



2020 Edition

# ONLINE MARKETPLACES REPORT

In-depth data and strategic analysis  
on the leading online marketplaces

**DIGITAL** RESEARCH  
COMMERCE 360



# CONTENTS

OVERVIEW	4	HYBRID MARKETPLACES	46
ANALYSIS OF THE TOP 100	10	CONSUMER INSIGHTS	49
Spotlight: eBay	13	CONCLUSION	52
CORONAVIRUS IMPACT ON U.S. MARKETPLACES	15	2019 TOP 100 ONLINE MARKETPLACES	55
How Amazon sellers were affected	19	ABOUT	
AMAZON	24	The Author	58
Amazon Prime Day Analysis	26	Digital Commerce 360 Research	59
Amazon is not a fit for everyone	29		
TIPS FOR MARKETPLACE SELLERS	32		
MERCHANT INSIGHTS	36		
NICHE MARKETPLACES	41		
Spotlight: Etsy	44		

## CHARTS AND DATA

Global marketplace growth . . . . .	4
Top 100 marketplace growth . . . . .	5
Global marketplace GMV . . . . .	10
U.S. marketplace GMV . . . . .	11
Marketplaces top retailers sell on . . . . .	12
eBay's GMV growth . . . . .	13
U.S. marketplace traffic growth during COVID-19 . . . . .	17
Traffic on Amazon.com during peak periods . . . . .	20
Amazon sales growth by category . . . . .	22
Units sold on Amazon by marketplace sellers . . . . .	24
Amazon U.S. GMV as a share of U.S. online retail sales and growth . . . . .	25
Amazon prime day sales . . . . .	26
How Amazon Prime Day stacks up . . . . .	27
Share of marketplace sales on Prime Day . . . . .	28
Niche marketplace growth . . . . .	41
Marketplace commissions by category . . . . .	42

Sales growth on Etsy . . . . .	45
Hybrid marketplace sales growth . . . . .	47

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<b>Merchant Insights: Results of a retailer survey . . . . .</b>	<b>36</b>
<b>Consumer Insights: Results of a shopper survey . . . . .</b>	<b>49</b>
<b>2020 Rankings of the Top 100 marketplaces . . . . .</b>	<b>55</b>

# OVERVIEW

When the first edition of Digital Commerce 360's Online Marketplaces Report was published in 2016, the research focused on just 10 marketplaces and only included the big and well-established U.S. companies like Amazon.com Inc. and eBay Inc. But soon it became clear that it wasn't just the handful of large marketplaces that were making an impact in online retail. There are dozens of marketplaces that merchants rely on as a sales channel and consumers shop on around the globe. As a result, Digital Commerce 360 researched and analyzed the Top 100 marketplaces in the world the last two years, which is the focus of this year's report.

Online marketplaces are digital shopping malls where consumers can purchase from a variety of merchants on one site. Some, like eBay, are pure marketplaces that only sell merchandise from other retailers. Other major marketplaces are operated by large

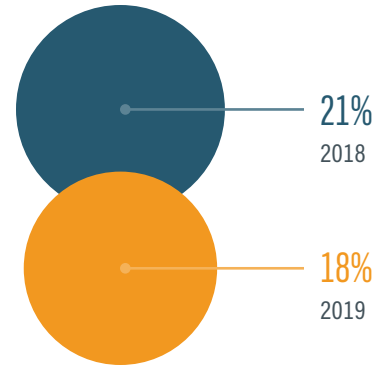
retailers, like Amazon and Walmart. These retailers, which we call hybrid, sell their own merchandise on their websites alongside the products of other merchants.

The Top 100 online marketplaces in the world ended 2019 strong, collectively growing gross merchandise value (GMV) 18.0% to \$1.97 trillion compared with 2018. Then in early 2020 the COVID-19 pandemic struck, and while many across the retail industry suffered losses, some marketplaces actually attracted more consumers to their sites.

It makes sense. Consumers turned to the web to shop, and marketplaces are uniquely positioned to adapt to circumstances quickly and provide customers with what they need. For example, the handcrafted goods marketplace Etsy Inc. called on its sellers during the first week of April to make face masks. This came after the White House announced guidelines that

## GLOBAL MARKETPLACE GROWTH

Total GMV growth of the Top 100



Source: Digital Commerce 360

people should cover their mouths when in public to help stop the spread of the coronavirus, which causes COVID-19. In April, Etsy sold 12 million fabric face masks from 60,000 sellers, which totaled \$133 million in sales. April was Etsy's highest sales month since it went public in 2015. The month also included two of its largest sales days (outpacing any prior Black Friday or Cyber Monday).

Similarly, Walmart's U.S. ecommerce sales shot up by 74% in the first quarter ended May 1. Walmart ecommerce CEO Marc Lore pointed to Walmart's ship-from-store capabilities and recruitment of new companies to sell on its marketplace as reasons for growth. He mentioned Champion, Keds and Ray-Ban as new sellers on Walmart.com and said marketplace sales grew faster than Walmart's own online sales in the quarter, but didn't provide details.

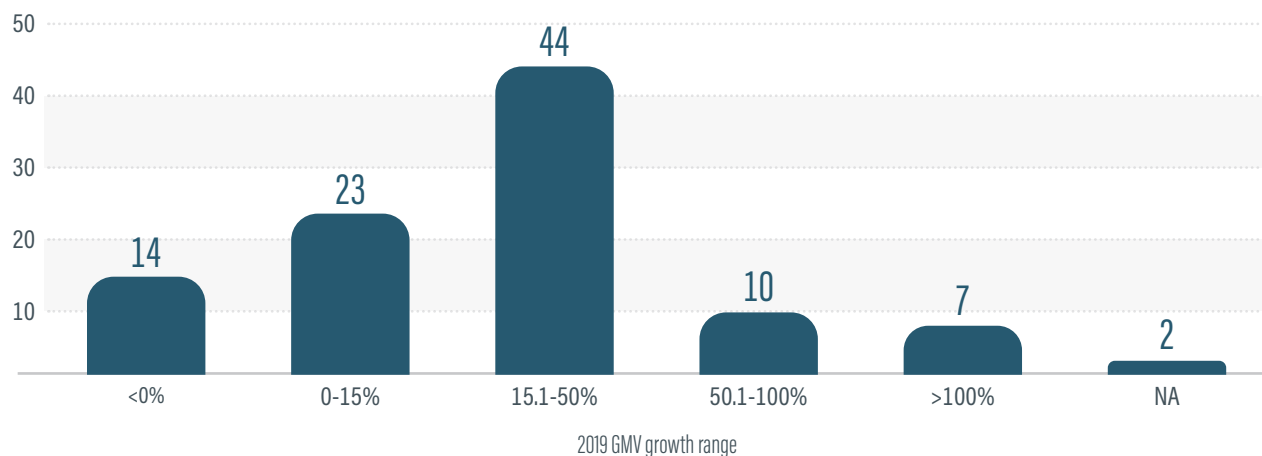
Marketplaces are uniquely well-positioned because the business model allows for flexibility that the traditional retail model doesn't. Marketplaces are able to expand the products they sell more quickly

because they don't have to own the inventory to offer it to consumers. In Etsy's case, it was able to fill the demand for face masks by relying on its thousands of marketplace merchants to handle the creation, storage and shipment of the masks.

What's more, the coronavirus outbreak led U.S. consumers to shop on marketplaces they otherwise would have ignored. 13% of consumers say they tried a new marketplace after the pandemic began, according to a Digital Commerce 360 and Bizrate

## HOW THE TOP 100 MARKETPLACES GREW IN 2019

Number of marketplaces by growth range



Source: Digital Commerce 360

Insights survey of 1,000 consumers in May 2020. Collectively, traffic to the 57 U.S.-based marketplaces in the Top 100 jumped 9.2% in April compared with Jan. 2020, and 15.3% compared with April 2019.

The \$1.97 trillion in GMV the Top 100 marketplaces sold in 2019 account for more than 95% of sales on marketplaces worldwide. And to further illustrate the prominence of marketplaces in ecommerce: The Top 100 marketplaces represent 56.9% of the \$3.46 trillion spent online globally in 2019, Digital Commerce 360 estimates.

Not counting the sale of hybrid marketplaces' own merchandise, such as the inventory Walmart owns and sells, sales grew 17.8% to \$1.60 trillion in 2019.

The world's largest marketplaces, operated by Alibaba and Amazon, dominate the industry. The top three marketplaces—Taobao, Tmall and Amazon—sold \$1.28 trillion worth of goods last year, or 65% of all Top 100 sales.

But there are a number of fast-growing marketplaces not operated by Amazon or Alibaba. 53 of the 100 marketplaces grew faster than the nearly 18% growth in global ecommerce last year. 17 of the 53 marketplaces brought in more than \$1 billion in sales last year.

Marketplaces are growing because shoppers are more comfortable purchasing on these sites. A staggering 93% of U.S. online consumers shopped on marketplaces, according to the May 2020 Digital Commerce 360 and Bizrate Insights survey. 89% of respondents shopped on Amazon in the past year, but it's not just Amazon's marketplace that grabbed shoppers' attention. Half made a purchase on eBay, 36% purchased from a marketplace seller on Walmart and 43% purchased on a U.S. marketplace beyond Amazon, eBay and Walmart.

Furthermore, 36% shopped on a specialty marketplace, such as Etsy or consumer electronics site Newegg. 6% of shoppers purchased from a Chinese marketplace, such as Tmall, Taobao and JD.com.

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93%  
OF U.S. ONLINE CONSUMERS HAVE  
SHOPPED ON A MARKETPLACE

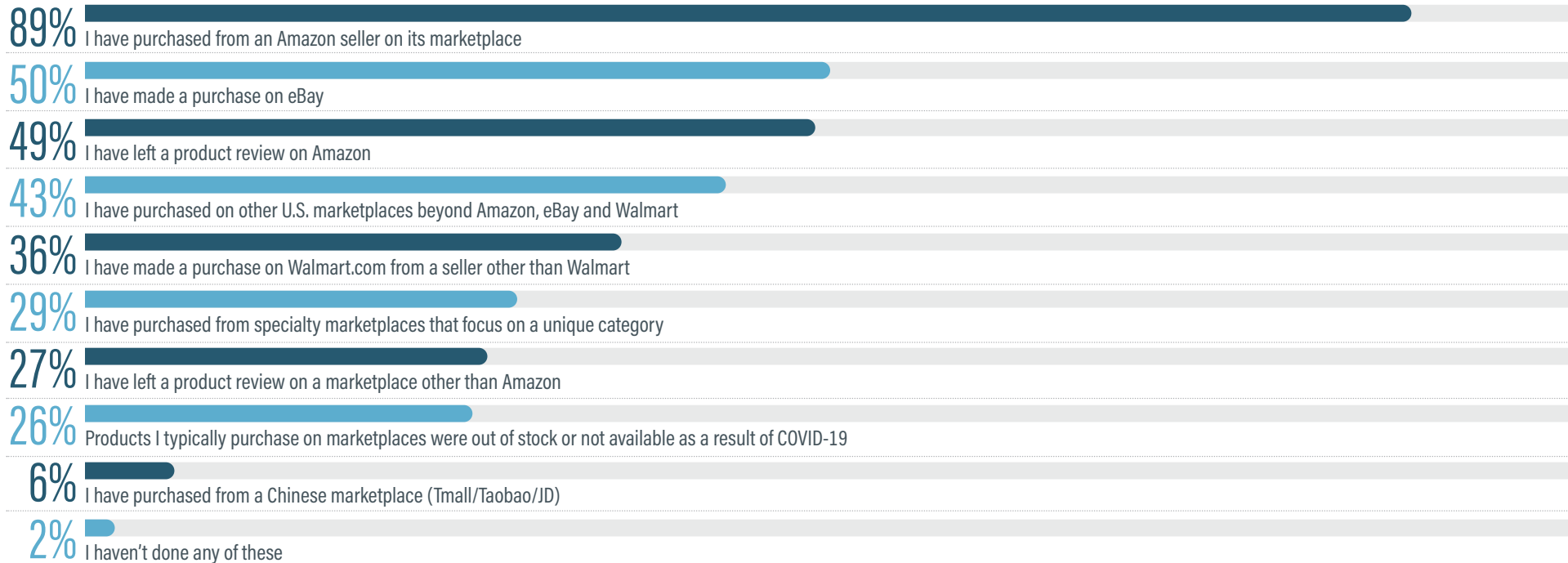
Source: Digital Commerce 360/Bizrate Insights survey of 1,000 online shoppers, May 2020

Marketplaces are popular because customers are attracted to the breadth of products available on a single site, often with competitive prices. According to the Digital Commerce 360 and Bizrate Insights survey, better prices, low shipping costs, speed of delivery, in-stock products and finding very specific items are top reasons why consumers shop on marketplaces.

On the other hand, counterfeit products, long shipping times and subpar product quality are top concerns consumers have when shopping on multi-merchant shopping sites.

## CONSUMER SURVEY

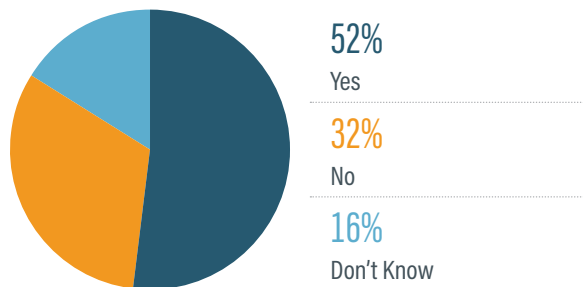
Which of the following describes your experiences with marketplaces over the past year? (Multiple responses allowed.)



Source: Digital Commerce 360/Bizrate Insights survey of 1,000 online shoppers, May 2020

## CONSUMER SURVEY

Have you ever purchased a product from a seller's website after first finding their products on a marketplace?



Source: Digital Commerce 360/Bizrate Insights survey of 1,000 online shoppers, May 2020

In the next year, 19% of U.S. online consumers say they will buy more from marketplaces and only 8% will buy less. 71% say they will shop on these platforms about the same.

Two indicators for retailers considering the benefits of selling on marketplaces include the consumer's

willingness to purchase from new brands and retailers, and the potential for brand loyalty after that initial discovery. Nearly half of consumers say they are willing to purchase from retailers and brands they've never heard of before. That means sellers have an opportunity to reach customers through a marketplace that they otherwise wouldn't have.

Even better news for retailers and brands: More than half (52%) of shoppers have purchased a product directly from a seller's website after first discovering the merchant on a marketplace. In a similar consumer survey conducted in April 2019 by Digital Commerce 360 and Bizrate Insights, 44% said they went directly to a retailer's site to make a purchase.

This is significant as it suggests sellers may be acquiring new and loyal customers by selling on marketplaces—a concern many merchants have had when considering selling on a marketplace. What's more, when marketplace exposure leads to a purchase on a seller's own website, it's likely more profitable for the seller because they don't have to

pay the commission and fees associated with selling on a marketplace. Additionally, the retailer can collect more customer data from activity on its own site than it typically can from a marketplace sale.

In order for marketplaces to be successful, they need to attract a large number of brands and retailers to sell their merchandise on these shopping portals. And the growing role of online marketplaces as an ecommerce strategy is hard for merchants to ignore.

In an exclusive Digital Commerce 360 survey of 118 retailers and brands in May 2020, 80% sell on at least one marketplace. Looking at the top three U.S. marketplaces, 55% sell on Amazon, 33% sell on eBay and 19% sell on Walmart.

The No. 1 reason retailers sell on marketplaces is to grow sales, according to the survey. And it seems to be doing the trick: 71% of respondents expect marketplace sales to increase in the coming year.

Nearly half of retailers have seen conversion rates



increase on marketplaces in the past year, according to the survey. 45% have seen buying frequency from shoppers increase year over year. This is an indication that consumers are more comfortable shopping on marketplaces.

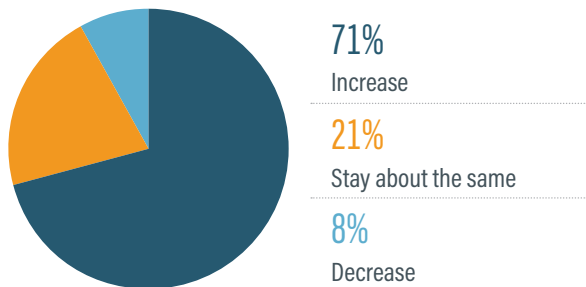
But it's not all rosy when it comes to marketplaces as a selling strategy. Almost half of respondents said the cost of doing business on marketplaces is high (these costs include commissions and fees paid to the marketplace operator, fulfillment costs, advertising costs and others). The second-highest concern for merchants is the marketplace operator may introduce its own versions of the retailer's top-selling products—a criticism Amazon has faced from its sellers for years.

Other concerns retailers have include a lack of product visibility due to the high number of products typically listed on a marketplace, setting fair prices with reasonable margin and inability to market to the customer in the future.

