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The Essentials of Online Advertising

Advertising is one way to help shoppers discover your products. Get to know the basics of online advertising to

Elevate your marketing efforts.
by Etsy Staff



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Advertising is essential to the marketing strategy of successful online businesses. At its core, it's a simple concept—paying 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. Read on to learn more about the basics of ecommerce advertising.

Why advertise online?

Advertising's core principles—and much of what you'll learn here—apply to both online and offline advertising, but there are some things that make online advertising unique:

- **You can encourage immediate action.** Shoppers who see an online advertisement can click to purchase the item immediately if their interest is piqued.
- **You're reaching the right audience.** As an Etsy seller there are two ways you can advertise to shoppers: on Etsy and across the web. [Etsy Ads](#) get your products in front of shoppers searching Etsy.com and in the Etsy app. Your Etsy Ads campaign is optimized to bring you the most visits possible for your budget. In contrast, our [Offsite Ads](#) service helps you reach shoppers searching for items like yours across the web on sites like Google, Facebook, Instagram, Pinterest, and Bing. Both audiences are important to helping your shop grow, because of where they fall in the marketing funnel (shown below).
- **You can experiment without breaking the bank.** Online, you can start advertising with a smaller budget. This allows novice online advertisers to

collect performance data and experiment over time with relatively little risk.

- **You can measure success.** When you invest in online advertising, you'll be able to know down to the last click how many people engaged with your ad.

The marketing funnel

At a high level, the way to drive more sales for any business is to get more customers through the marketing funnel—from awareness of your products to purchase. The “funnel” is a metaphor that marketers have been using for years. It helps you visualize the number of people who are becoming aware of your products, then how many of those people are becoming interested in your products and then how many of those people make a purchase. Like a funnel, the number of people at the top (those who are aware of your products) is always much bigger than the number at the bottom (those who purchase your products).

