

The Ultimate Guide to Marketplaces

Everything You Need to Know from Initial
Strategy to Delivering Scalable Growth

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The Marketplace Revolution is Growing.

The battle for eCommerce dominance is intensifying, with brands across all industries – from fashion and beauty to homewares, sporting goods and electronics – each searching for that needed edge in today’s cutthroat landscape. Combine this increased competition with shrinking margins along with ever-increasing customer demand, and it might feel like you’re being squeezed on all sides.

But through it all, there's been a singular, strong, and consistent trend breaking through: online marketplaces are flourishing. **Year after year, these marketplaces have grown at many times the rate of overall eCommerce, outperforming conventional retailers by as much as 6X annually.**

This impressive growth is fueled by widespread consumer demand: online marketplaces now make up more than two-thirds of eCommerce sales globally. But shoppers don't just want to spend their money through marketplace giants – they want the convenience, value and selection of marketplaces from the retailers they love. In fact, **60%** of shoppers actually wish that more of their favorite retailers had online marketplaces.

Online marketplaces are flourishing

6X

Marketplace
growth rate vs.
overall eCommerce

67%

Of online sales came
from marketplaces in
2023

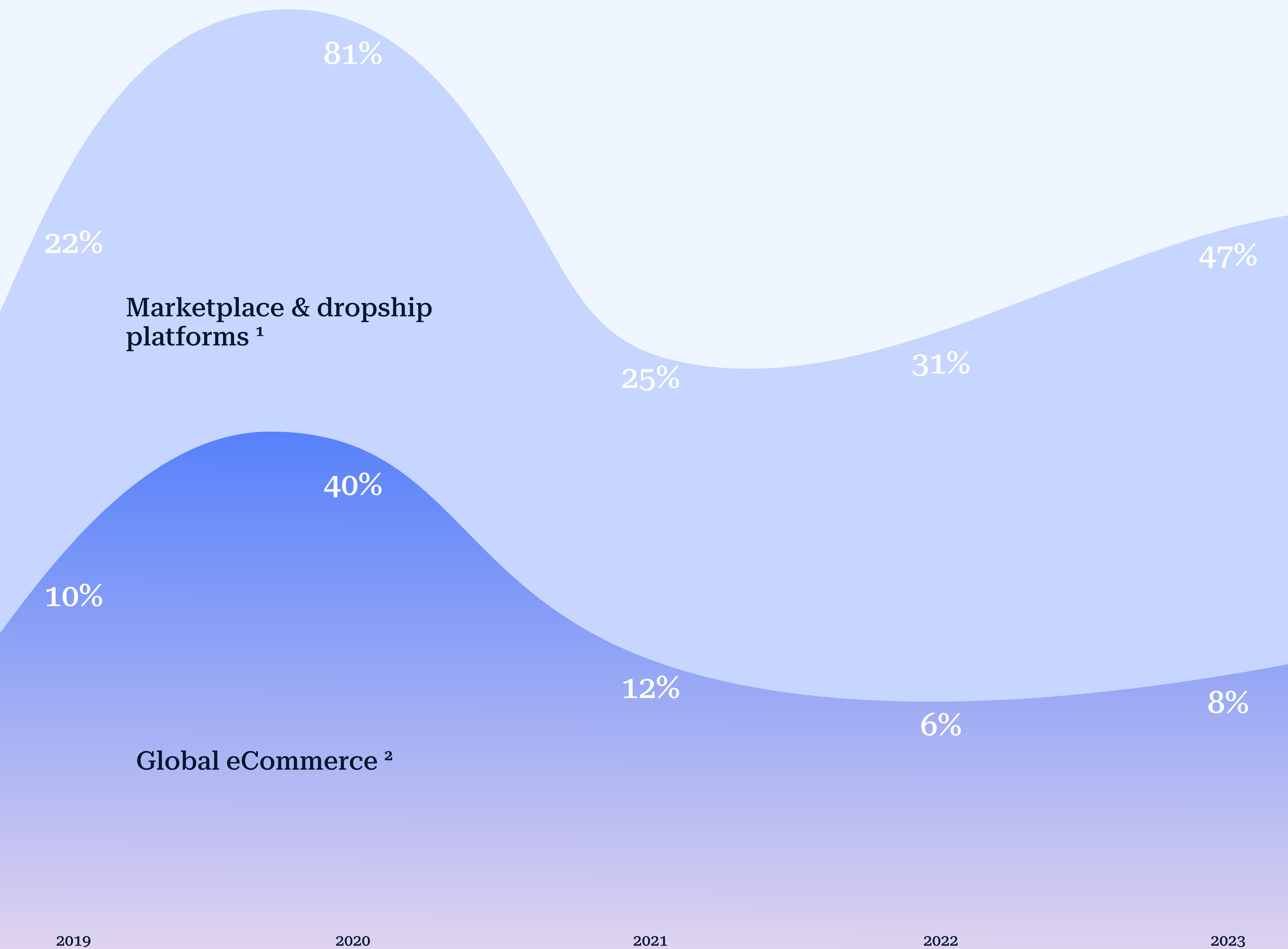
+47%

Average marketplace
sales growth rate, 2023
vs. 2022

Source: Analysis of gross merchandise value on 120 Mirakl-powered marketplace and dropship platforms in 2023, global

Year after year, platforms significantly outperform traditional eCommerce

Online sales growth, 2019-2023



¹ Analysis of gross merchandise value on 120 Mirakl-powered marketplace and dropship platforms in 2023, global

² Aggregate average of global eCommerce growth from sources including Emarketer, Salesforce, Fox Intelligence, Adobe, US Commerce Department, Capital One

The success of marketplaces is no surprise. These innovative platform businesses have proven to help companies navigate rough waters on three major fronts.

> Exceed rising customer expectations:

Marketplaces deliver on the expectations of today's buyers for more choice, greater convenience, and higher value. Two out of three consumers today prefer retailers with marketplaces over conventional eCommerce sites as a result – and they spend their money with the retailers that offer that experience.



90%

of marketplace customers buy Macy's owned inventory

For iconic US retailer Macy's, the launch of its marketplace resulted in a larger average order value and more units per order. Even better, the marketplace is boosting first-party sales: over 90% of the total marketplace customer base also purchases from Macy's owned inventory.

➤ **Overcome rising acquisition costs:**

Marketplaces can help retailers push back against the rising costs and growing competition from new entrants that are forcing companies to battle for a shrinking slice of the pie. With a marketplace, retailers can offer a truly endless aisle of curated products and services: in the past year, the number of sellers joining marketplaces to offer their goods grew by 31%, creating a constantly refreshed assortment that keeps shoppers coming back.



+30%

increase in customer base

Marketplace products drove a 30% increase in Mexican retailer Liverpool's customer base, and digital customers are worth three times more than an in-store customer for the company.

➤ **Increase profitability and reduce risk:**

Marketplaces allow retailers to greatly expand their catalogs without the traditional costs and risks of owning inventory. Because the retailer does not own the inventory, it drastically reduces the overhead costs involved in warehousing and shipping, and adds a commission-based revenue stream to offset margin pressures. Further, it remain flexible to adjust to changing customer expectations. That's why marketplaces have become 3X more profitable than conventional first-party-only eCommerce sites.



45.7%

YoY sales growth

Global home and furniture company Maisons du Monde saw a 45.7% year-over-year sales growth for their online marketplace in 2023, which now accounts for 42% of all online GMV while improving profitability. Now, they're launching a retail media network, with their sellers as advertisers, for even greater profits.



