



EMAKINA



STORE
SHOPPING

Marketplaces - Part 2

Six marketplace

challenges and approaches

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Welcome to Emakina's solution for selling on marketplaces: a three-part playbook series for your first steps. You'll find out: what are the most important reasons to start selling on marketplaces right now, **what are the common struggles** and **how to start?**

Here in part 2: see the most common challenges.

Introduction

Overcoming the challenges

Marketplaces are extremely popular and offer incredible potential for both brands and retailers.



* Source: Forrester

Of course, as with any great opportunity, **there are also challenges** to selling on marketplaces that might stop you from taking this step.

In this part 2 of the series, we will talk about the most common struggles, put them in **perspective** and give you **practical ideas** on how to best deal with them. Let's do this!

Six marketplace challenges & approaches

So, what are common challenges that brands and retailers struggle with?

Here are the six challenges we will tackle together.



CHALLENGE 01

Complex retailer relationships



CHALLENGE 02

Protection of own website



CHALLENGE 03

Limited access to data



CHALLENGE 04

Keeping a healthy margin



CHALLENGE 05

Protection of brand image



CHALLENGE 06

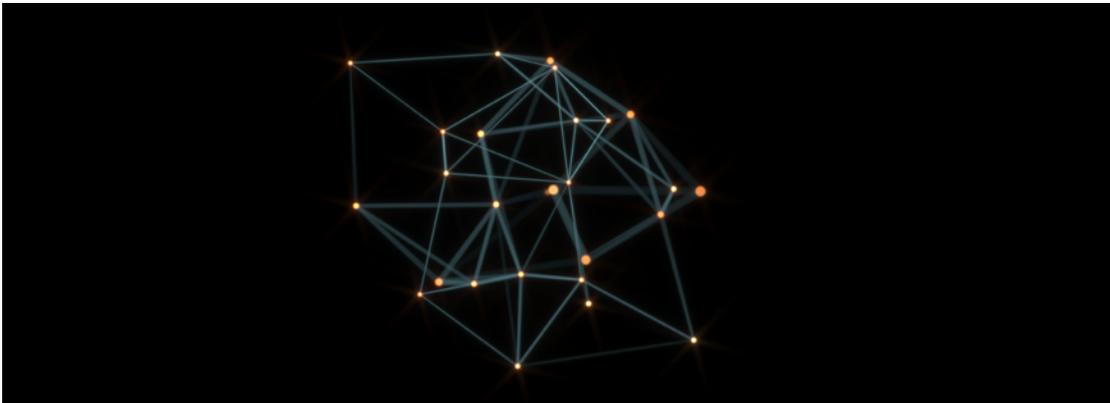
It's overwhelming

Challenge 01

How to deal with retailer relationships?

Are you worried that selling on marketplaces might negatively impact your retailer relationships?

It helps to answer the following questions, to put this concern into perspective...



- Are you the retailer's **first brand to take a step towards marketplaces**?
- Do your **competitors** hold back for the same reason?
- Will marketplaces be the **first direct-to-consumer channel** you sell on?
- Are your products **already offered by retailers on marketplaces**? If so, it should not be a problem for you, as the brand owner, to do the same.

There are also ways to adapt the strategy, for example by **starting out in countries where your retailer business is less dense, or differentiating in assortment**. If you have a strong relationship with a retailer and keep them in the loop about your plans, there should be no reason to delay taking this step.

Challenge 02

How to protect your own website from cannibalisation?

*Another big concern when it comes to marketplaces is **how it will impact the brand's own webshop**. This is sometimes called 'cannibalisation' ie. eating into your own business.*

There are a few tactics to keep cannibalisation to a minimum:

- **Use unique content** to avoid a cannibalisation in organic google search rankings.
- Keep a **stable product price** throughout all sales channels
- **Offer exclusive products** and differentiate in assortment. E.g. offer customized products on your website and standard assortment on marketplaces.
- Adapt your **marketing strategy**. By using **on-site** performance marketing (e.g. sponsored products on Amazon), you target an audience that is **already present** on marketplaces.



Challenge 03

Do I get access to enough data?

*As the transactions are completed on the marketplace itself, brands and retailers are often wonder if they'll lose their ***grip on their sales data***.*

Platforms are aware that companies need data and are sharing more and more information about their **traffic, conversion and sales**. After all, they also profit from the growth from their partners.

That's why we're seeing an **increase in analytics tools and dashboards** provided by marketplaces... Zalando, for example, offers an analytics tool (ZMS Insights), to its partners, to allow them to optimise their strategy, product, market and merchandising decision-making.*

Next to that, you're also likely to sell more on marketplaces, which means that you will **gain valuable knowledge about your assortment and consumer preferences**, giving you more data than you had before.