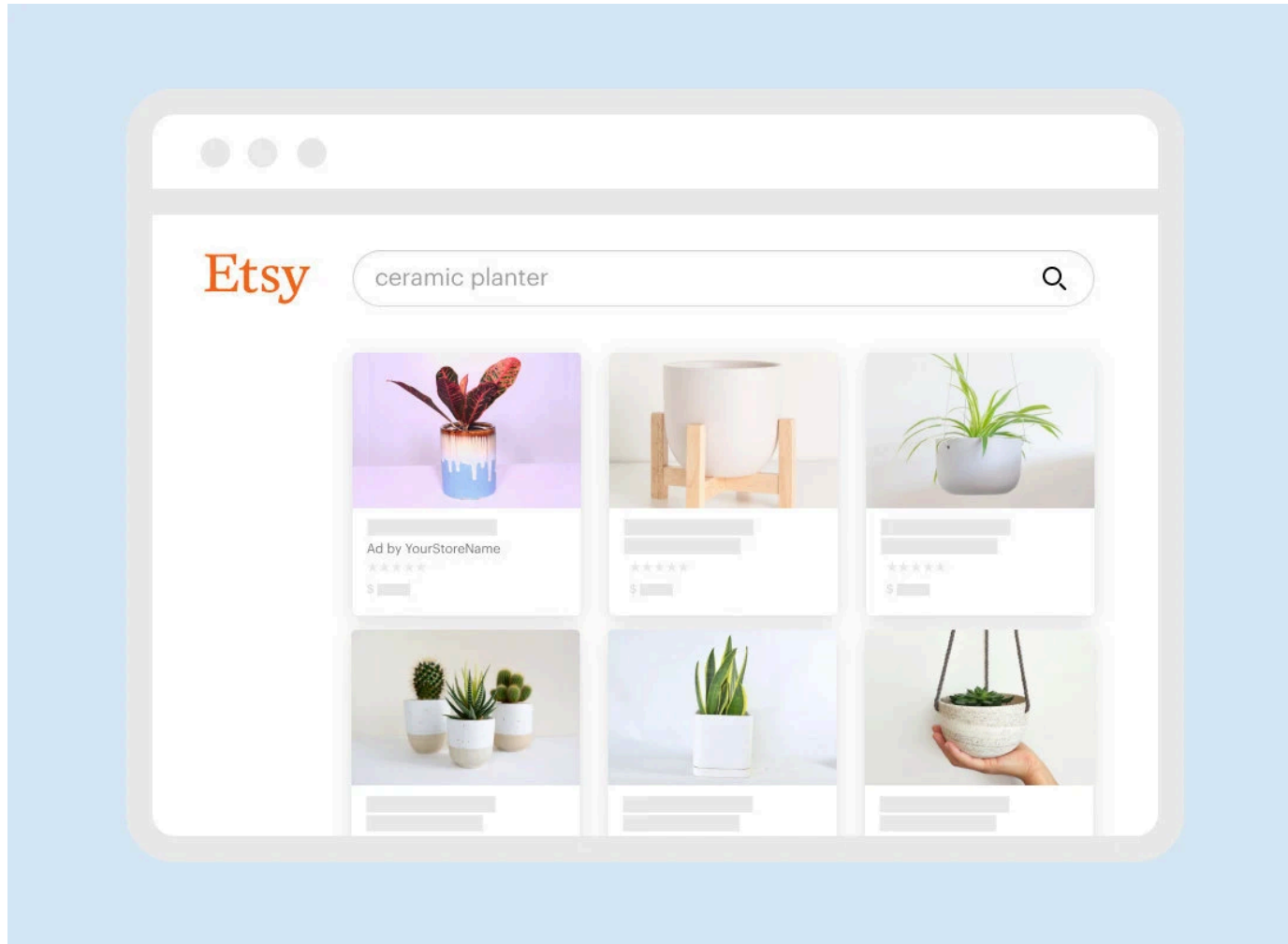


1. Build awareness

Awareness is the top of the marketing funnel—where 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 the site after seeing a recent Etsy commercial on television, or reading about your shop in the press. If you want your sales to grow, you have to work to develop that awareness. That's where advertising comes in.

Our Offsite Ads service uses Etsy's budget and expertise to promote Etsy sellers' items and build customer awareness on sites like Google, Facebook, Instagram, Pinterest, and Bing. When a shopper clicks on one of those online ads for your products and purchases from your shop within 30 days, you'll pay an advertising fee. You only pay an advertising fee when you make a sale. Offsite Ads is only available on Etsy—we designed it with your unique needs in mind. It's an easy way to help increase exposure for your shop across the web.

Moving along the marketing funnel, you have an opportunity to appeal to shoppers who are already aware of Etsy and actively shopping for items like yours on the site with Etsy Ads. When you run an Etsy Ads campaign, you'll set a daily budget that will advertise your listings on Etsy.com and the Etsy app. As your campaign runs, we'll continually optimize how your budget is spent over time to boost your exposure in Etsy search results.



Etsy Ads optimize your onsite campaign automatically to bring you the most visits possible from shoppers via search on Etsy.com and the Etsy app.

2. Develop their interest

Once you've caught a shopper's attention, you need to determine what messaging you're sending to your target customers. Simply put, what will make them click on your advertised listing?

Your first listing photo, listing title, and item price are all factors in determining click through rate (CTR), the percentage of people who saw your ad and clicked on it. Special offers like a seasonal sale or a free shipping guarantee can help your listing stand out in search results.

Whether you're advertising through Etsy Ads or Offsite ads, you'll be able to view listing-level data about views and clicks that can provide a sense of your CTR. Etsy Ads and Offsite Ads are designed to continually optimize where and when your listing is shown to increase the likelihood a shopper will engage with your listing. To learn more about driving clicks to your listings, check out [Create Listings That Convert](#).

3. Make the sale

The last component of the marketing funnel is sales, or “conversions.” When online advertisers think about sales, they think about conversion rates. Conversion rates are calculated by taking the number of purchases in your shop divided by the number of visits to your shop. Conversion rate helps you understand what percentage of people are finding something they like when they get to your shop.

Interestingly, conversion rates aren't just relevant for advertising. In fact, you can view your shop's conversion rate in your [shop stats](#) right now. What percentage of your monthly visitors purchase something in your shop? Knowing the conversion rate of your shop before you start advertising online is one way to predict what to expect once you start driving more paid traffic to your shop.

You want to make sure that the money and time you spend on advertising results in shoppers making a purchase in your shop. Setting up your Etsy listings and shops for success in online advertising means presenting a clear picture of what makes your products special to your potential customers. Keep an eye on the following characteristics of your shop to ensure that your conversion rate is as high as possible, which in turn will make your advertising investment more lucrative:

- The quality and number of the images make a big difference. People want to see what they'll be buying, and if the imagery is excellent, it will help them visualize owning that product.
- The product description helps shoppers understand specifically what they are buying. Is the product description detailed enough to convey all the relevant information in a compelling way without boring the potential buyer?
- Signs that your business is established and run professionally are a must. How many five star ratings do you have? What have other people said about their experience with your shop?
- Price is also part of shoppers' decision making process. Make sure your shop includes products at a variety of price points and use your listing descriptions and photos to communicate the quality of your items. Offering a free shipping guarantee can help eliminate any surprises for potential buyers at checkout.

All of these variables are factors when a potential buyer comes to your shop—and they're all worth investing time and energy into before you start online advertising to ensure you get the most from your advertisements. Remember, it's very unlikely your first attempt at online advertising will be successful. See what works, what doesn't and then use that data to inform your next campaign. Think

of your strategy as a work in progress rather than a finished product and keep trying new things.

Return to the [Ultimate Guide to Advertising](#).

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