Marketplaces have been a boon to sellers and as well, with some of the biggest brands in fashion, electronics, and personal care like **Burberry, Coach, Swatch, Balmain, Samsung, Columbia, Siemens, Unilever** and **Lacoste** all getting in on the marketplace action. And once they get started, the opportunities keep growing: **62%** of companies selling on marketplaces plan to expand into new marketplaces in the next 12 months.

In this guide, we'll define key marketplace concepts, explore various use cases, cover important considerations when selecting a marketplace software provider, and offer a series of best practices to help get you started on a marketplace journey of your own – with countless examples from the world's leading brands who have successfully launched and scaled their own marketplaces integrated along the way.

Understanding the Marketplace Model.

While operating a marketplace business may be unfamiliar, chances are if you've purchased anything online in the past several years, you've shopped from a marketplace. Many of the world's biggest retailers, from Amazon and Walmart to household names like Macy's and Carrefour have adopted the marketplace model.

What makes a marketplace different?

With a traditional eCommerce site, the company sources products from a network of wholesalers and offers them for sale. They are responsible for purchasing those products (“owned inventory”), storing them in a warehouse, managing and marketing them on the website, and once purchased by the customer, shipping them to the recipient.

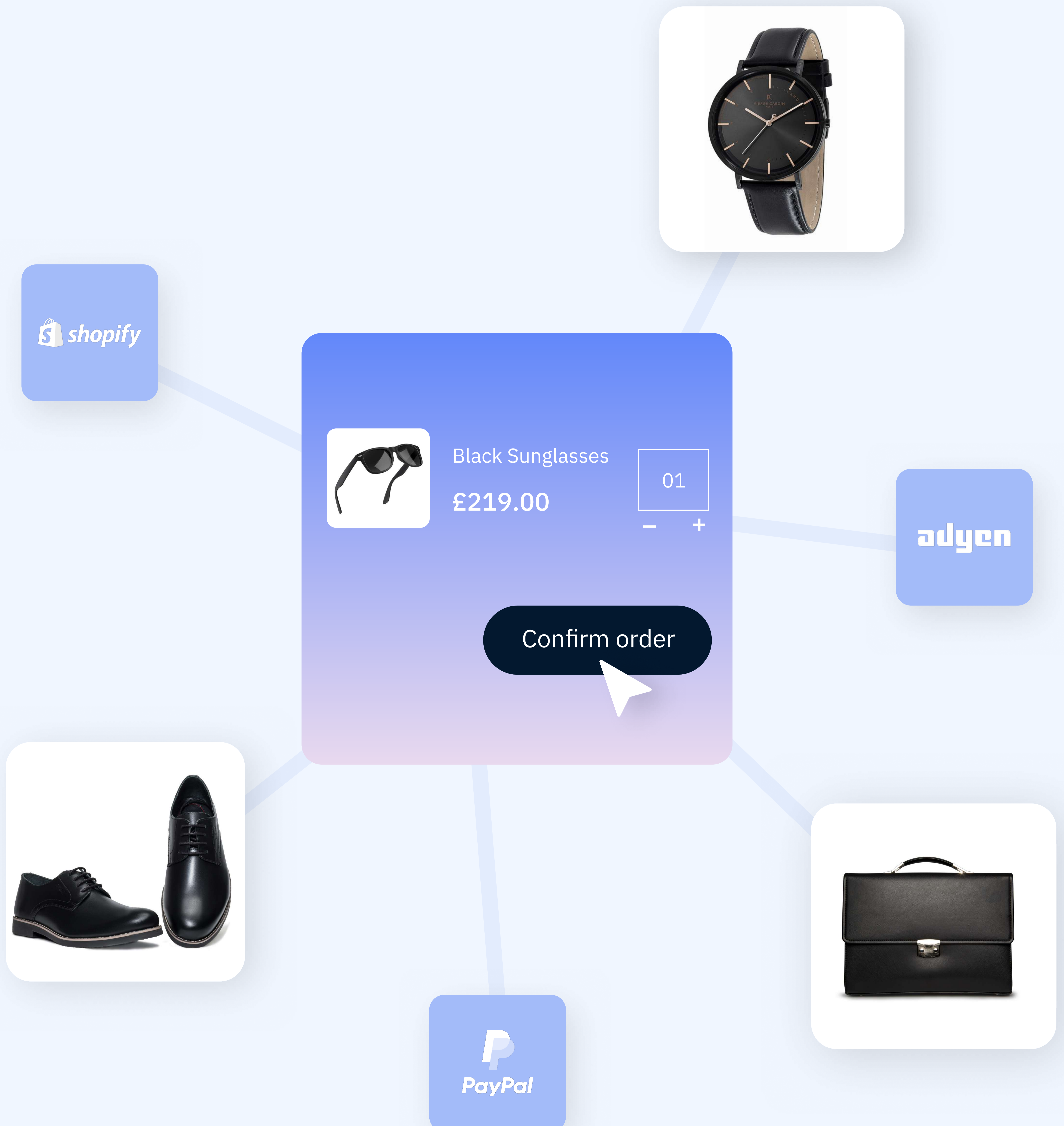
By contrast, a marketplace brings together an ecosystem of players, each of whom handles different pieces of the process:

Key Info

- **Marketplace Operator:** Operators are in charge of hosting and managing the marketplace. They collect a commission all items sold.
- **Marketplace Seller:** Sellers are third-party vendors who offer products and/or services on your marketplace. Sellers are typically in charge of order fulfillment, shipping, and processing returns for your customers.
- **Marketplace Partner:** Partners help to ensure the success of your marketplace by providing the tools, such as feed management, tax compliance, and logistics, to ensure a seamless experience.

In a marketplace model, the operator establishes a network of third-party sellers who directly offer their products to customers through the operator's site. **The operator maintains control over the marketplace's appearance**, user experience, and brand quality standards. Sellers gain access to a new sales channel, while the operator earns a commission on each sale.

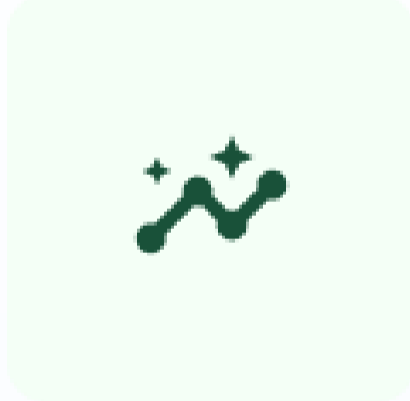
Marketplaces are ecosystems, connecting the operator, sellers and partners together.

