

# MARKETPLACE SUITE SPOT

— ONLINE MARKETPLACE PLATFORM COMPARISON REPORT —

Q4 2020



## AN EVALUATION OF PLATFORMS

MIRAKL VTEX UNIRGY WEBKUL SHARETRIBE ARCADIER



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# 1. INTRODUCTION

## WELCOME TO THE MARKETPLACE SUITE SPOT REPORT

**The Marketplace Suite Spot<sup>SM</sup>** report evaluates the top technologies that businesses can use to create, launch, and grow an online marketplace. Some of these solutions require a standalone ecommerce platform to operate, some include that customer-facing catalog/cart/checkout functionality along with seller-facing marketplace-specific functionality.

We've evaluated these vendors in relation to their ability to provide marketplace scale and maturity. Scale is defined according to factors like GMV, SKUs, or project budget. Maturity capability is graded on the Marketplace Maturity Model<sup>SM</sup> scale (vendor's ability to iterate, expand, and grow with you). These evaluations are based on a combination of the author's own knowledge of the platforms, conversations with both retail and business Ecommerce merchants, conversations with vendors, opinions of industry experts, and publicly available information.

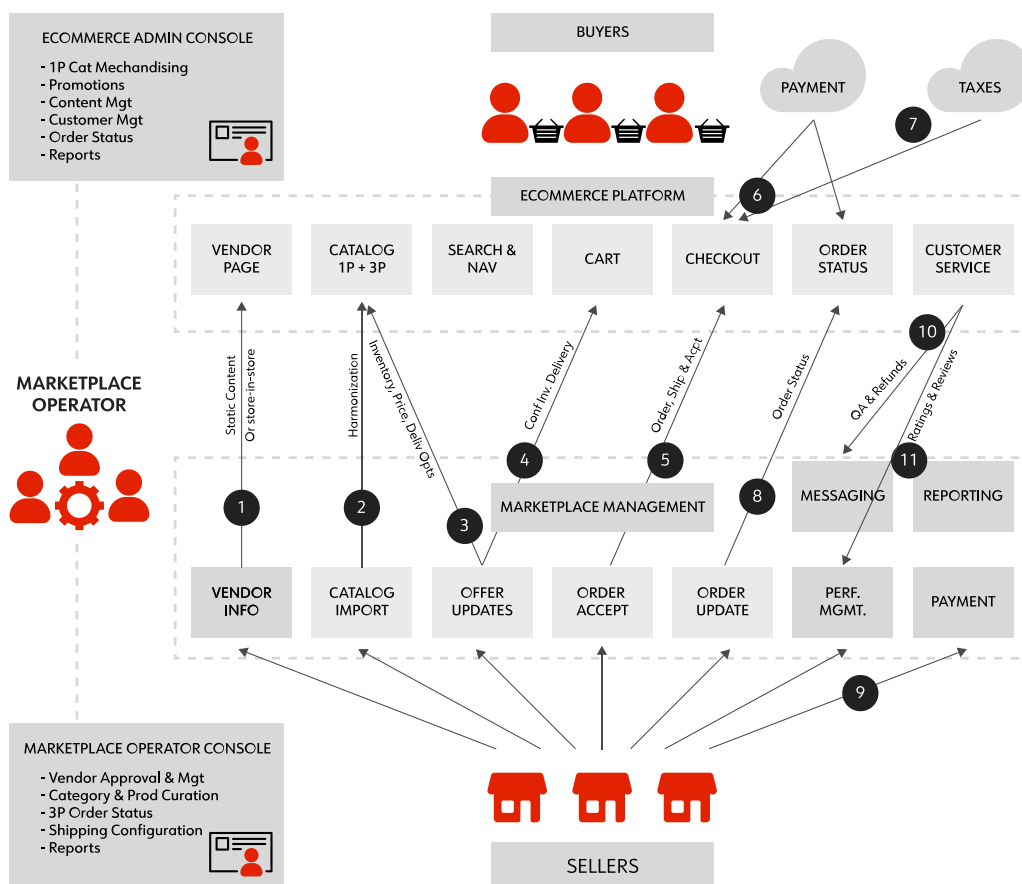
The reason to layer marketplace-specific functionality on top of traditional Ecommerce functionality is the "seller-factor". Marketplace site operators have a community of third parties selling on their platform, in addition to their end-customers, forming a digital commerce ecosystem. The "seller factor" means these sellers need to be able to upload their catalogs, have their own profiles (and possibly storefronts), they need to be able to have offers and sales, and the site needs the capability to accept payment on-behalf-of many sellers in many locations, handling the escrow payments, commissions, disbursements, and returns. This functionality is in addition to the typical Ecommerce elements such as catalog, search, cart, checkout, and customer profile.

Our goal is to provide useful information and opinions from industry veterans that can be used as a conversation starting point for those looking to take part in the platform economy. To further an understanding of the marketplace vendor landscape in relation to each specific use case, we encourage dialogue and further exploration of all platforms and technologies referenced in this report.



## MARKETPLACE ARCHITECTURE COMPONENTS

Most marketplaces are two-party platforms: buyers (customers) and sellers (3P vendors) of products. Often there is one platform which faces the customers (e.g. a traditional ecommerce platform like Magento, Shopify, or Hybris) and another platform (e.g. a marketplace platform) that faces the sellers. Some vendors (e.g. VTEX and Arcadier) offer both a customer-facing ecommerce engine and a seller-facing engine in their platform. The upper half of the following diagram shows the customer / buyer facing components. The lower half shows the seller-facing components.



An example of a two-platform solution is Magento as a customer-facing ecommerce platform and Mirakl as a seller-facing marketplace. An example of a combination solution would be VTEX, which offers both a customer-facing ecommerce platform and seller-facing marketplace functionality. Engaging a sufficient quantity and quality of 3P sellers (vendors) is critical to the success of a marketplace. Often there will be a Vendor Aggregation Network (VAN) like ChannelAdvisor in front of some or all vendors, while Mirakl (via Mirakl Connect) and VTEX (via native store-to-store OMS integrations) also offer their own proprietary vendor networks in addition to supporting the VANs and direct vendor integrations.

## 2. COMPARISON OVERVIEW & CRITERIA

There is no “best” marketplace platform, as different vendors target different business requirements. The initial capital cost, ongoing operational expense, complexity, and lengthy implementation times of the most advanced platform can all be deterrents for those looking for a lightweight quick-launch or proof-of-concept. But such initial budget and simplicity considerations do need to be tempered by the realities of building a scalable solution. A marketplace technology that focuses on selling services or the “sharing economy” may not be the best for product sales. Some marketplace platforms include customer-facing ecommerce capabilities while others depend on a separate ecommerce platform (e.g. Magento, Shopify, Hybris). The complexity of a marketplace that can support ten thousand 3P sellers and a million SKUs may be overwhelming for an operator that only plans on selling ten thousand products from a hundred 3P sellers.

The McFadyen Suite Spot graphs consider these variables to compare vendors on multiple dimensions (criteria). The first dimension (horizontal axis) is based on the Marketplace Maturity Model<sup>SM</sup> (MMM), the industry’s standard for assessing capabilities. The second dimension is scale which is a combination of total marketplace Gross Merchandise Value (GMV), total SKU count, and implementation budget. A third dimension is cost which is often negotiated on the enterprise platforms so a representative indicator of \$, \$\$, or \$\$\$ is used to compare relative prices. Other factors include which (if any) ecommerce platforms can be easily integrated.

For marketplace platforms which are usually integrated with a separate ecommerce platform the major supported ecommerce platforms are also indicated on each marketplace vendor graph.