Succeeding online is more competitive each year as more bricks-and-mortar retailers invest in ecommerce and more web-only brands launch on the web. Therefore, many brands and merchants use marketplaces to appeal to a larger audience—one that is already visiting these marketplaces on a regular basis. ■

## RETAILER SURVEY

How much do you expect your marketplace business to change in 2020?



Source: Digital Commerce 360 survey of 118 merchants, May 2020

# ANALYSIS OF THE TOP 100

▶ MARKETPLACE SPOTLIGHT: EBAY

The Top 100 online marketplaces around the world sold \$1.97 trillion in merchandise online last year, up 18.0% from 2018. Factoring out the top three marketplaces, Taobao, Tmall and Amazon, the remaining 97 grew 21.8% to \$686.42 billion in 2019.

Consumers worldwide spent nearly \$3.46 trillion online in 2019 on all retail sites, Digital Commerce 360 estimates. The Top 100 marketplaces, which are ranked by third-party marketplace GMV, accounted for 56% of global online spending.

To properly understand the marketplace opportunity for sellers, it's important to factor out sales of goods sold by the marketplace operators themselves. For example, a significant portion of Amazon and Walmart's GMV comes from inventory they own and sell. That includes products they buy from branded manufacturers and their own private-label goods. These sales

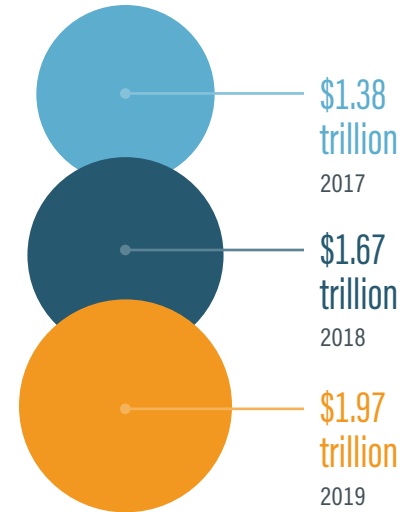
represent the traditional retail model and don't necessarily represent any growth from the marketplace model.

To isolate marketplace growth, Digital Commerce 360 estimates the percentage of GMV of hybrid marketplaces that comes from third-party merchant sales (i.e. third-party GMV). Based on that analysis, gross sales of pure marketplaces and third-party GMV of hybrid marketplaces were \$1.60 trillion in 2019, up 17.8% year over year. That compares with \$1.97 trillion in total marketplace sales. These sales account for 46% of global online retail sales, Digital Commerce 360 estimates.

Half of global marketplace spending takes place on two shopping portals operated by Alibaba, China's largest ecommerce company. During the 12-month period ended March 31, 2020, Chinese consumers purchased \$943.28 billion worth of goods on Tmall.com (ranked No. 2 in the Top

## GLOBAL MARKETPLACE SALES

Total GMV\* of the Top 100, 2017-2019



\*Gross merchandise value includes first and third-party merchant sales

Source: Digital Commerce 360

100 Online Marketplaces), a brand-friendly online mall that includes goods from thousands of foreign companies, and on Taobao (No. 1), China’s dominant shopping site where millions of small Chinese sellers compete largely on price.

In addition to Taobao and Tmall, Alibaba owns four international marketplaces ranked in the Top 100: AliExpress, Lazada, Trendyol and OpenSky. Combined, these four marketplaces totaled \$33.23 billion in GMV last year.

## MARKETPLACE SALES ACCOUNT FOR 56% OF GLOBAL ONLINE SPENDING

Source: Digital Commerce 360

The impact of the coronavirus pandemic—which hit China at the start of the year—on Taobao and Tmall’s sales began in late January, the company says. On its international marketplaces, the sales impact began in February. Specifically, AliExpress (a Chinese

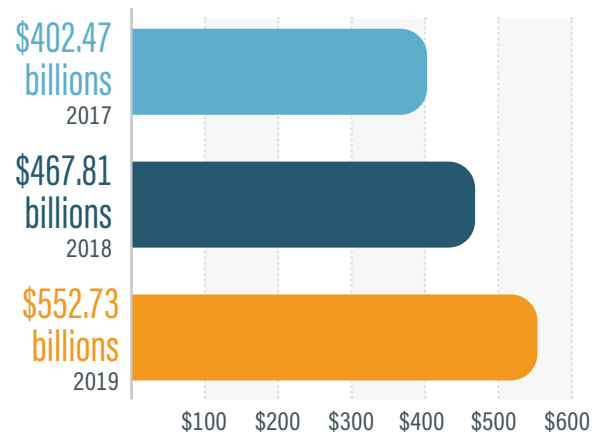
marketplace targeted to international consumers) sales growth was “significantly slower” year over year, primarily due to supply chain and logistics disruptions that negatively impacted GMV growth from sales to North and South America and Europe, the company says. Lazada experienced some negative impact on sales in certain countries beginning in March, but order growth remained strong.

Alibaba does not disclose sales or growth figures for its international marketplaces. Digital Commerce 360 estimates AliExpress grew 20.0% to \$12.0 billion in GMV. Although the marketplace was hurt by the pandemic, Alibaba reported the marketplace had strong growth the first 10 months before the coronavirus outbreak. Comparatively, Digital Commerce 360 estimates AliExpress grew 44.8% in 2018.

The 57 U.S.-based marketplaces ranked in the Top 100 sold \$552.73 billion worth of goods globally in 2019, up 15.4% from 2018, according to Digital Commerce 360 estimates. Stripping out international

## U.S. MARKETPLACE SALES

Total GMV\* of the 57 U.S. marketplaces, 2017-2019



\*Gross merchandise value includes first and third-party merchant sales

Source: Digital Commerce 360

sales, gross U.S. sales on the 57 marketplaces totaled roughly \$379.00 billion last year.

Factoring out first-party sales of hybrid marketplaces, particularly for retail giants Amazon and Walmart,

U.S. marketplaces sold \$368.44 billion in GMV, up 16.6% from 2018.

In the U.S., Amazon and eBay are by far the largest marketplace operators, accounting for 78% of gross merchandise sales on marketplaces in the U.S. And Amazon and eBay's significance in U.S. ecommerce is no secret to the Top 1000 retailers in North America.

Digital Commerce 360 tracks whether the Top 1000 North American retailers sell on 10 of the leading global marketplaces, including 5 in the U.S. Half of the retailers in the Top 1000 sell their products on at least one of these marketplaces. 42.7% of Top 1000 retailers sell on Amazon. Looking just at the 499 retailers that sell on any marketplace, 85.5% sell on Amazon. 18.2% of Top 1000 retailers sell on eBay, and of the merchants that sell on marketplaces, 36.3% sell on eBay.

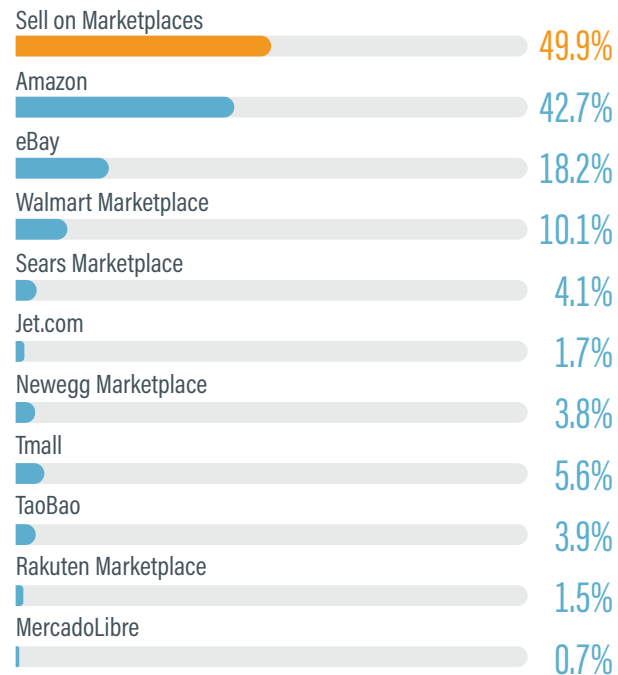
Factoring out Amazon and eBay, the remaining 55 U.S. marketplaces grew sales 26.9% year over year to \$123.53 billion.

Among other online shopping malls in the U.S.: 10.1% of all Top 1000 North American retailers sell on Walmart, 4.1% sell on Sears, 3.8% sell on Newegg and 1.7% sell on Walmart-owned Jet. (In May, Walmart announced that it will shut down Jet.com, which it purchased for \$3.3 billion in 2016.)

During the 2019 holiday season, retailers say marketplace participation had a big impact on sales growth, according to a Digital Commerce 360 survey of 105 retailers in Feb. 2020. 26% said they'll be making investments in marketplace management to help improve sales in 2020. 🇺🇸

## WHERE TOP 1000 RETAILERS SELL

% of Top 1000 retailers selling on 10 global marketplaces



Source: Digital Commerce 360

## MARKETPLACE SPOTLIGHT: EBAY

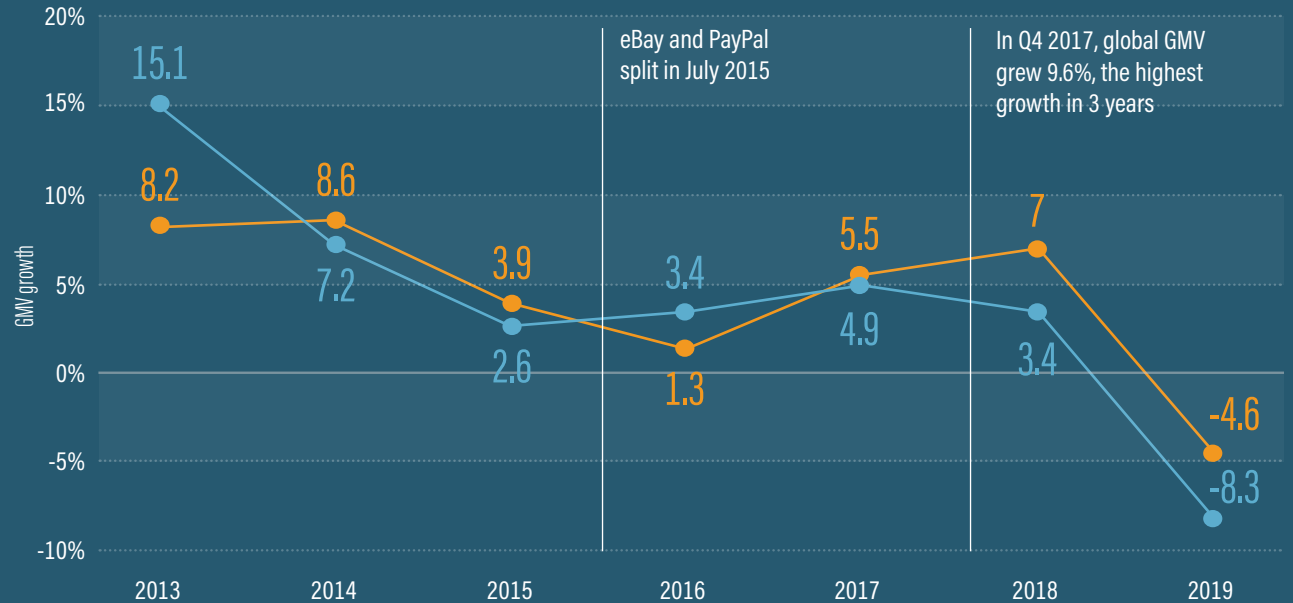
Since the coronavirus pandemic hit the U.S. in March, eBay has seen shifts in its business both from buyers and sellers. In late March and early April, sales surged in home office supplies, gym equipment and indoor leisure activities like video games and consoles, executives said on a call with investors. In late April, there's been a lift in other categories like fashion and parts and accessories. Since the start of April, GMV has grown more than 20% week over week, executives said.

eBay launched “Up & Running” in April, a program to help retailers without an ecommerce presence transition to selling online. Through the program, eBay provides new businesses an eBay store for free for three months, waives selling fees and allows them to list up to 500 items for free. Up & Running also includes access to ecommerce educational tools such as webinars and experienced sellers willing to be mentors.

### EBAY'S GMV GROWTH

U.S. and global GMV growth, 2013-2019

■ U.S. GMV ■ Global GMV



Source: eBay Inc.

On March 23, eBay announced that for its existing sellers it would defer fee payments 30 days and added seller protections that would ensure sellers wouldn't get penalized for fulfillment orders like delayed shipping or canceling orders. In addition, eBay said it removed more than 15 million listings globally that were making false health claims or price gauging.

Furthermore, executives said eBay was not facing fulfillment issues as of late April. "Our overall delivery performance has held up well during the COVID-19 crisis as our supply base [marketplace sellers] does not have large single points of failure nor are there fulfillment constraints for essential or nonessential items on eBay," chief financial officer Scott Schenkel said on the call, without providing more details. Amazon has been public about prioritizing essential items for delivery to consumers as well as shipments from sellers to its fulfillment centers.

"We believe that eBay's marketplace is benefiting at least temporarily from retail store closures, shopping

from home, low-cost online advertising, and Amazon's shift away from discretionary categories," senior research analyst at investment firm Robert Baird Co. Colin Sebastian wrote in a note to investors.

The gross value of goods sold on eBay's U.S. marketplace declined 3.8% to \$7.63 billion in the first quarter ended March 31. Comparatively, this is a slight improvement from the marketplace's performance last year, when eBay's sales in the U.S. declined 6.3% for the full year 2019.

Factoring out foreign exchange rates, eBay says U.S. GMV grew 1%. Total GMV—which includes sales on eBay's international marketplaces—was \$21.26 billion, down 1.4% from \$21.57 billion.

Global GMV on eBay's marketplaces declined 4.6% to \$90.21 billion in 2019. U.S. GMV was down 6.3% to \$35.16 billion in 2019 from \$37.52 billion the prior year. ■■

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**"WE BELIEVE THAT EBAY'S MARKETPLACE IS BENEFITING AT LEAST TEMPORARILY FROM RETAIL STORE CLOSURES, SHOPPING FROM HOME, LOW-COST ONLINE ADVERTISING, AND AMAZON'S SHIFT AWAY FROM DISCRETIONARY CATEGORIES."**

-Colin Sebastian, Senior research analyst

# CORONAVIRUS IMPACT ON U.S. MARKETPLACES

## ► HOW AMAZON SELLERS WERE AFFECTED

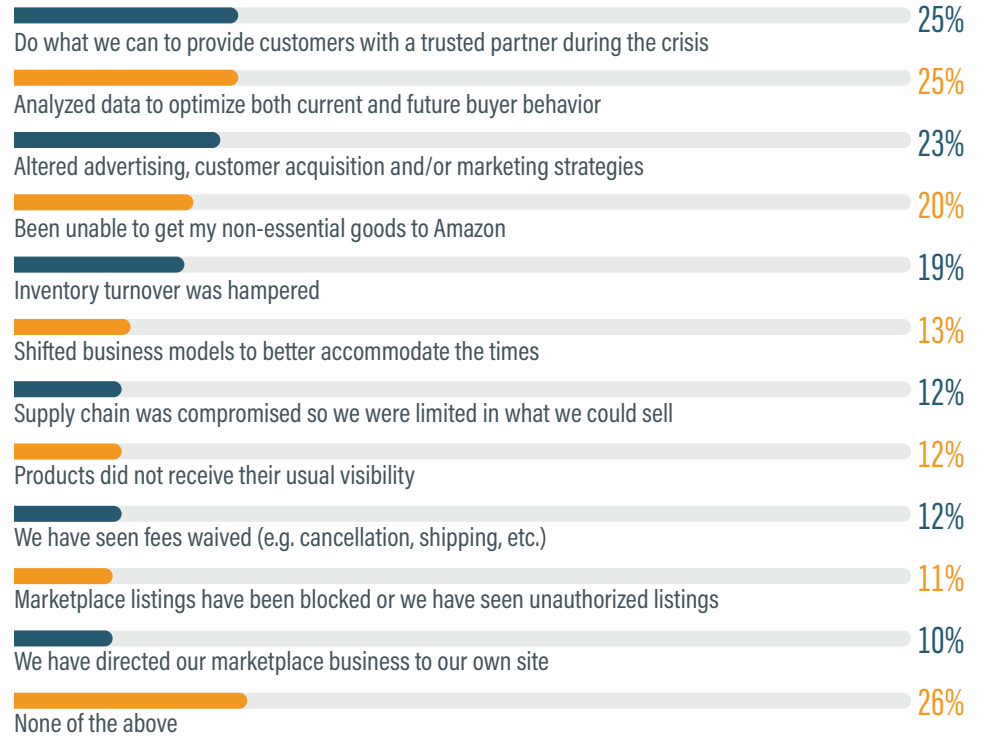
U.S. consumers' shopping behavior changed as the coronavirus pandemic spread across the country in early 2020, leading many marketplace sellers and marketplace operators to adopt new strategies quickly.

