



Get Started with B2B Ecommerce Marketplaces

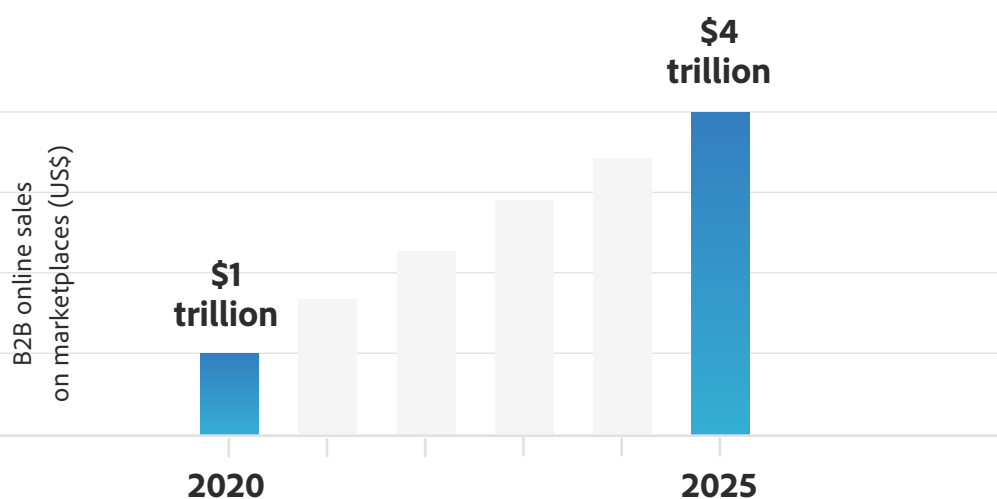
Make a business case for owning and operating a B2B marketplace.



The last few years have seen a dramatic acceleration of B2B selling via digital channels—and market trends suggest that there's no going back. B2B sales online grew 40% from \$900 billion in 2018 to an estimated \$1.3 trillion in 2020. Plus, customer expectations are rising. In a recent Gartner survey, 80% of B2B buyers said they expect the same convenient experience offered by leading consumer websites.

In this digital-first environment, it's no surprise that one-third of B2B buyers use marketplaces to procure at least 50% of their business products and services.

B2B buyers will spend even more on marketplaces.



Source: Be | SFT research and analysis

“ B2B buyers have embraced shopping online, and their requirements are becoming more sophisticated. If you don't set your own marketplace agenda, the market will do it for you.

Ed Kennedy

B2B Commerce Product Marketing Manager
Adobe

You don't have to be Amazon to run a B2B marketplace.

Amazon Business, which offers a similar experience to Amazon's consumer website as well as a massive selection of products, is now used by more than 5 million business customers worldwide. But operating a thriving B2B marketplace isn't just for Amazon and other digital disruptors.

"Owning and operating a marketplace can be a game-changer for a wide variety of B2B businesses, including manufacturers and distributors alike," explains Angela Troccoli, senior director of product marketing for Mirakl, a leading marketplace platform. "For example, if you are a manufacturer, you could use a marketplace to give your end customers a great online buying experience while allowing your distributors to fulfill orders placed on your marketplace."

She adds that, if you're a wholesale distributor, you can expand your assortments or manage substitutions when inventory is low by inviting new third-party sellers to list and fulfill orders on your primary ecommerce website.

She also notes that an ecommerce marketplace strategy can be transformational for procurement teams within large franchise and group purchasing organizations. They could set up a marketplace to give internal buyers, like franchisees, the digital buying experience and easy access to a wider range of products they're looking for while ensuring purchases stay with a select group of pre-approved suppliers to drive savings and improve overall brand consistency.

In this eBook, Adobe and Mirakl team up to provide insights on how operating a B2B marketplace can benefit your business and which marketplace model is the best fit for you.

Busting the most common marketplace myth

Many businesses believe that an enterprise marketplace is simply an online store where they can sell all their company's brands. "This is perhaps the most common misconception about how marketplaces work," explains Troccoli.

The truth is that an online store selling products produced by only one company—even if they are marketed under different sub-brands—is still an ecommerce website. Instead, a true B2B marketplace operator invites third-party organizations to sell their products alongside the B2B's first-party products.

For reference, roughly 56% of all items sold on Amazon are fulfilled by third-party sellers and 44% are fulfilled by Amazon itself—first-party sales. Adding third-party sellers gives customers a wider selection of products—without increasing inventory or logistical requirements.