### CRITERIA 1: MARKETPLACE MATURITY

The Marketplace Maturity Model<sup>SM</sup> (MMM) is the industry standard assessment of marketplace capabilities. It is one of the two main dimensions upon which the Marketplace Sweet Suite Spot evaluation is performed. An overview of the MMM is included for context and the full model guide can be accessed at [mcfadyen.com/mmm](http://mcfadyen.com/mmm).

Much like the popular Capability Maturity Model (CMM), the Marketplace Maturity model details five levels of sophistication of digital commerce and marketplaces.

**Level 1: 1st Party Ecommerce:** The first level is the traditional first party ecommerce which has been around for a quarter century. The commerce operator must source all products, negotiate purchase contracts, merchandise them, carry the inventory (physically & financially), determine pricing, ship products, and support the products.

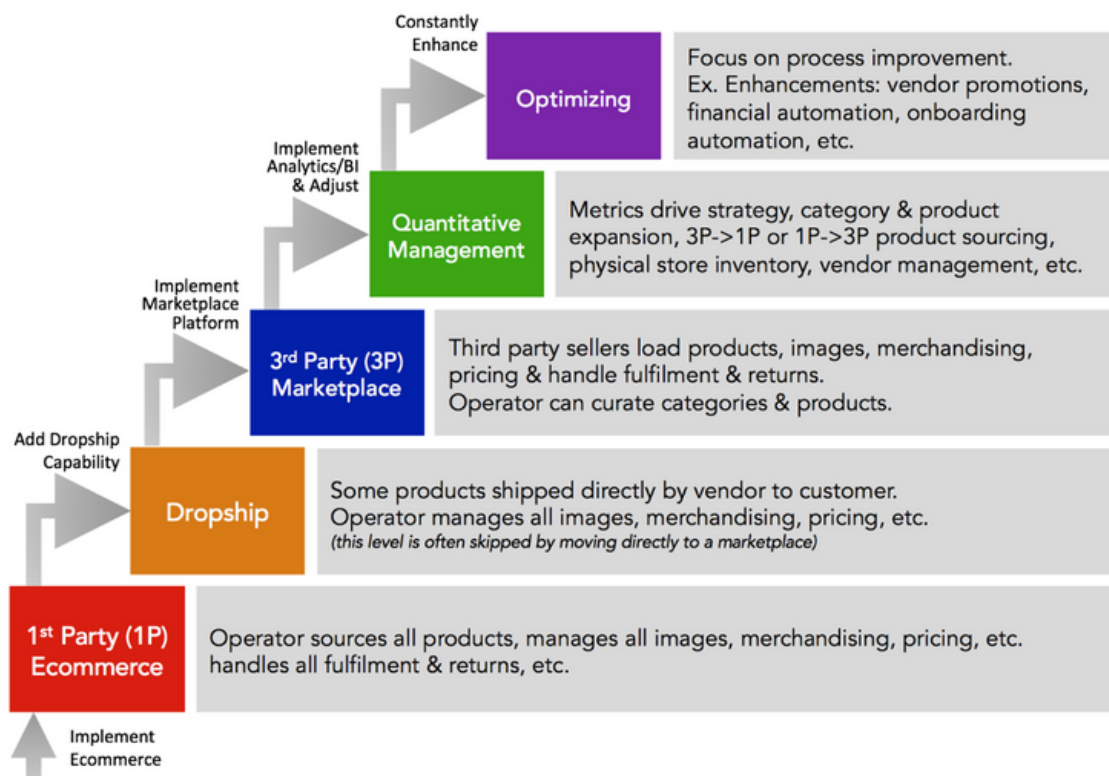
**Level 2: Dropship:** Dropship operations in level 2 are a minor incremental change over level 1 in that the operator doesn't need to physically or financially carry the products which are fulfilled by a dropship vendor (often the manufacturer or a wholesaler). However, the overhead of sourcing products, negotiating contracts, merchandising products, pricing products, and supporting products remains on the ecommerce operator, in addition to the lower margins typically seen with this model.

**Level 3: 3rd Party Marketplace:** Level 3 is where an organization truly "platforms their business" by enabling others to transact on their system. Third party sellers source products, merchandise products, carry products, price products, fulfill products, and often support products. The marketplace operator receives a commission (often 10%-20%) for facilitating the transaction and can scale very quickly with so much outsourced to third parties.

**Level 4: Quantitative Management:** Running a marketplace by the numbers enables even greater scale. Massive amounts of data can be collected, monitored and used to fine tune the business. Many processes (e.g. seller management, product curation) can be automated based on metrics.

**Level 5: Optimizing:** Amazon and other leading marketplaces are continuously innovating with new features, business models, markets, and integrations. An example is selling third party services (e.g. electrician) in addition to a 3P product (e.g. ceiling fan).

The diagram below shows the evolution of capabilities in the Marketplace Maturity Model.<sup>SM</sup>



## CRITERIA 2: MARKETPLACE SCALE

The second major dimension on which the marketplace platforms have been analyzed is their ability to scale. Our assessment of the vendors in this report in general is that one platform is not "better" than another as there are many dimensions to consider. Each vendor has a different "sweet spot".

A bicycle or car is better suited for traveling a mile down the road, but a Boeing 777 is better for traveling 5,000 miles between continents. The rating of these transportation options depends on the user's needs.

Similarly, one marketplace platform is a better fit for a company with < \$100K budget to support several thousand SKUs. Another is a better fit for an enterprise planning to quickly scale to a quarter billion dollars of GMV with several hundred thousand SKUs from thousands of 3P sellers.

There can be many metrics for "scale" but for simplification we grouped three metrics:

**GMV:** Gross Merchandise Value, or the total dollar value of annual online sales (1P + 3P).

**SKUs:** Stock Keeping Units, or the total number of variants (size, color) of all products.

**Project Budget:** The first-year budget allocated to build and launch a marketplace including the cost of software (one-time up-front plus 12 months of recurring fees) and professional services for design and implementation.

GMV, SKU count, and project budget may not always align in this manner, but we provided three reference points for scale:

**Big:** \$1 billion of GMV with 1 million SKUs and a budget of \$2 million

**Medium:** \$100 million of GMV with 100,000 SKUs and a budget of \$500,000

**Small:** \$10 million of GMV with 10,000 SKUs and a budget of \$100,000.

Vendors are positioned in their "sweet spot", not positioned to cover every potential application. To draw an analogy with ecommerce vendors, there are large \$10 Billion enterprises using turnkey SaaS-based ecommerce platforms (e.g.: Shopify) and small \$10 Million companies using monolithic legacy platforms (e.g.: Hybris). Neither would be considered the typical "sweet spot" for either ecommerce solution, but it can work, so consider this report as a starting point from which to frame-up your search.

