BROADENING YOUR HORIZONS

EXPANDING ON MARKETPLACES BEYOND AMAZON AND EBAY

channeladvisor
Broadening Your Horizons

Expanding on Marketplaces Beyond Amazon and eBay

When you think of online marketplaces, the names that automatically come to mind are likely Amazon and eBay. It makes sense. They’re the safe bets. Though these two behemoths take up the largest share of the market, they’re far from the only options. From niche, product-specific marketplaces to international giants with tens of millions of loyal shoppers each month, there are plenty of additional avenues for growth out there. But with so many third-party marketplaces cropping up, retailers need to find the opportunities that make the most sense for their products.

Expanding to new marketplaces continues to be one of the safest and quickest ways to scale your e-commerce business. The built-in customer base and established infrastructure of each marketplace allows retailers to focus on other priorities such as sourcing, pricing, promotion and fulfillment. Selling on marketplaces also diversifies your online channels so that you’re not putting all your eggs in one basket.

So what are you waiting for?

Whether you’re hesitant to venture beyond the safe harbors of eBay or Amazon, intimidated by the intricacies of cross-border trade or just feel unequipped for the demands you think a new marketplace will bring, ChannelAdvisor is here to help you on your journey. Through seamless data integrations with many of the major marketplaces around the world, ChannelAdvisor Marketplaces removes the travel hazards and allows you to send your products packing into new geographies and new markets.

So as you entertain thoughts of expansion, take a look at our overview of nine marketplaces that should be on your radar, broken down by geography.
Newegg

BY THE NUMBERS:

- Established: 2011
- Number of sellers: 4,000
- Customers: 25 million+
- Traffic: 487 million+ visits per year

Newegg started as a destination site for consumer electronics and IT products. Since then, it has expanded to become a destination for all kinds of products — including office supplies, sporting goods, automotive and industrial products — that appeal to its core demographic, which is mostly affluent, tech-savvy males between the ages of 18 and 35. Automotive products in particular are getting a lot of attention from Newegg recently. The marketplace is making the best effort out of all “next generation” marketplaces to establish this category.

Although most Newegg shoppers are male (a rarity for online marketplaces), its female demographic has grown considerably since the site opened up to third-party sellers.

WHAT ELSE SHOULD I KNOW?

Newegg gives sellers the option of fulfilling orders themselves or letting Newegg fulfill for them. But be aware that if sellers don’t send shipment notifications within 72 hours of order time, Newegg will cancel the order.
Sears

BY THE NUMBERS:

- Established: 2009
- Number of sellers: 10,000+
- Traffic: 2.4 billion page views per year
- Items Listed: 110 million

Sears is the third-largest mass-merchant retailer in the US and growing. Launched in 2009, the Sears marketplace offers compelling options for retail merchants: Sell on Sears, Sell Through Sears and Advertise on Sears.

In the tradition of its popular brick-and-mortar department store, the Sears marketplace offers a variety of items to its expanding consumer base. Some of the top categories available to third-party merchants include electronics, home goods, outdoor living, tools, movies and gaming, fitness and sports, jewelry and toys, but its most popular category by far is lawn and garden. Sears currently doesn’t support the sales of auto parts and tires, large appliances or media.

WHAT ELSE SHOULD I KNOW?

Compared to other marketplaces, Sears has a relatively long lead time to get items listed on its site. But once products are published, retailers can benefit from the traffic and exposure of the number eight retailer on the Internet Retailer Top 500 list.
Rakuten.com Shopping

BY THE NUMBERS:

- Established: 1997
- Number of sellers: 3,000+
- Customers: 80 million+
- Items Listed: 23 million+

Rakuten.com Shopping, formerly Buy.com, is part of a global network of Rakuten-owned marketplaces with exposure across Europe, the Americas and Asia. A leading US fixed-price marketplace, Rakuten.com Shopping appeals to a broad audience, with most of its customer base ranging between the ages of 25 and 54 and splitting close to 50/50 male versus female. Originally a site specializing in computers and electronics, the marketplace now also offers name brand products in sporting goods, health and beauty, home and garden, jewelry and toys. Other categories are growing at a rapid rate, including antiques; art; auto, boat and motorcycle; business and industrial; coins and paper money; pottery and glass; collectibles; crafts; food and gourmet; memorabilia and stamps.

WHAT ELSE SHOULD I KNOW?

