

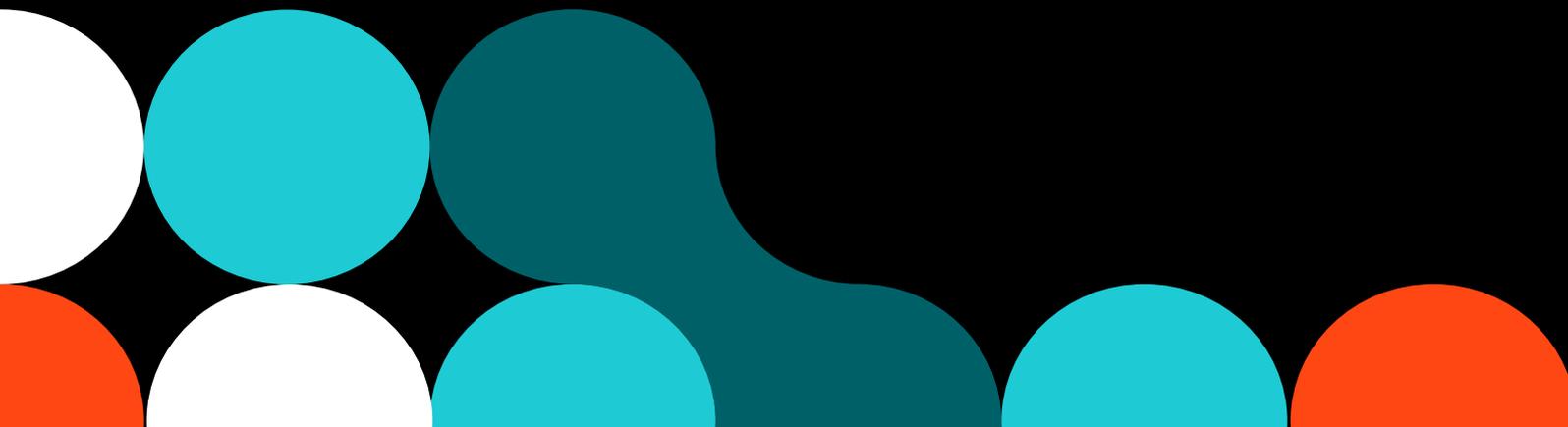
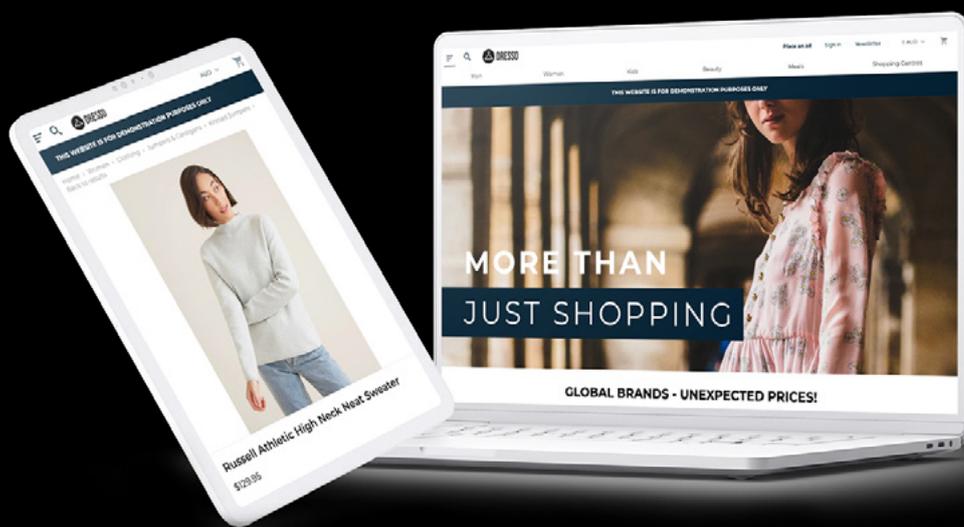
MARKETPLACER™

