



Success in Marketplace Selling 2017

Welcome to **Success in Marketplace Selling 2017**

At Royal Mail, we've always worked closely with marketplaces to integrate our services. From postage, collections and drop-offs to inventory and warehousing solutions, we understand the challenges of marketplace selling and are here to help sellers thrive and grow.

By 2020, it's predicted that global marketplaces will own 39% of the online retail market. This opens up exponential opportunity for businesses of all sizes if they can get it right. But with growth comes challenges — from meeting customer expectations to rising above the competition. Are you doing all it takes to sell successfully? This guide offers practical tips, advice and insight into selling on marketplaces in 2017.

Learn more about...

- ➔ **Great expectations — delivery and returns in 2017**
- ➔ **Meeting the demands of today's smarter shopper**
- ➔ **Going global in 2017**
- ➔ **The best marketplaces to grow on**
- ➔ **Scaling up**
- ➔ **Tackle the challenge of growth**



Great expectations — delivery and returns in 2017

People love what you're selling — but how quickly can you deliver? And do you understand which delivery options your customers prefer? Along with great products at competitive prices, success in online marketplaces demands efficient delivery and no-quibble returns. With 24% of customers prepared to abandon their basket if delivery isn't fast enough, how can you deliver to their expectations?

New standards are fast becoming the norm

Convenience drives sales, and customers now expect convenient delivery to go hand in hand with well-designed online shopping experiences. The likes of Amazon and Argos have led the way with on-demand delivery — when customers can get their items in a specified one or two-hour window. So now's the time to review what delivery options you offer. How quickly are customers getting their orders from you? And, critically, how does this compare with what your competitors offer? All other things being equal (and they often tend to be with online marketplace selling) delivery speed increasingly defines competitive advantage.

Fulfilled by Amazon or not fulfilled by Amazon?

The online marketplaces themselves are keenly aware of the competitive space that delivery has become. That's why services such as Fulfilled by Amazon are gaining increasing popularity.

They meet customer demand for speedier service, as well as taking care of warehousing and delivery for you. It all comes at a price though — and you may feel Amazon already does well enough out of you. So you might decide only to use Fulfilled by Amazon for high-value items, where the cost represents a smaller proportion of your overall margin.



Moving to same-day or next-day

If you decide that you should be offering same-day or next-day delivery as standard, take it gently. You could announce your new delivery options and find these trigger a rush of new orders. So start out by only offering a limited selection of goods with faster delivery. That way you can build your capacity for meeting orders faster, without the risk of disappointing customers if you get knocked down in the rush.

Test shipping offers along with product offers

Many online sellers use well-established offer techniques to drive demand — such as sale prices, discounts, or buy-one-get-one-free. Once you've got faster delivery options in place, try using shipping offers as an incentive. You might choose to have a "free shipping weekend" for instance, or free shipping on orders over a certain value. One report from Comscore finds 61% of customers "somewhat likely" to abandon their order if free shipping is not offered — while the same report sees free shipping boost average order value by around 30%.

Significant returns

All sorted? Not quite. 69% of online buyers say they're unlikely to shop with retailers who charge for returns. Just as same-day or next-day are increasingly the norm for delivery, pre-paid returns are now expected. As well as being cost-free, online buyers look for convenience in making returns. And that's where Royal Mail comes in. We have the largest network of drop-off points across the UK, including over 11,500 Post Office® branches, so it's easier than ever for your customers to return an item. Putting pre-paid returns in place, and working with our network, means you can give customers more of the convenience they value.

Developing and implementing a comprehensive delivery and returns strategy marks you out as a serious marketplace seller. Amazon, eBay and the like will note what you offer and you'll get a higher ranking as a result. Critically, customers will be able to see that you offer the service they want, making your goods more attractive than ever.

The returns network

Royal Mail handles returns for hundreds of businesses and thousands of customers every day. In 2017 we'll extend our drop-off network to include over 11,500 Post Offices®, along with 1,200 Royal Mail Delivery and Customer Enquiry points. That'll make ours the largest network in the UK — and the most convenient for your customers.



Meeting the demands of today's smarter shopper

According to Mastercard's Omnishopper report, 82% of people believe they're smarter shoppers than they used to be. With more technology and information than ever before, they research to find the best deal and rely on good reviews to endorse their decision. As a seller, adapting to the traits of today's shopper is key.

Meet the multi-channel shopper

This highly-informed shopper is adept at scanning different channels, using a range of technology to discover, compare and learn.

