. For example, you can set up fixed shipping costs for different locations, or offer a fixed rate for domestic and international.

Mobile commerce presence.

Etsy's mobile app makes it easy for sellers to reach buyers who shop on the go.

In 2021, Statista predicted that 72.9% of all ecommerce transactions would occur on mobile devices. Etsy is very much a browse-and-discover site — people spend a lot of time poring over Etsy listings and comparing prices before making a purchase —and the mobile app enables shoppers to browse no matter where they are.

Etsy sellers can also control their shop using an app called Sell On Etsy, available on Android and iOS. You can create and manage product listings on the go, answer questions from shoppers and access stats and orders. The app also has an integrated social media management tool.

Installment payments on the platform.

In 2020, Etsy announced a partnership with global payments service Klarna, which lets shoppers pay for their Etsy purchases in installments. Klarna supports purchases on Etsy between $50-10,000 under the following terms:

- Orders between $50 and $250: Pay Klarna with four, interest-free installments.
- Orders between $250.01 and $10,000: Monthly financing from Klarna on a schedule offered by Klarna.

The Buy Now, Pay Later model is a growing trend in ecommerce, allowing retailers to offer more flexible payment terms, especially during holiday seasons when buyers shoulder a lot of unexpected expenses.

According to Juniper Research, BNPL payments are expected to account for nearly a quarter of all global ecommerce transactions by 2026, up from just 9% in 2021.

Off-site ads program.

Etsy runs an ad program to promote listings across the web, including in search engine results, social media sites, Etsy Publishing Partner sites and Google Display Network sites.

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Under this model, Etsy pays the upfront cost of advertising. Sellers only pay a fee if they make a sale—a maximum of 15% of the final sale price. In other words, the seller only pays if someone clicks the ad and buys the item within 30 days. The total offsite ads fee you'll pay on a single attributed order will not exceed $100.

Sellers cannot control which listings appear in ads, but they can opt out of the program if they wish. The percentage you pay on an attributed sale depends on how much revenue you've generated on Etsy in the last 12 months. The 15% cut applies if your shop has made less than $10,000 in the previous 365 days. If your shop makes more than that, then you pay 12% on attributed orders.

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What is Etsy Plus?

Etsy Plus is a subscription package offering brands an expanded set of tools, including advanced shop customization. The fee is $10 per month.

Advanced shop customization

This includes multiple banner options and new layout options for featured listings and the ability to feature specific listings or shop sections.

For example, you can add a carousel banner of up to four images rather than just one static image or a collage banner of 2-4 pictures. Featuring items is a way to showcase items you want to draw attention to. These items appear just above your shop announcement — so they're the first thing people see aside from your banner.

Credits for shop listings and Etsy Ads

Subscribers receive 15 listing credits and a $5 Etsy Ads credit. You must use the credit during the monthly period otherwise the credits will expire.

Personalized domains

You can purchase custom domains at a discount through Etsy partner Hover. Custom domains make it easier for customers to find your shop online. Shoppers can also opt-in to receive alerts when sold-out listings are back in stock.

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Products on Etsy

Etsy lets you sell to a niche audience, compared to generalized marketplaces like Amazon or eBay. Makes it easy for those selling handmade, vintage or custom items to stand out from the crowd.

According to eRank, a leading SEO website wholly dedicated to Etsy, seven out of 10 top sellers in 2021 sold craft supplies and handmade items.

What types of products can be sold?

Etsy sellers can offer a wide range of products such as clothing and accessories, home goods, stationery (notebooks, journals, etc.), digital designs and arts and crafts supplies. Examples include custom wedding and party supplies, T-shirts, baby products, furniture, decorative items and wall art.

What types of products are prohibited?