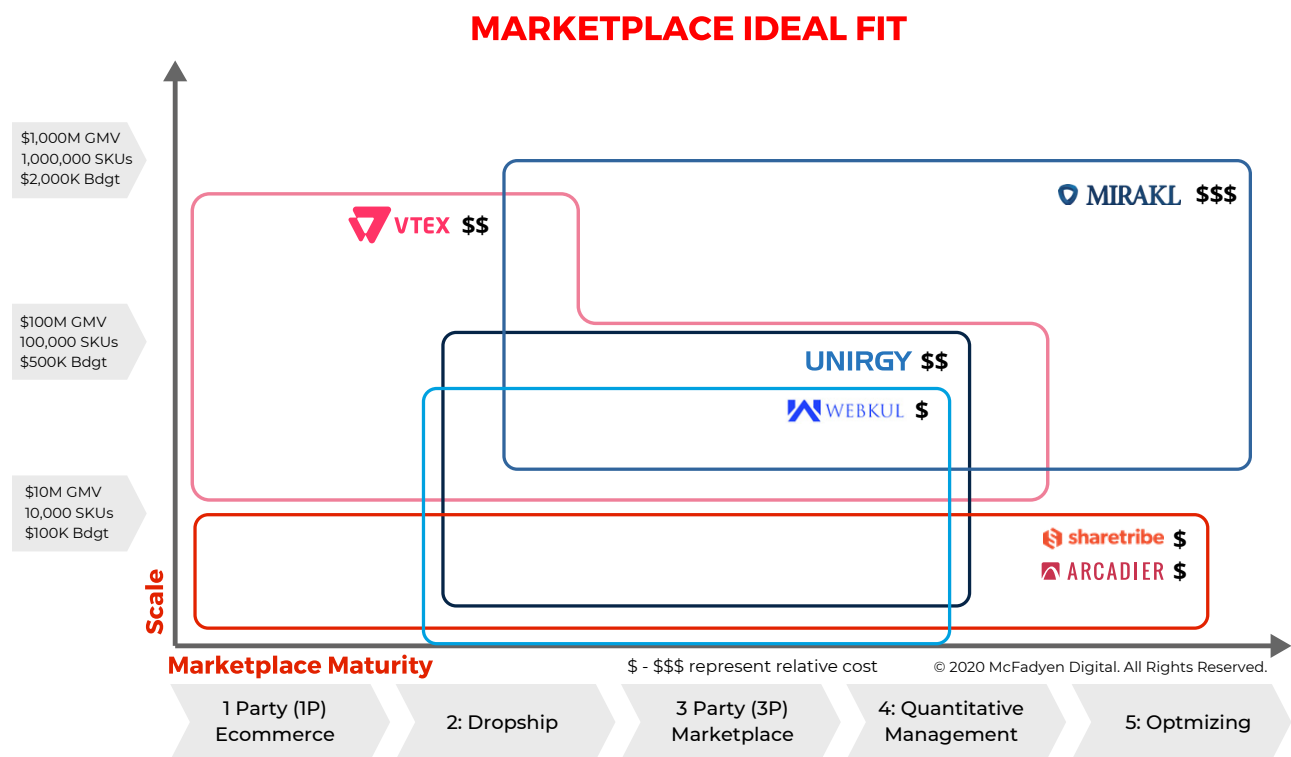
## OTHER CRITERIA (COST, BUSINESS MODEL)

Guidelines for cost are also presented. Pricing models may contain a combination of a one-time initial fee, a fixed recurring fee, and/or a percentage of GMV revenue share fee. Pricing for enterprise software (e.g. Mirakl) is often negotiated (especially at quarter-end) but low-cost extension modules (e.g. Webkul) is generally fixed price.

### 3. MARKETPLACE SUITE SPOT PLOTS




















































































Marketplace platforms have a "sweet spot" where they best fit, and often there is not much overlap between competing platforms. The Marketplace Suite Spot graphs below shows the best fit for each vendor. Vendors may be able to stretch and perform outside these sweet spots, but other platforms may be a better natural fit.

The plot below shows the comparison overlay view, where the marketplace platforms themselves are drawn to represent the relative scale and maturity representing their sweet spot. It should be noted that neither the size of the vendor organization, nor the estimated market size is represented on this plot.



The McFadyen Digital team has worked hands-on with many of the platforms analyzed in this document. We have also performed analysis on the other platforms referenced in this report. The plot above and the following sections describe the details of our findings and opinions on each platform vendor that was evaluated. This is not an analysis of traditional 1P ecommerce platforms, so vendors with only those offerings are not addressed outside the context of integrations with these marketplace technologies.



						
COMPANY INFORMATION						
Founded:	2012	1999	2010	2010	2011	2013
Location:	FR, US, UK, AU, ES, BR+	BR, CO, US, AR, MX, UK+	US	IN	FN	SG, PH, AU
# of Employees	300+	800+	40+	400+	30+	40+
# of Clients	250+	3,000+	2,000+	80,000+	1000+	12,000+
COST FACTOR						
Cost Model:	Setup +, Monthly + GMV%	Setup +, Monthly + GMV%	Monthly or Annual Subscription	One-time or Subscription	Monthly subscription + trans fees	Monthly subscription on volume
Relative Cost:	\$\$\$	\$\$	\$\$	\$	\$	\$
PLATFORM DELIVERY						
SaaS Platform:						
On-Prem Platform:						
BUSINESS MODEL TYPE						
B2C Capable:						
B2B Capable:						
P2P Capable:						
SELLER NETWORKS						
Proprietary Seller Network:						
Open Seller Network:						
TYPE OF LISTINGS						
Can Offer Products:						
Can Offer Services:						
SCALE OF MARKETPLACE BUSINESS						
Enterprise Fit:						
Mid-Market Fit:						
SMB Fit:						
<b>LEGEND:</b>  Unlikely Fit  Not Ideal Fit  Possible Fit  Likely to Fit						
						



**Solution Overview:** Mirakl is a leader in the enterprise-scale marketplace space with their SaaS-based offering built for both B2C or B2B situations, accommodating physical products and/or services.

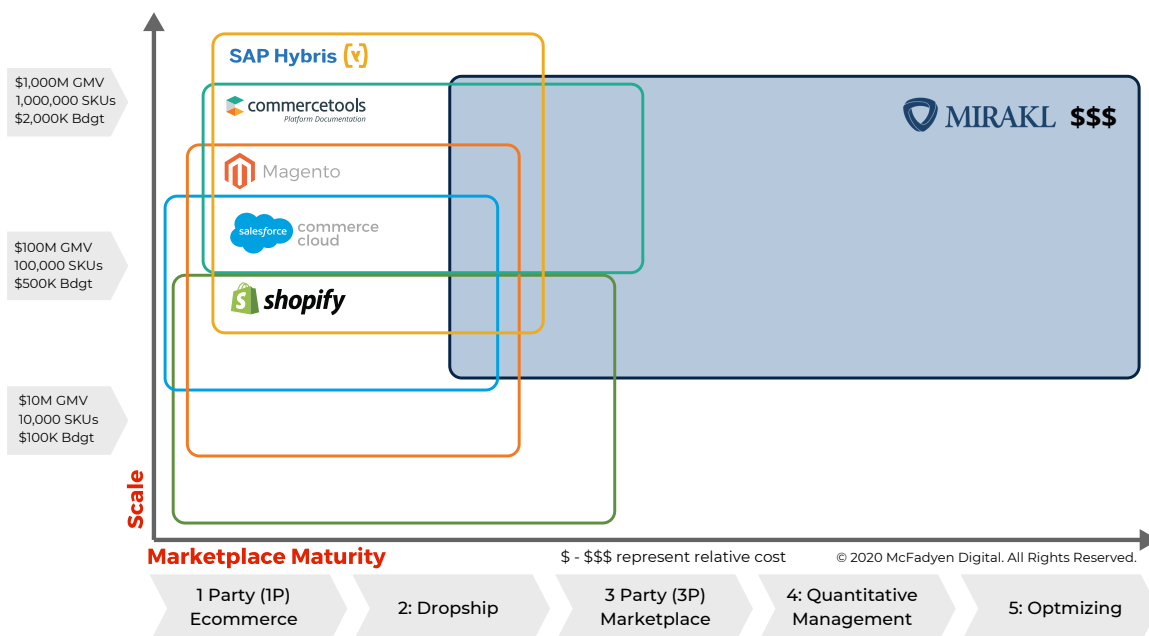
The Mirakl marketplace platform is an API based SaaS solution that integrates with ecommerce platforms (commercial ecommerce platforms or custom built). Mirakl has no native customer-facing catalog/search/cart/checkout capabilities. The Mirakl Catalog Manager is a module unique to Mirakl that helps maintain high levels of product data quality at enterprise scale. Mirakl offers marketplace automation for activities like seller onboarding, catalog integration and management, communication with customers, and the setup of rules management (e.g. shipping and logistics, customer service levels, and vendor performance).

