

# Marketplace Madness

Scot Wingo

Co-Founder and Executive Chairman, ChannelAdvisor

3:30pm-4:30pm

# Welcome!

- Co-founder and Executive Chairman, ChannelAdvisor
- CEO of GetSpiffy – On-demand car wash and detail
- Amazon Ninja
- Podcaster - Jason and Scot Show
  - [www.JasonandScot.com](http://www.JasonandScot.com)
  - 80+ shows and counting....
- Twitter: @scotwingo
- LI: [linkedin.com/in/thescotwingo](https://www.linkedin.com/in/thescotwingo)



# Who is ChannelAdvisor?

**Our mission is to connect and optimize the world's commerce.**



Retail & Brand  
customers worldwide



100+ channels supported worldwide



Global transactions



Global employees  
focused on e-commerce

# Trusted by Thousands of Retailers and Brands Globally



# Topics:

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- What do Consumers Want?
- What is a Marketplace?
- Types of Marketplaces
- Marketplace Pros and Cons
- Case studies: Amazon, Alibaba and Walmart
- Takeaways / next steps

# What Do Consumers Want?

# What Do Consumers Want?

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## **Selection**

One site/app – lots  
of items  
(aka assortment)

## **Value**

We all love to  
save \$!

## **Convenience**

The Great  
Bifurcation

## **Trust**

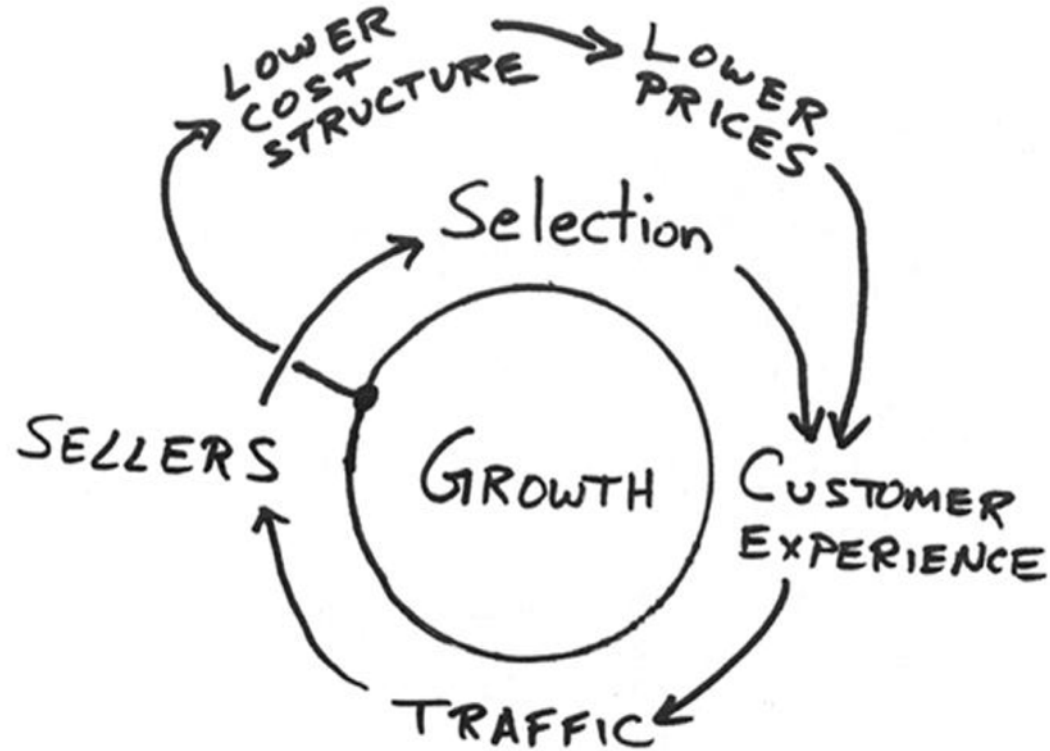
Is this lowest price?  
Will I get it?

## **Mobile**

Great Mobile  
Experience

# The Marketplace Flywheel

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# What is a Marketplace?!

# What is a Third Party Marketplace?

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<b>Responsibility</b>	<b>Retail (1P)</b>	<b>3P-MP</b>
<b>Merchandising</b>	Retailer	Seller
<b>Merchant of Record</b>	Retailer	MP
<b>Customer service</b>	Retailer	Seller + MP
<b>Ship the product</b>	Retailer (or drop ship)	Seller (or FBA)
<b>Pricing</b>	Retailer	Seller
<b>Marketing</b>	Retailer	MP

# Types of Marketplaces

# Pure Play Marketplace - eBay

ebay Shop by category

lego millennium falcon 75192

Related: lego millennium falcon 75192 lego millennium falcon lego death star millennium falcon lego ucs millennium falcon lego 75105 millennium falcon lego 7965 millennium

Categories

All

< Toys & Hobbies

< Building Toys

< LEGO

LEGO Complete Sets & Packs

Bricks & Building Pieces

Shop For see all

☐ Collectors & Hobbyists (21)

☐ Kids (4)

LEGO Character see all

☒ Falcon

Brand see all

LEGO Theme see all

Character Family see all

Packaging see all

Guaranteed Delivery see all

☒ No Preference

☐ 1 day shipping

☐ 2 day shipping

☐ 3 day shipping

☐ 4 day shipping

Condition see all

☐ New (24)

☐ Used (1)

Price

\$  - \$  >

Buying Format see all

☐ All Listings (26)

☐ Auction (1)

☒ Buy It Now (25)

Item Location see all

☒ Default

☐ Within

100 miles of 20151 >

☐ US Only

☐ North America


☐ Worldwide


All Listings Auction Buy It Now


25 results Save this search


Falcon

Did you mean: lego millennium falcon 75192 (70 items)?

 LEGO UCS MILLENNIUM FALCON 75192 Factory Sealed Box In Hand (2017)  
Brand New  
★★★★★ 11 product ratings  
\$999.95  
or Best Offer  
Free Shipping  
Only 1 left!  
Seller: vespertinasue (453) 100%

 LEGO UCS MILLENNIUM FALCON 75192 Factory Sealed Box In Hand (2017)  
Brand New  
★★★★★ 11 product ratings  
\$998.97  
Buy It Now  
Free Shipping  
Seller: epictetus123 (1,092) 100%

 LEGO Millennium Falcon Ultimate Collector's Series 75192 Brand New in sealed box  
Brand New  
\$1,100.00  
or Best Offer  
+\$50.00 shipping  
Seller: cruiser004 (610) 100%

 NEW LISTING Brand New LEGO UCS MILLENNIUM FALCON 75192 Factory Sealed Box Free Ship  
Brand New  
★★★★★ 11 product ratings  
\$1,220.00  
Buy It Now  
Seller: lyk78 (1,034) 100%

## Dyson Vacuum Cleaners

### Categories

#### Household Supplies & Cleaning

#### Vacuum Cleaners

#### Type

- ☐ Canister/Cylinder (2)
- ☐ Commercial (2)
- ☐ Handheld (13)
- ☐ Stick (25)
- ☐ Upright (28)

#### Cord Type

- ☐ Corded (27)
- ☐ Cordless (39)
- ☐ Not Specified (5)

#### Filters

- ☐ Allergen Filtration (1)
- ☐ Bagless (8)
- ☐ Cyclone (6)
- ☐ HEPA (20)
- ☐ Micro Filter (2)
- ☐ Washable (30)

#### Features

- ☐ Bag Change Indicator (2)
- ☐ Cord Rewind (3)
- ☐ Edge Cleaning (8)
- ☐ Handle Controls (6)
- ☐ Height Adjustment (17)
- ☐ Rotating Brushes (2)
- ☐ Stair Grip (2)

#### Bundle Listing

- ☐ No (12)
- ☐ Yes (1)
- ☐ Not Specified (58)

#### Brand

- ☒ Dyson

#### Bagged/Bagless

All Listings Auction Buy It Now

Sort Best Match

71 results

Guaranteed

asavings buzztronics lenjoyhome west... Dyson Clear All



#### Dyson SV10 V8 Absolute Cordless Vacuum | 2 Colors | Refurbished

10% off code - P10PERCENT, \$50 max discount.

