

# Marketplace Trends

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# General Trends

# Cross border commerce becoming a reality

**Advances in payment security and efficiency in international shipping have built a strong foundation of trust in customers who are now comfortable purchasing internationally.** Consumers want a broader product availability and competitive pricing, which they can benefit from by buying cross border.

Vinted

Catalogue ▾

Q Search for items

All

Designer

Ready to declutter your wardrobe?

Sell now

[Learn how it works](#)

Buy and sell reused products without getting off the couch.

+ Sell now

The technology you need

iPad

Tablet

Headphones

Laptop

Ovoko

FIND THE MISSING PIECE

Browse, compare and purchase used car parts from 3000+ sellers in Europe.

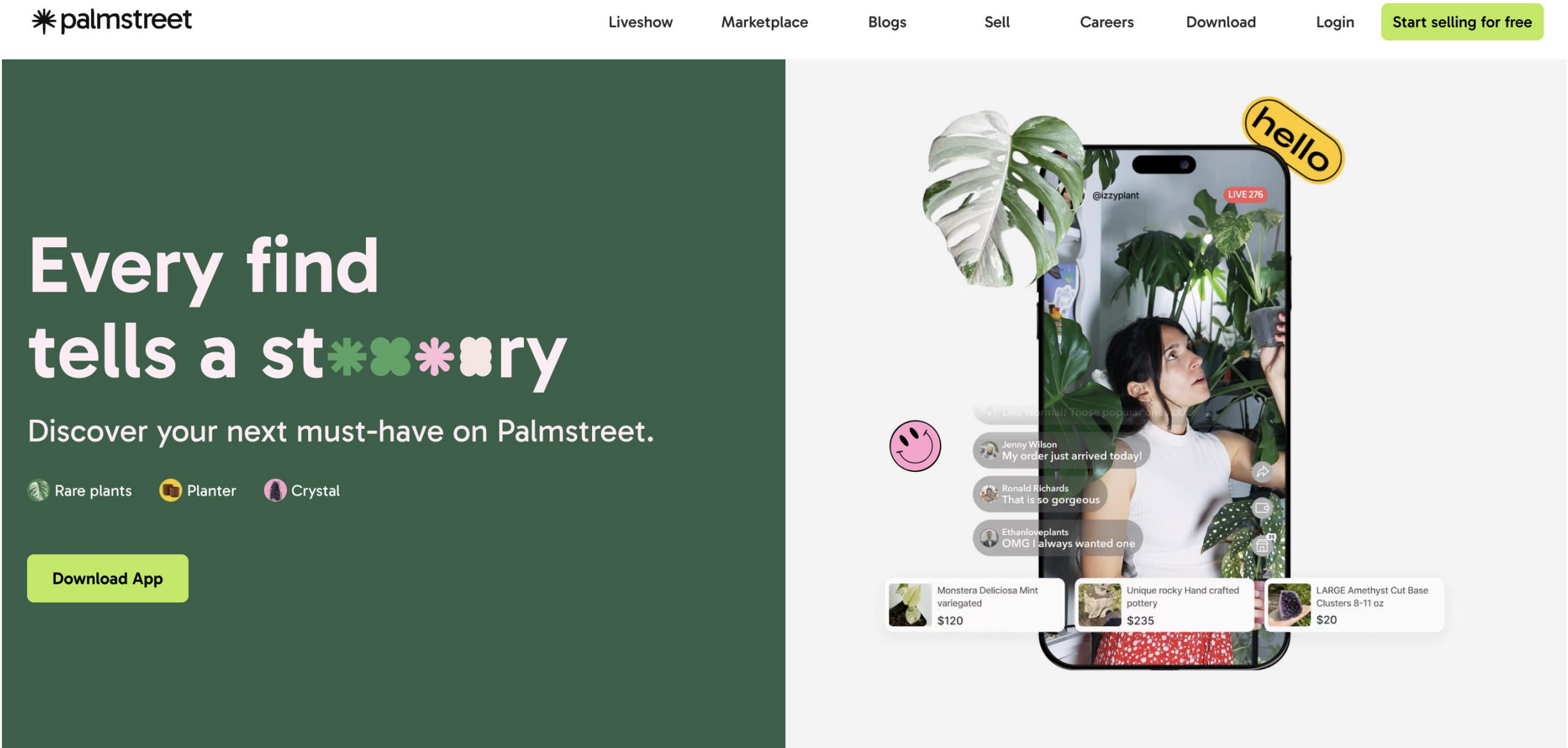
We believe in second chances

Ovoko is an online marketplace where car parts sellers, auto dismantlers, and recyclers meet car dealers, mechanics, and enthusiasts. Hosting a catalog of more than 15 million used car parts, we offer fast shipping in Europe and 14-day money-back guarantee – just in case your new purchase doesn't fit.

# Live commerce emerging in the West in interesting categories

We’ve seen many live commerce companies emerge in the West after the success in China, but they have struggled to scale


Now we’re starting to see **increased verticalization** in live commerce companies, which seem to have more early success than the horizontal players by **focusing on a highly engaged + passionate group and sector**.





# Entirely new verticals being created

**We are seeing new market creation and new verticals created following that behavior** → Alpagga with food professionals now seeking secondhand equipment for their facilities (cheaper price points and additional benefit of being sellers themselves too and continue innovating)



Rechercher un modèle, une référence, une marque...

Vendre sur Alpagga

Se connecter / S'inscrire



Tous les produits

Occasion

Déstockage

Bonnes affaires

À propos






## Achetez et Vendez vos équipements professionnels CHR

Équipez-vous au meilleur prix en occasion et déstockage


Je vends !

J'achète !







