

The Rise of Retailer- and Brand-Operated Marketplaces

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eMarketer Editors

Utilizing marketplaces is one way for a seller to expand reach. But for some manufacturers and distributors, that increased reach is not worth the competitive threats that they may face on a marketplace.

“That’s why some retailers and brands are setting out to not just build their own direct ecommerce sites, but also start their own marketplaces,” said Jillian Ryan, eMarketer principal analyst and author of our latest report [“Marketplaces 2019: B2B Ecommerce Strategies for Amazon, Alibaba and Others.”](#)

According to data from FitForCommerce, retailers are launching their own marketplaces to fill in the gaps in product assortment, reduce the risk and cost of taking on inventory, offload shipping costs, and to strengthen relationships with suppliers.

“Some of our customers are building marketplaces,” said Jason Woosley, vice president of commerce product and platform for Experience Business at Adobe, who was interviewed for the [report](#). “They are allowing third parties to participate in order to answer the B2B buyer need for a broader set of products.”

There are also a handful of B2B customers of Luminos Labs, an ecommerce consultancy, that are opening their own marketplace,

according to the firm's business development director, Mike Zaruba.

One such B2B is a national manufacturer of large-scale refrigeration units that wanted to sell more than just the products it built, but also offer incremental solutions from other providers that are complementary. "Amazon wasn't the right fit for this client," Zaruba said. "They wanted to bring multiple product options together for their buyers and have control of the marketplace vs. going to sell their inventory in other marketplaces."

Another client in the restaurant supply industry is also in the process of building its own marketplace with Luminos Labs. "They're looking to build a marketplace that captures not only their own products, but also other products that they can help serve through the connections they have within that industry, and then expand from there. They are trying to fill a gap in their sector that other marketplaces just don't fulfill," Zaruba said.

Both of these B2Bs see the value in creating a single online commerce destination for their customers and want to make it easier to unify purchasing. Still, both are not yet up and running, so it's still unknown how successful these types of marketplaces will be.

Office Depot is further along in the process of starting a marketplace, which, similar to Amazon, lives within its current website that sells its own inventory. In early 2019, the office supply retailer launched a pilot for marketplace functionality on its website with one seller: eForCity, a distributor of electronic device accessories. "We wanted to look for a seller who was complementary to what we sell," said Natalie Malaszenko, the company's senior vice president of ecommerce. "They're also on multiple marketplaces, so it was really a partnership in launching, because we knew that we would learn together, as this is their first pure B2B marketplace trial."

The rollout of the new marketplace has been slow for Office Depot, according to Malaszenko. "We wanted to make sure the integration with the rest of our website was seamless. And testing it was important to see how our current customers responded to the option and how adoption was," she said.

Part of the strategy was to also serve small and medium-sized B2B sellers looking for another platform to distribute their inventory and tap into the existing Office Depot audience. However, at this juncture, Office Depot is being selective about which brands can sell via its marketplace, Malaszenko said. Products that potentially compete with other suppliers already in Office Depot's inventory will not be able to participate in the marketplace.

To learn more about why and how sellers use marketplaces—including the ways in which they innovate—read our report:

Report by Jillian Ryan Aug 06, 2019

Marketplaces 2019

MARKETPLACES 2019

B2B Ecommerce Strategies for
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