Refurbished

**\$339.99**

List price: ~~\$499.99~~

Buy It Now

Free Shipping

**4,810+ Sold**

More colors

Seller: dysonoutlet (19,173) 94.9%

**dyson**



#### Dyson SV06 V6 Fluffy Pro Animal Cordless Vacuum | 3 Colors | New

10% off code - P10PERCENT, \$50 max discount.

Brand New:

★★★★★ 1 product rating

**\$249.99**

List price: ~~\$499.99~~

Buy It Now

Free Shipping

**115+ Sold**

More colors

Seller: dysonoutlet (19,159) 94.9%

**dyson**



#### Dyson SV07 V6 HEPA Cordless Vacuum | White | New

10% off code - P10PERCENT, \$50 max discount.

Brand New

★★★★★ 72 product ratings

**\$209.99**

List price: ~~\$299.99~~

Buy It Now

Free Shipping

**3,929 Sold**

Seller: dysonoutlet (19,174) 94.9%

**dyson**

## ebay Stores

Home > eBay Stores > dysonstores > All Categories

Save this seller | Sign up for Store newsletter

dyson Uprights Canisters Sticks & Handhelds Vacuum Tools Hair Care Air Treatment Lighting Robot Support

### dyson purehot+coolink

Dyson purifiers automatically remove allergens, pollutants and gases.

Explore



#### Free Shipping

On all vacuums, air treatment, personal care and lighting.



#### Up to 5 year warranty

Up to 5 year warranty - parts and labour



#### Need help?

Chat with our US based Customer Service Team.

# Hybrid Model (1P and 3P)

Sears website screenshot showing the Ninja BL482 Nutri Auto iQ Blender product page. The page displays the product image, price (\$103.31), and shipping information. The product is listed as "Ninja BL482 Nutri Auto iQ Blender" with a 3-star rating and 3 reviews. The price is \$103.31, and the condition is New. The page also shows a "Special Offers" section with a 10K gold hoop earrings offer. The product description includes "Auto iQ Technology", "3 Cups and Lids", "Breaks Down Whole Foods", and "1,000-Watt Motor".

Online Only Price

Other sellers for this item

What is Sears Marketplace?

12 new from \$96.87

1 refurbished from \$73.95

New Offers

Sears

Price \$103.31

Condition New

1 Add to Cart

Questions? Call (888) 349-4067

View Alaska/Hawaii Pricing

Other offers available: 12 new from \$96.87 1 refurbished from \$73.95

add to list add to registry

Description Item # 00864584000 Model # BL482

- Auto iQ Technology
- 3 Cups and Lids
- Breaks Down Whole Foods
- 1,000-Watt Motor

## GrowKart

Sale Price	\$102.80
Shipping Price	\$4.62
Condition	New
<a href="#">view seller details</a>	

## Freshware

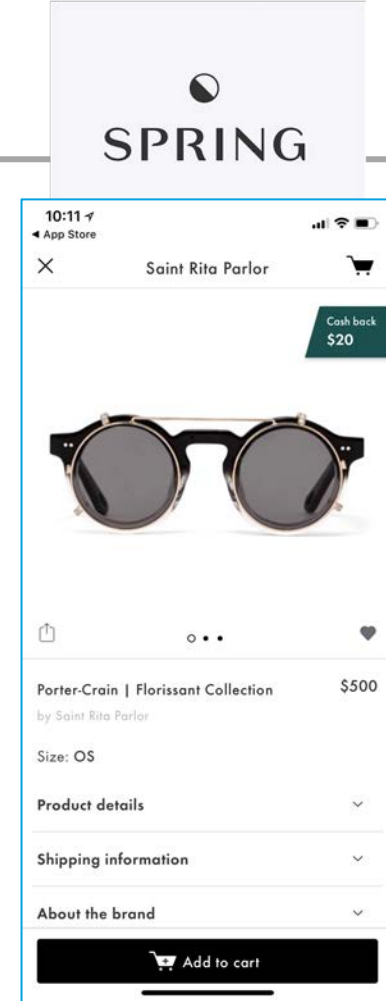
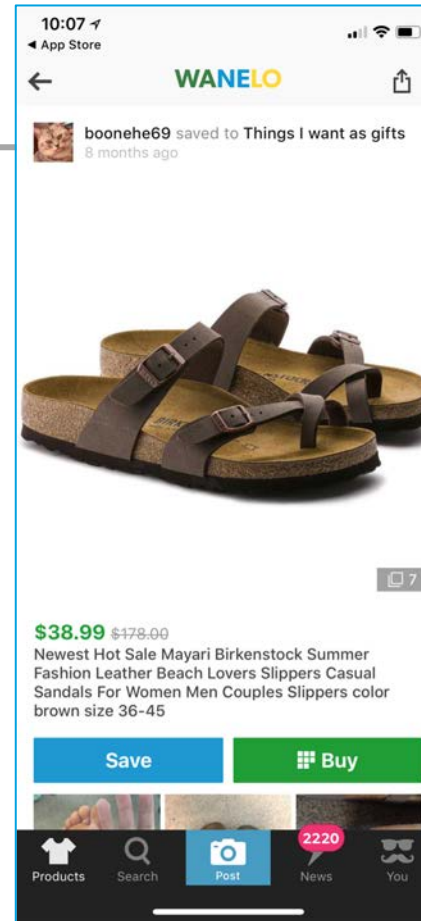
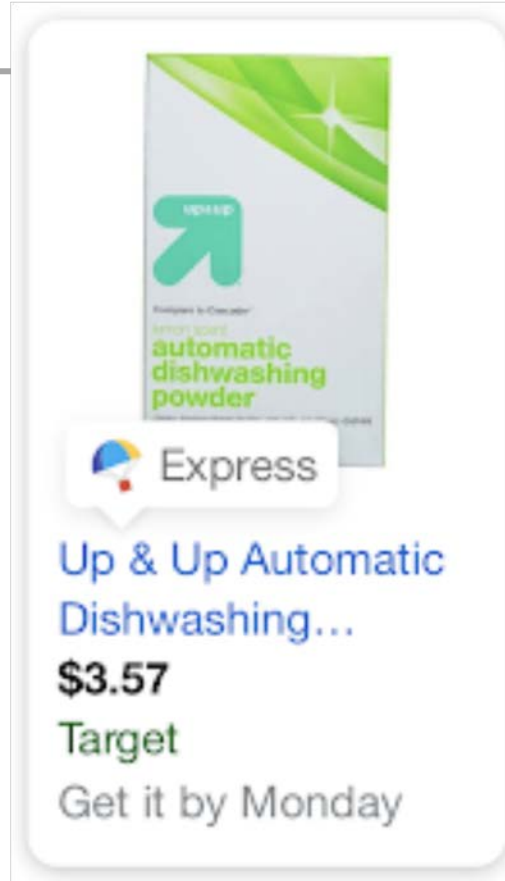
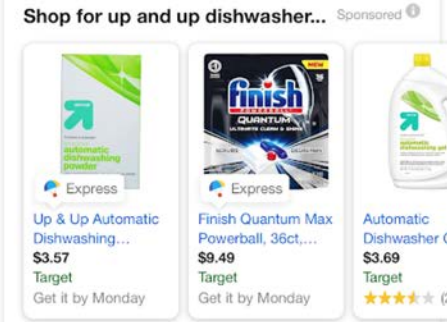
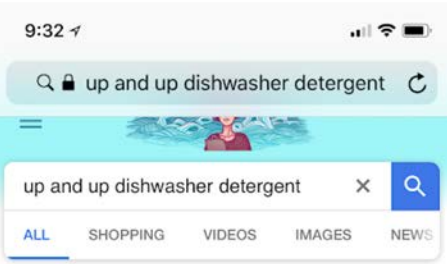
Sale Price	\$96.87
Shipping Price	\$15.80
Condition	New
<a href="#">view seller details</a>	