They research products thoroughly to feel in charge of their shopping experience. The more they can know about a product, the readier they feel to make a purchase.

It's all about comparison shopping. When asked how technology has changed their shopping experience, 53% of people said they were comparing prices more, while 43% said they were comparing different products more. It's more competitive than ever to sell, so understanding what matters to these shoppers is critical.

What are they looking for?

Marketplace selling can often feel like a race to the lowest price. But what's interesting about today's shopper is that price isn't the only focus. Of course it's still important, people always want to feel like they're getting the best deal, but equally they want quality and convenience. The experience you give your customer, from price and delivery to detailed product information and timely customer service, can make all the difference. According to a CEI Survey, 86% of buyers will pay more for a better customer experience.

Understanding what shoppers are looking for could give you that edge. Older shoppers want quality and price, while younger customers turn more readily to reviews and reputation to make their decision. Hit the mark on all and you're on your way to winning new and repeat business.



Good reviews are marketplace gold

If you're already a marketplace seller, or just starting out, you'll know how important reviews are to your business. For the highly-informed, multi-channel shopper, reviews are a key decision-maker in the buying process. In fact, 78% of shoppers make purchase decisions based on reviews. So what can you do to pull in those five-star ratings?

Encourage rather than insist

Dominant marketplaces, like Amazon and eBay, don't let you contact your customers directly to ask for reviews or feedback. But despite this, there are ways to build loyalty and encourage a good review. An effective way is to offer your customers more value, such as a discount for their next purchase, free shipping for first time buyers or a free tester with their order.

Making the best of bad feedback

In the life of a marketplace seller, bad reviews are bound to happen at some point. The best way to deal with a bad review is to see it as an opportunity to improve your service.

- **Be timely** — the quicker you send a friendly, well-written and timely response, the more your customer knows you care about their problem
- **Listen well** — and learn from your customer's experience. You may realise you've overlooked something about your product, updating your listings with useful information will make you better for the future
- **Be accountable** — don't be afraid to admit a mistake has happened. Taking responsibility and getting things sorted gives you credibility, making it more likely that people will want to do business with you again

Great service always wins

Of course the best way to rake in those good reviews is to offer a great product at a great price with reliable delivery. Recent research by American Express found that 3 out of 4 shoppers will actually spend more with a business due to their history of good service. From professional photos and informative product listings to flexible shipping options, considering the customer in all you do is a sure-fire way to bring in those five-star reviews. After all, your customer's good experience is your competitive edge.

The key take-outs:

- Today's shopper researches and compares more than ever before, relying heavily on reviews to make a purchase decision
- Offering a great product at a competitive price isn't enough, you need to offer great customer service to bring in good reviews to rise above the competition
- If something goes wrong, dealing with the problem quickly and learning from it will help you improve your service

Find out more about smarter shoppers in [Delivery Matters](#) →



Going global in 2017

Selling internationally has often been seen as a challenge for UK-based businesses and individuals. Language, currency and duties on trade all kept sellers within their domestic horizons. But the major marketplaces like Amazon and eBay have been working hard to minimise these obstacles. After all, the more successful you are, the bigger they grow. Here's how you can start taking your products to an international audience.

Start with the platforms you know

As an online marketplace seller, you'll be familiar with the way Amazon and eBay work. And each of these platforms offer three broadly similar levels of approach to international selling...

1. Passive international selling

The easiest way to get started is simply by giving an international audience access to your UK listings. You can do this in a couple of clicks on both Amazon and eBay. You don't have to provide translations of your product descriptions or price everything in local currency. In fact the only change you'll need to make is adding shipping costs to send items to each of the countries you want to trial (63% of exporting UK businesses use Royal Mail and Parcelforce for this).

Passive international selling lets you gauge the appetite for your goods with little risk or upfront cost.

2. Active international selling

Say your passive trial goes well, then you can take the next step. This means listing directly on the overseas versions of your favourite marketplaces. In Spain, for instance, this would be Amazon.es or eBay.es. In France it would be Amazon.fr or eBay.fr. Now, you will have to price your goods in local currency (Euros cover quite a few markets). And you'll also have to translate your listings into the local language in order to reach all the local users of your chosen platform. It's worth getting a translator to help, since they can get your listings to stand out more than an online translation tool will. You'll need to list the shipping costs as before.

