

**imagine** 2017



Magento



# 3<sup>rd</sup> Party Marketplaces: Threat or Opportunity?

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Founder, Customer Paradigm



# Company Background

- **11,600+ Projects Since 2002**
- **Magento 2 Certified Agency**
- **28 People in Boulder, Colorado**
- **15,000+ hours on Magento 2 Development**
- **10,000+ hours on Third Party Marketplaces**

# About Customer Paradigm



# My Marketplace Seller Background

- Amazon, eBay
- I've made every single mistake you can imagine
- We sell lots of low-cost items:



**Existential Threat?  
vs.  
Amazing Opportunity**

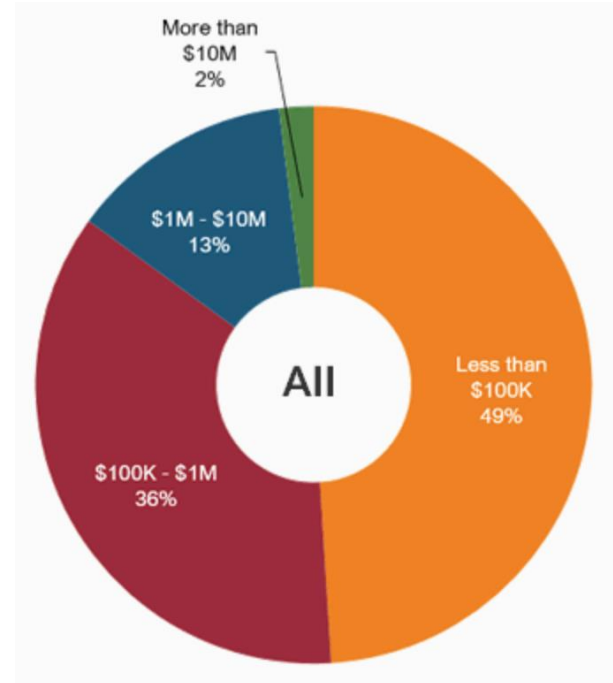
# Amazon Stats

- \$136 Billion in Revenue (2015)
- 304 million active customer accounts
- 81% Market reach in US
- Amazon Prime:
  - 54 Million US Prime Members
  - **44% of US Households are Amazon Prime**
- Prime members spend \$1,100 per year (vs. \$600 non-prime)
- **44% of online shoppers go directly to Amazon before checking any other site.**



# Amazon Marketplace Stats

- \$36 billion in sales (2014)
- 40% of total Amazon volume
- Two Million Marketplace Sellers on Amazon
- 63% of sellers only sell on marketplaces
- 89% of \$1 million sellers use repricing software.



# Hoverboard Example:

- No need to build Magento site
- Power in hands of Customer, Amazon



# Advantages to 3<sup>rd</sup> Party Selling

- **No eCommerce site costs**
- **Access to customer base**
- **Less friction in purchasing**
- **Sell common products – no need to write content**

# Disadvantages to 3<sup>rd</sup> Party Selling

- No control over customer relationship
- Many products restricted
- Restricted communications
- No remarketing
- Worries about negative reviews
- You may be competing with Amazon itself





# Selling Magento Products on Amazon:

- ASIN
- Free Shipping
- Landed Price
- Best Buy Box
- Seller Notes
- Company Name

**\$1,899.00** + Free Shipping  
Only 1 left in stock - order soon.  
Sold by **Beach Camera Same Day Shipping**



Add to Cart

Price + Shipping	Condition ( <a href="#">Learn more</a> )	Delivery	Seller Information	Buying Options
<b>\$1,400.00</b> + \$5.99 shipping	<b>Used - Like New</b> Mint condition. Always had a filter on front (not included). Come... » <a href="#">Read more</a> 	<ul style="list-style-type: none"><li>• Arrives between April 4-19.</li><li>• Ships from CA, United States.</li><li>• <a href="#">Shipping rates</a> and <a href="#">return policy</a>.</li></ul>	<b>Bryan1</b> ★★★★★ <b>92%</b> <a href="#">positive</a> . (12 total ratings)	 Add to cart or <a href="#">Sign in</a> to turn on 1-Click ordering.
<b>\$1,419.00</b> + \$7.70 shipping	<b>Used - Very Good</b> Fully functional, works great. Barrel is in excellent used condit... » <a href="#">Read more</a> 	<ul style="list-style-type: none"><li>• Arrives between April 3-6.</li><li>• Want it delivered Thursday, March 30? Choose <b>Two-Day Shipping</b> at checkout.</li><li>• <a href="#">Shipping rates</a> and <a href="#">return policy</a>.</li></ul>	<b>Midwest Photo - MPEX</b> ★★★★★ <b>99% positive</b> over the past 12 months. (3,264 total ratings)	 Add to cart or <a href="#">Sign in</a> to turn on 1-Click ordering.

# Communication Tips:

- **Reply Early, Reply Often**
- **Ship Quickly**
- **Personal Touch on Communications**
  - **Origin Story**
  - **Why you're selling this product**
  - **Keeps from getting negative reviews**
  - **Ask them to contact you if any problems**
- **Ask for Feedback / Reviews**

# Pitfalls to Avoid:

- Cancelled Orders
- No Inventory
- Intelligent Repricing Mishaps:
  - Bot Wars
  - Price Floor
  - Price Ceiling
- Copywrited / Counterfeit Products



# Questions?

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