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Expert Group Blueprint

Selling Successfully on Marketplaces

What does it take for a brand to successfully sell through marketplaces such as Amazon and bol.com?

[Read the blueprint](#)



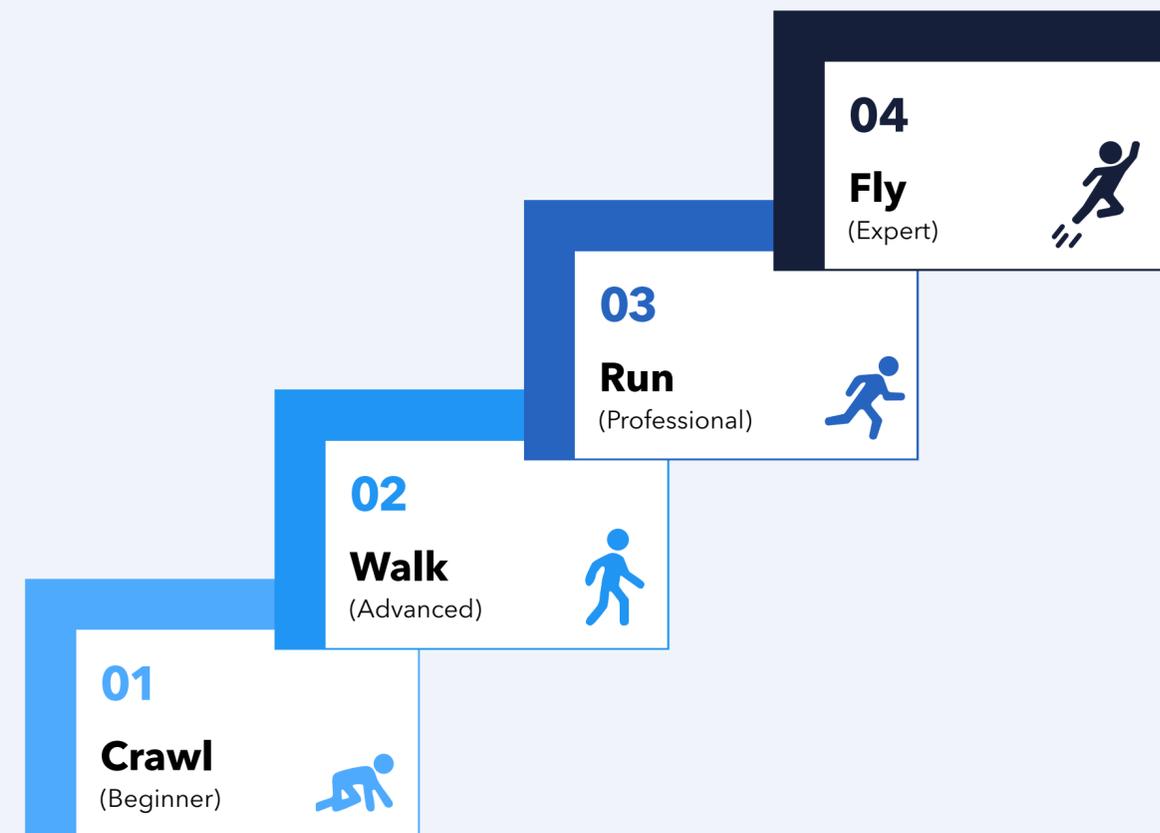
Takeaways

[ShoppingTomorrow](#) is a leading Dutch digital commerce platform for professionals.

Every year, more than 600 ShoppingTomorrow experts, divided across 25 expert groups, research online and offline shopping behavior in B2B and B2C markets, resulting in the creation of various 'bluepapers'.

ChannelEngine, together with marketplace [Bol.com](#), led one of these expert groups once again in 2022 and is proud to share the '**Selling Successfully on Marketplaces**' bluepaper.