3. Dedicated international selling

If active selling has gone well, you may be ready to take your international presence up a level. This generally means engaging with the fulfilment arms of the marketplaces. The set-up process can be quite involved, but the long-term rewards can be worth it. On eBay, for instance, you would sign up to their Global Shipping Programme. Then they'll take care of marketing your selected products to a global community of buyers. Whenever you make a sale, you send the item off to eBay's UK fulfilment centre and they take care of the rest — at an agreed cost. Amazon offers similar services. If you are selling large volumes of low-value items you could choose to batch ship everything to Amazon fulfilment centres in your target countries, for instance. If you are selling high value items, you could use Fulfilled by Amazon to service international customers. Either model tends to see you and the buyers splitting the shipping costs.



Navigating international waters

Key factors affecting international marketplace selling include customs and export duties; the fees for processing your export through customs. Royal Mail research found that the complexities of international shipping deterred 23% of small online retailers from exporting. Yet with a little research and preparation, it's less complicated than you think. It's usual practice for the customer to pay customs fees, so you'll need to make them aware of this on your listing page.

Each country has different requirements when it comes to customs fees. For the foreseeable future, it's fairly straightforward to export within the EU, but countries further afield, like the US and China, have different documentation requirements and practices. A good way to start is by visiting the British Government website, where you'll find up-to-date information about exporting to individual countries. If you're part of eBay or Amazon's Global Shipping Programme, simply send your item to their UK fulfilment centre and they'll take care of the rest, including providing a breakdown of fees for your customer.

The key take-outs

- International selling is now easier than ever
- Use the marketplaces to scale up at your own pace
- Think tactically — you might choose to reach nearby markets through active international selling, while using dedicated fulfilment options to go further afield — to China or Russia, for instance

How international works for one fast-growing company

International sales are great for growth, as one dynamic Northampton-based business has been finding out for itself.

[See how they do it →](#)



The best marketplaces to grow on

You're selling nicely on Amazon or you've cracked eBay, so what next? If you're currently selling on only one marketplace you could be missing out on a world of potential sales. According to research by Stitchlabs, people who sell on two marketplaces see 190% more revenue than those who only sell on one.

Where will you grow?

You aren't short of options when it comes to choosing a second marketplace. A quick Google search will show you names like Rakuten, Alibaba and Jet.com, but these marketplaces are best suited to multi-national sellers or US based companies. Instead, we've rounded up the best marketplaces for UK sellers to grow onto today.

1. **Hand-crafted and niche**
2. **New US players for UK Sellers**
3. **Building your own brand**

1. Hand-crafted and niche

The market for unique products is booming. With dedicated marketplaces that draw a strong social media following, you'll have access to a receptive audience who are passionate about your product.

Not On the High Street

Not On the High Street (NOTHS) is perfect if you sell a unique or hand-made product. They pride themselves on being the UK's number one curated marketplace so listing here gives you instant credibility.

What you'll like:

- NOTHS runs TV, print and social advertising, drawing 39 million unique visitors annually, potentially to your products
- A one-off joining fee of £199 (as of Jan 2017) in place of a listing fee keeps it simple

What to look out for:

- Be prepared for a rigorous application process. NOTHS has specific criteria they expect their sellers to meet. As well as great photography and an appealing product, elements like innovation, personalisation and customisation come into play
 - NOTHS takes a hefty 25% commission on every sale. This can hit small sellers hard, but brand recognition and footfall can compensate
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Etsy

If you sell hand-crafted and unique products, this popular global marketplace has a solid fan base and a focus on jewellery, clothes, art and homewares.

What you'll like:

- Unlike other marketplaces, there's no monthly fee, you simply pay per listing, plus commission and payment fees when you make a sale
- As an established craft marketplace, Etsy draws 22.9 million unique visitors per month and has a strong 940k following on Pinterest where you can feature your products
- With easy-to-use tools it's simple to promote your products and track your success

What to look out for:

- Etsy's looking for a specific kind of product, so research first to see if your product hits the mark
 - Despite no monthly fees, the commission is quite high compared to other marketplaces
 - You're entering a competitive space so you may have to put a little more effort into making your product stand out
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Folksy

Championing modern British craft, Folksy is the UK's niche marketplace. Similar to Etsy, they're looking for original products that have been hand-made or sourced creatively.

