

Etsy targets Gen Z shoppers with \$1.6 billion Depop acquisition

E-commerce site Etsy, best known for selling handmade and vintage wares, is buying up a cooler, younger rival, UK-based secondhand shopping app Depop.

The \$1.6 billion acquisition lets Etsy access Depop's young and growing userbase. Etsy says more than 90 percent of Depop's users are under 26, meaning they mostly belong to Gen Z, while Etsy's own users are firmly millennial, with a median age for sellers of around 39. Etsy claims that Depop is the 10th most visited shopping site for Gen Z consumer in the US.

"We are simply thrilled to be adding Depop – what we believe to be the resale home for Gen Z consumers – to the Etsy family," Etsy chief executive Josh Silverman said in a press statement. "Depop is a vibrant, two-sided marketplace with a passionate community, a highly-differentiated offering of unique items, and we believe significant potential to further scale."

Depop, founded in 2011, shares Etsy's love of secondhand clothing. But while Etsy's brand leans more towards the vintage and cosy, Depop's is more fashionable. Depop's revenues doubled last year to \$70 million, with most of this income derived from sales commissions.

While Etsy will get access to Depop's users, Depop itself will be able to draw on Etsy's experience to scale internationally. "Many of the challenges that we are going through as a business are things that Etsy has gone through before," Maria

Raga, Depop's chief executive, told *The Financial Times*. "Etsy has made massive improvements in terms of search and discovery, and this is something that we can definitely learn from."

The acquisition is the latest sign of activity in the secondhand clothing market, though things are not exactly stable. Depop rivals Poshmark and Thredup, for example, have both seen market caps soar on successful IPOs only to fall again when financial earnings revealed widening losses amid sales growth. And Etsy itself has seen its shares drop from a pandemic high as global lockdowns begin to lift and physical retailers reopen. Grabbing Depop seems like a way to reduce that exposure and access a mobile-first userbase.

<https://www.theverge.com/2021/6/2/22464572/etsy-targets-gen-z-shoppers-with-1-6-billion-depop-acquisition>