### MIRAKL AT-A-GLANCE

Founded:	2012
Major Offices:	FR, US, UK, AUS, ES, DE, BR
# of Employess:	300+
# of Clients:	250+
Market-Level:	Enterprise
Commerce Model:	B2C, B2B, B2B2C
Offerings Types:	Products and/or Services
Platform Type:	SaaS
3P Seller Sourcing:	Direct, via Mirakl Connect, or via VANs like ChannelAdvisor
Cost Model:	Setup + Monthly + GMV %
Stability:	\$400M total funding including \$300M from Premira in 2020.
Quick Take:	The premiere marketplace platform offering for enterprise applications requiring reliability-at-scale. It's costly for a reason.

The platform has proven to be highly scalable support over a quarter billion API calls per day and over a billion inventory updates per day. Mirakl also offers advanced capabilities like a marketplace for services. Mirakl Connect is a vendor aggregation network (like ChannelAdvisor) to more easily link 3P sellers with Mirakl marketplace operators.

### ECOMMERCE + MIRAKL MARKETPLACE





**Pricing:** First year pricing can range from a hundred thousand dollars to over a half million dollars. This includes one-time setup fees, recurring fixed monthly fees (includes hosting and managed services), and a GMV revenue-share commission fee (called a "success fee").

### Strengths

- Best for large Enterprise applications – Most scalable option on the market.
- Best of breed platform architecture - Modular REST API architecture, scalable cloud-based platform, 250 million+ daily API calls.
- Pre-built connectors for operator ecommerce platforms (Hybris, Magento, Salesforce).
- Pre-built connectors for seller ecommerce platforms (Magento and Shopify).
- Flexible offerings – Can handle physical items, services, or a combination of both.
- Large ecosystem - 35,000+ marketplace sellers, 100+ technology partners, 3000+ marketplace connections, Mirakl Connect vendor aggregation network (VAN).
- Experience & expertise - 250+ marketplaces since 2012, \$1.5B GMV aggregate transaction volume.
- Mirakl recently announced a certification program to qualify professionals to work on their platform.
- Not bound to a particular seller network for third-party vendors, and also access to Mirakl Connect network of 3P sellers.

### Cautions

- Priced comparable to most enterprise software: upfront and ongoing costs can be substantially higher than other options.
- As a SaaS platform there is no access to the source code or underlying database. Some enhancements will require Mirakl to make changes to their code.
- Some organizations are reluctant to pay a revenue share commission ("success fee") to Mirakl.
- Like any enterprise software platform there can be a steep learning curve.
- No free trials or "demoware".
- Mirakl offers a developer certification program. Ensure any partner has such experts on-staff.

### Company Information

Mirakl was formed in 2012 in Paris, France. They received \$20 million of funding in 2015, \$70 million of funding in 2019 lead by Bain Capital, and \$300 million in 2020 lead by Premira on a \$1.5 billion valuation. Most of Mirakl's 300 employees are in France with nearly 100 in the US. In the first half of 2020 Mirakl achieved a record growth of 111% in GMV with over \$1.2 billion GMV generated by Mirakl-powered marketplaces in less than 6 months. During the same period, they onboarded 25 new customers from Fortune 500 firms and launched 18 new marketplaces and are all set to surpass its 2019 annual growth and customer generated GMV. Mirakl has a growing team of 130 employees focused on improving their platform.

### Sample Clients

Mirakl claims over 250 customers in 40 countries including ABB, AB InBev, Urban Outfitters, Hewlett Packard Enterprise, Best Buy Canada, Kroger, Conrad, Office Depot, Satair (Airbus parts), 1(800)Flowers, Carrefour, Siemens, Toyota Material Handling, and Walmart Mexico.

For more information visit [www.mirakl.com](http://www.mirakl.com).



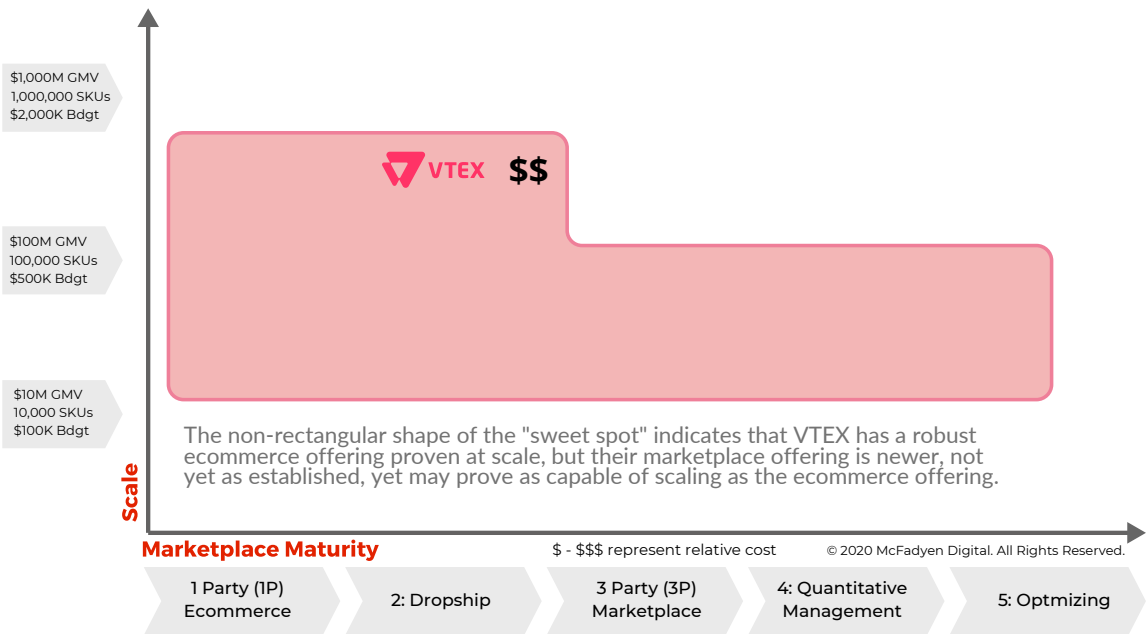
**Solution Overview:** VTEX is a SaaS-based digital commerce platform combining the elements of traditional ecommerce with native online marketplace functionality.

Getting their start in the Latin American market, VTEX Collaborative Commerce has been rapidly expanding with 14 offices around the world. Their initial offering focused on quick-to-implement SaaS cloud ecommerce, since expanding to include order management system (OMS) capabilities, and integrated marketplace functionality. VTEX is unique in providing this integrated, end-to-end platform that includes the three core components (ecommerce, OMS & marketplace).

VTEX operates across many verticals including retail, manufacturing, wholesale, groceries, consumer packaged goods and other industries. They operate a microservices-based and API-first architecture with all upgrades handled by VTEX.

VTEX AT-A-GLANCE	
Founded:	1999
Major Offices:	BR, US, MX, CO, UK (14 total)
# of Employees:	800+
# of Clients:	3000+
Market-Level:	Large SMB-to-Low-Enterprise
Commerce Model:	B2C, B2B, B2B2C
Offerings Types:	Products & Services
Platform Type:	SaaS
3P Seller Sourcing:	VTEX Seller Network
Cost Model:	Setup + Monthly + GMV %
Stability:	Large customer base and with recent funding rounds of \$225M (2020) and \$140M (2019)
Quick Take:	A convenient option for those requiring a combined ecommerce, OMS, and marketplace platform. Numerous benefits but weigh the cost and delivery model against long-term goals.