Logistique partout en France  
Enlèvement, transport et installation,  
partout en France



Facilités de paiement  
Solutions de paiement en leasing ou 4x  
sans frais



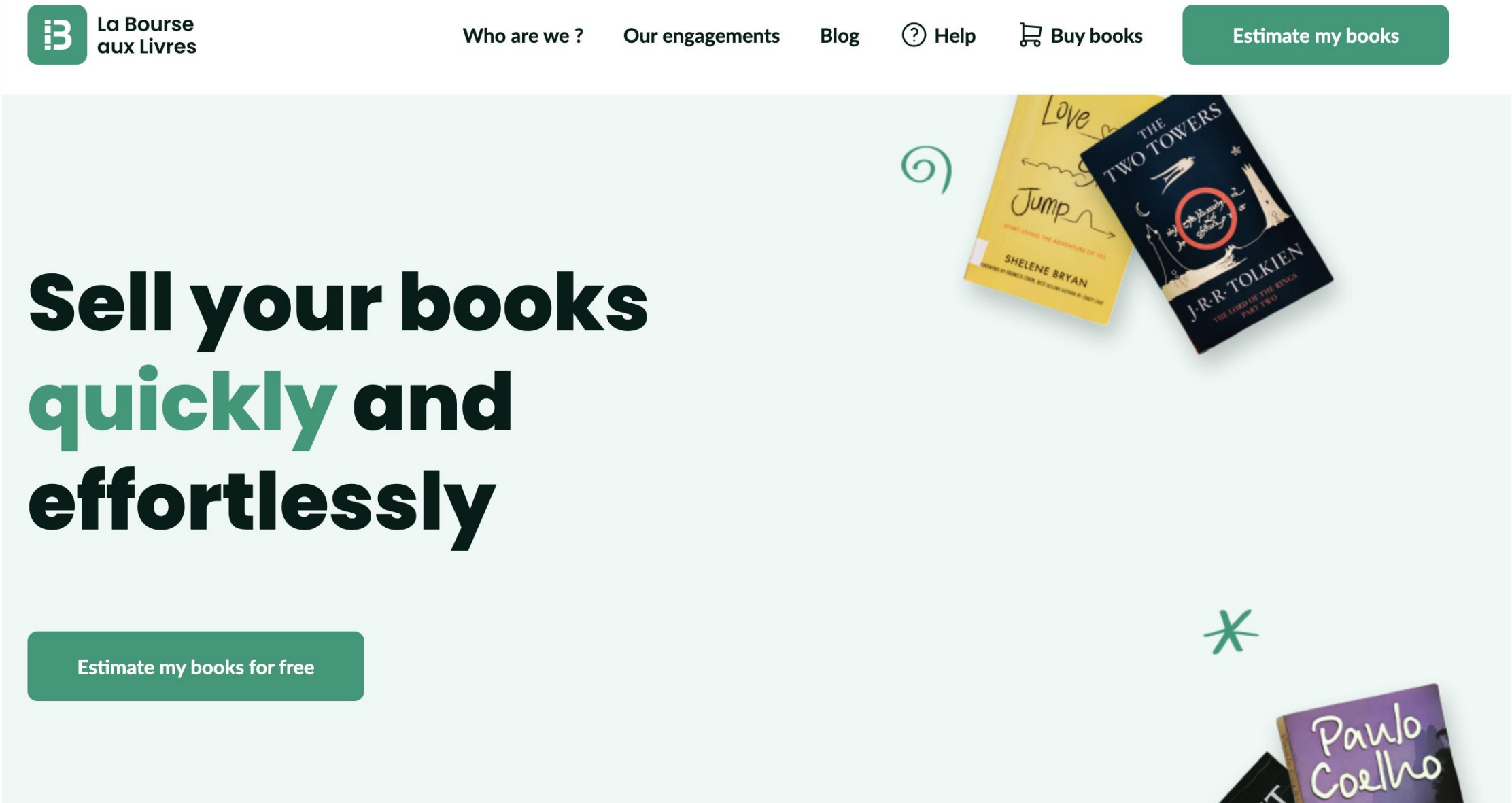
Garantie qualité  
Possibilité d'extension de garantie



Le choix de la sécurité  
Séquestre des fonds et garantie légale de  
conformité

## A new way of attacking categories

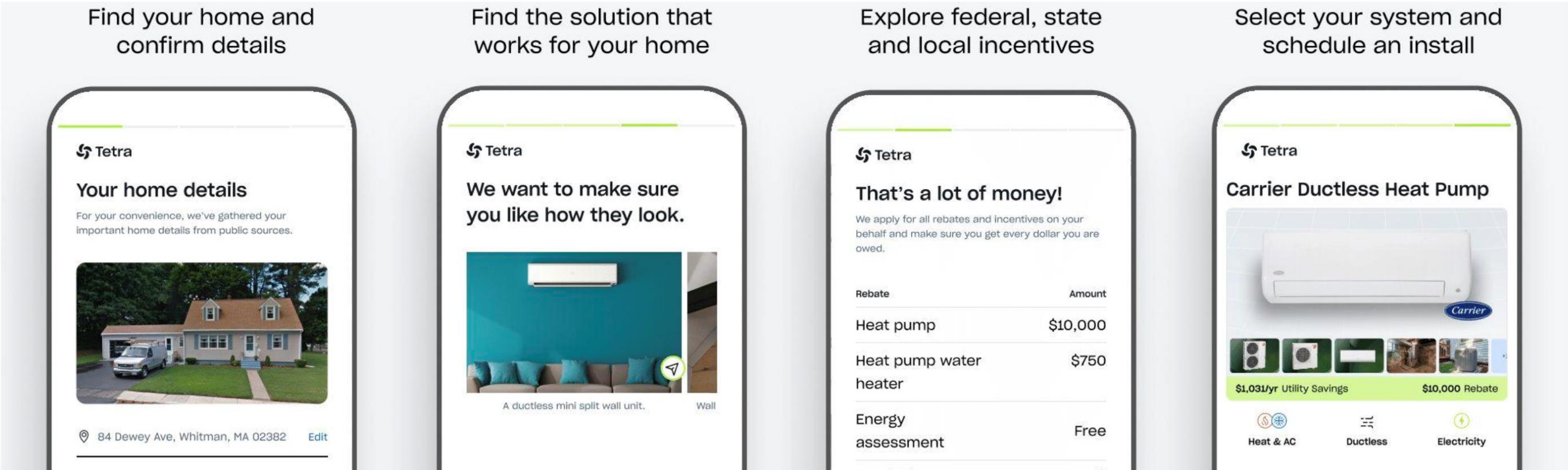
**We are seeing existing verticals be approached differently, starting with prioritizing convenience** → La Bourse aux Livres helping users save space and gather + sell all their books so seamlessly in exchange for credits for new books. Solving for the value prop of convenience and space allows them to charge super high take rates.