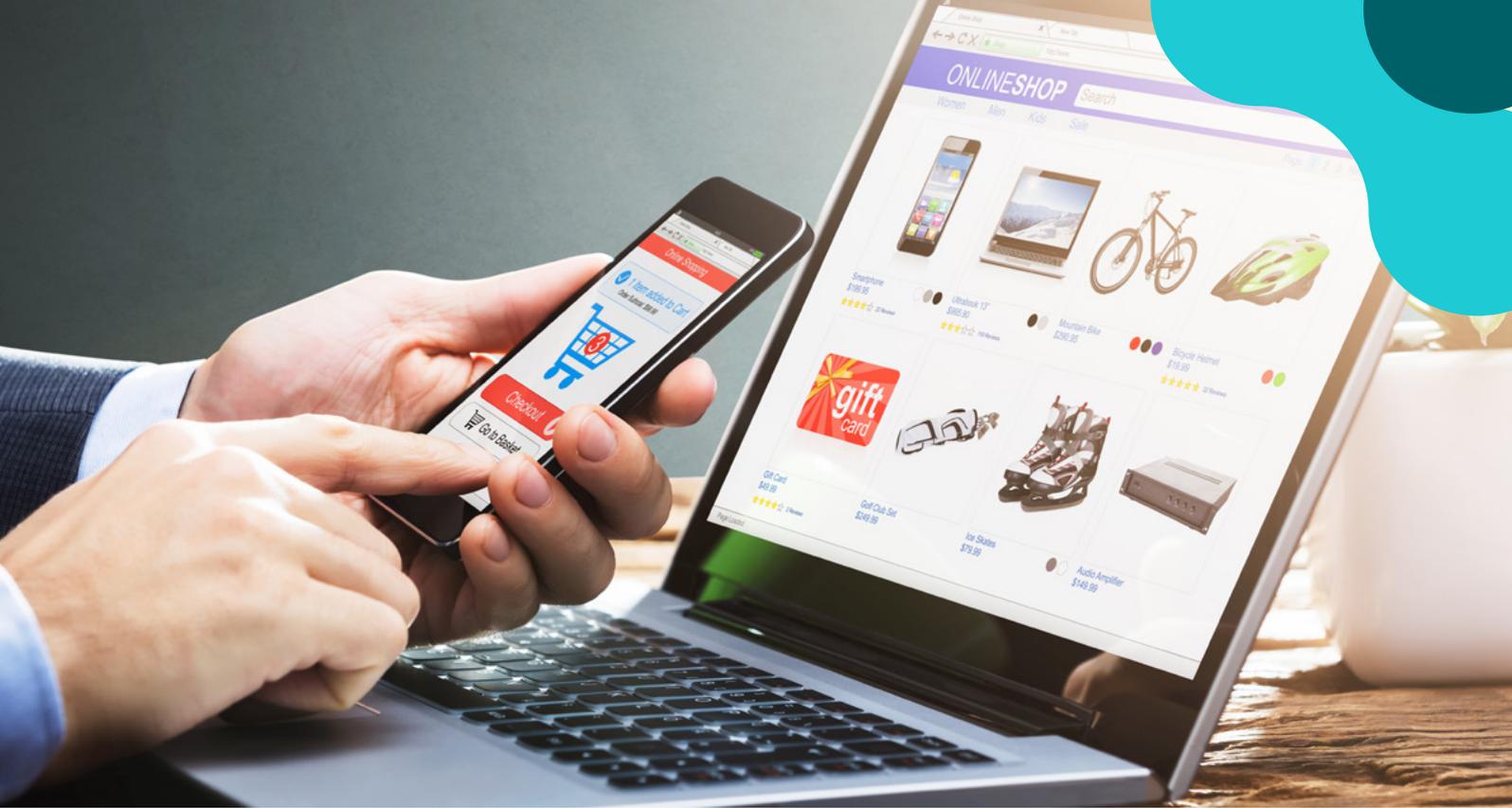


EBOOK

SETTING YOURSELF UP FOR SUCCESS WHEN LAUNCHING A MARKETPLACE

IN PARTNERSHIP WITH





“WAIT, WHAT DO YOU MEAN BY MARKETPLACE?”

