

Christmas – the ultimate wish list for an E-marketplace

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The holiday season is here, but there's still time to write a letter to Santa. Now, what do you think an e-marketplace would want for Christmas?

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EINPresswire.com/ -- 1.Patience and flexibility



Launching a marketplace is a long-term affair. Once you start there is no going back. A marketplace requires human, material and financial investment. Its digital platform must be well thought out and have long-term value. When launching its brand, a business needs a dedicated team to make the brand viable and sustainable.



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Patience is the mother of all virtues. Beyond financial investment, patience is what helps a marketplace to develop; it calls for fundamental changes in terms of business model, marketing, investment in logistics, and cash management.

Creating and deploying a marketplace affects all aspects of a business. Employees require a structure in which they

can adapt to this new type of organisation.

A marketplace requires time, not to mention capital and human resources. The investment is potentially huge depending on the complexity of its platform and its position in the market. It takes resilience to become the perfect marketplace.

2. Building a creative and viable business model

A marketplace is born in one of two ways: either it is created with a strong business model, offering its know-how and expertise in time-to-market and technology. This type of marketplace would not sell any products or services under its own brand. The other type of [e-marketplace](#) graduates from being an e-merchant to a business that offers a greater choice of products through third-party sellers.

The goal of a marketplace is to be a sort of Ali Baba's cave where customers can find the products and services they seek – or simply discover. The importance of sellers should never be underestimated: They help the e-marketplace enrich its original offering by adding to its catalogue. We may ask the question: is it better to offer value-added services or a richer catalogue? Supplier-oriented marketplaces that attract third-party sellers are desperately seeking buyers, and to attract customers they need a large choice of goods from a variety of sellers.

A marketplace has a more promising future when its primary activity has been clearly defined and its customers are loyal. The “pure player”, however, earns money only as a middleman who needs to attract its prime sellers (e.g. by offering a discounted referral fee). If the goal is to motivate sellers to operate through its platform, the marketplace must be careful to spread its revenue volume in order not to depend solely on a few vendors. E-marketplaces can make the best possible sales offer by gaining a good understanding of the sellers’ business model and work methods.

On the consumer side, a marketplace has to be inventive by renewing its commercial offer and forever surprising its buyers. Airbnb is a perfect example. This marketplace boasts not only rentals but also other services like classes in flamenco dancing or paella cooking classes in Barcelona. Uber now proposes meal delivery.

3. An unforgettable customer experience

The look and feel of its website interface, the ease of browsing, quick response time, rich features and the latest apps all contribute to making the customer experience unique. The catalogue aside, buyers are focused on the total quality of service provided by the marketplace. This means keeping a customer in the same online purchasing environment from the moment he or she saves an item in the shopping basket up until the time of purchase. Customers don’t want to feel cheated. One-stop shopping must be a reassuring, unforgettable, quality experience.

A marketplace must consider all conceivable purchasing scenarios and adapt the customer experience accordingly. It also has to offer [payment](#) methods that match the type of purchase and kind of customer, along with the appropriate logistics. Customers should not walk away dissatisfied because of a bad experience. To increase transparency and continuously improve the customer experience, more and more marketplaces are offering rating services. Reviews allow them to evaluate their sellers, limit the risks of product return, hence refunds (and chargebacks). Ultimately, by pursuing excellence a marketplace will earn its stripes as a trusted third party in the eyes of the consumer.

4. 100% reliable and efficient payment service

The business model for online marketplaces is in its infancy. It is an evolution of the first e-commerce that soared to success between 1995 and 2015 and witnessed the growth of online payment methods and fintechs that manage all the online data flow. We are in a newly formed economy in which many payment businesses still consider marketplaces as UFOs. In fact their sales concept is still far too recent for all the players to fully grasp, especially since it involves a number of important regulatory constraints. Given this new e-commerce trend, the traditional chain of payment (issuer > payment methods > acquirer > processor) is facing enormous challenges. A new marketplace must be robust and ready to defend its business model because many payment service providers would rather throw in the towel.



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Welcome to a world where national regulators are unable to reach a common agreement. They require payment service providers to enforce procedures that comply with the Anti-Money Laundering and Combating the Financing of Terrorism (AML/CFT) program because of collections for third parties. It is not uncommon for payment service providers to pass the buck to marketplaces when it comes to managing sales accounts, monitoring transactions and fraud, changing general terms and conditions, internal procedures, etc. A marketplace needs the right tools to ensure efficient payment. Yet few new marketplaces will have learned the rules of the game. So be careful! You need experts who can deal with all the technical, legal and organisational parameters. Beware of the holiday season traffic: your marketplace business model could quickly collapse under its own weight.

5. Committed and trusted partners

Selecting the right service providers to make life easier and boost your sales is no mean feat. And that's half the battle. The hard part is to attract more sellers for even more customers. Choosing the right partners is what success it's all about, so choose them carefully – and avoid a Christmas fiasco!

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