1. Selling through Marketplaces can be divided into five focus areas: strategy, logistics, automation, conversion and traffic.
2. Your business is at one of these four stages for each of the focus areas: Beginner (crawl), Advanced (walk), Professional (run) and Expert (fly).
3. Each focus area evolves at a different pace and has very unique characteristics at each stage from Beginner (crawl) through to Expert (fly). See which areas and stages apply to your business and extract the advice that is most valuable to you.



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Chairman 

Making smart choices at each marketplace growth stage

Selling via Marketplaces is an integral part of the e-commerce world. And rightly so: this sales method offers many sales opportunities. In this blueprint, the Expert Group advises you how to thrive selling via Marketplaces.

The Experts will explain this using five themes, with which they zoom in on four possible stages (of growth) for your business with regards to selling via Marketplaces: Beginner (crawl), Advanced (walk), Professional (run) or, Expert (fly).

A Beginner faces far different challenges than an Advanced company. Of course, there is no hard line dividing stages and in practice they intertwine. Follow the advice that is most suitable and valuable to you.

Our Expert Group researched and tackled the following question:

“What does it take for a brand to successfully sell through Marketplaces such as Amazon and bol.com?”



Theme 1: Strategy

Before you begin selling on Marketplaces, you will have many issues to address. Developing a good strategy is a crucial first step. The level of complexity of any Marketplace strategy heavily depends on the (growth) stage your base business is in.

1.1 Crawl

The first strategy step is exploratory: in this stage you research different Marketplaces and discover what they have to offer. You will base your choices on a sales model, either as a *Vendor* (supplier to the marketplace/B2B relationship), a *Seller* (selling directly on the marketplace/B2C relationship), or a *Hybrid*. You then decide which Marketplaces are ideal to connect with. Additionally, you should determine your key goal, such as generating sales or creating general brand awareness.

In this stage, you operate independently within your organization. You should limit product selection and only offer your best-selling products through one Marketplace. You can then assess which products sell well and what the internal impact is of these sales on your company, in areas such as customer service and logistics.

1.2 Walk

You now have a clearer idea of the potential of Marketplaces for your business and you should explore the possibility of connecting to more than one Marketplace - and potentially consider operating internationally. In terms of execution, most selling activities are done by yourself.

Logistics ability must grow:

As Marketplace volumes increase, it will be relevant to bring the whole company on board as well. You will undoubtedly add more items to your product range. As sales volume increases more and more data comes in, allowing you to monitor and actively manage multiple KPIs. You will be in personal contact with a Marketplace account manager and aim to build a good relationship. This will be important in your growth.

Theme 1: Strategy

1.3 Run

You now have a strong foundation in Marketplaces with a sharp focus on this sales channel. Marketplaces make a strong contribution to your turnover and brand awareness. In this stage, you will be the Marketplace expert within your company and can start building a team.

You know which Marketplaces you use by country and which other Marketplaces might have additional potential. Product assortment and supply are allocated per Marketplace and you know how to best position products by Marketplace. A dashboard tracks select Key Performance Indicators (KPIs) and you are able to make data-driven choices. You might hire additional expertise and resources to grow and accelerate towards the next stage by using, for instance, one of [bol.com's certified agencies](#).

1.4 Fly

In this stage, you will expand sales through multiple Marketplaces and move towards strategic collaboration with these sales channels. Initial organic growth limits have been reached and you actively continue to work diligently to accelerate growth.

Developing further with the entire e-commerce team.

In addition to selecting the right products for each Marketplace, you can increase demand by developing products specific to the needs of each channel. You likely have a full e-commerce/marketplace team in place, with several specialists. If necessary, you can work with an agency to address deeper strategic issues or to assist in developing your team. You enjoy the full support of the management team as Marketplaces are an integral part of overall company strategy.

Theme 2: Logistics

Quickly and reliably delivering orders to customers is essential. In terms of logistics, we often recommend utilizing a hybrid strategy, employing your own as well as the Marketplace's order fulfillment process. This increases flexibility and reduces dependencies.