We're talking about an online marketplace that hosts third-party sellers as an extension of your existing eCommerce site, or as an entirely new commerce endeavor. Marketplaces have always made it easier to connect customers and merchants and it's the same in the digital space. Online, customers can shop nearly endless aisles from sellers all over the world. Selling on an online marketplace offers a growth opportunity for merchants and launching your own marketplace as a host to those sellers offers you an even bigger one.

With \$3.23 trillion spent globally on the top 100 marketplaces¹, the top 49 U.S. marketplaces reporting \$919 billion in sales², and Forrester reporting that two-thirds of B2C eCommerce sales are also now captured via marketplaces³, many companies and communities are asking how they can get in on the action.

HOW CAN LAUNCHING A MARKETPLACE HELP GROW MY BUSINESS?

"In our years of building successful websites and marketplaces, we see a much greater chance of success when businesses launch with enterprise-grade commerce platforms and marketplace technologies."

Lou Fabian, Managing Director, USA/EMEA, Web Force 5



Launching your own marketplace enables you to:

- **Expand** what your catalog offers and branch out to new brands and markets with less investment risk while mitigating supply-chain concerns
- **Scale** more easily than dropshipping and better manage your sellers
- **Connect** like-minded buyers and sellers in your community, increasing customer engagement and growing customer lifetime value and loyalty

However, as with any new endeavor, it can be hard to know how to plan and build for success.

A lot of ideas get thrown at you on how you can and should launch your marketplace, from whether you should join a giant marketplace, build your own from scratch, launch on existing technology, or simply drop ship instead.

Cost and time are certainly big considerations, especially in the decision to custom build or launch on existing enterprise-grade tech. *"In our years of building successful websites and marketplaces, we see a much greater chance of*

success when businesses launch with enterprise-grade commerce platforms and marketplace technologies," advises Lou Fabian, Managing Director, USA/EMEA, at solution experts Web Force 5. *"Custom building always comes at a much higher cost to build and maintain over time, and in hiring and training staff."*

In this eBook, we have compiled commonly asked questions as a guide to address these concerns and to help set you up for success in both launching and running your marketplace.



\$919B In sales reported by the top U.S. Marketplaces in 2021



\$3.23T Spent globally on the top 100 online marketplaces in 2021



2/3 of B2C eCommerce sales are now captured via marketplaces

START WITH STRATEGY

WHY LAUNCH MY OWN MARKETPLACE RATHER THAN JOIN A BIG ONE?

Once upon a-time-not-too-long-ago, selling on an online marketplace to expand your visibility and grow your revenue meant joining one of the giants, often at a deep cut to your margins. You didn't have much say in your branding and there were few features to help you stand out to buyers in your market (if your products were visible at all). When you establish your own marketplace, you can turn all of these challenges into opportunities and take your revenue growth a step further.

Your Marketplace, Your Rules

Launching your own marketplace gives you control over branding, sellers, and products.

You can curate a brand presence that helps you stand out and become a destination in your market, and you can make sure that you host sellers and feature products aligned with and tailored to your brand.

Your Marketplace, Your Revenues

Since you're selling on your own website, you can build revenue from the sellers who join your marketplace. Launching your own marketplace also takes the financial pressure off expanding your product lines and testing out new categories and markets because you don't need to invest in unproven inventory.

SHOULD I EXTEND MY EXISTING BRAND OR LAUNCH A NEW ONE?

A big advantage to launching your own marketplace is that you can control and curate your brand presence, whether you choose to extend your existing brand or launch something completely new. Note that either option might mean upgrading your existing commerce platform and other software tools.

Extending Your Existing Brand

This is a great option if you have a well-established brand and customer community. Known and trusted brands can more easily attract like-minded sellers and offer a larger selection of products they know their customers are looking for. If you're already on an enterprise-grade commerce platform that can be extended to include marketplace software, launching your marketplace will likely also be a bit more streamlined since you're not standing up a whole new site.

