



Etsy (NYSE: ETSY) runs a marketplace for unique, handmade, vintage and custom goods where it never holds inventory: it charges sellers a \$0.20 listing fee, a 6.5% transaction fee and a payments processing fee on each sale, and sells optional on-site ads and shipping labels. FY2025 (year ended Dec 31, 2025) revenue was \$2.88B (+3%) on \$11.92B of gross merchandise sales (GMS, the dollar value of items sold, excluding shipping and net of refunds), a revenue take rate of 24.2%, with operating income of \$266.2M and net income of \$163.0M after a \$101.7M Reverb goodwill impairment. Marketplace fees were \$2.01B (70%) and services, mostly on-site ads, \$876.3M (30%, +11%). The Etsy marketplace itself had 86.5 million active buyers, 5.6 million active sellers and \$10.46B of GMS (down 4%). Etsy sold Reverb on Jun 2, 2025 and sold Depop to eBay on Jul 30, 2026 for about \$1.4B in cash. On the new continuing-operations basis (without Depop), H1 2026 revenue was \$1.30B (+4.7%) with net income of \$219.0M.

BUSINESS MODEL CANVAS

Etsy

Research date: Oct 11, 2026

Evidence-backed · sources in companion brief

KEY PARTNERS

- **Sellers** — 5.6 million active sellers supply every listing (FACT).
- **Google Cloud** — hosts a substantial part of the Etsy marketplace's computing (FACT).
- **Payment and shipping providers** — payment services, postal services and carriers (FACT).
- **Social and search platforms** — Facebook, Instagram, Pinterest and search engines (FACT).
- **AI shopping platforms** — partnerships that surface sellers' items and in some cases allow checkout there (FACT).
- **eBay** — bought Depop for about \$1.4B cash, closed Jul 30, 2026 (FACT).

KEY ACTIVITIES

- **Search and recommendations** — machine-learning re-architecture began in 2025 (FACT).
- **Etsy Ads** — ranking and budget-pacing improvements raised revenue per click (FACT).
- **Payments and fee operations** — transaction, Offsite Ads and payments fees (FACT).
- **Trust, safety and support** — policies and tools for both sides (FACT).
- **Loyalty and personalization** — Etsy Insider beta, personalized push and email (FACT).
- **Seller tools** — Shop Manager, Community

KEY RESOURCES

- **Buyers and sellers** — 86.5M active buyers and 5.6M active sellers at end of 2025 (FACT).
- **Catalog** — more than 100 million items, about 30% of GMS custom or made-to-order (FACT).
- **Brand and community** — one of four Right to Win qualities, with 74% of GMS from U.S. buyers (FACT).
- **Technology** — search, ads, payments and trust systems; \$450.2M of product development in 2025 (FACT).

VALUE PROPOSITIONS

- **Unique items** — 81% of surveyed buyers say they cannot find them elsewhere (FACT, Etsy survey).
- **Support real people** — 82% say Etsy lets them shop from and support real people (FACT, Etsy survey).
- **Custom and personalized goods** — about 30% of GMS (FACT).
- **Seller on-ramp** — 89% of sellers are businesses of one, per the 2024 Seller Census (FACT).
- **Right to Win** — unique items, search and discovery, human connection, trusted brand (FACT).

CUSTOMER RELATIONSHIPS

- **Personalized push and email** — vast majority of content personalized by end of 2025 (FACT).
- **Etsy Insider** — loyalty beta with rewards and shipping discounts, Q4 2025 (FACT).
- **Reactivated buyers** — 30.0M in 2025, a record (FACT).
- **Habitual buyers** — 5.9M, about 7% of buyers and about 40% of GMS (FACT).
- **Seller care** — Shop Manager dashboard, Community Hub, AI tools, member support (FACT).

CHANNELS

- **Etsy app** — 45% of GMS in 2025, up from 42% (FACT).
- **Performance marketing** — paid GMS 24% of Etsy marketplace GMS in 2025 (FACT).
- **Search, social, affiliate and display** — SEO, SEM, Facebook, Instagram, Pinterest (FACT).
- **Offsite Ads** — 12% or 15% fee on sales driven by Etsy's ads on other platforms (FACT).
- **Owned push and email** — personalized

CUSTOMER SEGMENTS

- **Gift and occasion buyers** — 29% of recent visits were for a gift (FACT, Etsy survey).
- **Custom and personalized shoppers** — 31% of recent visits (FACT, Etsy survey).
- **Core categories** — top six categories about \$8.9B, 85% of Etsy marketplace GMS (FACT).
- **Sellers** — 5.6M active; 89% are businesses of one per the 2024 Seller Census (FACT).
- **International** — 26% of GMS from non-U.S. buyers (FACT).

COST STRUCTURE

- Marketing \$914.8M, 31.7% of revenue (FACT).
- Cost of revenue \$817.8M, 28.4% of revenue (FACT).
- Product development \$450.2M; general and administrative \$332.8M (FACT).
- Reverb goodwill impairment \$101.7M, non-cash (FACT).
- Stock buybacks \$777.1M vs free cash flow \$638.8M in 2025 (FACT).

REVENUE STREAMS

- Marketplace revenue \$2,007.2M in FY25, 69.6% of the total (FACT).
- Services revenue \$876.3M in FY25, +11.3%, 30.4% of the total (FACT).
- GMS \$11.92B and take rate 24.2% in FY25 (FACT).
- **Fees** — \$0.20 listing, 6.5% transaction, 3.0% to 6.5% payments, 12% or 15% Offsite Ads (FACT).
- H1 2026 continuing revenue \$1,299.6M (+4.7%) at a 25.8% take rate (FACT).