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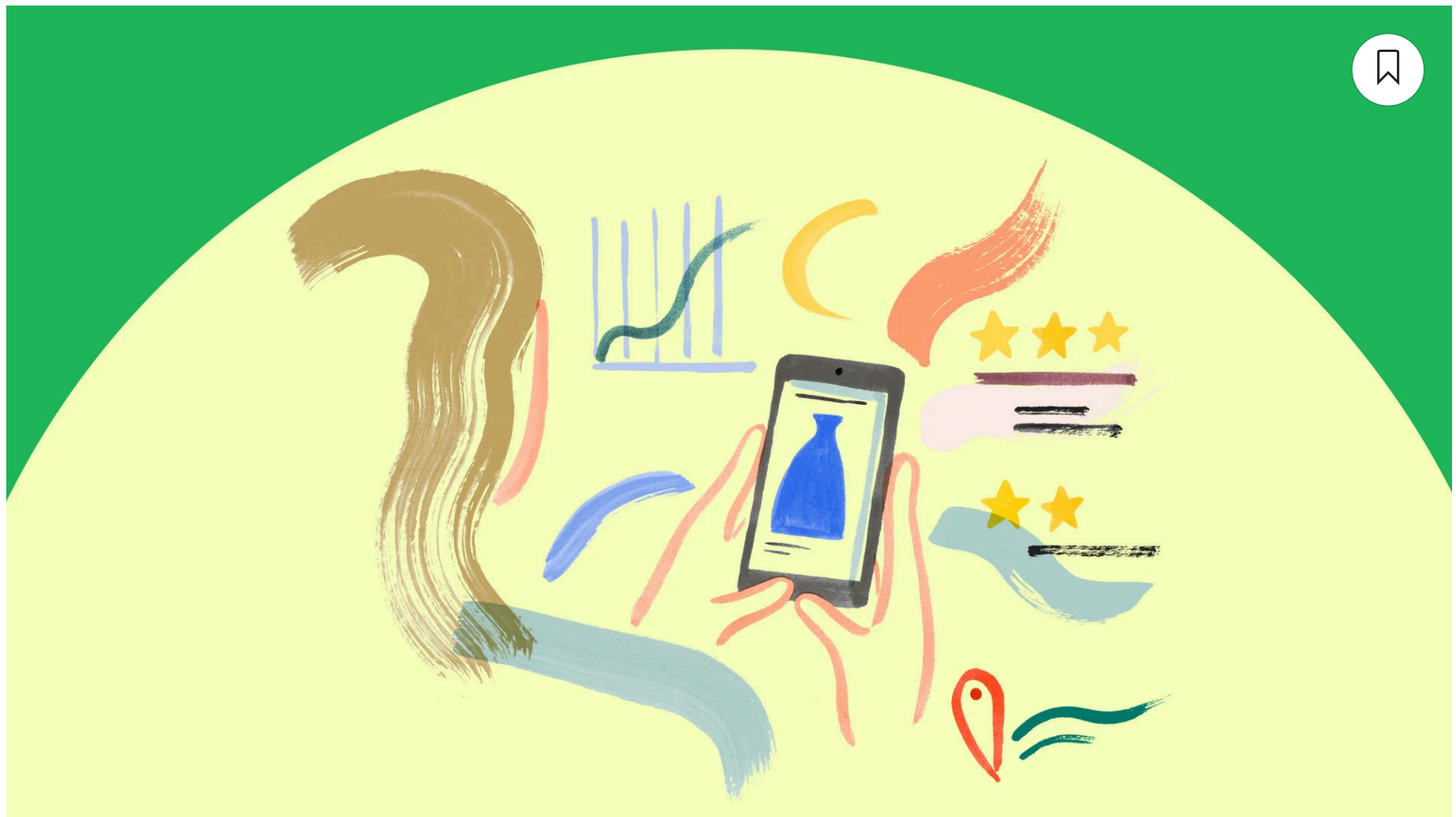
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Tools for Growing Your Business—and How to Fit Them Into Your Pricing Strategy

Learn how discounts, advertising, and sales events can help support the goals you have for your shop while

Electing your bottom line.

by Etsy Staff



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Note: As an Etsy seller, pricing is at your sole discretion. This means that you are responsible for making your own pricing decisions and are free to set prices as you wish. That said, remember there are also legal considerations to be aware of around pricing and discounting. Sellers cannot mislead consumers on discounted prices. The original price must be a true price that was in practice for a

substantial amount of time, so, for example, you can't artificially increase a price and cut it down just to make it look like you're running a sale.