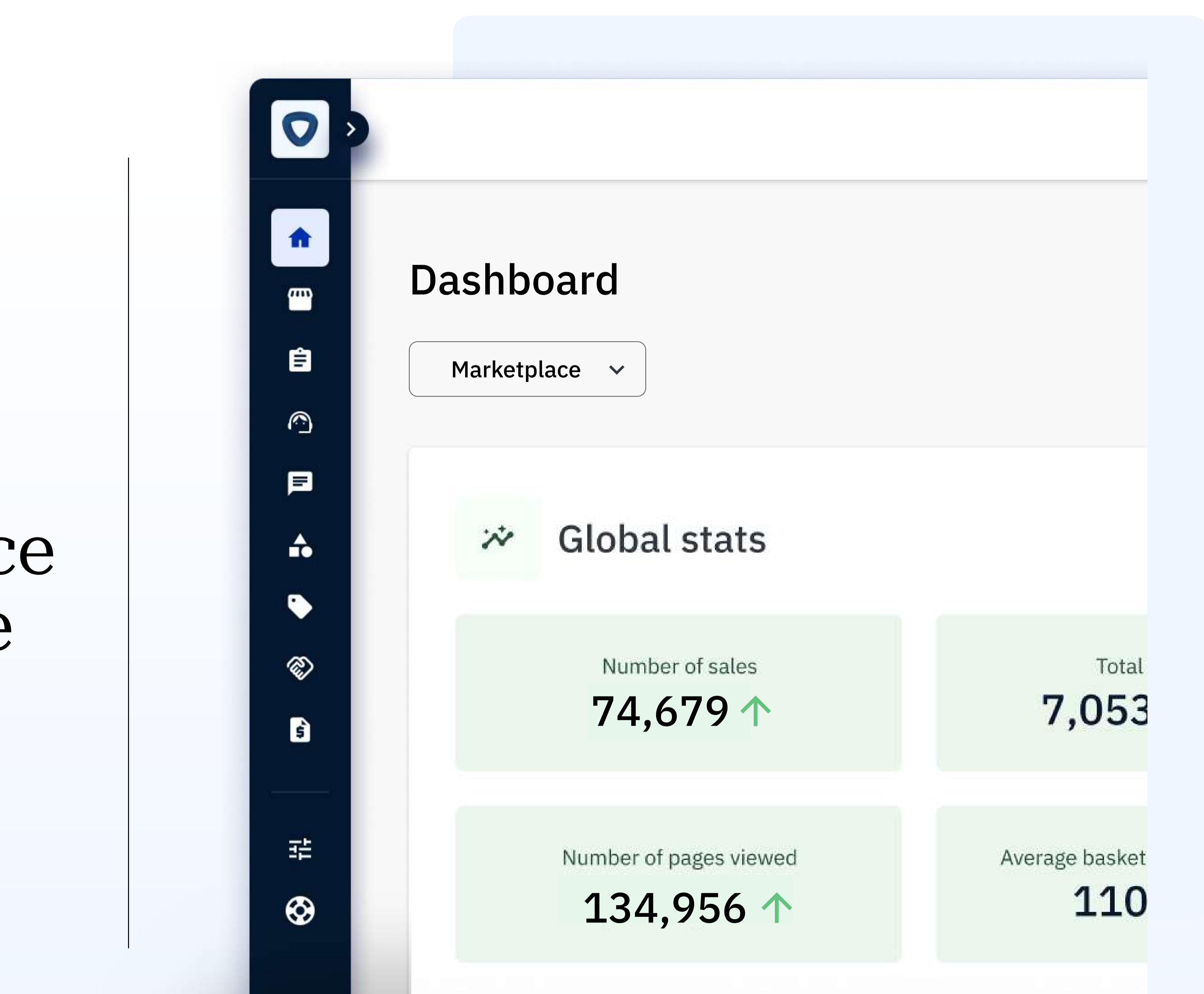


With a marketplace, when customers make a purchase, it's the seller who fulfills the order and ships the item directly to the customer. For even more economies of scale, the seller can also handle customer service, including exchanges and returns.

A successful marketplace starts by establishing a minimum viable ecosystem (MVE) – a critical mass of sellers, customers, and partners in order to leverage network effects and provide optimal value to all stakeholders. Ultimately, with a marketplace, the sky's the limit on the number of products or sellers the operator can offer, and there's very low overhead compared to traditional eCommerce.

Following this guiding principle, marketplace operators can unlock the speed, scale, and agility to meet the needs of their buyers by empowering their sellers and partners through audience expansion and overall revenue growth.


See your
marketplace
in real time
results



Marketplace solves traditional eCommerce pain points

Until the advent of marketplaces, an eCommerce strategy was to recreate the brick-and-mortar model online. However, that presents various challenges and limitations.

➤ **Traditional retail challenge:** Scaling first-party inventory is expensive, time-consuming, and requires a massive team. This results in an asset-intensive, low-margin situation in which the retailer assumes significant liability along with the high cost of owning and managing inventory.

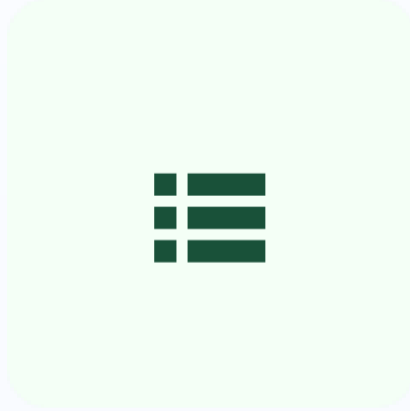
➤ **Marketplace solution:** Onboarding a curated selection of sellers is fast and easy – allowing you to quickly add anything your customers want while maintaining the high level of brand quality they expect. Plus, because the operational burden is shared between the operator and sellers you remain asset-light and margin rich.

➤ **Traditional retail challenge:** The retailer is responsible for all expenses related to owning and managing inventory. This includes bearing the brunt of both warehousing and shipping expenses, which significantly increases the cost of doing business.

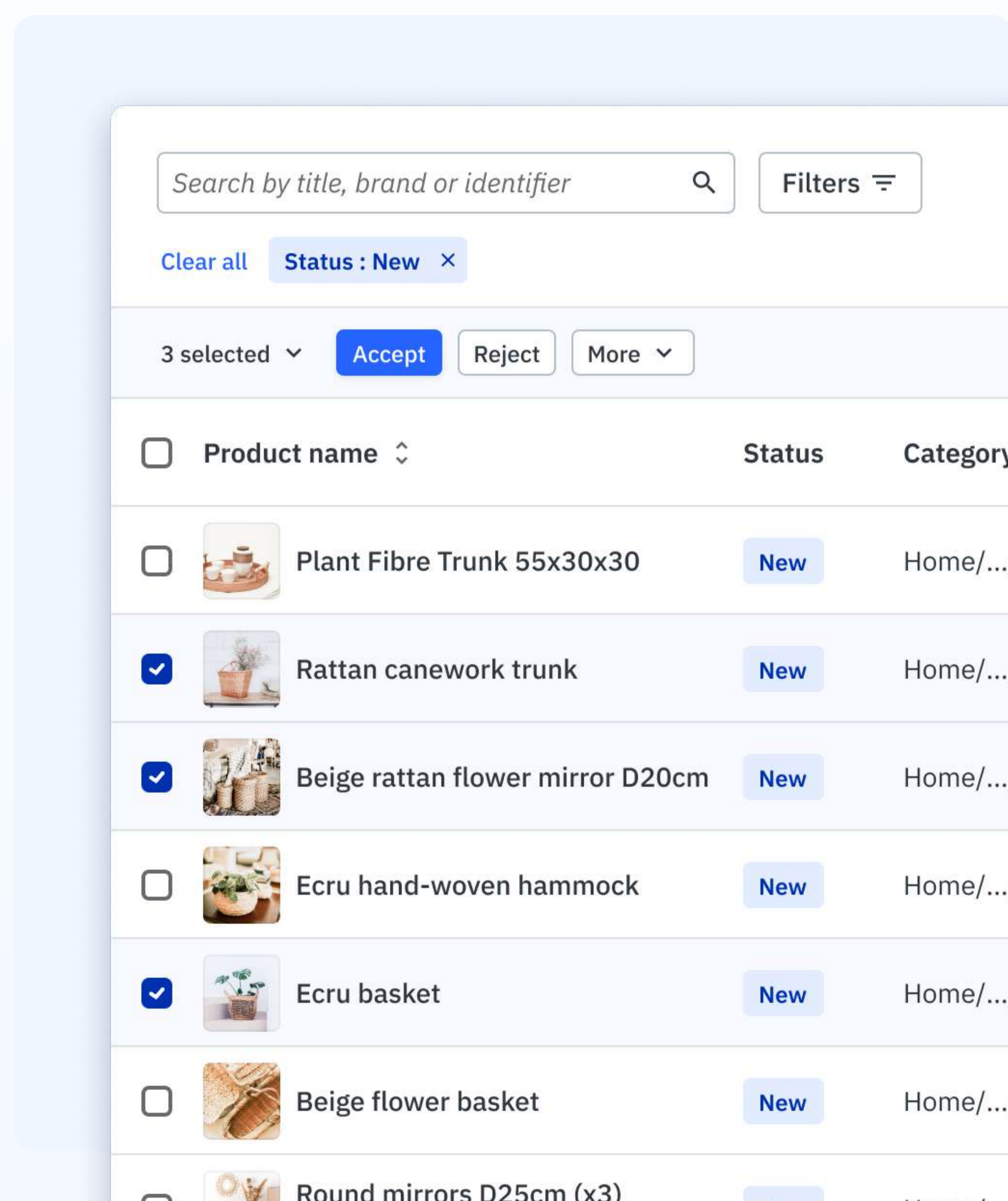
➤ **Marketplace solution:** Storage and shipping costs are removed as the sellers oversee their own inventory and order fulfillment. Operators simply collect a commission, on average just over 14%, from each third-party sale and remove themselves from the logical headache of moving products to where their buyers are.