Launching a New Marketplace Destination

If you want to branch out into a completely new market, product line, or business model (or simply don't want to disrupt your existing commerce site), launching a new marketplace destination might be a better option than adding marketplace functionality to your existing property.

SHOULD I HIGHLIGHT SELLER BRANDS? OFFER THEM STOREFRONTS?

This depends entirely on how you want to operate and present your brand. Some marketplaces like to focus attention on the products and the market they're serving, while others see highlighting their sellers as a part of their marketing and brand strategy. It can be offered as a courtesy and featured as an attraction to joining your marketplace. Similarly, offering storefronts might be worth the additional effort to create if your sellers have popular brands in your community and market. If you're not sure, consider testing with select sellers to see how it impacts sales.

Either way, make sure you treat your sellers well. Be available to support and guide them as they onboard and add products, and include their products in promotions. Communicate clearly and frequently with sellers, especially to share data that will help them, and you, sell more products.

"Helping your sellers be successful will make your marketplace successful," advises Ed Kennedy, Product Marketing Lead, B2B Commerce at Adobe"

Ed Kennedy, Product Marketing Lead, B2B Commerce, Adobe



HOW LONG DOES IT TAKE TO LAUNCH A MARKETPLACE?

As with any project, this depends on several factors, but the fastest route is a connected one. Integrating a good marketplace tool with a solid commerce platform combines the strengths of both, saving you time as you launch and as you grow. A composable commerce or modular strategy will enable you to add new capabilities from a community of partners like those mentioned in this eBook, tax experts Vertex and fraud-prevention experts Signifyd. These connected partners will continuously improve and update their technologies, leaving you to focus on managing your marketplace business.

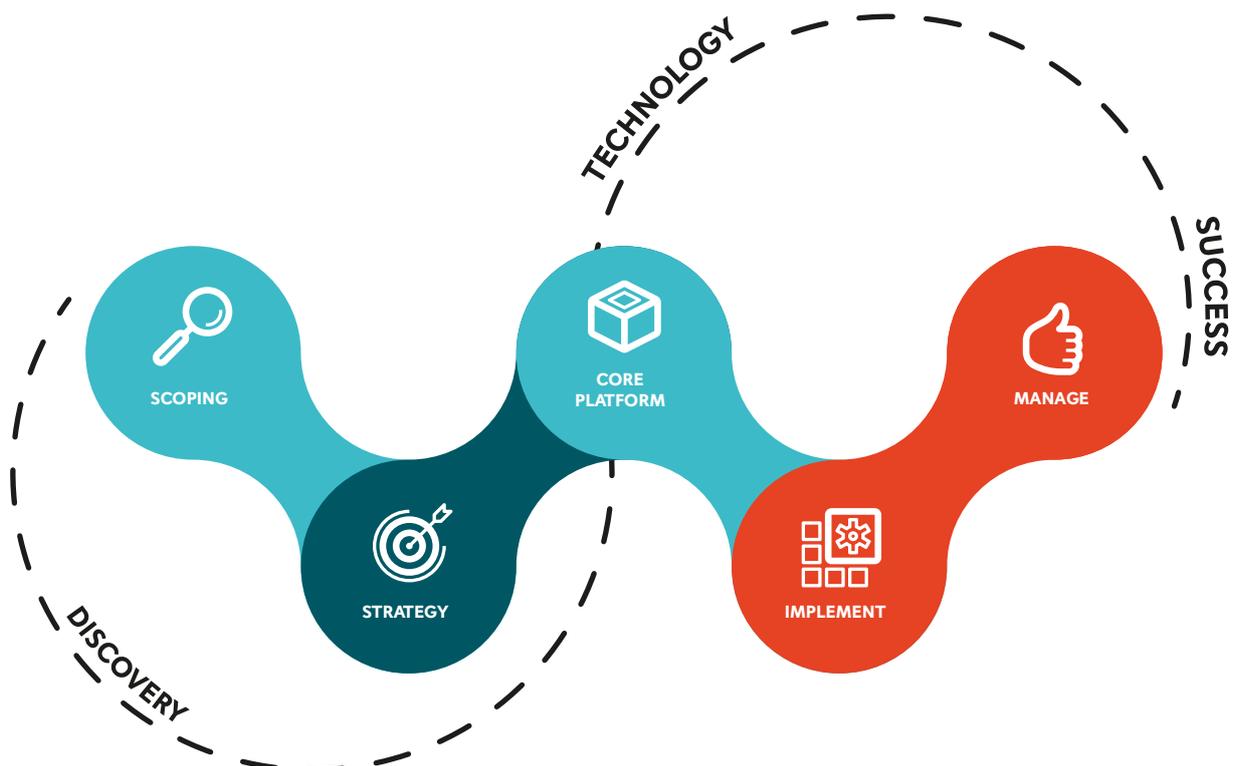
Custom-building your marketplace will generally take longer and it's not necessary to achieve customizability. With feature and functionality-rich enterprise-grade tools, on an enterprise-grade platform, you can expect a minimum viable product (MVP) within 4 months and you'll still be able to customize to your needs.