Incorporating strategic discounting and marketing into your pricing

Factoring the cost of growth marketing techniques—like discounting, sales events, advertising, and discounted or free shipping—into your pricing strategy is a smart move. This makes it easier for you to understand the impact on both sides of a transaction: both how you set your base price and how having a sale, offering a discount, or running an ad impacts your average order value, sales volume, and overall revenue.

When your base price allows for a healthy profit margin, you can then discount to accomplish additional objectives, like acquiring new customers, increasing average order value, or increasing order frequency. You can learn more about tracking expenses and calculating your profit margins in [Pricing Basics: Pricing for Profit, Conversion, and Growth](#).

When it comes to discounting your products, determining your objective can help you decide which tactic makes sense, and when. For example, are you hoping to attract more first-time buyers, re-engage a previous customer, or simply clear out excess inventory? Depending on your specific goals, you may choose a different discounting strategy.

In this article, we'll walk through a variety of the growth marketing tools available to Etsy sellers, along with some of the goals these tools can help you achieve, so you can choose what's best for your shop.

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Promotions and offers

Discounts, coupons, and other kinds of special offers can help you catch shoppers' attention, clear out unsold inventory ahead of a new season, and encourage shoppers to keep coming back. Etsy offers a few different tools that let you offer discounts to your customers. Plus, with many of these tools, you can set up discounts and offers that can be automatically sent to your customers—taking one more thing off your to-do list!

Best for:

- **Appealing to new buyers:** By participating in sales events, you can attract new customers. And, you can further reach interested shoppers when you send targeted offers—promo codes that are automatically emailed to people who have shown interest in your items. By enabling an [abandoned cart offer](#) or a recently-favorited offer, you can encourage potential customers to follow-through and make a purchase.
- **Building loyalty with existing customers:** Enabling [thank you coupons](#) or distributing a [personalized promo code](#) can help re-engage past customers.
- **Increasing order frequency with thank you coupons:** On average, sellers who offer thank you coupons on Etsy get more orders and more repeat buyers than sellers who don't offer thank you coupons.*
- **Capitalizing on seasonal traffic:** Running a [shop-wide or select-inventory sale](#) can be a good strategy if you're looking to appeal to seasonal shoppers around holidays or special occasions.
- **Clear out excess inventory:** Enabling Make an Offer (more on that below) to allow buyers to name their price on select listings can help you move older inventory more quickly ahead of a new season.

Etsy-funded promotions

Etsy-funded promotions are a unique benefit of selling on Etsy—we're invested in helping you make more sales and keeping your shop top of mind for buyers. They typically consist of buyer discounts, for example, \$5 off of orders \$25 or more,

that are fully covered by Etsy (may only be available in certain markets). **These promotions don't need to factor into your pricing strategy because they're fully paid for by Etsy, and won't impact your profit margin—you'll keep your earnings whenever you make a sale during the promotion!**

There's nothing you need to do to benefit from these types of discounts—we cover the cost of the promotion for buyers. But, there are a few ways you can make the most of these promotions:

- **Turn on Share & Save:** If you make an eligible sale during the promotion through your trackable link, we'll cover the cost of the promotion AND take 4% of the order total (minus the promotional discount) off your Etsy bill—it's a win-win! [Turn on Share & Save →](#)
- **Share to social:** Help spread the word by sharing your listings on social media and mentioning the promotion. You can do this straight from the Listings Manager. When these promotions go live, we often share a special image you can screenshot and share to your own channels—you can typically find these in the Highlights section on the [@EtsySuccess Instagram](#)! Etsy sellers like you helped make the last promotion such a success by promoting it to your followers.

Etsy's sales events

Major Etsy sales events are known to drive growth across the site. Since buyers can now see available sales and discounts from their favorite shops all in one place, Etsy's Deals tab, it's even more likely you'll connect with new customers who may not have found your shop otherwise.