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How to navigate this eBook

When we think of companies operating marketplaces, we often think of retailers that operate marketplaces to sell their products and other companies' products to end consumers. This includes companies like Amazon, Walmart, and H&M.

This eBook, however, will provide insights and advice specifically for B2B companies that sell to businesses, including the groups of businesses described below.



Industrial manufacturers

Companies that produce industrial equipment and supplies. This includes companies like Honeywell and ABB.



Wholesale distributors

Companies that buy large quantities of goods directly from manufacturers and sell them to other businesses. This includes companies like Wesco and Turner Price.



Group purchasing

Companies that leverage the purchasing power of a group of businesses to obtain discounts from vendors based on the collective buying power of the GPO members. Two common types of these are:

- **Franchise organizations** that license their brand and trademarked experience to independent operators—who, in turn, need to source supplies and equipment from the franchise organization, including restaurant and hotel franchises
- **Group purchasing organizations**—commonly in the healthcare industry—that aggregate purchasing volume and use that leverage to negotiate discounts with manufacturers, distributors, and other vendors

We will use the icons above to identify any content that's specifically for one of these groups, so you can scan this eBook quickly. Content not marked with any of these icons is intended for all readers.

The business case for launching a B2B marketplace

The idea of operating a marketplace—of being an Amazon-like entity—can sound daunting. You might worry about the complexity of onboarding sellers, handling the logistics of third-party transactions, and managing the necessary technology stack. But, for many organizations, the benefits of operating a marketplace dramatically outweigh the challenges.

“Marketplaces represent the future of B2B ecommerce,” explains Kennedy. “They combine the convenience of ecommerce with access to a wider range of products. This becomes especially important when certain products are hard to find or frequently out of stock.” According to research by Digital Commerce 360, there are now more than 250 industry-specific ecommerce B2B marketplaces in operation.

It’s not surprising, then, that a growing number of B2B companies have decided the best way to grow their businesses and keep their customers from defecting to mega-marketplaces like Amazon Business or Alibaba is to launch ecommerce marketplaces themselves. In fact, a full 75% of B2B companies are actively developing marketplace strategies. Some benefits they hope to realize are:

- Increased customer satisfaction and engagement. Marketplaces make it easier and faster for customers to find what they need and complete transactions.
- Streamlined operations. Marketplaces allow B2Bs to automate sales, payments, and fulfillment, improving efficiency and margins.
- Faster growth and higher revenues. Marketplaces remove limitations to growth by allowing B2B companies to offer more products without maintaining more inventory. They also allow gathering of valuable customer data that can inform future marketing strategies as well as research and development (R&D).

Your mileage, however, may vary according to your industry, business model, and customer base.

How B2B firms with different business models benefit from marketplaces

B2B businesses have unique constraints and opportunities. Companies selling to businesses may adopt one of many business models and gain value from marketplaces in unique ways. Let’s take a deeper dive into how B2B organizations with several common business models can benefit from operating a marketplace.



Industrial manufacturers: Meet critical market and competitive challenges.

While online selling has become pervasive, industrial manufacturers lag behind. For example, research from McKinsey suggests only 13% of industrial OEMs are able to offer digital ordering with their current capabilities and just 10% offer online, automatic self-service tools for placing reorders.

"Marketplace strategies can help industrial manufacturers reach younger B2B buyers," notes Kennedy. They also allow these manufacturers to create an ecosystem around their products, bringing buyers and sellers together.

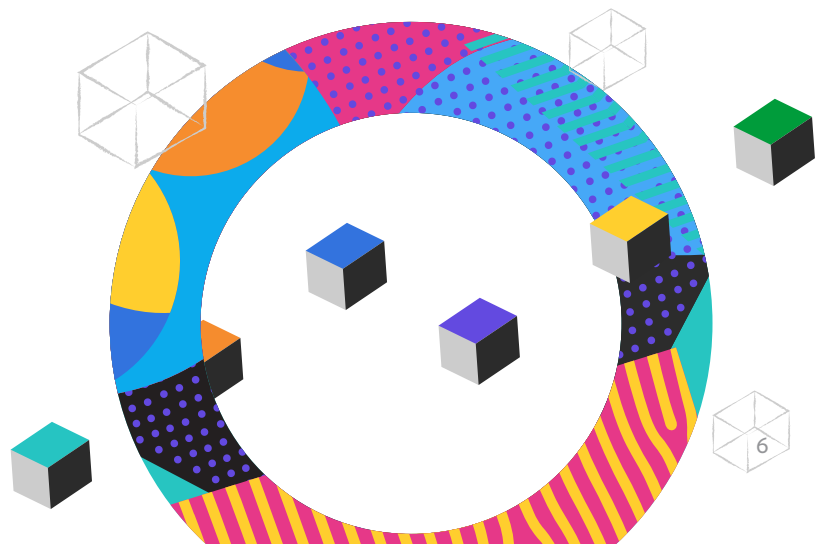
Combat commoditization.