2.1 Crawl

As an entry-level seller, your handling process is organized through an FMB (Fulfillment by Merchant) model. Stock is managed in-house. This provides a clear structure within your business. Make sure you cover readily available stock quantities to fulfill your Marketplaces orders.

Only in the Netherlands or beyond?

At this stage, because of stock placement and shipping options, your focus is mainly domestic. Once relatively simple and cost-effective shipping options become available you can expand. Carefully consider which logistics partner best suits your products, direction and goals.

Besides shipping, you will invariably have to deal with product returns. If your business is still small, you will probably process these manually.

2.2 Walk

If you wish to provide faster delivery, you should store stock in multiple locations. In this case, you should consider housing stock at the warehouses the Marketplaces offer.

Deliver faster

As you leverage your logistics partner's performance and the Marketplaces logistical strengths, you will provide faster delivery. Think 24-hour delivery or same-day delivery. You are now more likely to get clicks on the buy button, significantly increasing turnover. You enjoy a fully functioning logistics service at the Marketplace and make the most of it.

Larger volumes, more returns

Unfortunately, you will probably have to process more returns at this stage. It is wise to stop keeping returns in-house and consider reselling them through the platform. Not all platforms have a sales process for returns, so take this into account when making operational choices.

Theme 2: Logistics

2.3 Run

Time to further optimize your processes! Generally, fast-moving products are readily available through all Marketplaces and stock is updated accordingly. Seeing as throughput for slow moving products is more time-consuming and expensive, it makes sense to re-evaluate their offering.

Expansion abroad

Expanding abroad is a logical next step. Your delivery costs will likely go up but are offset by higher profit margins or included in the price of your product, although this will affect your conversion rate.

Keep in mind that VAT rates and customs guidelines will differ. You can find additional information on ShoppingTomorrow's web-page regarding new European VAT rules:



2.4 Fly

Well-organized warehousing is crucial to excel in Marketplace logistics. At this stage, you operate in several countries and work with local warehouses that are easily restocked.

Local Warehousing

Suppose you want to expand to the United Kingdom. If you wish to guarantee delivery within 24-48 hours, local warehousing will be crucial. If this offer is not within your capacity, focus less on a competitive delivery promise and make other choices that will help you stand out. Many platforms allow you to go live without your own warehouse, but consider that export duties and taxes do apply and order processing will take longer.

Returns

At this point, offering an efficient return policy is essential - it may be more cost-effective to build this channel in-house. In-house staff can assess the condition of the returned items and can set an appropriate selling price while monitoring the turnover rate. Note that in the UK, you would also need local warehousing to process returns.

Theme 2: Logistics

Check out the web page on [Cross Border Strategy](#) if you wish to know more about optimizing a (local) strategy.

	01 Crawl (Beginner) 	02 Walk (Advanced) 	03 Run (Professional) 	04 Fly (Expert) 
Region	Netherlands	Benelux	Europe	World
Product range	Compact	Compact or Spacious	Exclusive models	
Stock	FMB	FMB/LVB FBA/FBC	Hybrid System (partnership model)	Hybrid System in combination with local warehouse
Logistics	Carrier	Two partners	Multiple partners	Partners in combination with own logistics
Delivery	As soon as possible	24-hour delivery		
Returns	In-house	In-house in combination with platform	Platform in combination with a partner	Independent business unit

Theme 3: How automation helps you grow faster

As your business grows, so does complexity. Orders increase, you are present in different Marketplaces and operate in multiple geographic regions. Automation reduces the risk of human error, while providing a scalable infrastructure that should reduce costs and save time. The structure and degree of automation that best suits your company depends on the stage you are in and your key goals.

3.1 Crawl

You are just starting to sell on a Marketplace. You receive a few orders per day and offer a narrow selection of products. You track this manually via the Marketplace's back end. Automation is not required (yet).

