



The Perpetual Rise of the B2B Digital Marketplace

Is this all just a fad or are we really entering a new era?



Without a doubt, COVID-19 has had a direct impact on how B2B and B2C organizations conduct business. The pandemic-life is not leaving us anytime soon, and with that **marketplace is here to stay!** Before exploring the marketplace-of-the-future, let's understand the short evolution of this growing space. Historically, marketplaces have been limited to a few but important owners, most notably Amazon and eBay. While these marketplace proprietors have initially focused their efforts in the B2C space and led in the field of price and availability they have quickly transitioned to hosting hundreds-upon-hundreds of individual merchants of varying sizes.



Alternatively, **B2B marketplaces** share a similar concept but emphasize on service features and heavily specialized products, to equally provide a **seamless and fruitful customer experience**. In short, the traditional brick-and-mortar belief of boosting repeat business, is just as important, if not more within the digital realm.



Why Marketplace is the future of your digital commerce operations

As the digital commerce hemisphere adapts and grows, mergers and consolidation may possibly drive how marketplace operations will look in the near future. Recently numerous articles have been published evaluating the anticipated advancement of this ever-evolving territory.



Major e-commerce media house, digitalcommerce360 has estimated that on a global scale in 2020,

\$2.67 trillion

was spent on the top 100 marketplaces.



However, regarding individual countries, **US** alone accounts for

12%

of all B2B commerce sales.¹

A growing trend and consumer behavior in marketplace utilization has meant that almost

1/3 of end-consumers

are now searching for marketplaces providing wider exposure to more sellers, rather than going directly to a specific merchant.²

A report conducted by market/ consumer research company, Statista confirmed the changing consumer behavior; **75%** of e-commerce marketing professionals validated the importance of connecting with their end-customers where they prefer as a leading enabler for implementing a marketplace.³

In addition, Global management consultancy firm McKinsey, recognizes three major trends shaping the future of digital marketplaces:⁴

1

Larger marketplaces are **consolidating small, similar/complementary product lines**.

2

Changing markets, primarily led by adapting shopping behavior of Gen Z and Millennials. Consumers expect a **personalized shopping experience**, which leads to more **consumer-specific platforms** like consumer-to-consumer shops or rental services.

3

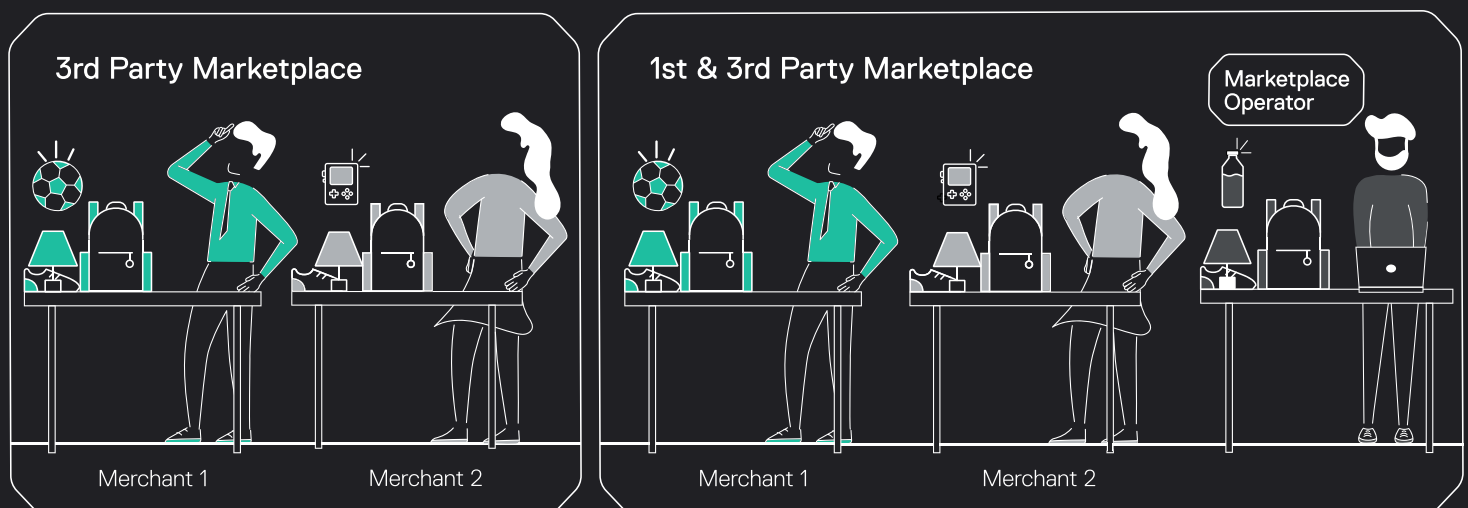
Increase in value-add and revenue streams - Innovation is a central focus of marketplaces, to ensure that both sellers and end customers are continually enticed with targeted propositions. An example of this can include free shipping or yearly membership to the marketplace. Other value-adds include the opportunity to offer an extended portfolio of products, all for the purpose of driving customer and revenue retention.

Marketplace 101

With the radical push towards **digital transformation**, organizations must move quickly. But for those unfamiliar with the domain of marketplaces and what structure fits their business model, let's take a closer look.

Operated by both B2B and B2C organizations, marketplaces are usually platforms where third party sellers are invited to offer and sell their products. Unlike ordinary online stores that only sell items from the owner of that online store, marketplaces provide a much wider variety of similar, competing and complementary items from a diverse group of merchants. These merchants can be located within your region or from the other side of the world.

The typical model has two types of marketplaces that are available; the marketplace operator functions as an 'intermediary' **owner**, where products are offered and sold by third-party sellers only who use the operators platform. This is known as the 3rd party marketplace. Alternatively, the marketplace operator functions as an **owner and seller**, where similarly the operator provides the selling platform, and sells their own products alongside. This is known as the 1st and 3rd party marketplace. Your business objectives determine the appropriate type of model you wish to choose.



Why Spryker for Digital Marketplace?

What do the experts say...

An ideal commerce platform must be able to provide options for separating the front-end from the back-end, allowing developers to work on isolated parts without affecting the entire system. Which in turn becomes an enabler for improving speed of technology, scaling as needed, updating and fixing bugs on-the-go with minimal hassle. Global analyst leader, **Gartner** has identified Spryker Cloud Commerce OS solution as a **niche**, yet significant vendor in the commerce space, as **recognized in the 2020 Magic Quadrant for Digital Commerce**.⁵ They recognize Sprykers ability to provide a **modularity-based architecture**, comprising autonomous modules, which allows for **swift scaling per business needs**, as well as the ability to support headless commerce leveraging an extensive API integration process.

Spryker has been recognized for an 'all-inclusive' approach and competence to support B2C and B2B markets alike.

While building the Marketplace Suite, Spryker developers have ensured a **consistent user experience** for the End Customer, Merchant and Marketplace Operator. A single platform and infrastructure avoids complex integration and licensing issues that often arise when a marketplace is built on top of a different e-commerce platform. Additionally, our customers can effortlessly upgrade and extend their Spryker shop with the Marketplace Suite.



Sources: 1&2. [The Lifblood of Fast-Growing Digital Marketplaces, TechCrunch](#) | 3. [U.S. company benefits from selling via e-commerce marketplaces, Statista](#) | 4. [How to win with digital marketplaces, McKinsey](#) | 5. [Magic Quadrant for digital commerce, Gartner](#)