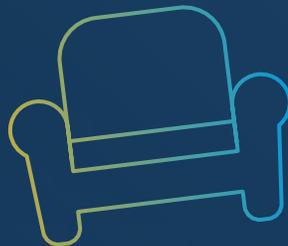
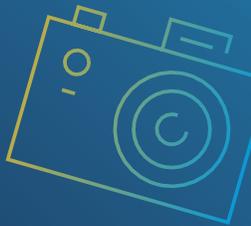


The State of Online Marketplace Adoption

January 2022 Release | Global Consumer Survey

by  MIRAKL



The State of Online Marketplace Adoption

Spotlight on U.S. Consumers

by  MIRAKL

Over the past decade, the rise of online shopping has fundamentally changed the expectations consumers have for their favorite brands and retailers. But while eCommerce has seen remarkable gains in recent years, that growth has been surpassed by enterprise marketplaces — eCommerce sites that offer products from multiple sellers. According to the 2021 *Enterprise Marketplace Index by Mirakl*, marketplaces grew at more than double the rate of overall eCommerce growth.

*The State of Online Marketplace Adoption*¹, a new consumer survey from Mirakl, reveals that U.S. shoppers are clear in their preference for online marketplaces. According to U.S. survey respondents, **nearly half (43%) of their online shopping happens on marketplaces**, and in the future, **92% of U.S. consumers expect to use marketplaces at the same rate or more**. Notably, marketplace adoption among U.S. consumers has remained steady from the early days of the COVID-19 pandemic: in 2019, **47% said they shopped “exclusively” or “a lot” on marketplaces**; that figure rose to **52% in 2020 and held steady at 51% in 2021**.



Consumers recognize online marketplaces for their convenience

Consumers see marketplaces as better positioned to meet their needs, as **71% of U.S. survey respondents recognized online marketplaces as the most convenient way to shop today**. According to *The State of Online Marketplace Adoption*, **55% of U.S. consumers prefer eCommerce websites that have an online marketplace over those that do not**.



of U.S. consumers prefer eCommerce websites that have an online marketplace

¹ Survey of 9,000 consumers globally, including 1,000 U.S. consumers, conducted by Schlesinger Group, an independent research company

Value and selection are key marketplace benefits for U.S. consumers

U.S. consumers and global consumers alike are most enamored with the value and selection offered by online marketplaces, citing competitive prices and product variety as the top reasons they prefer marketplaces. The State of Online Marketplace Adoption also found that shoppers are willing to do their homework in the search for high-quality products. **Roughly six in 10 consumers in the United States will research a third-party seller before making a purchase on an online marketplace, with 70% of those checking the seller's reviews.**

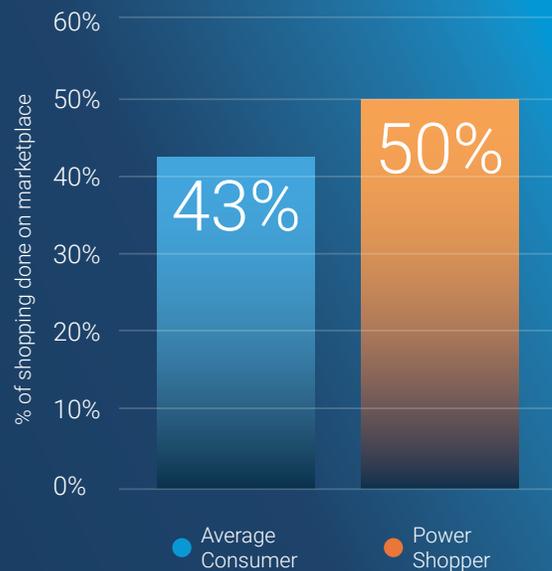
Roughly six in 10 consumers in the United States will research a third-party seller



Power shoppers have adopted marketplaces at accelerated rates

The new report also uncovered similarities between U.S. and global shoppers when it comes to “power shoppers” who shop online once a week or more — the most important customers for online retailers. On average, **both U.S. and global power shoppers alike conduct 50% of their online shopping through marketplaces**, compared with 43% for the average U.S. consumer and 42% for the average global consumer; this indicates that as people shop more, marketplaces comprise a bigger share of their spending. And if any American retailers were on the fence about launching an online marketplace, **three-quarters of power shoppers in the U.S. said that they wish more of their favorite retailers had online marketplaces.**

U.S. power shoppers spend more on marketplaces



Read on to discover additional insights on global consumer behaviors and perceptions of online marketplaces in *The State of Online Marketplace Adoption*.



