

HANDOUT

# 7 Success Factors of B2B Marketplaces to Make Sure your Business Triumphs

Follow this road-map for fool-proof B2B marketplace success



**Spryker**





**Marketplaces are a huge area of growth potential for the B2B space, with room for early adopters to claim the top spot in their industry.**

**Businesses can scale quickly without taking on inventory risk by utilizing marketplace technology.**

**Check out the definitive roadmap of 7 considerations to launch a successful B2B marketplace.**

E-commerce sales opportunities have grown immensely in the last 12 months and businesses must find new ways to satisfy the increasing customer demand, including those in B2B.

Many B2B organizations undervalue the potential of marketplace technology to scale their business and respond to the increasing demand for digitization.

Marketplace technology can help B2B businesses to extend their reach, without taking on additional inventory risk. Therefore, it's the perfect complimentary revenue channel to test new products or regions - helping companies to keep up, and ultimately beat, the competition.

## B2B marketplace arena

B2B marketplace sales are expected to reach into the trillions in just a couple of years, while e-commerce in the US alone is set to be worth \$1 trillion by 2023, according to a recent report by Insider Intelligence's eMarketer. Alongside this, Amazon Business is projected to surpass \$52 billion in GMV by 2023.

There are very few dominant players in the B2B marketplace landscape so far. While most companies are not keen to launch broad marketplaces because of competition from the giants, there is a unique opportunity for B2B businesses to corner the market of a specific vertical.

B2B businesses should look to European companies such as Alzura and Mano Mano for examples of marketplace success stories. While not so well known globally, Alzura accounts for 50% of the two billion euros worth of tyres and wheels sold in Germany each year via its B2B marketplace. Mano Mano is the largest DIY marketplace in France, and attributes 20% of its sales to B2B.

Alexander Graf, Co-CEO and Co-Founder of Spryker says:

**“When it comes to B2B marketplaces, it might seem complicated today, but I promise you, it’s only going to be more complicated tomorrow.**

**In the digital commerce world, you can’t plan anything two or three years in advance because everything is evolving so quickly. That’s not a good position to be in for any business, so for most sectors, there are very compelling reasons to pursue an agile marketplace as a complimentary revenue stream right now.”**



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# 7 success factors of B2B marketplaces



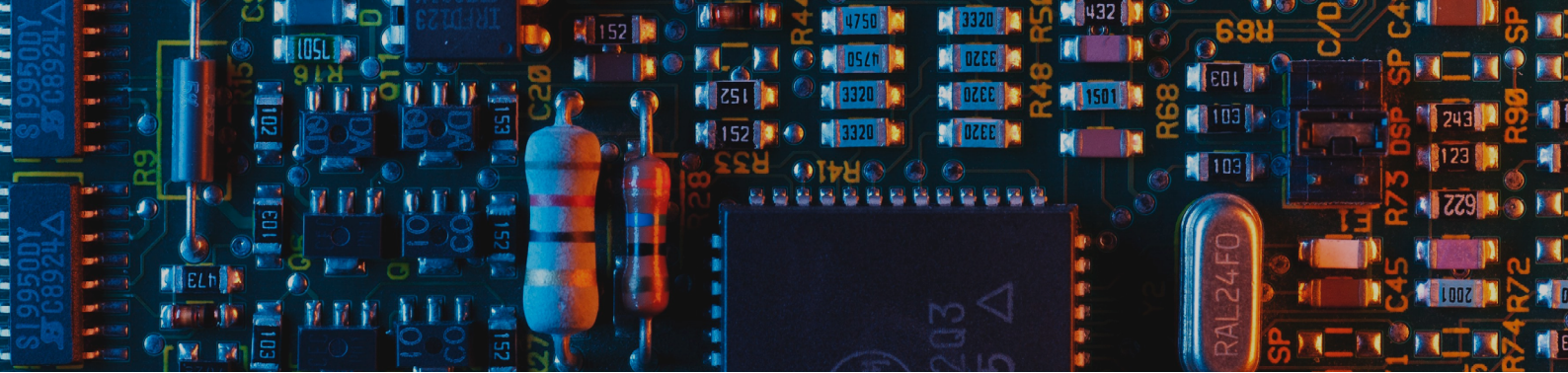
## Service as a driving force

For B2B, it's not good enough to merely differentiate by price or broad assortment alone.

Companies must leverage their expertise to create real value for their customers by solving their pain points via exemplary service. B2B buyers will return again and again to the marketplace that offers the most compelling B2B service features.