## CPO Outlets

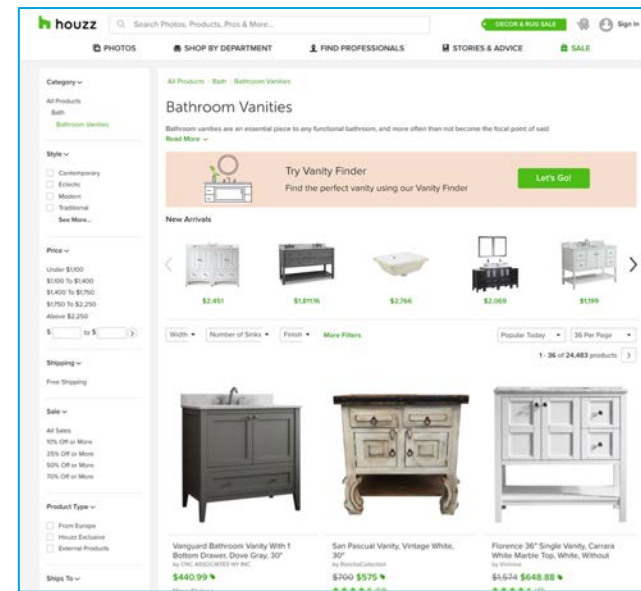
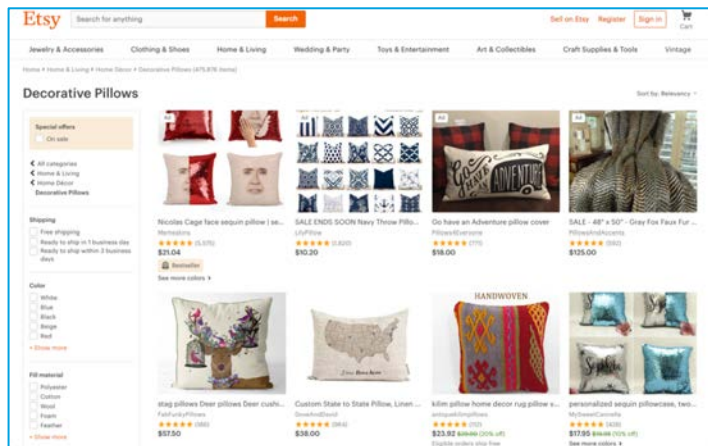
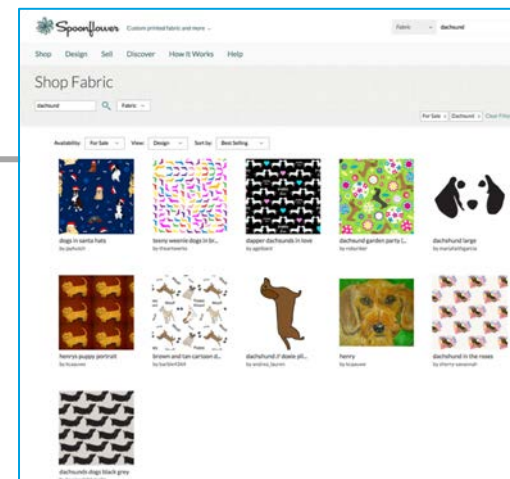
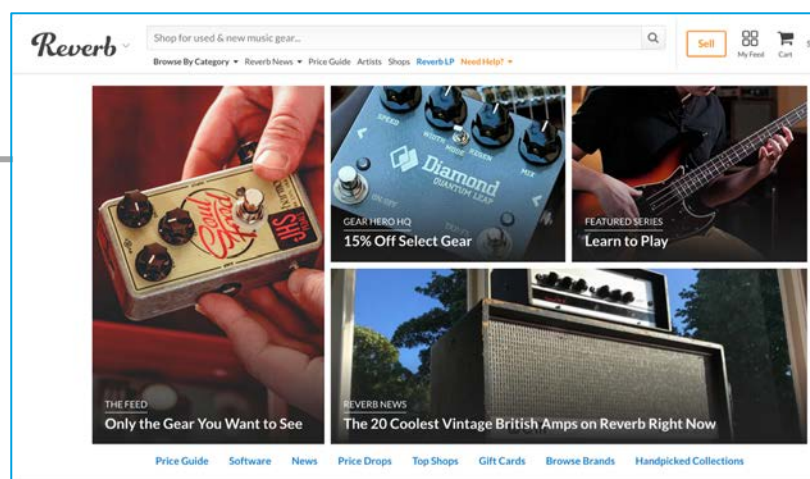
Sale Price	\$119.99
Shipping Price	Free
Condition	New
<a href="#">view seller details</a>	



# App Based



# Hyper-Vertical Focused Marketplace





# Drop Ship Marketplace

The screenshot displays the Overstock website interface. At the top, the Overstock logo is on the left, a search bar is in the center, and links for 'Earn Rewards with Overstock', 'Account', and 'Lists' are on the right. Below the header is a navigation menu with categories: Furniture, Rugs, Decor, Bed & Bath, Home Improvement, Kitchen, Outdoor, Jewelry, Watches, Women, Men, Kids & Baby, More, and Outdoor & More. A teal banner below the menu reads 'outdoor & more sale up to 70% off\* shop now >'. The main content area shows the breadcrumb path 'Electronics / Computers & Tablets / Tablets / iPads'. The product being featured is a 'Refurbished Apple iPad 2 16GB WIFI Black'. It has a 4-star rating from 134 reviews. The current price is \$139.99, with a 'Today' price of \$139.99 and a 'As Is From' price of \$143.05. A green 'Free Shipping' badge indicates it can be received in 3-6 business days. There are 10118 items in stock. A quantity selector is set to 1, and a green 'Add to Cart' button is visible. Below the button, there is a checkbox to 'Add Club O Gold to Cart to earn \$7.00 in Rewards' plus free shipping and 5% rewards back for only \$19.95/yr. The item number is 17268196. A notification section allows users to receive product notifications and other email-exclusive savings by entering an email address and clicking 'Submit'. At the bottom of the product section are buttons for 'Add to Registry' and 'Favorites'. To the right of the product, under 'Similar Items', there is a thumbnail for 'Yankees Final Game at Yankee Stadium Perfect Game Battery' with a 5-star rating and a price of \$1,185.49. Below this is another thumbnail showing two iPads.

overstock. Search

Earn Rewards with Overstock Account Lists

Shopping Worldstock

Furniture Rugs Decor Bed & Bath Home Improvement Kitchen Outdoor Jewelry Watches Women Men Kids & Baby More Outdoor & More

outdoor & more sale up to 70% off\* shop now >

Electronics / Computers & Tablets / Tablets / iPads

Refurbished Apple iPad 2 16GB WIFI Black

★★★★☆ 134 Reviews

Today \$139<sup>99</sup>

As Is From: \$143.05

Free Shipping Get it in 3-6 Business Days - 10118

Quantity: 1 Add to Cart

☐ Add Club O Gold to Cart to earn \$7.00 in Rewards Plus, Free Shipping & 5% Rewards back for only \$19.95/yr Learn More

ITEM# 17268196

Notifications

Receive product notifications for this item, and also receive other email-exclusive savings.

Email Address Submit

Terms & Conditions and Privacy Policy

Add to Registry Favorites

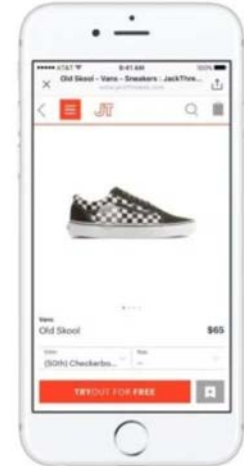
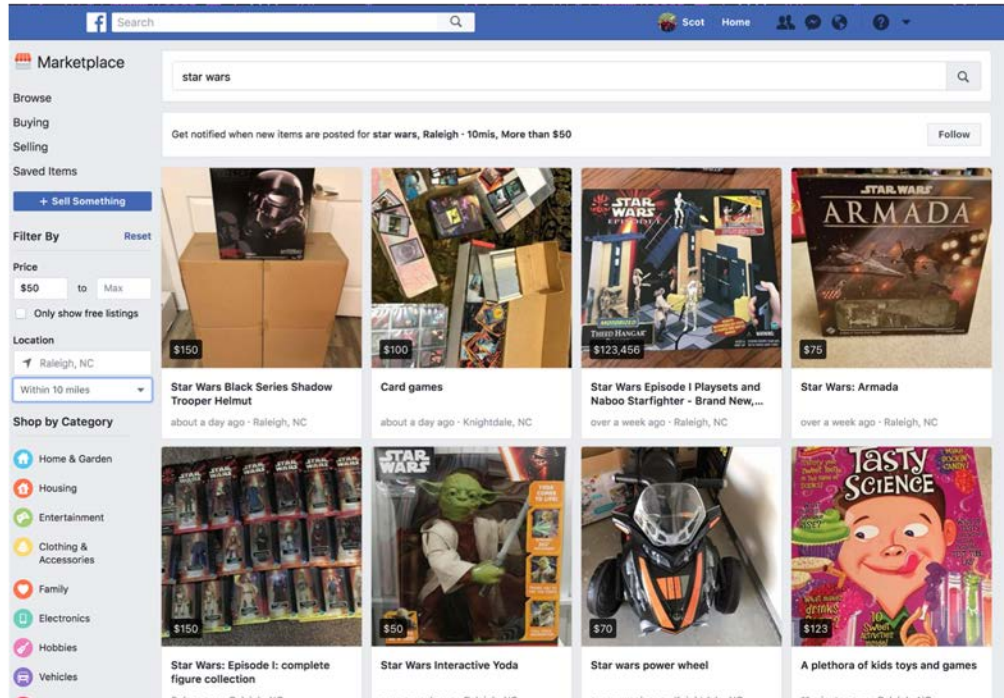
Similar Items