While Etsy is not a curated marketplace, certain items are prohibited. Etsy has a zero-tolerance policy prohibiting items that promote, support or glorify hatred or violence. Examples of prohibited items include:

- Alcohol, tobacco, drugs, drug paraphernalia and medical drugs.
- Animal products and human remains.
- Dangerous items (eg: hazardous materials, weapons, and recalled items)
- Hate items (eg: items that support or commemorate current or historical hate groups such as Nazi or Neo-Nazi groups, Ku Klux Klan (KKK) groups, or items that perpetuate ideals that are misogynist, white supremacist, anti-gay, anti-immigrant or Holocaust denial.
- Certain items may be subject to regulation, such as Native American crafts, plants and seeds, children's products and food products.
- Nudity and mature content (pornography, used intimate items). You can sell items that might be categorized as mature content, such as sex toys, items with sexually suggestive language or graphics. Still, they must be coded as mature content (here are the guidelines for how to do that).

Most popular products on Etsy.

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Intriguingly, the number-one trending product on Etsy is stickers, followed by notebooks and journals.

According to a report from Etsy, jewelry ranked second in the list of Etsy top-selling items in terms of gross merchandise sales (GMS) in 2020. Wallpaper, furniture, paintings and handmade pottery are also among the top-grossing categories.

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What Does It Cost to Sell on Etsy?

Etsy charges various fees for sales made on its platform. The fees you'll pay depend on the sale amount, how much revenue your store makes annually and the payment method used (sellers can accept payments via Etsy Payments or PayPal).

Listing fees.

Etsy charges $0.20 for each item you list for sale. Sellers pay the listing fee whether or not the item sells unless you post a private listing, in which case you only pay transaction fees if the item is sold. A private listing is a custom order request that allows customers to purchase made-to-order items.

If you list multiple quantities of the same item, the initial listing fee will be $0.20, and the listing will be automatically renewed at $0.20 after each item sells. Each listing is valid for four months. After that, the listings automatically renew unless you opt out of automatic renewals.

Shipping label fees.

You can purchase and print USPS shipping labels directly from your Etsy shop (for sellers based in the U.S.). Labels can be bought for both domestic and international addresses. The cost of a shipping label depends on the origin, destination, weight and dimensions of the package.

USPS charges up to 30% lower rates for those who purchase shipping labels through Etsy compared to what you would pay at the post office or elsewhere online.

Etsy offers shipping labels for the following carriers:

- Australia Post.
- Canada Post.
- FedEx.
- Global Postal Shipping.
- USPS.
- Royal Mail.

Transaction fees.

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Sellers pay a transaction fee of 6.5% of the price displayed for each listing, plus the amount charged for shipping and gift wrapping.

If you sell from the U.S. or Canada, the transaction fee will not apply to sales tax, Goods and Services Tax (“GST”) or Harmonized Sales Tax (“HST”), unless you have included those charges in your listing price. Transaction fees are deducted from your current balance as each sale occurs, and are reflected in your payment account.

Sellers can also accept Etsy payments through PayPal, which charges a payment processing fee of 3.49%.

Currency conversion fees.

Etsy supports payments in several currencies. Beware that if an international buyer purchases an item in a currency other than the one you use for your payment account, you will be charged a 2.5% currency conversion fee, which will be subtracted from the sale amount.

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Getting Started With Etsy

Use high-quality images, follow Etsy SEO best practices and don't violate the community guidelines. Even though Etsy is not a curated marketplace, Etsy gives each shop a customer and market experience score based on its customer service history and whether it's in good standing according to Etsy's policy.

Name your Etsy shop.

Come up with a memorable shop name. It doesn't have to be utilitarian; you can get creative. Before committing to a name, search Etsy to ensure the name is unclaimed and not too similar to an existing Etsy store.

Most sellers include at least one word in their shop name that describes their approach or unique value proposition. For example, the number-one shop on Etsy according to sales volume is CaitlynMinimalist, a jewelry brand selling — you guessed it — minimalist accessories.

Add relevant categories and attributes.

Adding specific product categories improves the discoverability of your listing. Etsy's listing categories start with a broad category and get more specific.