VTEX: COMBINED ECOMMERCE + MARKETPLACE



**Pricing**

VTEX pricing starts between \$50,000 - \$100,000 per year and can increase to hundreds of thousands of dollars annually. Pricing is usually split into a one-time setup fee, a recurring monthly fee, and a percentage of GMV.

**Strengths**

- Established and well-funded company with many enterprise clients.
- Natively provides ecommerce and marketplace capabilities.
- Integrated order management system (OMS) which can also be leveraged with business rules to source products from 1P warehouse inventory, brick & mortar stores, or 3P seller(s) based on criteria such as inventory levels or geo-location.
- True omnichannel experiences with global inventory visibility and flexible fulfillment.
- Any of the 3,000 active VTEX merchants can be quickly setup as 3P sellers on VTEX marketplaces.
- Flexibility in varying the Merchant of Record (MoR) on transactions.

**Cautions**

- Although over 3,000 clients run VTEX for ecommerce, the marketplace offering is more recent with just 160 clients operating a marketplace.
- The VTEX vendor network is currently mostly Latin American sellers, which could be a consideration for North American marketplace operators until further market penetration occurs.
- Although VTEX has 40+ employees in the US, over 75% of their staff is in Latin America.
- Pricing is set based on sales, which can get expensive in the long run.
- Not a good fit for an enterprise that does not want to change their ecommerce platform to VTEX (e.g. running Magento ecommerce & VTEX marketplace). VTEX does claim to offer API access to its "underlying base of over 100 microservices" to architect a custom solution, but that does not appear to be a common use-case at this time.

**Company Information**

VTEX is a fast-growing company with employee headcount doubling in the past two years. Most of the 800+ VTEX employees are in Brazil with several dozen in the US and a dozen in the UK. The company was founded in 1999 and focused predominantly in Latin America until a couple years ago. In 2020 VTEX received an additional \$225 million of investment funding (on top of a \$140M raise in 2019) on a valuation of \$1.7 billion. Privately-held VTEX claims to be a profitable company with 43% year-over-year growth.

**Sample Clients**

VTEX claims over 3,000 ecommerce clients including Sony, Disney, Staples, VANS, Levis, Adidas, Nestle, and Motorola. Many of these implementations are specific to one or more Latin American countries. VTEX claims 160 marketplace clients including Whirlpool, Electrolux, L'Oreal, and ShopFacil.

For more information visit [www.vtex.com](http://www.vtex.com).

# UNIRGY

**Solution Overview:** Unirgy offers suites for drop-shipping (uDropShip) and marketplace (uMarketplace) use cases that can cover B2B, B2C, B2B2C and P2P business models.

Unirgy solutions are available on-premise or via the cloud and require integration with select commerce platforms to perform the catalog/search/cart/checkout functions. Almost all source code is open and available to customers, which is a rarity in this space. Another bit of flexible functionality is the ability of the platform to enable a centralized product catalog or siloed vendor microsites with unique catalogs. Sellers can add and edit products, manage inventory, process orders, interact with buyers, setup promotions, and manage accounts. Automation functionality is available for multivendor order fulfillment, drop shipping, and workflows.

Unirgy, initially available for only Magento Commerce, is now also available for ShopifyPlus, BigCommerce, SAP Hybris, and Salesforce Commerce Cloud.

## UNIRGY AT-A-GLANCE

Founded: 2010

Major Offices: US

# of Employees: 40+

# of Clients: 2000+

Market-Level: SMB or POC/MVP Enterprise

Commerce Model: B2C, B2B, B2B2C, P2P

Offerings Types: Products and/or Services

Platform Type: SaaS or On-Premises

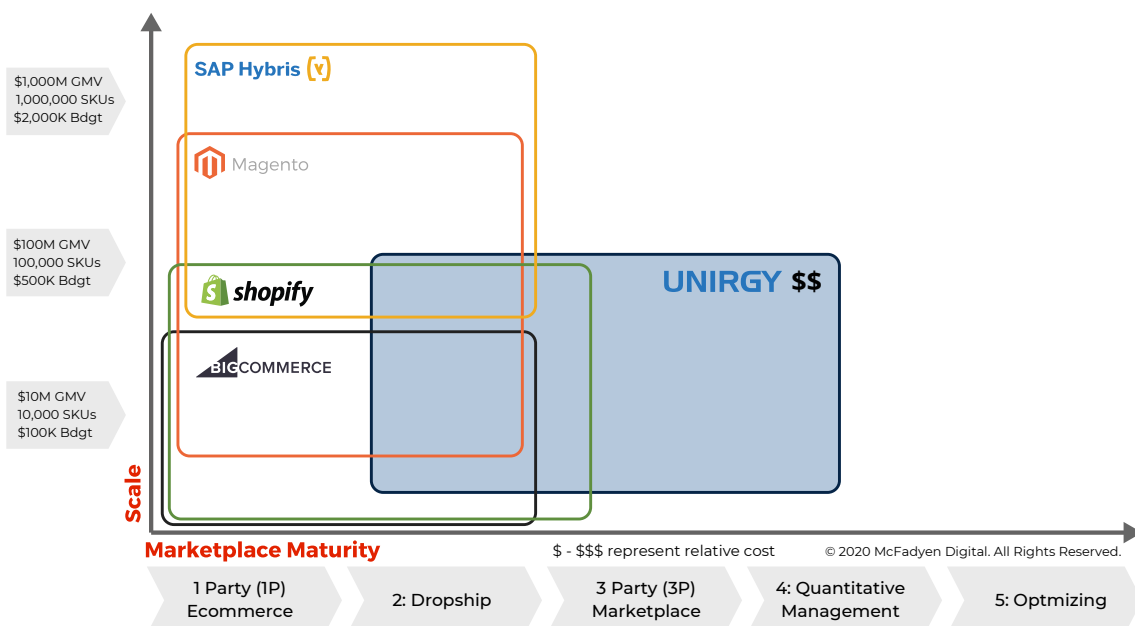
3P Seller Sourcing: Direct or via VANs like Channel Advisor

Cost Model: Monthly/Annual Subscription

Stability: Large customer base and 10-year operating history

**Quick Take:** A flexible low-cost alternative to the enterprise players. Great for smaller companies with limited budget or applications requiring a feature-rich, but lower-scale platform option.

## ECOMMERCE + UNIRGY MARKETPLACE



# UNIRGY

## Pricing

Unirgy is licensed via a monthly or annual subscription. Annual costs may range from \$15K to over \$30K plus additional optional modules which can start from as low as \$200 and run into thousands of dollars.

## Strengths

- Feature-rich platform with extensive capabilities.
- Ability to use a VAN or custom program for third-party vendors.
- Ability to offer P2P transactions is rare in this space.
- Ability to offer both physical items and services provides flexibility and added scope.

## Cautions

- Unirgy is a small company.
- Limited success to-date with Enterprise use-cases.
- Ecommerce platform integration flexibility is somewhat limited at present.
- Originally architected for Magento with a limited history on other platforms.

## Company Information

Unirgy is a US-based company founded in 2010 by one of the original technical architects of Magento. They have grown along with Magento and became a trusted and well-respected provider of multivendor and data solutions for the platform, a reputation they now seek to earn within the ShopifyPlus, BigCommerce, SAP Hybris, and Salesforce Commerce Cloud communities

## Sample Clients

Unirgy claims over 2,000 clients using their platform including Orange, Lamps.com, Cisco, Kmall, Shop House & Home, Sable & Ox, Opumo. They claim to support 250,000 product vendors with over 200 million SKUs cumulative and have processed over \$10 billion in GMV via 250 million transactions.