Yankees Final Game at Yankee Stadium Perfect Game Battery

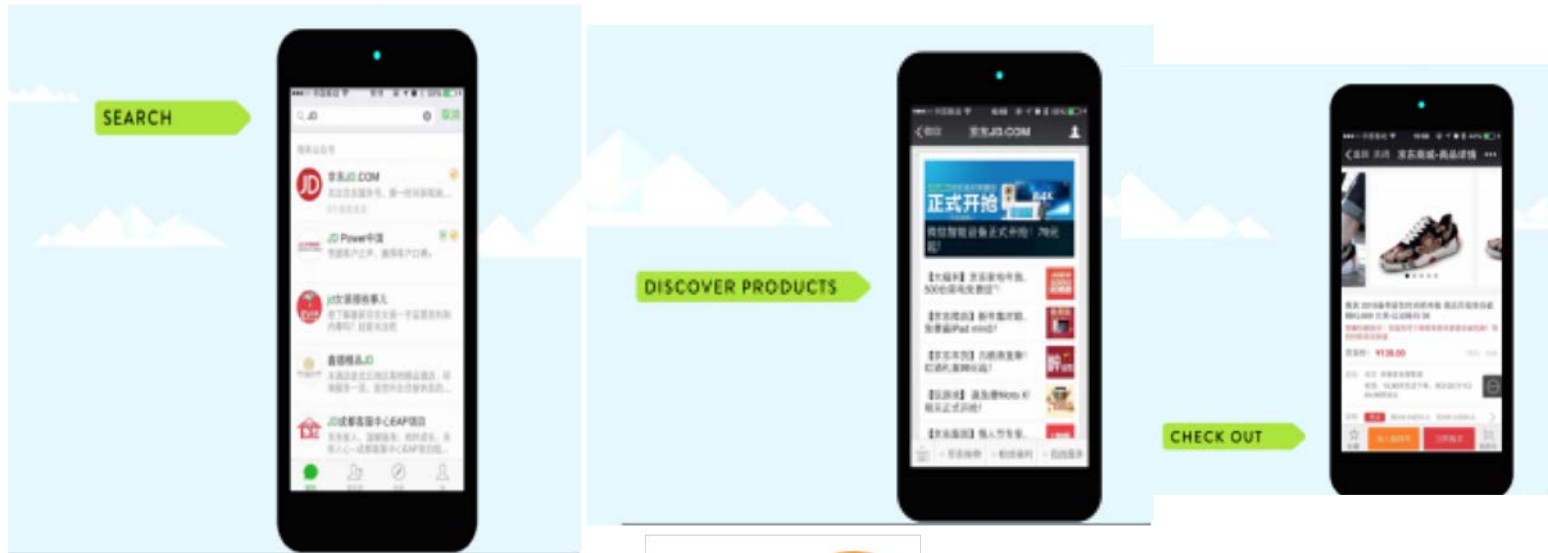
★★★★★

Today: \$1,185.49

# Social Media Based Marketplace

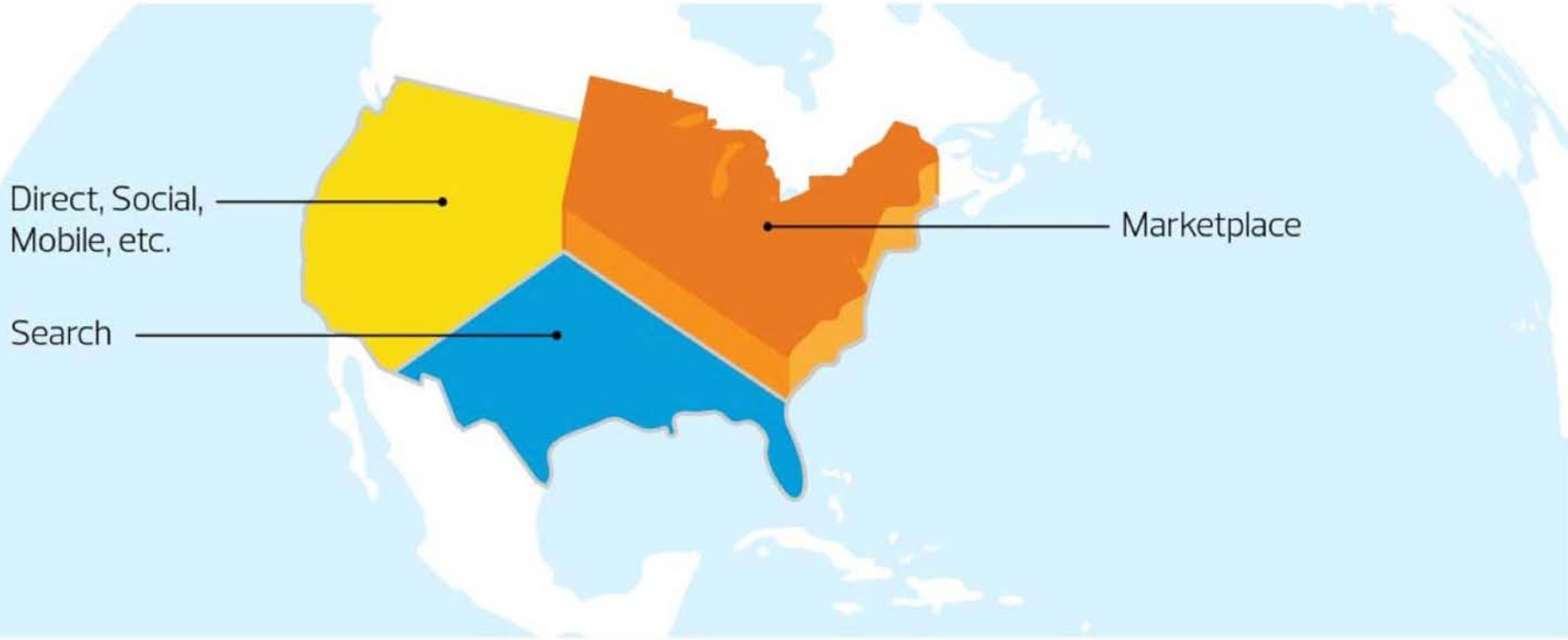


# Chat or Messenger Marketplaces



# Why Should You Care About Marketplaces?

# Marketplaces Make Up 40%→50%→?? of US E-commerce



# Marketplace Upside

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- E-Commerce/DTC training wheels
- No need to acquire customers
- But do need to develop fulfillment, customer service and merchandising capabilities
- Nice on-ramp to DTC
- On-ramp to global

# Marketplace Downsides (for Brands)



# Marketplace Downsides

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- Standard direct-to-consumer challenges:
  - Channel conflict, pricing
- Higher costs than selling direct
- Need to develop fulfillment capabilities
- Need to develop customer service skills
- Complex inventory management