Upcoming sales events

End-of-Season Deals

- Event dates: December 26–31
- Details: Opt in—with at least 25% off and offer global shipping during this event—to be potentially considered for Etsy marketing features about this event.

Opt in to the event

Home Sales Event

- Event dates: January 6–12, 2025
- Details: **Opt in by December 11, 2024**—with at least 25% off and offer global shipping during this event—to be potentially considered for Etsy marketing features about this event.

Opt in to the event

Jewelry Sales Event

- Event dates: February 3–9, 2025
- Details: **Opt in by January 13, 2025**—with at least 25% off and offer global shipping during this event—to be potentially considered for Etsy marketing features about this event.

Opt in to the event

How to participate: Use our easy [sales opt-in tool](#) to join Etsy’s upcoming sales events. You can pick the listings you want included in your sale or run a sale for

your entire shop. [Read instructions to learn how.](#)

Participating in sales events might improve your odds of getting featured by Etsy's merchandising team. They consider a variety of factors when selecting shops and listings for marketing channels, including whether an item is participating in a sales event. Getting featured can help your shop's sales: Sellers featured in Etsy's 2021 holiday marketing saw an average increase of 35% in their shop sales compared to their sales the previous year** To learn more, check out our [tips for getting featured](#).

Pro tip: Make sure you're a part of our [Share & Save program](#). When you share unique trackable links to your Etsy shop or listings off Etsy and make an eligible sale, we'll take 4% of the order total off your Etsy bill.

Best for:

- **Reaching a wider audience:** Running a sale during the holidays and other popular sales moments is a great way to introduce a new world of buyers to your brand. Longer sales, for example, can draw more buyers over time.
- **Creating a sense of urgency:** Running shorter sales can encourage shoppers to act quickly and make a purchase while the deal is available.
- **Attracting deal-seeking shoppers:** You have the chance to bring in potential customers who are browsing online during major sales events, like Labor Day and Cyber Monday.
- **Experimenting with discounts:** Think of your sale as a learning opportunity to help you better understand what works best for your business, whether that's

discounting certain items or offering a shop-wide discount.

- **Growing your business:** By bringing in an influx of orders, running a sale can help foster short-term growth for your business. And, as customers leave reviews on their purchases, your shop can also benefit for the long-term: These reviews can inspire future customers to confidently make a purchase.

Advertising options

At its core, advertising is a simple concept: You pay to get a message in front of a chosen audience to build awareness of your brand. Advertising helps you reach new customers and keep existing customers engaged, enabling your shop to continue to grow.

Awareness is the top of the marketing funnel—that moment when people start to make a decision about whether or not to buy from your business. Awareness might come from word-of-mouth, a visit to Etsy after seeing a commercial, or reading press about your shop. So, if you want your sales to grow, you have to work to develop that awareness. That's where advertising comes in.

Etsy Ads

Moving along the marketing funnel, [Etsy Ads](#) gives you an opportunity to appeal to Etsy shoppers. Etsy Ads make your listings more prominent for millions of buyers searching for products on the site.

How it works: To use this option, you set a daily budget, let your campaign run, and we'll continually optimize how your budget is spent over time to boost your exposure in Etsy search results. For more tips on effectively using Etsy Ads, read our article, [3 Strategies for Deciding Which Listings to Promote](#).

Best for:

- Making your listings more prominent in Etsy's search results
- Reaching new buyers and driving traffic to your shop—and, in turn, learning which listings generate the most sales
- Gauging interest in new inventory or product lines

Offsite Ads

Etsy gets your products in front of millions of shoppers on Google, Facebook, Instagram, Pinterest, Bing, and other channels with [Offsite Ads](#). We cover the upfront costs, and you only pay when you make a sale.

How it works: When a shopper clicks on one of our online ads for your products and purchases from your shop within 30 days, you'll pay an advertising fee.

Note: While Offsite Ads are optional for sellers who make below \$10,000 annually, we recommend all sellers remain opted-in, as an easy way to increase exposure for your shop across the web.

