

Create a Winning Third-Party B2B Marketplace Strategy

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By: Luke Tipping

Initiatives: [Digital Commerce](#); [Customer Acquisition and Growth](#); [Go-to-Market Design](#)

B2B marketplaces are the fastest-growing digital commerce sales channel as organizations open their platforms to third-party sellers. B2B digital commerce leaders must develop a clear strategy to maximize the opportunity of selling through third-party B2B marketplaces.

Overview

Key Findings

- Organizations without a third-party marketplace strategy risk losing share to competitors that are proactively pursuing this rapidly growing digital sales channel. Emerging across almost every industry vertical, third-party marketplaces present an opportunity to drive scale or expand into new markets.
- Organizations often neglect to define a clear portfolio strategy for third-party marketplaces, failing to consider potential conflict with other sales channels and simply listing a large number of products. This approach is resource-intensive, generates little incremental revenue and likely cannibalizes sales from other channels.
- Search ranking results and product/service content quality are key competitive differentiators as opposed to more traditional factors such as brand and/or product reputation. With low barriers to entry, access to target customer segments is commoditized, making third-party marketplaces extremely competitive among suppliers.
- Organizations often fail to adapt their sales processes — such as stock forecasting, fulfillment, pricing and promotions — for the unique requirements of third-party marketplaces, which are dynamic and require constant monitoring and optimization.

Recommendations

- Select an appropriate marketplace to list your products/services on — whether simpler generalist sites or more complex industry-specific ones — by evaluating potential options against your strategic goals and desired customer experience.
- Define a marketplace portfolio strategy by evaluating potential listings against commercial performance, customer demand and potential channel conflict.
- Build a marketing plan to drive customer traffic and conversion by allocating a dedicated budget and resources to third-party marketplaces as well as prioritizing content creation and demand generation activities.
- Prepare the organization for agile marketplace operations to optimize performance by defining KPIs and establishing cross-functional collaboration.

Introduction

Third-party marketplaces represent an indirect digital commerce route to market for organizations. Listings are created by the organization and made available to buyers through an online storefront operated by the marketplace owner. Transactions are facilitated by the marketplace owner, who typically then transfers orders to the selling organization to fulfill delivery to the customer.

B2B marketplaces are the fastest-growing digital sales channel, with combined sales reaching \$112 billion in 2023, a 100% increase from 2022. ¹ This trend is prompting B2B organizations to explore the potential of third-party marketplaces as a faster and less resource-intensive option to expand their reach and drive sales in the digital commerce environment, compared with establishing their own direct-to-customer channel or enterprise marketplace.

However, to maximize the true potential of B2B marketplaces, digital commerce leaders must develop a clear, coherent, scalable marketplace strategy that aligns with broader commercial objectives and optimizes internal resources. Failing to do so not only risks the success of the marketplace sales channel, often leading to abandoning the initiative altogether, but likely also has a negative impact on other routes-to-market as a result of channel conflict and/or cannibalization of sales.

Digital commerce leaders often encounter four common pitfalls (see Table 1) when developing and implementing their marketplace strategies. As a result, the success of third-party marketplace initiatives is limited due to misaligned strategy and execution, misused available resources and/or inefficient marketplace operations.

