



Understanding & Maximising Online Marketplaces for your Business

Tuesday 22 June, 2021



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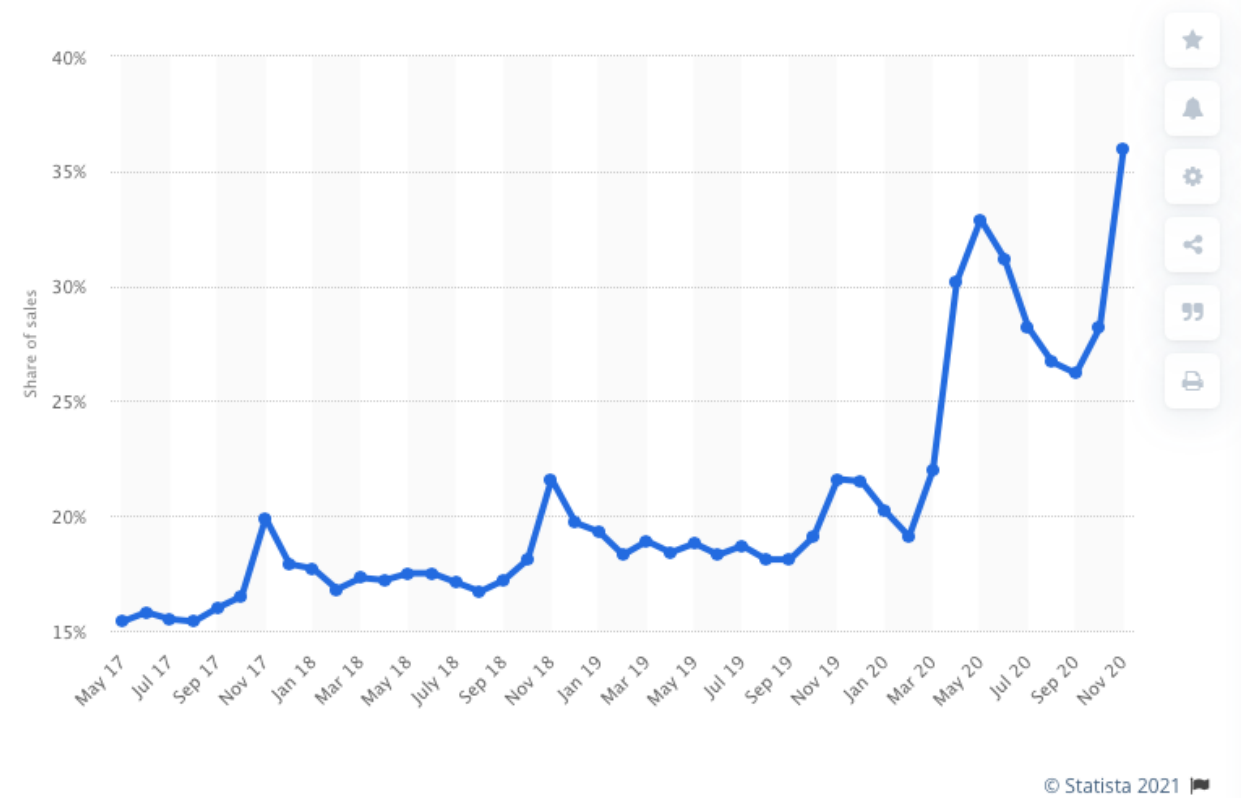
Webinar Overview

- Introduction to online marketplaces
- Who can benefit from selling on online marketplaces?
- Barriers and pitfalls of online marketplaces
- Potential opportunity and return of marketplace selling
- Benefits and outcomes of utilising online marketplaces

Introduction to online marketplaces

2020 transformed the world of e-commerce and online sales. In November 2020, internet sales accounted for 36% of all retail sales.

This increase in online sales can be attributed to the ongoing Covid-19 pandemic and the temporary closure of businesses.