* Source: GoodData

Challenge 04

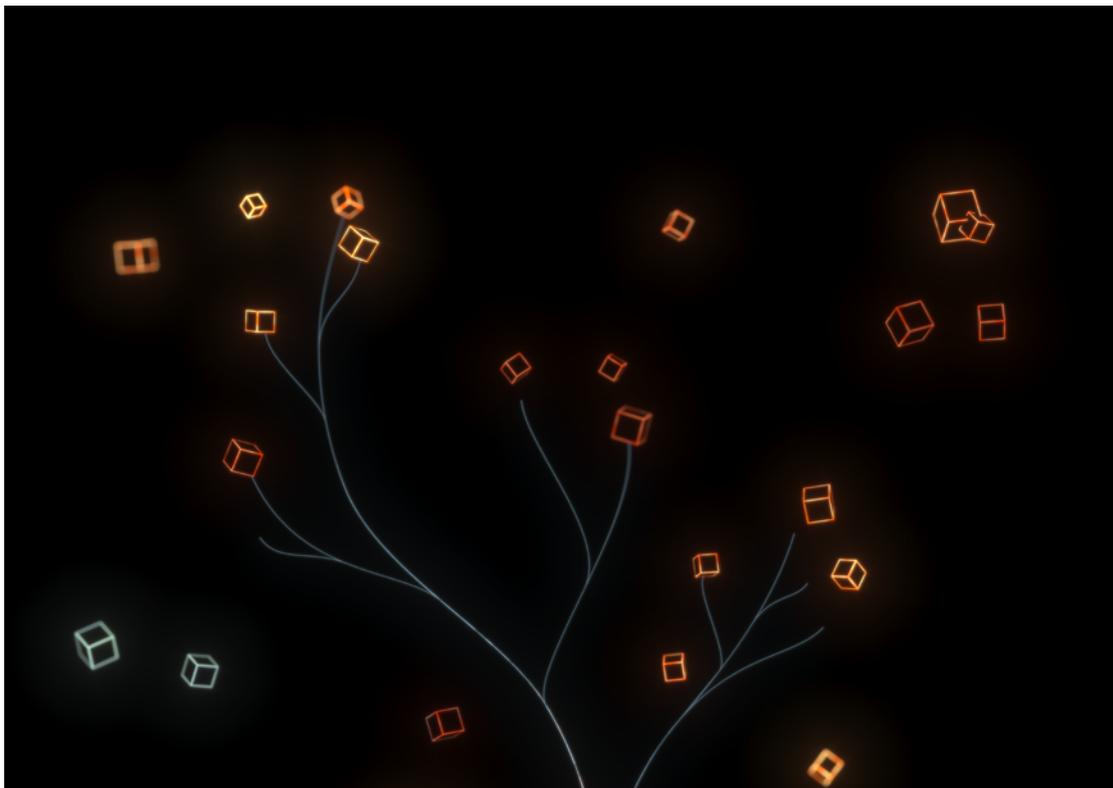
Can I keep a healthy margin?

It's a common assumption that your average margin on marketplaces is low- but it doesn't have to be the case.

The commission on marketplaces is between 10% and 25%, depending on the product category and the marketplace. But keep in mind that you **only pay if you actually sell** something.

Getting traffic to your own webshop through **Google** advertising can be expensive too. **And these costs are paid per click.** So are marketplaces really that much more expensive than your own webshop?

As a marketplace seller, you are in **control of the pricing.** If you calculate a **minimum selling price** for your products and **offer profitable products**, then you can keep a healthy margin.



Challenge 05

Won't marketplaces harm the brand image?

*Lots of marketplaces offer multiple branding opportunities. On Amazon you can build a **brand store for free, to put your branding in the spotlight.***

With **Amazon brand registry**, you can keep complete control of your product listings, protect your brand and **avoid fraudulent and low quality listings**. It also enables enhanced product content, so allows you to showcase products with extra visuals and content.

As a brand, chances are high that your assortment is already being offered on marketplaces by retailers. By taking the marketplace listings into your own hands, **you can regain control** and assure a **high quality brand presentation** throughout all channels- because **nobody can present your brand as well as you.**

In the end, it's important to choose a channel that fits your brand image and offers enough content opportunities. If you are a high fashion brand, channels like Farfetch or Zalando might fit better than Amazon or bol.com.