This focus on nurturing customer experience brings the historical relationship-based way of doing B2B business into the digital age, and appeals to both customers and companies alike.





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## Technology spend

No matter what industry you're in, a successful business in the current climate must also be a technology company.

Especially for successful marketplace models, there is a clear correlation between revenue and the number of developers. Each developer equates to somewhere between \$2 and \$4 million in revenue.

For B2B companies to run a successful marketplace in the long-run, they need to invest in the technology side of the business.

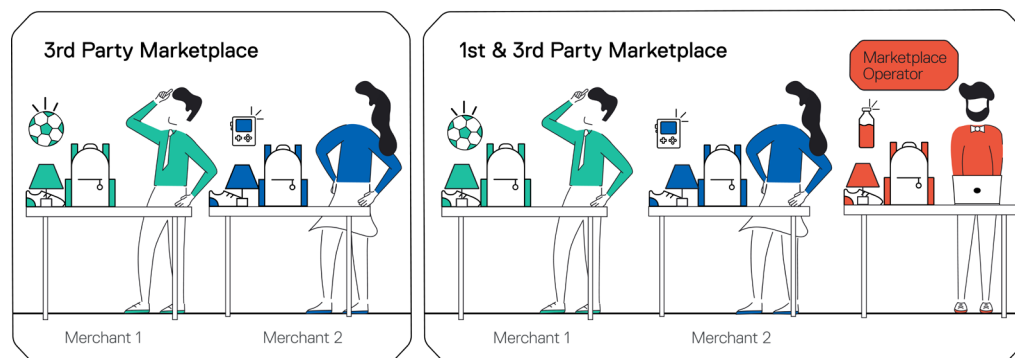
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## Marketplace types

There are myriad use cases for B2B marketplaces, but your overall goals will influence the way you set up your marketplace or the business model behind it - so do your homework before getting stuck in.

There are options for operating your own marketplace selling your own products, known as first-party, or third-party, where you sell products from external merchants. There's even the possibility to start as a pure marketplace player by selling only third-party products.

Some examples of popular marketplace use cases include aiming to scale your business at low risk, diversify your product range, get access to more customer insights, or go Direct-to-consumer (D2C) without undermining your dealer network. Each one of these goals will impact how you initially set up your marketplace.





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### Define marketplace KPIs

Never dive into a new sales channel without first defining your KPIs. These should be agreed upon and communicated clearly to all stakeholders for maximum transparency, so there can be no disputing whether the marketplace is successful or not.

Examples of important KPIs to consider include revenue, sales, reach, and customer satisfaction.

Don't forget, one person's understanding of revenue or reach might differ from another's, so it's crucial during the initial stages to clearly define what each metric signifies.



Interested to know more about marketplace KPIs? **Check out this Spryker guide** [here](#).



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### Wise merchant selection

Similarly to the KPIs, consider first what the goal of your marketplace is when deciding what your merchant strategy will be.

Questions to ask yourself include, how many merchants do you want in total? How much competition are you willing to let in? What product range or extra services does the merchant offer?

As the marketplace operator, your business will be in the driving seat and able to control which permissions to give each merchant - but, onboarding the correct merchants in the first place which align with your overall goals will save you time and money.





## Speed is crucial

A crucial success factor for B2B is the ability and speed at which you can implement new features and functions.

This can include speed of evolution in terms of adapting business models to suit modern best practises, speed of recognising customer needs and reacting to them, and speed of trial and error - taking small risks by trying new things via a Minimum Viable Product (MVP).

Speed is one of the main denominators separating the top players in the market from everyone else. So, for your marketplace model to be a success, your company must keep speed at the top of the agenda.





## Choose the right marketplace partner

Stand-alone marketplace solutions are appealing due to lower initial prices, but they come at the expense of higher maintenance costs down the road.

Invest in a marketplace-native commerce platform which is best suited for building sophisticated solutions such as complex B2B marketplaces. While the initial investment might be higher, the overall returns will work out to be more cost-effective.

Consider all your business needs and strategic goals when choosing not only the marketplace platform to go with, but also your implementation partners. Ensure that all parties have the knowledge and know-how to scale your business appropriately.

If you have an existing e-commerce solution, you'll need a marketplace partner who is able to build it on top of your legacy technology. If you're diving into digital commerce from scratch, you'll want a partner who offers you the flexibility and composability to solve your exact complex business needs.



Want to learn more about how marketplace technology should be your next 10x initiative? [Check out this guide, illustrating exactly what a marketplace could do for your business.](#)



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