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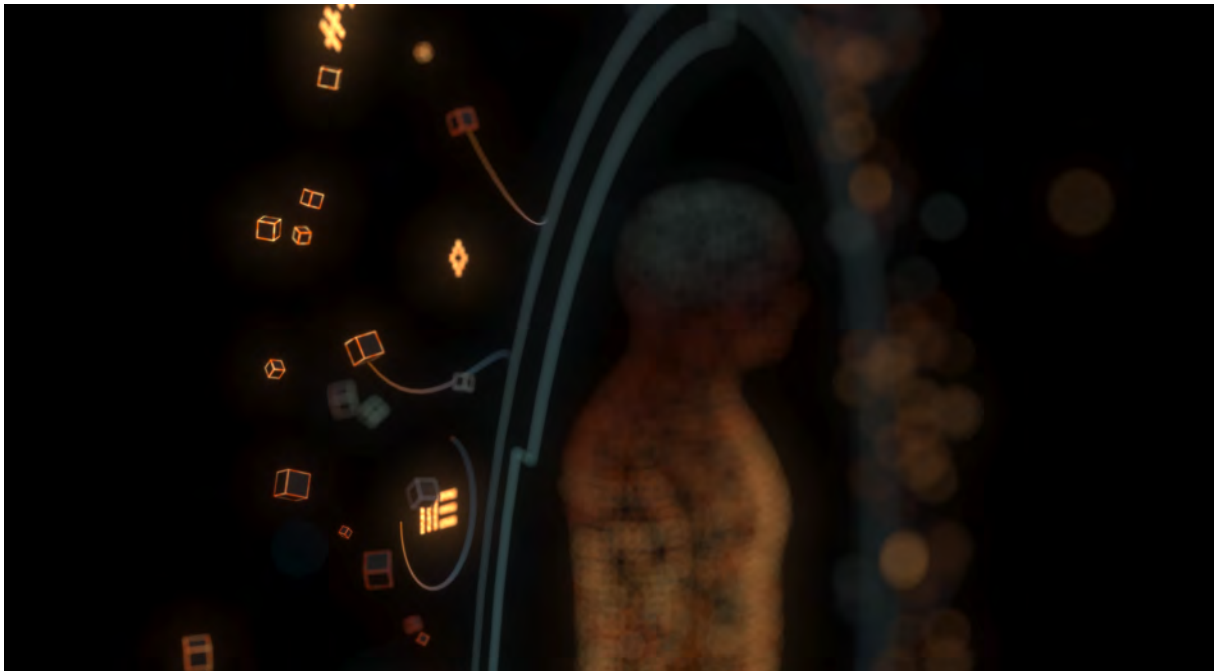
The time is now

5 reasons why

you need a B2B marketplace

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The time is now

5 reasons why you need a B2B marketplace

Maybe you've heard of them, maybe not. But one thing's for sure – online marketplaces are taking the world of online sales by storm. We're all familiar with great powerhouses like Amazon and Alibaba, but now marketplaces are also appearing in B2B industries and niche markets. In this whitepaper, we look at why this is happening and explore whether your company should consider having its own online B2B marketplace.



Reason 01

The gap between B2B and B2C is closing

Over the last couple of years, the demand from professional buyers to have fully functioning and mature online environments where they can do their work has grown exponentially.



This ranges from rich product content and content assets to blogs, product advice and inspiring ideas (not to mention structured categories, tailored offers and fast checkout). These are all functionalities which were initially used in the B2C world and are now the standard in online retail. Digital marketing is now being adopted for B2B, as well as social media and omnichannel strategies. Gone are the days where online B2B sales was just a simple online ordering form behind a login.

Why is this happening? Simply put, professional buyers are consumers too. They demand functionalities which make their life easier and want to be inspired by brands and wholesalers. This is how they (and you) stand out from the rest. It will therefore be certain that the B2C marketplace trend will follow for B2B. Because if it makes a buyer's life easy, it will surely be adopted by the B2B world. This trend has in fact already started.

