

## Marketplace vs own store pros and cons

You're staring at the decision: do you list your products on Amazon, Etsy, or eBay, or do you build your own website on Shopify or WooCommerce? It's a fork in the road that defines your entire business model. The "marketplace vs own store pros and cons" debate isn't about which is universally better; it's about which hell you prefer to deal with. One gives you traffic and takes your margins. The other gives you control and forces you to become a marketer. Pick your poison.

## The traffic illusion: borrowed land vs. building your own dirt

Marketplaces are like opening a stall in the world's busiest mall. You don't need to convince people to come to the mall—they are already there, wallets out. Amazon has over 300 million active customer accounts. Etsy has a built-in audience looking for handmade junk. You list a product, and if you optimize the title and price, the algorithm might show it to people. That is the upside. The catch? You are renting space. You do not own the customer relationship. You cannot email them tomorrow. You cannot upsell them directly without paying a fee. If the marketplace decides to change the rules—like raising fees or burying your listing under "Amazon Basics"—you are screwed. You have no recourse. You are a tenant with a month-to-month lease.

Rule of thumb: If you cannot afford to lose 100% of your marketplace traffic tomorrow, you do not have a business. You have a side hustle with a landlord.

## Fee structures that bleed you dry

This is where the math gets ugly. On a marketplace, the fee stack is relentless. Amazon charges a referral fee (usually 8-15%), a closing fee, and often a fulfillment fee if you use FBA. Etsy takes a listing fee, a transaction fee (6.5%), and a payment processing fee. Add it up. On a \$50 product, you might lose \$10-\$15 before you even pay for the product itself. Your own store, on the other hand, has fixed costs. You pay for hosting (\$30-\$300/month), a domain (\$15/year), and a payment gateway (2.9% + \$0.30 per transaction). That is it. On that same \$50 product, you keep almost \$48 before product cost. The trade-off is obvious: marketplaces take a cut of every sale, but they bring the customer. Your own store keeps the margin, but you have to drag the customer in yourself.

## Where the margin really lives

Let's say you sell a handmade leather wallet for \$80. On Etsy, after fees, you pocket about \$68. On your own Shopify store, you pocket about \$77. That \$9 difference matters. Sell 1,000 wallets, and you just lost \$9,000 to marketplace

fees. But selling 1,000 wallets on your own store requires you to spend money on ads, content, and SEO to get those 1,000 people to your site. You are trading margin for traffic acquisition cost. The real question is: can you acquire a customer cheaper than the marketplace fee? If your cost per acquisition (CPA) is lower than the 15% fee, you win. If not, the marketplace is cheaper.

## **Control, branding, and the customer relationship**

Your own store is a blank canvas. You control the design, the checkout flow, the upsell paths, and the post-purchase emails. You can build a brand that people remember. You can collect emails, build a loyalty program, and retarget visitors with ads. Marketplaces actively prevent this. Amazon hides customer emails. Etsy limits your ability to contact buyers outside the platform. You are a faceless seller in a sea of identical listings. The customer bought from "Amazon," not from you. If you want to build an asset—a brand that you can sell or leverage later—your own store is the only path. Marketplaces are a distribution channel, not a brand builder. Treat them as such.

## **Discovery and the algorithmic lottery**

Getting found on a marketplace is a game of optimization and luck. You need to nail the title, the keywords, the images, the price, and the reviews. Then you pray the algorithm favors you. It is a black box. One day you are on page one; the next day you are buried. Your own store requires you to build discovery through Google SEO, social media, paid ads, and word of mouth. It is slower. It is harder. But it is predictable. You control the levers. You can write a blog post, run a Facebook ad, or collaborate with an influencer. The results compound over time. Marketplace traffic is a hit. Your own store traffic is a grind that builds equity.

## **A decision tree in prose**

If you have zero audience and zero budget, start on a marketplace. It is the fastest way to validate a product. If you have a product with a strong repeat purchase cycle (like coffee, supplements, or skincare), build your own store immediately—you need the customer data. If your product is a commodity (cheap phone cases, generic toys), the marketplace will commoditize you further; you will compete on price. If your product has a high perceived value or a strong brand story (handmade, luxury, niche), your own store gives you the room to tell that story. If you cannot stomach the idea of losing 15% of every sale, build your own store and accept the marketing grind.

## **The hidden cost of returns and fraud**

Marketplaces often side with the buyer. Amazon's return policy is brutal. A customer can return a used item for almost any reason, and you eat the cost. Fraud is rampant. Scammers claim "item not received" or "defective," and Amazon often refunds them from your account without asking. On your own store, you set the return policy. You can require

photos, charge restocking fees, or limit the return window. You have more control over fraud prevention. But you also have to handle customer service yourself. No one is mediating disputes for you. It is a trade-off between protection and autonomy.

## **When to use both (and how not to screw it up)**

Many successful brands use both. They list on marketplaces for volume and discovery, then drive customers to their own store for repeat purchases. The trick is to include a card in the package with a discount code for your site. "Thank you for your Amazon purchase. Get 10% off your next order at our store." This moves customers off the marketplace and into your ecosystem. But you have to be careful. Amazon prohibits directing customers away from the platform. You cannot include a link. You can include a brand name, though. Smart sellers use this loophole. They build the brand on the marketplace, then capture the customer on their own site through organic search or direct traffic.

## **Common mistakes sellers make**

- Treating a marketplace as a long-term strategy instead of a distribution channel.
- Ignoring the customer email list on their own store.
- Pricing the same on both channels without accounting for marketplace fees.
- Not optimizing product pages for marketplace search (title, bullet points, backend keywords).
- Giving up on their own store after three months of low traffic.

## **FAQ: Quick answers to the most common doubts**

### **Can I use Shopify and Amazon at the same time?**

Yes. Use Shopify as your primary store and integrate with Amazon via an app like Oberlo or Codisto. Manage inventory centrally.

### **Which marketplace has the lowest fees?**

eBay and Etsy have lower base fees than Amazon, but they also have less traffic. You get what you pay for.

### **How long does it take to get traffic to my own store?**

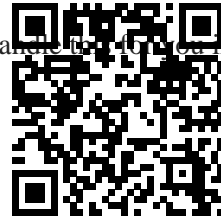
If you do SEO and content marketing, expect 6-12 months to see meaningful organic traffic. Paid ads can work immediately but cost money.

### **Is it worth building a store for a single product?**

Probably not. A single product store is hard to scale. Use a marketplace to test the product, then expand your line and build a store.

## Do I need to collect sales tax on my own store?

Yes, in most jurisdictions. Use a tool like TaxJar or Avalara to automate it. Marketplaces handle tax in some states.



## Make the call based on your margin, not your ego

This is not a moral decision. It is a math problem. Calculate your fully loaded costs on both channels. Factor in your time for marketing, customer service, and returns. If you have a high-margin product with a strong repeat purchase cycle, your own store wins every time. If you have a low-margin commodity or a brand new product, the marketplace is the safer bet. Do not romanticize "owning your platform." Do not fear the marketplace fees. Run the numbers. Then build accordingly. The worst thing you can do is pick one and ignore the other for ideological reasons. Use both, but know which one is your profit center and which one is your lead generation machine.

## Technical Verification Node

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