

Marketplaces at the Seed Stage

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When we started Wave, our goal was to help the next generation of marketplace businesses build on the learnings of Airbnb and its peers. The hope was that our collective experience as operators and investors, particularly having lived through the construction of Airbnb from its earliest days, would inform a playbook that could lift the odds of success for future entrepreneurs. That playbook is now real, proven effective beyond the unique experience of Airbnb, so we want to share it with the broader community.

This matters because marketplace businesses are notoriously difficult to jumpstart. While each phase of a company's growth has its challenges, you can make a good argument for seed stage marketplaces being the olympics of company building. As compared with other models, generating a single transaction in a marketplace setting requires constructing two separate businesses in parallel. Momentum is a big factor in raising downstream capital and you don't get extra credit for choosing the harder path. Regardless of how much you raise out the gate, every day counts.

Success therefore rests upon the decisions you make for how to deploy limited resources. Having lived through this with a dozen companies in addition to Airbnb, it has become clear to us how important it is to choose the right things to prioritize in the right order. To that end, here are three pieces covering how companies we partner with have figured out how to navigate this phase, and some frameworks that can help make this process a little bit easier:

1. 🖱️ **Map the experience** — How to create a map of your marketplace ecosystem in order to understand the pieces that need to fit together, and establish a north star to optimize decisions against.
2. 🖱️ **Chart a course** — How to build a growth model for a marketplace oriented around efficiently deploying resources against the north star. Here we'll share an off-the-shelf template to get you started.
3. 🖱️ **Get moving** — With the ecosystem mapped and course set, this post focuses on choosing your wedge into the market as you get building.

These ideas have benefited from a strong body of content already out there, including Lenny's analysis of how to [kickstart a marketplace](#), Sarah's overview of the [conditions in which marketplaces win](#), and Andrew's [required reading list](#). We hope our work is additive to this side of the tech community, and inspires the next generation of entrepreneurs.