# Climate tech has remained buoyant through the last few years, and government incentives continue to fuel rapid growth

We see a rise of vertical marketplaces tackling the massive energy transition, both in the west and emerging markets.

**Tetra** is a managed marketplace for energy installation in the US, to drive the massive shift from AV to heat pumps (both through replacement and new installations). They simplify the process for home owner with simple explanations of costs, free assessments and included incentives.



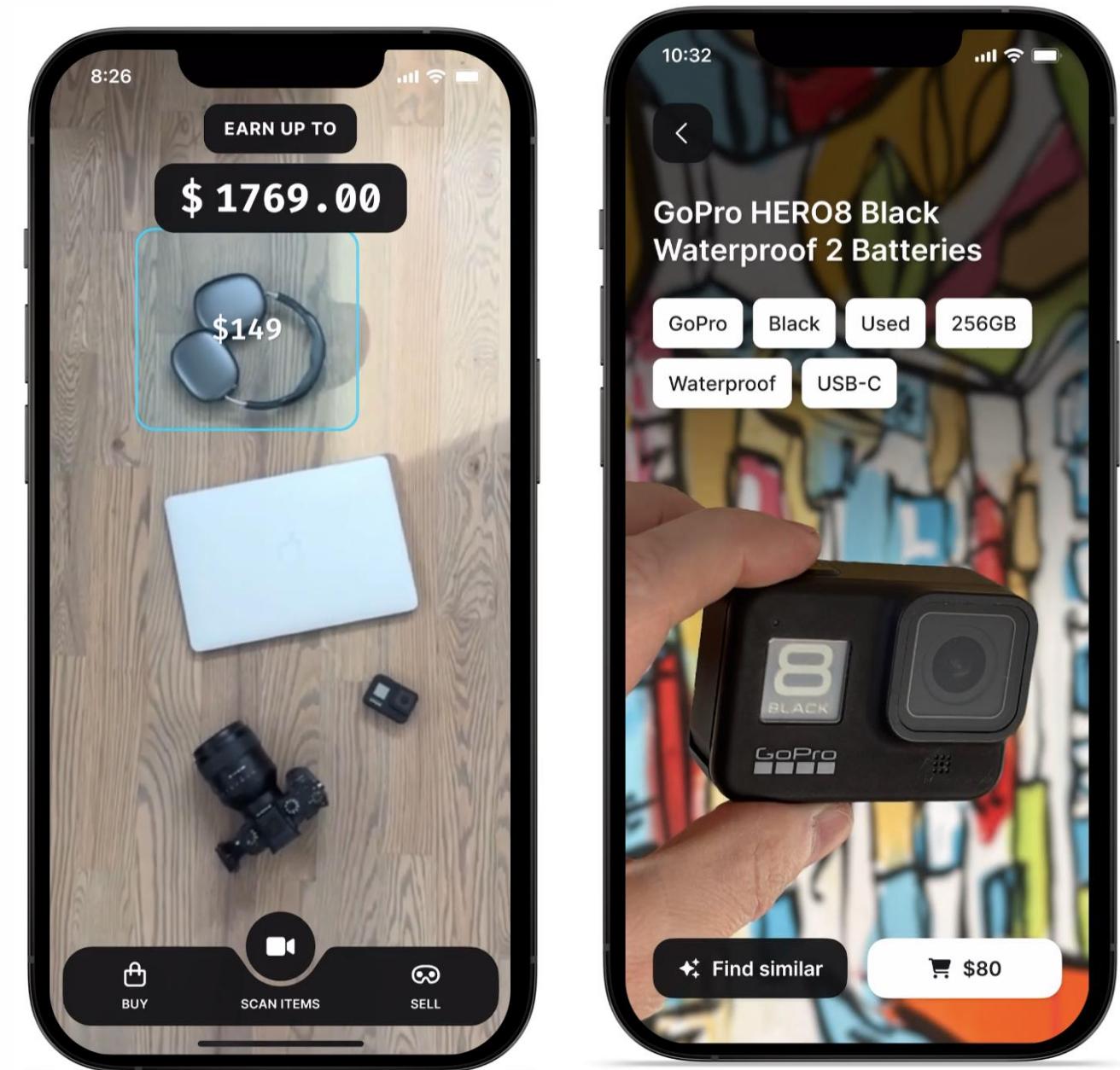


# HeroStuff is revolutionizing the listing process in horizontal marketplaces

## HERO

- Helps you identify, price, and list items for sale in seconds
- Automatically generates the listing → users can list on Hero's marketplace or other marketplaces in seconds
- Time spent with photos, descriptions, pricing, back and forth with buyers is minimized

Impacting product development (no need for technical skills anymore), UX (personalized search, higher conversion), cost and unit economics (greater supply side efficiency reducing COGS and logistics)