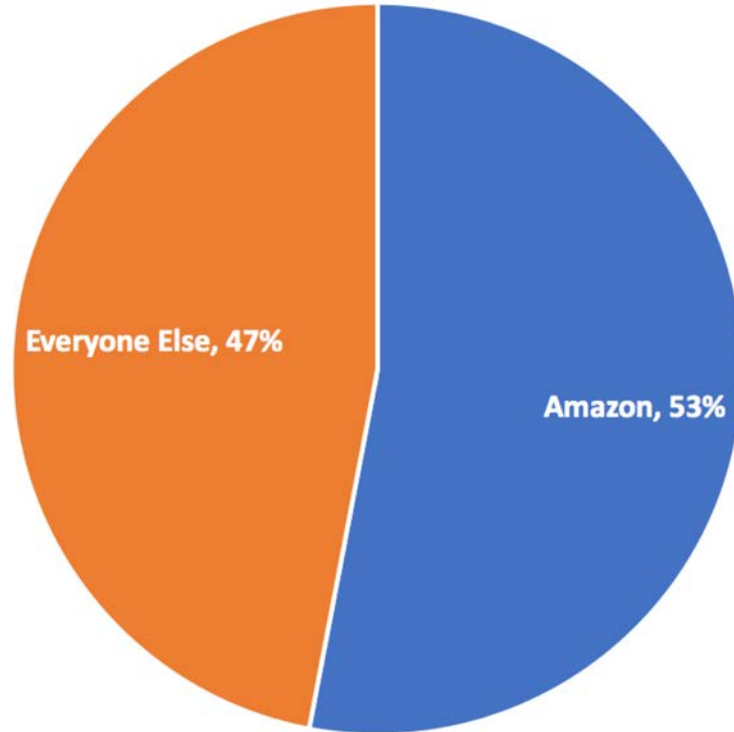


# Marketplace Case Study: Amazon

# Amazon Consumed Majority of 2017 Growth

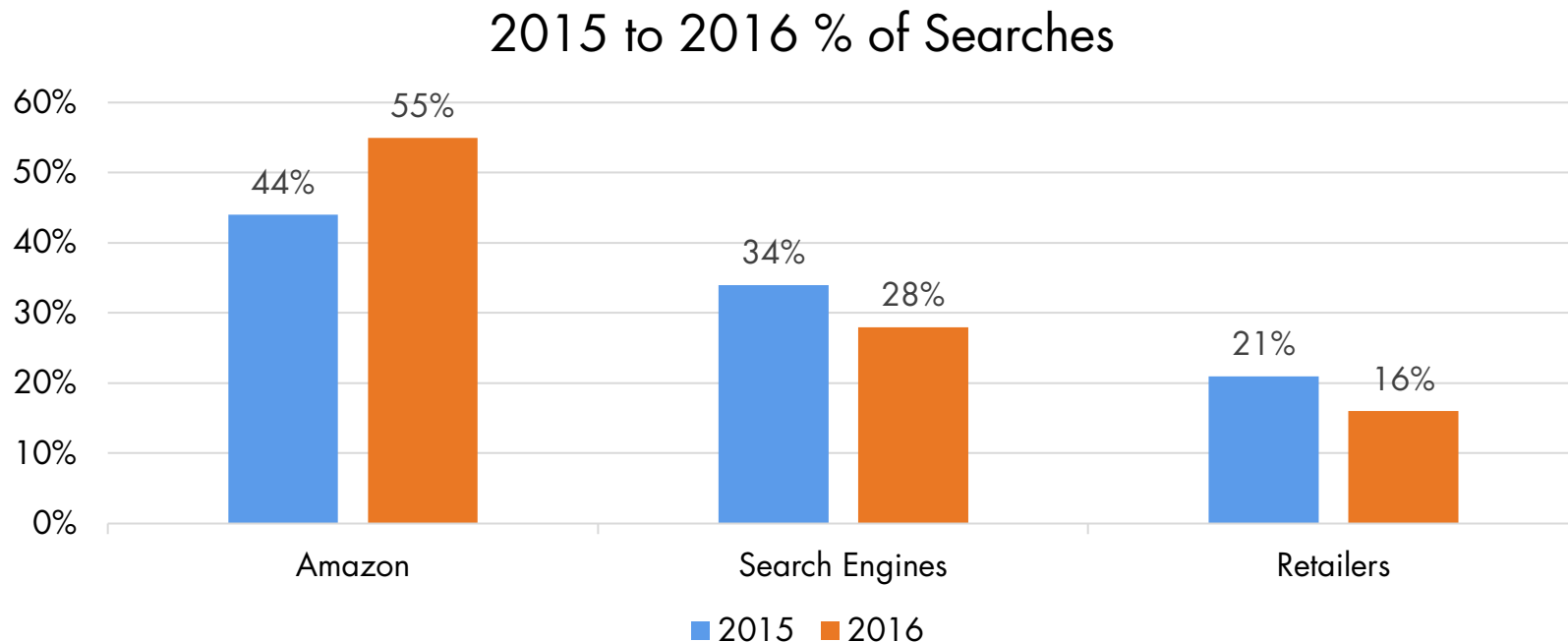
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Where Did E-Commerce Growth Dollars Go in 2017?