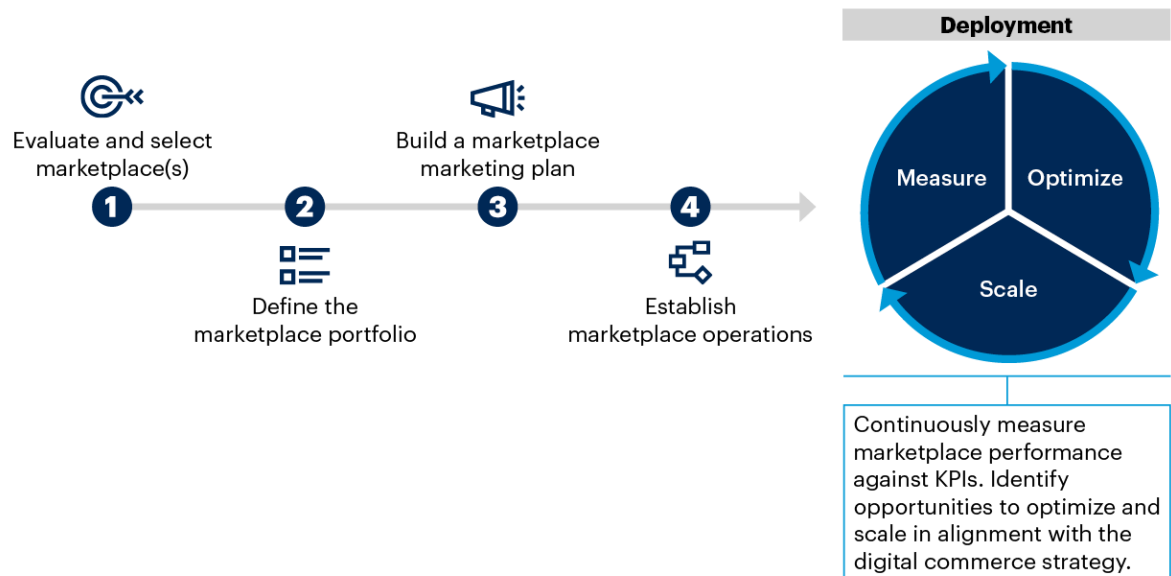
Table 1: Four Common Pitfalls of B2B Third-Party Marketplace Strategies

<div> Common pitfall</div>	<div> Solution</div>
Difficulty identifying and selecting an appropriate third-party marketplace that aligns with objectives and other sales channels.	Select an appropriate marketplace(s) to operate on by evaluating potential options against your strategic goals.
Misplaced belief that launching large, homogeneous product portfolios on third-party marketplaces is the most effective way of driving incremental revenue.	Define a marketplace portfolio strategy by evaluating potential listings against commercial performance, customer demand and potential channel conflict.
Misguided expectation that simply being present with product listings on third-party marketplaces is enough to drive customer traffic and conversion.	Build a plan to drive traffic and conversion by allocating budget and resources to third-party marketplaces and prioritizing marketing activities.
Futile replication of existing/traditional commercial processes and workflows to manage the third-party marketplace business.	Prepare the organization for agile marketplace operations to optimize performance by defining KPIs and establishing cross-functional collaboration.

Source: Gartner

Digital commerce leaders should follow our B2B marketplace strategy roadmap, which prioritizes four actions to overcome these challenges and build a successful strategy for selling indirectly through B2B marketplaces (see Figure 1).

Figure 1: B2B Marketplace Strategy Roadmap

B2B Marketplace Strategy Roadmap

Source: Gartner
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Gartner

Analysis

Evaluate and Select Appropriate Marketplaces

Third-party marketplaces provide B2B digital commerce leaders with an opportunity to pursue one of two high-level strategic objectives:

- Driving scale
- Expanding into specific markets

Determine Your Marketplace Strategy

General B2B marketplaces, such as Amazon Business (with 6 million customers ¹), Alibaba and Grainger, may provide the greatest potential scale and are typically best-suited for suppliers of highly commoditized goods with a wide scope of target customer segments. Beyond these generalists, industry-specific marketplaces continue to emerge, providing B2B organizations with an opportunity to quickly and easily access a highly targeted, albeit significantly smaller, audience (see Table 2 for a nonexhaustive list of B2B marketplaces).