At the outset of the pandemic, the restrictions on businesses from local governments and marketplace operators were changing so quickly that many sellers had to switch strategies daily. In an early April 2020 Digital Commerce 360 survey of 107 retailers, 36% of retailers said they adjusted their marketplace strategy as a result of COVID-19.

But those adjustments have been different for each merchant. Nearly a quarter of sellers, for instance, altered advertising, customer acquisition and marketing strategies on marketplaces since the COVID-19 crisis began, according to a Digital Commerce 360 survey of 118 retailers in May 2020.

## RETAILER SURVEY

Have any of the following been part of your COVID-19 marketplace experiences?



Source: Digital Commerce 360 survey of 118 merchants, May 2020

Others have made changes to their fulfillment network and last-mile delivery partners, faced supply chain and inventory turnover challenges, or have shifted focus to their own ecommerce sites.

From the consumers' perspective, they faced longer delivery times, limited stock, higher prices and limited customer service on marketplaces during the crisis, according to a Digital Commerce 360 and Bizrate Insights survey of 1,000 consumers in May 2020. On the plus side for sellers, online shoppers also tried new marketplaces and, more importantly, shopped directly on sellers' websites instead.

Some marketplaces actually fared better than traditional retailers after the pandemic struck. An analysis of U.S.-based online marketplaces in the Top 100 shows total visits to the 57 sites declined 2.9% in March compared with Jan. 2020 and declined 1.8% in March 2019. In April, traffic to the sites jumped 9.2% compared with Jan. 2020 and 15.3% compared with April 2019.

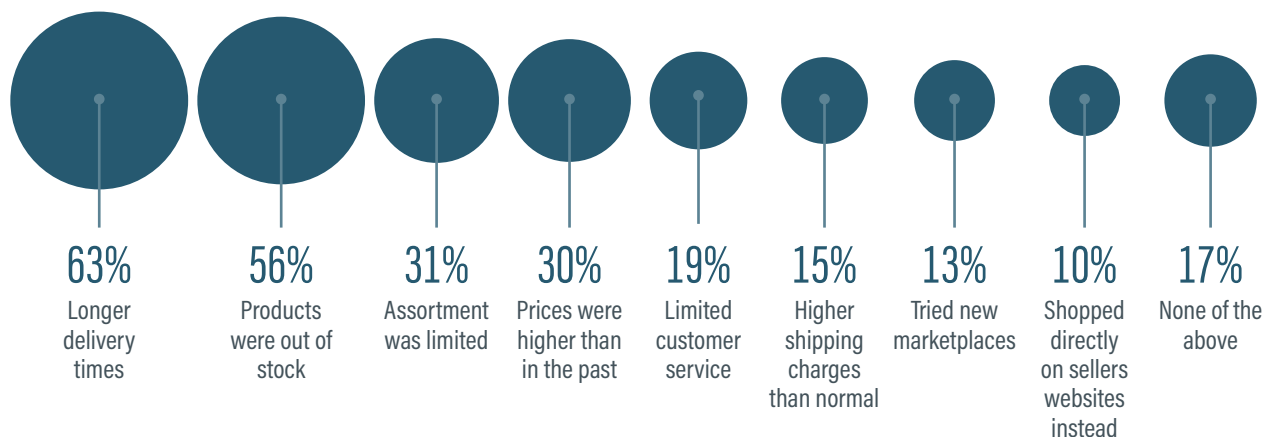
Marketplaces are uniquely positioned to adapt quickly because they don't have the same constraints as their retail counterparts. For one, they have an established ecommerce presence and therefore have a leg up on the many store retailers that had to quickly build out a digital channel amid the crisis. Second, the

marketplace model allows for more flexibility.

For example, Walmart's U.S. ecommerce sales grew 74% in Q1 2020 ended May 1, and the retailer said its newly recruited marketplace sellers was one reason for growth. That makes sense because Walmart is

## CONSUMER SURVEY

How did COVID-19 impact your experiences with marketplaces?



Source: Digital Commerce 360/Bizrate Insights survey of 1,000 U.S. online shoppers, May 2020



able to increase the number of SKUs available online more quickly by adding marketplace sellers.

Etsy called on its crafty sellers to make and sell face masks. As a result, April was the highest sales month for Etsy since 2016. It was able to fill a clear demand by relying on its sellers to handle the creation, storage and shipment of the masks.

Similarly, sellers on apparel marketplace Jane sold nearly a million masks in April and May both from existing and new sellers.

When the statewide lockdowns began mid-March, however, Jane's sales and traffic declined significantly through the end of the month, senior vice president of commercial operations Mark Spencer says, without providing specific figures. In March, total visits to Jane.com was down 9.3% compared with Jan. 2020 and down 31.6% compared with March 2019, according to an analysis of SimilarWeb traffic data.

Jane made a few adjustments to the changing

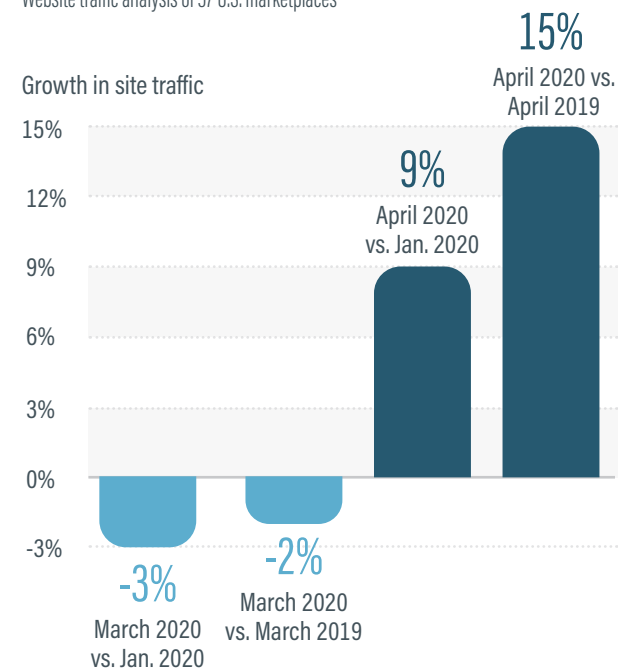
consumer shopping patterns during the COVID-19 crisis. The marketplace relaxed some standards for its sellers so they wouldn't be penalized for things such as shipping delays. It also strongly advised its sellers to consider offering free shipping and extended return windows, knowing that many customers have been conditioned by Amazon, Spencer says.

"We have seen a change in category dominance. Home and toys have seen numbers akin to the holidays," Spencer says.

Sales picked up in early April and now the marketplace is growing double and triple digits in certain categories. Sales of women's tops (blouses and shirts) are up 51% year over year, home décor is up 149% and loungewear/sleepwear is up 210%. On the other hand, dress sales are down 29% year over year and heeled shoes sales is down 66%, Spencer says. This is likely because formal events and most gatherings were postponed during statewide lockdowns. In April, total visits to Jane.com was up 9.8% compared with April 2019 and up 39.7%

## U.S. MARKETPLACE GROWTH DURING COVID-19

Website traffic analysis of 57 U.S. marketplaces



Source: Digital Commerce 360, SimilarWeb

compared with Jan. 2020, SimilarWeb data shows.

“Looking forward is a challenge. Are people going to go outside? Will outerwear be relevant in the fall? If puzzles are relevant now, will they be later? There are some unknowns, so it’s important for us to have the flexibility to pivot,” Spencer says.

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## 36% OF RETAILERS SAID THEY ADJUSTED THEIR MARKETPLACE STRATEGY AS A RESULT OF COVID-19

Source: Digital Commerce 360 survey of 107 retailers, April 2020

Even with the uncertainties, the company projects 20-30% growth in GMV in 2020.

Marketplace sellers must plan for an unclear future as well. For online office supplies retailer Jam Paper & Envelope, forecasting near-term inventory needs for the “new normal” is a challenge. The company, which

sells on a number of marketplaces including Amazon, eBay and Walmart, has seen customers switch from buying their products on Amazon to purchasing on other channels, likely because of the faster shipping times, Kelly Ennis, Jam Paper’s director of marketplace strategy says.

“Will those customers come back to Amazon when Amazon’s 2-day shipping promise is back or will they continue to shop on other channels?” Ennis asks. “Until we have that answer, it’s going to be difficult to predict how much inventory is needed at FBA if we can’t trust that historical data.” ■

## HOW AMAZON SELLERS WERE AFFECTED

Since mid-March, Amazon sellers faced inventory issues, fulfillment challenges and unanticipated (or lack of) consumer demand.

For 64% of merchants, Amazon Marketplace sales are growing during the COVID-19 crisis, according to the Digital Commerce 360 survey of 118 retailers in May 2020. 22% say sales have declined, which includes 10% who've seen significant declines. The difference in growth is likely due to what products the merchant sells and how reliant they are on Amazon's fulfillment services.

On March 16, Amazon announced it will temporarily suspend shipments of "non-essential" products to its Fulfillment by Amazon (FBA) warehouses from its third-party marketplace merchants in the U.S. and EU. With FBA, Amazon stores sellers' products in its warehouses and delivers the products to consumers. When sellers use FBA, their products are a part of Prime, Amazon's loyalty program that offers 2-day

free shipping, free streaming of TV shows and more.

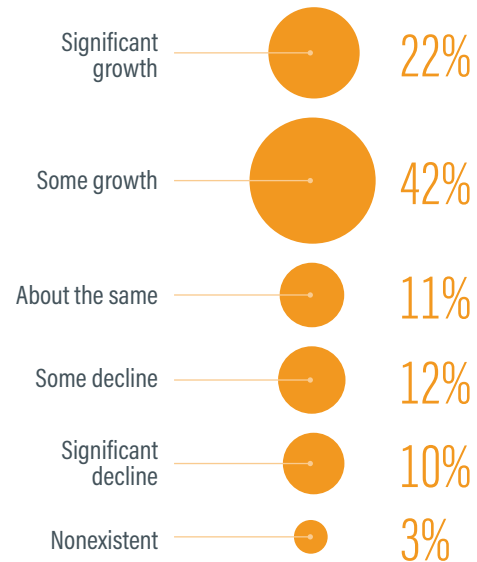
Shipments to Amazon fulfillment centers were suspended through April 5, and Amazon was only accepting new inventory of products that fall in household staples, medical supplies and other high-demand categories. As of April 6, Amazon had not fully lifted the freeze on shipments of non-essential items to FBA warehouses. Amazon began selectively allowing more products to their facilities where there's capacity, the retail giant told Digital Commerce 360. This applies to both merchants that sell on Amazon's marketplace (third-party merchants) and brands that sell wholesale to Amazon (first-party merchants).

Here's Amazon's statement to Digital Commerce 360 on April 3:

*"We understand the impact that COVID-19 has had on many of our selling partners and appreciate their*

### RETAILER SURVEY

How would you describe the growth you're experiencing on Amazon during COVID-19?



Source: Digital Commerce 360 survey of 118 merchants, May 2020

*understanding as we implement extensive health and safety measures across our network and focus our available capacity on high-priority products that customers need and want at this time. We know this is a change for our selling partners and are working hard to help them during this difficult time, including waiving certain fees, pausing loan repayments, providing regular updates and guidance via direct communication channels, and relaxing our policies around shipping-related performance metrics to mitigate impact on their account health. As we begin to selectively bring in more products to our fulfillment centers while maintaining health and safety measures, we have launched new tools for sellers to check which products are eligible on an item-by-item basis.”*

Amazon didn't explicitly announce shipment delays of non-essential items to consumers, but a banner on Amazon.com in April and May said, “We are giving priority to items that our customers need the most. You may experience shipping delays.” For a number of non-essential items, Amazon is quoting delivery guarantees of a few weeks, much longer than its usual

2-day delivery window.

Between March 1 and April 30, total visits on Amazon.com were up 17.1%, or 8.46 million visits, to 83.96 million visits, according to SimilarWeb. During the same period in 2019, traffic remained steady at 69 million.

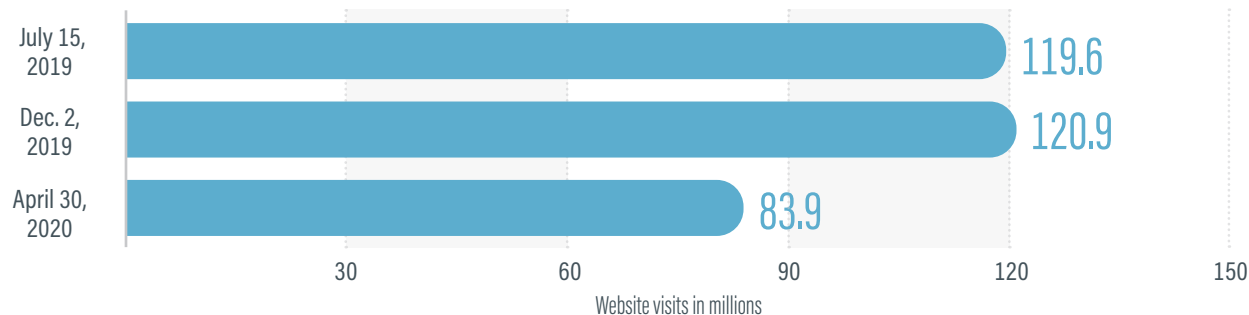
This elevated traffic is still a lower number of visits

compared with other peak periods where there's increased demand, such as the holidays. Data shows that Amazon's traffic during its peak periods of Prime Day and the 5-day period starting Thanksgiving Day through Cyber Monday is still much higher.

During Prime Day 2019—its annual 2-day global sales event, which spanned July 15–16 in 2019—total visits were 119.6 million and 104.3 million, respectively.

### TRAFFIC ON AMAZON.COM DURING PEAK PERIODS

Total daily visits on the highest trafficked day, in millions



Source, Digital Commerce 360, SimilarWeb Inc.

During the Cyber 5, total visits on Thanksgiving Day, Black Friday and Cyber Monday were 102.5 million, 124.8 million and 120.9 million, respectively. SimilarWeb's data only includes site traffic and does not include app shopping. It's possible more consumers are shopping through Amazon's mobile app, and that traffic would not be captured in this data.

"We've never had to continuously make so many drastic business decisions in such a short period of time," says Andrew Jacobs, CEO of online office supplies retailer Jam Paper & Envelope, which sells on its own website and marketplaces, including Amazon. Jam Paper's products do not fall into Amazon's "essential" categories.

The retailer, which has a warehouse in New Jersey, split its warehouse/shipping department into two shifts beginning in March to spread people out, as has been advised by the government to stop the spread of the coronavirus. However, there had been discussion from New Jersey's state government about

total business shutdowns—which would shut down operations of Jam Paper's fulfillment center—so the company had a new strategy: ship as much to Amazon as fast as possible.

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**"WE'VE NEVER HAD TO CONTINUOUSLY  
MAKE SO MANY DRASTIC BUSINESS  
DECISIONS IN SUCH A SHORT PERIOD  
OF TIME."**

- Andrew Jacobs, CEO, Jam Paper & Envelope

"But just in case the news cycle couldn't get worse, Amazon announced no new shipments to Amazon, which completely took us by surprise," he said in late March. "Luckily, we keep pretty substantial inventory levels at Amazon, which should last for a little while. But the scary part is, how long will this last? How much is enough inventory there? How long will our warehouse/shipping facilities have to close? No one

has answers. That's the scary part."

MPO Global, a retailer and Amazon seller that sells products across different essential and non-essential categories, has made a number of strategic shifts in March and April, CEO David Rifkin says. The merchant sells products such as disinfectant sprays, microfiber products, anti-aging facial creams and pet odor sprays.

Around March 9, Rifkin turned off the automated repricing software that changes the prices on Amazon products based on competitor products; stopped shipping to countries outside of the U.S. and Canada; converted FBA items labeled as Prime that would run out of stock from Amazon warehouses to merchant-fulfilled (so the products are fulfilled from MPO Global's warehouse); and updated product listing pages to remove any language that made any FDA (Food and Drug Administration) or EPA (Environmental Protection Agency) claims.