Reason 02

B2B marketplaces are growing rapidly and are successful

Nowadays, marketplaces are appearing everywhere. They are also growing rapidly – faster than normal B2B online channels.

B2B marketplaces will account for 30% of all global online B2B sales by 2024; estimated to reach \$3.6 trillion up from \$680 billion in 2018, according to **a study**. With respect to the previous point, when the time comes that B2B follows the B2C trend and truly adopts the marketplace principle in their buying habits, the growth potential of these marketplaces will be sky high.

Of course, we all know Amazon Business (which had a \$1 billion revenue in its first year) and Alibaba, but for most businesses it's not realistic or intended to follow that example. A more interesting case is **SalonCentric**, L'Oréal's B2B online channel. They opened their webshop for 3rd party sellers and went from 150 brands to 500 brands in one go and are still sourcing new brands.

Another example is **Satair** (part of Airbus), a wholesaler of spare parts in the aerospace industry. Customers were working with a very fragmented market and Satair saw an opportunity. They created a marketplace where sellers come together to offer their spare parts in one place – making the lives of buyers much easier.



Reason 03

Winners take it all

What does the future look like for B2B marketplaces?

Will there be just a few marketplaces and that's it?

Probably not.

In B2B, expertise and trust still play big roles in order to be successful. So specific marketplaces per industry or vertical is more likely to happen. On the other hand, there is only so much room for new marketplaces. Depending on the industry and geographics, only a few will survive and set the standard for your industry.

What about the rest? It's expected that industry leaders (large players in any industry) will adopt the marketplace strategy and turn their online business model into a marketplace approach. Small and mid-size players will most likely become 3rd party sellers on these marketplaces – distinguishing themselves in the market by service level, delivery, product offering and/or price.

Right now, it's important for large players in any industry to prepare for the next step and decide whether they want to be a marketplace or join one. Small and mid-sized companies also need to prepare in other ways like planning how they can set up delivery, create the best product data and so on.



Reason 04

The quickest way to expand assortment (and customers)

For some companies, it took decades to build up a compelling product assortment to go to their market. Adding new products or categories often takes months or even years, depending on the products and/or industry.

The most important USP of starting a marketplace is to rapidly increase your online assortment – it reduces the time to market drastically. By allowing other sellers on your platform, you will profit from their knowledge, expertise and product assortment.

By implementing different business models (commission model or charging a subscription fee) the marketplace operator will profit from every seller and/or sale. But there are also indirect gains. For example, new customers which your 3rd party seller brought onboard who didn't think your webshop was very relevant before, will suddenly find your marketplace very relevant. You can now offer them your products in a more direct way, because cross and upselling just became much easier. Not to mention the valuable customer data of those new and existing customers – think of all the marketing campaigns and retargeting you can do.

Lastly, because you're a one-stop shop, customers are more likely to stay and tick off their complete shopping list on your platform. Why would they go somewhere else if they can get all their supplies in one spot? In a nutshell, the more products and sellers on your platform, the more buyers will stick around.



Reason 05

Low risk scalability

*Scaling your business is always a challenge.
Having an online marketplace can make things slightly
easier in different ways.*