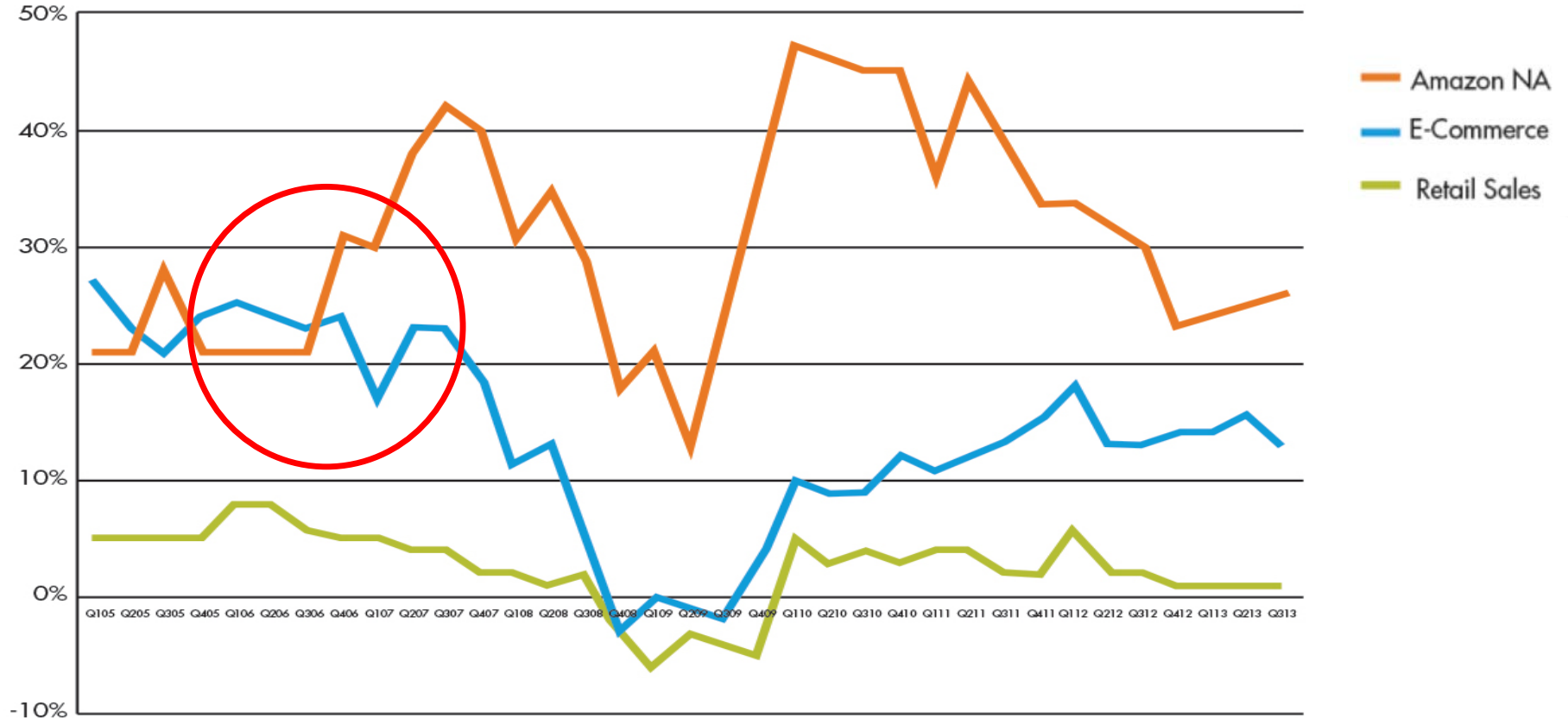


Source: Slice Intelligence

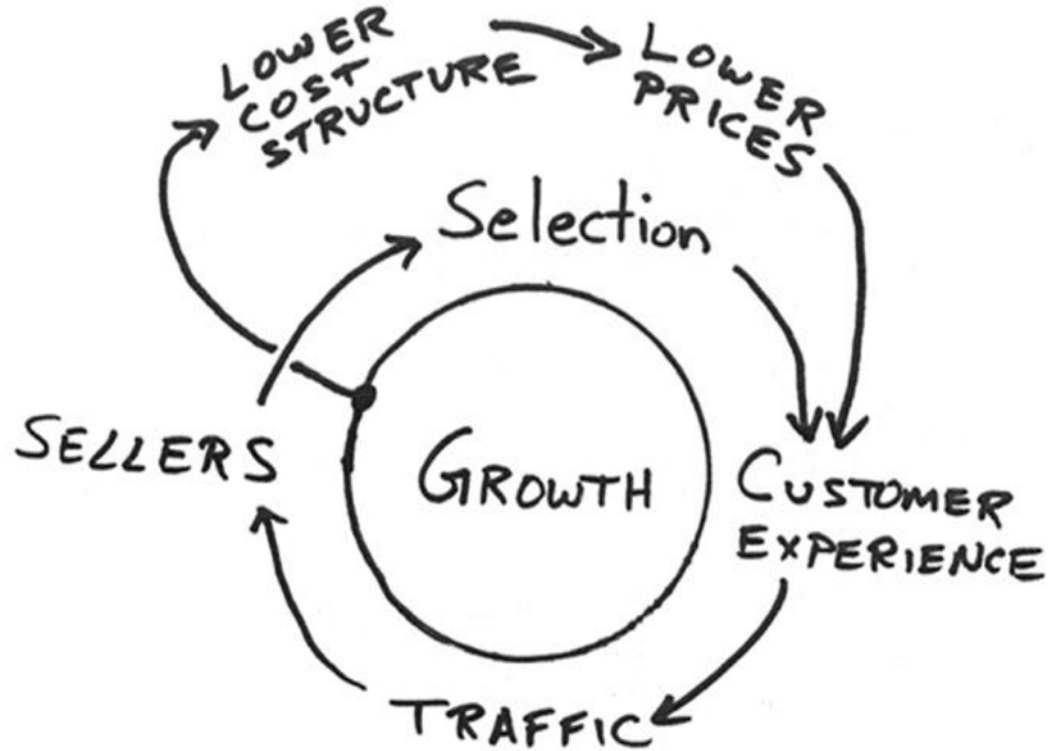
# 55% of Product Searches Begin on Amazon



# When + Why Did Amazon > E-Commerce



# Amazon's 3P Flywheel



# Amazon Is 2X Bigger Than You Think

	First-Party 1P	Third-Party 3P
Sales ("GMV")	\$100	\$100
Commission	N/A	10%
Reported Revenue	\$100	\$10

Total Sales	\$200
Total Reported Revenue	\$110

# 1P vs. 3P Economics

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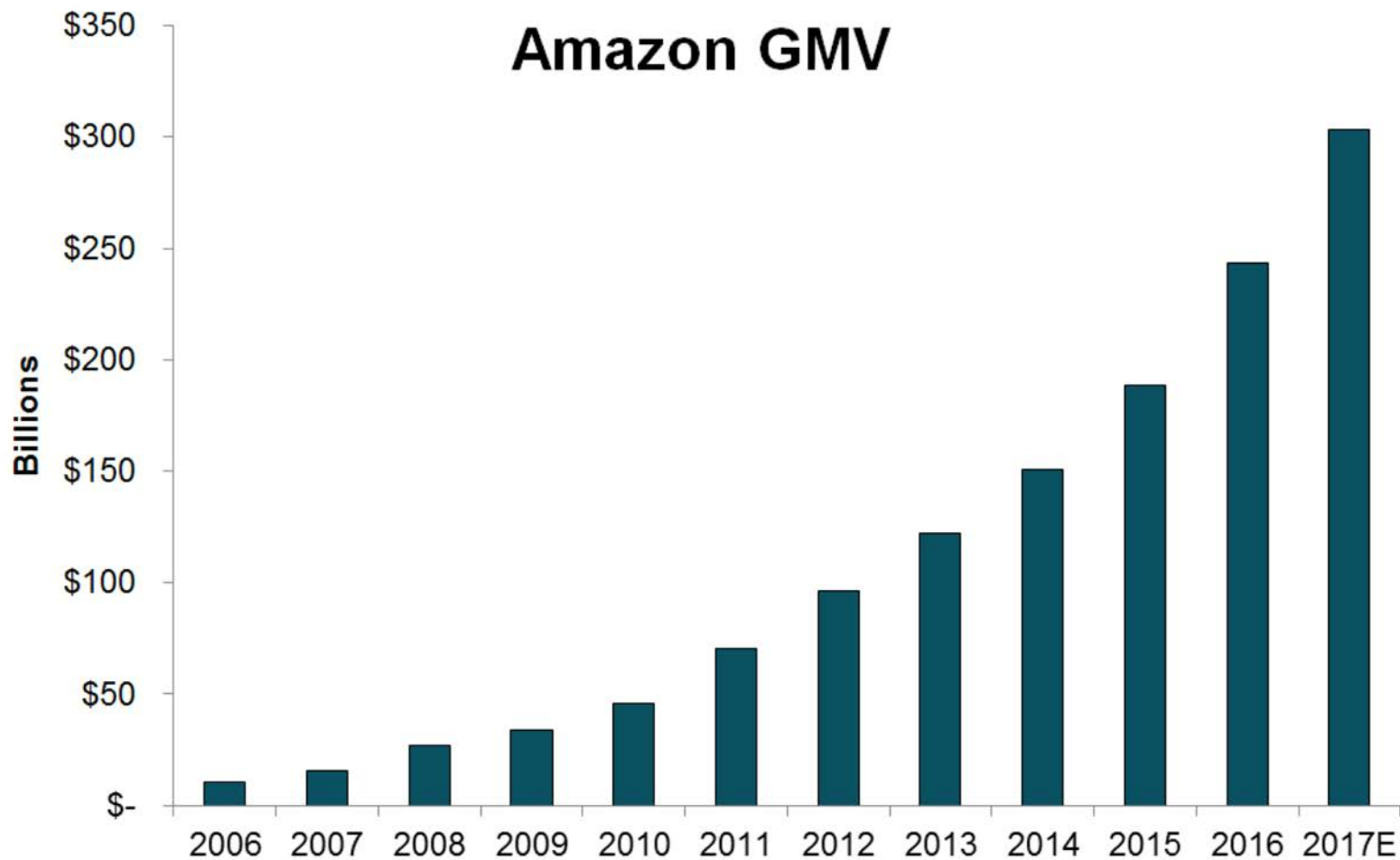
	1P Business Model
GMV	\$100
Revenue	\$100
COGS	\$60
GP	\$40
GM %	40%
R+D	\$8
S+M	\$19
G+A	\$9
Profit	\$4

# 1P vs. 3P Economics

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	1P Business Model	3P Business Model	Difference
<b>GMV</b>	\$100	\$100	0%
<b>Revenue</b>	\$100	\$10	90%
<b>COGS</b>	\$60	\$1	
<b>GP</b>	\$40	\$9	
<b>GM %</b>	40%	90%	225%
<b>R+D</b>	\$8	\$1	
<b>S+M</b>	\$19	\$0	
<b>G+A</b>	\$9	\$1	
<b>Profit</b>	\$4	\$7	75%



