

# Marketplace Services for Vendors of Zappos.com

## A Zappos Expertise Case Study - Amazon Marketplace

### Challenges

Amazon Marketplace made up 31.3% of total e-commerce sales in 2018<sup>1</sup>. This makes Amazon important to any retailer's strategy. The size and complexity of participating in this hyper-competitive space can be overwhelming. Some challenges that participants face are:

- Steep learning curve in the Amazon marketplace
- Partnering with brands that do not have control over their distribution (unauthorized 3P seller problems)
- Offering a service that complements Amazon vs competing with them
- Identifying brands that would be a good candidate

### Background

Creating new revenue streams for a mature e-commerce business like Zappos requires improved value propositions for its vendors. Zappos has been in business for 20 years, and in order to stay competitive and nurture existing vendor relationships, it needs consistent innovation.

### Solution

Creating a new service offering at no additional cost to vendors will entice brands with no previous presence on Amazon Marketplace to leverage opportunities there.

By choosing Zappos as their exclusive seller on the channel, a brand gains Zappos expertise and assistance in creating an amazing shopping experience for their customers on the Amazon channel, while driving increased sales.

The Amazon Marketplace specialists within Zappos created a program that provided measurable à la carte services to vendors.

- Amazon Education (how customers find product on the site, and once they do, who wins the buy box)
- SEO-rich content
- Assistance in gaining brand registry
  - brand store
  - brand logo on product pages
  - enhanced content product pages
- Marketplace reporting
- Suggested SMUs and new products

### Results

- Program launched with two exclusive brand relationships
- In two years, the program unlocked an additional revenue of \$22M
- Both brands continue to partner with Zappos.com for Amazon Marketplace needs

Improved experience for initial partners with fewer listing issues, reduced return rates and improved customer satisfaction

<sup>1</sup>Source: <https://www.marketplacepulse.com/articles/amazon-marketplace-is-the-largest-online-retailer>