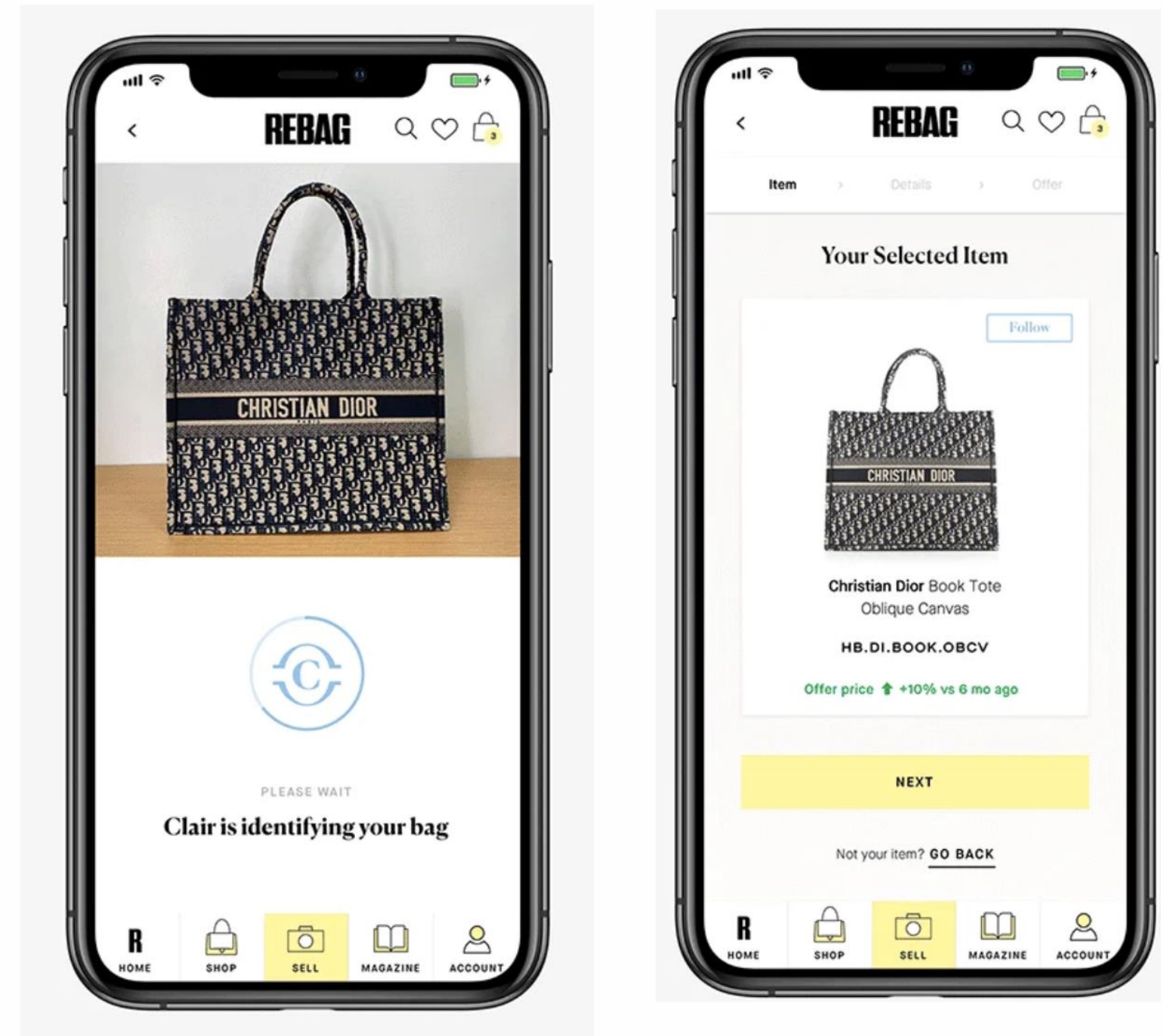


## Clair by Rebag is revolutionizing the listing process for handbags



- Rebag's Clair product uses image recognition to identify your item → tells its history (color and condition) → instantly reveals its value
- Helps prevent fraud for potential buyers, and facilitates the listing process for sellers

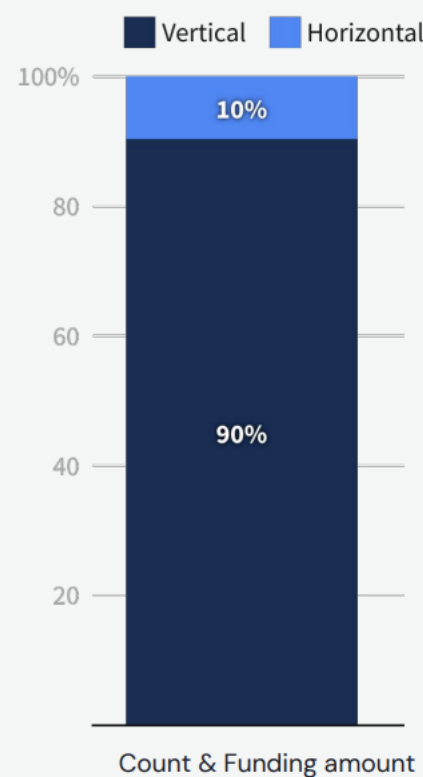
Clair instantly recognizes and prices bags from luxury brands simply using the Rebag app, transforming the experience for both supply and demand sides



## Opportunities in marketplaces are still at the tip of the iceberg and the opportunity to build and invest in marketplaces has a long way to go

We have been investing in marketplaces for decades, and **to this day we are still seeing new trends come up and new verticals being created** → proving that marketplace opportunities are far from limited, and we will continue to be proactive in finding them

► Vertical vs horizontal marketplaces share of VC funding amount and round count (2020–2023)\*



Adevinta Ventures | dealroom.co

**B2B is ripe for disruption** and many companies operating in the space are obsolete requiring innovation

- Many **core industries that are obsolete** & need to be disrupted (change of mindset from Baby Boomers)
- Opportunity to focus on **SMB enablement** and allowing SMBs to focus on what really matters
- **Economic shifts** (dynamics with China)
- We believe the right approach to **labor marketplaces is highly vertical**, and have seen many examples of scale across the globe

We are also observing new important marketplace trends

- **Cross border commerce** becoming a reality
- **Live commerce** emerging in the West in interesting categories
- Entirely **new verticals** being created
- A **new way of attacking** existing categories

# B2B Marketplaces



## B2B marketplaces can help bridge the gap between B2B and B2C.

**The consumer world has extraordinary user experiences** → same-day delivery, on-demand mobility, booking vacations in minutes, etc.