As technologies advance, the commoditization cycle for industrial products has accelerated. It takes less time for products—even advanced ones—to lose their uniqueness and for lower-cost competitors to move in. "Generally speaking, the result of commoditization is lower margins and revenue," explains Kennedy.

While one answer to commoditization is to innovate faster, R&D can be costly and its results unpredictable. Creating differentiation based on experience and service can create a stronger preference for your products than significant R&D investment.

According to Troccoli, "Operating a B2B marketplace, manufacturers can invite existing channel partners to fulfill orders placed by end customers on the website. They can also invite complementary manufacturers or service providers to sell on their marketplace. This gives their customers a great digital experience and access to more options."

She adds that your marketplace can be a valuable source of customer preference and behavior data feedback to your marketing, sales, R&D teams and even your distribution partners.



Manage inventory shortfalls.

Supply chain challenges and ongoing volatility are affecting a wide range of industrial manufacturers. And, when they can't get enough of a critical component, production timetables and quantities can slip. Both distributors and end customers can feel the squeeze—and both may blame you. Plus, if you can't get your product out the door, your revenues will take a hit.

"Operating a marketplace helps you match customers who want your product with distributors and suppliers who have it," notes Kennedy. "When your products are entirely out of stock, you can source inventory from your channel or invite new sellers to fill the gap with complementary or substitution products." The benefits are twofold—you help your customers get what they urgently need and capture incremental revenues from marketplace transactions that would otherwise be out of reach.

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Ed Kennedy

B2B Commerce Product Marketing Manager
Adobe

Deal with disruptors.

Amazon Business is increasingly entering commodity markets for industrial parts and supplies. They are already creating "one-stop shops" for a growing number of industries such as construction, maintenance repair and operations (MRO), office supplies, and more. Manufacturers with excess inventory may use these shops to offload it at bargain basement prices fostered by Amazon's highly sophisticated algorithms. This, in turn, can drive down prices and margins for manufacturers.

"Creating your own purpose-built marketplace lets you give your channel partners an alternative to selling excess inventory through mega-marketplaces," observes Troccoli. "It gives your end customers the confidence that they are purchasing high-quality products, and provides a convenient online experience that's designed specifically for them."



Wholesale distributors: Embrace the digital future.

This is a challenging time to be a wholesale distributor. Margins and profits for wholesale distributors have been lagging for more than a decade. According to research by McKinsey, distributors generated only about half the economic profit per dollar of revenue reported by industrial companies overall in the past 15 years.

In recent years, distributors' end customers have been able to use marketplaces like Amazon Business to gain greater insights into pricing, which translates into greater negotiating power. At the same time, both customers and manufacturers are consolidating. As a result, distributors are expected to offer more favorable pricing at the same time they may pay more for product. Plus, marketplaces like Amazon Business are also eating into their market share.

Fortunately, digital marketplace strategies can also be distributors' best friends, enabling them to counter some of the forces that have kept their margins depressed for so long.

Provide differentiated services.

"Commoditization is a growing issue for wholesale distributors," explains Kennedy. As industrial manufacturers build their own distribution platforms, they depend less on distributors to market and sell their products. As a result, wholesale distributors often find themselves relegated to providing back-end logistical services, such as commoditized warehousing, fulfillment, and transportation, for which margins are historically low.

Adding marketplace capabilities to their current ecommerce website or launching a brand-new marketplace can help distributors create a valuable destination for customers where it's possible to find a wide selection of products in a particular category. Plus, a marketplace can support relationship-based direct sales by allowing sales reps to focus on larger, more complex opportunities while customers with routine or simple orders use the marketplace.

Go bigger and broader.

As we mentioned in the [industrial manufacturing](#) section, digital disruptors like Amazon Business are entering more and more B2B categories, including those historically "owned" by large distributors, such as medical supplies, construction, office supplies, MRO, and more. These digital disruptors often provide a wider selection than many distributors and lower prices.

"With owned marketplaces, distributors can rapidly add thousands or tens of thousands of products to provide an offering that's comparable in scope and scale to what the mega-marketplaces offer while also continuing and supporting long-standing relationships," explains Troccoli.