➤ **Traditional retail challenge:** The retailer assumes liability for owned inventory, forcing them to make and act on predictions of future buyer trends. If they get it wrong, the company may have no choice but to offer deep discounts – which eats into profits or may even result in a loss – to liquidate the inventory and make room for new items. Conversely, if they don't order enough, they'll lose out on sales as shoppers go elsewhere.

➤ **Marketplace solution:** Third-party assortment offers speed, flexibility, and agility with less risk. With inventory owned and managed by third-party sellers, operators can quickly adapt their catalog to meet changing needs and ensure they have exactly what their buyers are looking for – no matter what's trending. Furthermore, they are not responsible for any excess or unwanted inventory as that is managed by the seller.



Adapt your catalogue based on customer demand





One of the biggest competitive advantages in having a marketplace is just how quickly we could hit the market with products that we've never been able to provide to our customers before for varying reasons, including logistics, price point and general inventory risk.



Maria Wodicka,
Marketplace Program Manager

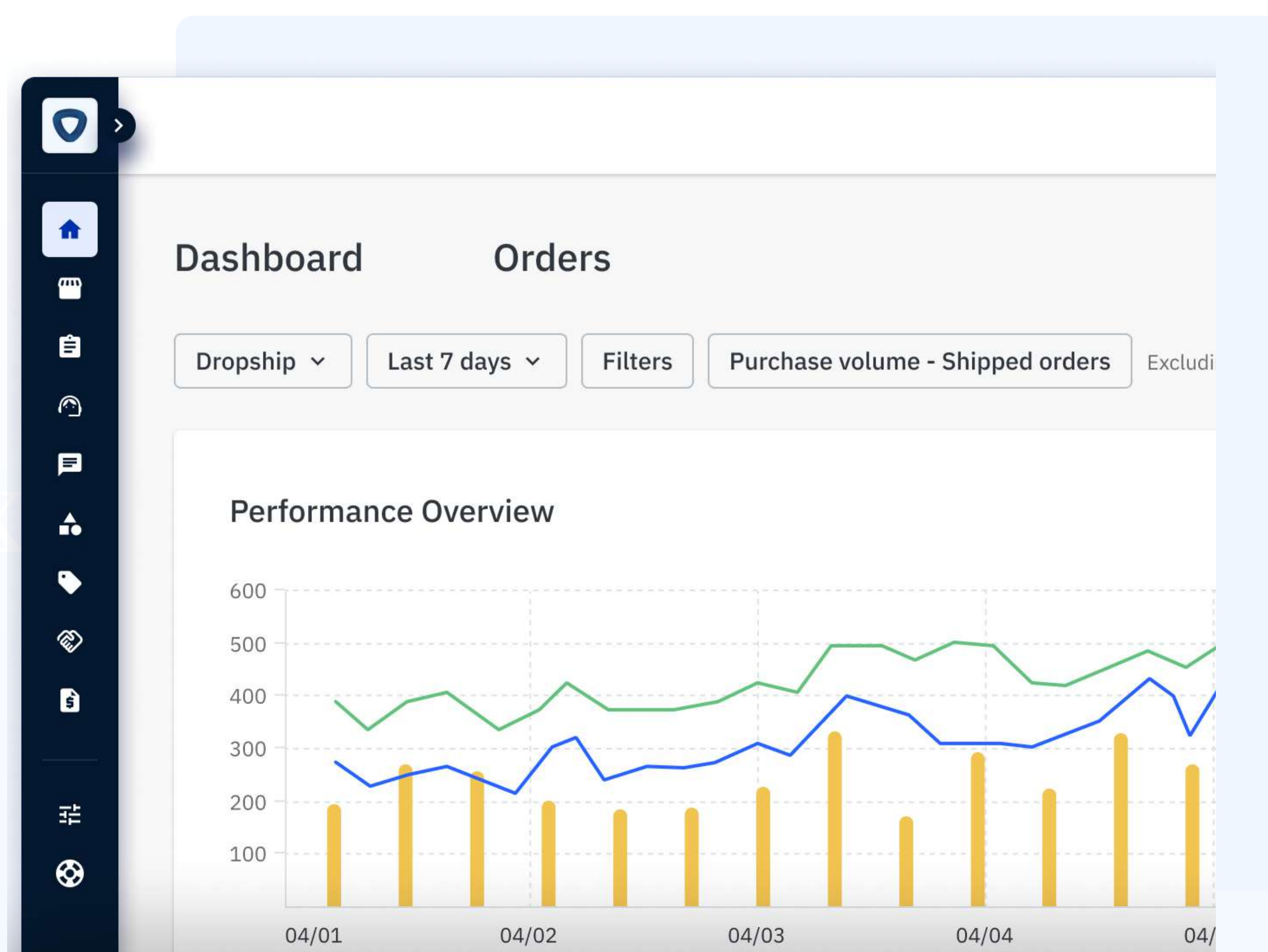


The best of both worlds

While there are some pure-play marketplaces, such as Maisonette, La Redoute, Shop Premium Outlets - A Simon Digital Marketplace —where the operator exclusively offers products sourced from a network of third-party sellers—many companies adopt a hybrid approach. For example, established retailers like Macy's, Urban Outfitters and Madewell offer products sourced from their wholesale vendors (owned inventory), and supplement that selection with products from a network of third-party sellers – all on the same site.

Many companies even go a step further with a unified strategy that combines owned inventory, dropshipping, and third-party offers all in one convenient, online store. That's the beauty of a marketplace: it doesn't have to be one or the other. In fact, in the marketplace ecosystem, companies don't even have to choose one role. Companies that operate marketplaces can also be sellers on other marketplaces, and vice versa.

With Mirakl Platform, brands have the flexibility to tailor their model and strategy to fit their business goals and customer needs.



Dropship, Marketplace – or Both!

Dropship has long been a popular strategy for retailers to expand assortment, especially for products that don't meet their existing fulfillment capabilities, while reducing working capital.

In a dropship model, the retailer lists the product for sale just like it would for owned inventory, but the supplier or manufacturer ships it directly to the customer. While the business doesn't have to worry about the cost of holding inventory and managing fulfillment, it can retain control over pricing, promotions, and customer service.

Because the company is still responsible for merchandising, pricing, and customer service, it can take time to initiate and negotiate the buy-sell agreements. Furthermore, as part of their contract terms, the company may be on the hook for meeting a certain sales volume with their suppliers.