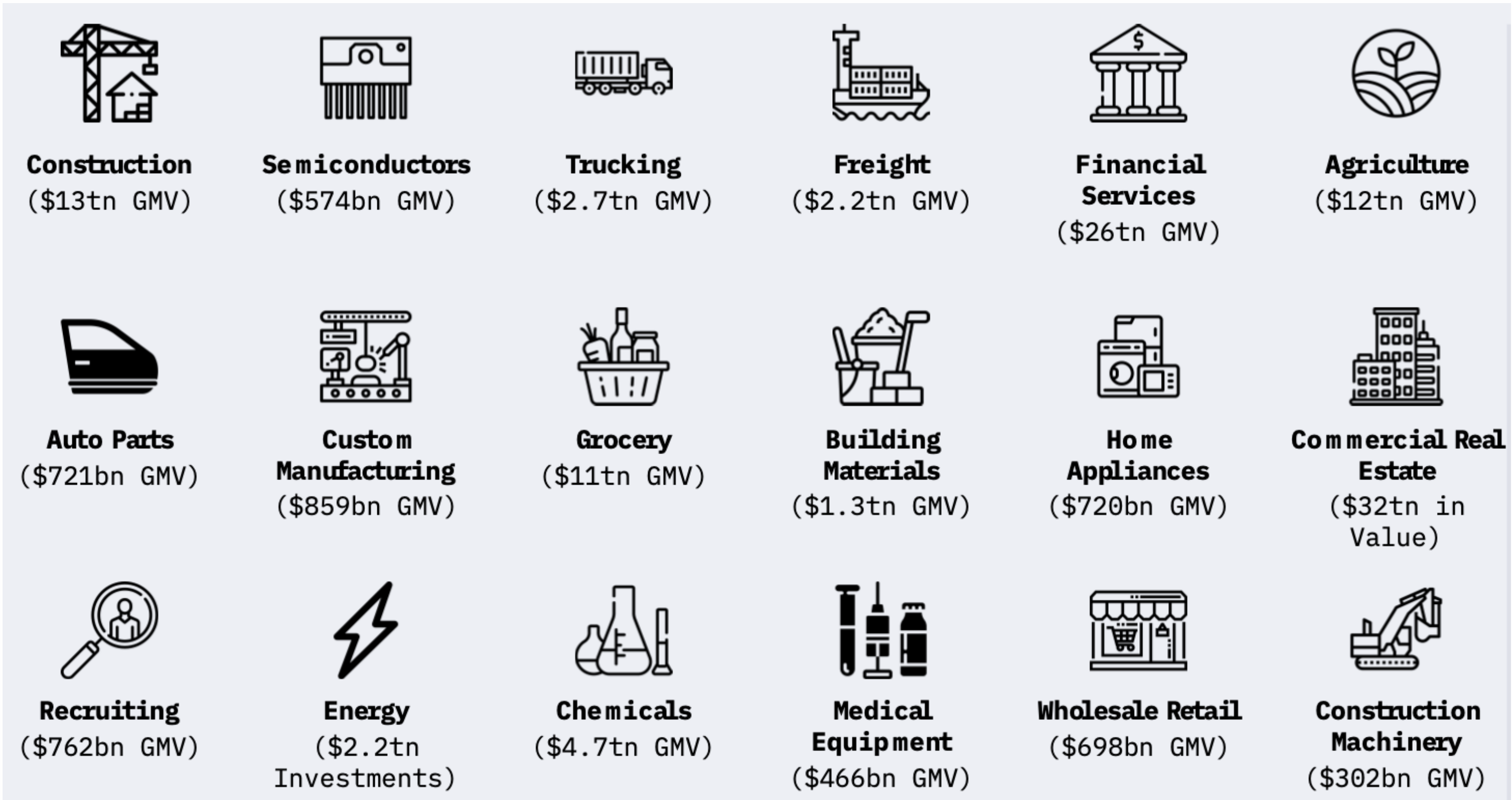
**The business world is behind:**

- No online catalog.
- No pricing.
- No connectivity to factory to understand manufacturing capacity and availability.
- No online ordering.
- No online payment.
- No order tracking.
- No insurance.
- No financing.
- Much still done via pen and paper.

