

# Every ad. In the right place.



Digital ad campaigns for [online marketplaces](#)



# Welcome

Everything. In the right place.

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Online marketplaces are the great engines of online commerce. They aim to offer everything customers need—focusing on convenience, range, and quality. If you are keen to find out what makes a successful marketplace or looking for ways to empower your site with better digital ad campaigns, then you are [in the right place](#).

This guide is split into three parts. The first takes a look at the state of marketplaces in 2023, analyzing where we are right now and then identifying some key trends. We take a look at the value of niche marketplaces, the different industries where they thrive, and the complex relationship that Gen Z has with different types of online sales.

The second section is a wide-ranged debate among our in-house experts about online marketplaces and retargeting. And part three is a must-read for marketing managers. We've taken internal and external data, as well as expert opinions, and created a blueprint for how to run successful marketplace campaigns.

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# Everything. To everyone.

An outlook for global marketplaces in 2023 and beyond

# In numbers:

## The incredible growth of marketplaces

# 59%

Online marketplaces sales will account for 59% of global eCommerce by 2027.

[Source →](#)

# 20%

Amazon.com accounts for 20% of all desktop marketplace visits globally.

[Source →](#)

# \$300 B

Alibaba's 2022 market cap amounted to over \$300 B.

[Source →](#)

# 70%

Marketplaces are considered the most convenient way to shop by 70% of online buyers.

[Source →](#)

# 46%

Nearly half of online retailers are considering combining their fulfillment networks with those of other companies to compete with online marketplaces.

[Source →](#)

# The evolution of “everything”

The quite loud slogan on the front of this guide says “Everything. In the right place.” It perhaps creates an image that marketplaces are great, sprawling sites where buyers can find literally everything that was ever conceived or created—one place where you might pick up spark plugs, wooden clogs, and used cassettes of old Genesis albums.

There are such marketplaces, and they are among the biggest and most popular in the world. However, **the idea of “Everything. In the right place” means something different to every online marketplace.**

- For some, it’s about selling “everything” a customer needs for one part of their life, focusing on a product category.
- For brick-and-mortar stores that become online marketplaces, it might mean selling “everything” loyal customers expect... and more.
- For others, it may mean selling “everything” that interests a specific group of people or an entire generation.

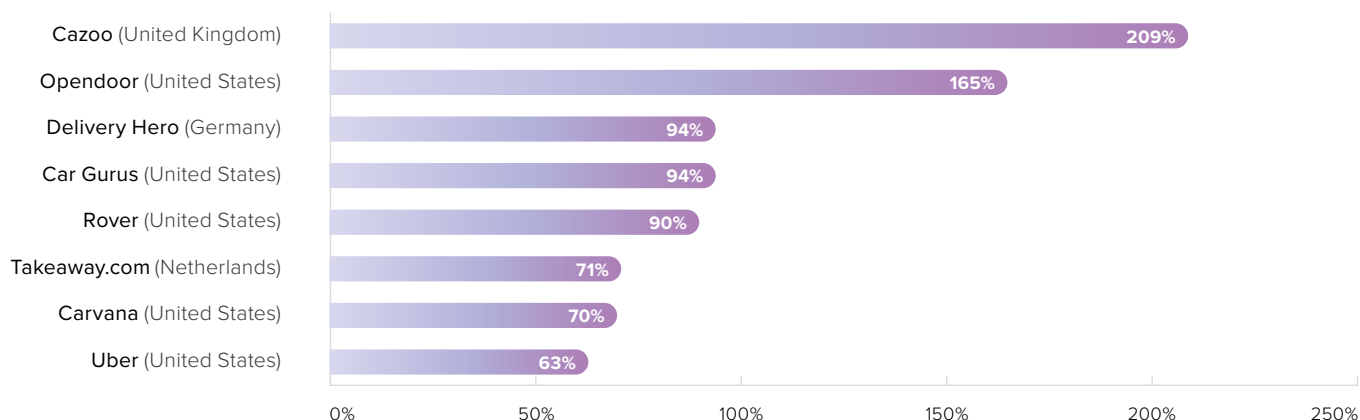
In short, marketplaces have evolved to cover “everything” in modern retail. **The most incredible element of modern online marketplaces is that they are seemingly able to effortlessly overcome the contradiction of covering a wide product range while maintaining a clear and focused identity.**



The global ecommerce market [is expected to reach \\$6.3 T in 2023](#) and continue growing over the next few years, exceeding [\\$7 T](#) in 2025. Marketplaces account for more than half of those sales, and the top ten global players [sell \\$1 T worth of products](#). No wonder that [12% of major retailers already operate an online shopping marketplace](#), and 32% are considering opening one.

When we look at the most established players against the fastest-growing sites in 2023, we see a marked difference. Of the [top ten online marketplaces](#), only Etsy is not in the “General” product category. The other nine—including Amazon, eBay, Shopee, Rakuten, and AliExpress, all embrace the “everything to everyone model.”

## Fastest-growing online marketplaces worldwide between 2020 and 2022, by revenue CAGR



Source: <https://www.statista.com/statistics/1039587/leading-online-marketplaces-by-cagr/>

However, in the list of [the fastest-growing marketplaces between 2020 and 2022](#), we see more focused “niche” or “vertical” marketplaces that cover specific needs—and they cover a wide range of industries, including new and used cars, real estate, podcasting, food delivery, ride-sharing, and freelancer services. In fact, in the fashion industry alone, Farfetch specializes in luxury, and ThredUp is a thrift store for reusable second-hand clothing.