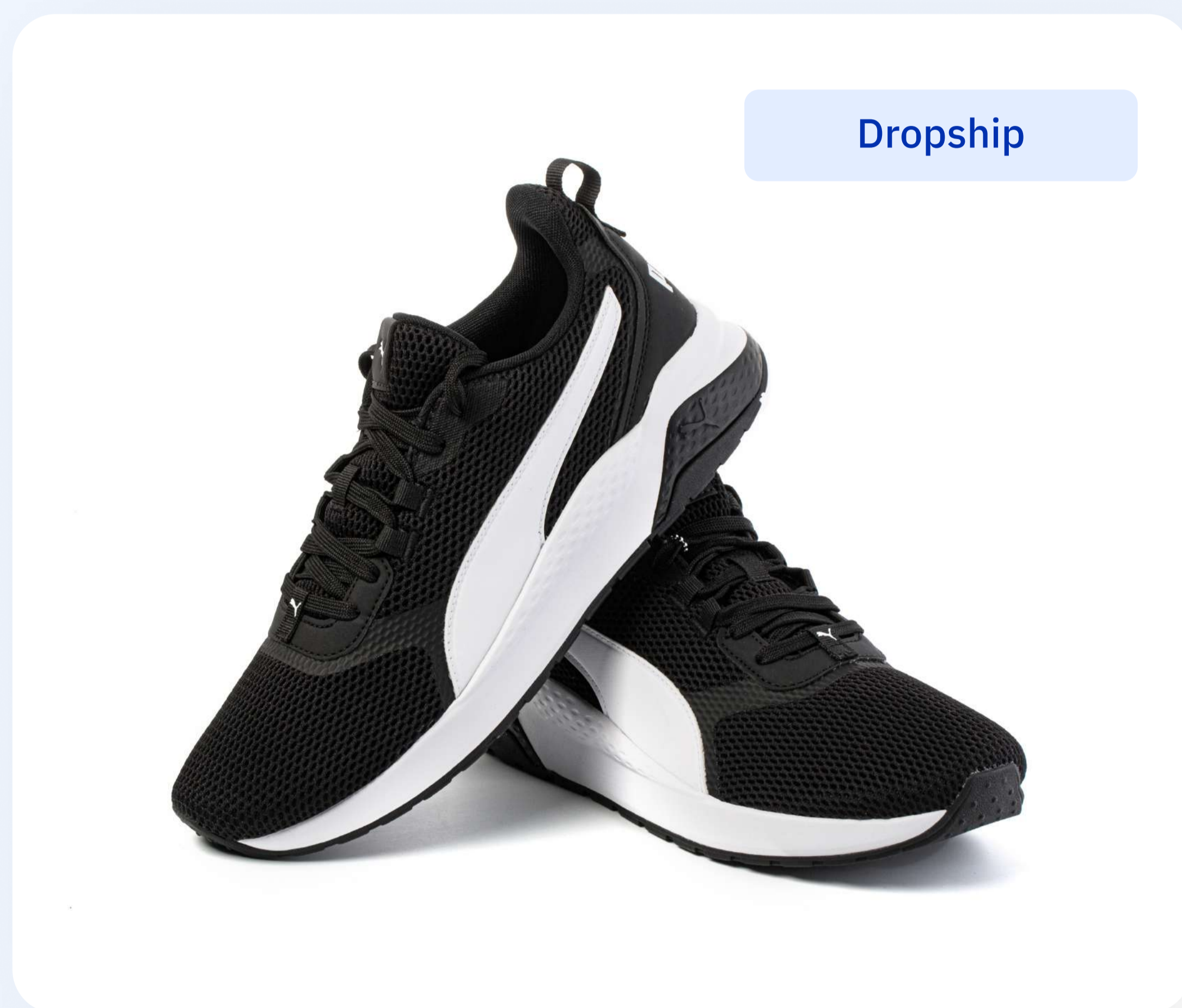
In this method, maintaining control over the portfolio and customer experience is a key element, best reserved for a curated set of strategic suppliers - in a business' core category - where a high-touch relationship is preferred. This is because while dropshipping is incredibly high-touch, it is also inherently less scalable.

As you've already read, online marketplaces are helping countless businesses - regardless of industry or vertical - discover the speed, scale, and agility they need by delegating more activities to their curated ecosystem of high-quality, third-party suppliers, especially for growing assortment across new, complementary categories. As businesses continue to evolve their eCommerce strategy, many are finding that the best way to do so is not to choose between dropship and marketplace, but rather, to have both.

Key Info







A Mirakl-Powered platform enables companies to seamlessly manage dropship and marketplace businesses together, facilitating increased business with dropship suppliers and expansion in new and existing categories with marketplace. This leads to more scalable dropship operations, streamlined supplier onboarding, improved profitability, and enhanced inventory management for retailers.

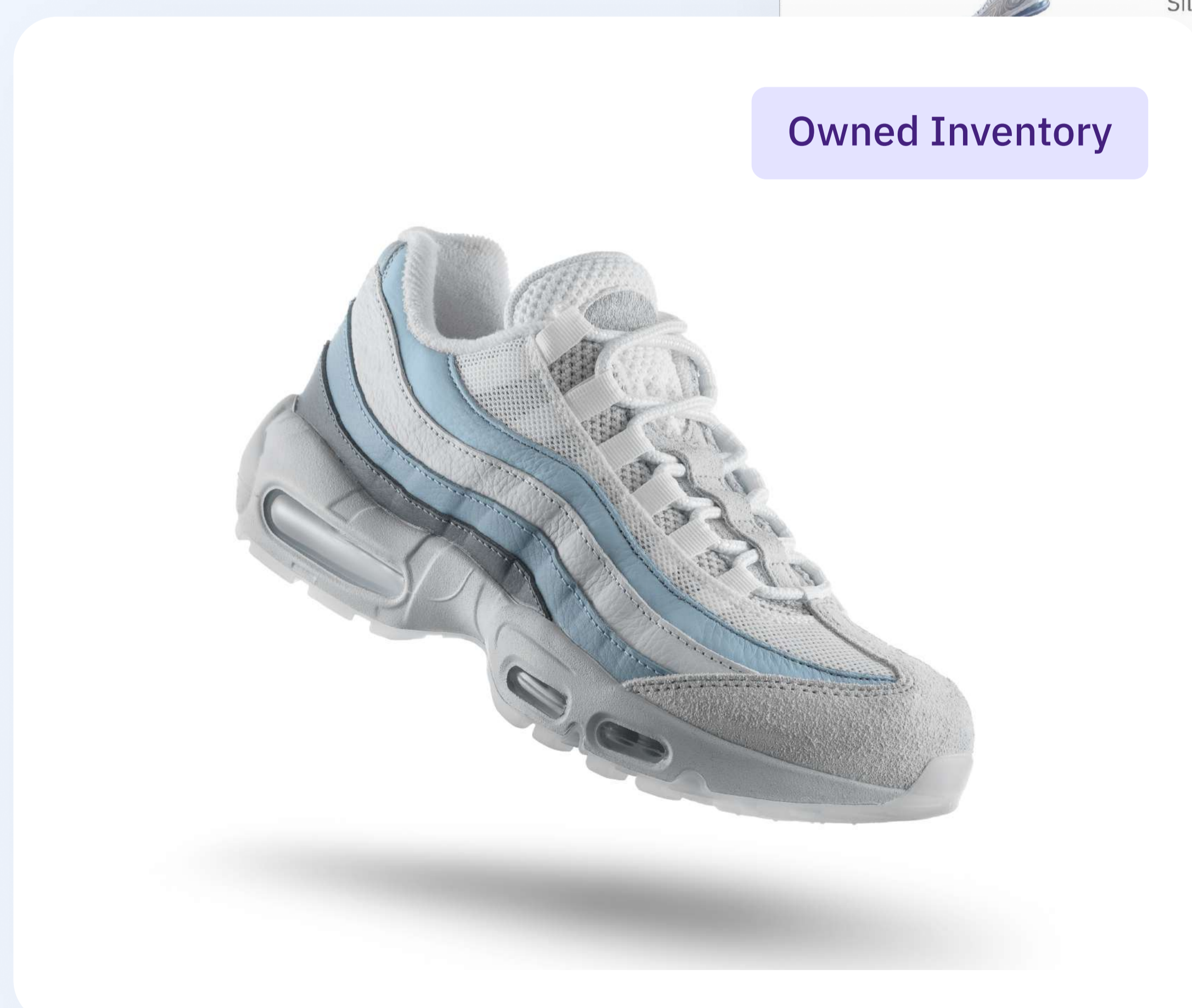
Combine dropship, marketplace + owned inventory for maximum profits