"We are FDA- and EPA-approved and have all the

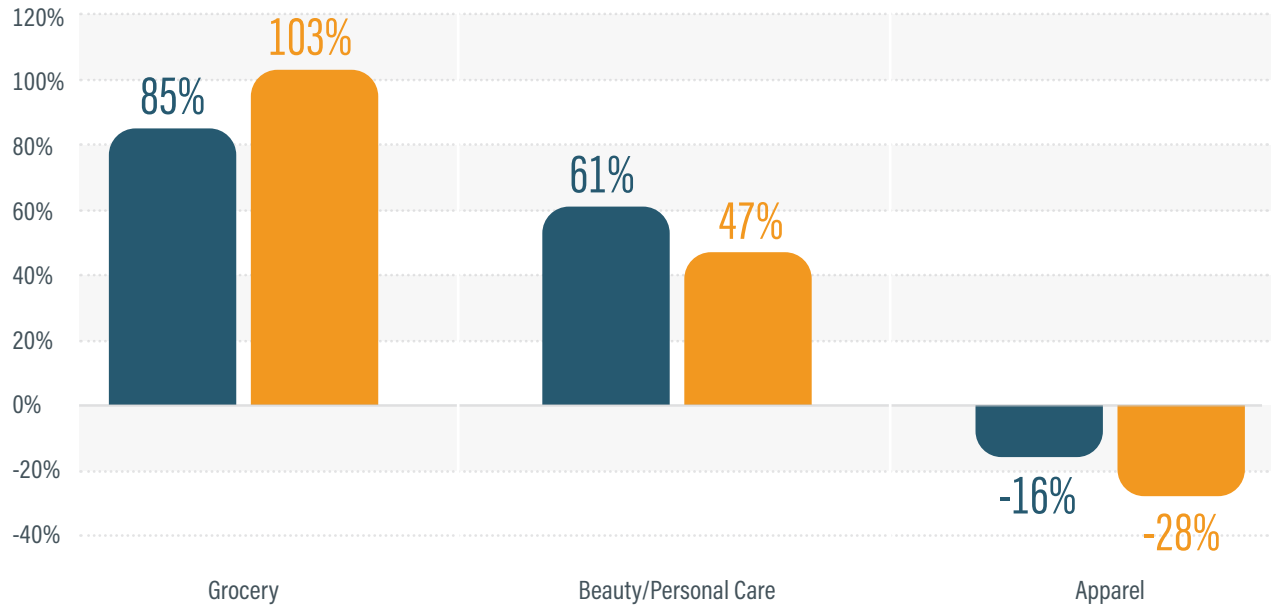
documents to prove it,” Rifkin says, but he wanted to avoid Amazon removing MPO Global’s products that make such claims. In his experience, Amazon does this to kick off the sellers selling fake goods, knowing there’s a big demand from consumers. “Amazon removes listings without telling you and then it could take days or weeks to send them proof to get your listing back up, resulting in lost sales,” he says.

MPO Global typically uses the repricing software so its products are priced in-line with competing products. After the start of the pandemic, it began manually checking competitors’ pricing multiple times a day and updating prices. Because essential items are in high demand, he predicts new competitors will join Amazon to sell those products and many sellers will run out of stock. Both instances could lead to MPO Global’s pricing to spike up or drop down too low if it were to use its automatic repricing software. Not relying on automatic repricing software gives MPO Global more control over its prices since competitor prices are unpredictable during this time. Prices on MPO Global’s products were not changed compared

## AMAZON SALES GROWTH BY CATEGORY

Growth during March 9 and March 16 weeks compared with Jan. 6 week

■ March 9, 2020 ■ March 16, 2020



Source: Feedvisor, March 2020

with pre-pandemic prices, even with the higher demand, Rifkin says.

For catnip and cat toys brand Meowy Janes, which primarily sells on its own website and Amazon, sales were down about 30% on Amazon in early April compared with an average day. The company expected to lose more by now, owner-operator Carly Hendra says. They are averaging 175 units per day sold versus the typical 250 this time of year.

The biggest shift the brand made in the last month was converting its product listings to seller-fulfilled shipping from FBA. Meowy Janes made the shift as a result of Amazon freezing shipments of non-essential items to its warehouses. Prior to the pandemic, 95% of Amazon sales volume was FBA and now more than 75% is fulfilled by the merchant.

“As the [husband and wife] owners, we have taken on all of the duties of order processing and shipping for the time being to keep the business going,” Hendra says. “We are lucky that our products are small and

we are careful setting the quantities available so that our local post office can handle the packages going out daily.”

A look at sales of products broken down by categories shows clear winners and losers, according to data from marketplace technology vendor Feedvisor.

During the week of March 16 compared with the week of Jan. 6, Amazon sales of grocery increased 103%, beauty and personal care items increased 47% and apparel products decreased 28%. Grocery increased at a faster rate compared with March 9 (85% increase from the week of Jan. 6), while apparel sales declined less during the same time (16%).

Feedvisor’s data is based on 7.5 million products on Amazon, which account for more than \$2 billion in annual sales, according to the company. ■■

# AMAZON

## ▶ AMAZON PRIME DAY ANALYSIS

## ▶ AMAZON IS NOT A FIT FOR EVERYONE

Amazon's dominance in ecommerce is no secret, so the appeal of selling on its online marketplace is clear.

Amazon's gross merchandise value, counting sales of its own products and marketplace products on its 14 worldwide ecommerce sites, totaled \$340.4 billion in 2019, up 22.9% from \$277.0 billion in 2018, Digital Commerce 360 estimates. Over the course of a decade from 2010 to 2019, Amazon's global GMV increased by a compound annual growth rate of 31.2%

U.S. GMV increased by a compound annual growth rate of 37.1% over the same period. By 2019, Amazon's GMV accounted for 37.3% of U.S. online retail sales and 59.7% of its growth.

And sales by third-party sellers make up an increasing portion of Amazon's worldwide sales, growing to roughly 60% of GMV in 2019, Digital Commerce 360 estimates, from 58% a year earlier

and 34% in 2010. When looking at the percentage of units sold, 52% of items sold on Amazon.com were from marketplace sellers in Q4 2019 compared with 47% in Q4 2015.

Amazon's dominant position was evident when the coronavirus pandemic began hitting the U.S. Amazon's sales of such essential items as batteries and aspirin more than doubled in the first two weeks of March as millions of consumers turned to the leading e-retailer rather than risking going to physical stores.

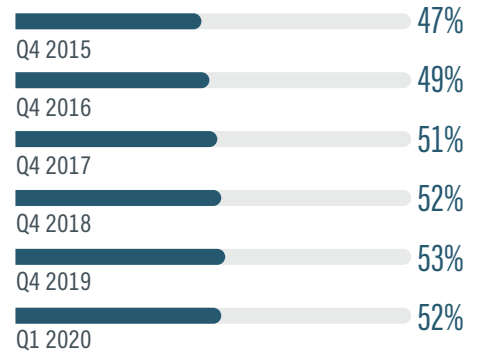
And it wasn't just Amazon that benefited from the increase in shopping on the site. 64% of retailers surveyed by Digital Commerce 360 say their sales grew on the Amazon Marketplace during the COVID-19 pandemic. 22% say sales declined since March.

Worldwide revenue grew 26.4% to \$75.45 billion in the first quarter

ended March 31, Amazon reports. But profit fell as Amazon spent heavily on fulfillment and expenses related to the coronavirus, and CEO Jeff Bezos warned investors to expect another minimally profitable quarter ahead. For the second quarter of the year, Amazon projects sales would increase by between 18% and 28% to a range of \$75 billion to \$81 billion. 🏠

## MARKETPLACE SELLERS ACCOUNT FOR MORE PRODUCTS SOLD ON AMAZON

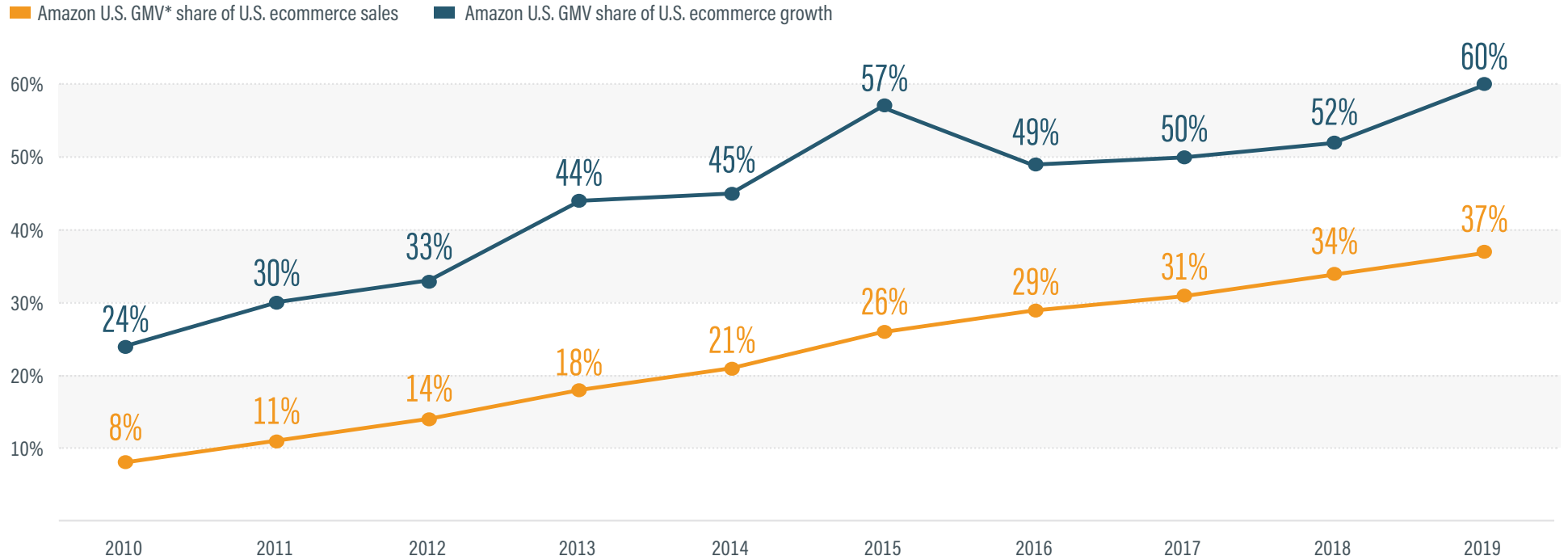
% of units sold on Amazon by marketplace sellers



Source: Amazon.com Inc.



## AMAZON U.S. GMV AS SHARE OF U.S. ONLINE RETAIL SALES AND ECOMMERCE GROWTH



\*Reflects the sale of physical goods through both first-party inventory and third-party marketplace sellers

Source: Digital Commerce 360 estimates, company reports, U.S. Department of Commerce

## AMAZON PRIME DAY ANALYSIS

Amazon will delay Prime Day, its mid-summer sales event this year until September, The Wall Street Journal reported. The previous five years of the company's sales event were held in July. Amazon is "taking a number of steps to return to pre-pandemic business operations," The Journal reported in May.

Prime Day 2019, Amazon's fifth-annual sales event, generated a Digital Commerce 360-estimated \$7.16 billion globally over the 48-hour period between July 15-16, 2019. That's up 71% from the \$4.19 billion sold during the 36-hour sales event in 2018. Here's an analysis of last year's Prime Day.

### AMAZON'S TOTAL SALES ON PRIME DAY, 2015-2019

While Amazon doesn't disclose total gross sales, it did say the retailer sold more than 175 million products during the two-day event. That compares with 100 million products sold during Prime Day 2018. The main reason for the 71% growth in sales is the sale was 12

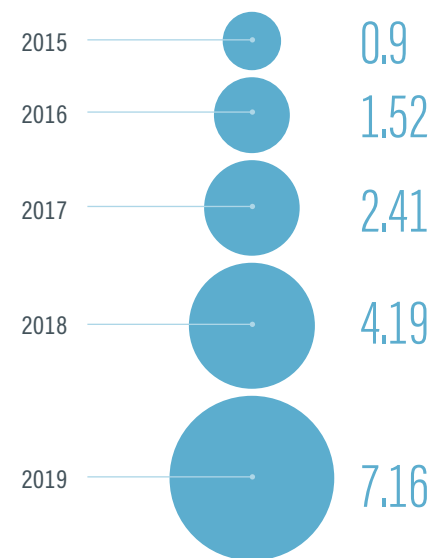
hours longer than Prime Day 2018. There also weren't any major technical issues with Amazon's site like in 2018. In addition, there were 105 Prime members shopping in 2019, and 10 million more than 2018, according to estimates from Consumer Intelligence Research Partners (CIRP). Prime membership is Amazon's \$119 annual loyalty program that gives shoppers free two-day shipping, among other benefits. Prime Day deals are only eligible for Prime members.

On July 15, the first of last year's two Prime Days, Amazon signed up more new Prime members than any previous day and nearly matched that record on July 16, the retailer says. Prime members spend more than twice as much on the site each year than non-Prime members, according to CIRP.

Amazon has 112 million members of its Prime loyalty program in the United States as of December 2019, CIRP reports. Prime members account for roughly 65% of Amazon shoppers in the most recent quarter.

### AMAZON PRIME DAY SALES

GMV on Amazon.com during Prime Day, 2015-2019 (in \$billions)



Source: Digital Commerce 360

CIRP based its findings on a survey of 500 U.S. consumers who made a purchase on Amazon.com September-December 2019. The firm provides securities research to investors.

Amazon does not disclose how many Prime members it has by country; however, in 2018 it said it had more than 100 million globally.

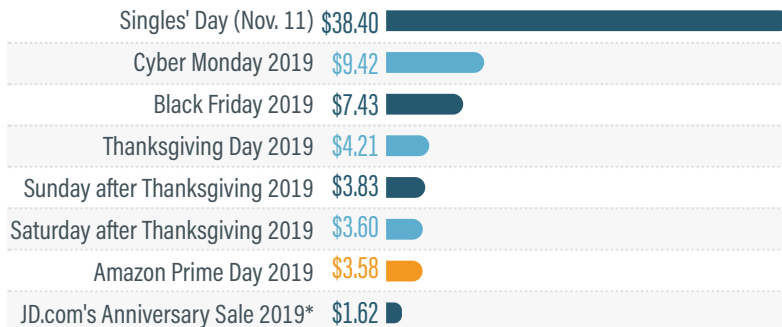
## HOW DOES AMAZON PRIME DAY STACK UP?

Prime Day sales compared with worldwide shopping events

Gross sales estimates of multi-day events, in \$billions

Singles' Day (Nov. 11, 2019)	<b>\$38.40</b>
JD.com's Anniversary Sale (June 1 - 18, 2019)	<b>\$29.20</b>
Cyber 5 (Nov. 23 - Nov. 27, 2019)	<b>\$28.49</b>
Amazon Prime Day (July 15 - 16, 2019)	<b>\$7.16</b>

Sales broken down by average sales per day, in \$billions\*\*



\*JD.com's shopping festival is the first 18 days of June. Digital Commerce 360 estimated its gross sales on a single day during the shopping event based on the company's report that sales reached \$29.20 billion in total.

\*\*Singles' Day sales are sales on Alibaba's marketplaces; Cyber Monday and Black Friday sales are online sales of all U.S. retailers. Prime Day and JD.com's shopping festival are sales on Amazon and JD.com, respectively.

Source: Digital Commerce 360, Adobe Analytics

## HOW DOES PRIME DAY COMPARE WITH OTHER ONLINE SHOPPING HOLIDAYS?

Based on Digital Commerce 360's estimates, the 2019 Prime Day sales event still lags behind larger shopping events such as the Cyber 5 holiday (the five-day shopping period beginning Thanksgiving Day) or Chinese ecommerce giant Alibaba Group Holding Limited's Singles' Day event held on Nov. 11 each year. But when these sales events are broken down by day, Prime Day fares a little better. For example, given that Prime Day was a 48-hour sales event last year, we estimated that each of the two days generated roughly \$3.58 billion in sales. That means Prime Day lagged all five days during Cyber 5 in terms of sales by day.

Does Prime Day affect Cyber 5 shopping? The data has yet to suggest that. Previous Prime Day events suggest that the bulk of Prime Day shopping is consumers purchasing goods for themselves rather than holiday gifts.

This year may be a different story since Prime Day

will likely be just two months before Black Friday and Cyber Monday. It's possible holiday shopping will be more top-of-mind for customers in September than it is in July. In fact, 23% of online shoppers begin holiday shopping in August – October, according to a Digital Commerce 360 and Bizrate Insights survey of 1,055 consumers in October 2019. Just 4% begin holiday shopping Amazon Prime Day (or mid-July). Therefore, we could see more holiday purchasing in Prime Day 2020 than we have in prior years.

## PRIME DAY MARKETPLACE SALES VS. AMAZON'S OWN PRODUCTS

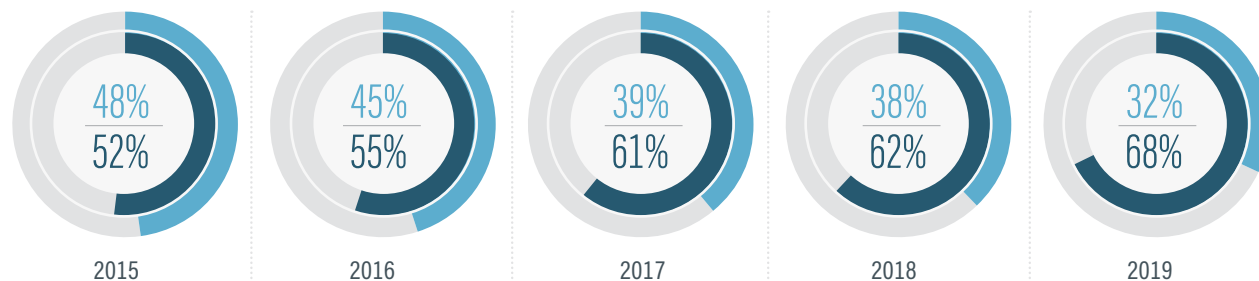
Amazon said sales of products from its marketplace sellers crossed \$2 billion in last year's event. Comparatively, in 2018 Amazon said its marketplace sales "far exceeded" \$1 billion.