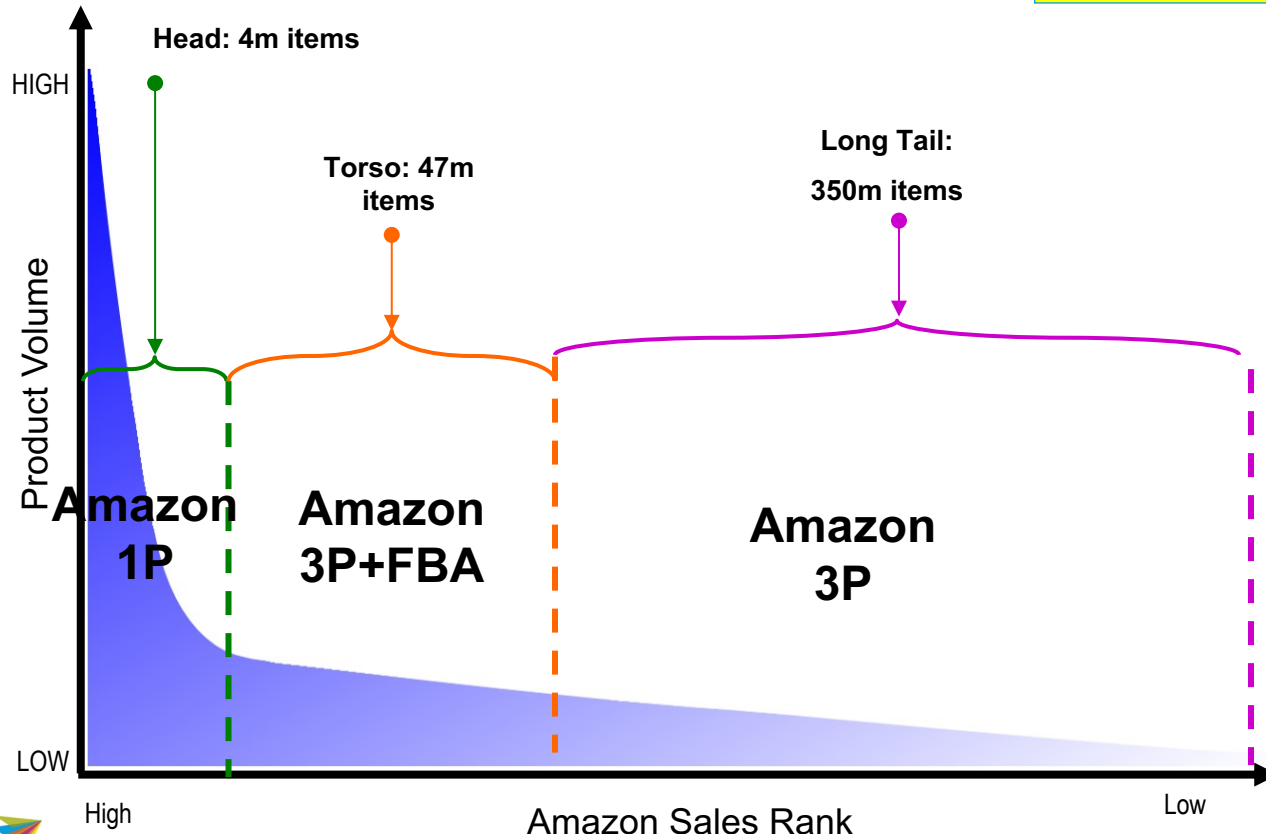


# Putting it All Together

Total Inventory: 500m items

Prime Eligible: 100m (20%)

1P: 10m / 3P: 400m



# Marketplace Case Study: Alibaba/Tmall

# Alibaba is a Family of Marketplaces

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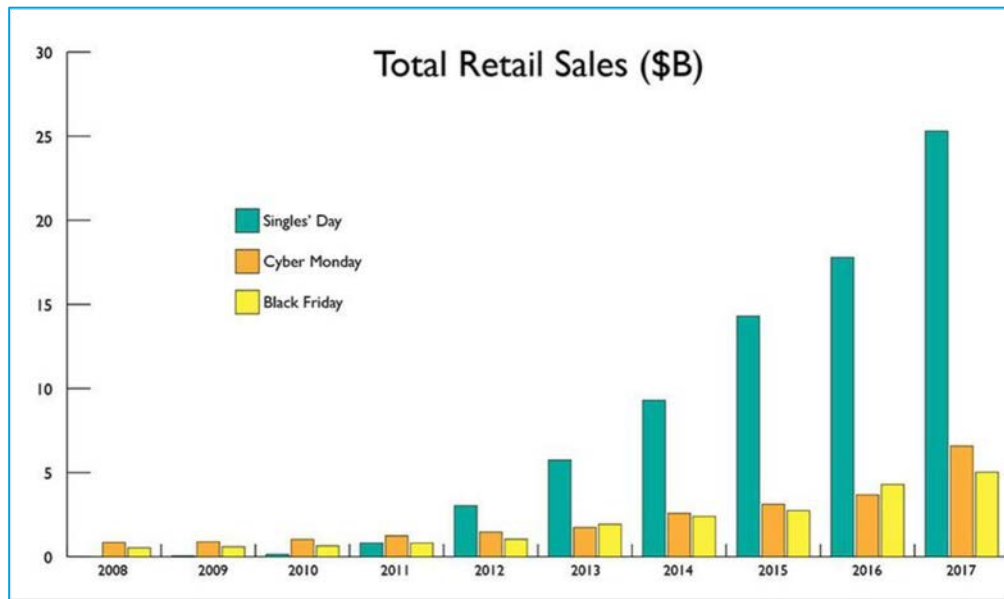
# Alibaba vs. Amazon vs. eBay vs. Walmart

- Alibaba: 80% marketshare in China
- GMV +49% in Q3'17
- 488 million active users
- \$550 billion in GMV (!)
- ~80% mobile commerce (549 MAUs)



# Alibaba Singles' Day

- Up 32% year/year in 2016
- 82% from mobile phone
- That's \$15 billion in mobile commerce in one day!!
- 15x Cyber Monday mobile sales!
- *\$25 billion projected for 2017*



Source: Bloomberg

# Marketplace Case Study: Walmart Marketplace

# Walmart Marketplace

- 100 million monthly visitors!
- Highest grossing retailer on the planet
- 39% of surveyed ChannelAdvisor customers saw Walmart sales increase by 50% or more.
- Requires approval process
- While most categories are a good fit, top categories include:





# Walmart Marketplace Example

Electronics / Cameras & Camcorders / GoPro Cameras & Accessories

GoPro HERO6 Black 4K Action Camera

★★★★★ 2 reviews GoPro Walmart # 565365780

**\$399.00** ~~\$499.99~~

**Free shipping**  
Arrives by Wednesday, May 16 [Options](#)

**Free pickup today**  
In stock at Secaucus, 400 Park Pl [Options](#)

Avoid unexpected repair costs with a \$0 deductible [care plan](#)

None 3 Year - \$39 4 Year - \$53

Qty: 1 [Add to Cart](#)

★ Sold & shipped by [Walmart](#)

[Add to List](#) [Add to Registry](#)

**2 other sellers from \$394.00**

**\$394.00+** Free shipping  
Sold & shipped by [Buy Best Item](#)

**\$436.59+** Free shipping  
Sold & shipped by [6Ave Express LLC](#)

[Compare all 3 sellers](#)

[Tell us if something is incorrect](#)

How's our new look?

GoPro HERO6 Black 4K Action Camera

**Researched. Trusted.**  
Choose from more Every Day Low Prices and get the same great customer care. Shop one of our [trusted sellers](#).

Price + Shipping \$394 to \$436.59	Delivery Date May 15 to 21	3 Sellers
<b>\$399.00</b> + Free shipping	<b>May 16</b> or <b>Free pickup today</b> at Secaucus	Sold & Shipped by <a href="#">Walmart</a> Free returns online and in stores Qty: 1 <a href="#">Add to Cart</a>
<b>\$394.00</b> + Free shipping	<b>May 15-21</b>	Sold & Shipped by <a href="#">Buy Best Item</a> <b>Buy Best Item</b> <a href="#">Return policy</a> Qty: 1 <a href="#">Add to Cart</a>
<b>\$436.59</b> + Free shipping	<b>May 15-18</b> Want it sooner? Choose an earlier date at checkout.	Sold & Shipped by <a href="#">6Ave Express LLC</a> <del>6Ave</del> <b>6ave.com</b> <a href="#">Return policy</a> Qty: 1 <a href="#">Add to Cart</a>

# Walmart Considerations

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A seller should...