Because Rakuten.com Shopping doesn’t own any inventory, it doesn’t compete with its merchants, an important distinction that separates it from other major marketplaces and makes it attractive for retailers looking for a seller-friendly environment. Additionally, retailers can create a branded storefront, allowing them to control the look and feel of their marketplace presence. Unfortunately, other than items classified as antiques or collectibles, used products cannot be sold on Rakuten.com Shopping.
4 Best Buy

**BY THE NUMBERS:**

- Established: 2011
- Number of sellers: 100+
- Customers: 40 million active customers in Loyalty Program
- Traffic: 1 billion visitors per year

The launch of the Best Buy marketplace in 2011 was a strategic response to the steady decline of in-store traffic that big box stores have seen across the board as more customers move online. The relatively new marketplace allows third-party retailers to sell the name brand products traditionally found at Best Buy stores and handle all product fulfillment themselves. Best Buy has invested in efforts to grow its online presence, developing its own technology to power the marketplace. In addition, it offers spotlight opportunities for products, such as Best Buy Deals of the Day, as well as a “Reward Zone” loyalty program for online shoppers.

**WHAT ELSE SHOULD I KNOW?**

The Best Buy marketplace is currently open only to select merchants. Best Buy evaluates merchants based on how their product mix complements the catalog already available on Best Buy. In most cases, Best Buy reaches out to merchants directly, but merchants can also submit their company for consideration.
Tesco

**BY THE NUMBERS:**

- Established: 2012
- Number of sellers: 50+
- Customers: 43 million Clubcard members
- Traffic: 4 million+ unique visitors per month

The number one brick-and-mortar grocery and general merchandise retailer in the UK, Tesco has an enormous customer base that it’s transferring online. The Tesco marketplace has accelerated significantly since launching in 2012 and now competes with top UK marketplaces like Amazon, eBay and Rakuten’s Play.com.

Tesco offers a variety of product categories, including baby and toddler, home and garden, sports and leisure, toys, clothing and jewelry.

One attraction for many Tesco customers is the Clubcard program, which awards points for purchasing items. This type of rewards program isn’t found on many other popular marketplaces, and many of Tesco’s third-party sellers participate.

**WHAT ELSE SHOULD I KNOW?**

Another way the Tesco marketplace differentiates itself is through its Click & Collect service. The program enables buyers to order products online yet pick them up from one of Tesco’s many stores, saving on delivery costs.

Like Best Buy, Tesco is currently still an invite-only marketplace. Tesco’s potential is only increasing, however, especially with its huge customer base, massive distribution network and focus on online growth.
Rakuten’s Play.com

BY THE NUMBERS:

- Established: 1998
- Number of sellers: 3,000+
- Customers: 15 million+
- Traffic: 2.8 million visits per week

Founded in 1998, Play.com became one of the largest online entertainment retailers in the UK before being sold to Rakuten in September 2011, becoming Rakuten’s Play.com and then establishing itself as a marketplace in March 2013. Historically, the site sold gaming and media products, but Rakuten’s Play.com now has more than 3,000 sellers in many categories.

On Rakuten’s Play.com, all retailers have the ability to promote their brand on the site’s storefront, which is the primary difference between the Rakuten marketplace model and the previous Play.com model, PlayTrade. Rakuten’s Play.com was the first marketplace to offer retailers customizable storefronts, giving them the ability to tailor their digital stores to match their brands. In a short time, Rakuten’s Play.com has become the third largest online marketplace in the UK, behind Amazon and eBay.

WHAT ELSE SHOULD I KNOW?

One of the major advantages of selling through Rakuten’s Play.com is the lack of listing fees. Retailers pay only a sales commission — at a competitive rate. The marketplace also requires retailers to offer free shipping to anywhere in the UK, as well as to ship products within two days.
La Redoute

BY THE NUMBERS:

- Established: 2010
- Number of sellers: 1,000+
- Customers: 10 million+
- Traffic: 9.2 million+ visitors per month

France’s leading online retailer, La Redoute was founded in 1875 and expanded to an online marketplace in 2010. It’s now established in 26 countries, with more than 10 million active clients, making it the third-largest e-commerce market in Europe. And it’s growing at a significant rate. La Redoute’s primary demographic is women between the ages of 26 and 35. The marketplace’s average basket value is 95 euros.

La Redoute’s product categories include men’s and women’s apparel, lingerie, shoes and accessories, home accessories, technology and furniture. As the most visited fashion and home site in the country, all products sold on La Redoute must be new, rather than used or refurbished.

WHAT ELSE SHOULD I KNOW?