For more information visit [www.unirgy.com](http://www.unirgy.com).



**Solution Overview:** Webkul is a leading SMB marketplace extension to many ecommerce and CMS platforms including Magento, Shopify, BigCommerce, and WooCommerce.

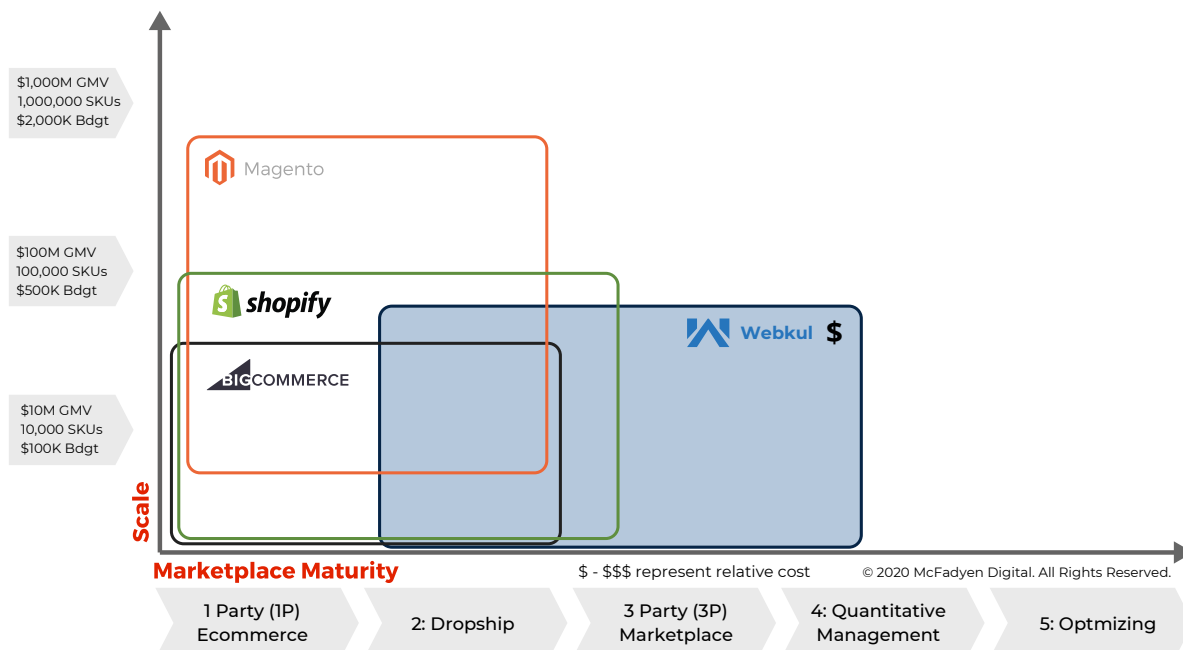
Webkul includes B2B & B2C marketplace capabilities and the option for simple drop shipping. Webkul provides source code for open source ecommerce (e.g. Magento, WooCommerce) and well-documented APIs for SaaS ecommerce platforms (e.g. Shopify, BigCommerce).

This platform can be viewed as a low-cost and low-risk way to get started with marketplace functionality and may be sufficient for many SMB use cases. For the enterprise, Webkul may serve more fundamental, low-scale marketplace needs, but are most likely to be useful serving as a proof-of-concept or MVP to prove out the marketplace model before investing in a large and costly project with an enterprise platform.

## WEBKUL AT-A-GLANCE

Founded:	2010
Major Offices:	India
# of Employees:	400+
# of Clients:	80,000 (across all extensions)
Market-Level:	SMB or POC/MVP Enterprise
Commerce Model:	B2C, B2B
Offerings Types:	Products
Platform Type:	Platform Extension Plug-ins
3P Seller Sourcing:	Direct or via VANs like Channel Advisor
Cost Model:	One time fee (open source) Monthly subscription (SaaS)
Stability:	10-year operating history and extensive client base off of a bootstrapped founding.
Quick Take:	Webkul is a capable low-cost, low-risk way to test the marketplace waters. A combination of plug-ins will enable third-party marketplace essentials, but with limited ability to add scale.

## ECOMMERCE + WEBKUL MARKETPLACE





**Pricing**

Although Webkul licensing can start with a one-time \$350 Magento plug-in fee or a \$10/month subscription for Shopify, expect to spend more (e.g. a couple thousand dollars) for a fully functional marketplace. For example, a robust Magento marketplace may require integrating a dozen Webkul extensions. Webkul offers over 100 marketplace add-ons for different functionalities and the cost of each ranges from \$35 to \$599.

**Strengths**

- Low cost – This is likely the most cost-effective way to add basic marketplace functionality to the supported platforms.
- Feature flexibility - There are many additional modules available to enhance the capabilities.
- Open source – For open source ecommerce platforms, source code is provided for modification or extension.
- Test bed appeal – WebKul is often a starting point for companies that want to test the marketplace concept before making a 6-figure or 7-figure investment.

**Cautions**

- Plug-in fragmentation - Although the prices of the extension modules are low (some as low as \$35), attention is needed to ensure all required modules (often a dozen or more) are selected, as some modules are not compatible with previous versions or other extensions and may require upgrade investments.
- Merchandising and catalog limitations - Unlike the SaaS platforms, Webkul extends the Magento merchandising and catalog management engine. Most ecommerce platforms were intended to have just a few merchandisers manage the catalog with a limited number of updates and batched re-indexing of search indexes (to speed query times). As a marketplace scales to thousands of sellers or hundreds of thousands of sellers frequently updating their offerings there can be database locking issues and challenges with re-indexing the catalog using the ecommerce merchandising engine.
- Lack of white glove service - As a vendor selling a high volume of low-cost extensions, don't expect to ever speak to a WebKul sales representative. There is not enough margin per sale of a \$100 extension or \$10 monthly subscription to justify engaging a salesperson in the transaction.
- General scalability concerns – While anything is possible, complex enterprise marketplaces will likely require significant customization to a string of plug-ins, which could increase development and QA time and increase the risks when expanding.

**Company Information**

Webkul is an Indian web and mobile product-based organization founded in 2010 that claims to have developed over 1,000 products for open source and cloud platforms. They claim that these extensions are collectively used by more than 80,000 customers globally. Webkul has a growing team of about 400 employees, almost entirely in India.

**Sample Clients**

WebKul claims 80,000 clients using their extensions around the globe. Notable clients include Canon, Costco, Nokia, Huawei, Intel, Hanes, and Asus. Note that some of the larger clients might only be using WebKul within one division or subsidiary. A majority of the Webkul clients are small firms. Also, when a downloadable extension costs less than \$1,000 it is often purchased as a pilot on a credit card without formal corporate commitment for a project that may or may not even launch into production.

For more information visit [www.webkul.com](http://www.webkul.com).



**Solution Overview:** Sharetribe is a SaaS model integrated ecommerce and marketplace platform that goes head-to-head with Arcadier in the SMB point-and-click stand-up space, but also goes upmarket with a headless offering.