It’s a small sample size—and nobody is suggesting that Cazoo is on course to overtake Amazon any time soon—but it does show that most newer marketplaces are having to think carefully about where they can bring value in an already crowded market with strong players. They ask questions like: What is our niche? How do they create personalized experiences? **What can we do differently?**

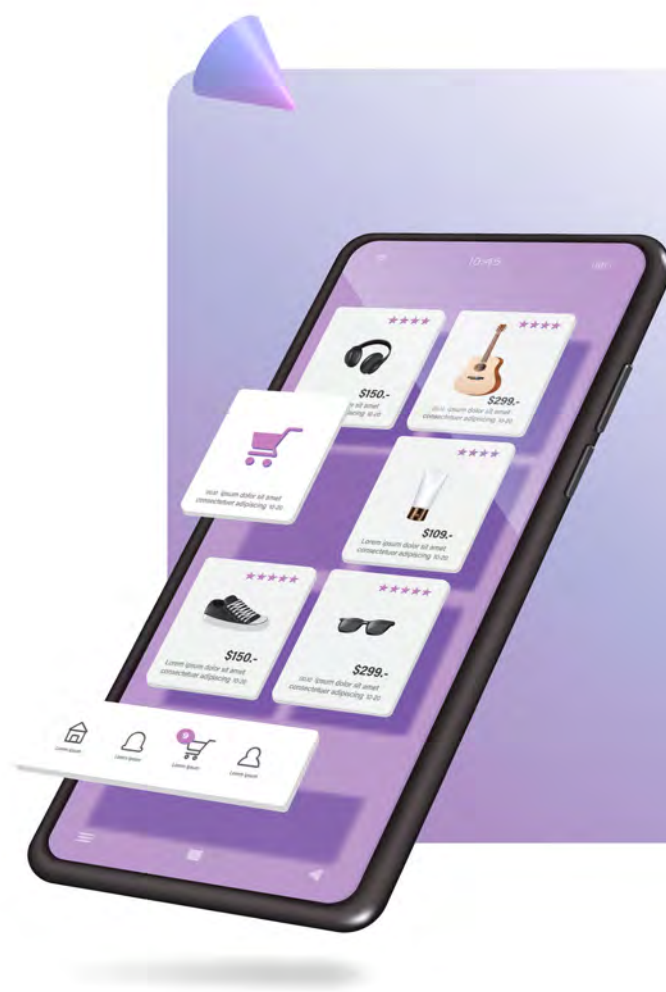
### The world’s top online marketplaces

#	Name	Region/Country	Product Category	Visits/month
1	Amazon	Global	General	5.69 B
2	eBay	Global	General	2.98 B
3	Shopee	Southeast Asia	General	631.19 M
4	Rakuten	Global	General	590.84 M
5	AliExpress	Global	General	526.4 M
6	Walmart	North America	General	514.03 M
7	Mercado Libre	Latin America	General	446.97 M
8	Etsy	Global	Arts, Crafts & Gifts	397.5 M
9	Taobao	China	General	333.14 M
10	Wildberries	Russia	General	279.8 M

Source: <https://www.webretailer.com/marketplaces-worldwide/online-marketplaces/>

# 5 marketplaces that do things differently

As newer marketplaces often thrive by finding their niche, it's not only about the product range. Here are five marketplaces that are differentiating themselves from the crowd with unique features.



## 1. Catawiki

Vintage goods and online treasures

Catawiki takes the business of online auctions seriously. Rather than allowing sellers to list any item at any time, Catawiki runs auctions of groups of similar treasures each week—all of which are verified by category experts. Items range from ten-dollar curios to first-edition books worth tens of thousands. The site relies heavily upon the legitimacy offered by its in-house experts and the authenticity of the treasures it has on offer.

*Second-hand auction items have burnt many online buyers over the years. Catawiki tackles the trust issue and allows people to spend large amounts online with real confidence.*

## 2. Otrium

Giving a new start to end-of-season fashion

Otrium is not alone in its fight to improve the fashion industry's waste problem. There are other marketplaces out there doing great work. However, Otrium is worth highlighting for its ongoing commitment to shifting unsold fashion items and ensuring that the resources that went into creating clothing didn't go to waste.

*As Millennial and Gen Z buyers tire of the environmental impact of the fashion industry, marketplaces with a genuine mission to affect positive change will find willing and loyal customers.*

## 3. Consumerhaus

Telling the story behind every product you buy

Gen Z cares more about where products come from and the people behind them. Younger buyers are increasingly more willing to pay a premium to know that their values match those of the person on the other side of a transaction. Consumerhaus includes a full "seller's story" with every single product listing, as well as tags to show if a business is female-founded, socially responsible, or gives back to the community. Younger buyers are increasingly more willing to pay a premium to know that their values match those of the person on the other side of a transaction.

*Consumerhaus has taken a "total transparency" approach that works for a product range of around 700 items. The big question is if such niche marketplaces can scale but maintain that integrity that is the core of the business.*

## 4. Bandcamp

### Music

While not a marketplace in the most obvious sense, Bandcamp is a platform through which third-party vendors (i.e., the artists) sell their products and pay a commission. The platform is perhaps the most notable success story to date involving “Pay What You Want” models. Artists can set a fixed price for products and merchandise or allow buyers to choose how much they want to pay.

*Bandcamp has proven that if your products are not bound by high fixed purchasing costs, you can explore non-traditional payment models, and it meets that growing need to offer customers more choices that fit their individual needs.*

## 5. Outschool

### Education

Marketplaces are at their best when they are flexible and accessible to all. Outschool is an excellent example. It offers a range of educational courses that go far beyond the traditional curriculum, allowing youngsters to sign up for Adulting For Teens classes that will let them know what to expect as they hit college age or providing Financial Literacy courses for pre-teens.

*Outschool stands out for the availability of courses at lower price points than traditional extracurricular tutoring. Education should be for all, and a marketplace that embraces that concept is a fresh idea.*

# Top marketplace categories



Marketplaces cover every product category. Although multi-category sites lead the way, major fashion marketplaces have over 700 M visitors a month and other categories also attract tens of millions of online shoppers.

## Top product categories sold by online marketplaces worldwide

#	Product Category	Marketplaces*	Visits/month
1	General	89	24.42 B
2	Fashion	29	705.08 M
3	Arts, Crafts & Gifts	3	459.41 M
4	Homewares	6	198.32 M
5	Music	2	74.3 M
6	Electronics	6	59.93 M
7	Sports	3	57.2 M
8	Books	5	38.08 M
9	Musical instruments	1	15.7 M
10	Toys & Baby	2	9.3 M

\*Includes only marketplaces with more than one million visits per month.