For example, a top-level category might be 'Home & Living,' while a subcategory would be 'Bathroom,' followed by an even more specific category, such as 'Bath Towels' or 'Bathroom Decor.'

These categories act like tags, so be sure to categorize your listings down to the most specific subcategory for greater visibility.

Spend time on your "About" page.

Adding an 'About' section increases your shop's score, which may improve your search ranking. This is where you can share the story of your business. Discuss your creative process, the story behind your products and who's on the team. You can share how your business was founded, what impact it has had on your life and where you want it to go in the future.

The 'About' section supports up to 5,000 characters. Add photos, videos and links to your online store's social media accounts. You can also add production partners (a company or person who's not part of your Etsy shop that helps you physically produce items based on your original designs) if you outsource manufacturing. Write about your creative process, what excites you about creating and what raw materials you use.

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Optimize product titles and tags.

Etsy's search algorithm relies on listing titles, tags and item categories to render relevant search results to the user. Start by optimizing the title and tags for your listing. Titles must be no more than 140 characters and include a focus keyword.

Frontload the focus keyword. The first few words of listing titles carry the most weight in Etsy Search. Only place words and phrases buyers will search for in your listing title. If you're selling artwork, put the title of your piece in the description rather than the listing title.

Write powerful product descriptions.

Search engines rely on keywords in product descriptions when indexing listings. Product descriptions should be informative and to the point, but don't be afraid to inject your brand's personality.

Some sellers write in the first person to describe the creative process from the maker's perspective, which may appeal to shoppers who like to support small business owners.

Remember that shoppers can't touch or see the product before buying. Overcome their misgivings. Break up the text and use subheads, bullet points and paragraphs for easy reading.

Think about what information is foremost in their minds when making this purchase. Always include factual information on product dimensions, materials and usage. Most will not, but offering as much detail as possible builds trust and speeds decision-making.

Take catchy product photos.

In Etsy's buyer surveys, 90% of shoppers said the quality of product photos was "extremely important" or "very important" to a purchase decision.

Images should grab the attention of shoppers and compel them to click. It should display the product clearly from a variety of angles. It should also communicate information about size, color and materials. The image should also capture the purpose and feeling of the product.

Etsy recommends including the following types of product photos in every listing:

- **Studio shot**: Your product on a plain background with plenty of light. These photos set clear expectations of what your customer will receive.
- **Lifestyle shot**: Your product styled in its natural habitat. For example, a photo of a model wearing your clothing item, or your handmade crockery staged on a dining table.

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- **Scale shot**: A photo that shows item dimensions. For example, if you're selling a handmade vase, position it next to a universally-sized object (eg: a teapot) to show scale.
- **Close-up shot**: Show detail or highlight the quality and texture of the materials. For vintage pieces, you can also show imperfections to set realistic expectations.
- **Process shot**: Can be used to show the level of workmanship that goes into an item.

Image requirements

- Etsy only supports certain image file types, namely: .jpg, .gif or .png.
- The recommended size for listing images is 2000px for the shortest side of the image, and a resolution of 72PPI. Images larger than 1MB may not finish uploading, especially on a slower internet connection.

Add policies for your shop.

Set shop preferences regarding returns and exchanges, cancellations, etc.

- **Returns and exchanges**: Sellers can apply different return policies to each listing, which is essential if you sell custom items. You can also set a shop-level policy for all listings. Choose whether or not to accept returns and exchanges and set a timeframe. Etsy has a simple return policy template sellers can use, which allows returns or exchanges within 30 days of purchase. However, buyers are responsible for return shipping costs and any loss in value if an item isn't returned in its original condition. Note that you cannot set return or exchange policies on digital listings (eg: digital art).
- **Cancellations**: Let customers know if you accept cancellations after an order is placed.
- **Privacy policy**: Create a policy to share how you'll protect a buyer's personal data. Etsy has a sample privacy policy sellers can reuse or customize for their shop. Remember that if you sell to customers based in the EU, you must comply with GDPR.
- **Fixed policies**: Set shop policies for estimated delivery dates, customs and import taxes, and instant downloads for digital items.