3.2 Walk

You likely receive more than 25 orders a day or offer an assortment of a few hundred products. This can be time-consuming and prone to error. Working manually will stagnate growth. Start automating your core processes: pricing, stock management, shipping and accounting. In the table below, you will find the corresponding solution for each process.

Basic Solution: Plug-in

A 'basic' solution is a plug-in that works with, for instance, WooCommerce, Magento or Shopify. This links your e-commerce platform to a single Marketplace and ensures that everything synchronizes properly.

Advanced Solution: Integrator

The 'advanced' solution is an integrator. This is a great option if you don't work with standard e-commerce platforms or are looking for more advanced functionalities, such as re-pricing or if you have plans to expand into multiple channels. An integrator links your back-end to multiple channels and supports your systems. At this stage, product information, analytics and ads can still be performed in the Marketplace's back end.

Theme 3: How automation helps you grow faster

3.3 Run

You open additional channels and offer a wider range of products. Not only do the number of orders increase, they also come in from other channels and in other order formats. At this stage, all back-end systems should be fully integrated. This is the time to automate all processes.

Systems and Agencies

Important options in this stage are Enterprise Resource Planning (ERP) system, Order Management System (OMS) and Product Information Management (PIM). Choose the integrator that best fits your current and future growth ambition(s). You cannot automate marketing and advertising for every Marketplace. Additionally, these processes require specific subject matter expertise. If that isn't available in-house, consult an agency for such support.

3.4 Fly

At this stage, you not only expand your channels (internationally) but also align them optimally. All back-end systems are developed. You should continue to optimize all processes. Implementation of Business Intelligence tooling makes this clear and accessible.

Customer Service Tooling

Your Finance Department will face additional challenges when processing international orders. At this point, a robust customer service tool is not optional. Marketplaces have strict Service Level Agreements (agreements on what, when and how you deliver, among other things) and will expect service in their local language. Customer service tools can automate this for you.

Theme 3: How automation helps you grow faster

	Crawl 	Walk 	Run 	Fly 
Pricing	Back-end marketplace	Basic: plug-in Advanced: <u>Integrator</u>	<u>ERP & Integrator</u>	<u>ERP & Integrator</u>
Inventory management	Back-end marketplace	Basic: plug-in Advanced: <u>integrator + WMS at own warehouse</u>	<u>Integrator</u> + <u>WMS at own warehouse</u>	<u>Integrator</u> + <u>WMS at own warehouse</u>
Shipping	Back-end marketplace	<u>Shipping platform</u>	<u>Shipping platform</u>	<u>Shipping platform</u>
Accounting	Back-end marketplace	<u>Accounting solution</u>	<u>Accounting package</u> or <u>Accounting solution</u>	<u>Accounting package</u>
Product information	Back-end marketplace	Basic: Back-end marketplace Advanced (for extensive and complex product range): <u>PIM + integrator</u>	<u>PIM + integrator</u>	<u>PIM + integrator</u>
Analysis	Back-end marketplace	Basic: Back-end marketplace Advanced for more insights: <u>data tool</u>	<u>Data tool</u>	<u>BI</u>
Advertising	Back-end marketplace	Basic: Back-end marketplace Advanced: multiple campaigns or multiple channels: <u>agency or marketing tool</u>	<u>Marketing Agency Tools</u>	<u>Marketing Agency Tools</u>
Customer service	Back-end marketplace	Back-end marketplace	Basic: back-end marketplace Advanced: <u>CS software</u>	<u>CS-software</u>

Theme 4: Increase conversion with content, reviews and pricing

There are several elements that will influence your conversion rate. Often times this is a combination of price, delivery time, stock and content. How do you increase the conversion of your products? In this chapter, we will focus on content and pricing.

4.1 Crawl

The focus here is on offering the products without a clear sense of conversion rates. You put the necessary content online, using existing or supplied content. All content is generic across all channels. The starting point for your pricing strategy is the consumer recommended retail price (CAP).