**All of these could be different B2B startups in essentially every industry!**

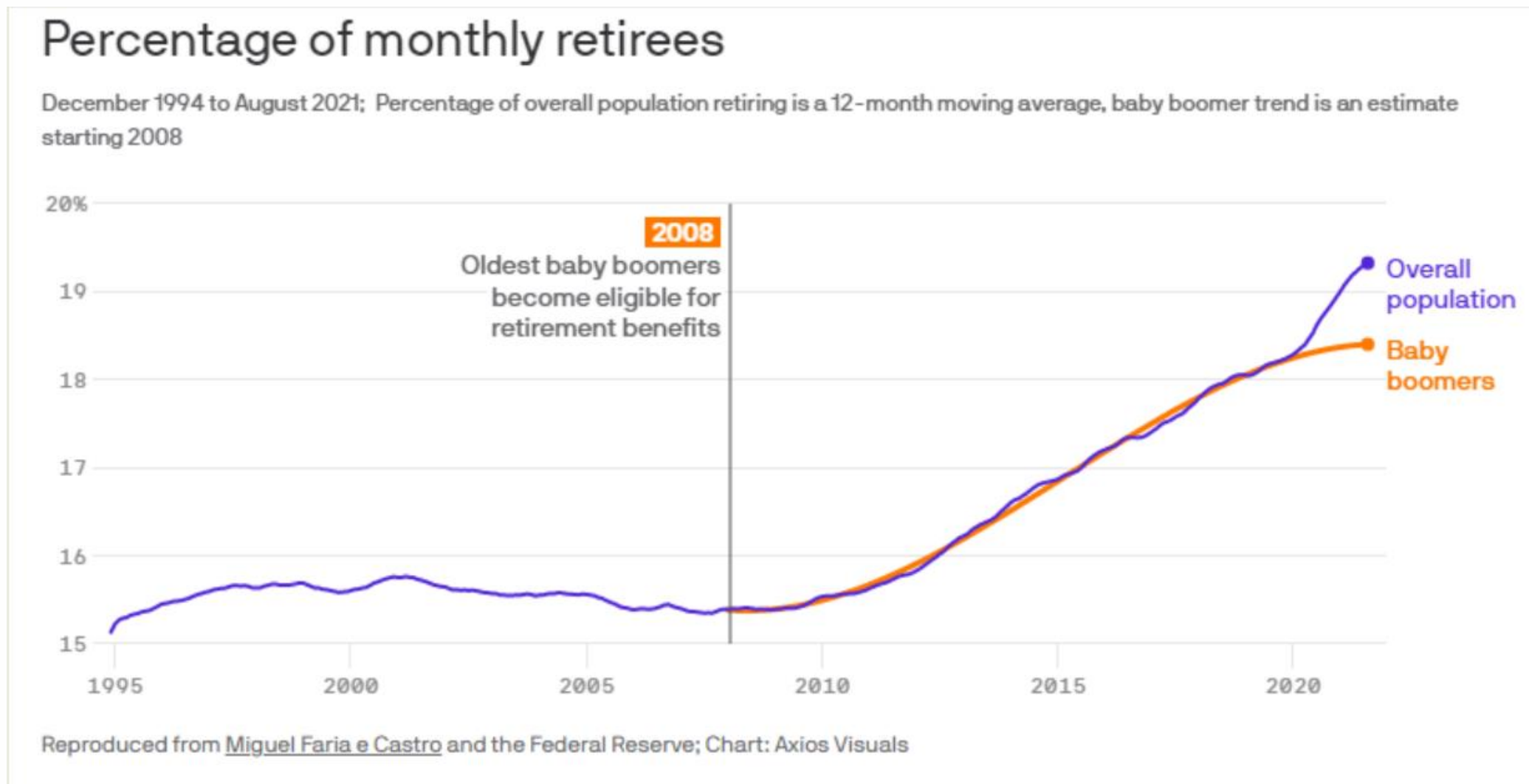


## B2B Markets offer large GMV opportunities.



Why now? B2B Marketplaces benefit from generational shifts in procurement.

**Baby Boomers are retiring leading to a shift in preferred purchasing behavior.**

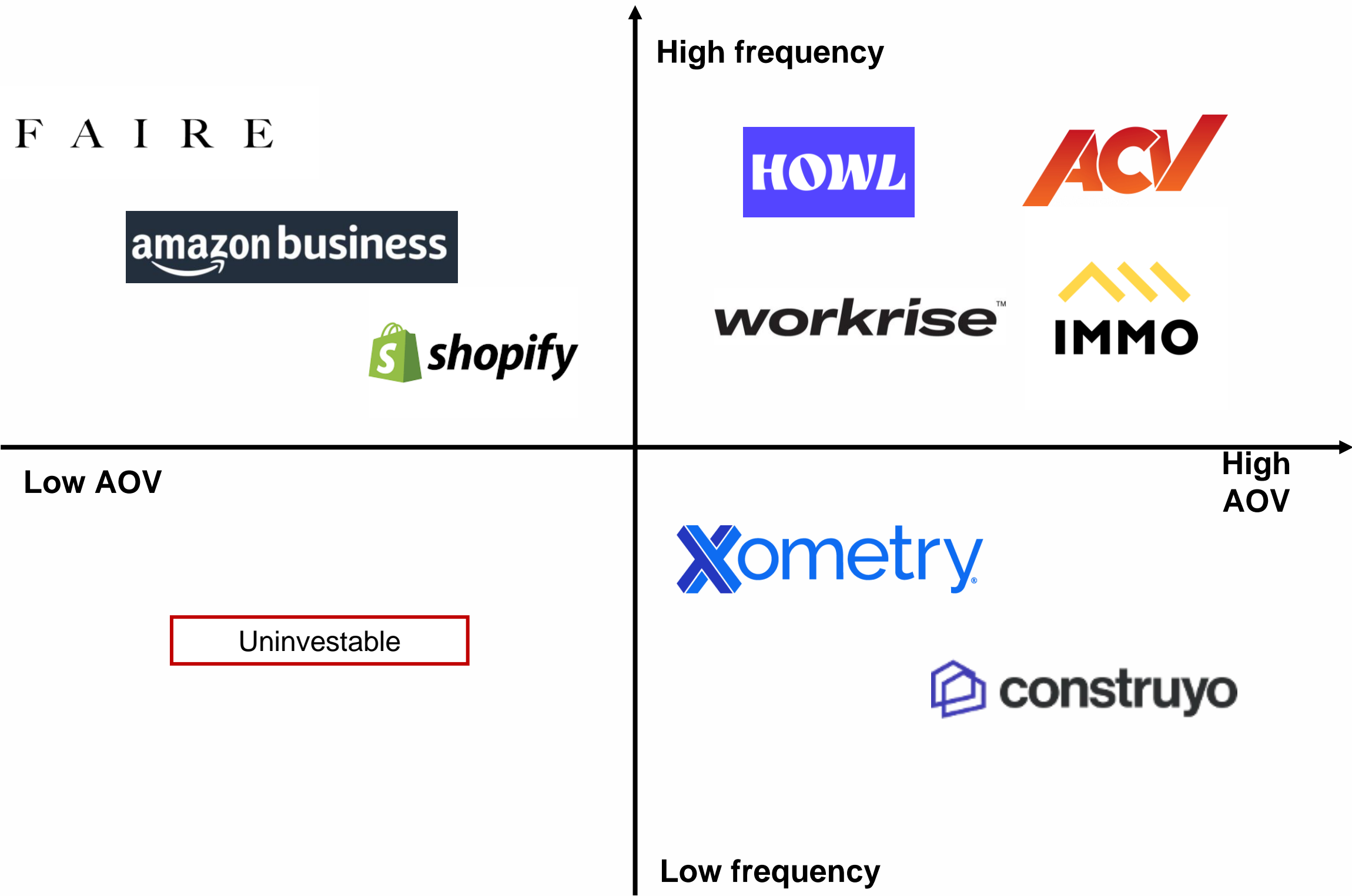


- Baby Boomers' preferred channel are RFPs (56%)
- 26% of all buyers prefer marketplaces over other channels
- 97% of millennials procure through marketplaces and 31% prefer it over all other options
- 18% of B2B sales is driven through e-commerce and it is the single most effective channel

Source: Oracle, Axios



Frequency and AOV matter.