Franchise procurement organizations: Gain control of your brand.

One of the advantages of operating a franchise is that your franchisees are responsible for running all your hotels, restaurants, auto shops, or other businesses. You don't have to pay for equipment, real estate, or labor. Of course, this lack of direct control can also be a major disadvantage. Without the right guidance and support, franchisees can end up delivering inconsistent experiences that may even be at odds with your brand.

Franchise procurement organizations have often tried to address this issue by requiring franchisees to buy from a very short list of approved suppliers. However, this strategy may not allow franchisees the ability to compare prices or the flexibility to choose the right products for their local operations. It can also lead to franchisees paying more than they should and feeling frustrated with their parent brand.

“Marketplaces allow procurement teams to quickly onboard vetted suppliers and provide a digital buying experience where franchisees can compare offers, then easily make purchases—usually at a better-than-market price.

Angela Troccoli

Senior Director of Product Marketing
Mirakl

Procurement-run marketplaces represent a better way. “Marketplaces allow procurement teams to quickly onboard vetted suppliers and provide a digital buying experience where franchisees can compare offers, then easily make purchases—usually at a better-than-market price,” observes Troccoli. As a result, procurement can ensure franchisees are choosing brand-approved equipment—and franchisees get a B2C-like buying experience with more choices, greater transparency, and lower prices.



Group purchasing organizations: Simplify and streamline the buying process.

The principle behind group purchasing organizations (GPOs) is simple: combine orders from multiple organizations to increase negotiating power and get lower prices. Group purchasing organizations are especially prevalent in industries in which goods and services are very expensive and prices are subject to intense negotiation, such as healthcare. And, when managed well, these organizations are very effective at driving costs down for their members.

In practice, the buying experience can be complex, involving many email and phone interactions between groups and their membership. Sometimes, members have to refer back to their contracts to know which discounts they're eligible for. Or they may have to visit a secure web page to get contact information for each supplier and then reach out to each supplier's sales reps.

Marketplaces can dramatically simplify the process of connecting GPO members with the goods they want to purchase at the negotiated rates they've established. Instead of going through a series of manual steps, members can go directly to their GPO marketplace, identify the products they need from the brands they know at the price point they expect, and buy with confidence—all as one seamless buying journey.



What kind of marketplace should you launch?

Marketplaces are not a one-size-fits-all proposition. There are different types of marketplaces to meet different business needs and support different business models. This section will take a closer look at the three most prominent types of marketplaces, how they work, and what kinds of B2B organizations they are best suited for.





Industrial manufacturers: direct-to-customer marketplace

A direct-to-customer marketplace allows B2B manufacturers to give buyers a frictionless buying experience. In contrast to the traditional approach of pushing customers to a dealer locator site and completing the transaction there, the direct-to-customer marketplace enables buyers to discover and purchase all from the same site. Orders are then routed to the optimal channel partner for fulfillment.

Essential capabilities: A direct-to-customer marketplace should offer a consumer-like shopping experience, including intuitive product search and product recommendations. It should also streamline marketplace workflows—such as collecting payments, remitting distribution partners, and more—and be easy for non-technical teams to administer.

“ It’s ideal for industrial manufacturers that want to sell direct while avoiding channel conflict, because it ensures access to all of their distribution partners and matches customers with the right offers by location or other preferences.

Angela Troccoli

Senior Director of Product Marketing
Mirakl

Key benefits: A direct-to-customer marketplace allows industrial manufacturers to give their business customers a true online shopping experience and gain access to valuable purchasing trend data. It also provides a way for local distributors with no online presence to reach new customers and sell online, ultimately increasing overall sales.



Wholesale distributors and manufacturers: range extension marketplace

A range extension marketplace allows wholesale distributors and manufacturers already selling direct to increase the size of their product catalog by sourcing new sellers for existing products or adding entirely new product categories. “This kind of marketplace is ideal for businesses that want to become more competitive against Amazon Business, address ever-changing market trends with more agility, and provide a better ‘one-stop-shop’ experience to their buyers,” explains Troccoli.

Essential capabilities: Like the direct-to-customer marketplace, the range extension marketplace should offer a consumer-like buying experience with intuitive product search and product recommendations as well as streamline critical workflows, such as onboarding new suppliers. It should allow businesses to easily define product categories and include/exclude products from recommended offers.