Table 2: Examples of Industry-Specific B2B Marketplaces

(Enlarged table in Appendix)

Industry vertical	Marketplace
Architecture and interior design	Material Bank
Aviation	Satair
Chemicals	Knowde
Construction	Infra.Market
Fashion and apparel	JOOR smatch
Financial services	AkinovA
Food and agriculture	Farmers Business Network Indigo Ag
Healthcare and pharma	Torch Dental
Industrial	Thomasnet
Logistics	Convoy
Manufacturing and industry	Fractory MFG
Retail	Faire

Source: Gartner

Digital commerce leaders must evaluate and select potential marketplaces based on which of the two high-level objectives most closely aligns with the broader digital commerce strategy and existing sales channels. Doing so will guide downstream decision making and help execute the marketplace initiative.

Assess the Capabilities of Marketplaces for Delivering Your Strategy

Simultaneously, digital commerce leaders must also evaluate potential marketplaces' ability to deliver an optimal customer experience. Understand the different capabilities of each marketplace in terms of:

- **Brand/product content features and standards.** Each marketplace will have its own defined set of guidelines and formats for digital content. These are the boundaries within which marketplace sellers must operate to represent their brands and products effectively on the platform.
- **Access to customer data and marketplace performance analytics.** This differs across marketplaces, with sellers potentially receiving vast amounts of rich customer data, through to receiving little to no customer data at all and having a limited ability to market to customers.

- **Additive capabilities, such as demand generation and co-marketing opportunities.** These capabilities range from the nonexistent to advanced advertising functionality such as those facilitated through retail media networks (see [Market Guide for Retail Media Networks](#)).

Review these capabilities in the context of delivering the necessary customer experience for your marketplace strategy. For example, organizations seeking to drive scale through marketplaces via the sale of low-value, simple products/services may require less sophisticated capabilities than those seeking to drive expansion into new markets via the sale of more complex products/services.

Winnow Your Shortlist of Marketplaces Based on Strategic Alignment and Capabilities

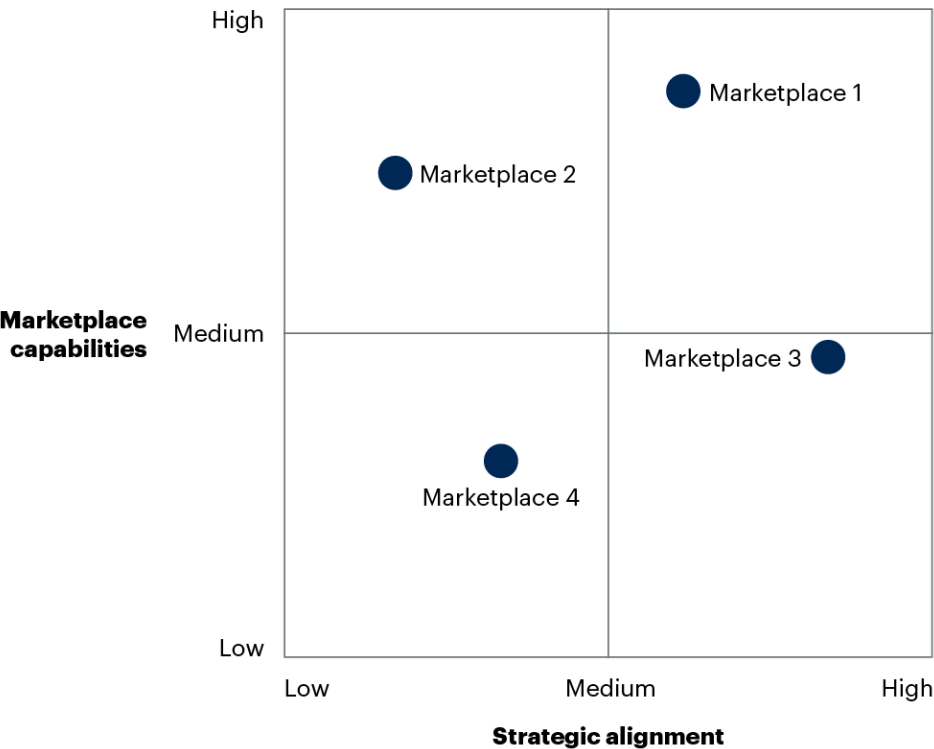
Create a shortlist of potential marketplaces based on their product/service offerings and the customer segments or markets they serve. Evaluate marketplaces based on the following two criteria and key questions:

- **Strategic alignment:**
 - To what extent does the marketplace's core customer segment align with our target customer segment?
 - To what extent does the marketplace's historical or projected commercial performance align with our strategic growth targets and expectations?
 - How would you rate the risk of channel conflict from operating on this marketplace?
- **Marketplace capabilities:**
 - To what extent does the marketplace provide content capabilities that allow us to represent our brands and products to our desired standard?
 - To what extent would the marketplace provide us with data and analytics to optimize our marketplace operations and generate customer insights?
 - How would you rate the marketplace's additive capabilities for driving demand generation and customer conversion?

Use your responses to these questions to plot the shortlist of marketplaces on the evaluation matrix in Figure 2.

Figure 2: Evaluation of B2B Marketplaces by Strategic Alignment and Capabilities

Evaluation of B2B Marketplaces by Strategic Alignment and Capabilities
Sample evaluation matrix



Source: Gartner
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Prioritize execution on marketplaces whose scores place them in the upper-right quadrant, discarding those that fall into the lower-left quadrant (though you can revisit these in the future). Where resources allow, incorporate marketplaces from the upper-left and lower-right quadrants into your medium-term roadmap, beginning with those most closely aligned to your strategy.

Define a Marketplace Portfolio Strategy by Assessing Potential Listings Against Key Criteria

Organizations often launch on third-party marketplaces with a large product portfolio, anticipating incremental revenue growth. However, without a clear strategy, this provides little benefit as the majority of sales are typically generated by a small number of core products, with a high degree of cannibalization from other channels. Additionally, without appropriate processes, this approach is extremely resource-intensive for all functions responsible for key marketplace operations, such as content production, pricing and logistics.

If your strategic goal is to scale revenue quickly using marketplaces, select a small portfolio of “hero” products with strong commercial performance and proven customer demand. Alternatively, if the intention is to establish yourself in a new market or customer segment, select a portfolio that aligns with the specific needs of the market or customer segment and incorporate range completion into your product selection.

Create an Initial Proposed Portfolio

To define portfolios that help execute the marketplace strategy, begin by creating an initial proposed portfolio. This should consist of a select few products with strong demand from other channels. Limiting the scope of the potential portfolio upfront ensures digital commerce leaders take a focused approach to marketplace product/service listings, selecting offerings that support the overarching strategy and are most relevant to the target customer segment(s). In addition, this provides digital commerce leaders with an opportunity to learn about customer needs by assessing demand for products, enabling the portfolio to be scaled over time based on product performance.

Validate Listings’ Relevance

Next, collaborate with your peers in marketing analytics and product marketing to validate the proposed listings’ relevance for the selected marketplace(s) and target customer segments. Do this by assessing proposed listings against key criteria, including the likelihood of sales channel conflict and customer demand-sensing metrics such as:

- Product revenue performance
- Online search behavior
- Website navigation behavior
- Customer ratings and reviews

Adjust the Portfolio

Finalize the portfolio by removing products/services that have low customer demand and do not support the marketplace strategy and/or by adding products/services that enable you to offer a credible range to customer segments according to their needs.

Build a Marketplace Marketing Plan

Simply being present with product listings on third-party marketplaces is not enough to achieve success. You must make customers aware that your products are available on the marketplace, and they must clearly recognize the value of your solution compared to competitors'. Before launch, digital commerce leaders should have a clear roadmap for stimulating demand, driving traffic to their marketplace portfolio and converting customers to sale through the channel.