Create a user profile.

Before registering as a seller, you must create a user profile. Use your bio to introduce yourself to buyers and other sellers in the Etsy community. Describe your background, why you became an entrepreneur and details about your shop. This helps you establish credibility and trust with potential customers. Add a high-resolution profile picture that shows who you are as a maker.

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Include a store bio.

Your store bio is a condensed version of your 'About' section. Sellers see it directly below your banner. It should be about 2-3 sentences summarizing what you sell, how you make your items and what makes your shop unique.

Some key ingredients: let readers know what kinds of things you sell on Etsy, how long you've been selling and where you're based. Then you can discuss how you developed a passion for whatever you create. For example, you might discuss how you started collecting seashells and turning them into jewelry.

Promote your store on social media and other channels.

Even if you follow Etsy's SEO best practices closely, you still need to promote your shop to potential customers who aren't already browsing on Etsy. Here are some ways to spread the word:

Use Etsy's social media tool

This tool lets you share important updates, milestones, or promotions in your shop. You can post on Facebook, Instagram, Twitter and Pinterest through your Etsy account.

Since Etsy is a highly visual platform that requires sellers to post top-quality images and videos, you'll have plenty of fodder for social media, especially Instagram and Pinterest. You can use Facebook Live to build relationships with existing customers or provide customer service via Messenger. Twitter is best for quick announcements.

Know the audience profile and overarching purpose of each social media platform and tailor your outreach accordingly.

You can also list your store on an online business directory such as Better Business Bureau, Yellow Pages and Yelp. A Google Business Profile is also an option.

Learn Etsy SEO.

Etsy's search function serves up listings based on two factors: query matching and ranking. The more you use keywords and phrases customers search for in your product descriptions, product titles and your shop's 'About' page, the more likely your listings will be indexed in search results. When you upload photos or videos, use relevant, descriptive alt tags (this is also recommended for accessibility, not just SEO).

Collect email addresses.

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Each time a customer places an order, you receive a record of the purchase, including the customer's name and email address. This is a great way to build your email list and generate repeat purchases.

According to Constant Contact, email marketing has an ROI of $36 for every $1 spent.

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The Final Word

Selling on Etsy can be a low-risk, relatively inexpensive way to test a product idea if you're not ready to build your own website. For ecommerce entrepreneurs who already have their own website, Etsy can be an excellent platform for reaching a wider audience.

Like any marketplace, sellers must adhere to community rules and pay Etsy fees on each sale made on the platform, so make sure to do your research beforehand. Finally, Etsy specializes in unique, handmade products.

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FAQs About How to Sell on Etsy

Do Etsy sellers make good money?

Unfortunately, there are no reliable figures on how much the average Etsy seller makes per year. Earnings vary widely depending on the type of product you sell, how much time and money you invest in marketing your Etsy business and how long you've been a seller on Etsy. According to a 2021 survey of Etsy sellers, 32% say their creative business (on and off Etsy) is their full-time occupation, while the rest run a side hustle for supplemental income. Like most marketplaces, landing that first sale on Etsy is difficult because most buyers will only purchase from well-reviewed shops. Unlike other marketplaces, Etsy storefronts automatically display the number of sales a seller has made since joining the ecommerce platform, which can be disadvantageous to new merchants.

Can I sell digital goods on Etsy?

Yes. Digital artists sell downloadable digital art, such as wall art, website templates, Zoom backgrounds, digital papers (patterned paper designs that buyers print out for scrapbooking or decorating), sewing patterns and even ebooks and guides. Etsy supports various file types, including PNG, JPG, and PDF.

Does Etsy accept cryptocurrency?

No. Etsy does not currently allow direct crypto payments for purchases made through the platform.

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