Source: <https://www.webretailer.com/marketplaces-worldwide/online-marketplaces/>

One size does not fit all. Marketplaces in different categories need to focus on widely varying customer needs. Fashion buyers have totally different purchase decision triggers than people shopping for electronics. These needs should also be reflected in the way that you run ad campaigns.

Here's how customers' expectations of the marketplace and its ads change in some major categories.

Industry	What consumers need most from your marketplace	What customers need in online ads
<b>Fashion</b>	<ul style="list-style-type: none"> <li>• Great, high-resolution images of products.</li> <li>• Easy selection of all the variables of size, cut, and color.</li> <li>• A simple return policy if items are not just right.</li> <li>• A top-notch recommendation engine to help customers find complementary products and drive up AOV.</li> </ul>	<ul style="list-style-type: none"> <li>• Product recommendations that are the right style and fit for the individual.</li> <li>• Ads for clothing brands from the wide marketplace selection that the wearer prefers.</li> <li>• Branding content to keep your marketplace top of mind as fashion shoppers may browse similar items on a number of sites.</li> </ul>
<b>Electronics</b>	<ul style="list-style-type: none"> <li>• Describing the parameters and capabilities of products in a way that is clear for both tech-savvy customers and first-time buyers.</li> <li>• A range of pricing and payment options, such as installments for major purchases.</li> <li>• Regular top deals and discounts as customers look for the best price point on numerous sites.</li> </ul>	<ul style="list-style-type: none"> <li>• Products that match their price point. Electronic products vary in price, and finding the right product for each customer's budget is vital.</li> <li>• Ads that stand out during special promotions and seasonal sales events like Black Friday.</li> </ul>
<b>Home and Garden</b>	<ul style="list-style-type: none"> <li>• Homeware and furniture products are not just for one season. Most are in the home for years to come. Customers need clear information about quality and durability.</li> <li>• Photos that show products both alone and in a home setting.</li> <li>• Delivery, assembly, and returns can all be major concerns for buyers. Make sure they know exactly how the process works.</li> </ul>	<ul style="list-style-type: none"> <li>• Upselling and cross-selling opportunities. If a customer is buying a sofa, will they want an armchair from the same set? Or complementary cushions?</li> <li>• Campaigns must be flexible and move fast, as home and garden purchases often shift with the seasons.</li> <li>• Ads need to look amazing and capture the buyer's attention with quality product pictures.</li> </ul>

# The complex relationship between Gen Z and marketplaces



Before we begin...

Gen Z*	Millennials	Gen X	Baby Boomers
18 - 25 years old	26 - 41 years old	42 - 57 years old	58 - 76 years old

\*in 2023

Now that we have that cleared up, let's get down to it.

Gen Z should be Generation Marketplace. The oldest people in the demographic were born in 1998, a full four years after Amazon launched. They've never known a world without online marketplaces.

However, when we look at the numbers, younger consumers seem less drawn toward marketplaces than older shoppers. [According to research by ESW](#) from 2022, 63% of Millennials and 60% of Gen Z shoppers said they prefer buying directly from international ecommerce brands over marketplace platforms.

The main reason seems to be that these younger shoppers have grown used to (or grown up

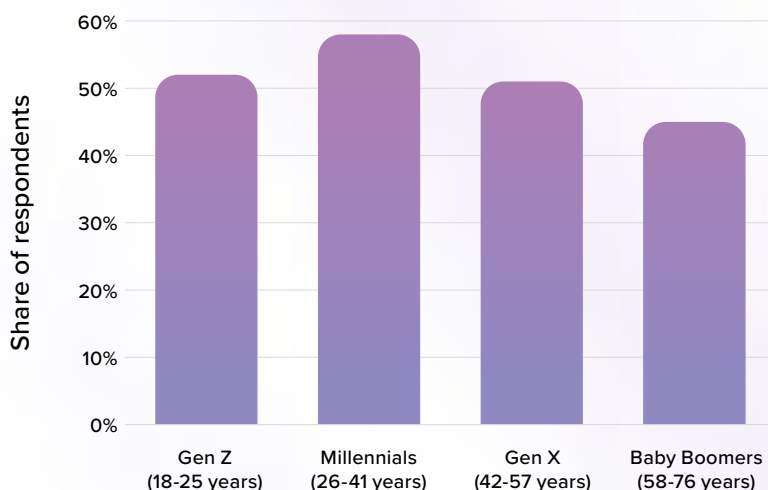
with) the idea that online experiences should be highly personalized. 73% of Millennials, and 69% of Gen Z shoppers believe that shopping via Direct-to-Consumer (DTC) channels provides them with offers and promotions targeted specifically toward their preferences.

This is less of a concern for Gen X and Baby Boomers, with only 50% feeling that they get a more personalized shopping experience directly from online stores. This right-in-the-middle percentage suggests that they don't mind too much either way.

As previously mentioned, the ethical connection to the seller matters more to Gen Z than any other generation, which is perhaps why marketplaces don't speak to them as clearly.

The numbers for [direct purchases from social media platforms](#) tell a similar story about Gen Z. They may be slightly more likely to buy than Gen X and a few percentage points above Baby Boomers, but Gen Z lags a way behind Millennials in social purchases. Not what you might expect when we are talking about a generation that is so engaged in social media...

### Share of shoppers who had purchased a product directly from social media platforms worldwide in 2022, by generational cohort



Source: <https://www.statista.com/statistics/1273928/share-social-buyers-age-group-worldwide/>



Roughly 88% of Gen Z are active on some social media, compared to around 80% of Millennials and Gen X and 65% of Baby Boomers, so we could reasonably expect Gen Z to be far ahead in shopping through such channels.

This may seem a harsh reality for marketplaces, but it also presents a huge opportunity and is set to change.