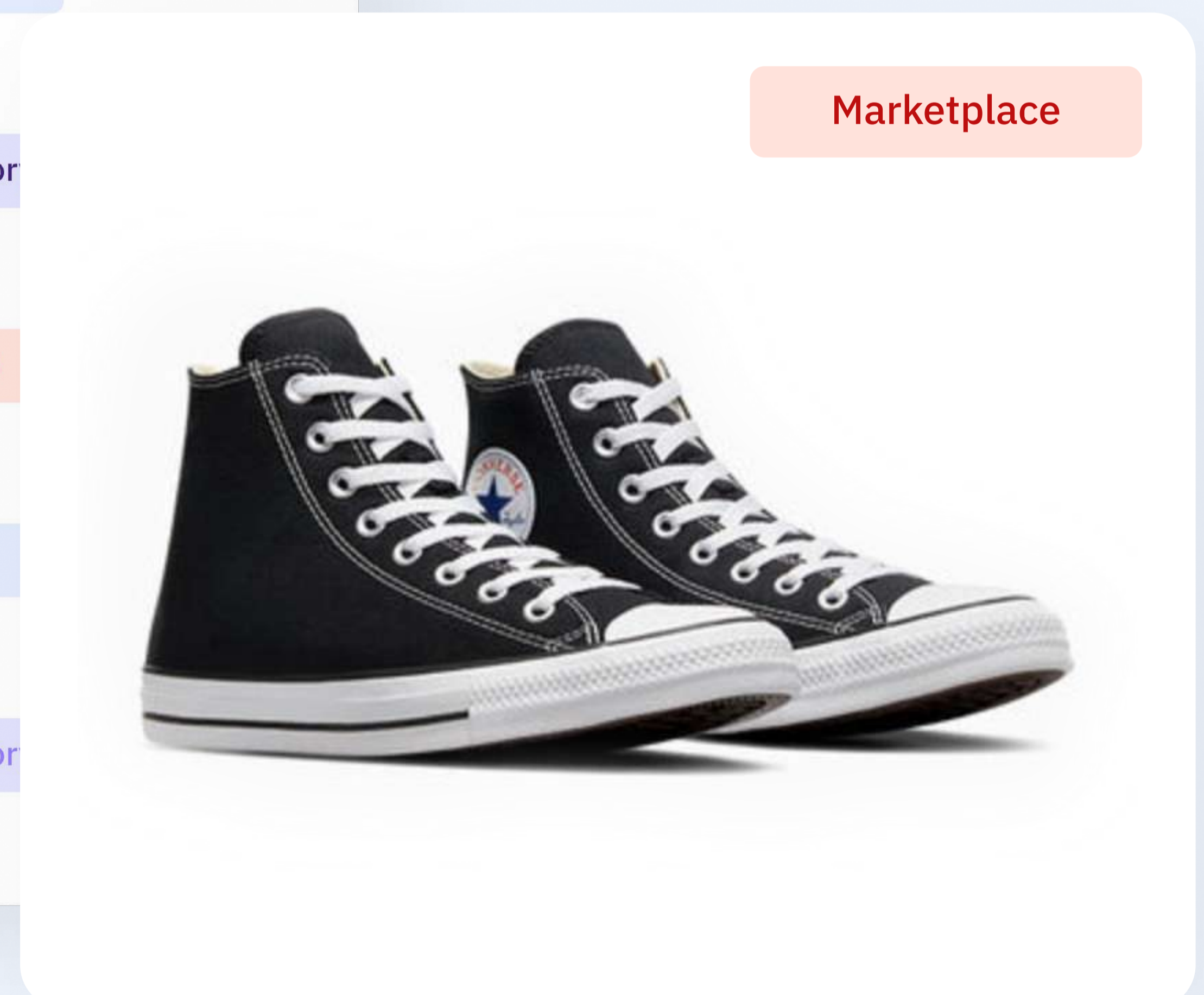
Dropship works for adjacent categories where you have strong vendor relationships.

Inventory list

	Black and white sneaker Leather	Dropship	1837394
	Pink sneaker Leather	Dropship	2533394
	Grey and blue Sneaker Leather, Nylon	Owned Inventory	
	Black and White Sneaker Cotton	Marketplace	
	Silver Sneaker Cotton	Dropship	
	Multi colored sneaker Leather, Cotton	Owned Inventory	



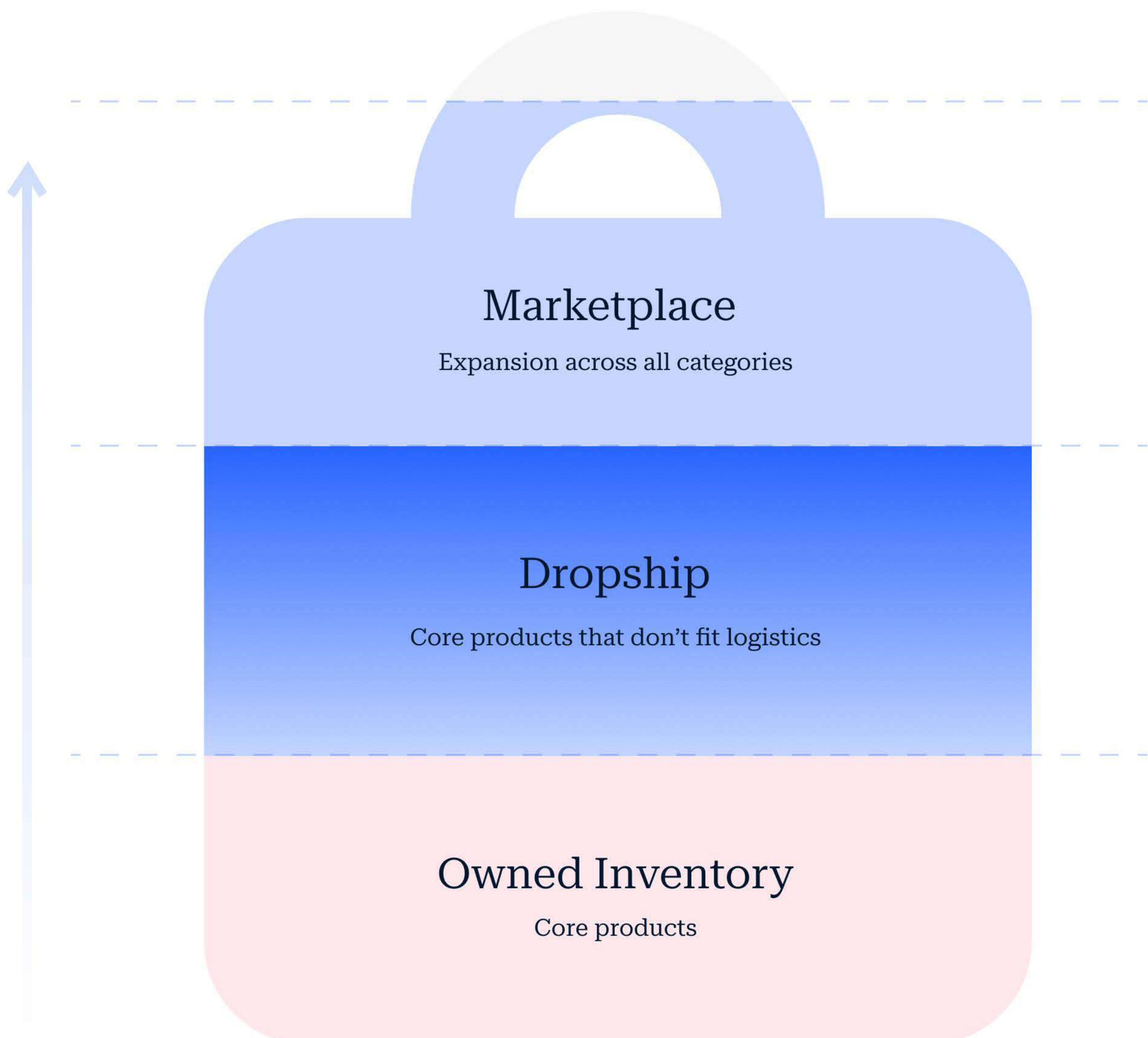
Use **owned inventory** for your profitable core assortment.