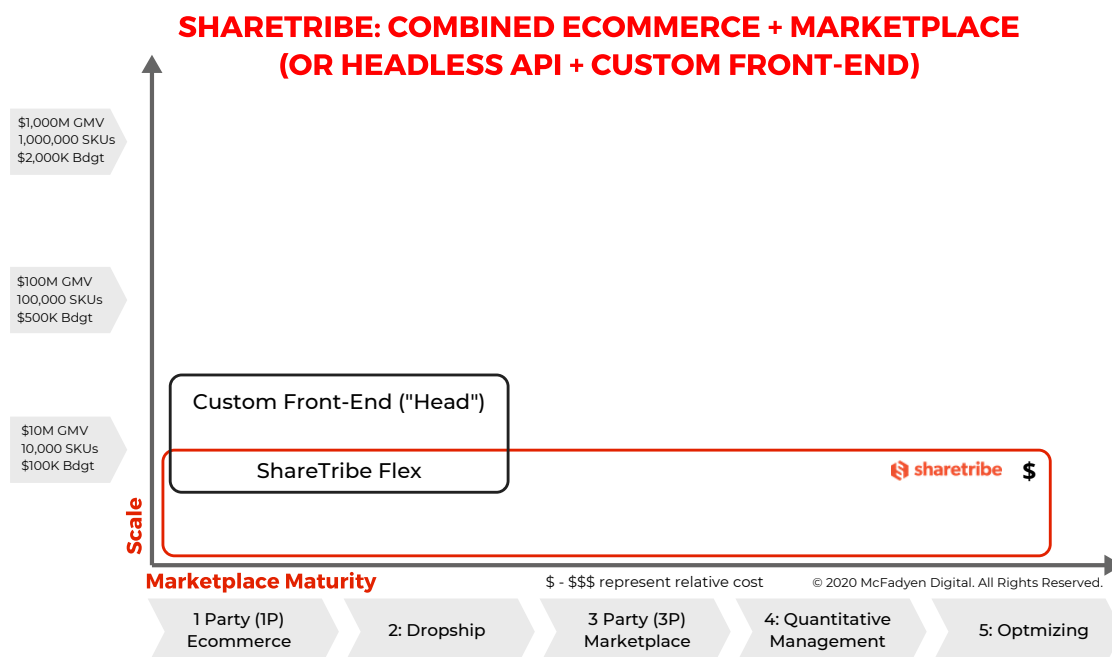
Sharetribe focuses more on services and P2P capabilities than the other platforms evaluated here, but does have the ability to transact products.

They offer two solutions: a turnkey SaaS subscription offering (ShareTribe Go) and an API-based headless offering (ShareTribe Flex) for custom developing your own front-end (head) user experience and performing more sophisticated integrations.

Like many of the options here, Sharetribe could be a long-term answer for an SMB-scale company and does have some enterprise-class options. That said, other than an MVP-type project, this is a platform better suited to services marketplaces without large-scale complexities.

## SHARETRIBE AT-A-GLANCE

Founded:	2011
Major Offices:	Finland
# of Employees:	40
# of Clients:	1,000 Marketplaces
Market-Level:	SMB
Commerce Model:	B2C, B2B, P2P
Offerings Types:	Products and/or Services
Platform Type:	SaaS
3P Seller Sourcing:	Direct
Cost Model:	Monthly Subscription plus transaction fees, or Monthly subscription plus GMV %
Stability:	Operational for 9 years with \$2.4M funding across 4 rounds.
Quick Take:	Direct competitor to Arcadier in the quick-standup SaaS space. Capable of scaling with a headless option, but still a more SMB offering.



**Pricing:**

ShareTribe Go does not charge a commission (a percentage of GMV) but there is a payment processing fee of typically 3-4%. Sharetribe Go offers four licensing models (users are customers that create a profile):

- Hobby (\$79/month) for up to 100 users.
- Pro (\$119/month) for up to 1,000 users.
- Growth (\$159/month) for up to 10,000 users.
- Scale (\$239/month) for up to 100,000 users.

ShareTribe Flex pricing is based on a flat \$299/month fee plus a GMV commission fee that starts at 1% and lowers to 0.3% at \$40,000 per month.

**Strengths**

- Strong services-focus - ShareTribe is a strong contender when launching a marketplace for services, or a hybrid of products plus services.
- Favorable pricing - They offer a reasonably priced platform with either a turn-key SaaS platform or an API-based extensible architecture with a migration approach.
- Low-risk for testing - The low cost and minimal start-up effort are appealing for low-volume and low-complexity testing.
- Flexible pricing models and options – the varying levels of service allow operators to start small and grow in complexity.

**Cautions**

- Not North America-focused - US organizations should be aware that there are only a couple ShareTribe employees in the USA.
- Limited enterprise experience – Not many enterprise-scale clients to reference.
- Not connected to ChannelAdvisor or other Vendor Aggregation Networks for sourcing 3P sellers.
- Not as robust as enterprise competitors – Advanced catalog and merchandising features can limit scale.

**Company Information**

Sharetribe was founded in 2011 and is based in Finland with a steady headcount of about 30 employees. They raised \$1.2 million of funding in 2018. The company publicly shares their product release schedule which has averages one or two releases per month. They commit to responding to support tickets within 24 hours.

**Sample Clients**

ShareTribe clients include Burly (construction equipment rentals), Crewrr (film crew & cast hiring), Local Trailer Hiring (AustralAsia), Swimmy (private pool rentals in Europe), StudioTime (music studio rentals), FitMyTime (remote yoga instruction in Europe).

For more information visit [www.sharetribe.com](http://www.sharetribe.com).



**Solution Overview:** Arcadier is a SaaS platform that enables the rapid set-up and deployment of stand-alone ecommerce and marketplace sites, providing an “in-a-box” option with point-and-click setup.

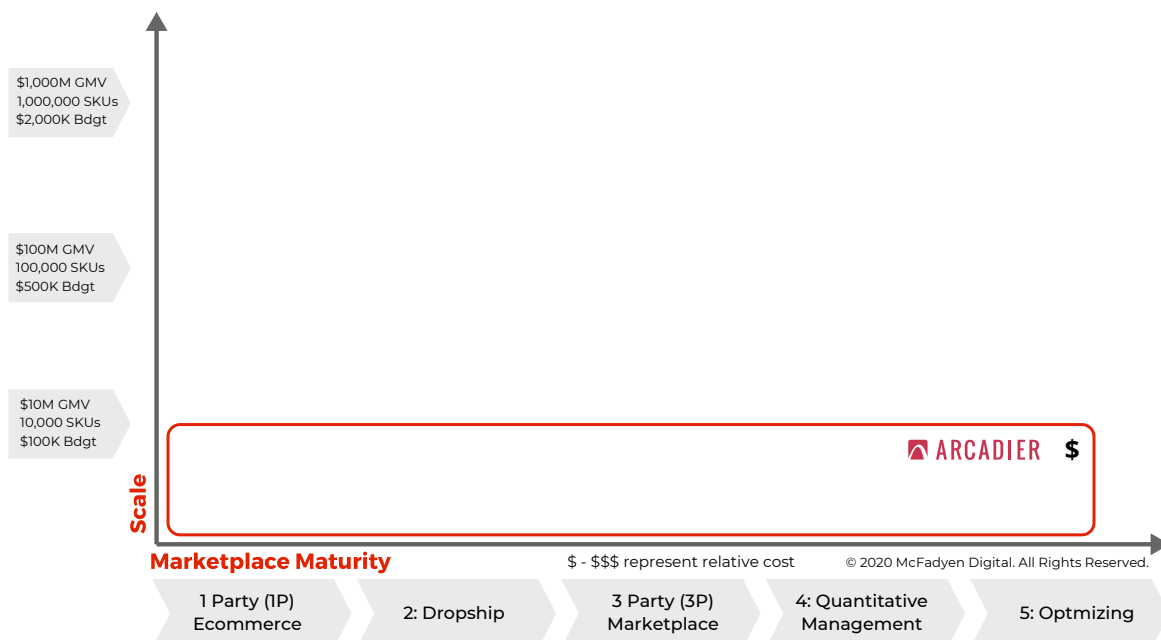
Arcadier’s software allows users to choose from a multitude of appealing storefront designs to set up and manage their sellers and buyers, orders, payments, product categorization, and more. Their emphasis is more on convenience and cost-control for the site operator, although the “Enterprise” offerings do include API access to varying degrees for expansion and customization of the platform.