What you'll like:

- You can pay-as-you-go for listing fees if you are only stocking a few products, or pay £45 a month and sell without listing fees if you're selling large amounts

- It's authentic — Folksy are proud about supporting British designers and crafters, so if you have a hobby, this marketplace is great for making it a business

What to look out for:

- A 6% commission fee is quite high if you're only selling a few products
- Folksy still has quite a small following with only 250,000 unique visitors per month

2. New US players for UK sellers

Emerging US marketplaces are gaining traction. In fact, 30% of small UK online retailers think the US presents the greatest opportunity in the next five years. If you're looking for a complementary marketplace to eBay or Amazon, these new second-movers take a more holistic view of marketplace selling, with a more relaxed approach to fees.

Bonanza

Voted 2016's Most Recommended Marketplace by more than 12,000 online sellers, you'll be joining a marketplace that makes selling feel easy.

What you'll like:

- There's no fee to list products and you only pay a low commission charge when you make a sale
- Bonanza is partnered with Google and Bing Shopping so your listing will appear in searches and reach a wider audience
- You can automatically import all your listings from eBay, Etsy and Amazon

What to look out for:

- Very much in its early days, Bonanza fails to pull the traffic of Amazon and eBay. But with 8.2 million unique visitors per month and the market booming, there's room to grow
 - You'll have a smaller item inventory when compared to bigger marketplaces
 - There's a lack of flexibility for customisation and layout
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Storenvy

Storenvy champions independent brands and sellers offering a range of products from clothing and jewellery to music, household products and even tech. You can join the marketplace or even open your own store.

What you'll like:

- No monthly or listing fees, you just pay commission on each sale
- Storenvy is more of a social shopping marketplace, you can add featured products and gather followers, making it very appealing to millennials
- The easy-to-use set-up allows for plenty of customisation and the opportunity to build a brand

What to look out for:

- Still relatively small and little known, Storenvy only pulls 1.3 million unique visitors a month
 - Buyer feedback isn't published so you can't rely on reviews, only on the site's own social infrastructure
 - Compared with other marketplaces their commission is quite high, however it is the only fee they charge
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3. Building your own brand

A lot of marketplaces make it hard for sellers to present a brand. We know that shoppers are researching more than ever for reassurance, so it's likely that buyers will search for your brand. Having your own store front gives you the credibility they're looking for and lets you cultivate a brand loyalty that wouldn't be possible on a marketplace. Not only that, but guiding people from your marketplace to your store gives you the chance to make a direct sale.

Shopify

The rising star of e-commerce hosting sites, Shopify lets you build your own e-commerce store using a range of responsive templates, or even create a Facebook shop.

What you'll like:

- There are no fees with your own store front, choose from a range of monthly price plans to suit your needs
- Choose a template and build your own store with on-hand support and no expertise required
- Shopify can also help you sell through a Facebook shop or add a buy button to an existing website

- Many marketplaces make it hard for you to differentiate as a brand. With your own store you have the ability to make your mark

What to look out for:

- Unlike marketplaces, your own store won't have ready-made traffic. But you can direct traffic from marketplaces, as well as promote through Google, Facebook and the like
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One to watch

Depop

Depop is a fast-growing, peer-to-peer social shopping app that allows people to buy and sell things directly between one another (mostly clothes). Depop is enjoying significant global growth with over a million new items listed for sale each month. In 2014, downloads of the Depop app grew from 200,000 to over 1.8 million

Before you grow

It's important to consider a few things before you choose a second marketplace. Is it the right place for your product? Can you work their fees into your budget? And do you have the processes in place to meet the new demand? Once you're clear on these, all you need to do is choose.

