Why We Are Striking

This statement was written in February 2022, when we first started to organize.

These are our grievances with Etsy:

The fee increase is unwarranted.

In 2018, Etsy increased our transaction fees by 42%, and in return, they promised to use the extra funds to "improve seller experience" and bring new buyers to the platform.

Instead, based on data from Etsy's Quarterly Earnings Report, their focus appears to have been on bringing new sellers to the platform. The proportional increase in new buyers after the change in fees pales in comparison to the proportional increase in sellers.

Now, after substantial growth in profits over the pandemic, Etsy plans to increase our fees by an additional 30%, while making similar promises.

Perhaps if Etsy had kept its promises in 2018, we would be more inclined to believe them today.

Etsy is dishonest about being a platform for handmade items.

Many of Etsy's sellers are not selling handmade goods. They are reselling factory-produced goods from Aliexpress or Amazon. <u>This damages Etsy's reputation as a handmade marketplace</u>, and hurts any shop who is selling handmade goods.

Etsy keeps making <u>promises to crack down on resellers on their platform</u>, yet the problem persists year after year. (Additional research incoming on this topic.)

This is inexcusable.

We need a system for cracking down on resellers that is transparent, so we can hold Etsy accountable for the promises they keep making to us.

Etsy forces ad expenditure with no control over the ads.

Part of Etsy's revenue comes from an Offsite Ads program, in which sellers pay a 12 to 15% fee, on top of existing fees, for each item that is sold through one of these ads. Sellers with total yearly revenue (current or past) more than \$10,000 pay the lower percentage fee, but are unable to opt out of this program.

An advertising program with no control over CPC or which items get advertised should be an option, not a requirement. If Etsy does not wish to build a tool to allow sellers control of their offsite ads expenditures, they need to allow us to opt out of the program.

Listing descriptions are hidden by default on the platform.

Etsy sellers aren't big box retailers. Many of our products are so unique that they require detailed descriptions for the buyer to understand exactly what product or service we are selling. Yet, in an attempt to increase conversion rate, Etsy hides this information from our buyers. Phone screens are small, and descriptions can sometimes be large, so it is reasonable that Etsy does not force it full scale upon everyone. But the current appearance is too subtle to be effective. We need more prominent styling of the description, so we can spend less time answering unnecessary questions and more time making and delivering awesome products to our customers.

The Star Seller Program advantages high volume sellers.

On July 18, 2021, <u>Etsy introduced a Star Seller Program</u> that would offer qualifying sellers greater exposure to buyers. Instead of designing this program to benefit sellers of labor-intensive handmade products, it was designed to benefit high-volume sellers. The requirements of the Star Seller program are as follows:

- Sellers must respond to 95% or more of initial messages from buyers within 24 hours, including on holidays and weekends. High volume sellers can easily fill this criteria by hiring customer service.
- Sellers must ship 95% or more of their orders within stated processing time and with tracking. This criteria is easier to fill for products that are mass-produced and/or in stock, than for unique products that are made-to-order for each customer.
- 95% or more of the seller's reviews must have 5-star ratings. A four star rating counts
 the same against the total as a one star rating. For high volume sellers, maintaining an
 average of no more than 1 in 19 less-than-five-star reviews is an easier bar, than for
 lower volume sellers, for whom a single 4 star review could cause them to lose their
 rating for a time.
- The program also included requirements that sellers must have sold at least 10 orders worth a total of \$300 (before shipping and taxes) within the past three months.

Passive aggressive efforts to influence seller behavior are counter-productive and result in a worse customer experience. Rather than making us mad at buyers who leave glowing 4-Star reviews, or making us feel that we can no longer offer letter class shipping on items like cards and stickers, Etsy should leave us to individually do the best we can for each and every customer in each and every situation.

Sellers need better support from Etsy.

Etsy requires us to offer 24 hour response times to our customers, yet they do not offer this service to us. When we contact customer service, non-automated responses can take weeks to receive, if we receive anything at all. What's worse, enforcement of policies is handled by an AI that tends to make rather egregious mistakes. Anyone following the subreddit for Etsy sellers

has seen post after post of horror stories about takedowns instigated by the AI, with no recourse, and no response from Etsy regarding the situation.

Anyone subjected to an extreme action by the AI, like account termination, should receive a "golden ticket" to access live human support. Period.

We are *not* striking in an attempt to hurt Etsy. In fact, we believe this is the only way to save it. Simply looking at the <u>review rating Etsy had in the past</u> versus <u>the review rating they have today</u> makes it plain that they have lost their way. A marketplace built on the reputation of offering unique and handmade items cannot survive these blatant attempts to put profit over the needs of its sellers.