Best for:

- Gaining extra visibility across the internet—without needing advertising expertise to do so, since Etsy handles this process
- Reaching new customers
- Building brand awareness

Discounted or free shipping

If you've shopped online, you've probably done it: You've added that one more thing to your cart to get free shipping. Or maybe you've ditched your order at checkout because you saw a shipping price that felt too high. As a small business owner, tapping into discounted or free shipping as a marketing incentive can pay off. Shoppers come to Etsy with expectations based on their previous online shopping experiences, and free delivery or affordable postage is often a big consideration when deciding whether or not to follow-through with a purchase.

Offering discounted or free shipping to buyers upfront can not only convey the value of your items and appeal to their competitive shipping expectations—it can also ensure there are no surprises when they go to checkout. To help make sure that buyers see shipping prices that better meet their expectations when shopping on Etsy, and help encourage them to make purchases, starting October 1 we'll be updating how shipping price is factored into search for US domestic listings. This means that listings with shipping prices lower than \$6 will be prioritized in search (with some exceptions). [Learn more.](#)

How it works:

- While there will always be costs to package and ship items, you may consider ways to build those into your product pricing strategy in order to recover those costs while better meeting customer expectations. To learn more about popular formulas for recovering shipping costs, read [How to Price for Profit, Conversion, and Growth](#).
- Our data shows that high shipping prices can prevent buyers from making purchases. This means that shifting some of your shipping costs into your item price while keeping the total price the same can be an effective way to improve your sales. Our [new tool](#) is designed to help make it easier for you to set more competitive shipping prices by letting you optionally moving some of your shipping costs into your item price.
- As you're developing a competitive shipping strategy, you may also be wondering how free shipping fits into the equation. While search will prioritize all eligible listings with US domestic shipping prices less than \$6, our data shows that free shipping leads to a higher purchase rate. If it makes sense for your business, consider free shipping as part of your shop's shipping strategy to help with your search visibility and increase your chances of making a sale. [Set up a free shipping guarantee](#).
- If you're a seller based outside the US, you can set up a different listing price for orders shipping within your country and orders shipping outside your country. When you [set up domestic and global pricing for items with free shipping](#), you can add domestic and global pricing to all the other listings linked to your free shipping profile.

Ready to give it a try? Set up a [free shipping guarantee](#).

In short: Strategically recovering shipping costs while offering discounted or free shipping options can create a positive result on both sides of the transaction, for you and your happy customer.

Best for:

- Attracting new customers
- Clearing out stale inventory
- Increasing your average order value by encouraging multi-item orders with a free-shipping threshold
- Recovering expenses
- Meeting customer expectation around free and affordable shipping

Make an Offer

Make an Offer is a flexible pricing tool, designed to help you grow your business. Sellers, who have their shop currency set to USD, have the option to accept price offers on listings. Allowing buyers to make offers on your listings is a completely optional tool. You can opt to try it based on your individual business needs. With more flexibility on how you price your items and move inventory, you can grow your shop on your own terms.

How it works: Select which items to include and set the maximum discount you're willing to consider. If a buyer is interested in an item and wants to discuss the price, they can submit an offer. Curious to try it? Learn more about how to use the [Make an Offer tool](#).

Note: Make an Offer is available for shops with the currency set to US dollars.

Best for:

- **Clearing out stale inventory:** Need some shelf space? Allowing offers on older items could help you create room for new inventory.
- **Encouraging shoppers to buy in bulk:** Review shoppers' offers based on the quantity of your items that they're purchasing.
- **Making sales you might have missed:** Sellers who've tested this tool have seen that most accepted offers are purchased in under three hours. Allowing buyers to make offers could help you make the sale quickly.
- **Testing your pricing:** Have a unique item that's hard to price? Find your sweet spot with your shoppers while still setting your maximum discount.

Note: Some of the discounting tools discussed in this article can be used in tandem. But others, such as Make an Offer, can only be layered with free shipping; it can't be added on top of other sales or discounts.

** Based on sales between January and March 2022 comparing sellers who used thank you coupons to sellers who did not.*

*** Based on an internal analysis that compared the sales of a group of featured sellers between October through December of 2021 against their sales in the same period in 2020.*

**** Based on an internal analysis of non-digital orders from January 2019.*

Return to the Ultimate Guide to Pricing.



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