Digital Commerce 360 estimates marketplace sellers' sales only account for about a third of Prime Day sales. This breakdown is different from Amazon's annual gross merchandise sales, for which marketplace sellers accounted for 60% in 2019. The share of marketplace

sales is different on Prime Day because Amazon typically uses this sales event to promote its own products. For instance, top-selling products worldwide were Amazon's Echo Dot and Fire TV Sticks. Sales of marketplace products were \$2.29 billion for Prime Day 2019, Digital Commerce 360 estimates. ■■

## SHARE OF MARKETPLACE SALES ON PRIME DAY

■ Marketplace product sales ■ Amazon's product sales



Source: Digital Commerce 360

## AMAZON IS NOT A FIT FOR EVERYONE

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33% of merchants surveyed by Digital Commerce 360 don't sell on Amazon and don't plan to. Many brands avoid selling on Amazon because of the platform's drawbacks. Sellers don't have access to customer data, they can't remarket to shoppers that purchase their products and they can't control the customer experience.

Not owning the customer experience was one reason direct-to-consumer brand Native Deodorant didn't sell on Amazon at first. "We didn't want it to be a commodity-like experience, as it typically is on Amazon," Native founder and CEO Moiz Ali says. The company had a personalized unboxing experience that would have been lost on Amazon.

But as Native was growing, selling on Amazon made more sense because the brand was missing out on sales. Customers searched Native in Amazon's search bar more than a million times a month.

Before Native began selling on Amazon's marketplace, shoppers searching for Native products would see ads for the brand's competitors, such as Tom's of Maine, which would buy ads against the Native keyword. And they'd also see marketplace sellers selling Native's deodorant for far more than its manufacturer's suggested retail price. That meant that consumers seeking to buy Native products from the largest online retailer in North America were having a subpar experience, Ali said.

"You can launch your brand without being on Amazon," he said. "But the larger you get, the more it makes sense to sell on Amazon."

It took haircare brand Moroccanoil more than 10 years in business before launching on Amazon in March 2019. The merchant began selling on the marketplace initially to protect its brand. While Moroccanoil wasn't officially on Amazon, there were a number of unauthorized sellers selling Moroccanoil

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# 33%

OF MERCHANTS SURVEYED BY DIGITAL  
COMMERCE 360 DON'T SELL ON  
AMAZON AND DON'T PLAN TO

Source: Digital Commerce 360 survey of 118 retailers, May 2020

products on the marketplace. The product pages had incorrect product names, images and descriptions. Those sellers often sold counterfeit Morrocanoil products too.

“This is the experience our customer was getting. They don’t understand that it’s not our brand,” Emma Sales, Amazon account manager at Morrocanoil said at a Digiday conference in January. “It really harmed our brand identity and we wanted to have control over what the consumer was seeing from Morrocanoil.”

Now all Morrocanoil product pages have quality branded images, videos, accurate descriptions and many have the Amazon Choice badge. When they began selling on the marketplace, Morrocanoil’s seller rating was 3.3, which it inherited from its unauthorized sellers. Now it’s 4.5.

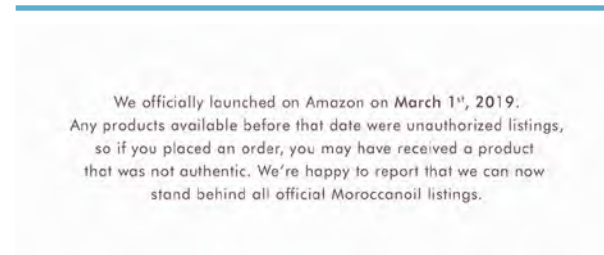
It was an uphill battle for Morrocanoil since it inherited all the bad reviews its unauthorized sellers received—many claiming counterfeit products. What’s worse, those are often the first reviews a customer

will see on a product page because they have been on the product page the longest and customers have clicked the “helpful” button on those reviews. For example, on its Morrocanoil Treatment page that has more than 10,000 reviews, the second, third and fifth comments from customers are 1-star ratings from 2017, 2018 and 2014 respectively.

To help improve its reputation on Amazon, Morrocanoil put a “diversion statement” on its Amazon brand page that says: “We officially launched on Amazon on March 1, 2019. Any products available before that date were unauthorized listings...”

But for some brands, Amazon just isn’t the right fit. Web-only shoe brand Allbirds, for example, only sells through its own website online and it doesn’t foresee selling on Amazon or other marketplaces. “We believe the strong direct connection we have with our customer is our biggest competitive advantage, so no plans to change that anytime soon,” co-founder Tim Brown says.

A direct-to-consumer apparel brand that asked to



*This diversion statement is on Moroccan oil's Amazon brand page.*

be unnamed sells men’s dress shirts and pants. It began selling on Amazon because the message in the industry they heard was “if you’re not on Amazon then you don’t exist,” but the marketplace hasn’t been successful thus far for the brand.

The merchant sells a limited number of products on Amazon. One men’s dress shirt, however, could have up to 50 SKUs just with the different size options they offer. The issue they’re facing on Amazon is that this brand’s shirts are priced higher than many other brands. Therefore, customers see many lower-priced options on a search in Amazon for “men’s dress shirt,”

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# 37%

## OF RETAILERS WILL EXPLORE GROWTH OPPORTUNITIES BEYOND AMAZON

Source: Digital Commerce 360 survey of 118 retailers, May 2020

without understanding why this brand's items are priced higher. (The brand focuses on high-quality cotton and sweat-resistant shirts).

For example, a search for men's dress shirt yields an Amazon Essentials shirt for \$20 as the first result. This brand's product is nearly quadruple the price. Most consumers when they purchase on the brand's website purchase a bundle deal, like "two for \$200." They aren't able to offer a deal like that on Amazon.

In Nov. 2019 Nike cut ties with Amazon. The athletic brand stopped selling its sneakers and apparel directly on Amazon's website, ending a pilot program that began in 2017.

Nike reportedly struggled to crack down on unauthorized sellers without much help from Amazon, and official Nike products had fewer reviews than other third-party listings, leading to worse positioning on the site. Sandal manufacturer Birkenstock and mobile phone accessory brand PopSockets had previously ditched Amazon because of similar hassles. The question is whether other brands follow Nike's lead. Few other brands possess the kind of muscle Nike has, so it may be harder for them to leave. ■■

# TIPS FOR MARKETPLACE SELLERS

When retailers and brands sell on marketplaces, they don't always have control over key assets that may impact conversion and sales like site search or email marketing. Therefore, many marketplace sellers focus on improving details consumers view on a product page, such as titles, images and descriptions.

Improved content on a product page, such as a more robust description of a product or higher-quality images, can help convert more shoppers into buyers. And consumers pay attention to the details: 26% of online shoppers say more product information is a top reason they make a purchase from a marketplace, according to the Digital Commerce 360 and Bizrate Insights survey of 1,000 consumers in May 2020.

There are several ways marketplace sellers can convert more shoppers on multi-merchant platforms, such as lowering prices so they're more

comparable to competitor pricing, offering free and fast shipping, and spending more on advertising to be on the top of search results pages. But some of these solutions can be costly for retailers. Alternatively, there are tweaks sellers can make that don't require a big upfront cost. This section will highlight such options.

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## KEEP AN EYE ON CUSTOMER REVIEWS.

58% of online consumers say they always look at ratings and reviews and usually base purchases on them, according to the Digital Commerce 360 and Bizrate Insights survey. 39% say they sometimes look at reviews and only 3% say they never look at reviews. Sellers should pay close attention to what customers are saying in reviews because potential customers sure do. Merchants should respond to negative comments in a timely manner and learn what customers like and dislike about the product to help inform what should be included in the product description. For instance, if on a product page for a pen, multiple customers are saying the grip of the pen is comfortable, then the retailer should make sure the product description mentions “comfortable grip” prominently.



## 2. REPLICATE “TOUCH AND FEEL” IN PRODUCT IMAGES.

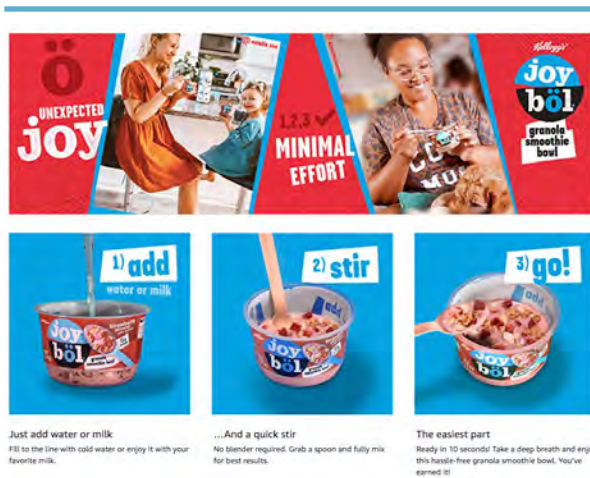
Effective content recreates what consumers can see and touch in a store, says Will Margaritis, senior vice president of ecommerce and digital marketing at Sellwin Consulting. Consumer packaged goods company Kellogg Co., for example, launched a powdered smoothie product called joybol in late 2018. “It’s hard for people to imagine what a powdered smoothie bowl is, so on the product page on Amazon, Kellogg included various photos of the open package throughout the process of making the smoothie bowl,” Margaritis says. Content included photos of how it looks when you add water, when you stir and the finished smoothie bowl.

## 3. CHOOSE PHOTOS THAT WILL HELP POTENTIAL BUYERS.

For online retailer Dog Christmas Stockings, adding photos of customers’ finished products on Etsy was one of the biggest changes the company made to their

listing pages last year, marketing manager Jeff Moriarty says. The retailer, which sells personalized Christmas stockings for pets, replaced stock photos with actual photos of the products. “I started taking some pictures on my own and then customers started sending me

[photos of the stockings hung up],” he says. Potential customers often ask to see examples, so these photos help those customers convert. Conversion rate during the 2019 holiday season jumped to 3.5% from 2.1% the year prior, Moriarty says.



*On its Amazon product page, Kellogg included various photos of the open package throughout the process of making the smoothie bowl since it’s hard for people to imagine what a powdered smoothie bowl looks like.*

## 4. UPDATE PAGES WITH SEASONAL CONTENT.

“Every brand has a seasonal cadence, but very few brands actually put seasonal images in content,” Margaritis says. Marketplace sellers should switch out content (including titles and images) several times a year to reflect the season, he says. For example, spice brand McCormick updates its photos on Amazon by adjusting the dishes being served. In the summer, the photos show McCormick spices served on a picnic table with barbecue food and in the winter, they’re shown with a green bean casserole, for example. “This reminds customers why your product should stand out during the holidays,” Margaritis says.

## 5. RECONSIDER PROMOTIONS IF INVENTORY IS LOW.

Daven Brodess, co-founder and managing partner of DTC Retail, a consultancy that helps retailers and brands sell on Amazon, advises sellers to evaluate ad spend and promotions during the COVID-19 crisis. “If your inventory is constrained and starting to run low, it might be worth pausing any promotional programs you are offering and turning off or reducing ad spend to focus on profitability for the inventory you do have,” Brodess says. If supply isn’t an issue, this could be an opportunity to increase ad spend and gain market share in that product category.

## 6. BE LENIENT WITH CUSTOMER SERVICE.

Additionally, Brodess says to be extra lenient on customer service on marketplaces during the pandemic. Many people have been under lockdown for months and getting back to a normal routine may take months

or even another year. Making trips to the post office to return products can be a hassle or even dangerous during the crisis depending on where you live, Brodess says. “Where appropriate, offering and giving refunds without requiring a product return is something buyers appreciate and can help your brand stand out.”

## 7. PROVIDE INFORMATION THROUGH PHOTOS.

DELIVERY GUIDE	
1 PERSON HOUSEHOLD	7-8 MONTHS
2-4 PERSON HOUSEHOLD	4-5 MONTHS
5+ PERSON HOUSEHOLD	3-4 MONTHS

**QUESTIONS & ANSWERS**

- Q: How long will this last for a household of 4 people?
- A: It depends on how often you use them. For most households, it lasts 4-5 months.
- Q: Are these soft and absorbent?
- A: Yes, they are soft and absorbent.
- Q: Do they have a scent?
- A: No, they are unscented.
- Q: Are they good for cleaning up spills?
- A: Yes, they are great for cleaning up spills.
- Q: 100% of the pulp used to make our paper towels is from responsibly managed forests.

*Bounty's Amazon listing includes a "delivery guide," which explains how often consumers should get subscription deliveries based on the number of people in the household.*

Product images can be more than just pictures of a product on a white background. Photos can be informative too. For example, paper towel brand Bounty offers a subscription on Amazon where consumers can subscribe to get paper towels on a regular basis. As one of its photos, Bounty has a “delivery guide,” which explains how often the consumer should get deliveries based on how many people are in the house. “You will beat competitors if you do this,” Margaritis says. Other types of images can be infographics, nutrition labels and images that promote an Alexa integration if available.

## 8. FIND ALTERNATIVE FULFILLMENT SERVICES.

Sellers that rely on Amazon for fulfillment faced a tough obstacle during the pandemic and it’s a lesson for the future: Don’t be completely dependent on Amazon. Multiple experts suggest sellers look for other options as backups, such as partnering with a third-party logistics company to store inventory. And if in the future Amazon has to pause shipments to FBA

warehouses, then be ready when Amazon opens the gates and allows shipments again. “You should see my warehouse right now. We have boxes stacked, packaged and ready to ship once Amazon lets us,” David Rifkin, CEO of Amazon seller MPO Global’s Rifkin said in early April when Amazon paused shipments of non-essential goods to FBA warehouses.

## 9. BE CONCERNED WITH REPUTATION.

Recognize that to acquire new customers through Amazon’s marketplace, retailers must have a strong seller rating and product reviews. That’s how shoppers trust a brand—one they likely haven’t heard of before—and convert into buyers. Web-only brand Native Deodorant CEO Moiz Ali suggests new brands launch without Amazon first so the brand can own customer relationships and build brand equity. As the brand gets larger, start with the best-selling products on Amazon to build a high seller rating and product reviews.

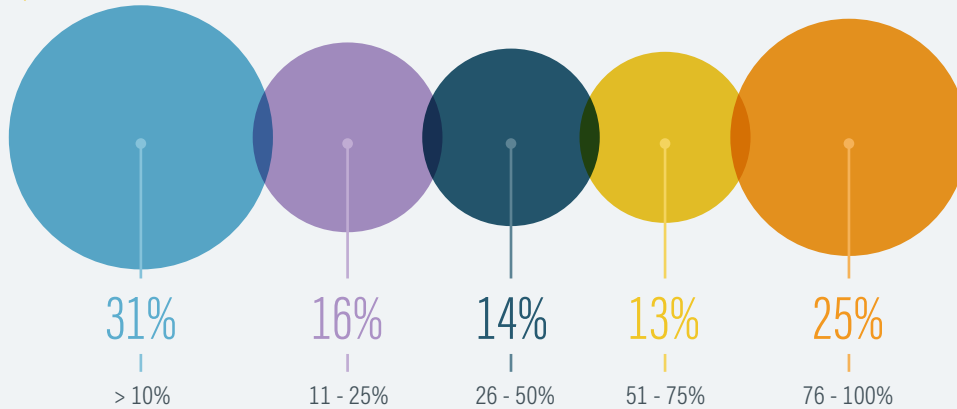
## 10. MAKE SURE FBM LISTINGS ARE AVAILABLE ON AMAZON.

Due to Amazon’s restrictions on shipments to warehouses, some sellers switched their Amazon listings to Fulfilled by Merchant (FBM) from FBA. This means the Amazon seller can ship products from its own warehouse and not worry about the inventory in Amazon’s warehouses running out or having long delivery times due to the pandemic. The downside is products are no longer eligible for Prime, which means the price is higher for customers with the added cost of shipping. “In the majority of our catalog, our FBM listings have much faster shipping times, so we’re seeing customers opt for this offering over the [Prime-eligible] listing,” online retailer and marketplace seller Jam Paper & Envelope’s director of marketplace strategy Kelly Ennis says. “Since FBA fees are higher than FBM fees, we have better margins and make more on the FBM listings.” 📦

# MERCHANT INSIGHTS

These are the results of an exclusive Digital Commerce 360 survey of 118 merchants in May 2020 about their marketplace business.