"Building from scratch requires many months of planning and development and will cost you more in time, resources, and money," says Lou Fabian of Web Force 5. "Custom builds will require a very strong, dedicated product manager to facilitate the build, several UAT cycles that may delay MVP launch, and knowledgeable ongoing support in upwards of 150 hours per month to maintain the build once it's live. Aside from a significant cost to do all of this, you'll need to plan for constant custom building to add new features, keep up with customer feedback, meet marketing needs, and maintain security."

WHAT KIND OF STAFF DO I NEED TO RUN MY MARKETPLACE?

The answer here greatly depends on the nature and size of your marketplace. Just like any eCommerce site, you should plan to have dedicated people and resources to help you manage your marketplace, but you should also have staff in place to manage recruiting, onboarding, and maintaining sellers. These folks will be integral in both vetting sellers that fit your marketplace's brand (supplying products your customers are looking for), and in creating end-to-end relationships with sellers for mutual success.

Good enterprise-grade commerce and marketplace tools will be particularly important here, so be sure to look for marketplace tools that include features like an intuitive admin system that enables simple seller onboarding, tailored seller reporting, and streamlined shipping and selling capabilities.





WHY NOT JUST DROPSHIP?

Dropshipping is another way retailers can control their branding and revenue and offer new products with less inventory risk. However, with dropshipping, you'll need to do all of the work yourself like adding products and managing shipping, though you'll have little control over inventory and supply chain, especially shipping logistics and costs. Liability for fraud and returns falls on you and both can be a big headache. Understanding the cost of goods might be a problem and financial reconciliation of transactions is also cumbersome.

"With a good marketplace platform, you'll get a host of features that help you easily add and manage sellers and transactions from end to end," says Jim Stirewalt, President, Marketplacer US. "On a marketplace, sellers will manage their own inventory, shipping, and returns behind the scenes, creating a much more seamless shopping experience."

If you currently have a strong dropshipping business, you can continue to manage that in conjunction with launching your own marketplace, and even offer your suppliers the opportunity to transition to sellers, making your partnership easier for both sides to manage.

"With a good marketplace platform, you'll get a host of features that help you easily add and manage sellers and transactions from end to end."

Jim Stirewalt, President, Marketplacer US

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PUT THE RIGHT PEOPLE AND TOOLS IN PLACE

WHAT SHOULD I LOOK FOR IN PARTNERS TO HELP ME LAUNCH MY MARKETPLACE?

Certainly, a partner with proven experience launching marketplaces is imperative, but it will be invaluable to have partners that understand your business needs and can help guide your overall strategy and help you work through technical considerations. It's so important that you work with partners that understand what the challenges are so they can help guide you every step of the way, steering you clear of any pitfalls.

