



The retail game has changed. Today's shoppers expect the choice, convenience, and fair prices that Amazon provides. One way for retailers to satisfy more demanding customers, is to expand assortment and capture the long tail in a way that remains highly curated and respectful of the retailer's brand and reputation.

A common approach to assortment expansion is traditional drop-shipping. Instead of holding inventory themselves, companies route orders directly to a supplier that, in turn, sends the products straight to the customer. Traditional drop-shipping does increase assortment, but is only applicable to a small set of products, a small set of suppliers, and incurs significant IT and organizational costs that cut into profitability.

Mirakl supports the full spectrum of expanded supplier relationships, from Marketplace seller to drop-shipper. A supplier can be added to a Marketplace in a matter of hours. As the relationship evolves, more complex rules can be added in the Mirakl platform to support more complex business relationships required for drop-shipping.

- Improve SEO through more product listings.
- Prevent missed sales and achieve the endless aisle.
- Develop international presence with minimal resource investment

The Mirakl Marketplace Model: Profitable Assortment Expansion

The Mirakl Marketplace model – in which a retailer allows trusted third-party partners to sell on its website – enables an even greater scale of virtual product supply than traditional drop-shipping. The Mirakl Marketplace model grows business exponentially with a customer-centric approach to assortment expansion in existing

and new categories, while traditional drop-shipping is myopically focused on improving margins for just a few existing products.

The Marketplace model covers a broader spectrum of assortment expansion options than traditional drop-shipping. As such, retailers can increase choice faster and

wider than ever before, and do so in a profitable way that achieves the endless aisle and captures the long tail. The Marketplace model's profitability is why Amazon's third-party Marketplace sales continue to grow at a 3x faster rate than Amazon's direct sales*.

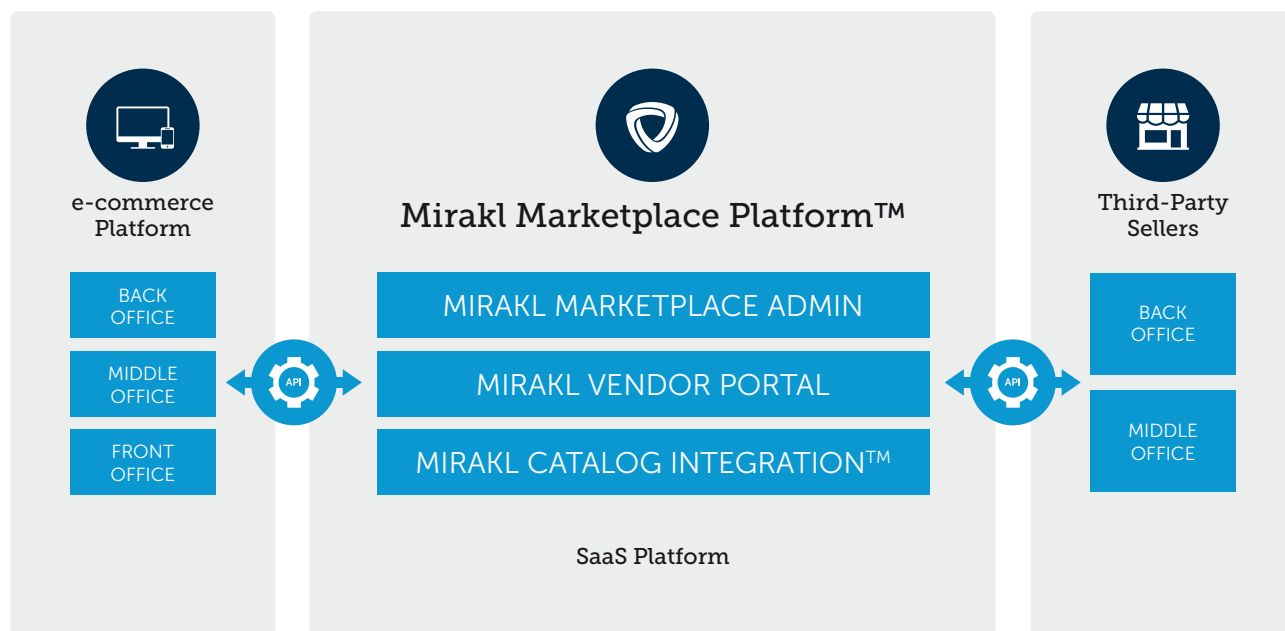
*Source:
ChannelAdvisor Blog,
February 2016.

	Traditional Drop-shipping	Marketplace
Profitability	LOW	HIGH
Scalability	LOW <i>(Focused only on selling better by increasing margin on existing business)</i>	HIGH <i>(Focused on both increasing margin on existing business and expanding into high margin new business)</i>
Range Extension	LOW <i>(Only a few suppliers are set up to support)</i>	HIGH <i>(Works for virtually every supplier)</i>
Control over customer experience	HIGH	HIGH
Price control	FULL	PARTIAL
Price competitiveness	LOW	HIGH
Price Agility	VERY LOW <i>(In a price sensitive world, drop-ship does not create competition amongst sellers that can quickly drive "fair market price")</i>	VERY HIGH
Time to market	SLOW	FAST
Complexity of sourcing	HIGH	LOW
Complexity of IT integration	HIGH <i>(EDI technology invented in 1960s)</i>	LOW <i>(Standards-based REST APIs)</i>
Makes most sense for	<ul style="list-style-type: none"> → Core products that are not easy to store and ship and closely fit omni-channel strategy → Products for which procurement teams can negotiate deeper discounts by committing to drop-shipping 	<ul style="list-style-type: none"> → Complementary categories → Depth in core products → Long tail items → Product tests → Products with shortage

Invest in growth, not time, with the Mirakl Marketplace Platform™

With the Mirakl Marketplace Platform™ it is possible to plug directly into both your own systems as well as the systems of others in the e-commerce ecosystem (e.g. vendors, aggregators) via cutting-edge, API-based technology.

This provides automated catalog integration and management, communication with sellers, setup and management of rules (for things like shipping and logistics, customer service levels, vendor performance).



Features specifically geared to the requirements of retailers' business

→ Click and Collect

Allow customers to shop online and pick up items in-store.

→ Buy Online, Exchange/Return In-Store

Allow customers to buy online and bring returns or exchanges to the store directly.

→ Marketplace Governance

Easily create rules that govern operations around things like logistics and customer service levels and monitor performance to ensure high quality customer experience.

→ Pre-packaged Workflows

Keep processes running efficiently with pre-built, customizable workflows around offers, orders, pricing strategies, and logistics.

→ Multi-Vendor Order Management

Allow operators visibility into the full order lifecycle to monitor seller performance and maintain insight for customers on order status (a huge advantage over drop-ship).

→ Multi-vendor Catalogue Management

Streamlined integration of complex product catalogues with Mirakl Catalogue Integration (MCI®).

Mirakl is the global leader in online marketplace platforms. Already, customers like Best Buy Canada, Galeries Lafayette, El Corte Ingles, and Carrefour rely on Marketplaces to take drop-ship to the next level.



PARIS
+33 1 72 31 62 00

BOSTON
+1 844 264 7255

LONDON
+44 20 3355 9932

MUNICH
+49 89 205 008 5012