Firstly, more and more DTC stores are adopting a marketplace model. In the U.K., for example, massive retailers such as Boots, Next, and B&Q have all added vendors and become marketplaces in recent years. So, even if Gen Z doesn't go to the marketplace, it will eventually come to them as the brands they buy from change their sales models.

However, there are also things that all marketplaces can do to encourage and activate Gen Z buyers. Personalize and mobilize.

## Personalize

As noted, Gen Z and Millennials are all about personalization. 76% of consumers across generations say that they are more likely to purchase from brands that personalize. What's more, 60% of consumers say they'll become repeat customers after a personalized shopping experience. The marketplaces that win the hearts of Gen Z consumers will be those that create transparency and make users feel like they are buying directly from the brands they love, with some level of personal interaction.

Online ads are also essential here. The more relevant product recommendations are, and the better-seen consumers feel, the more likely they are to try a new product or platform. The numbers tell the story. The acceptance rate for personalized ads was 54% in 2021, up from just 35% in 2019.



## Mobilize

Gen Z was not just born in a world where Amazon already existed, they are also a demographic that doesn't remember a world without mobile phones. 55% of Gen Z use smartphones more than five hours daily, and more than 40% of Gen Z would rather lose their wallets than their smartphones. In fact, many of them don't even own wallets. It's all on their phone.

Studies have shown that people under 35 are more than twice as likely to download marketplace apps than those over 45. If marketplaces want to win over Gen Z, they need to do so on mobile, which is their native online environment. This means creating seamless mobile browsing, safe and easy checkouts, and apps that build and reward loyalty.

# 7 must-haves for modern marketplaces

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Marketplaces have always been a source of disruptive innovation, shaking up industries and providing new value to clients. Despite the size of their operations, they are never slow to introduce features or services—knowing that staying at the vanguard is crucial as competition increases. They are not all innovations, but they are the features that all marketplaces should already have in place or be adding soon.



1.

## Desktop and mobile versions

It's not just Gen Z who are going mobile. [79% of all smartphone users](#) have made a purchase on their mobile device in the last 6 months, and [mobile commerce will account for 69.9% of total global ecommerce sales by 2024](#). Marketplaces need to work brilliantly on any device at any time. Every product offer needs to look equally appealing on a variety of screen sizes, and checkouts and payments must be made possible (and safe) with only tapping and swiping instead of typing.

2.

## Loyalty programs

It's possible to run a successful marketplace without membership programs and treat all customers equally well. However, the investment that a customer makes by subscribing to a higher level of service keeps them coming back and adds value and longevity. Marketplaces that use branding ads to inform customers of their premium tiers are investing in acquiring more long-term customers with a higher CLV.

### 3. Great ad campaigns

Marketplaces are a competitive environment. No modern online marketplace can survive nowadays with a highly effective online ad strategy. The second half of this report goes into a lot more detail on the subject, but the overall advice is this: Use retargeting ads to sell more products and branding ads to sell people on your marketplace and the special benefits it has to offer. The more powerful the technology you choose for these campaigns, the better results you will see.

### 4. A clear niche (and possible expansion)

Establishing your marketplace often means finding an opportunity or angle that others are not focusing on. You can stay in that niche and have great success. For example, [Chewy.com](https://www.chewy.com) has built a business [worth \\$44 B](#) annually after realizing that pet owners were not buying food online and setting up a pet food marketplace. However, if you want to scale up later on, it is possible to add categories to your marketplace that are complementary to your current offerings or even from a different area altogether—such as German online fashion giant Zalando launching a toy category. And, remember, Amazon started out its relentless journey with just books before branching out.

### 5. Influencer and content marketing

[97% of Gen Z use social media as their top source of shopping inspiration.](#) They also place a great amount of trust in authentic recommendations made by influencers on apps like Instagram, TikTok, Snapchat, Spotify, and Twitter/X. If you run a fashion website, why not add expert video content to different categories? When a user searches for scarves, perhaps the results page can feature an expert showing “10 ways to tie a scarf” or explaining the difference between a scarf, a snood, and a pashmina. It’s not all hard-sell, but it is the kind of content that elevates your site from a marketplace to a place of inspiration.

### 6. Social interaction

Net users value two-way interaction with brands and sellers. They want to share their opinions and their love of the products they buy. Marketplaces need to start embracing this more. Instead of just allowing customers to leave feedback and reviews, U.S. fashion marketplace Poshmark lets users like listings and leave comments.

### 7. Excellent customer service

Customers will no longer accept that online customer service is inferior to that in brick-and-mortar stores. They’ve seen enough examples of sites that get it right to no longer accept those that don’t. In fact, [87% of consumers spend less or completely leave brands that don’t provide great customer service.](#) Meanwhile, [92% of consumers surveyed said that they will buy again if the product return process is easy.](#)

Marketplaces are far more complex than normal stores, and customers’ questions will cover a broad range. Make sure your site has an easy-to-find, comprehensive, and intuitive FAQs section. To augment the customer service experience, most online sites are now all-in on chatbots. Of those that haven’t already got AI-driven customer chat, [75% say they want them.](#) It should be a standard feature of your marketplace.

# What the experts say

Comments from our Industry Thought Leaders



## Will stores be able to exist in the future without some sort of marketplace model?

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“Many stores are already shifting toward something of a marketplace model. For example, Next has operated continuously in the U.K. for over 150 years as a clothing retailer, but since introducing its ecommerce channel, it has added categories such as homeware, gifts, beauty, and baby products, and invited third-party vendors to sell through the site.

“We’re going to see more and more retailers taking this approach. Businesses need to keep moving forward. By standing still, they are only going to atrophy as online competition intensifies.

“The only caveat is making sure that your brand still stands for something. If you’ve been on the market for a century as a clothing brand, perhaps your marketplace needs to lead with that identity and keep the other categories as additional revenue streams. Diversify the offering but keep the heart and soul of the brand intact.”



