



The luxury brand's guide to growing through online marketplaces

Highstreet.io 2024



CONTENTS

INTRODUCTION

Omnichannel 2030: How digital marketing and selling is changing 03

HOW-TO

Getting started with marketplace integration 05

TIPSHEET

Marketplace integration best practices to drive ROI 09

TRENDS AND OPPORTUNITIES

The luxury eCommerce outlook in 2024 11

NEXT STEP

Your journey into online marketplaces begins now 13

INTRODUCTION

Omnichannel 2030: How digital marketing and selling is changing

When the world's most stylish consumers begin browsing online, they're not just shopping for a luxury handbag, designer shoes or bespoke eyewear. What they're really shopping for are possibilities.

Part of the pleasure that comes from shopping is not only finding what you need, but discovering what you never realized you wanted. It's the thrill of encountering items that impress and inspire. And when you take the time to go shopping online, you don't want a limited set of choices. You want the possibilities you feel nearly endless.

Much of the way luxury brands have approached omnichannel marketing sales for the past five years has been to ensure they show up in environments where their customers might be predisposed to considering their wares. This includes appearing high in result results, for example, or within the most popular social media feeds.

Though many luxury brands continue to operate physical locations, meanwhile, the future of omnichannel shopping is clear: According to consulting company Bain and Associates, for instance, one third of all luxury purchases are forecast to happen digitally by 2025.

That's why the next five years will be focused on pursuing an even bigger opportunity – to establish a compelling presence in the online marketplaces that offer the widest selection of brands and products imaginable to discerning consumers.



1/3
of luxury purchases will happen
digitally by 2025 (Bain & Co.)

Benefits of marketplaces for luxury brands

A true omnichannel strategy means ensuring your products are available for purchase through whatever touchpoint your customer wishes to engage. In most cases, though, the channels brands have prioritized tend to be primarily a means for driving traffic back to their own sites. E-mail, text messages and social media posts, for instance, can include links that take consumers to a brand's product pages.

Marketplaces are different in that they represent an environment that supports the entire customer journey – from looking up products and making purchases to arranging for having items delivered to their doors. In that sense marketplaces are more than a marketing channel and allow brands to sell where shopper traffic is already surging.

The unified shopping experience that marketplaces provide, including built-in logistics and fulfillment, allows even established luxury brands the ability

to act with the agility of a direct-to-consumer (D2C) company. In fact, pan-European advisory firm iBe estimates that consumer sales through online marketplaces already make up 50% of sales globally, but are forecast to reach \$3.5 trillion in 2024.

More brands are becoming aware of the opportunity marketplaces represent in terms of revenue and customer satisfaction. Those that want to take the next step soon learn the value of working with a trusted partner that can provide integration services to ease the process of getting their products ready to sell on marketplaces.

The missing link has been any details around what happens once brands and marketplace integration service providers begin working together. This guide is intended to remedy that problem and help prepare those who want to ensure their journey into the world of online marketplaces is as smooth and successful as possible.



Online marketplaces
are forecast to reach
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in sales in 2024.

Getting started with marketplace integration



01

Establish a collaborative partnership and align on goals

As with any strategic business initiative, setting up for marketplace integration begins with a detailed discussion with your technology partner about the scope of work, a mutual understanding about what's required and the outcomes you expect to achieve.

This is multi-faceted conversation and should include:

- Educating yourself more thoroughly about the technology and tools that will be used to deliver market integration services. Your provider can provide a product demo that offers a typical look at the integration process from start to finish.
- Ask for any case study references if you haven't already done so, if there are any common challenges that come up and how best to avoid them.
- Review the contract from your technology partner and address any areas that aren't clear or that need to be modified in any way.

This is also the time to set the timeline for your project. In some cases expanding into an online marketplace might be one piece of a more comprehensive omnichannel marketing and sales strategy. If so, make sure your managed services provider is aware of any pre-existing deadlines or milestones that could have an impact on the work that will be done. In many cases integration will span several weeks. Given that feeding product data to marketplaces involves the use of application programming interfaces (APIs), your brand's IT department will likely want to have an opportunity to see and test your provider's APIs in a safe "sandbox" environment that won't affect your network or any other applications you're running.

02

Document and review your technology and marketplace specifications

With a contract in place and an initial look at the APIs completed, it's time for both you and your integration partner to evaluate the technologies and tools you've been using as part of your omnichannel strategy to date. It's also when you need to consider what kind of product information and formatting will be necessary to integrate with the online marketplace you've chosen.

Some marketplaces will have highly specific requirements around product categories, product IDs, images and many other attributes. All of this needs to be fully documented so that you and your integration partner are on the same page. This is where choosing a partner with deep experience helps, because they will already be familiar with the key requirements of the most common luxury marketplaces.

These spec documents will need to be reviewed internally to ensure nothing is missed and that your integration partner can move forward with confidence. Some of the stakeholders you'll want on your team will include your project management office, your IT department and possibly even business analysts.

