

1stDibs - The Price of a Place on the Marketplace

Internal ID: S&F-STR-006

Topic: Pricing Strategy, Business Models, Competitive Strategy

Industry: Broadline Retail

Source: Strategy & Finance

Publication date: 5 October 2026

License: Not specified

Decision date and information cutoff: 3 March 2025

Decision scope: Seller participation and monetization

Case convention: This is an author-created management decision exercise. The assignment and proposed test are hypothetical; company disclosures are historical. No private deliberations are represented.

The decision

On 3 March 2025, 1stDibs filed its annual report for 2024. The company said it had shifted seller acquisition and monetization toward “fewer, but more highly engaged sellers.” During the year, it discontinued a pricing option with no monthly subscription fee and higher commissions, which it said contributed to seller churn. It did not disclose the former option’s exact rates, eligibility, or seller-level results. [S1], Item 1, lines 243-244.

At year-end, the marketplace reported approximately 5,900 unique sellers, down from 7,800 a year earlier. Its reported listings, registered users, active buyers, and orders rose, while on-platform gross merchandise value (GMV) was nearly unchanged. The public figures did not show whether the seller change improved engagement or narrowed useful supply. [S1], Item 1, lines 242-250; Item 7, lines 1374-1403.

In this hypothetical exercise, you are advising 1stDibs’ senior leaders on the next seller-pricing choice. Should the company retain its current subscription-and-commission architecture and continue concentrating on engaged sellers? Or should it test a no-monthly-subscription, higher-commission entry option for a limited group of qualified smaller sellers? The test is an author-created alternative, not a disclosed management proposal and not necessarily a restoration of the former plan.

A marketplace for distinctive goods

1stDibs connects buyers with dealers and makers of vintage, antique, and contemporary furniture, home décor, jewelry, watches, art, and fashion. The company describes its marketplace as a source for distinctive luxury design items and reports that sellers undergo an in-house review of listing integrity. Buyers can communicate and negotiate directly with sellers; 1stDibs provides specialist support, payment tools, fraud protection, and the 1stDibs Promise. The company does not take physical possession of the listed goods. [S1], Item 1, lines 239-247, 276-289.

The model depends on both sides participating. Sellers supply and describe the items; buyers bring demand and sales. The goods are varied and often unique, and many purchases are high consideration. In 2024, approximately 3% of orders had item value of at least \$100,000,

compared with 5% in 2023. Seller screening and buyer protection were part of the company’s stated proposition, but the filing did not report their effect on conversion or repeat purchases. [S1], Item 1, lines 276-289.

The seller offer

The company says sellers can choose among subscription tiers that pair a higher monthly fee with a lower commission, or a lower monthly fee with a higher commission. A basic listing carries no listing fee; sellers can pay to promote selected items. Transaction commissions vary with category and item price, ranging from 5% to 50% of GMV. Processing fees are approximately 3% of the buyer’s total payment, net of expected refunds. The filing does not disclose subscription prices, seller counts by plan, or effective commission rates by seller cohort. [S1], Item 7, “Our Business Model,” lines 1341-1354.

The revenue mix shifted in 2024. Marketplace transaction fees rose as a share of revenue while subscription fees fell as a share. Management attributed the revenue increase primarily to initiatives to improve take rates, including commission re-tiering. It also said higher performance-based marketing contributed to GMV and revenue in the first half and fourth quarter. These explanations were not isolated into seller-plan or marketing-level effects. [S1], Item 7, lines 1502-1532.

Exhibit 1. Marketplace indicators

Year-end unless specified; 2023 and 2024. Company-reported values, except percentage changes calculated by the case author.