Andrew Howe

VP of Operations U.K., RTB House

“Adopting a marketplace model is an easier win nowadays than it was in the past. Companies don’t need to expand store sizes or take huge risks in purchasing inventory. As long as the distribution network and online store are top-notch, the risk of diversification is lower than ever before.

“Extending product ranges is taking traditional brick-and-mortar retailers into the realm of multi-category stores. Blokker is a great example from Holland. After over a century on the market, it has now added numerous categories and products, creating a site that is a go-to for everything consumers might need for the home. Embracing this opportunity to add more products is essential for stores that have that opportunity right now.

“The key to a good marketplace which has evolved from a household name is that it should not look and feel like there are multiple vendors at play. It should feel like the customer is buying from the brand they know. Fulfillment is just a detail.”



Pepijn Breijder

Head of Sales Benelux, RTB House



“Some stores favor brick-and-mortar, some online sales. Some vendors stick with a small range of products while others branch out into new categories. Some online stores manage their entire product inventory, and some have invited third-party vendors to create a marketplace model. There are many ways to run an online business.

“No matter which you choose, there is one universal truth: all online businesses can take advantage of external marketplaces and should be exploring which partnerships might work best for them in the future. If you are a fashion store, there are marketplaces for shifting unsold items from previous seasons. If you are a food and beverages producer or retailer, there are huge marketplaces with logistics and delivery networks that you can’t afford to ignore.

“Selling through marketplaces does come at a cost, and commissions cut into your end profits. However, it’s worth looking at how external marketplaces can enhance your operations, covering the gaps in your business, such as shifting dead stock or increasing reach. There are so many marketplaces out there now that it will become a critical part of online store strategy in the future—choosing which marketplace best complements your specific business model and activates the sales that your store is missing out on.”



Agnieszka Gilewska

Business Development Director Poland, RTB House

“There are three ways in which brands can operate in the vast world of ecommerce: pushing everything into marketplaces, working with select retailers, or sticking to DTC. This guide celebrates marketplaces; however, in order to understand their value, it is worth considering why a marketplace model is not right for some businesses.

“Firstly, there are brands Nike, Adidas, or Under Armour. Customers are fiercely loyal to one company and proudly wear the logo. Inviting third-party retailers to turn their site into a marketplace would risk diluting the brand, placing it alongside other products that may not be as desirable to loyal customers. For such titans, maintaining brand purity onsite is, in itself, a sign of strength. However, for most brands, there is less of a reputational risk in selling products from other quality vendors.

“Secondly, there are brands that have found a competitive advantage in offering curated ranges and delivering exceptional customer. Revolve Clothing is a good example—not selling on marketplaces perhaps helps them focus on their own brand, make customers feel like their offers are exceptional, and keep service on a certain level. That’s not to say that brands holding similar values can’t make sales on external marketplaces work. It’s just a case of doing the research and carefully choosing the right marketplace that gives customers the feel of curated offers and provides a high level of service.”



Jaysen Gillespie

Head of Analytics & Data Science US, RTB House

## How will customer experiences evolve in the future?

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“Customer experiences will continue to evolve in many ways in the future as technology advances and expectations change. Here are some trends that present big opportunities for the way that marketplaces both operate and advertise:

- Customers now expect highly personalized experiences that fit their individual preferences and needs. Utilizing data to deliver tailored ads while complying with changing regulations is a must.
- Artificial Intelligence is opening up new ways to provide 24/7 customer service and support. Chatbots and virtual assistants are cost-effective and reliable ways to guide customers through the complexities of a marketplace.
- Virtual reality will allow online users to more thoroughly investigate products and services before making a purchase, like trying on clothes or seeing how furniture would look in their homes.

The key to success is being proactive whenever possible. Instead of waiting for trends to become the norm, online retailers can stay ahead by testing and adopting technologies that meet the changing needs and expectations of customers before competitors.”



Veronika Mitina

Country Manager Portugal, RTB House

“Malls are still popular in many countries, but the overall trend shows a net number of closures and a move away from large, expensive retail spaces. Shoppers can go online for everything they would previously have bought at the shopping center. However, the loss of malls means the loss of the mall experience. It’s one that we know well from the movies—a group of friends spending quality time together, window-shopping or simply browsing in a dozen stores, and then maybe getting a bite to eat before doing it all again.

“A trip to the mall could last all day, whereas online shopping is characterized by expediency and quick decisions.

“The evolution of marketplaces may be to bring more of this shared experience for those who want it. Can marketplaces develop apps and features that allow a group of Gen Z and Millennial shoppers to sit in separate locations but simultaneously browse items together on their devices?

“Creating the ‘e-mall’ from a marketplace is a win-win situation. Customers get more engaging and social online shopping experiences, and marketplaces attract groups of shoppers rather than individuals—each of which has the possibility to make purchases while on the site.”



Karolina Klijer

Business Development Director Nordics, RTB House

# What's the number one thing a marketplace should offer to vendors?

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"Marketplaces compete for online shoppers, but there is also strong competition to get vendors and brands on board... because the quality and range of the goods and services on offer are always what will eventually bring in customers."

"Online stores won't sell through every single marketplace, so getting them to partner with yours involves showing what you have to offer. Brands will make decisions based upon factors like ease-of-use and product management, scalability of campaigns, sales costs, and the size of the active user base. You need to present all of these to prospective new vendors. Above all else, you need to prove that their brand and products will be visible."

"Vendors may be pitted against their direct competitors on your marketplace, and you need to reassure them that they won't take second place. Show them your system and how easy it will be for customers to find their products. Also, talk openly about your online ad campaigns. Prove to them that customers will be shown relevant ads that lead to sales and that their products will appear as recommendations to prospective customers."

"Vendors join marketplaces because they are looking for scale. And scale means being seen."



Erkan Soy

Head of Sales DACH, RTB House

"Vendors turn to marketplaces to reach more customers from both organic traffic and retargeting ad campaigns. 'Reach' for many online retailers can also be about increasing the area in which a business can actually operate."