4.2 Walk

The business is now more concerned with products performing well. There is a focus on increasing conversion, realized, among other means, by adding extra content to the product page, such as images (pictures of the product in its packaging, from various angles, in use, etc). Product text is expanded and USPs are added. You use extended product content to better convey your story to the consumer.

Register a Brand

If you own a brand, you should officially register it with the Marketplaces. This protects you from copycats, provides control over the presentation of your brand and affords more marketing options.

Product Families

With more focus on product pages, products are linked together so that it becomes very clear to the customer which variants are available. The advantage of product families is that reviews of related products are carried over, so you quickly have enough reviews for multiple products. Reviews are now tracked. Apart from asking customers to leave reviews (ex. through a note with the order), no active investment in new review generation is made.

Pricing Strategy

In terms of pricing strategy, use the CAP plus shipping costs, as a starting point. Because there is a stronger focus on (conversion) results, there is greater need for data, such as competitors' prices and price developments on different channels. You do this with a [pricing tool](#). The information that this tool provides is used to gain insight, but is not (yet) translated into action(s).

Theme 4: Increase conversion with content, reviews and pricing

4.3 Run

Conversion optimization is part of daily business. Content specialists create, analyze and optimize products for higher conversion rates. Images are geared for e-commerce (custom images, packshots with labels/claims, ingredient overviews); product and brand videos and visual impressions are created. Videos are available in multiple languages and provide a clear picture in terms of how-to-use information.

Reviews

You invest in collecting reviews. Through tools such as Amazon Vine, you quickly generate reviews on Amazon. Through Amazon, you offer a product to a customer, who then reviews your product.

Pricing Strategy

You use dynamic margin-oriented pricing. You set prices by channel and/or country (differential pricing). You often use promotions and (quantity) discounts to further increase conversion. In addition, margin optimization is increasingly important: selling through Marketplaces will now receive a more pronounced focus in-house, making profitability a priority.

4.4 Fly

In this phase, your Marketplace business is optimized. By providing high-level (automated) content, made accessible via channel-specific mappings, you can easily distinguish the content by channel and country. You continuously A/B-test which content performs best, so that you always deploy the best conversion-enhancing content.

Additional content features

With additional content options such as videos, images, carousels, infographics and enhanced comparison tables, you have more tools to highlight your products and tell a more complete brand story. Product packaging includes a request to customers to leave a review. Pricing is dynamic and demand-oriented. You use dynamic repricers, which are set to the specific pricing rules for each channel to automatically modify prices in order to win the buy box. The focus is always on increasing conversion rates within margin targets.

Theme 5: Traffic

Once all processes are in place, it is vital that consumers can easily find your product. Increasing visibility and findability ensures extra traffic is directed to your product and/or brand. Where your product shows up (higher or lower) on the results page depends on a combination of content, availability, price, delivery time, reviews, performance and the number of products offered and sold. Initially, this 'mix' alone will not beat the competition. So how do visitors reach your products? The answer is: *with paid visibility*.

5.1 Crawl

You still have relatively low traffic because you are not yet easily findable through important keywords within the platform. Traffic comes in, consisting of about 20 per cent organic traffic and 80 per cent paid traffic. The first step is to start with a Sponsored Products advertising format. Make sure that your content is optimized and that you have sufficient budget available. Furthermore, you have a 'reactive media approach': you focus on your presence in relevant searches. You want to receive as much direct revenue as possible from every euro invested.

Setting Up Automated Campaigns

You select products for which the Marketplace sets up campaigns. This way, you discover your most important keywords (ex. where is the highest volume, and where conversions are coming from). Stick to a daily budget, and you don't exceed your budget.

Keyword Research

By doing keyword research – using tools from Google or from the Marketplace itself – you discover with which keywords consumers are searching for your items. Use the most searched terms in product titles, so that Sponsored Products algorithms pick up your product range.