Measure	2023	2024	Approximate change
Unique sellers	7,800	5,900	–24.4%
Listings	1.7 million	1.8 million	+5.9%
Registered non-seller users	6.3 million	7.0 million	+11.1%
Seller stock value	More than \$10.0 billion	More than \$10.0 billion	Described as consistent
Active Buyers	60,716	64,306	+5.9%
Number of Orders	133,072	139,239	+4.6%
Total GMV	\$362.316 million	\$362.274 million	–0.01%
On-platform GMV	\$346.6 million	\$346.3 million	–0.09%

Sources: [S1], Item 1, lines 242-250; Item 7, “Key Operating and Financial Metrics,” lines 1374-1403. Seller and listing counts are rounded. “Active Buyers” means buyers with at least one marketplace purchase during the trailing 12 months, net of cancellations; buyers are identified by unique email addresses. GMV includes qualifying offline sales reported by sellers; on-platform GMV is the subset placed or reported through the marketplace. Seller stock value equals current item price multiplied by quantity available; it is listed supply, not sales or realizable value. Growth percentages are case-author calculations from the reported values.

Exhibit 2. Financial context and revenue mix

USD millions, except revenue mix; fiscal years ended 31 December. Values are company-reported.

Measure	2023	2024
Revenue	\$84.684	\$88.257
Gross profit	\$59.573	\$63.426
Gross margin	70.3%	71.9%
GAAP net loss	\$(22.699)	\$(18.633)
Adjusted EBITDA	\$(13.340)	\$(8.009)
Transaction fees as a share of revenue	71%	74%
Subscription fees as a share of revenue	24%	22%
Listing fees as a share of revenue	4%	3%
Other services as a share of revenue	1%	1%

Sources: [S1], Item 7, “Our Business Model,” lines 1345-1354 and MD&A, lines 1502-1532; [S2], full-year highlights, lines 24-34, consolidated statements, lines 128-150, and Adjusted EBITDA reconciliation, lines 209-223. The 10-K narrative describes Adjusted EBITDA as positive \$8.0 million, but its table and the release reconciliation report a loss. Exhibit 2 uses the reconciled negative amount.

Exhibit 3. A competitor’s disclosed seller plans

Archived public offer as of 6 February 2025; terms for one-of-a-kind listings where indicated.

Chairish plan	Active listings / membership charge	Commission shown on archived page
Consignor	1-9 listings; no monthly charge	40%
Professional	10+ listings; no monthly charge	30%
Premium	10+ listings; \$49 monthly or \$539 annually	22% on one-of-a-kind listings
Plus	10+ listings; \$99 monthly or \$1,089 annually	Tiered rate on one-of-a-kind listings

Source: [S3], Chairish “Consign With Us,” archived 6 February 2025. This is a snapshot of an offer page, not the full seller contract. Chairish’s services, eligibility, commission bases, and seller economics are not necessarily comparable with 1stDibs.

Questions for decision

1. Which seller architecture should 1stDibs pursue: keep the current subscription-and-commission structure, or test a no-monthly-subscription, higher-commission entry option for qualified smaller sellers? State the strongest case against your recommendation.
2. How could a change in the seller fee structure affect seller entry and retention, the quality and variety of supply, buyer demand, trust, and 1stDibs' revenue mix?
3. If you recommend a test, define its scope and the measures that would determine whether to continue, revise, or stop it. If you recommend keeping the current structure, specify what evidence would trigger a change.

Use only information public by 3 March 2025. The filings report aggregate seller, listing, GMV and revenue measures; they do not isolate the effect of the 2024 plan change. Plan-level prices and seller cohort economics are not provided.

Sources

S1. 1stdibs.com, Inc., FY2024 Form 10-K, filed 3 March 2025, accession 0001600641-25-000011. [SEC filing](#). Item and SEC HTML line locators accompany the claims above; printed pages: Item 1, pp.1-2; Item 7 seller offer, p.44; operating metrics, pp.44-45; MD&A, p.49.

S2. 1stdibs.com, Inc., “1stDibs Reports Fourth Quarter and Full Year 2024 Financial Results,” 28 February 2025. [Official release](#). Highlights, lines 24-34; statements, lines 128-150; Adjusted EBITDA reconciliation, lines 209-223.

S3. Chairish, “Consign With Us,” archived 6 February 2025. [Internet Archive capture](#). Public fee offer only; not a full seller contract.

The case and alternatives are hypothetical; historical facts are attributed to the sources above. No post-cutoff company information is included.