"Not all e-stores have well-developed logistics and distribution systems in place. In a large territory such as Kazakhstan, stores may be limited to serving one region or even just a single city as they are unable to cover the entire territory and make delivery cost-effective."

"The great advantage that marketplaces offer to vendors in such countries is the ability to reach everyone. An online retailer may be able to double or triple its potential customer base simply by plugging into the superior distribution network of a well-established marketplace."

"Of course, in large territories, vendors may not be able to promise instant or next-day delivery—but they will still open up their offer to people in distant and remote places, adding valuable sales that would be impossible without partnering with a marketplace."



Kaspars Drikis

Country Manager Baltics, Balkans, Kazakhstan, and Azerbaijan, RTB House

## What is the main feature customers look for in an online marketplace?

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“Experiences have evolved greatly, but expectations remain the same. Whether it is a small brick-and-mortar store or a giant online marketplace, trust is still the number one concern for buyers. In any situation, they need to trust that pricing is fair and that the goods are of the right standard.

“All online retailers also need to prove to clients that they can be trusted with personal data. This means providing bullet-proof security against breaches on the shopping platform. However, it also means using data in a delicate way during online advertising. Over-powering customers with ads that feel like spam is a sure way to damage a relationship that you have worked hard to build.

“Finally, marketplaces have added the challenge of vetting vendors and making sure that customers trust that returns and complaints will be dealt with in a positive and timely manner.

“Fair pricing, appropriate quality, personal data protection, and customer service are the elements that can cause a customer to gain or lose trust toward any vendor. And, no matter how things evolve and change, that will always be the most fundamental part of any customer’s relationship with a brand.”



Jennifer Dielen

Senior Sales Manager AUNZ, RTB House

## Where can marketplaces find an easy advantage?

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“Nothing is easy right now. Like the rest of the world, Latin America is facing a challenging economic scenario, which only adds to the competitiveness among the many marketplaces players.

“There is no single solution or approach that absolutely guarantees success in trying times, but Artificial Intelligence is perhaps the best way for any business to gain a competitive advantage right now. This is true in the online advertising field but also in other areas of the marketplace’s operations, such as Finance, Logistics, and Human Resources.

“In advertising, better AI technology directly translates to better budget allocation and more impact on relevant audiences. It results in more sustainable and efficient campaigns with a greater (and faster) return on investment. In such a delicate economic period and an ultra-competitive market, this is as close as one might come to an ‘easy’ advantage.”



André Dylewski

Business Development Director LATAM, RTB House

## How should marketplaces handle expansion?

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“Marketplaces entering new countries must understand that the general operational framework might stay the same, but the way people shop and the market conditions will differ. It’s not possible to just replicate a marketplace template from one location to another without first doing research and adapting the right elements to bring success.

“For example, the travel industry has been constantly disrupted over the last few years, and every country has unique rules that affect the way that people can book trips. In Japan, government coupons provide travel companies with discounts that incentivize domestic travel.

“A travel marketplace operating in this situation needs to do its research and fully understand how it can best serve customers. What’s more, by understanding the local conditions, marketplaces can adapt ad campaigns accordingly. Coupon discounts can be automatically displayed in banner ads and will quickly attract customers. However, once these limited offers run out, the marketplace needs to switch campaigns to promote different locations with active offers.

“It’s all about flexibility. Be flexible when entering new territory and adapt your business model as needed. Then be flexible with ad campaigns and make sure you can move at the pace of change.”



Takahiro Kato

Business Development Manager Japan, RTB House

# Every ad. In the right place.

## Digital ad campaigns for online marketplaces

RTB House is a leading MarTech company specializing in programmatic ad campaigns. Our competitive advantage can be found in our superior Deep Learning-powered technology, as well as in our knowledge of different online businesses and their specific needs.

Let's go deep into how programmatic advertising works for online marketplaces and even take a sneak peek our in-house data.



## In numbers: Digital advertising campaigns for marketplaces

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The global pandemic saw a rapid change in the importance of multi-vendor sites and P2P marketplaces. Many stores were not equipped for online-only sales and relied upon marketplaces to shift stock, while individuals used marketplaces to sell goods and generate income. The sudden spike in online sales led to marketplaces turning to digital ad campaigns to capitalize on demand—and the numbers continue to rise as we reach mid-2020s.



### Performance campaigns

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+97

RTB House runs 97 more performance campaigns for digital marketplaces than the spike of Q1 2020. As marketplaces see the results, they are activating more and more programmatic advertising.

9.4

The average return on ad spend (ROAS) for marketplace campaigns run with RTB House was a stunning 9.4 in 2022.

71

RTB House ran performance campaigns for marketplaces in 71 countries worldwide in 2022.



## Branding campaigns

# >10%

Over ten percent of activities for marketplaces are now branding campaigns, as sites add brand activities on top of successful performance marketing.

# 75%

The average viewability of RTB House ads hit 75%, which is 11% above the MOAT benchmark.

# 82%

The Video Played In-view average of RTB ads was 2% higher than the MOAT benchmark.

Source: RTB House data for all marketplace campaigns active from Q1 2020 to Q1 2023; MOAT, averaged 2022 RTB House campaign results from the USA, UK, France, Spain, Portugal, Italy, Poland, DACH, BNX and MENA countries

## Performance and branding campaigns for online marketplaces

It's a contested figure, but we supposedly [see and hear over 4 K ads per day](#). It takes something exceptional to cut through the clutter.

If you are able to catch the attention of online users, the temptation is usually to push for immediate conversion. This makes sense from a hard business perspective, but there are good reasons to consider adding branding campaigns as part of your digital marketing activities—taking a long-term approach to building your online brand identity.



## Performance vs. branding campaigns

### Performance campaigns:

Allow customers to easily convert on products they love. This creates faster revenues for vendors, which keeps them satisfied with sales through the marketplace.

### Branding campaigns:

Strengthen the image of the marketplace in a competitive online landscape. Encourage consumers who have previously not shown strong intent to buy. Deepen the pool of potential customers and increase operational scale over time.