## ▶ WHAT PERCENTAGE OF YOUR BUSINESS COMES FROM MARKETPLACES?



## ▶ HOW MUCH DO YOU EXPECT YOUR MARKETPLACE BUSINESS TO CHANGE IN 2020?

71%

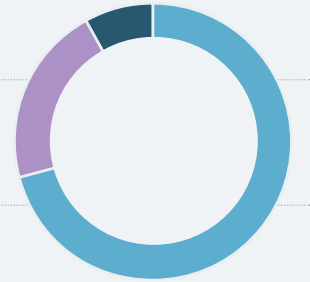
Increase

21%

Stay about the same

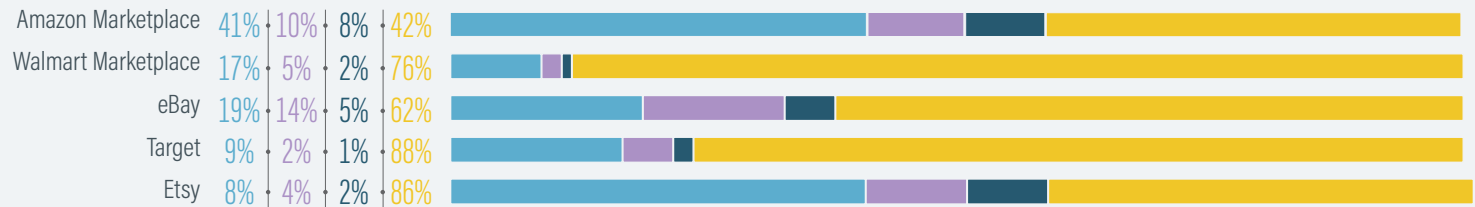
8%

Decrease

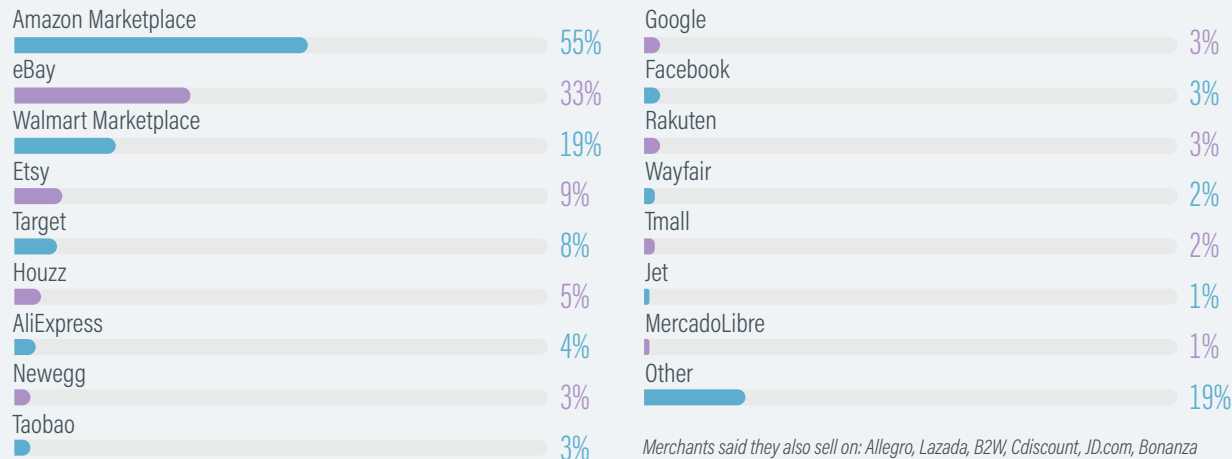


## ▶ HOW WOULD YOU DESCRIBE THE STATE OF YOUR BUSINESS ON THESE U.S. MARKETPLACES?

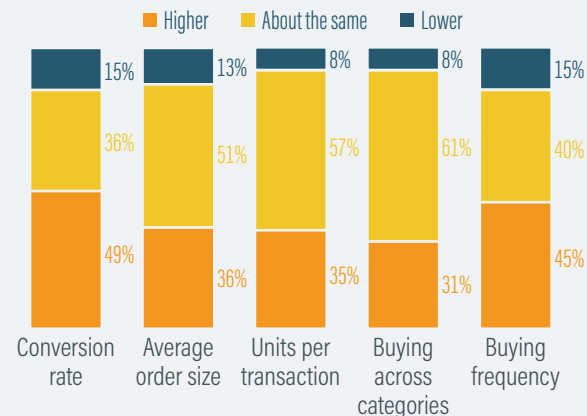
■ Growing ■ Flat ■ Declining ■ Do not sell on this marketplace



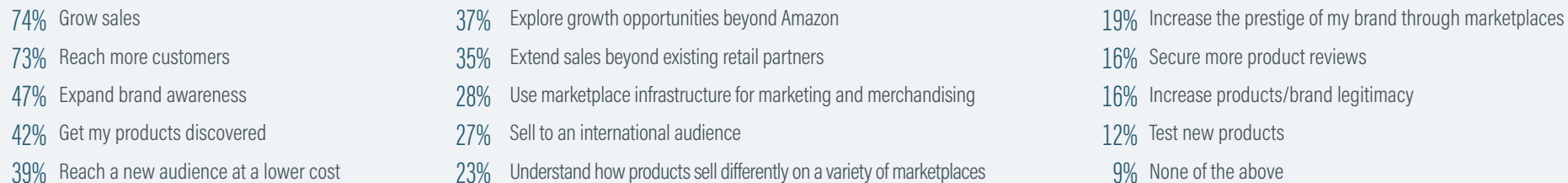
## WHICH MARKETPLACES DO YOU SELL ON?\*



## WHAT CHANGES YOU HAVE SEEN IN CONSUMER SHOPPING BEHAVIOR ON MARKETPLACES OVER THE PAST YEAR?



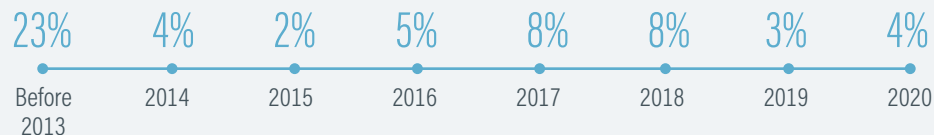
## WHY DO YOU SELL ON MARKETPLACES?\*



### ▶ WHAT ARE YOUR CONCERNS ABOUT SELLING ON MARKETPLACES?\*



### ▶ WHEN DID YOU START SELLING ON AMAZON?

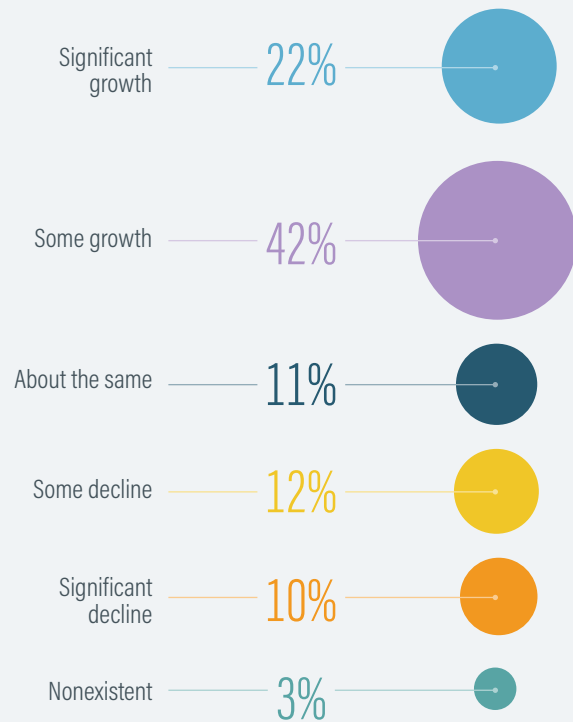


**10%** I don't sell on Amazon, but plan to start in the coming year. **33%** I don't sell on Amazon and don't plan to.

### ▶ SELECT ALL THAT APPLY TO YOUR AMAZON BUSINESS:



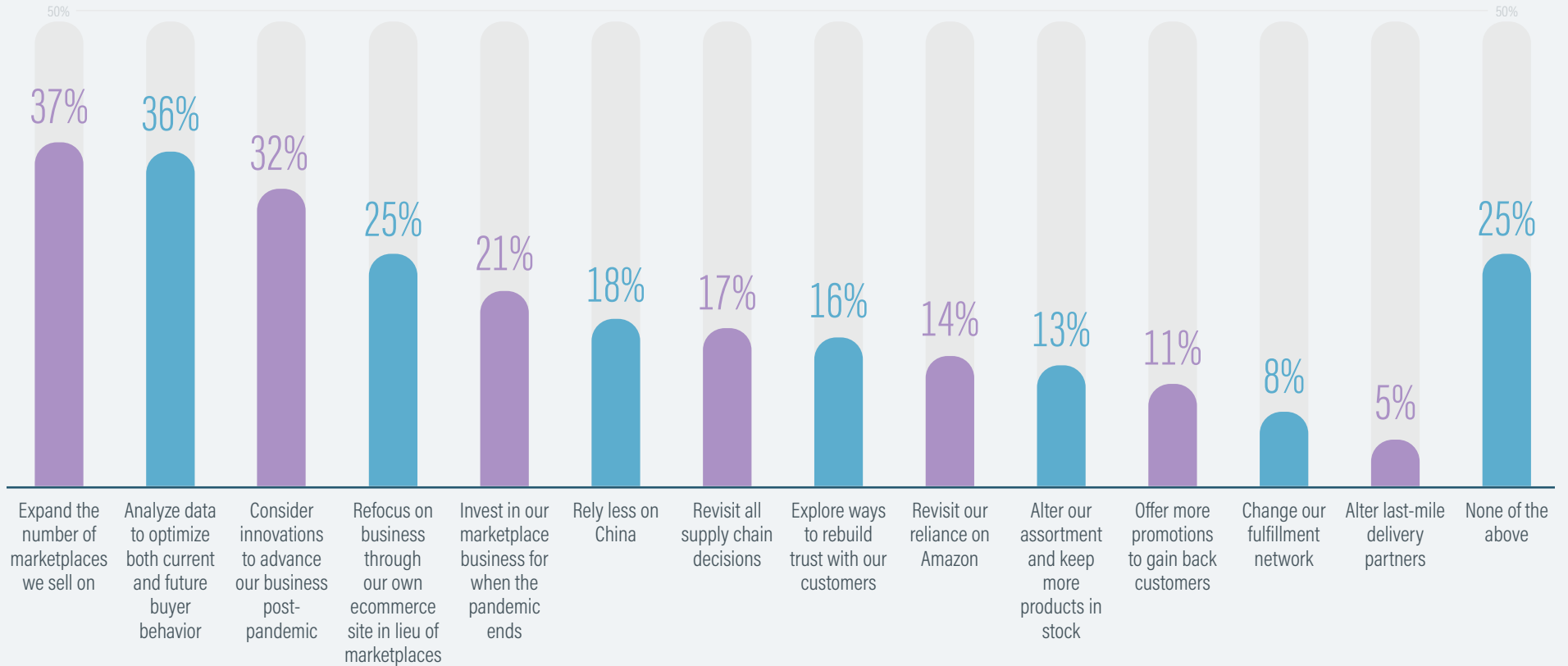
### ▶ HOW WOULD YOU DESCRIBE THE GROWTH YOU'RE EXPERIENCING ON AMAZON DURING COVID-19?



### ▶ WHICH OF THE FOLLOWING BEEN PART OF YOUR COVID-19 MARKETPLACE EXPERIENCES?\*



## ▶ WHAT ADJUSTMENTS WILL YOU MAKE TO YOUR MARKETPLACE BUSINESS IN 2020?\*





# NICHE MARKETPLACES

## ▶ MARKETPLACE SPOTLIGHT: ETSY

Many online marketplaces offer products in a specific retail vertical. Of the 100 marketplaces Digital Commerce 360 tracks, 47 sell products from a particular merchandise category, such as apparel or home furnishings. Newegg, Etsy and home furnishings marketplace Houzz are some examples.

The 47 niche marketplaces collectively grew total GMV 23.6% to \$38.76 billion in 2019, faster than the 18.0% growth of the full Top 100. Looking just at third-party GMV, sales grew 27.3% to \$24.22 billion.

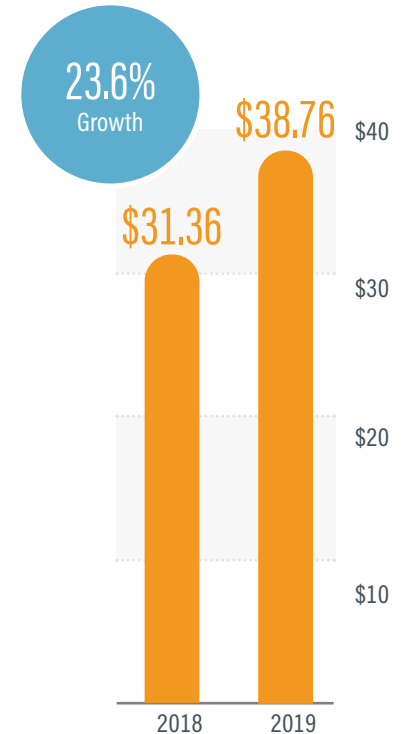
Niche marketplaces are growing faster in part because they're smaller and newer than their mass merchant counterparts. For instance, the median launch date for these niche marketplaces is 2013 compared with 2010 for marketplaces that sell all types of products. Furthermore, there are just 11 niche marketplaces that bring in more than \$500 million GMV annually, compared with 32 mass merchant marketplaces.

Even though they tend to be smaller, there are a few advantages to selling on specialized marketplaces. For one, these tend to be pure marketplaces, which means the sites only offer products from marketplace merchants and do not sell inventory from the marketplace operators. This is a plus for sellers because they aren't competing with marketplace operators that may offer lower prices and promote their own products over marketplace merchants' products. Of the 47 sites selling in a particular category, 35 operate a pure marketplace.

Secondly, small and specialized platforms, as opposed to large marketplaces that sell in all categories, sell to a more targeted audience. For example, consumers shopping on luxury home furnishings marketplace 1stDibs are looking for high-end home goods, whereas a customer on Amazon could be looking for any number of items. Consumers on niche marketplaces are

## NICHE MARKETPLACE GROWTH

Total GMV of 47 marketplaces that sell in a particular category, in \$billions



Source: Digital Commerce 360

more likely to browse instead of searching for a specific item, marketplace sellers have reported. This helps merchants get discovered without having to invest a lot of money in advertising to be the top result on a search.

Third, niche marketplaces have an advantage in shopper engagement since their consumers are looking for similar products. On Houzz, for example, in addition to buying products, visitors can browse photos of homes around the world, find professional contractors, read articles and get advice on their own remodeling.

“People want an online experience that has a feel of an offline experience, where they might meet a friend or connect with a community,” says Christine Duggan, CEO of BrandNexity Commerce Group, which is the parent company of Equishopper, a marketplace for equestrian products. “They want a place where they can get some advice, read an article and eventually make a purchase.”

## MARKETPLACE COMMISSIONS BY CATEGORY

Minimum and maximum marketplace commissions charged, broken down by category

	Minimum	Maximum
Apparel/Accessories	8%	50%
Consumer Electronics	8%	15%
Flowers/Gifts	6%	20%
Food/Beverage	12%	12%
Hardware/Home Improvement	12%	40%
Health/Beauty	25%	25%
Housewares/Home Furnishings	3%	50%
Jewelry	18%	20%
Mass Merchant	0%	45%
Specialty	0%	8%
Sporting Goods	10%	10%
Toys/Hobbies	0%	18%

Source: Digital Commerce 360

Equishopper launched in May 2020 with 200 brands that sell equestrian equipment and apparel such as riding boots or horse care equipment. The company partnered with publishing company HorseNetwork.com, which publishes news, podcasts and other digital content on horseback riding. There's a "shop" button on HorseNetwork.com that directs to Equishopper.com. HorseNetwork has about 2.5 million people on the site every month, Duggan says.

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# 29%

OF ONLINE SHOPPERS PURCHASED FROM A SPECIALTY MARKETPLACE THAT FOCUSED ON A UNIQUE CATEGORY IN THE PAST YEAR.

Source: Digital Commerce 360/Bizrate Insights survey of 1,000 U.S. online consumers, May 2020

Being specialized helped Maisonette, an online marketplace for children's premium apparel, pivot after the coronavirus outbreak began since apparel took a big hit during the pandemic (U.S. total apparel sales declined 89% in April). It took less than a week for Maisonette to sell toys, games and outdoor activity products from its marketplace sellers—categories it previously wasn't selling products in, marketplace technology provider Mirakl says. Maisonette is a Mirakl customer. As of mid-April, these products were selling more than clothing.