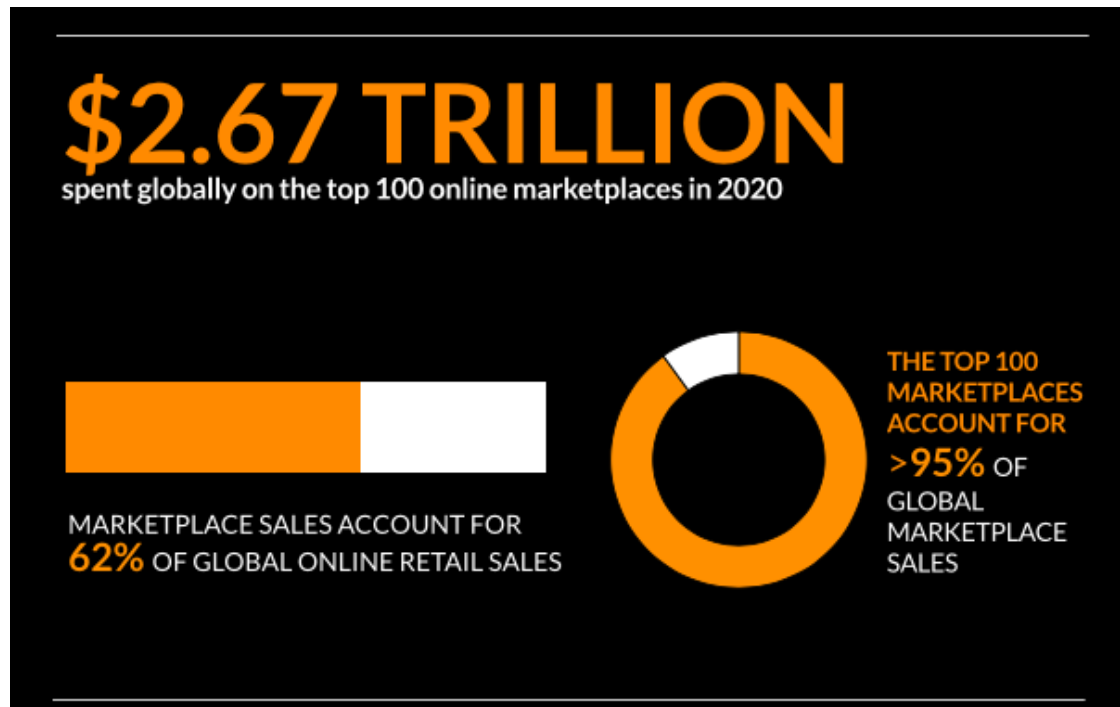


<https://www.statista.com/statistics/286384/internet-share-of-retail-sales-monthly-in-the-united-kingdom-uk/>

Introduction to online marketplaces

Global marketplaces landscape

62% of all online sales globally take place on marketplaces



THE LEADERS
Ranked by marketplace gross merchandise value*

RANK	MARKETPLACE	GMV*	COUNTRY
1	TAOBAO		China
2	TMALL		China
3	AMAZON		United States
4	JD.COM		China
5	EBAY		United States

*Gross merchandise value is the total value of goods sold on the marketplace. Companies are ranked by GMV from third-party merchants that sell their sites, and does not include the sale of the marketplaces' own products.

Introduction to online marketplaces

There are many benefits of utilising online marketplaces for your business.

Online marketplaces:

- Provide an additional channel to market and sell your products
- Are quick, affordable, predictable and there's no tech requirements
- Provide new opportunities for international sales
- Are popular with customers and offer a convenient way to compare prices and products from a single source
- Provide a level of trust between you and the buyer
- Operate a round-the-clock

Introduction to online marketplaces

Online marketplaces are worldwide, and can help your business grow internationally by:

- Accessing an increased buying audience
- Providing assistance with translation and presentation
- Managing expectations and communications
- Utilising online payment and trust systems
- Being low cost platforms with fewer barriers to entry

However, be mindful of common problems such as VAT, Duties, shipping and returns.