## What's your right mix? And where do you start?

Maybe it's a frustrating answer but it's true... Every business is different, and there is no silver bullet. In fact, even if you find the best mix of performance and branding campaigns for your business, it will not stay the same. As your operations grow and change, so does your right marketing mix.

That being said, the bottom line is always the bottom line, which is why many businesses consider retargeting campaigns to be their main marketing activity and branding campaigns to be an addition.

Whereas the value of branding campaigns was once hard to measure, there are now enough metrics to unequivocally prove their value to the business. However, even if branding campaigns are highly effective, the return on investment can take more time. They are part of the "long game" and are about building a consistent and compelling brand identity that resonates.

Retargeting campaigns are all about direct and immediate impact. You invest money and see any immediate dollars and cents return that boosts your business coffers. So, while some businesses will find that a different mix works better for them, in most cases, retargeting is the main activity that promotes stability and growth. Then, from the additional money your business generates from those effective ads, you can invest in more branding campaigns to make sure that you stay top-of-mind for your customers and create an online presence that lasts long beyond the here and now.



# The key pain points of online marketplaces

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Using superior technology and campaign strategies to cover needs.

Online stores and marketplaces share many needs when it comes to programmatic ad campaigns. However, some pain points are magnified for marketplaces due to the scale of the business, and there are others that e-stores don't experience at all.

We've spoken to dozens of marketing managers and industry experts. Here are the four most common pain points for marketplaces and the simple fix for overcoming each of them.



## Complexity. Mastered with experience.



### Pain point.

Marketplaces are the great engines of online commerce. They serve a different purpose as e-stores, run an entirely different working model, and are incredibly complex due to their sheer scale.



### Simple fix.

Ask prospective new ad partners to explain marketplaces to you. Make sure they have domain experience and understand how your business differs from online stores—and how your ads must reflect that.

This is the first step to giving your ad campaigns a competitive edge.



## Targeting. Tailor to your customer types.

### ✖ Pain point.

Online stores tend to have a narrow group of prospective customers. A multi-category marketplace may have dozens. Each group is unique and can't be effectively reached with universal messaging.

### ✔ Simple fix.

Displaying ads to your whole audience is an inefficient use of ad budget. You need to reach out to the small group who will be interested in a specific product. Check that your ad partners have the technology to identify users as individuals and display ads that suit their needs and tastes.

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## Variety. Without compromise.

### ✖ Pain point.

With a huge product range and so many different customer types, a single campaign strategy isn't going to cut it.

### ✔ Simple fix.

Don't limit your results by limiting the range of your campaigns. Make sure you can create sub-campaigns for specific product categories and seasonal promotions. Use different ads to reengage lapsed users or bring new buyers to your platform. Leverage branding and performance ads on demand. There are endless combinations, and you need them all.

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## Results. Under control.

### ✖ Pain point.

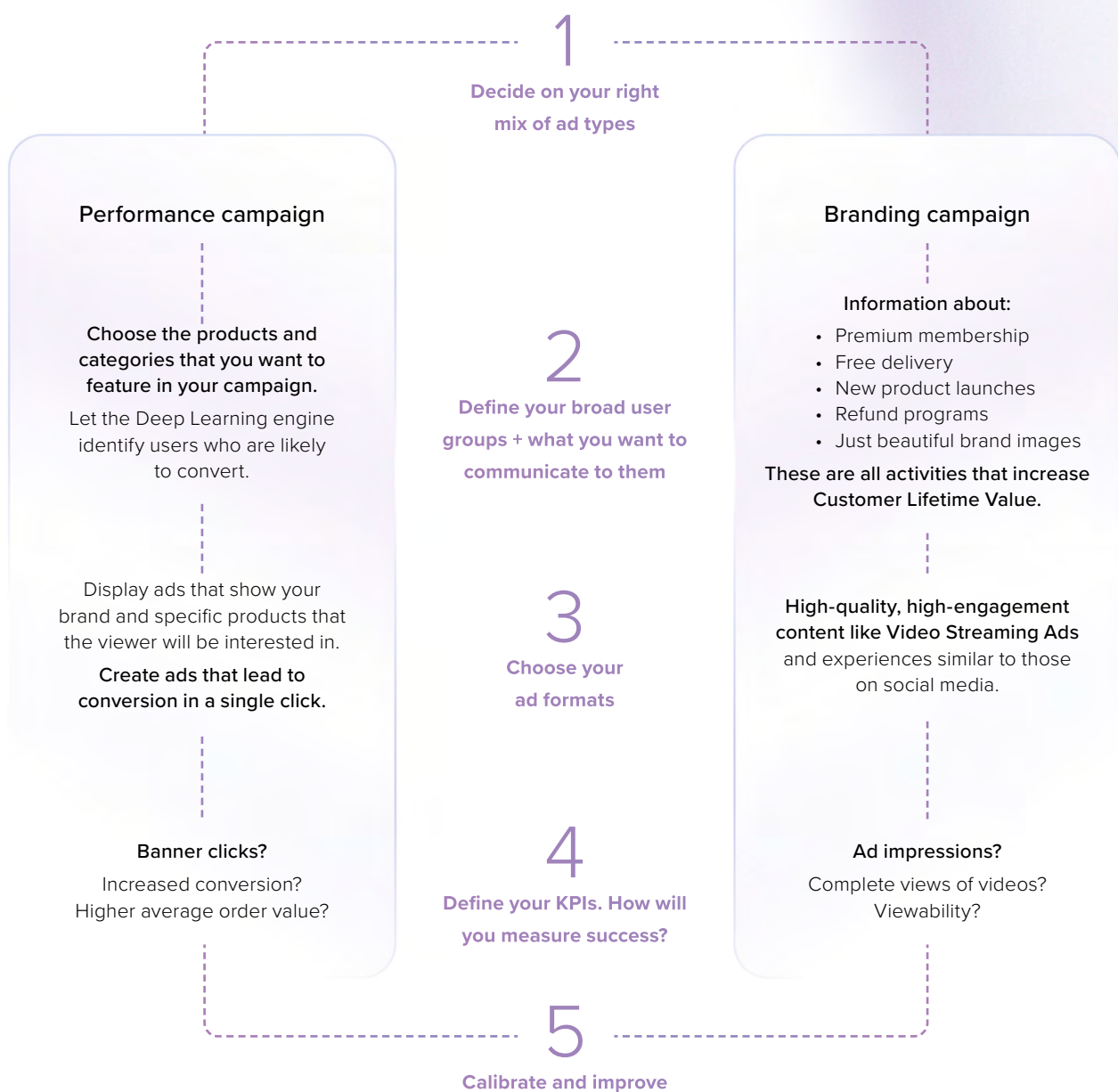
Time is of the essence in the digital age. The speed at which you activate campaigns is important, as is the time it takes to see results. Ad campaigns for marketplaces have always been slower than for e-stores due to their complexity.