To maximize effectiveness and profitability, digital commerce leaders should build out their marketing plan using a predetermined budget, based on a proportion of anticipated channel revenue. The 2024 Gartner CMO Spend Survey found that organizations, on average, allocated value equivalent to 7.7% of total company revenue for their overall 2024 marketing budgets. ² However, given the level of investment required to establish momentum on the competitive environment of third-party marketplaces, digital commerce leaders should overinvest, compared to this benchmark, over the short to medium term.

We recommend ringfencing budgets equivalent to between 10% and 15% of anticipated marketplace revenue for driving marketing activation and content creation, reducing this allocation over time as the channel becomes more established.

Success on indirect marketplaces requires a focus on on-site search rankings and brand and product content quality to drive traffic and conversion. This is a significant shift compared to more traditional channels, where brand strength and market position remain key factors. To effectively prepare their organizations to stimulate traffic and conversion for delivering the marketplace channel's strategic goals, digital commerce leaders should build a marketing plan focusing on the following steps and activities.

Enhance the Digital Shelf of Your Marketplace Portfolio

The digital shelf encompasses the management and execution of brand and product content that enables a digital commerce customer experience through various touchpoints.

Digital commerce leaders should create new and/or supplementary brand and product content to ensure optimal representation and customer experience on the marketplace. To implement this effectively:

1. Identify the content capabilities and specifications of the selected marketplace(s). Understand the detailed requirements for key content components such as titles, descriptions, bullet points, images, videos and enhanced content.
2. Define your internal product content standards and guidelines based on the capabilities and specifications of your selected marketplace(s). Include definitions and formats for the key content components mentioned above. For large portfolios, take a tiered approach (e.g., gold/silver/bronze), with different completeness and quality standards defined by the prioritization of products within the range.
3. Assess existing product data and content against the defined content standards to identify gaps and create an action plan to address. Prioritize the action plan by addressing fundamental content components for high-tier products first (e.g., titles, descriptions, bullet points, main images).
4. Plan for resource allocation to address the identified product data or content gaps. This may be through a combination of internal full-time equivalents (FTEs), outsourcing to external agencies and/or specific technology needs, such as product information management (PIM) or syndication tools.

For more detailed guidance on digital shelf management, see [Unleash Growth by Reforming Digital Shelf Execution](#).

Maximize Demand Generation Opportunities

Digital commerce leaders must build a robust demand generation plan to drive traffic to marketplace listings. To maximize the opportunity, ensure the plan includes the following two elements.

Incorporate Marketplaces Into Broader Marketing Activities

Incorporate marketplaces into broader marketing activities and campaigns as a destination for calls to action and other advertising tactics. Digital commerce leaders should:

1. Collaborate with peers across the marketing organization to understand the calendar(s) of marketing and promotional activity planned at the broader brand or national level, and identify which most closely align with your selected marketplace and portfolio.
2. Continue to work with marketing peers to define how and where the marketplace channel can integrate with these broader demand generation campaigns, and define the marketing budget required to participate. Depending on the proposed tactics and channels, these campaigns provide an opportunity to route traffic directly to your marketplace listings, providing a more effective path-to-purchase. This approach can appeal to brand and campaign owners, who often struggle to demonstrably measure the commercial success of activities.
3. Identify opportunities to repurpose and recycle marketing content and assets for use on the marketplace channel, even when the marketplace cannot be directly integrated with broader marketing campaigns.

Establish a Marketplace-Specific Demand Generation Plan

Leverage the unique capabilities and opportunities provided by the marketplace(s) to establish a marketplace-specific demand generation plan. Digital commerce leaders should:

1. Identify the marketing and co-marketing capabilities and opportunities of the selected marketplace(s). For example, marketplace platforms often offer media network capabilities, enabling sellers to purchase on-site display advertising and sponsored search results, or they may provide opportunities for sellers to participate in marketplace-driven campaigns.
2. Use factors such as the seasonality of your selected marketplace portfolio, broader or national marketing activations and campaigns, as identified during your collaboration with marketing peers, and marketplace-specific events to map out your marketplace demand generation calendar. Include a combination of “always-on” search and/or display advertising activity and “burst” campaigns that promote specific products over a fixed period of time.