Challenge 06

It's overwhelming

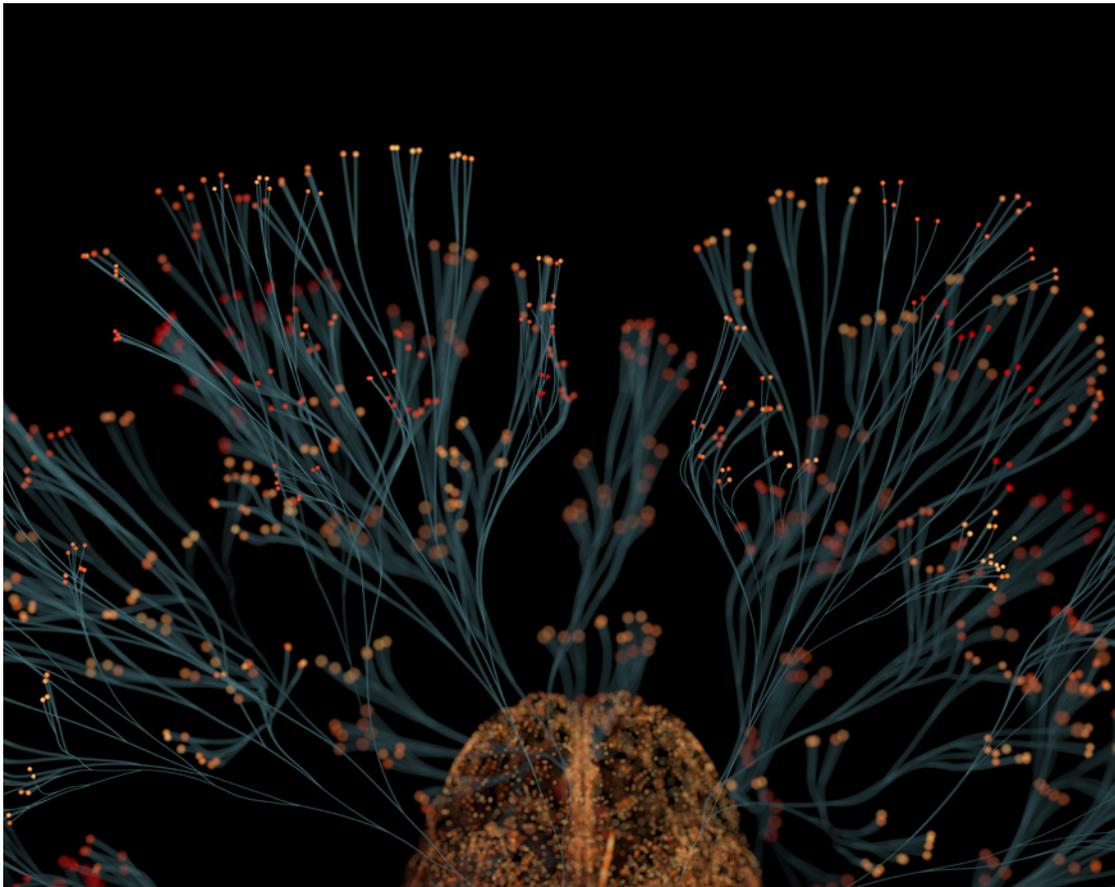
*With more than **100 marketplaces in Europe alone**, the choice can be quite overwhelming. Where to start?*

As well as the number of marketplaces, there are several **integration methods, fulfillment options and different requirements per marketplace**, which can make it difficult to oversee the scope and impact that marketplaces will have on your business.

With every project, you have a number of steps to follow that will help you to get a clear overview.

To help you on your way, we have created a simple plan with the **five steps** you have to take to run a successful marketplace project.

Find out more in our 3rd playbook: [how to sell on marketplaces in five steps](#).



Do you need help?

You've just read some advice on how to tackle the six marketplace challenges.

At Emakina, we understand all the issues surrounding marketplace business, from strategic decisions to technical questions and performance-related topics. We are here to support you throughout the whole process.

Whether you need help with your first steps, or you are already selling and need support with optimising your performance or operation, we can act as an extension to your own team.

[Check our marketplace page](#)

Who is Emakina?

Emakina is one of the leading ecommerce strategy, design and development companies in Europe. We employ the latest rapid agile methods to deliver e-shops for lots of client including Unilever, FrieslandCampina, Bugaboo, Wolford, Rituals, Clarks, Arzum and Hema. Our specialist ecommerce teams are able to consistently deliver high-grade e-shops in timescales measured in weeks, not months.

We can help you in your digital transformation journey – wherever you are right now.



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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