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US



# MarketplacesAdvertising andImpact Guide





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**US Marketplaces Advertising and Impact Guide** 

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# Welcome

This is a guide for people who are at the heart of marketing for online marketplaces. It's a source of inspiration and insight, a mix of stats and expert opinions. We'll be sharing some hard numbers about marketplaces, as well as some of our own interpretations of the effect of the pandemic on online sales, and even some bold ideas about both the past and the future.

CULA THADORD CHA We're experts in MarTech solutions and programmatic advertising campaigns, so the second half of the guide switches to more practical advice about how to use specific types of campaigns most effectively.

Whatever brought you here, we want you to leave with some food for thought: energized about the outlook for the future and better prepared to make the best decisions regarding digital advertising. SOLI

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## The *positive* impacts of marketplaces today



2020 was a particularly significant year for the growth of online marketplaces of all types, as the demand for online shopping spaces skyrocketed with much of the population unable to go to physical retail spaces. Marketplaces, in turn, have been crucial in empowering businesses as a revenue generator, as well as offering a substitute for traditional retail channels.

### How B2C marketplaces empower retailers

Community-based businesses were hit hard by the pandemic. Small businesses frequently rely upon walk-in customers and rarely have their own existing e-commerce sales channels. During the lockdown, many malls and shopping streets were temporarily closed, leading to a massive loss in trade for many shops. While it was possible for small retailers to build their own e-stores with plug-and-play solutions like WooCommerce, doing this takes valuable time and budget—as well as a degree of technical skill. Marketplaces offer a fast way to get inventory online for minimal outlay, allowing businesses to shift products more quickly. Importantly, marketplaces also reach a much larger set of potential customers than a small retailer's own site, which is crucial for driving sales.

Homegoods marketplace Wayfair is a great example of a site that can help local businesses drive conversions. Wayfair's total order volume jumped massively during the pandemic, from \$38 million in 2019 to \$61 million in 2020. Local furniture makers who listed items on Wayfair during the pandemic likely improved their chances of moving products and maintaining revenue.

## P2P marketplaces put the community into the economy

With unemployment soaring at the heights of the pandemic, e-commerce offered a lifeline to many looking for work. One example of this is Amazon, which <u>hired over 400,000 U.S. workers during the</u> 2020 lockdown.

P2P marketplaces allow individuals to sell goods and services to one another through a common interface. Notable examples include Etsy, Uber, and Airbnb. These and similar sites have offered opportunities for unemployed or furloughed individuals to generate temporary income or open up small businesses trading on marketplaces.

The last year has seen a large shift in shopping behavior: <u>48% of consumers spend more time shopping online than pre-lockdown</u>. This has created opportunities for sole traders and small businesses to meet this demand through P2P marketplaces.

#### Marketplaces and sustainability

One large issue with modern retail practices is the prevalence of waste—especially in the fashion industry where seasons are getting shorter, manufacturing quality is lower, and items are easily replaced. P2P marketplaces focused on reselling used clothing have created a powerful way for individual consumers to combat waste creation. <u>Posh-</u><u>mark</u> is a great example of building sustainability into a marketplace's core business model.

For sellers looking to practice sustainability more actively, P2P marketplaces and the clothing resale market offer fantastic opportunities to continue to engage with consumers in a more environmentally-friendly way.

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