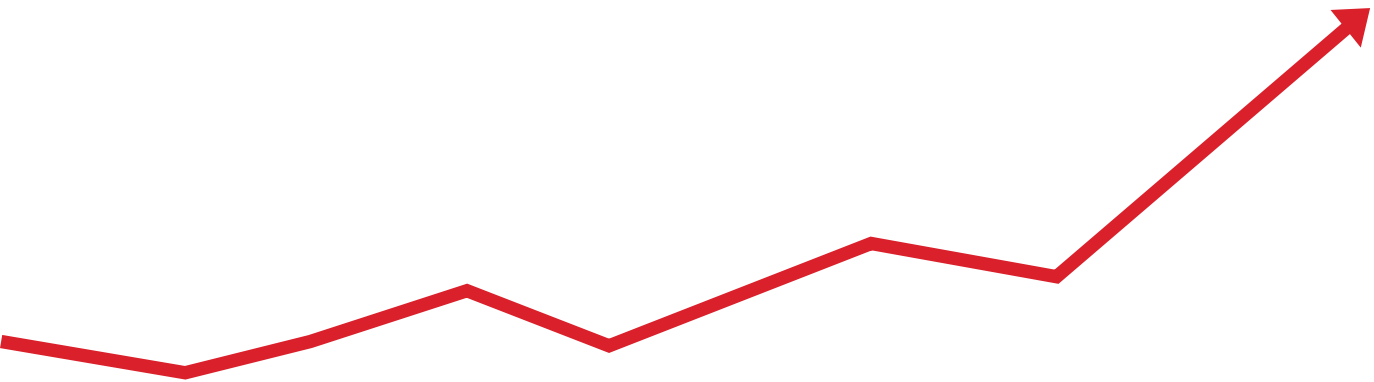
Royal Mail knows marketplaces



Royal Mail is more instrumental in running effective online business than you might expect, with our multichannel marketplace management software Storefeeder. We develop the integration software that drives efficiency.

[Find out more about StoreFeeder →](#)





Scaling up

If you're ready to grow your business, you'll need the logistical processes in place to handle demand. Before you scale up, think about:

- **Simplifying shipping** — if you're not already, printing your own postage is a great way to save time and streamline your order processing. Plan ahead; if you're expecting more orders than usual, for an upcoming occasion like Christmas, arrange extra collections and make sure your shipping options are practical
- **Managing your stock** — 74% of online shoppers cited an item not being in stock as one of their biggest shopping frustrations. Investing in warehouse and inventory management software is a great way to keep on top of your stock so you always have the products to meet the demand
- **Automating your re-pricing** — it's a good idea to refresh your products' pricing every six weeks or so. If you've only got one marketplace to handle or a few products, then you can do this manually, but once you scale up you may want to consider smart re-pricing software that can take away the hassle
- **Adding extra hands** — you may want to think about expanding your staff. Whether it's taking on an extra person to help you pick and pack, or even employing someone to handle customer service, making sure you deliver on time and support your customer is crucial to your success

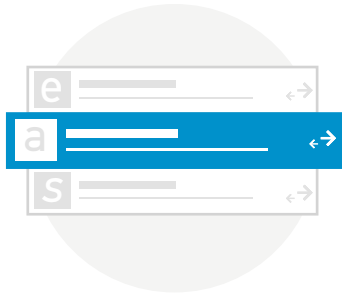


Tackle the challenge of growth

Selling on marketplaces can be great – if only getting orders out didn't mean:

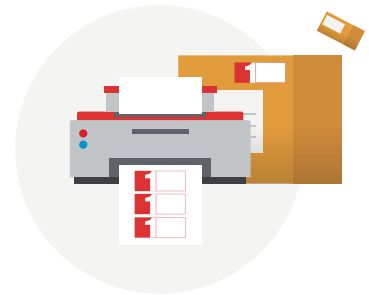
- Time wasted queuing at the Post Office®
- All that admin
- Mailing costs adding up

That's why there's Click & Drop from Royal Mail. It lets you...

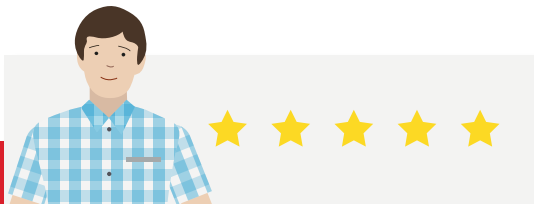


Create a Click & Drop account and automatically pull in your orders from your integrated channels

Buy postage online and save time with multi-label printing



Choose from a range of different methods to post your items



At Royal Mail we designed Click & Drop for marketplace sellers like you. Click & Drop takes the time and effort out of order processing, postage and despatch. It even integrates with Amazon, eBay, Shopify and the soon-to-come Big Commerce.

For help with Click & Drop, email us at clickanddropsupport@royalmail.com

[Find out more](#)





Royal Mail

Many companies and individuals choose Royal Mail as their preferred logistics, delivery and returns partner. Links with all the international networks give unmatched global reach, while in the UK we deliver 79 million items a day to 29 million addresses, six days a week.

We also operate the UK's largest and most modern delivery fleet, servicing the widest network of collection and delivery points. We work with businesses of all sizes – from home sellers distributing a few items a month to all the principal online marketplaces – including Amazon and eBay. You can find out more at royalmail.com/business