Marketplace can support adjacent & new categories that aren't profitable through first-party sales.

Revenue potential + product assortment

By merging dropship and marketplace with your owned inventory, you can provide all desired items, maximizing revenue without sacrificing profit.



Getting Maximum Value Out of Your Marketplace.

What are the goals you're trying to achieve for your eCommerce – and how can marketplaces help? The most successful eCommerce businesses don't put their marketplaces in a box: they use the agility and scale of the marketplace model in many different ways to create long-term value.



Strengthen supplier relationships



A growing number of brands, from household names like **Nike** to luxury fashion houses like **Saint Laurent** and **Balmain**, are pivoting to “e-concessions” (a form of marketplace) to gain more control over their brand online. Launching a marketplace gives retailers the ability to partner with every supplier their customers want – even if wholesale isn’t an option.

- **French luxury fashion house [Balmain](#) sells apparel and accessories on 3 different Mirakl-powered marketplaces, with more to come.**



Offer competitive prices



By opening up competition between marketplace sellers, retailers can ensure that customers always find the best price on their site – and that they never lose a sale to a lower-priced competitor.

- **Sellers on [Maisonette's](#) marketplace compete against each other on price and quality, with the best option featured in the 'buy box.'**



Grow website traffic, organically



Every new product is a new opportunity to improve visibility in search results – and capture additional inbound website traffic. With a marketplace, the opportunity is almost endless.

- Global homewares retailer [Maisons du Monde](#) saw a 41% increase in website traffic following the launch of its marketplace.



Test & learn



The marketplace can be a laboratory to trial new categories, products and price points. Learn more about your customer, uncover new bestsellers without risk – and use the data to fuel purchasing decisions for your first-party strategy.

- Through its marketplace, [Anthropologie](#) discovered best-sellers in new categories like high-end paint from [Boll & Branch](#).

Open new categories:



Many retailers work with marketplace sellers to expand the types and categories of products that they offer online, becoming a one-stop shop without investing in inventory outside of their “core” assortment.

- For [The Kroger Co.](#), marketplace sellers have added more than 50,000 SKUs in new categories like specialty foods, organic products, toys and homewares.

Avoid out-of-stocks:



Retailers can work with marketplace sellers to ensure that popular products are never out of stock, so that they never miss a sale.

- Fashion retailer [ASOS](#) allows brand partners like New Balance and Puma to replenish frequently out-of-stock items through the marketplace, meeting customers’ needs without putting additional pressure on their supply chain.



Improve profitability through retail media

70-90%

Retailers can monetize their existing web traffic using retail media, with marketplace sellers as built-in customers for sponsored product placements.

- **Profit margins for retail media networks range from 70-90%, offering a meaningful boost to the bottom line.**



Build more personalized experiences



When paired with an AI-powered personalization solution, marketplace products make it even easier to offer an experience that's curated exactly to them. Use the marketplace to offer exactly what customers are looking for, and personalization tools to ensure that they can easily find it.

- **Yves Rocher saw a 2x increase in click rates and a 10x increase in revenue on product pages after adding Target2Sell's personalization solution to its website.**

Picking Your Marketplace Platform.

The right marketplace solution can make or break the success of your platform business. It forms the foundation of your operations, and gives you the scale and flexibility to keep growing, innovating and adapting as the needs of your business – and your customers – change.

“Mirakl's technology was the obvious partner for us to onboard partners easily and quickly, and to operate at scale.



Marie Liedholm
*Global Head of New
Business*
H&M Home



➤ **Technology to power the entire lifecycle.**

Choose a platform with robust software for a successful marketplace launch, offering secure enterprise-grade technology for fast deployment and scalable growth. Look for seller tools facilitating streamlined onboarding, catalog integration, and operational visibility. Scalable product data management and strong seller quality control features maintain a high-quality marketplace extension of your brand.

“ We selected Mirakl as our marketplace platform provider for their expertise, experience, and solid partnership. Their focus on building world-class marketplaces greatly benefits our project.



Paddy Earnshaw
Customer & Digital Director,
B&Q



➤ **Expertise to guide your marketplace journey.**

Technology is only as good as the team behind it, and you need enterprise-grade expertise to match. Building a marketplace is a journey, so be sure to choose a team that can lead the way from business case and strategic development to implementation, launch, and growth. Working with a platform partner who has both business and technical expertise honed over hundreds of global marketplace implementations means you can avoid pitfalls, accelerate time to revenue, and innovate for future growth.

“Mirakl has definitely been a huge asset to us in providing guidance, in introducing us to partners to work with, to channel partners and always interested in growing with us and understanding what we need out of the platform.



Evan Moore
*Senior Vice President of Commerce
Partnership, NBCUniversal*

NBCUniversal

➤ **An ecosystem to drive growth.**

Marketplaces need reliable, reputable technology partners and sellers to be successful, but finding them can be challenging. Mirakl Connect is designed to make this process easier, offering access to the industry's largest ecosystem of high-quality, curated sellers and partners - each carefully selected to help you quickly launch and scale your marketplace.

Marketplace Essentials: Best Practices for Making it Work.

By now, you may be ready to take the first step towards an online marketplace. Remember, this is not an instantaneous process but rather one that takes considerable planning, strategy, and ongoing support. So, how do you ensure this project is a success?

First, you should know it's not as simple as "if you build it, they will come." Not all marketplaces are successful, and they fail for a variety of reasons. If you're ready to make the investment, you'll want to do it right, and you shouldn't expect it to be just like all the other eCommerce projects you've tackled in the past. A marketplace is a different model, with unique requirements.

Here's a quick glance at a series of best practices to ensure maximum return on your investment.

➤ Define your strategic vision.

A clear vision is the bedrock of all of the world's most successful marketplaces. Launching a marketplace isn't just another IT project—it's a monumental shift in the way you do business, and it requires looking at your business and your competition in a whole new light.

That means giving it business-wide priority backed by executive sponsorship and approaching it from a holistic perspective that includes integration across every business unit—from IT and accounting to HR, and marketing.

With all of its many moving parts, going the do-it-yourself route to build a marketplace yourself can be incredibly challenging and resource-intensive, even for the most advanced technical teams. That's why it's important to make an experienced, proven marketplace partner a core part of your strategic vision.