State of Online Marketplace Adoption: Key Takeaways



Two thirds of consumers prefer eCommerce sites with online marketplaces, and **70% say online marketplaces** are the most convenient way to shop



Nearly three quarters of high-volume, high value power shoppers (purchasing online once a week or more) wish more of their favorite retailers had online marketplaces

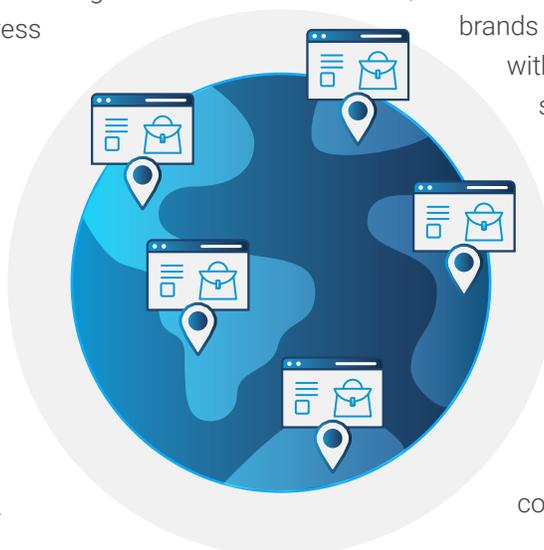
42%

On average, consumers conducted **42% of their online shopping** through marketplaces in 2021



Online shoppers cite **better prices, product selection and shipping times** as top reasons for preferring eCommerce websites with online marketplaces

The way we shop is changing. Before the rise of online shopping, consumers from around the world were enticed to spend money in person with major events like Black Friday and semi-annual sales campaigns. Shoppers chose where to spend their time and money based on the number of attractive stores in a single mall or shopping center, and only the biggest of big-box retailers could be expected to address multiple consumer needs under one roof. Brands drove customer loyalty through a combination of quality products and low prices, with competition taking place within small regions and narrow categories. Geography further restricted consumer choice: regardless of tastes or preferences, shoppers were limited to the retailers within a reasonable distance of their home.



Mail-order catalogs offered some variety, but long processing and shipping times removed much of the spontaneity that would allow them to rapidly respond to evolving wants and needs.

Online shopping has fundamentally changed the expectations consumers have for their favorite brands and retailers. Instead of competing with the other stores in a single shopping mall, retailers must now contend with a global array of competitors – all easily within reach through international shipping and online payments. And instead of drawing in customers with an annual sales event, retailers now aim to hold their shoppers' attention year-round by making their website a consistent "must-visit" destination.



Growth in online shopping holds steady in 2021

While eCommerce has seen incredible growth over the past few years, perhaps even more remarkable has been the increased adoption of enterprise marketplaces. Last year, Mirakl analyzed data from 60 global marketplaces in its *Enterprise Marketplace Index* (the Index), working to better understand what's driving the growth of enterprise marketplaces. According to the 2021 edition of the Index, marketplaces – eCommerce sites that offer customers products from multiple sellers – grew at more than double the rate of overall eCommerce. With its latest research, *The State of Online Marketplace Adoption*, Mirakl seeks to understand the ways in which consumers are shaping the marketplace economy by collecting their opinions on eCommerce and enterprise marketplaces. The results could help us to predict the future of online shopping and global eCommerce.

The State of Online Marketplace Adoption surveyed **9,000 global consumers** on their shopping habits and preferences – 1,000 each from Australia, Brazil, France, Germany, Italy, Singapore, Spain, the United Kingdom, and the United States. The survey was conducted by Schlesinger Group, an independent research company. The survey's findings reveal several key shifts in consumer behavior and point to **a global sea change that is poised to endure beyond many of this era's recent trends.**



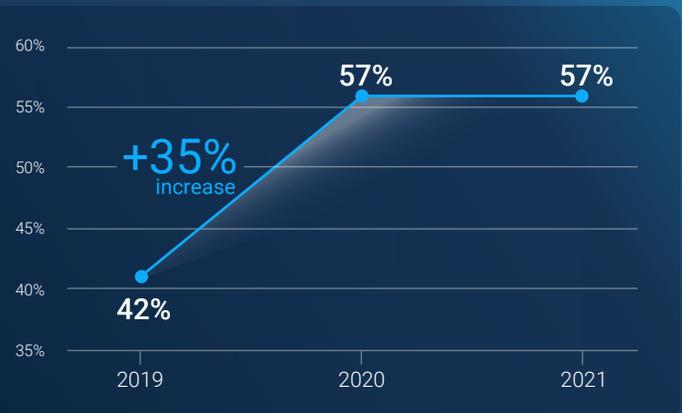
Consumer preferences move to marketplaces