Lastly, smaller and specialized marketplaces often provide sellers more opportunities to connect to their own direct-to-consumer sites. For example, musical instruments marketplace Reverb allows merchants to link to their own ecommerce sites from their Reverb seller page. Promotion of sellers' own sites is rare on larger online shopping malls. For instance, on eBay and Amazon, sellers are not able to link back to their own websites.

That's also why category-specific marketplaces

tend to charge sellers a higher commission than the 8-15% average of mass merchant marketplaces (like Amazon or Walmart). In the Top 100, for instance, apparel-focused marketplaces charge a median 20% commission to sellers for each sale compared with a median of 10% for mass merchant marketplaces.

According to the May 2020 Digital Commerce 360 survey, Etsy, Houzz and Newegg were the most popular marketplaces for retailers. Merchants also named lesser-known marketplaces like sneaker site StockX and gourmet food site Goldbelly as shopping portals they sell on.

What's more, consumers are shopping on niche marketplaces: 29% of the 1,000 U.S. consumers surveyed purchased from a specialty marketplace that focused on a unique category in the past year. 🇺🇸

## MARKETPLACE SPOTLIGHT: ETSY

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Etsy called on its crafty sellers during the first week of April to make face masks after the White House announced guidelines that U.S. consumers should cover their mouths outside of their homes to protect themselves and stop the spread of COVID-19. Since then, the marketplace for handcrafted goods has sold 12 million fabric face masks, or \$133 million worth, from 60,000 sellers in April alone.

Gross merchandise sales (GMS), or the total value of goods sold on Etsy.com, grew 100% year over year to \$780 million in April, executives said on a call discussing first-quarter earnings results with investors. Of that, masks were 17% of Etsy's sales for the month, executives said. Etsy's first quarter ends March 31 so it does not include April's sales.

"In early April, the CDC changed its guidelines to recommend that Americans wear fabric face masks, and we saw a tremendous surge of demand for fabric face masks right away on our site," CEO Joshua

Silverman said on the call. "In fact, it was like waking up and discovering that it was Cyber Monday, except that everyone [in] the world wanted just one product and that one product was in extremely limited supply."

Etsy had to adjust a few things on its site to adapt to changing circumstances. First, the marketplace had to change its search results algorithm, so when a customer searched for masks, she would actually see fabric masks. Previously, they would see other items such as Halloween masks or skin care masks, Silverman said. Second, it needed to increase supply to meet demand so Etsy sent a push notification to every crafts seller on its website in the U.S.: "Calling all sellers. Start making face masks."

Face masks were the second-highest "category" during April, Etsy says. The "home and living" category, as Etsy terms it, was No. 1. April was the highest month of sales for Etsy since 2015, and it had

the two highest sales days of all time in the last week of April. Not including face masks sales, Etsy.com grew GMS 79% year over year in April.

Etsy acquired nearly 4 million new buyers in April, up 160% year over year. Comparatively, sales from new buyers grew 5% during Q1, executives said on the call. Additionally, 32% of buyers who purchased a face mask returned within 14 days to make an additional purchase. The marketplace also re-engaged 2.5 million buyers that haven't purchased for more than a year, which is a 186% increase year over year.

Thus far in Q2, Etsy says it has spent more on marketing, particularly television marketing, than it had planned. The marketplace points to more people being at home and possibly engaging in more screen time as a reason for the increased investment.

"The big opportunity in this moment is there's a lot

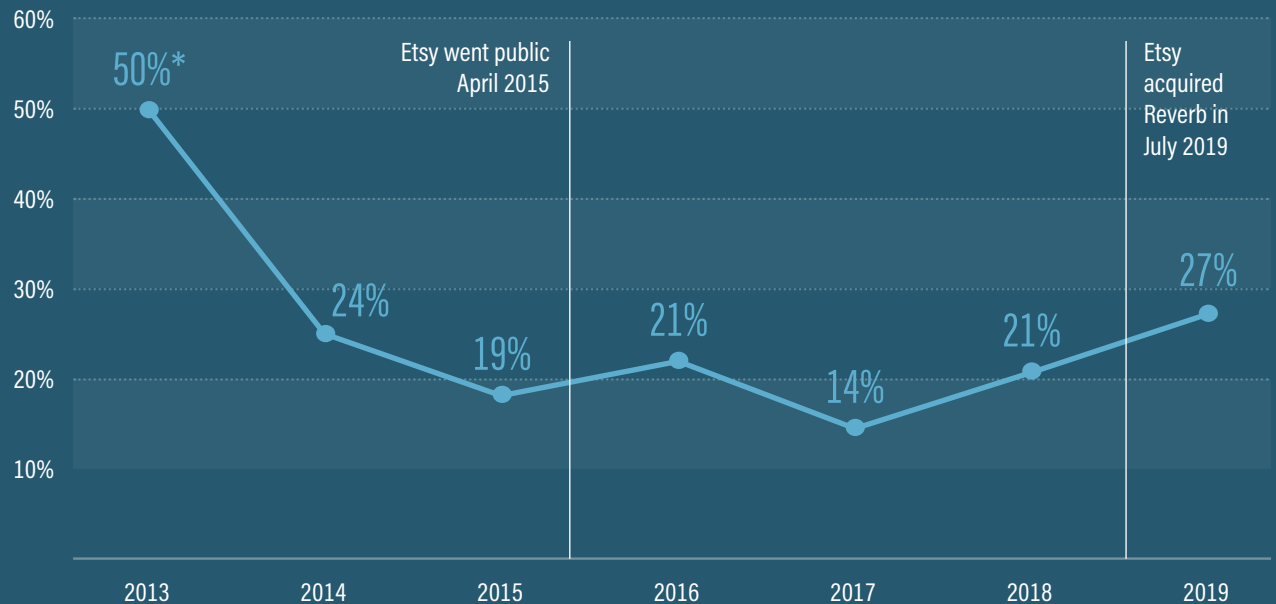
of people who maybe have never shopped on Etsy before or who have shopped only very occasionally on Etsy,” Silverman said on the call. “They might think of us only for one very specific product category. Now, they’re thinking about us and coming for other product categories.”

On Etsy-owned Reverb.com, an online marketplace for musical instruments and products, sales were up 50% in April. This is a result of more first-time buyers turning to Reverb while bricks-and-mortar stores are closed.

During the first quarter ended March 31, sales on Etsy.com and Reverb.com grew 32.4% to \$1.35 million from \$1.02 million in Q1 2019. Total revenue, which Etsy generates from listing fees, seller services and commissions, grew 34.7% to \$228.0 million from \$169.3 million. Net income during the quarter was \$12.52 million, down from \$31.58 million a year ago. The decline is likely because of foreign exchange rate fluctuations, which resulted in a loss of \$9.3 million, the company says. ■

## SALES GROWTH ON ETSY

Gross merchandise sales growth, 2013-2019



\*Digital Commerce 360 estimate

Source: Etsy Inc.

# HYBRID MARKETPLACES

It's not just startups filling the roster of online marketplaces. Part of the growth comes from big traditional retailers that are launching their own marketplaces by allowing outside merchants to sell directly on their sites in exchange for listing and commission fees. We classify these as hybrid marketplaces.

In the Top 100, there are 36 hybrid marketplaces, including Amazon, Walmart and Sears. For the hybrid marketplaces, the median portion of GMV coming from third-party marketplace sales is 59.4%, Digital Commerce 360 estimates. This shows that for many of these retailers, sales from outside merchants represent a significant portion of sales on their ecommerce sites.

Marketplace merchants sold \$434.60 billion on the 36 sites in 2019, up 36.1% from 2018. Collectively, marketplace sales account for 55.6% of total GMV of \$781.88 billion on the 36 sites.

In the last several years, more retailers have caught on to the trend and have launched a marketplace to attract online shoppers. Just looking at the Top 200 North American retailers, 15 operate marketplaces. Retailers ranked in the Digital Commerce 360 Top 1000 that operate a marketplace include Urban Outfitters Inc., J. Crew Group, Express Inc. and Target Corp.

Walmart is one retailer that has invested in expanding its marketplace for the last several years. Walmart launched its marketplace in 2009 with only six sellers, and in 2016 made a big push to add many more merchants to its site. The biggest retailer in the world now has more than 75 million SKUs from tens of thousands of sellers. In 2016, Walmart had 8 million SKUs available on Walmart.com and by 2018 it climbed to 75 million SKUs largely because it added millions of SKUs each month from marketplace sellers.

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**56%**  
OF TOTAL GMV OF THE TOP 100  
MARKETPLACES COMES FROM  
THIRD-PARTY MARKETPLACE  
SALES

Source: Digital Commerce 360

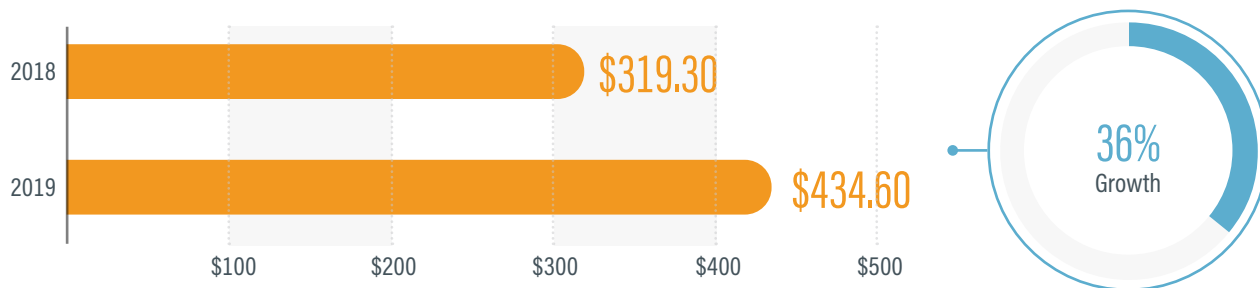
In June 2020, Walmart partnered with ecommerce platform provider Shopify Inc. to expand its marketplace even more after the pandemic pushed more shoppers online. Walmart plans to add 1,200 Shopify sellers this year, Bloomberg News reported. Walmart's marketplace sales grew at a faster pace than Walmart's overall web business in the first quarter of 2020.

In the last two years, Walmart rolled out a fulfillment service for third-party sellers and began allowing customers to return marketplace items in its physical stores.

Walmart CEO Doug McMillon wants to get even more out of the business, especially after shuttering Jet in May. "We don't think that we've done everything we must do, and should do, to support marketplace sellers in terms of the tools and services that we have available," he said, just weeks before virus-related stockpiling sent traffic to Walmart's website soaring. First-quarter U.S online sales rose 74%, more than twice the growth rate that Walmart had previously

### HYBRID MARKETPLACE SALES GROWTH

Third-party marketplace GMV of 36 hybrid marketplaces, in \$billions



Source: Digital Commerce 360

forecast for the entire year.

Best Buy Canada is another example of a retailer that used the marketplace model to expand its ecommerce business. In 2016, the first year Best Buy Canada's marketplace was operational, one in 12 transactions were fulfilled by third-party marketplace sellers, marketplace platform provider Mirakl says. By the end of 2019, nearly one in four transactions were marketplace products. With the

help of its marketplace sellers, Best Buy Canada offered products in categories outside of electronics, which the retailer is primarily known for. Best Buy is now one of the largest online retailers in Canada for luggage and fitness equipment, Mirakl says. Best Buy Canada uses Mirakl technology to operate its marketplace.

"A retailer with stores and ecommerce is like having a two-legged stool," Adrien Nussenbaum, co-

founder and CEO of Mirakl says. “Marketplaces are more profitable than ecommerce and brings you more flexibility than stores and ecommerce. Stores, ecommerce and an online marketplace: That’s a three-legged stool.”

Profitability is another reason Walmart is focusing on building out its marketplace. Increased marketplace sales, for which Walmart earns a commission, helped narrow ecommerce losses during the first quarter, as did more online sales in such higher-margin categories as apparel and home goods, company executives said. Marketplace sales are typically more profitable for the marketplace operator since sellers pay a fee to list items and often bear the delivery costs.

After the coronavirus crisis began, more retailers turned to the marketplace model with store closures and higher online demand, Mirakl says. April was the strongest month in Mirakl’s history in terms of collective GMV growth of all its clients and new customer growth. Overall, Mirakl’s clients’ GMV is

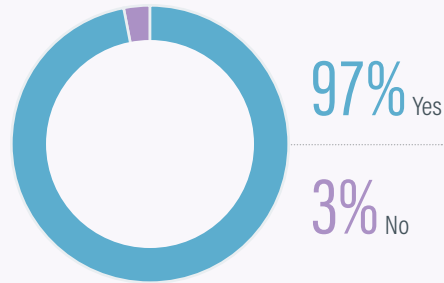
up 300% year over year and the company added 20 customers so far this year. ■■



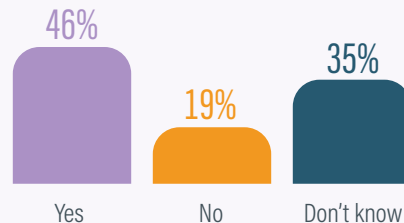
# CONSUMER INSIGHTS

These are the results of an exclusive Digital Commerce 360 and Bizrate Insights survey of 1,000 U.S. online consumers in May 2020.

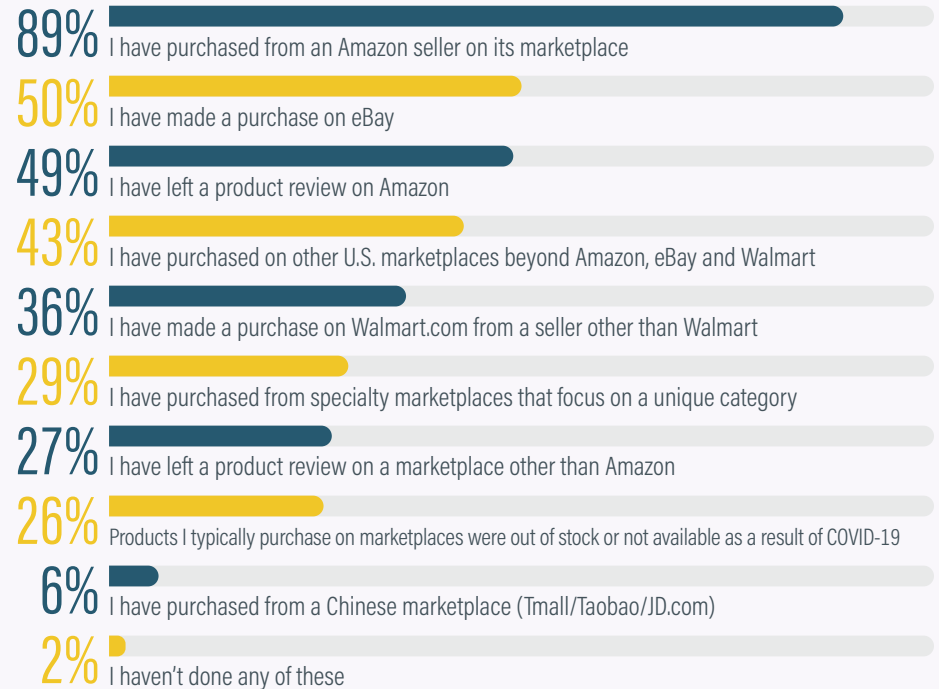
## ▶ DO YOU SHOP ON ONLINE MARKETPLACES?