- Have product that is not already sold on Walmart.com. This will allow Walmart to add more breadth and depth to its catalog
- Proven track record on Amazon or eBay – great seller metrics
- Sellers tend to experience success in top categories including sports & outdoors equipment, home & kitchen, clothing shoes & accessories and health & beauty

# TAKEAWAYS

# The Largest Global Marketplaces

amazon

ebay<sup>™</sup>

Walmart

newegg.com<sup>®</sup>

MEIN PAKET.de

zalando

jet

TESCO

La Redoute

天猫 T.MALL.COM

sears

Rakuten

mercado  
libre

trademe

amazon.com®

Walmart

ebay™

jet

sears

wish 天猫 TMALL.COM



mercado  
livre

AliExpress™

® Rakuten.de

La Redoute

SHOP.COM™

zalando

® Rakuten

Cdiscount

fullbeauty

Allyouneed

WANELO

mercado  
libre  
CBT

trademe  
Where Kiwis buy and sell online



TESCO

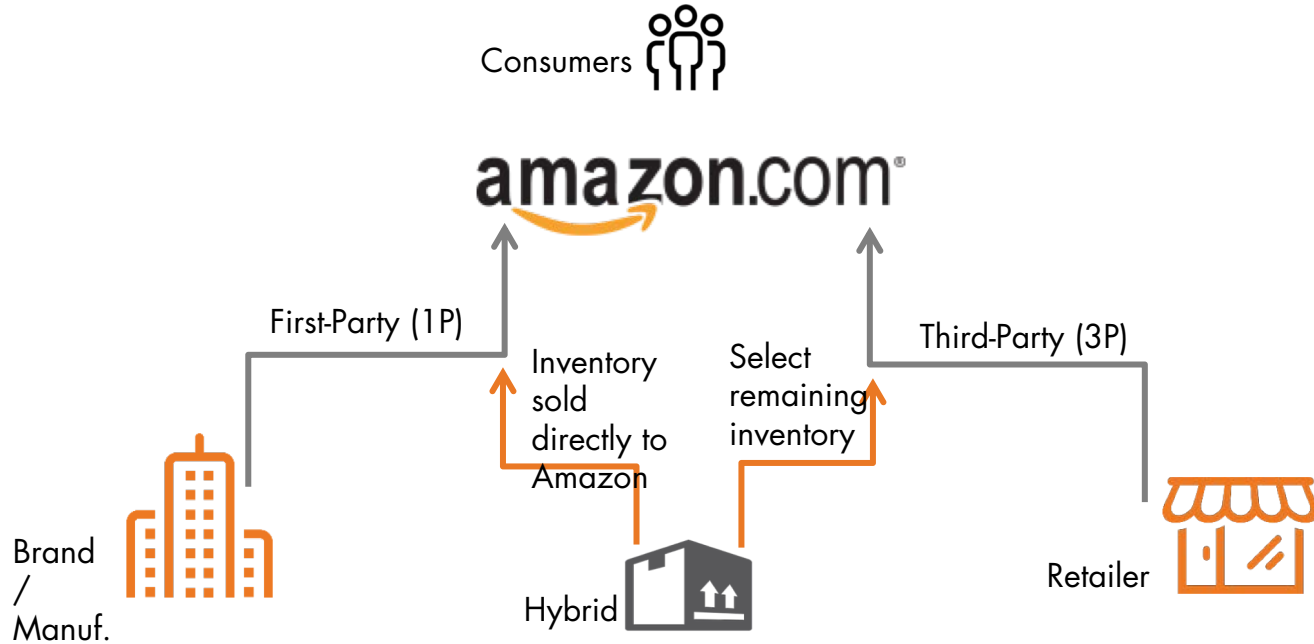
## THIRD-PARTY MARKETPLACES

# Key Takeaways

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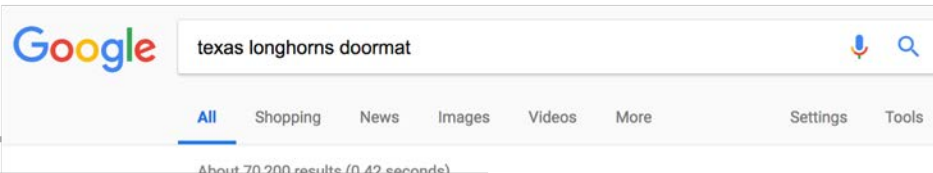
1. Marketplaces are set to be a large % of e-commerce over next 2-3 yrs. What if we look like China in 2020?
2. Traditional Marketplaces are one model, Hybrid,
3. Leverage 5-10 marketplaces for maximum exposure
4. Every Brand should have a MP strategy both from a participation perspective and an implementation perspective
5. Start with the 'big guys' – eBay and Amazon and then work to verticals and international
6. Think through 1P vs 3P vs Hybrid Strategies

# Hybrid Model – 1P+3P





# Exposure Example



## FANMATS NCAA University of Texas Longhorns Vinyl Door Mat

<https://www.amazon.com/FANMATS-University-Texas-Longhorns.../B003SS6FH8> ▼

★ ★ ★ ★ ★ Rating: 4.2 - 8 reviews

Buy FANMATS NCAA University of Texas Longhorns Vinyl Door Mat: Entry Mats - Amazon.com ✓ FREE DELIVERY possible on eligible purchases.

## FanMats - Texas Longhorns Welcome Door Mat - View in Your Room ...

<https://www.houzz.com/.../81322521-texas-longhorns-welcome-door-mat-contempor...> ▼

Wow your guests with the Texas Longhorns Welcome Door Mat. Adorned with the Texas Longhorns logo and colors, this door mat really makes a statement.

## Doormats | Welcome Mats - Sears

[www.sears.com/home-decor-rugs-doormats/b-1348893843?sbfb=Brand&sbv...](http://www.sears.com/home-decor-rugs-doormats/b-1348893843?sbfb=Brand&sbv...) ▼

Items 1 - 50 of 58 - TEAM SPORTS AMERICA TEXAS LONGHORNS LIT MIXED MATERIAL WALL DECOR · 0 · Sold by Fogdog.com · Team Sports America Chicago Cubs Embossed Floor Mat, 18 x 30 inches. \$39.99 ...

## Texas Longhorns Rug, Mat Men NCAA Fan Apparel & Souvenirs | eBay

[https://www.ebay.com/b/Texas-Longhorns-Rug-Mat-Men-NCAA.../bn\\_16922704](https://www.ebay.com/b/Texas-Longhorns-Rug-Mat-Men-NCAA.../bn_16922704) ▼

Results 1 - 48 of 61 - University of Texas Longhorns Scraper Door Mat. Texas Longhorns Scraper Mats by Sports Licensing Solutions. Great for showing off your Longhorns pride in high traffic areas! Scraper Mats have nubs that scrape shoes clean of dirt, debris, and moisture so that your home stays clean. The debris is then ...

## University of Texas Longhorns Door Mat Rug Doormat 846104031751 ...

<https://www.ebay.com/itm/...Texas-Longhorns-Door-Mat...Doormat/232691422780> ▼

★ ★ ★ ★ ★ Rating: 5 - 1 review

Texas Longhorns floor mat. This Longhorns rug can serve as a door mat, or a floor rug. Measures 19 x 30 inches. Mat is chrome jet printed, allowing full penetration of the color down the entire tuft of the high luster nylon yarn in 16 oz face weight carpet. This FanMats product features non-skid Duragon latex backing and ...

## Longhorn doormat | Etsy

[https://www.etsy.com/market/longhorn\\_doormat](https://www.etsy.com/market/longhorn_doormat) ▼

Looking for the perfect longhorn doormat? You can stop your ... With Etsy, buyers like you can find hundreds or thousands of unique, affordable longhorn doormat! Let's get started! ... Longhorn Doormat | UT Welcome Mat | Texas Doormat | Hook 'Em Horns | College Football | Housewarming Closing Gift | Customized Gift.

## FANMATS Texas Longhorns Doormat | Kohls

<https://m.kohls.com/product/prd-799852/fanmats-texas-longhorns-doormat.jsp?...1> ▼

FANMATS at Kohl's - Shop our selection of doormats, including this FANMATS Texas Longhorns doormat, at Kohls.com.

## University of Texas Medallion Door Mat - Walmart.com

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