In The News – Etsy sellers are starting a ‘union’ to fight policies they say hurt merchants

I’ve bought a few things on Etsy, and I enjoy shopping on the platform, but I didn’t have any in-depth knowledge on it. This article prompted me to research and learn more about the struggles sellers go through on the platform as well see the seller's perspective of the site.

A group of Etsy sellers organized a week-long strike in hopes the platform would lower imposed fees, notably a 30% increase in transaction fees. Several members from the group, later organized by Chiarra Lohr, formed the Indie Sellers Guild following the strike. Lahr describes it as modeling a union as much as possible but is not recognized by the National Labor Relations Board. Being independent contractors, they can’t bargain with Etsy, because they are not employees. Demands the guild is pushing for are lowering platform fees, enforcing policies against resellers, and allowing merchants to opt out of mandatory advertising. An estimated 30,00 shops signed on for the initial strike, but only 2,000 people have joined the guild so far. This includes “allies,” who are composed of inactive sellers and customers. Many sellers who were frustrated attempted to sell their products elsewhere, like building their own site or listing on other marketplaces. “When people think, ‘Oh, I can shop for anything and get it here quick,’ they think Amazon. When people think, ‘I want something handmade or vintage,’ they think Etsy,” Lohr says. “There is not a comparable marketplace yet, by and degree.” The group’s main goal is to give sellers recourse against policy changes they are forced to accept on the largest handmade crafts platform in the market.

It was disheartening to learn from further reading that on an Etsy investor call it was stated that the strike had no “material impact” on its sales, and they weren’t going to yield on any of the imposed fees. I wanted to learn more about drop-shipping as I had no idea what it was prior to reading this article. I learned that drop shippers sell something they don’t house or produce products and will act as a middleman for a distributor. They instead focus on marketing and customer service. Chiarra Lohr mentioned how damaging drop shipping can be for other sellers, but I did find a few articles stating that it’s very hard to dropship on Etsy. They have a strict policy against reselling, and everything must be made or designed by the seller. The proto union launches officially September 5th, so I’m hoping to read about an increase in membership by then. Under 2,000 shops out of 5 million participating in this does not inspire hope that Etsy will change these policies any time soon.

As a systems analyst I could breakdown these events into a data tree. Starting with the increased fees and branching off the impacts from it. From the imposed fee increase to the strike to the ‘union’ that was formed, and the headlines generated to stir up more attention. And using this information to identify the impacts fee hikes can have on a business. This information could also be used to layout the impact the union has had, and to try to design an organized effort with more of an impact that Etsy might feel in their board meeting.