Having the right mix of people in place can help identify anything that's missing from a data perspective, or any other issues that may need to be tackled as part of the project. If unique requests or business needs emerge at this point – such as changing the way product IDs are managed beyond

what the marketplace requires, for instance – your integration partner may need to perform additional, customized development. Bear in mind that this can increase costs as well as the project timeline.



03

Build the marketplace integration

Completing the specification review allows your integration partner to focus on the core work you've hired them to do. Your involvement at this point is to provide what they need and offer feedback where necessary. These are the essential steps:

Provide your product input data for validation

Much like any other area of omnichannel marketing and sales, successful marketplace integration depends upon having a solid data foundation in place. That means data which is accurate, up to date, error-free and complete.

Your integration partner should help in assessing your input data by providing their own analysis. They can alert you, for example, when your input data does not include all the necessary product sizes, or if the data doesn't align with the categories where it should be featured.

Getting this part wrong could mean some but not all of your products will be sent to the marketplace until the missing data is filled in. This has obvious – and negative – implications for both the customer experience you want to deliver as well as the revenue you expect to generate, so this is a crucial stage.

Configure how the data maps to each product

Once your integration partner has imported your input data into their core platform, you should have an opportunity to assess the values associated

with your products and configure them based on what best represents them.

Imagine a luxury apparel brand, for instance, that wants to expand into an online marketplace such as Zalando or Saks. The brand's integration partner would set classifications and lookups for its clothes based on values such as "trousers." The brand would then have the option to map those products to a more accurate or ideal value, such as "leggings," for those entries. In most cases, online marketplace requirements stipulate that each entry needs to be mapped to a single output, but you can have several inputs that map to the same output.

Once you're happy with how your product data has been mapped and tuned, it's time to focus on pricing. If you eventually sell on multiple online marketplaces, you may have different pricing from one to another. Your integration partner will need to know these details as part of your output data, or update prices based on a special promotion you're running.

Think about how often you'll need to update this information – typically the frequencies range from once a week to once a day, depending on the brand, its products and its sales strategy. Stock data is updated even more often – every 15 to 30 minutes, in many cases – to ensure luxury shoppers are never disappointed when they go searching on a marketplace for the products they want.

Stock data is typically updated every
15 to 30 minutes



04

Test, Assess, Repeat

Luxury brands and other retailers have sometimes employed “mystery shoppers” to visit their physical stores, where they ensure staff are providing the help customers need and that proper policies and procedures are followed. Something similar happens when you integrate with online marketplaces.

Your integration partner should provide you with a view of what your order flow will look like once the project is live. This offers visibility into the entire journey:

- Product, pricing and stock data is pulled from your brand’s omnichannel sales and marketing platform, such as Salesforce Commerce Cloud
- Data matching all relevant mappings and classifications into a database
- Delivering the data to the online marketplace.

As this process unfolds you’ll be able to verify that your product data has gone to the online marketplace and that it’s correctly showing what the marketplace requires, and what you want your customers to see.

You’ll also learn how to receive orders, confirm or cancel orders and update all order information across your integration partner’s database and the online marketplace.

Your key responsibility here is to create what’s called a “test book,” which contains product SKUs you want your integration partner to use to test the order flows. These tests can happen through live sessions with your integration partner, or via an exchange of e-mail messages.

This may all sound a little complicated, but it simply represents two forms of testing: system integration testing (SIT) to ensure the technology is working as it should, and user acceptance testing (UAT), where you as a brand confirm you’re satisfied with how the market integration is performing.

Marketplace integration best practices to drive return on investment (ROI)



As you finalize your marketplace integration and go live, you're ultimately preparing to take omnichannel marketing and selling to the next level.

Make sure the following are part of your ongoing to-do list:

- ✓ **Take advantage of your own channels to promote your marketplace expansion.** Use your email database, social media channels and even landing pages on your brand's web site to communicate with customers about the new shopping options you're providing to them. Knowing you're selling on a popular luxury marketplace helps keep your brand top of mind as they browse multiple sellers – including some of your competitors.
- ✓ **Get up to speed on marketplace dos and don'ts.** Part of providing a strong customer experience is being able to deal with issues such as product returns and refunds. Marketplaces will accept certain actions, including canceling an order, but will have rules that need to be followed before they are allowed. Your integration partner can explain which actions are accepted and which aren't as part of the onboarding process.
- ✓ **Continuously improve your content.** A luxury brand should show up as well on an online marketplace as it does on its own web site. Avoid less than high-quality images and check that they adhere to any marketplace guidelines. Update product listings as often as necessary so customers understand the value they provide. Prepare to translate content as you expand into online marketplaces in multiple countries and regions.
- ✓ **Prepare for future scalability.** Your brand's omnichannel growth will likely involve expanding into more than one marketplace over time. Talk to your integration partner about how you'll identify which product data, pricing and order data should go to one marketplace vs. another,

how stock should be assigned for marketplaces that are available in multiple countries and so on.