Key benefits: A range extension marketplace allows wholesale distributors and manufacturers to scale up quickly and provide a convenient single source for all their customers’ product needs while providing exceptional, personalized service. And it lets them do all this while minimizing inventory, logistical, and cost risks.

Turner Price launches the UK’s first B2B food service marketplace.

About Turner Price: Turner Price is a UK-based, family-owned food service wholesaler. Their product offerings include food, catering equipment and accessories, tableware, kitchenware, clothing, specialist food and drink, and more.

Challenges: Turner Price wanted to offer their customers a larger product selection and a better, more streamlined shopping experience. “Like many sectors, catering experiences fast-moving trends and customers want to tap into these, while also having a broader choice of products,” said Julian Owen, director of sales marketing at Turner Price. Rather than invest in new warehouse space and more trucks, Turner Price launched a marketplace to quickly grow their assortment in new, higher-margin categories.

Technology stack: They chose Mirakl to provide range extension marketplace automation and Adobe Commerce to power the customer experience.

Results: The marketplace gives caterers across the UK instant access to more than 10,000 new products. With the marketplace, Turner Price hopes to stock 50,000 products by the end of the year, and the website has already seen record traffic.

[Learn more](#)



Group purchasing organizations: group purchasing platform

A group purchasing platform allows procurement and membership organizations to provide an easy-to-navigate buying experience for franchisees and group members.

Essential capabilities: Like the other types of marketplaces described above, the group purchasing platform should offer a customer-centric experience that allows buyers to quickly find products and services, compare prices and features, and complete transactions. It should also streamline marketplace workflows, such as supplier applications, approvals, and onboarding.

Key benefits: A group purchasing platform enables procurement groups to better service internal buyers with an improved digital experience and access to a wider range of approved offers and suppliers. This helps to eliminate “rogue” purchases and ensure a consistent customer experience across franchise operations.

This type of marketplace also allows organizations to give their members a convenient way to order products and services and capture their membership discounts.

How AccorHotels launched its own procurement marketplace.

About AccorHotels: AccorHotels is a multinational hospitality company that owns and manages over 5,500 hotels in 95 countries under 20 brands. In 2019, AccorHotels reported over €4 billion in revenue.

The challenge: AccorHotels wanted to improve the purchasing experience for their buyers while exposing more local assortments so their hotel franchisees could offer more authentic local experiences to hotel guests. And they needed to do it while keeping costs under control and maintaining holistic visibility across all purchases.

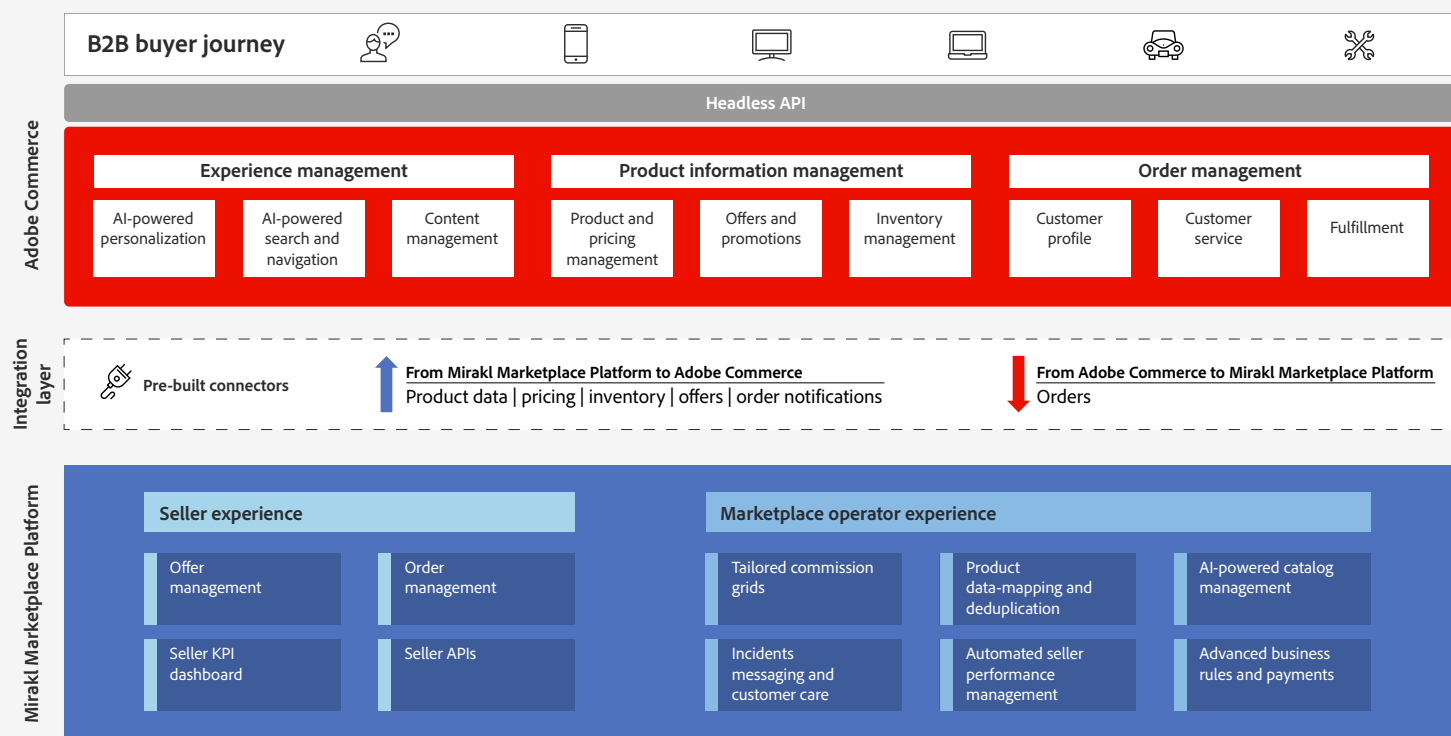
“We needed to have more visibility on real-time stats, while being able to offer our sellers and buyers the B2C buying experience. We knew it would mean a better assortment of local and artisanal goods, and a one-stop shop for our hotels around the world,” said Vincent Olicki, vice president procurement digital factory at AccorHotels.

