



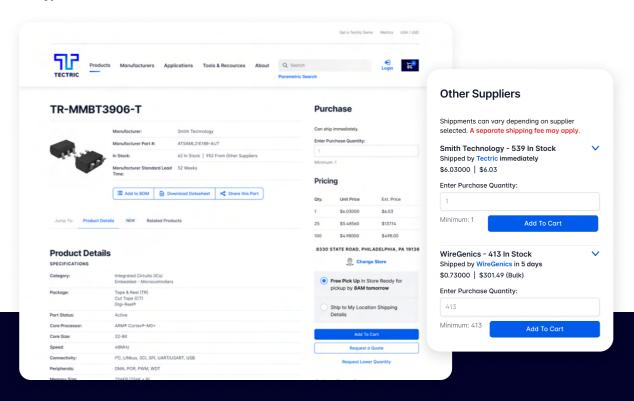
MARKETPUSH

Single Offer vs. Multiple Offer: Which Model Is Right for Your Marketplace?

Scalability. Flexibility. Profitability.

On most marketplaces, the operator or owner allows multiple offers on a single product. The way it works: A seller loads a product into the backend system, sets their offer to it, and then other sellers find the product in the internal database and add their own offer to it.

In the example below from the fictional tectric.com site, the TR-MMBT3906-T is being sold by Smith Technology for \$6.03.



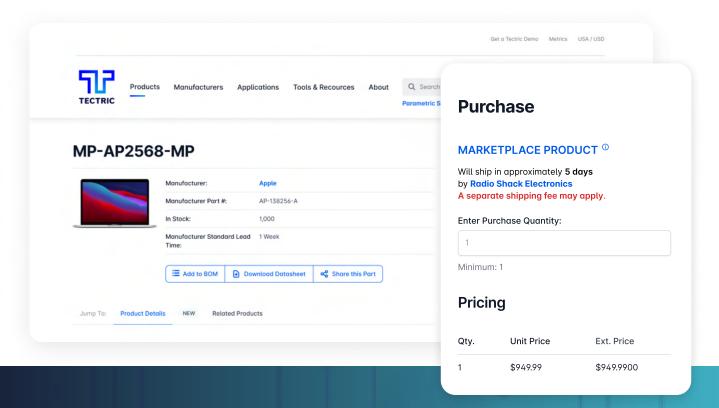
Under "Pricing," the "Other Suppliers" section shows who else is selling the product. In this case, WireGenics is selling the product in bulk for \$301.49 with a 5-day time to ship.

The customer can review both offers and the one they like the most.

A major reason to allow multiple offers is to ensure that customers never have to leave the site because a product that they buy regularly is out of stock.

When buyers have to leave an approved site to buy from a different vendor, they may need to have another purchase order issued, incurring an additional cost to their company. Therefore, when a marketplace allows multiple offers on a product, that marketplace is empowering their buyers to save time and money.

Alternatively, some B2B marketplaces allow only one product and offer on their website (see below).



Below are three possible reasons, among others, that marketplaces impose the single-offer limit:

- To eliminate any conflict between their core suppliers and their marketplace seller
- To simplify the systematic approach on their site
- To eliminate competition created by multiple offers that the marketplace is not prepared to handle

Choosing the model that is right for your marketplace depends entirely on your goals and your business relationship with the core manufacturers that stock your distribution warehouses. Prioritize this critical decision when launching a marketplace. However, keep in mind that if you begin with the single-offer model, you can shift to the multiple-offer model in a future phase if your initial marketing and value propositions include that future enhancement.

Have more questions about products and offers? Email us at sales@marketpush.com.



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