But even then, it can be difficult to make the unit economics work.

Some markets have **concentrated supply or demand** and or oligopolistic on one side of the market or the other.

May not be able to charge a take rate due to **price sensitivity** in general or because the goods are commoditized.

Some industries are **less tech-savvy** which can lead to high acquisition costs.





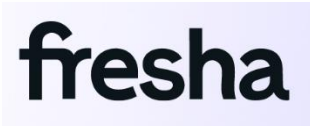













B2B **margins are lower by nature** so operationally intensive companies can struggle.

The logo for CHOCO, featuring the word "CHOCO" in a bold, blue, sans-serif font.The logo for CONVOY, featuring the word "CONVOY" in a bold, red, sans-serif font.The logo for FBN, featuring a green circular icon with a plant sprout and the letters "FBN" in a bold, green, sans-serif font.The logo for Xometry, featuring the word "Xometry" in a blue, sans-serif font with a stylized "X" made of two overlapping shapes.The logo for OPENMINERAL, featuring a blue geometric design of interconnected triangles and the word "OPENMINERAL" in a blue, sans-serif font.The logo for REKKI, featuring the word "REKKI" in a bold, black, sans-serif font.The logo for Uber Freight, featuring the words "Uber Freight" in a bold, black, sans-serif font.The logo for metals hub, featuring the words "metals hub" in a blue, sans-serif font with a stylized network icon to the right.

# FJ's B2B Sub-Thesis for Digitizing the B2B World



FJ Labs Current Thesis on Digitizing the B2B World

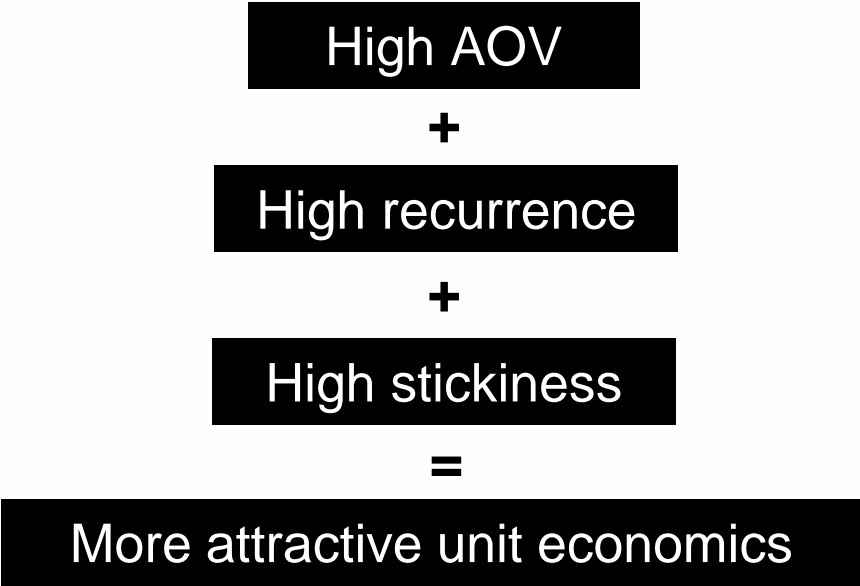
1) B2B Marketplaces for Inputs	 knowde			
2) SMB Enablement			 momence	
3) Friendshoring				
4) B2B Labor Marketplaces				
5) Business infrastructure	 ShipBob			





# B2B Marketplaces for Inputs

There are many core industries that are obsolete & need to be disrupted.

- Almost everything we do in our daily lives involves – directly or indirectly – tangible materials, machinery, chemicals, etc. → we want to push the boundaries of how our world currently works by digitizing legacy industries and making them more efficient.
- All of this is deflationary, making goods cheaper for everybody, which in turn is inclusionary, aligning with our overarching purpose as investors.

1. Small **degree of e-comm penetration**
2. Industry insiders → **founder-market-fit matters**
3. Is the **supply and demand fragmented** (to have a meaningful take rate)
4. Find **value-added services** for a strong value prop
5. Opportunity for **multiple revenue streams** (SaaS, ads, financing, insurance, logistics, etc)
6. Looking for **shorter sales cycles**



Chemicals	Precision Parts	Gravel	Construction Samples
			

# SMB Enablement

- Companies that do what you don't like doing → building website, inventory management, supplies, accounting, POS
- Business model varies → 0-3% take rate; Fresha takes small margin on POS but with volume works
- Embedded lending helps SMEs with cashflow
- Improved discovery, demand aggregation, inventory
- Fast, reliable delivery

**Aligned with future of work movement → helping SMB owners only do what they love and helping them compete with large national chains**



### Appointment scheduling

A sleek and user-friendly salon software compatible with all devices for seamless appointments scheduling and management.



### Payment processing

Securely process client payments via pay by link, saved card and Fresha card terminals for a seamless checkout experience.



### Point of sale (POS)

All the tools to manage your salon retail operations with barcode scanners, receipt prints and more.



### Marketing promotions

The most powerful salon software with marketing features to grow your business and appointment bookings from new clients.



### Product inventory and online store

Manage your stock and set up your own online store to sell products worldwide.



### Reporting and analytics

Leverage Fresha's performance analytics and reporting tools to gain valuable insights into your salon's financials, client trends, and overall business growth.