A big reason Web Force 5, Adobe, and Marketplacer teamed up on this eBook is that we share enterprise-grade expertise and proven success working together to help build digital commerce sites and marketplaces. "Working with compatible partners is so important," says John Mullins, Chief Alliance Officer at Marketplacer. "Make sure your partners are familiar with each other and work well together."

WHAT SHOULD I LOOK FOR IN COMMERCE AND MARKETPLACE TOOLS?

"We've had so many conversations with merchants who've wanted to develop a marketplace in-house," says Lou Fabian of Web Force 5. "Of the marketplace projects that Web Force 5 has launched, the customized projects (projects outside of an established platform), on average, are two to three times the cost and timeframe to develop. That doesn't include post-launch support, maintenance, and ongoing expansion of features and functionality." Along with being able to seamlessly integrate with other technologies, your commerce and marketplace tools should provide you with the following:

- Feature-rich tech stacks that will save you time and trouble
- Built-in, enterprise-grade functionality that provides great user experiences for buyers, sellers, and your commerce team
- Composable, modular options so you can connect with expert partner businesses
- The ability to decouple the front end from the backend and go headless to provide customers with an elite-level shopping experience both on desktop and mobile devices
- Technology providers dedicated to bringing you performance, reliability, and security, and who continually evolve and improve their products
- Tools with proven ecosystems including a network of helpful partners

"Of the marketplace projects that Web Force 5 has launched, the customized projects (projects outside of an established platform), on average, are two to three times the cost and timeframe to develop."

Lou Fabian, Managing Director, USA/EMEA, Web Force 5





WHAT ABOUT BUSINESS-CRITICAL TOOLS LIKE TAXES AND FRAUD PROTECTION?

Will collecting taxes work differently?

Just like a traditional eCommerce site, taxes should be collected appropriately, consistently, and transparently on a marketplace.

"Maintaining consistency of the buyer's experience is vital and marketplaces will need to make sure their customers have the same experience wherever they encounter your brand," says Shannon Kelly, Channel Evangelist at Vertex.

Being able to do this successfully will mean using a good tax collection tool. "Vertex has the privilege of being the tax solution of choice for literally the largest and most successful digital commerce businesses in the world," says Kelly. "And they also have amazing partnerships with marketplace technologies, with whom their client base has seen tremendous growth in the last two years. This gives them not only a deep understanding of what taxes need to be collected and when, but also an existing ability to plug into enterprise-grade commerce platforms and marketplaces without extensive customization to do that."

How do I mitigate the risk of fraud?

A marketplace can help you grow quickly by adding new products, expanding into new markets, and attracting new customers, but this growth can also lead to more fraud. Because you may not be as familiar with the buying habits of your new customers, you might not be able to judge which transactions are legit or not. This can lead you to lose sales in a lengthy vetting process, or become overly cautious and cancel good transactions. Ashley Kiolbasa, Sr. Director of Product Marketing at Signifyd warns, "Preemptively canceling good transactions could cost you more in lost sales and customer loyalty than if the sales were actually fraud."

The good news is that there are great fraud tools available, like those offered by our friends at Signifyd. These tools have access to data from thousands of merchants that can help you quickly differentiate between fraudulent and legitimate orders and allow good transactions through. Look for a fraud tool that also includes machine learning models that will identify and adapt to your customers and help you get to know the new customers your marketplace brings in.

"Maintaining consistency of the buyer's experience is vital and marketplaces will need to make sure their customers have the same experience wherever they encounter your brand."

Shannon Kelly, Channel Evangelist,
Vertex



"Preemptively canceling good transactions could cost you more in lost sales and customer loyalty than if the sales were actually fraud."

Ashley Kiolbasa, Sr. Director of
Product Marketing, Signifyd





NEXT STEPS

With their potential for driving significant growth, many businesses have already begun building marketplaces, and your competition may be among them. Our final plug for launching your marketplace on established technology, with help from experienced partners, is that you'll be able to harness the advantage quickly and early in this market. Adopting marketplace strategy and technology early will also help you adapt both to the changing market and to its innovative tools. It's usually much more difficult to change the longer you wait to do it.