3. Allocate marketing budget and internal resources to support media purchases and the creation of supporting digital content and media assets.

Prepare Cross-Functional Marketplace Operations

Digital commerce leaders must prepare their organization to adopt a dynamic, agile approach to third-party B2B marketplace operations to nurture growth from launch and continuously optimize performance. Unlike more static traditional sales channels, success on third-party B2B marketplaces requires the ongoing monitoring of commercial performance, consumer behavior and competitor activity to quickly identify opportunities and threats and devise efficient, effective responses. Failing to adapt marketplace operations to meet these unique needs risks the overall delivery of the marketplace strategy.

Take the following steps to ensure your organization is prepared to operate effectively on third-party B2B marketplaces.

Define a Hierarchy of KPIs to Monitor Marketplace Performance

1. Ensure KPIs align with the overall strategic goals for the marketplace channel. Secure buy-in and alignment from stakeholders and functions involved in end-to-end marketplace operations (see [How to Manage Digital Commerce Metrics](#)).
2. Establish a single source of truth for marketplace reporting, containing only the agreed KPIs. Focus on providing users with actionable insights to help them pinpoint specific risks and opportunities and quickly identify appropriate actions.

Establish Robust Cross-Functional Processes

- Collaborate with peers across functions to uncover challenges or opportunities that marketplace execution could solve, based on data analysis. For example:
 - Collaborate with supply chain to address issues related to product availability by reviewing and optimizing stock forecasts.
 - Review and update the marketplace portfolio with product teams to address the challenge of a new entrant into the marketplace.
 - Work with marketing and/or product to address declining customer conversion by optimizing product content or executing new pricing and promotion activities.
 - Coordinate with sales peers to incorporate technical consultations with sellers throughout the customer buying journey to support the sale of complex products via marketplaces.
- Continue with your collaboration to design processes for actioning these responses. Include the definition of allocated resources across each function, reporting and communication cadences, as well as timelines and SLAs for implementing the required actions.

Adopt a Test-and-Learn Approach to Scale Best Practices

1. Continuously adjust the wide range of levers in the indirect B2B marketplace channel — such as content, pricing and advertising — and provide near real-time data and analytics to allow these changes to be monitored and assessed.
2. Conduct A/B testing (where available on marketplaces) across a small proportion of the affected product range. Collaborate with process stakeholders to define the metrics for measuring the performance of the test, and agree on a benchmark of success.
3. Iteratively scale successful tests to the broader marketplace product portfolio, monitoring performance against the success criteria with each implementation to ensure the expected impact is delivered. Record unsuccessful tests to avoid duplication in the future and/or to revisit under different circumstances.

Evidence

- ¹ [2023 B2B Marketplaces Report](#), Digital Commerce 360. (Free registration required.)

² **2024 Gartner CMO Spend Survey.** This survey looked at top-line marketing budgets and aimed to identify how evolving customer journeys, C-suite pressures and cost challenges impact marketing's spending priorities and channel effectiveness. The research was conducted online from February through March 2024 among 395 respondents in North America (n = 200) and Europe (n = 195). Respondents were required to be involved in decisions pertaining to setting or influencing marketing strategy/planning and to aligning marketing budget/resources, and/or they were required to lead cross-functional programs and strategies with marketing. Seventy-four percent of the respondents came from organizations with \$1 billion or more in annual revenue. Respondents came from a variety of industries: financial services (n = 46), insurance (n = 35), manufacturing (n = 48), consumer products (n = 32), media (n = 35), retail (n = 38), healthcare (n = 47), pharma (n = 37), IT and business services (n = 41), and travel and hospitality (n = 36). *Disclaimer: Results of this survey do not represent global findings or the market as a whole, but reflect the sentiments of the respondents and companies surveyed.*

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