

Why optimizing assortment without a Marketplace falls short

Grow assortment fast with owned inventory, dropship, and your own Marketplace

Retailers must respond to consumers' expectations quickly

Today's shoppers expect the choice, convenience, and fair prices that Amazon and others provide – and they want it now, not 6 months down the road. Owned inventory and dropship alone are not agile and scalable enough to quickly build a satisfying customer experience, nor should they be.

Owned inventory is a retailer's bread-and-butter. They have merchandising, pricing, service, and logistics expertise. By design, adding to owned inventory and core products is a slow and careful process relying on the expertise and experience of the merchandising operation.

Dropshipping has been a traditional way to extend assortment, but like owned inventory, is designed as a slow and careful process requiring all the same expertise except for logistics.

The Marketplace model meets the need for speed

With the marketplace model, a merchant sells products and/or services from trusted 3rd party partners alongside its own. It is the only way to grow assortment fast enough to satisfy today's more demanding consumers while ensuring curation to respect a retailer's brand and reputation.

The Marketplace model is the key to delivering the right assortment quickly.

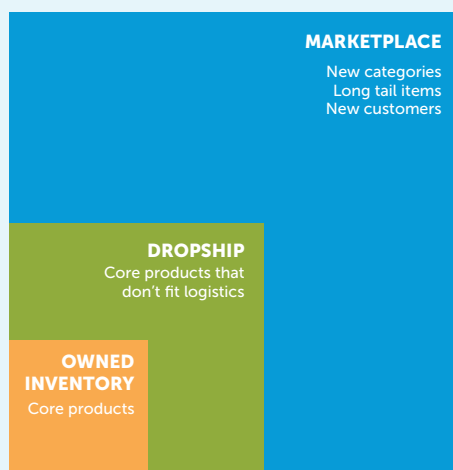
Marketplaces not only provide the speed and agility necessary to satisfy customers, but they also deliver tangible benefits in other ways because they are a customer-centric approach to assortment expansion in existing and new categories.

MORE REVENUE POTENTIAL WITH A MARKETPLACE

Owned inventory & dropship

- ✓ Significant commitment (Merchandising, pricing, service)
- ✓ Slow and steady wins the race – expansion should be structured diligently
- ✓ Discounts and promotions put pressure on profit margin

REVENUE POTENTIAL



Marketplace

- ✓ Capture the need for speed – onboard sellers in hours
- ✓ Leverage expertise from trusted 3rd party sellers and enter new categories
- ✓ Capture long-tail efficiently, virtually zero capital investment
- ✓ Acquire new customers with free site traffic
- ✓ Free R&D for product sourcing
- ✓ Commission based model: no pressure coming from promotions on profit margin

REVENUE POTENTIAL

THE MAIN BENEFITS OF THE MARKETPLACE MODEL

✓ Scalability

Because marketplaces do not require the resource investment of direct sourcing, they can scale out to support thousands of suppliers and millions of additional products. In direct sourcing, one person typically manages about 10 suppliers. With a marketplace, one person manages about 100 sellers.

✓ Profit margin

Because there is virtually no capital investment and there is no cost-of-goods-sold, marketplace sales are virtual pure profit. This profit can help to fund other important initiatives necessary for survival in the digital world such as personalization or omni-channel strategies.

✓ Price competition & agility

Competition amongst sellers quickly drives dynamic "fair market prices." With owned inventory and dropshipping, price is locked in when a deal is signed and competitive pricing is much more challenging.

✓ Free traffic acquisition

The additional marketplace listings on a website provide an SEO benefit that increases site traffic without having to pay for it. This additional traffic not only results in more marketplace sales, but also more sales of the merchant's own products.

✓ Capturing the long-tail

While the merchandising team focuses on a relatively small number of mainstream categories and products at the top of the demand curve, a marketplace can allow for an offering more across many categories. These items are challenging and expensive to stock, but can be just as, or more, economically attractive as mainstream fare.

The Mirakl Marketplace Platform™ powers assortment optimization

With the Mirakl Marketplace Platform™, retailers can seamlessly include third-party sellers alongside direct sales, offering increased product choice while maintaining ownership of the customer experience. Mirakl supports the full spectrum of expanded supplier relationships, from Marketplace seller to dropshipper.

A seller can be added to a Marketplace in a matter of hours. The Mirakl platform also supports more complex business relationships required for dropshipping, allowing retailers to manage all sellers in one central platform. Or, if you have a dropshipping technology already in place, Mirakl integrates with that seamlessly, allowing for rapid expansion of the product catalog.

The Mirakl platform plugs directly into both your own systems as well as the systems of others in the eCommerce ecosystem (e.g. vendors, aggregators) via cutting-edge, API-based technology.

Mirakl automates the hard things: seller onboarding, catalog integration and management, communication with sellers and customers, and setup and management of rules (for things like shipping and logistics, customer service levels, vendor performance).



Mirakl is the global leader in online marketplace platforms. Already, customers like Best Buy Canada, Urban Outfitters, Galeries Lafayette, and Carrefour rely on Mirakl Marketplaces to scale dropship programs to the next level.

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MIRAKL

PARIS
+33 1 72 31 62 00

BOSTON
+1 844 264 7255

LONDON
+44 20 3355 9932

MUNICH
+49 89 205 008 5012