Marketplaces are no longer a new or novel concept for online shoppers, who have grown increasingly comfortable and confident spending with these retailers. On average, **survey respondents said that 42% of their online shopping now happens on marketplaces.**

Notably, marketplace adoption has held its gains from the early days of the Covid-19 pandemic: in 2019, 42% of consumers said they shopped exclusively on or a lot on marketplaces; that figure rose to 57% in 2020 and held steady at 57% in 2021 – a 35% increase. From a regional perspective, Brazil experienced the largest percentage increase in consumer usage of online marketplaces since 2019. Following Brazil's 75% increase is Singapore and Australia (65% each).

Marketplace adoption has maintained gains seen during 2020 eCommerce surge

Consumers shopping exclusively or a lot on marketplaces



This increase is driven in part by convenience. Consumers see marketplaces as better positioned to meet their needs than conventional first-party eCommerce sites with a significant majority **(70%) of consumers recognizing online marketplaces as the most convenient way to shop today.** That perception is translating into action, leading consumers to shift their spending towards marketplaces: **nearly half (44%) of consumers increased their use of marketplaces over the last 12 months, including over half (56%) of Gen Z shoppers** (those born between the mid-

1990s and early 2010s). Regionally, Brazil saw the largest increase, with 71% of consumers saying they increased their use of marketplaces over the last year, followed by Singapore (54%) and Italy (47%).

As consumers shop more on marketplaces, they also prefer them over conventional first-party eCommerce sites. *The State of Marketplace Adoption* found that, in addition to increasing their use of online marketplaces, a significant majority of consumers prefer to shop on online marketplaces. **Two-thirds (66%) of consumers prefer eCommerce websites that have an online marketplace over those that do not, citing better prices (62%), better product selection (53%) and better delivery options (43%) and shopping experiences (43%) as the leading reasons why.**

Consumers prefer online marketplaces because they offer better...



62%

prices



53%

product selection



43%

delivery options



43%

shopping experiences



Marketplace do's and don'ts, according to consumers

What factors are leading shoppers to increasingly prefer retailers with marketplaces over those without? Above all, shopping journeys are driven by a search for convenience and quality. Convenience can apply to both speed and selection: a retailer is convenient if they can deliver a product within a few days; they're also convenient if they can meet multiple customer needs in a single purchase. Quality could be defined in both absolute and relative terms: in some cases, consumers want the best possible product; while in others, they may be searching for the best value for money.

When consumers consider the convenience of an online shopping outlet, their most important criteria are product variety and fast delivery, cited by 31% and 28% of respondents, respectively. Of course, fast delivery can mean different things to different people: **84% of consumers expect their packages to arrive in 3-5 days or less, while 32% expect delivery within just 1-2 days.** When it comes to convenient shipping times, some consumers are willing to pay for the privilege: **nearly a third (30%) of consumers pay for expedited shipping almost every time they shop.**



The State of Online Marketplace Adoption found that shoppers are willing to do their homework in the search for high-quality products. **Nearly two thirds (63%) of consumers will research the seller before making a purchase on an online marketplace,** with 71% checking the seller's reviews. Validation from fellow shoppers can make the difference between a conversion or a lost sale. **Nearly half (48%) of respondents will hesitate to buy from a third-party seller based on negative reviews** — demonstrating the critical importance for sellers to provide a satisfactory customer experience.



Consuming for a cause

Today's online shopper isn't just motivated by the lowest price or fastest delivery time. For many consumers, purchasing decisions can be motivated by causes that are important to them:



68%

of respondents love to see products from local sellers on online marketplaces



44%

are likely to pay a higher price for a product tied to a social cause



60%

of consumers are more likely to shop online with a company that offers products tied to causes they care about



53%

of respondents want the option to purchase from vendors with sustainable business practices



The rise and influence of the online power shopper

In a world shaped by customer data, global retailers are prioritizing their most valuable consumers and making **customer lifetime value (CLV)** a key metric in their business decisions. The most valuable customers are those who return time and again to make frequent purchases, and these "power shoppers" have proven to be some of the biggest adopters of online marketplaces.