Theme 5: Traffic

5.2 Walk

This is when the first visitors and sales come in, split between 40 per cent organic traffic and 60 per cent paid traffic. Automatic Sponsored Products campaigns run quietly: they take little effort yet leave a lot of untapped potential.

Optimize and Expand

You can analyze automated campaigns using a tool such as Pacvue or Adchieve to maximize campaign revenue. You will want to deploy the right targeting and be highly visible to chosen audiences. Along the way, you gradually expand your product portfolio.

Manual Campaigns

You explore moving from manual campaigns to automatic campaigns to gain additional control over your campaigns. You'll have a clearer sense of what works and you will adjust your campaign strategy accordingly. You expand campaigns through keyword research.

Launching Sponsored Brands

Once your brand is registered, you should create a brand page. You also have

access to Sponsored Brands to generate traffic. You take a more 'proactive media approach' and work on immediate and long-term brand building. You adjust your Return on Ad Spend (RoAS) target to reach a wider audience.

5.3 Run

Traffic and sales are on the rise and you are now on the first page of best-seller rankings. You are focused on expanding marketing opportunities and adopting new strategies to generate even more search traffic. The distribution of traffic on your pages is approximately 60 per cent organic and 40 per cent paid.

Paid Advertising Strategies

You experiment with advertising strategies to get the most out of Sponsored Products. For instance, you defend your products and brand by ensuring competitors have little chance of running ads on search results of specific interest to you (ex. on your brand name). This prevents competitors from running off with a low-hanging fruit (*defend*). You can also go on the offensive and target competitors' searches and cross-category searches (*attack*).

Theme 5: Traffic

Setting Manual Bids

You can also bid manually. This way, you set a bid amount per article or keyword in your campaign. This bid is the maximum click price you will pay. In a manual campaign, you can bid on 'products' or on 'keywords'.

Advertising Automation

As an expert, you use software that allows you to manage campaigns efficiently and effectively. As a result, campaigns are automatically handled and bids go either up or down according to the parameters you have set.

Sponsored Display

Sponsored Display allows you to expand your offering of Sponsored Products and Sponsored Brands. Factor in a potentially lower RoAS but use this tool to reach a wider audience on the Marketplace.

Deals & Promotions

To give your organic position an extra push and extra visibility you should consider deals and promotions. These can ensure that the extra traffic from advertising converts better. This makes it easier to climb the best-seller ranks and achieve additional growth.

Own Channels

By pushing traffic towards your Marketplace listing through your own channels, such as social media posts, affiliates or newsletters, you provide even more relevance to the algorithm and generate more traffic/impressions with a positive impact on your organic ranking.

5.4 Fly

Your products dominate in their category. You are among the best-sellers and you are an important partner to the Marketplaces. You use all the marketing options provided by the Marketplace, as well as your own. To maximize traffic you align your marketing calendar with the Marketplace's key promotional days. Traffic distribution is now approximately 80 percent organic and 20 percent paid. You reach a broad audience that you introduce to your brand's message. You focus on reach that generates traffic, rather than purely focusing on traffic.

Video, Social & Display Advertising

You use social and display advertising with the Marketplaces to advertise your promotions. You use display advertising to arrive at shoppers both inside and outside the Marketplaces.

Theme 5: Traffic

Retail Packages

You have built a solid relationship with the Marketplaces and place your products on offer during key promotional periods.

Premium Placement Spots

Marketplaces offer premium advertisement spots, such as on their homepage or on a category page. You now utilize this channel to recruit customers, improve retention, upsell and enhance the visibility of your brand and/or products.

In Conclusion

We hope that you now have a good grasp of the (almost endless) possibilities of selling via Marketplaces. Now that you know which options lead to which growth stages, you will have a clear sense of what is possible in the short and (medium-)long term. The most important thing to keep in mind is: there is no one size fits all. So, keep weighing which strategies best suit your company's goals.

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