[Reach out to us](#) to schedule a complimentary consultative session with Web Force 5, Adobe, and Marketplacer, and we'll help you plan a future-proof, scalable solution that gives you the best possible chance to succeed with your own marketplace.



CONTRIBUTORS



LOU FABIAN

MANAGING DIRECTOR, USA/EMEA, WEB FORCE 5

Lou started with Web Force 5 in August of 2021 and brings over 20 years of digital agency experience. Starting with managing Digital Paid Media for brands such as the NFL, Dish Network, the PGA, Ace Hardware, and Sports Authority, he moved into Strategic Partnerships and Alliances in 2015. Lou has also done work on various projects in places like Japan, the Czech Republic, and Israel. With his experience both globally and within the Digital ecosystem, Lou is well-positioned to bring Web Force 5 into the North American marketplace. Personally, Lou keeps busy with an international non-profit that he co-founded in 2016, which brings both renewable energy and the internet to remote locations in Latin America. He also sits on the Board for the American Alpine Club and spends as much time with his friends and family as possible, and can be regularly found at his home drop zone working on his B License in skydiving.

The combined force of digital experts from 5 continents. That's Web Force 5. It means our teams across the globe can be working for you while you sleep. Your website doesn't rest, neither do we. Our industry revels in ambiguity, enabling bad tech, poor service, and price gouging. We know. We've done a lot of relationship rescues. And when someone's been badly burnt, you have to be twice as good to win their trust. We had enough of being in bad relationships ourselves. It's why we left our companies to start Web Force 5. We deserved better, and so did clients. Life's too short. We treat our staff, our suppliers, and our clients all with the same respect. Right from the start, we took ambiguity out of the equation.

We spend time doing crazy detail up-front. It can be painful, but it pays off. It gets our clients online, on time, on budget, and still on speaking terms. Now that's something to revel in. Reach out to Lou and Web Force 5 for a complimentary consultative session at [.Webforce5.com](https://www.webforce5.com).



ED KENNEDY

PRODUCT MARKETING LEAD, B2B COMMERCE, ADOBE

Ed Kennedy leads B2B Commerce product marketing at Adobe. Ed has spent over 12 years in eCommerce consulting and software for some of the world's largest consumer brands, industrial manufacturers, and wholesale distributors. Adobe Commerce is the world's leading digital commerce solution for merchants and brands. With Adobe Commerce, you can build engaging shopping experiences for every type of customer—from B2B and B2C to B2B2C. It's built for enterprise on a scalable, open-source platform with unparalleled security, premium performance, and a low total cost of ownership. Businesses of all sizes can use it to reach customers wherever they are, across devices and marketplaces. It's more than a flexible shopping cart system. It's the building block for business growth. Learn more about using Adobe Commerce for your marketplace at [Business.adobe.com](https://business.adobe.com).



SHANNON KELLY
CHANNEL EVANGELIST, VERTEX

Shannon Kelly has been a sales & marketing leader in the fields of technology and hospitality for more than twenty years. A decorated alumnus of the United States Naval Academy and University of Maryland graduate, Shannon is passionate about the power of partnerships and removing friction from commerce. Shannon is a devoted husband, father of three, travel junkie, foodie, wine guy, proud patriot, history geek, karaoke star, and an amputee. "I want to connect with and benefit more than a million people, personally and professionally". Vertex has been connecting great people and partners to deliver trusted tax solutions for decades. We proudly serve our global customers with distinction and provide reliable, comprehensive indirect tax solutions that enable more consistent and accurate tax management. Learn more and reach out to us at Vertexinc.com.