Fitness Studios



Pizzerias



Laundromats



Beauty Salons





## Friendshoring

- For geopolitical and economic reasons, everyone needs to be moving their supply chains out of China, especially into India (but not exclusively) → **we're helping local SMB mom and pop manufacturers sell into the West**
- SMB owner of a factory wants to focus on manufacturing and can now automate the rest:
  - Answering RFQs.
  - Prototyping.
  - Shipping.
  - Dealing with customs.
  - Insurance.
  - Invoicing.



### Factory Direct Pricing

Offering furniture businesses globally the exclusive opportunity to purchase products at direct-from-factory prices.



### Vast supplier Network

Tap into our extensive furniture manufacturer network to source from diverse collections including dining, living, bedding, accents, and rugs.



### Low MOQ

Enjoy the benefits of low Minimum Order Quantities and maximize cost savings.



### High Quality, Low Risk

Delivering top-tier products backed by quality guarantee for your peace of mind.

Apparel Sourcing

**ZYOD**

Raw Materials



Upholstery/Furniture

**doocan**

## B2B Labor Marketplaces

We believe the right approach to labor marketplaces is highly vertical, and have seen many examples of scale across the globe

### This is successful because:

- High AOVs
- High markup on cost of talent (20-45%)
- Easier to scale up or down talent as needed

### For founders, success looks like:

- Careful vetting of supply
- High share of wallet for supply (25%+)
- High match rate (75%+)
- Typically moving from long tail up to shorter tail

Labor marketplaces are only successful in categories where economics make sense → many job sites are more like arbitrage getting leads from Google and doesn't have real network effects (marginal CAC doesn't decrease)

**\*This is a secondary thesis because many labor marketplaces are not true marketplaces but advertising arbitrage businesses**

#### In-Person Labor – Technical Talent



#### Remote Labor – Creative Talent



#### Remote Labor – Technical Talent



## Infrastructure for businesses

- If you're a company shipping or selling something cross-border (e.g., from a factory in India) the logistics process is extremely complex and historically has not been integrated → **we've invested in the businesses that solve this.**

**flexport.**



**ShipBob**



**shippo**

- Global payments is a similar struggle for companies just starting to sell cross-border and **financial infrastructure exists to support them.**

**Rapyd**

**stripe**

- Automation and robotization of manufacturing and warehouses.

**FIGURE**



# Supply chain innovation has powered the rapid rise of new e-commerce giants



Forbes Middle East  
<https://www.forbesmiddleeast.com>

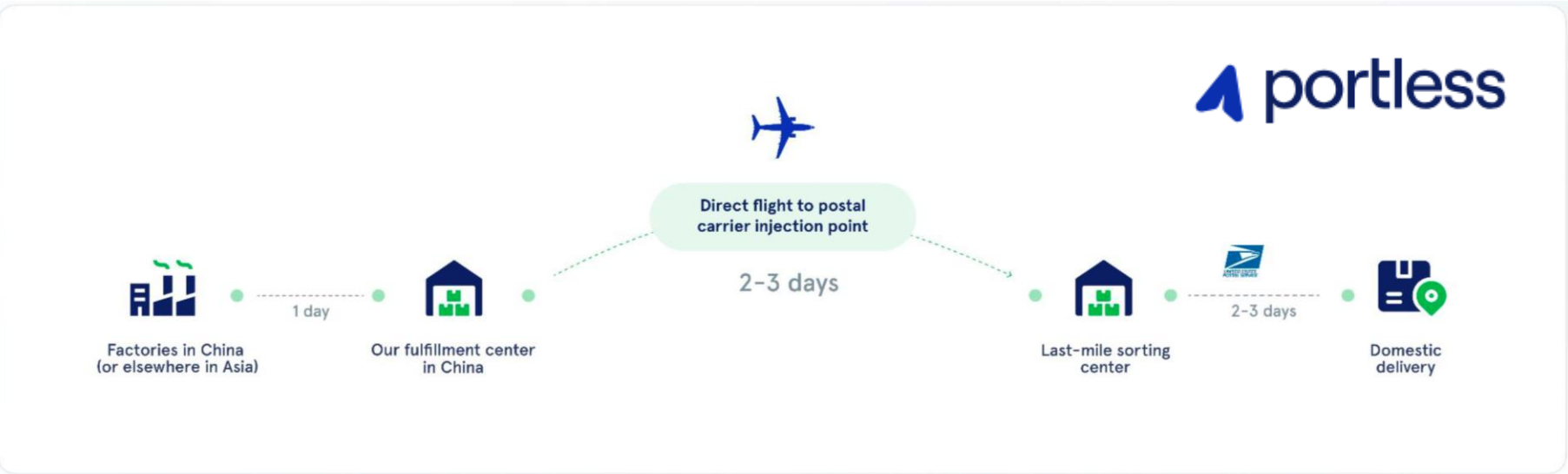
## How Temu And Shein Are Overwhelming The Air Cargo ...

Temu and Shein ship the equivalent of 88 Boeing 777 freighters of cargo worldwide every day.

Brands that produce goods offshore lock up a lot of capital in inventory as their products are made and shipped internationally.

Many brands **lock up months of sales for up to 90 days**

**Shein** and **Temu** sell from inventory in China, *before* they are shipped. To make shipping times work for the consumer, they leverage huge volumes of air freight



**Portless** offers warehouses in China and Vietnam (soon India, Mexico etc) that function as the fulfillment warehouse for western brands, to give the same capability. The goods are then shipped via air to injection points in the US, where 3PLs carry the products to the consumers' door.



# B2B recommerce marketplaces

\$500bn of excess inventory is sitting on retail balance sheets. \$163bn is discarded annually. Yet recommerce is largely handled through brokers and old-school intermediaries. Ghost is an example of B2B marketplaces that are tackling this dead stock sitting on company balance sheets

**This is successful because:**

- High AOVs, with recurrence
- Fragmentation on both supply and demand side
- For supply, this is found money (a lot is written off today)

**For founders, success looks like:**

- Sufficient scale and quality of supply (to absorb the diverse supply)
- High sell-through rate
- Excellent enterprise sales