- ✓ **Perform ongoing, comparative analysis:** Luxury brands often have established metrics to quantify their success, but normally these have been reserved for channels they own and operate. Go beyond tracking revenue data from online marketplaces and look for any differences in shopper behavior and what it could mean for customer acquisition costs, customer lifetime value, average order value and retention.

56%

of businesses sell on more than two marketplaces (Mirakl)



The luxury eCommerce outlook in 2024

Brands are integrating with online marketplaces at a time when the luxury sector is continuing to grow despite global economic challenges.

A forecast from Statista estimates the sales of luxury fashion, cosmetics, eyewear, leather goods and similar products will lead to a 4% growth rate across the sector in 2024. This represents an estimated \$369 billion in revenue. However the same research suggests spending may rise at a slower rate by 2025 and beyond.

This means brands need to continue staying agile and competitive, keeping the following trends in mind as they plan their long-term marketing and sales strategies:

✓ **The trend: Marketplaces raise the bar for digital experience expectations**

A study of more than 3,500 consumers found that the vast majority (80%) express high satisfaction when purchasing through marketplaces compared with retailer or brand sites. The researchers suggested that shoppers may associate luxury marketplaces with using more sophisticated online capabilities that enhance their browsing and purchasing experience.



80%

of consumers are highly satisfied
buying through online marketplaces.
(PYMTS.com)

1 out of 2 purchases came through marketplaces during the holidays. (ShipStation.com)

- ✓ **The opportunity: Balance marketplace expansion with ongoing investment in your own digital presence**

Your own site or apps should never be seen as a less optimal channel by your customers. Ensure you have deployed product feed management solutions that keep your eCommerce store continually up to date. Explore the use of chatbots, voice search and product recommendation engines to keep pace with evolving shopper needs.

- ✓ **The trend: The largest online marketplaces double down on niches**

As brands like Bloomingdales and Saks Fifth Avenue continue to introduce online marketplaces to their portfolio of offerings, eCommerce giants are paying attention. For instance, eBay has been increasing its investments in niches, including the launch of a luxury consignment service in late 2023. Elle magazine, meanwhile, has called Amazon's designer outlet its best kept secret. This means increased competition within the marketplace sector, and for luxury brands in general.

- ✓ **The opportunity: Aim for a first-mover advantage as online luxury marketplace options proliferate**

It might make intuitive sense to start your online marketplace journey with names such as Zalando or Farfetch. Remember, however, that big eCommerce companies can offer a lot in terms of seller tools, increased research and exposure to global customers. You might gain an edge by keeping a close eye on niches that open up and being early to integrate with them.

- ✓ **The trend: Marketplaces can make a big impact on your holiday shopping campaign**

A global consumer and merchant study revealed that out of every two online purchases made amid the holiday season come through a marketplace. While much of the activity covered by the study was focused around North America, expect to see a similar shift in consumer behavior internationally.

- ✓ **The opportunity: Sync your omnichannel marketing timeline with shoppers' buying habits**

The same report noted that, perhaps due to financial worries, many consumers are getting started on their holiday shopping earlier than ever before. Luxury brands could stand out by being strategic in offering special promotions and discounts long before the rush begins. Investing in local inventory ads can also benefit consumers who decide to blend their browsing on online marketplaces with some in-person shopping.



Your journey into online marketplaces begins now



If you've read this far, you've learned everything you need to know in order to move your omnichannel strategy forward by integrating with online marketplaces. The biggest point to remember is this: Work with a partner you can trust.

Many luxury brands have already learned about the benefits of turning to Kipcast, and our platform Highstreet.io, to power everything from marketplace support to product feed management.

Our team has helped clients successfully integrate with more than 20 of the leading marketplaces, including Belk, Yoox, Mango, Lamoda, Harvey Nichols and many more.

The instant and automated connections that Highstreet.io provides alleviate the time and effort luxury brands would otherwise have to take on internally. We are experts in order management, inventory management and managing multiple seller accounts across multiple marketplaces.

But don't take our word for it. **Visit us online at [Highstreet.io](https://highstreet.io)** to hear how we have helped brands like Boggi integrate with Farfetch, and build upon the advice you've gained here by signing up to receive blog updates on the latest in online marketplace requirements and trends.

Finally, connect with our team to **see a demonstration of our platform** in action. Let us address any unanswered questions and help you and your team make the most of what online marketplaces have to offer.

Elevate your business and expand globally with Highstreet.io

We have the experience and expertise you need to establish a stronger digital presence by streamlining the process of marketplace integration and giving you and your team more time to be productive in the areas that count.

With a platform that offers advanced product feed management and seamless data integration across multiple marketplaces and online marketing channels, Highstreet.io is a platform luxury brands trust.

Turn to us and discover how to achieve instant synchronization, effortless content migration, and reliable support for leading eCommerce platforms such as Salesforce Commerce Cloud.

To learn more, connect with us at:

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Highstreet.io

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