Introduction to online marketplaces

The variety of marketplaces is astonishing and growing.

allegro

frugo

Folky

ebay™

Cdiscount

OnBuy.com

amazon

fnac

YUMBLÉS



zalando

天猫
TMALL.COM

淘宝网
Taobao.com

Alibaba.com

Etsy

Introduction to online marketplaces - change title

The marketplace selling experience

When you sell on a marketplace you receive the marketplace's:

- Branding
- Marketing and advertising opportunities
- Payments, Security and Mediation support and reassurance

Marketplaces sell you buyers, but you have to adhere to their rules and pay fees. It is important to remember:

- The selling process is almost identical wherever you sell, so consider multi-channel selling
- Support services are available to help with inventory management
- Be agnostic. *'Source, sell, send and repeat'*

Selling on B2B online marketplaces

The size and scope of the B2B online marketplaces sector has grown in recent years and is still growing.

- B2B e-commerce exceeded \$1trillion by 2020 in the USA
- B2B e-commerce was estimated to be \$6.7 trillion, 27% of all B2B market worth estimated at \$25 trillion
- The fastest growing sectors are:
 - Manufactured goods (e.g. aircraft and vehicle spare parts)
 - Electronics
 - Industrial tooling
 - Office supplies
- The online marketplaces experience for B2B is similar to that of B2C
- Online marketplaces could 'open up' international B2B markets not previously accessible



Selling on B2B online marketplaces

There are many benefits associated with using online marketplaces.

Benefits for sellers:

- Lower costs (*sales prospecting, promotion, infrastructure and maintenance*)
- Businesses who do not directly sell online can access international markets
- Growth of audience and sales channels
- Small businesses have the opportunity to reach previously inaccessible buyers'

Benefits for buyers:

- A much larger choice of products or services is available
- Buying process is simpler, thanks to centralisation of suppliers
- Ability to compare suppliers side-by-side, making process more competitive
- Lower transaction costs
- Quality of customer experience aligned with B2C standards

Selling on B2B online marketplaces

Alongside the benefits, there are problems and pitfalls associated with using online marketplaces, such as:

- Low margin, high fee operations
- Creating and adding listings to marketplaces can be time consuming
- Market saturation in some sectors and on some marketplaces
- Falling foul of marketplace rules and conventions
- Not fully utilising marketplace marketing features and enhancements
- Not listing correct stock or poorly optimised listings
- Slow dispatch, expensive fulfilment
- Supplier problems and stock control

Selling on Amazon

amazon seller central

[Log in](#) [Sign up](#)

Become an Amazon seller

More than half the units sold in our stores are from independent sellers.

[Sign up](#) [Learn more](#)

£25 (excl. VAT) per month

Selling on Amazon

Important factors to remember about the 'Amazon experience' as a retailer:

- "Choice, price, convenience"
- It's both a marketplace and a retailer – *it hosts and sell products and goods from themselves and competitors*
- Amazon owns the customers and expects the best
- Strict rules are enforced and must be adhered to
- Be innovative and inventive
- Different selling plans are available



Selling on Amazon

Listing and selling

Amazon operates on a catalogue basis meaning pricing is crucial.

When it comes to listing your goods, sellers can:

- Assign products to the relevant Amazon Standard Identification Number (ASIN) in the catalogue
- Add ASINs to the catalogue if a product is new and unique

Sellers can also:

- Win the Buy Box 'fight' by achieving the item that is added to the cart over competitors – *price and reputation makes you more prominent*
- Add ASINs to the catalogue if a product is new and unique
- White Labelling - *generic stock rebranded* / Native Brands – *creating and adding of something new for Amazon*
- Administer stock levels, sales and communications via Seller Central



Selling on Amazon

There are several ways for sellers to compete and optimise listings on Amazon:

- Sponsored Products – *paying extra for prominence in search results*
- Amazon SEO - *improving catalogue and product data to boost sales*
- Reviews - *product reviews are vital, especially for White Label retailers*
- Selling internationally – *achievable through international Fulfilment by Amazon (FBA)*
- Amazon fees - *different levels of subscription*

Selling on Amazon

Sellers can administer sales through the seller central dashboard by:

- Fulfilling orders themselves
- Procuring a 3rd party fulfilment to do it for them
- Utilising Fulfilment by Amazon (FBA)
- Utilising Seller Fulfilled Prime



Amazon FBA probably can help businesses win the Buy Box means they can tap into the spending of millions of Amazon Prime shoppers, but it comes at a cost.

WHAT IS FULFILMENT BY AMAZON?

Selling on Amazon

Amazon Business

Amazon does have a dedicated B2B marketplace, Amazon Business, targeted towards:

- Government
- Business shoppers
- Education providers

Amazon Business is ideal for B2B businesses/sellers who don't want to see B2C listings. It helps businesses by:

- Providing B2B services
- Assisting with VAT invoicing - *making trading easier*
- Fewer problems with buyers as engaging B2B
- Helping them become Amazon Vendors



Business benefits



Make buying simpler

Access millions of business products in one place, with ever-expanding business features enhancing your familiar Amazon buying experience.



Competitive pricing

Compare prices from multiple sellers and discover business-exclusive pricing, quantity discounts and everyday savings.



Easier VAT invoicing

Search for products with VAT-exclusive pricing and find sellers who provide VAT invoices. Downloadable invoices are stored in one place.



Flexible payment options

Share payment methods including company cards, and pay by invoice with net 30 day terms (subject to satisfactory credit checks).

More information here: <https://business.amazon.co.uk/en/home>

Selling on Amazon

Tools and Services

Amazon has developed a huge ecosystem of third party tools to streamline sales operations on top of the marketplace's own tools, such as:

- Repricers - stay competitive with automatic reprices
- VAT and accounting - *especially if trading internationally*
- SEO and listings management
- Stock control and inventory management
- Analytics - *competitors and new products*
- Refunds - *vital for FBA sellers*

Selling on Amazon

Further sources of information on Amazon

Amazon has an excellent selection of educational resources:

<https://sell.amazon.co.uk/sell-online/beginners-guide.html>

Enterprise Nation run an Accelerator with Amazon:

<https://www.enterprisenation.com/accelerator/>

Useful guide to Amazon marketing from Hubspot:

<https://blog.hubspot.com/marketing/amazon-marketing-strategy>

Video: Trevor Ginn on Amazon optimisation:

<https://youtu.be/U3tD6qLVFVA>

Selling on eBay



Selling on eBay

In 2020, eBay had:

- 183 million active buyers world wide
- 1.3 billion items listed for sale
- \$100 billion Gross Merchandise Volume (GMV)



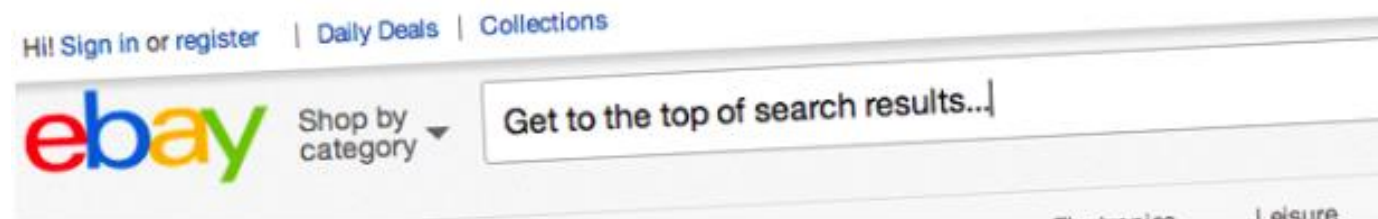
Some common myths about eBay:

- It's mostly auctions (*80% of listings is Buy it Now*)
- It's mostly second hand (*Wrong. Most of the products are new*)
- You have to use PayPal (*Not any more*)

Selling on eBay

eBay will order buyers search results in different ways, such as:

- Best match - *how closely the listing matches the buyer's search terms*
- Listing performance - *e.g. sales, conversion rate*
- Cost - Item price (with/without posting and packaging)
- Listing quality – *based on description and photos*
- Return policy
- Handling time and postage cost
- Seller performance (*feedback, DSRs, SNP, refunds, INR etc.*)

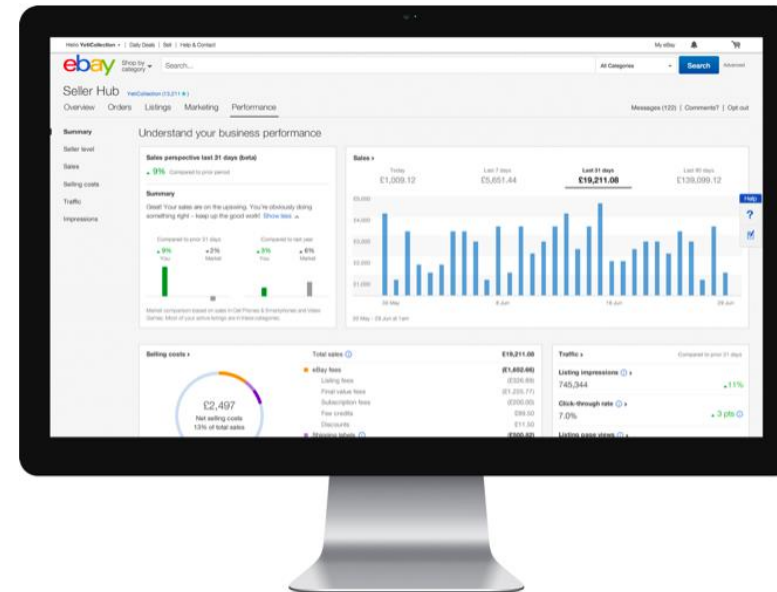


Selling on eBay

Listings and management

The Seller Hub is your eBay HQ, and sellers can:

- Create listings
- Save listing templates
- Communicate with buyers
- Leave feedback
- Administer sales
- Review Seller Performance
- Measure analytics



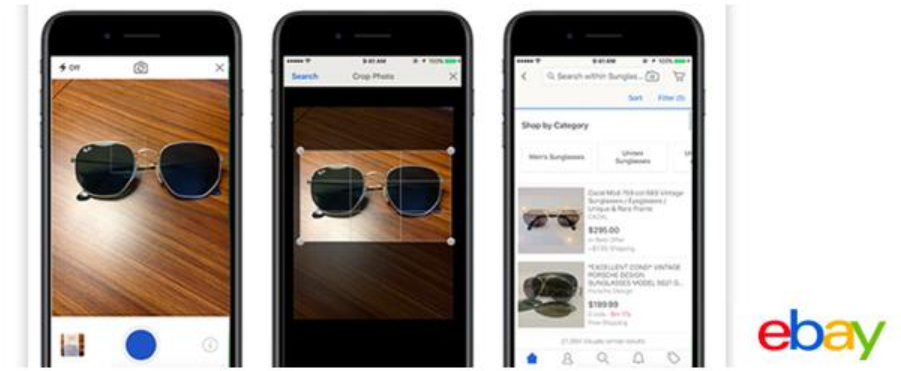
Selling on eBay

eBay listings optimisation

The quality and detail of a listing will affect/boost how best your product matches a buyer's search.