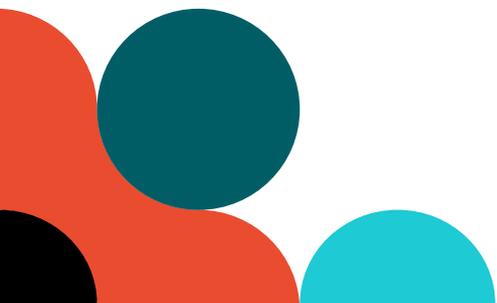
ASHLEY KIOLBASA
SR. DIRECTOR OF PRODUCT MARKETING, SIGNIFYD

Ashley Kiolbasa serves as the conduit among Signifyd customers, product managers, and the online retail market. She is a researcher and customer-obsessed marketing leader who is passionate about identifying key market opportunities. She is a key driver of Signifyd's go-to-market strategies and directs the team responsible for Signifyd's data-sharing program Pulse, exposing network data from Signifyd's Commerce Network to help advise brands and retailers on emerging trends and opportunities. Ashley also holds a Bachelor of Arts (BA) degree in Communication from the University of California, Santa Barbara, and an International MBA from the IE University in Madrid. Signifyd provides an end-to-end Commerce Protection Platform that leverages its Commerce Network to maximize conversion, automate customer experience and eliminate fraud and consumer abuse for retailers. Its solutions provide the transparency and control that brands need to succeed in the rapidly changing world of commerce. Learn more and reach out to us at Signifyd.com.



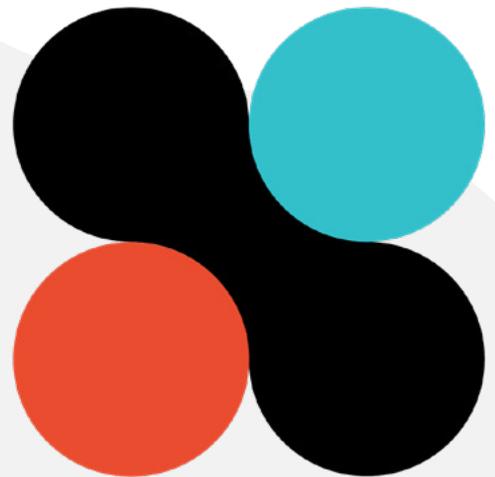
JIM STIREWALT
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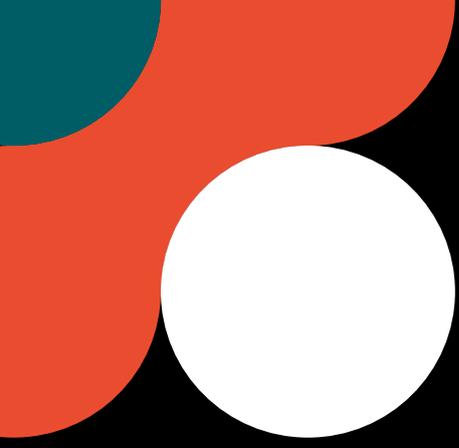
Jim Stirewalt is a market maker with over 25 years of experience in building and executing go-to-market strategies for small to very large enterprises. He has had a career of developing teams that exceed annual sales and revenue budgets by forging tightly aligned and motivated organizations, explicitly focused on driving customer success. Jim is skilled at developing new markets through orchestrated product & service planning, M&A, marketing, channel development, and strategic selling enablement. Jim's entrepreneurial roots in branding and design, along with his career leading technology firms, give him a different outlook than most. His "fail fast forward" approach relies on experimentation of new ideas, constantly moving forward to find meaningful ways to drive business outcomes for clients. Marketplacer is a world-leading technology Platform as a Service (PaaS) company equipped with all the tools and functionality to supercharge commerce, building successful and scalable online marketplaces, at speed. Whether you're a retailer, brand, distributor, franchise, or a community, Marketplacer makes growth simple. Learn more at Marketplacer.com.



DATA SOURCES

- 1-2 [Young, Jessica. "What are the top online marketplaces?" Digital Commerce 360. Feb 25, 2022.](#)
- 3 [2021 Online Marketplace Tracker, Global, Forrester.com, 19 Mar 2021](#)





MARKETPLACER

For over ten years, Marketplacer has built not only marketplace solutions for companies who want to be the online place their customers can trust, but developed the methodology that makes them grow and succeed.

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