Partnering enables faster time to market, jumpstarting the marketplace and driving ROI sooner. Utilizing a proven backend liberates your engineering team to enhance customer experience. Additionally, you gain valuable business insights and scalability support.

Key Info

In 2021 UNFI launched North America's first wholesale food industry marketplace. Reflecting back on the journey thus far, Thomas Kraus, Vice President, eCommerce at UNFI, described their marketplace project as similar to trying to launch and grow a small business.

“Building a marketplace is like trying to create a business from scratch. It’s incredibly cool, but you’re running a startup and that’s really hard. For us, it was important for us to get support from both our leadership team and business partners early on.”

➤ **Align on key operational decisions.**

Deciding to launch a marketplace is the easy part—the choices you make from that point on can make or break the success of your deployment.

One mistake companies often make, partly out of fear of cannibalizing their own business, is to equate “curation” with scarcity. To ward off competition and protect their own first-party sales, they err on the side of caution with a very small selection of sellers. But offering too small of an assortment defeats the purpose and undermines the benefit to the customer. Instead, embrace the competition but ensure that your selection—no matter how broad—matches your brand DNA and meets customers’ expectations for scale, curation, and experience.

Another common mistake is treating the marketplace as separate. For the most seamless customer experience, and maximum revenue, integrate fully across your channels. Similarly, allocate equal attention and budget to its marketing across various channels.

For Liverpool, Mexico's largest department store chain, the marketplace is the foundation for creating an omnichannel experience.

Today shoppers can pick up or return marketplace items in any Liverpool store - with the ability to make in-app and even in-store marketplace purchases.

X10 

This approach has driven 10X growth in marketplace sales year-over-year.

Growth in year on year sales



2020

2021

2022

2023

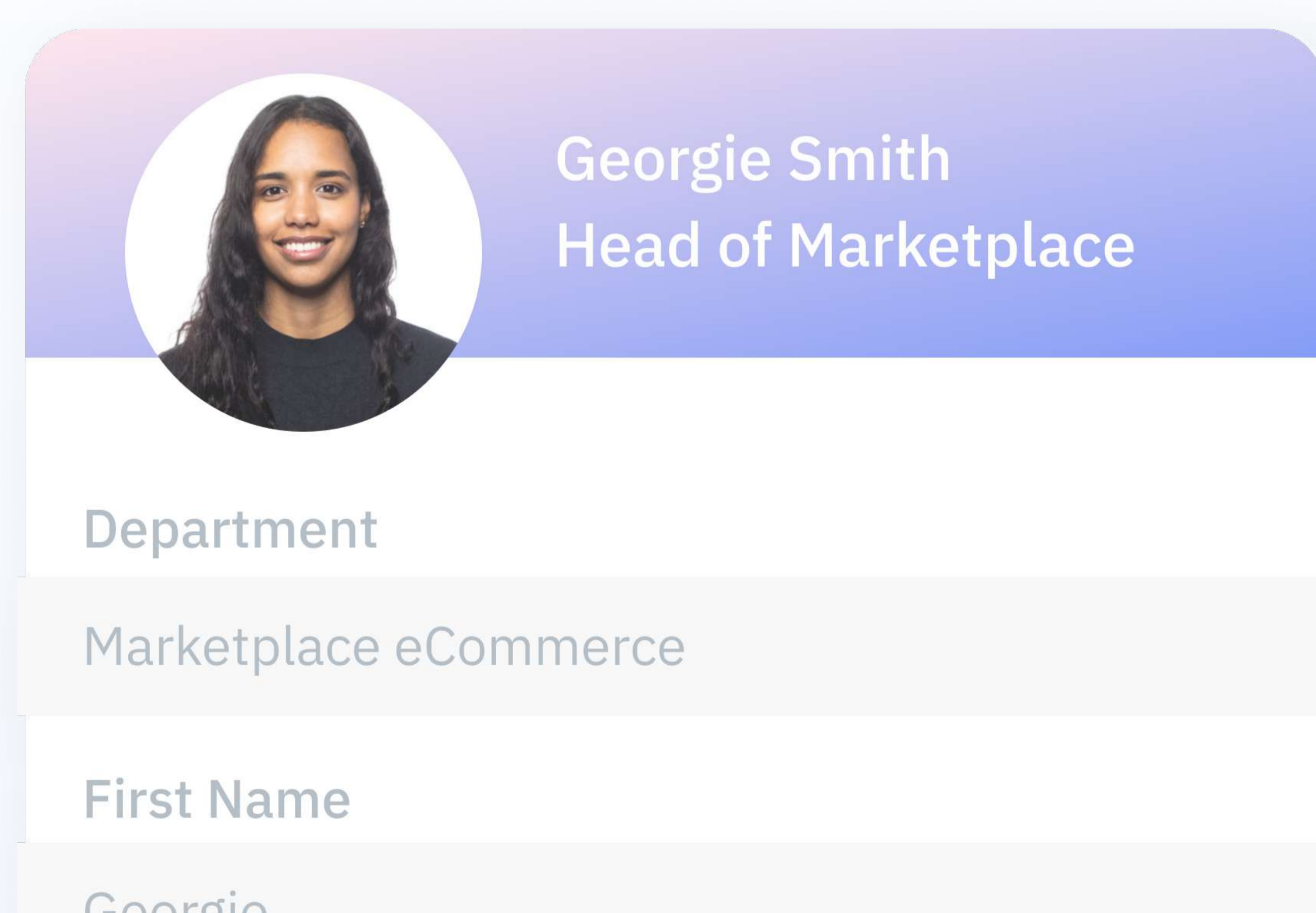
➤ **Be prepared for a transformational change.**

In addition to an operational shift, launching a marketplace requires a cultural shift within your organization. You must create an environment where it will be cultivated and nurtured to ensure growth and propagation.

Because it's an exercise in change management, you must bring every stakeholder to the table and prioritize building a marketplace team, made up of internal stakeholders and external partners, as much as buying a marketplace platform.

The most successful companies designate a Head of Marketplace to lead the program, report to executives, set KPIs, and hold the team accountable. To drive cultural change, update your staff's performance objectives and incentives to include marketplace goals to fuel investment, engagement, and innovation.

Hiring a new
**Marketplace
Head** can
greatly
enhance
results.





With a marketplace, we're able to branch into new markets with the introduction of new, high-quality products. It has become an axis of growth, allowing us to reach new customers and provide an all-inclusive solution for our existing, loyal customer base.



Paul Louit,
*Head of Marketplace at
Airbus Helicopters*

AIRBUS



Power Your Platform Business Transformation with Mirakl

As the marketplace revolution rolls on, launching and scaling an online marketplace is essential for any business to achieve meaningful growth while meeting the demands of today's savvy digital buyers. Ready to explore what an online marketplace could do for your business? Reach out to the platform experts at Mirakl, where we've been pioneering the platform economy since 2012.



Mirakl is the global leader in platform business innovation. Mirakl's suite of solutions provides enterprises with a transformative way to drive significant growth and efficiency in their online business. Since 2012, Mirakl has been pioneering the platform economy, empowering retail and B2B enterprises with the most advanced, secure and scalable technology to digitize and expand product assortment through marketplace and dropship, improve efficiency in supplier catalog management and payments, personalize shopping experiences, and boost profits through retail media. Mirakl is trusted by 450+ industry-leading businesses worldwide including Macy's, Decathlon, Kroger, Airbus, Toyota Material Handling and Sonepar.

To learn more...

[Download Mirakl's 11 Essential Best Practices from Leading Enterprise Marketplaces](#)