## ▶ WOULD YOU BUY FROM MARKETPLACE BRANDS OR SELLERS THAT YOU'VE NEVER HEARD OF?

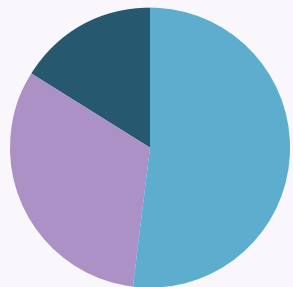


## ▶ WHICH OF THE FOLLOWING DESCRIBES YOUR EXPERIENCES WITH MARKETPLACES OVER THE PAST YEAR?\*



\*Multiple responses allowed. Source: Digital Commerce 360/Bizrate Insights survey of 1,000 U.S. online shoppers, May 2020

### HAVE YOU EVER PURCHASED A PRODUCT FROM A SELLER'S WEBSITE AFTER FIRST FINDING THEIR PRODUCTS ON A MARKETPLACE?



52%

Yes

32%

No

16%

Don't Know

### DO CUSTOMER RATINGS AND REVIEWS INFLUENCE YOUR PURCHASE DECISIONS ON ONLINE MARKETPLACES?



58%

I always read ratings and reviews and usually base my purchases on them

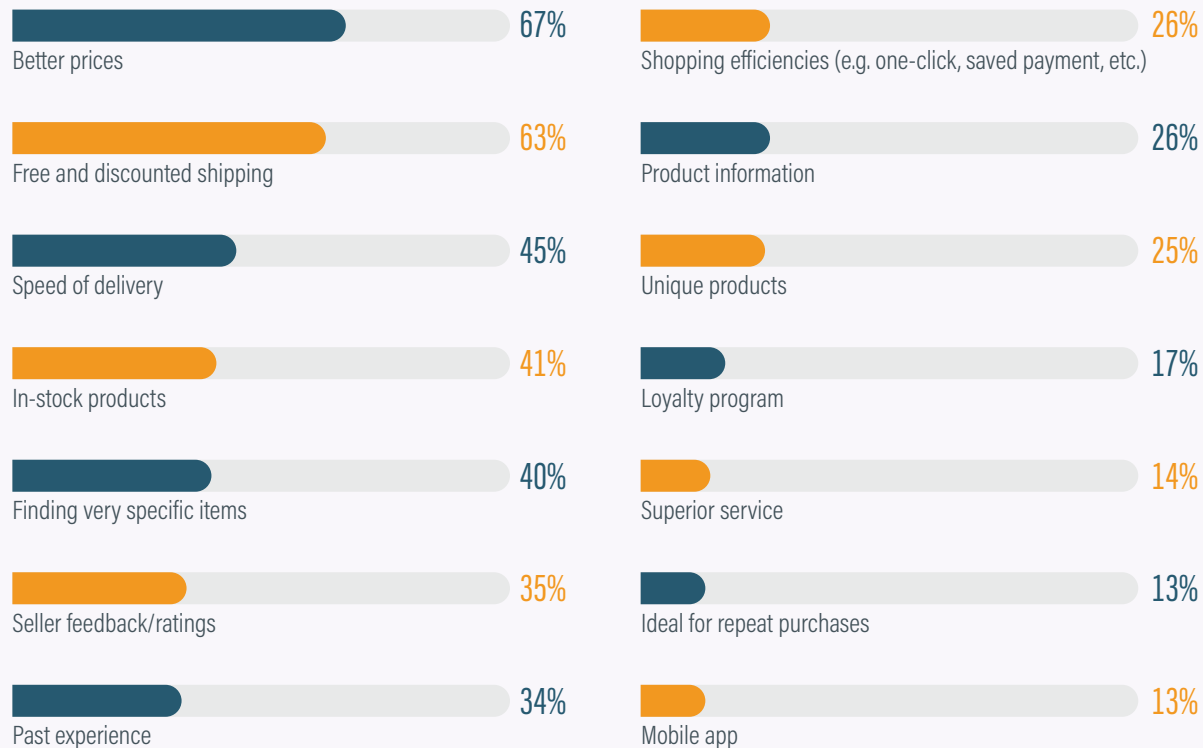
39%

I sometimes read ratings and reviews and occasionally make my purchases based on them

3%

I never look at ratings and reviews

### WHAT MAKES YOU DECIDE TO MAKE A PURCHASE FROM A MARKETPLACE VERSUS DIRECTLY FROM A RETAILER?\*



67%

Better prices

26%

Shopping efficiencies (e.g. one-click, saved payment, etc.)

63%

Free and discounted shipping

26%

Product information

45%

Speed of delivery

25%

Unique products

41%

In-stock products

17%

Loyalty program

40%

Finding very specific items

14%

Superior service

35%

Seller feedback/ratings

13%

Ideal for repeat purchases

34%

Past experience

13%

Mobile app

### ▶ WHAT ARE YOUR CONCERNS WHEN PURCHASING FROM MARKETPLACES?\*



Counterfeit products



Not purchasing from a reputable or certified seller



Long shipping times



Subpar product quality



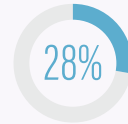
Limited return options



Customer service/support



Products made outside of the U.S.



Order never ships

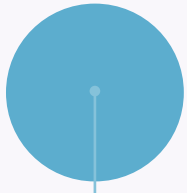


Additional hidden charges beyond the cost of the product

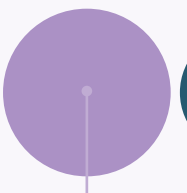


None of the above

### ▶ HOW DID COVID-19 IMPACT YOUR EXPERIENCES WITH MARKETPLACES?\*



Longer delivery times



Products were out of stock



Assortment was limited



Prices were higher than in the past



Limited customer service



Higher shipping charges than normal



Tried new marketplaces



Shopped directly on sellers' websites instead



None of the above

### ▶ OVER THE NEXT YEAR, HOW WILL YOUR BUYING BEHAVIOR ON MARKETPLACES CHANGE FROM LAST YEAR?



19%

I will buy more

71%

I will buy about the same

8%

I will buy less

2%

I don't buy on marketplaces now and don't intend to in the future

# CONCLUSION

This year has been a shock to the retail ecosystem across the globe. The coronavirus outbreak forced marketplace operators and its sellers to pivot and, in some cases, completely rewrite business strategies. If the first half of 2020 taught us anything about retail, it's that online marketplaces are well-positioned to handle high demand because they can lean on sellers to produce, sell and fulfill products.

Marketplaces continue to play a bigger role in ecommerce and the pandemic reinforced that notion. As shoppers become more accustomed to the wide breadth of products and lower prices often available on multi-merchant shopping portals, it's forcing traditional retailers to explore new strategies: to either offer products on existing marketplaces or invite other merchants to sell on their websites.

These are four trends we see in 2020 and beyond:

## 1. THE TOP 100 MARKETPLACES WILL COLLECTIVELY GROW GMV FASTER IN 2020 THAN THE 18% GROWTH RATE IN 2019.

The top U.S. marketplaces, Amazon, eBay, Etsy and Walmart, each reported first-quarter earnings at the time of publication. Based on those results and trends the companies have seen in April and May, it's clear the marketplaces are performing better in the first half of 2020 than they projected.

Etsy had the best sales month it has had in April in nearly five years. EBay has seen 20% growth in GMV thus far in Q2, which is much higher than the GMV declines it has had

## RETAILER SURVEY

How much do you expect your marketplace business to change in 2020?

71%

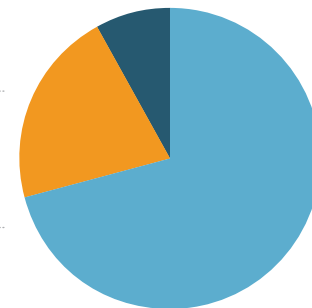
Increase

21%

Stay about the same

8%

Decrease



\*Multiple responses allowed

Source: Digital Commerce 360 survey of 118 merchants, May 2020

for five straight quarters since the start of 2019. And Walmart's, marketplace sales grew faster than the 74% growth in overall web sales in Q1. Walmart's fiscal Q1, unlike the other top U.S. marketplaces, includes sales in April.

There will be marketplaces that don't fare as well, however, such as luxury apparel marketplace Orchard Mile or luxury watch and jewelry marketplace Truefacet. Traffic to OrchardMile.com declined 69% in April compared with Jan. 2020 and declined 55% compared with April 2019, according to SimilarWeb data. Traffic to Truefacet.com is down 39% in April compared with Jan. 2020, and up 5% compared with April 2019.

We'll know more about how international marketplaces are impacted in the coming months, but Alibaba reported in its fiscal Q4 ended March 31 that its core domestic marketplaces (Tmall and Taobao) began recovering from the pandemic's negative impact in late March.

What's more 71% of retailers surveyed say they expect marketplace sales to increase in 2020.

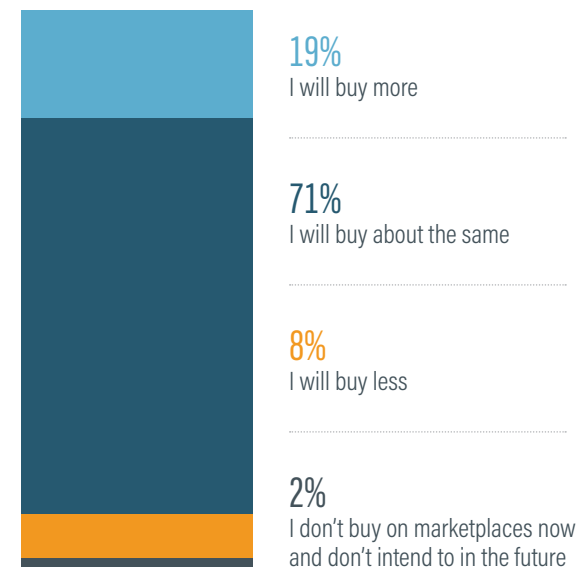
## 2. MORE MARKETPLACE PARTICIPATION FROM RETAILERS AND BRANDS.

In the Digital Commerce 360 May 2020 survey, when asked the most important marketplace innovation retailers will make coming out of the COVID-19 crisis, one seller said: "Diversify selling channels to be able to reach more customers at any time and in any condition."

This is a sentiment many midsize retailers will feel post-pandemic. In fact, 37% of merchants will expand the number of marketplaces they sell on in 2020, according to the survey. Furthermore, 21% will invest more in their marketplace business after the pandemic ends. This shows merchants' increasing confidence selling on other online channels as a profitable strategy.

## CONSUMER SURVEY

Over the next year, will your buying behavior on marketplaces change from last year?



\*Multiple responses allowed.

Source: Digital Commerce 360/Bizrate Insights survey of 1,000 U.S. online shoppers, May 2020

It's not just Amazon that will attract sellers. For example, Walmart recruited large brands such as Ray-Ban and Keds in Q1. Walmart added 10,000 new sellers to the marketplace from January to June, according to research firm Marketplace Pulse.

### 3. SELLERS WILL RELY LESS ON AMAZON.

While the pandemic will push merchants to invest more in their marketplace businesses, the COVID-19

**"WE WILL DIVERSIFY SELLING CHANNELS TO BE ABLE TO REACH MORE CUSTOMERS AT ANY TIME AND IN ANY CONDITION."**

- Marketplace seller

crisis also reinforced some merchants' hesitancy to sell and rely on Amazon. In particular, retailers who rely on Amazon for fulfillment services had a rude awakening

in March when Amazon told sellers of non-essential items that shipments to FBA warehouses were paused. As a result, 14% of retailers will revisit their reliance on Amazon in 2020 and 13% will alter their fulfillment network and last-mile delivery partners.

### 4. MORE LARGE RETAILERS WILL LAUNCH THEIR OWN MARKETPLACES.

We've seen this trend for the last three years, and the pandemic is likely to push even more retailers to consider the marketplace model after experiencing store closures, and supply chain and fulfillment issues during the crisis. Done correctly, the marketplace model can be a way for retailers to quickly increase online product assortment, increase profitability and expand into new categories without absorbing the cost of investing in new products. Walmart, for example, has found success in its marketplace so far this year, so much so that the company is investing even more in its marketplace by recruiting Shopify merchants to join its platform. ■

**14%**  
OF RETAILERS WILL REVISIT THEIR  
RELIANCE ON AMAZON IN 2020

Source: Digital Commerce 360 survey of 118 retailers, May 2020

# 2020 TOP 100 ONLINE MARKETPLACES

2020 TOP 100 ONLINE MARKETPLACES Ranked by 2019 third-party GMV

RANK		CATEGORY
1	Taobao	Mass Merchant
2	Tmall	Mass Merchant
3	Amazon.com Inc.	Mass Merchant
4	JD.com Inc.	Mass Merchant
5	eBay Inc.	Mass Merchant
6	OfferUp	Mass Merchant
7	PT Tokopedia	Mass Merchant
8	MercadoLibre Inc.	Mass Merchant
9	Rakuten Ichiba	Mass Merchant
10	Walmart Inc.	Mass Merchant
11	AliExpress	Mass Merchant
12	Coupage	Mass Merchant
13	Lazada Group	Mass Merchant
14	Wish.com	Mass Merchant
15	Houzz	Housewares/Home Furnishings
16	Flipkart	Mass Merchant
17	Allegro	Mass Merchant

RANK		CATEGORY
18	Etsy Inc.	Mass Merchant
19	5miles LLC	Mass Merchant
20	Trendyol	Mass Merchant
21	Myntra	Apparel/Accessories
22	Americanas	Mass Merchant
23	Farfetch U.K. Ltd.	Apparel/Accessories
24	Cdiscount	Mass Merchant
25	StockX	Apparel/Accessories
26	Jet.com Inc.	Mass Merchant
27	Jumia	Mass Merchant
28	Shopclues	Mass Merchant
29	Poshmark Inc.	Apparel/Accessories
30	Zalando	Apparel/Accessories
31	Sears Holdings Corp	Mass Merchant
32	Otto Group	Mass Merchant
33	Newegg Inc.	Consumer Electronics
34	Tophatter Inc.	Mass Merchant

RANK		CATEGORY
35	The RealReal Inc.	Apparel/Accessories
36	Ricardo Group	Mass Merchant
37	Snapdeal	Mass Merchant
38	Privalia	Mass Merchant
39	Reverb.com LLC	Toys/Hobbies
40	Kickstarter	Mass Merchant
41	Submarino	Mass Merchant
42	Lyst	Apparel/Accessories
43	ManoMano	Hardware/Home Improvement
44	BestBuy Canada	Consumer Electronics
45	Minted.com	Flowers/Gifts
46	1stDibs Inc.	Housewares/Home Furnishings
47	Ozon	Mass Merchant
48	Bonanza	Mass Merchant
49	Digitec Galaxus	Mass Merchant
50	Shoptime	Mass Merchant
51	Jane LLC	Apparel/Accessories

Table continues ►



## 2020 TOP 100 ONLINE MARKETPLACES (continued) Ranked by 2019 third-party GMV

RANK		CATEGORY
52	GOAT	Apparel/Accessories
53	Tradesy Inc.	Apparel/Accessories
54	Chairish Inc.	Housewares/Home Furnishings
55	La Redoute	Mass Merchant
56	CrateJoy	Mass Merchant
57	Drizly	Food/Beverage
58	Vestiaire Collective	Apparel/Accessories
59	OpenSky.com	Mass Merchant
60	Noon.com	Mass Merchant
61	Ruby Lane	Toys/Hobbies
62	Indiegogo Inc.	Mass Merchant
63	Stadium Goods	Apparel/Accessories
64	Game	Toys/Hobbies
65	Linio	Mass Merchant
66	Groupon Goods	Mass Merchant
67	Storenvy	Mass Merchant
68	Tata CLiQ	Mass Merchant

RANK		CATEGORY
69	Flight Club	Apparel/Accessories
70	The Luxury Closet	Apparel/Accessories
71	Mudah.my Sdn Bhd	Mass Merchant
72	ArtFire	Mass Merchant
73	Italist Inc.	Apparel/Accessories
74	Zibbet	Mass Merchant
75	Sotheby's Home	Housewares/Home Furnishings
76	Xiu	Apparel/Accessories
77	Mercato Inc.	Food/Beverage
78	BlueFly	Apparel/Accessories
79	BuildDirect Technologies	Hardware/Home Improvement
80	BikeExchange Inc.	Sporting Goods
81	TrueFacet Inc.	Jewelry
82	Fancy.com	Mass Merchant
83	Tanga.com	Mass Merchant
84	Musely	Health/Beauty
85	Garmentory Inc.	Apparel/Accessories

RANK		CATEGORY
86	Kixify	Apparel/Accessories
87	Brayola	Apparel/Accessories
88	Orchard Mile Inc.	Apparel/Accessories
89	Minibar Delivery	Food/Beverage
90	Google Shopping Actions	Mass Merchant
91	Motoroso	Automotive Parts/Accessories
92	Viralstyle	Specialty
93	ModLi LLC	Apparel/Accessories
94	Artemest	Housewares/Home Furnishings
95	AbeBooks Inc.	Specialty
96	Steals.com	Mass Merchant
97	Dot & Bo	Housewares/Home Furnishings
98	Crate and Barrel	Housewares/Home Furnishings
99	Target	Mass Merchant
100	Albertsons Marketplace	Food/Beverage

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Fareeha Ali oversees the research and editorial departments at Digital Commerce 360. She is also senior analyst of online marketplaces. She leads the data team, which tracks and analyzes thousands of online retail sites worldwide. She also leads the content team, which publishes news articles, in-depth strategic analysis and reports covering ecommerce trends.



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## ABOUT DIGITAL COMMERCE 360 RESEARCH

At Digital Commerce 360 Research, our goal is to provide data and information about ecommerce that helps retail companies, investors and technology providers prosper.

The team tracks hundreds of metrics on thousands of online retail companies around the world, including such sought-after data points as web sales and traffic, conversion rates, average order value and key technology partners used to power their ecommerce businesses. We sell this data in its raw format in our multiple online databases, and we dig deeply into these numbers to help inform our exclusive analysis reports we publish each year on key ecommerce topics, including online marketplaces, cross-border ecommerce and omnichannel retailing. In-depth, data-focused reports are also available on key categories of online retail like apparel, housewares, food and luxury. We also have a robust custom research department, which provides tailored research products—in-depth reports, exclusive surveys, raw data pulls and other products—for top retail companies, consultants, financial analysts and technology companies.

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