

Etsy Says It Has 10 Times More Traffic – Here's How



Etsy's revenue has more than tripled, from \$818 million in 2019 to \$2.75 billion in 2023. And as its revenue rises, so does the platform's investments in technology. Etsy spent \$470 million last year for research and development – a record high.

"I think Etsy is uniquely positioned to benefit from AI," Etsy CFO Rachel Glaser said in a Wednesday interview with Bloomberg. "Finding that needle in the haystack is tricky – that's part of what makes Etsy both delightful and frustrating to people. Being able to serve the good stuff to the top fastest is where AI can really benefit us."

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How Etsy Is Using AI

AI now tailors product searches on Etsy to increase the chances that a shopper will buy an item. It also gives shoppers more precise delivery times and generates gift guides.

Glaser emphasized Etsy's spending on AI and other technology like cloud computing as key to laying the groundwork for more growth. Moving company data to the cloud from on-premise servers, for example, resulted in "10 times the amount of traffic," Glaser said. Etsy's machine-learning tools processed data stored in the cloud more quickly than data stored locally, leading to a traffic spike.

The interview also revealed that Etsy doubled its active buyer count during the pandemic, with face mask sales driving growth. According to Bloomberg estimates, Etsy sold \$750 million worth of masks in 2020 and the company was able to retain the customers driving those sales even after the pandemic ended.

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Etsy has recently taken measures to differentiate AI-generated products and designs from human-created ones. The platform set "Creativity Standards" in July that only allow sellers to list products they have made, designed, sourced, or handpicked.

Etsy had over 91 million active buyers as of its most recent earnings report, a 1% year-over-year increase.

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