While Arcadier is capable of certain enterprise marketplace functions, it remains better positioned for the SMB space or individuals, with some potential MVP-type use-cases for the enterprise. The combination of native ecommerce and marketplace functionality could be a simplicity blessing and a scalability challenge.

## ARCADIER AT-A-GLANCE

Founded:	2013
Major Offices:	Singapore, Philippines
# of Employees:	50
# of Clients:	12,000+ Marketplaces
Market-Level:	SMB or POC/MVP Enterprise
Commerce Model:	B2C, B2B, P2P
Offerings Types:	Products and/or Services
Platform Type:	SaaS
3P Seller Sourcing:	Direct
Cost Model:	Monthly Subscription based on transaction volume
Stability:	Operational for 7 years with many clients. Raised \$5M across three rounds from 2013 to 2017.
Quick Take:	Arcadier is a fast and cost effective way to stand-up a self-contained ecommerce and marketplace shop. Targeting individuals and SMBs but with limited flexibility or scale for Enterprises.

## ARCADIER: COMBINED ECOMMERCE + MARKETPLACE



**Pricing**

Arcadier pricing starts at \$68.00 per month, per user. The basic tier at \$68.00 caps at 500 transactions a month. For up to 2000 transactions a month the pricing is \$170. For up to 10,000 transactions the fee is \$425 per month. Pricing will vary for larger businesses that need customized solutions.

**Strengths**

- Flexible workflows - Highly customized workflows for each business niche that are fit-for-purpose as opposed to a general template that fits all.
- Broad and deep feature list - Powerful feature list like ratings & reviews, multi-lingual capabilities, social login, Google Analytics integration, private marketplace, the ability to integrate your own payment providers and JavaScript code editor to add third-party plug-ins or customize your marketplace.
- Speed to market – Turnkey platform means faster go-live.
- Affordability – Monthly subscription based on transaction volume limits risk of GMV-based models.
- White-label options

**Cautions**

- Arcadier is a small company based in Singapore and the Philippines.
- Costly to customize - While simple features can be added via custom code, the more robust features that need API calls can significantly add to overall costs with custom development.
- May be too simplistic - Off the shelf templates provided do not support complex customizations.
- Not connected to ChannelAdvisor or other Vendor Aggregation Networks for sourcing 3P sellers.
- Limited success with enterprise use-cases – unknown scalability.

**Company Information**

Arcadier was founded in 2013 and is based in Asia (mostly Singapore & Philippines) with a stable employee headcount of about 40 staff. It has solutions across B2B, B2C and procurement marketplaces and claims clients in 180 countries.









**Sample Clients**

MSTS (global B2B payment and credit solutions provider), United Nations Office for Project Services' (UNOPS)

For more information visit [www.arcadier.com](http://www.arcadier.com).

## OTHER MARKETPLACE TECHNOLOGIES

The following vendors also have marketplace offerings. However, they did not have sufficient critical mass to warrant a more detailed analysis in this report. Contact McFadyen Digital for additional information on these vendors.

Company	Founded In	Office	Head count	Customers	Type of Listings	Website
 MARKETCUBE.io	2016	London, UK	30+	1500+	Products	<a href="https://marketcube.io">marketcube.io</a>
 HINGETO	2015	Oakland, CA	5+	10k+	Products & Services	<a href="https://hingeto.com">hingeto.com</a>
 cs.cart	2005	Worldwide	150+	35k+	Products & Services	<a href="https://cs-cart.com">cs-cart.com</a>
<b>MARKETPLACER</b>	2012	Victoria, Australia	150+	10k+	Products	<a href="https://marketplacer.com">marketplacer.com</a>
<b>maistro</b>	2019	Devon, England	150+	Unknown	Services	<a href="https://maistro.com">maistro.com</a>
 Sellacious	2015	Delhi, India	30+	8500+	Products	<a href="https://sellacious.com">sellacious.com</a>
 Laravel	2011	Asia	<10	Unknown	Products	<a href="https://laravel.com">laravel.com</a>
 IZBERG	2014	Ile-de-France, France	30	Unknown	Products	<a href="https://izberg-marketplace.com">izberg-marketplace.com</a>
 VNECOMS™ E-commerce made easy!	2012	Hanoi, Vietnam	<10	Unknown	Products & Services	<a href="https://vne-coms.com">vne-coms.com</a>
 UPPLER	2014	New York, US	30+	Unknown	Products & Services	<a href="https://uppler.com">uppler.com</a>

## MARKETPLACE CUSTOM BUILD

Commercial "platforms to platform your business" with marketplace capabilities only started becoming available 5-10 years ago. Previously marketplaces were all custom built.

McFadyen Digital custom built over a dozen marketplaces, mostly from 2005 - 2015. These were usually \$3 to \$10+ million-dollar investments requiring one to two years to develop and launch. For most organizations today, we recommend leveraging a commercial marketplace platform. However, some larger organizations prefer to "own" most of their software technology stack, or they feel that the revenue share (percentage of GMV) will become too expensive at scale.

The advancement of public computing cloud services and the proliferation of APIs (open source and licensed) have reduced the cost and time required to build a custom marketplace. Approaches like the MACH Alliance offer scalable technologies that combine Microservices, API-first, Cloud-native, Headless technologies for a faster time-to-market.

However, the custom build approach also has certain drawbacks. For example, there is a learning curve for marketplace best practices on the strategy, technology, and business operations fronts. Marketplaces have a lot "moving parts" due to the third-party seller aspect.



**BUILD**

- 6-24 months
- 7-figure investment needed to define process
- Self-Learning
- On your own
- Costly ongoing enhancement process
- Need to build most features and integrations from scratch



**BUY**

- 3-6 months
- 6-figure investment
- Best practices built-in
- Peer support group
- Continuous innovation from vendor
- Start with many features + APIs OOTB
- Ecosystem of integrated solutions

## 5. REPORT AUTHOR

### ABOUT MCFADYEN DIGITAL

McFadyen Digital creates award-winning marketplaces and ecommerce sites for the world's largest brands. Over the past 33 years, we've been privileged to help over 250 clients delight their customers with exceptional digital shopping experiences. Via strategy, technology, and ongoing innovation services, our commerce and marketplace experts draw on extensive retail and B2B experience to build scalable and profitable properties.

Our advisory and technology services are delivered from offices in the United States, Brazil, and India, offering on-shore, near-shore, and off-shore delivery and cost flexibility. With 20 years of experience delivering in this model, global collaboration isn't our new normal, it's simply how we do business.

McFadyen's Marketplace Enablement Services take clients from the strategy and discovery phase, through launch and ongoing optimization and beyond. In addition to the technical implementation, this methodology contains a complete go-to-market engagement strategy that includes audience identification, vendor recruiting and engagement, consumer recruiting and engagement, pilot testing processes and communications, and go-live digital engagement campaigns.

This document is one of many marketplace and ecommerce thought leadership pieces authored by McFadyen Digital. To learn more about marketplaces or for help implementing your own marketplace, please contact us at [info@mcfadyen.com](mailto:info@mcfadyen.com) or visit us at [www.mcfadyen.com](http://www.mcfadyen.com).

**15** years building **MARKETPLACES**

**22** years building **ECOMMERCE**

**33** years building **INTEGRATIONS**

### MCFADYEN'S LARGE SCALE PROJECTS

10 million dollars per hour  
10 million web assets managed  
10 million page views per day  
1 million order items per day  
10 thousand sites on multi-site  
10 million SKUs  
50 million users

**MCFADYEN**  
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