As with any international marketplace, there are naturally a few cross-cultural requirements that you’ll need to consider, such as language and currency. La Redoute requires retailers to translate all product descriptions into French and list prices in euros. After you make the sale, La Redoute will issue your payment in euros.
MercadoLivre

BY THE NUMBERS:

- Established: 1999
- Number of sellers: 52,000+
- Customers: 99.5 million
- Traffic: 33 million unique visitors per month

MercadoLivre is the most visited site in Brazil, so it’s a fantastic channel for getting your products in front of a massive audience there. Founded in 1999, the marketplace operates in 13 different countries, making it part of the largest e-commerce ecosystem in Latin America. The interconnected MercadoLivre ecosystem provides retailers with the opportunity to sell in countries like Mexico and Argentina without building separate localized websites for each.

Inspired by eBay, MercadoLivre (which means “free market”) started as an auction site, with customers often buying used items. Today, however, 95% of the transactions are fixed price, and 80% of the products sold are new. In a region with a massive population and one of the world’s fastest-growing internet penetration rates, MercadoLivre provides a lot of potential for retailers who wish to sell abroad.

WHAT ELSE SHOULD I KNOW?

If you’ve already found some success selling in Latin America through Amazon Global Selling or eBay’s Global Shipping Program, it’s probably an indication that you have potential on MercadoLivre. Retailers are reaching less than 3% of their potential in Latin America by selling on Amazon and eBay. Yes, 3%. Reason being, only about 4% of the population can read English well enough to make an online purchase via English-language marketplaces. If you put your products in front of that same consumer base, but in the format and location to which those consumers are accustomed, your sales have the potential for exponential growth.
Trade Me

BY THE NUMBERS:

- Established: 1999
- Customers: 3.1 million members
- Traffic: 1.4 billion page impressions per month

Trade Me is New Zealand’s online marketplace — a one-stop shop for new and “previously loved” goods from all over the product spectrum. Trade Me started with humble beginnings: a platform for secondhand goods sold in auction format, similar to eBay. Now offering new products from retailers at fixed prices, Trade Me has grown into New Zealand’s most visited website. It’s home to 70% of the country’s domestic webpage impressions and has built a reputation for itself as a secure environment for online trading.

Domestic companies such as clothing retailer Hallensteins, car accessory retailer Repco, as well as international retailers Pushys, Box 13 and Ruze Shoes are all seeing massive benefits from selling on the Trade Me marketplace.

Product categories include baby gear, books, clothing, computers and home and living.

WHAT ELSE SHOULD I KNOW?

Despite its massive per capita volume and customer base, Trade Me is still relatively young and largely underserved in many new product categories for new items. There is a great opportunity for retailers to take advantage of these large supply gaps if they have the inventory and prices.
You give us your feed. We give you the world.

It’s a big and exciting world out there. Full of new consumers, new opportunities and new potential for your e-commerce growth. Expansion seems like a no-brainer, right?

While entering a new marketplace is an excellent way to grow sales and attract buyers, it obviously comes with some inherent challenges. You have to ensure that you send the right data, customize it with the right format, determine what quantity to allocate to each marketplace and learn how to drive performance in each geography. But this is where ChannelAdvisor can help.

Using **ChannelAdvisor Marketplaces**, retailers can scale their business with all the advantages new marketplaces bring — with only a fraction of the worry. Using our platform, all your marketplace orders arrive in one central repository, and in the same format as they do for your Amazon and eBay listings. This centralization enables you to keep track of precisely what you’re selling and shipping from each marketplace, ensuring accuracy and eliminating the risk of overselling. No matter where your products go in the world, they won’t seem far away.

One platform, one world, millions of new customers. Time to broaden your horizons.

For more information on how ChannelAdvisor can help you expand to new marketplaces, email info@channeladvisor.com or call 866-264-8594.
Sources

http://www.sears.com/shc/s/dap_10153_12605_DAP_advertise-media-pages-brand-showcases
http://www.bby.com/about-best-buy/fast-facts/
http://www.thegrocer.co.uk/companies/supermarkets/tesco/tesco-boosts-online-marketplace-with-new-third-party-sellers/351958.article
http://www.fool.co.uk/investing/2014/04/07/is-tesco-plc-an-annuity-alternative/
http://internetretailing.net/issue/internetretailing-january-2013/a-growing-marketplace/
https://www.internetretailer.com/2014/03/04/latin-american-company-mercadolibre-sells-28-more-2013

Trust us. Be Seen.

To learn more:
Call 866.264.8594 • UK 0203 014 2700 • AU 1300 887 239
Visit www.channeladvisor.com
Email info@channeladvisor.com

The global standard for e-commerce leaders. The top-ranked solution provider to the IR Top 500.