### ✔ Simple fix.

Work with a dedicated team of marketplace experts to carefully plan campaigns and then activate them rapidly if needed. Once up and running, you will need access to detailed campaign reports in real time. Make sure you can view budget usage and KPIs right down to different product categories and customer groups.

In vision:

# A step-by-step guide to building a marketing campaign



With Deep Learning, if you have defined what you want to communicate and chosen specific goals, you do not need to spend time on fine tuning.

Let the algorithm constantly improve your results.

# Marketing campaigns powered by Deep Learning

Modern online marketplaces have an almost endless choice of products and services. Running a successful site requires taking all of this complex information and creating easy-to-find products, categories, and special offers.

Successful ad campaigns face a similar challenge. The amount of data generated by online users is almost infinite. In order to find patterns and make sense of it all, we utilize Deep Learning-powered technology—the world's most powerful form of Artificial Intelligence.

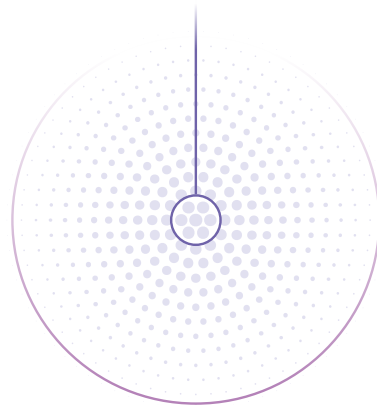
Endless data is not overwhelming. In fact, Deep Learning can process and interpret these data sets to build clear pictures of groups of buyers and individual customers, then target people with ads that are more relevant and more effective than those generated by any other system.

In comparison to conventional Machine Learning, the results speak for themselves.



80  
CALCULATIONS\*

Machine Learning  
(Conventional)



Deep Learning  
(Super-precise)

200 000  
CALCULATIONS\*

\*floating point operations

## What does 100% Deep Learning mean for your results?

Up to

# 29%

overall  
performance  
increase

Up to

# 41%

higher product  
recommendation  
efficiency

Up to

# 2.5 K

times more operations  
leading to the  
purchase decision

Up to

# 16%

CTR boost within  
the same budget  
limitations

Up to

# 50%

more efficient  
personalized  
retargeting



This last statistic is incredibly important for online marketplaces. It can be difficult to communicate specific brand identity and value to individual clients as marketplaces can often seem like sprawling, expansive superstores. There are thousands of merchants, millions of products, and an ever-growing number of online users. It's easy for users to get a little lost and for advertising messages to also get misdirected from among the fast-moving and wide-ranging flow of offers.

We believe that Deep Learning algorithms are the only ones capable of analyzing and interpreting the sheer

volume of data, making sense of it, and then defining the right action to take.

If marketplaces are the great engines of online commerce, then Deep Learning-powered ad campaigns are the superfuel that makes them perform beyond expectations.

# Examples of retargeting campaigns for online marketplaces

At RTB House, we celebrate online commerce and are continually looking for ways to help individual brands and marketplaces supercharge conversion rates and revenues. We run dozens of campaigns—all powered by Deep Learning-powered technology—with marketplaces around the world in both sole and multiple retargeting scenarios. Here are some of our marketplace partnerships from around the world.

## MIINTO.

### Miinto

Fast-growing European fashion marketplace

# 18%

ROAS improvement

Miinto achieved a 66% increase in AOV and an impressive 200% uplift in revenue after adding Deep Learning-powered campaigns from RTB House to its retargeting ad strategy.

[Read more](#)

## Gumtree

### Gumtree

Classifieds marketplace with 13 M monthly U.K. users

# 2X

More traffic

Gumtree aimed to reengage lapsed users and increase purchases among active users. RTB House used segmented and highly targeted ads to bring 33% more traffic and double conversions.

[Read more](#)

## mercado libre

### Mercado Libre

Latin American ecommerce technology company

# IMPROVED PERFORMANCE

with better ROI and CTR

Mercado Libre wanted to scale up and improve ROI. RTB House fitted in well with its complex marketing strategy and improved performance in key verticals.

[Read more](#)

# About RTB House

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We are a global company that provides state-of-the-art marketing technologies for top brands and agencies worldwide. Our proprietary ad-buying engine is the first in the world to be powered entirely by Deep Learning algorithms, enabling advertisers to generate outstanding results and reach their goals at every stage of the funnel.

Founded in 2012, the RTB House team comprises **1200+ specialists** in over **30 locations** around the globe. We serve over **3.3 K** campaigns for clients across the EMEA, APAC, and Americas regions, such as Rakuten, Shopee, and bidorbuy. We partner with global brands, helping them meet client needs during both sales opportunities and more challenging moments.

We share our experience to help brands build custom strategies, focusing on the big picture and the small details, finding wins for business from sub-campaigns and each individual ad type.

# Contact

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## Speak to us about:



Campaigns for  
online marketplaces



The advantages of  
Deep Learning



Improving  
performance campaigns



Additional  
branding campaigns



Multiple  
retargeting strategies



Social banners and  
chat banners



Adapting to the  
cookieless future

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