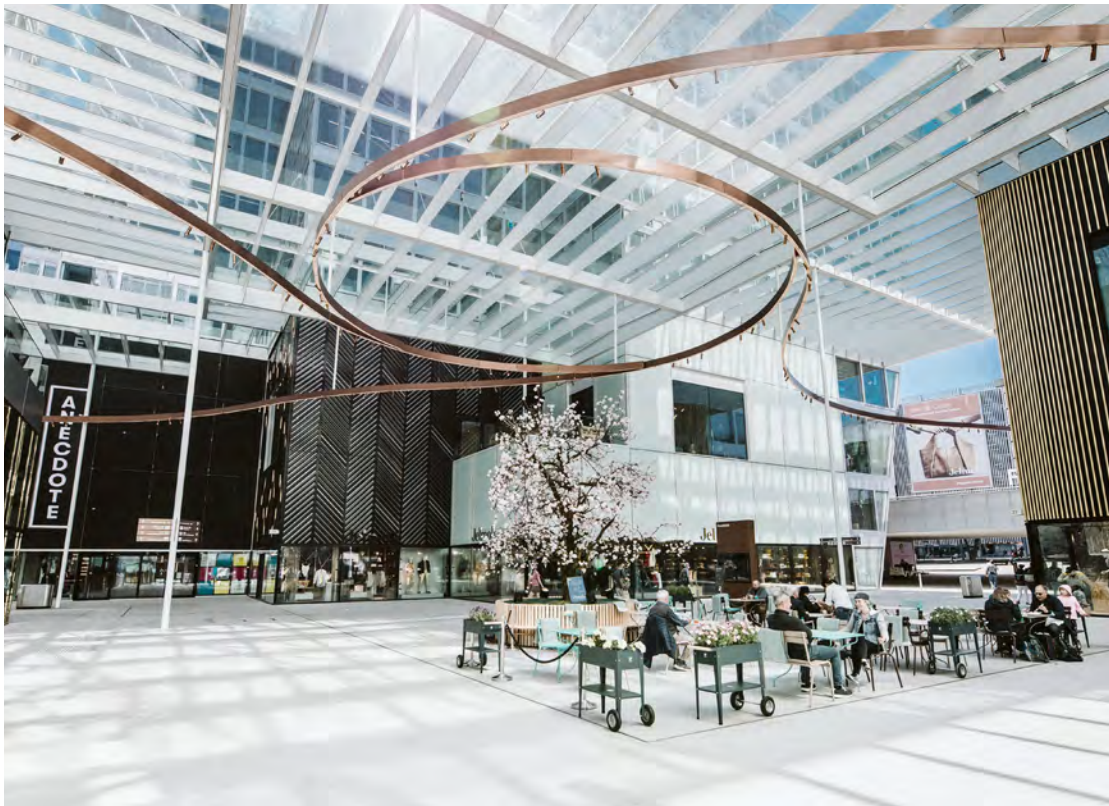
Instead of trying to sell your products in a new market, open your marketplace in a new country. A marketplace is easily scalable if you keep in mind location, language, currency and VAT during the technical implementation. So before taking the big step of selling your own products in a new market, open your marketplace in a new country and find some local sellers and let them start the sales process.

Scaling in existing markets is also being simplified when operating a marketplace. Adding more sellers, especially to new categories, means more new products and more new customers. It's completely risk-free, because your 3rd party sellers are still responsible for carrying out the transactions, delivery and holding of stock.

Conclusion

B2B marketplaces are appearing everywhere and are here to stay. They have been proven to be successful because of the great benefits for both sellers and buyers.

Operating your own marketplace seems like a big step, because it will change your online business model completely. Many strategical decisions must be made. For large players in their industries, it's a necessary step to take, or at least seriously consider. Because if you don't take this opportunity, your competitor most likely will, no matter in which industry or vertical you operate.



Do you need help?

You've just seen an overall roadmap for how to start selling on marketplaces.

At Emakina, we understand how important keeping abreast of the latest B2B trends and practices are. Our goal is to delight clients and users everywhere. Wondering whether your business should operate its own marketplace or join one? Our marketplace experts are ready to help and advise you so you can make an informed decision, as well as implement what you decide on.

[Check our marketplace page](#)

About Emakina, the User Agency

Emakina is a digital agency with global reach. It is part of Emakina Group, an EPAM Systems Inc. (NYSE: EPAM) company. Its technology and marketing experts work with customers to develop high performance marketing and creative solutions for business challenges, from cutting-edge applications, websites, and eCommerce projects to impactful content and campaigns. As the ambassadors for users, Emakina places the user's requirements and expectations at the heart of every digital experience. This approach offers the agency's customers and their brands a privileged relationship with consumers of the digital age.

Learn more at www.emakina.com.



EMAKINA

The User Agency

Your personal marketplace partner

Team up with our Marketplace-specialists who will work as an extension of your team and offer solutions that fit your ambitions.

Start a great journey with us. We'll get you started in the marketplace world, from forming a strategy to setting up accounts and SEO.

We'll help you further, by monitoring results, optimizing and analysing potential markets.



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