Power shoppers are adopting marketplaces at an accelerated rate



The State of Online Marketplace Adoption defines "power shoppers" as those that shop online once a week or more. **The survey finds that power shoppers conduct more of their online shopping through marketplaces – 50% – compared to the average consumer, who conducts 42% of their online shopping on marketplaces.** Regionally, Brazilian power shoppers are the most active of the nine countries in the survey. On average, they conduct 60% of their online shopping through marketplaces versus the average consumer in that country (48%).

The survey found that the more time someone spends shopping online, the more likely they are to be using marketplaces. According to power shoppers, that is due to a combination of convenience and trust. **Nearly 8 in 10 (79%) power shoppers globally**, including 72% of French power shoppers, **believe that online marketplaces are the most convenient way to shop**, and 81% trust the online marketplaces of the brands with which they already have established relationships.

Most notably, power shoppers want to do even more of their shopping through online marketplaces. Nearly **three quarters (73%) of these respondents said that they would like more of their favorite retailers to have online marketplaces**, including three quarters in the U.S. As brands focus on increasing CLV, it is only a matter of time until more popular retailers join the marketplace movement.

The future of marketplaces

Online shopping has made consumers accustomed to a new level of convenience from retailers. Across the globe, today's shoppers seek out options that offer a wide variety of high-quality products, competitive prices, and fast delivery. Online marketplaces are valued precisely because they deliver this positive experience.

As brands and retailers look to the future of online commerce, *The State of Online Marketplace Adoption* should provide them with a measure of confidence. In a time characterized by sudden changes and unpredictability, marketplaces are steadily gaining popularity among consumers, giving retailers the means to meet customers' rising expectations.

This growth should continue for years to come. The more consumers use marketplaces, the more they like them, creating a virtuous cycle that promises outsized dividends to those who commit now to an online marketplace. **The vast majority (94%) of consumers surveyed expect to maintain or increase their future use of marketplaces.** Shoppers throughout the world appreciate marketplaces for the convenience they offer via expanded product assortments and rapid shipping, and the most valuable consumers look forward to more retailers adopting online marketplaces. In a period of uncertainty, marketplaces offer convenience and reliability to shoppers and sellers alike.

Convenience is king, and marketplaces rule

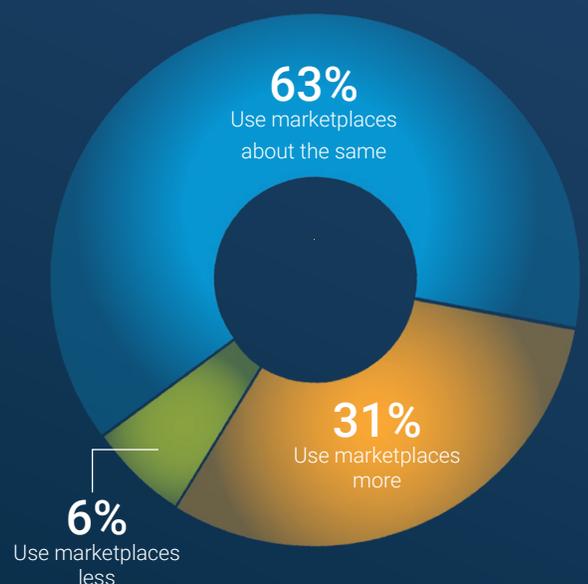


8 in 10

Power shoppers believe that online marketplaces are the most convenient way to shop

The future is bright for online marketplace adoption

What does your future use of online marketplaces look like?





ABOUT MIRAKL

Mirakl offers the industry's first and most advanced enterprise marketplace SaaS platform. With Mirakl, organizations across B2B and B2C industries can launch marketplaces faster, grow bigger, and operate with confidence as they exceed rising customer expectations. Platforms are the new competitive advantage in eCommerce, and the world's most trusted brands choose Mirakl for its comprehensive solution of technology, expertise, and the Mirakl Connect ecosystem to unlock the power of the platform business model for them.

As a result, companies like ABB, Astore by AccorHotels, Best Buy Canada, Carrefour, Catch, Changi Airport, Darty, The Kroger Co., Leroy Merlin, Maisons du Monde, Metro, and Toyota Material Handling gain the speed, scale and agility to win in the changing eCommerce landscape. For more information: www.mirakl.com