When creating a listing, it is important to remember:

- Images matter - *reuse and create a library*
- Titles are vital - *descriptions less so*
- Optimise item specifics - *this will help findability*
- Avoid defects where possible
- Think mobile – *review listings on a mobile device. 2/3 of sales happen on mobile*



In order to improve the likelihood of their listing appearing high in search results and generating sales, sellers can access eBay seller hub guidance which offers tips for improvement.

Selling on eBay

Fulfilment on eBay

Most of the time, sellers select and post products directly. When fulfilling offers, it is important for sellers to consider:

- Free P&P (70% of sellers offer free P&P)
- eBay postage labels
- Posting options - *Royal Mail Online Business Account (OBA) or Drop and Go at the Post Office*
- Volume posting - *sellers can utilise collections by Royal Mail from their premises (minimum level required)*
- Other suppliers – *Hermes and Collect+*
- Tracking – *key functionality to guarantee delivery*
- Lead generation
- Sending options - *fulfilment services are available*

Selling on eBay

eBay Tools and services

The bulk of your time on eBay is spent with shipping and listing. For a more streamlined process, sellers can:

- Automate a majority of the work with multi-channel management
- Utilise listing and management tools available via the Seller Hub – the most powerful of which is Terapeak (<https://sellercentre.ebay.co.uk/selling/terapeak/>)

The listing and selling process can also be sped up by automating everything possible and creating your own 'catalogue'.

Accredited suppliers: <https://sellercentre.ebay.co.uk/grow-your-sales/service-providers>

Selling on eBay

Fees and Payments

There are several types of fees associated with selling on eBay:

- Listing fees
- Final Value Fees (FVFs)
- Subscription fees
- Payment fees

Sellers can minimise fees with:

- A Shop or special offers
- A smart pricing strategy i.e. bundles or job lots

It is important to bear in mind that eBay processes payments and sends to your bank account, and disbursement could take several working days



Selling on eBay

Common eBay problems

eBay is a useful marketplace but not without challenges:

- Return rates can be high and eBay does have a reputation of difficult buyers
- Buyer Fraud and 'Items Not Received' problems are also evident
- eBay's unresponsive and difficult customer service is unhelpful
- Poor app and some disappointing tools can be stifling

However, it is a useful outlet for liquidation and returns sales.

Make it work for you.

Selling on eBay

Tips and insights

eBay is a flexible marketplace and you can start selling today and build your reputation as an online marketplace seller.

The marketplace is a good platform for selling end retail, liquidation stock and end of line bulk lots.

It will allow sellers to use multi-buy and multi-variation formats to build turnover and the analytical approach provides:

- Focus on margins and costs for profitability
- An edge over the competition with better listings and reputation



Online marketplace opportunities

The Northern Ireland Marketplaces opportunity

Northern Ireland businesses are in a good position to utilise online marketplaces due to:

- Its unique position within the UK and EU single marketing Customs Union
- Northern Ireland merchants being able to trade with the EU as before - *no paperwork, no tariffs*
- The Rules of Origin where selling to the UK don't apply to Northern Ireland
- White Label selling opportunities
- Possible uncertainty that current protocol arrangements will last

Online marketplace opportunities

Developments in e-commerce and online marketplaces

The world of e-commerce and within it online marketplaces is a constantly changing environment.

- Existing marketplaces change all the time
- New nice, local and specialist marketplaces are emerging
- New emerging partnerships i.e. Shopify and Google
- Social commerce options on Instagram, TikTok, Facebook, Pinterest are developing
- eBay is fighting back: leaner, more focused business
- Amazon isn't the only platform to consider in some places e.g. Allegro

Conclusions and next steps

The marketplace opportunity is potentially huge for any business. First, create a plan for your business, 'what do you want from marketplaces?'

Utilising marketplaces will give businesses the opportunity to open a new sales avenue and develop new skills.

It's not all or nothing - marketplaces can flex, so surf seasonality.

Test and learn - powerful analytics tools will give you the edge.

Research multi-channel selling - offers efficiencies and better margins.