The technology stack: Accor Group chose Mirakl for their marketplace journey—not only because of the easy-to-use technology, but also because Mirakl offered AccorHotels the most agile and scalable way to increase their suppliers. They also chose Adobe Commerce, which integrates seamlessly with Mirakl, to provide key elements of the shopping experience.

The results: In less than two years the group’s new marketplace, Astore Shop, has launched in over 5,500 hotels and has vetted and onboarded over 3,500 suppliers in line with their brand DNA.

[Learn more](#)

Technology foundation for a B2B marketplace



Take the next step with Adobe and Mirakl.

Marketplaces like Amazon Business and Alibaba have already revolutionized how B2B buyers shop. These mega-marketplaces have invested millions of dollars in building marketplace algorithms and automating workflows as well as continually refining the customer experience. “It was virtually impossible for smaller B2B firms to replicate Amazon’s marketplace model—until now,” notes Kennedy.

Over the past several years, marketplace and commerce technology has advanced and become much more accessible. “B2B businesses of all sizes can now buy a marketplace and ecommerce platform that automates complex marketplace workflows and delivers an easy-to-use, AI-powered customer experience,” says Troccoli.

Together, Adobe and Mirakl are helping B2B companies go quickly from having no digital presence whatsoever to running a full-featured marketplace, transforming their business in the process. We have fueled their ongoing growth by connecting these B2Bs to solution partners with industry-relevant experience in every part of the globe and delivering world-class post-implementation support.

If you’re interested in establishing or refining your ecommerce experience and learning what a marketplace could do for your business, we invite you to review the resources below and consider booking an introductory call with Adobe and Mirakl.

[Learn more about Adobe Commerce.](#)

[Learn more about Mirakl.](#)

About Adobe Commerce

Adobe Commerce is the world's leading digital commerce solution for merchants and brands. With Adobe Commerce, you can build engaging shopping experiences for every type of customer—from B2B and B2C to B2B2C. It's built for enterprise on a scalable, open-source platform with unparalleled security, premium performance, and a low total cost of ownership. Businesses of all sizes can use it to reach customers wherever they are, across devices and marketplaces. It's more than a flexible shopping cart system. It's the building block for business growth. For more information, go to [Adobe.com](https://adobe.com)

About Mirakl

Mirakl offers the industry's first and most advanced enterprise marketplace SaaS platform. With Mirakl, organizations across B2B and B2C industries can launch marketplaces faster, grow bigger, and operate with confidence as they exceed rising customer expectations. Platforms are the new competitive advantage in ecommerce, and the world's most trusted brands choose Mirakl for its comprehensive solution of technology, expertise, and the Mirakl Connect ecosystem to unlock the power of the platform business model for them. As a result, these companies gain the speed, scale and agility to win in the changing ecommerce landscape. To learn more, visit [Mirakl.com](https://mirakl.com)



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