

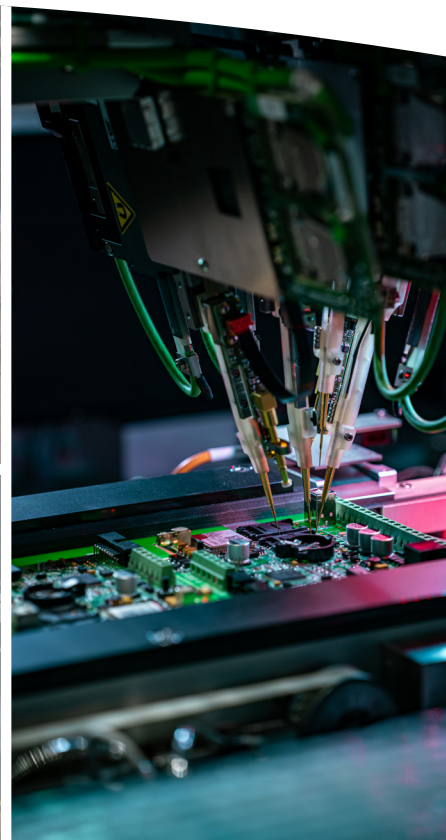
AS FEATURED IN

**DIGITAL** B2B  
COMMERCE 360

August 2022

# 2022 B2B MARKETPLACES: GROWTH AND TRENDS

Data and analysis of the marketplaces shaping  
the future of B2B digital commerce



Compliments of



# EXECUTIVE SUMMARY

Made for each other: B2B ecommerce and marketplaces

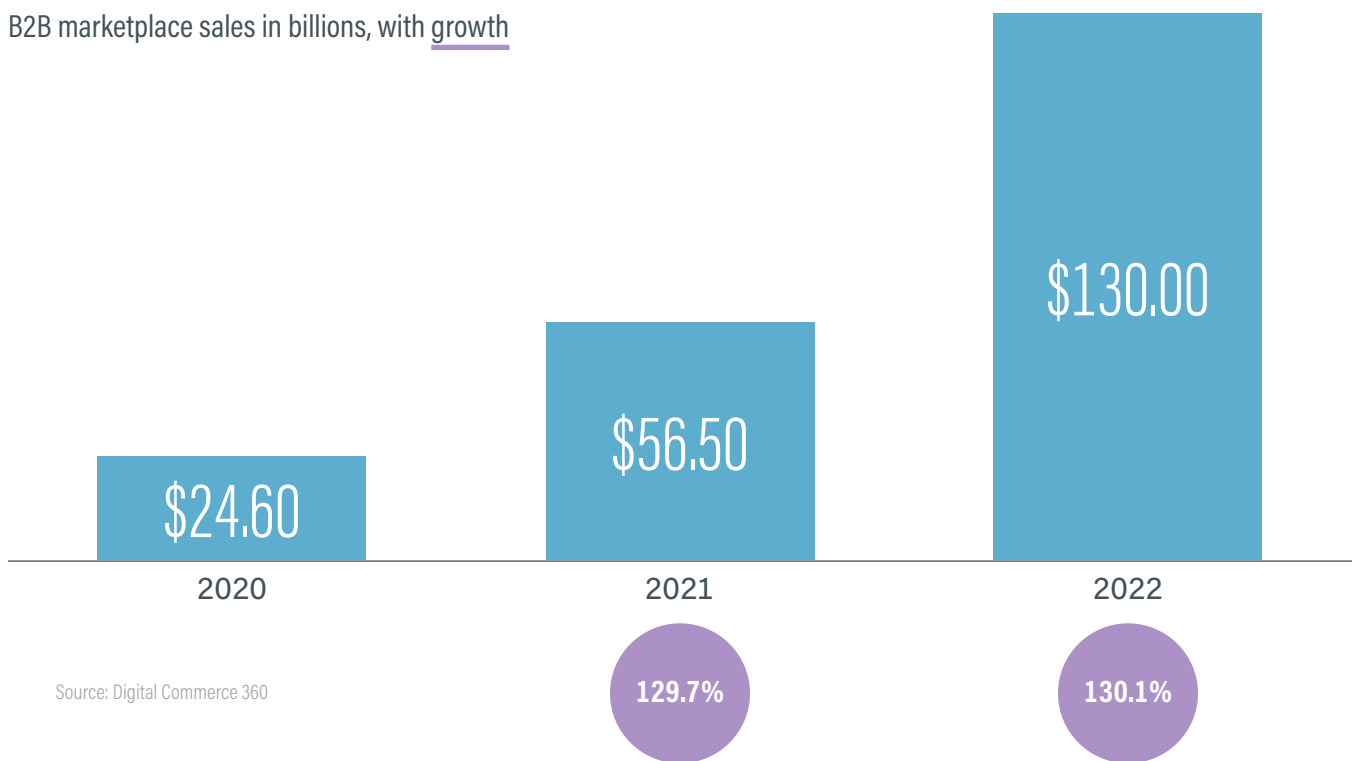
The B2B ecommerce industry has had a love/hate relationship with marketplaces over the last 20 years.

From late 1999 through 2001, B2B marketplaces went looking for love from B2B buyers and sellers, but the resulting affair was short.

The idea was sound: Bring together diverse groups of buyers and sellers in a particular industry or market and give them the online platform to do business en masse with each other.

## B2B MARKETPLACE SALES ARE THE FASTEST GROWING DIGITAL COMMERCE SALES CHANNEL

B2B marketplace sales in billions, with growth



Source: Digital Commerce 360

But the technology was inadequate to nonexistent, buyers and sellers on a wide scale were not interested, and competitive differences kept industry marketplace coalitions from working successfully together.

Fast forward to 2022, and B2B buyers and sellers are in love once more with marketplaces. And the feeling from marketplace operators is mutual.

The ongoing COVID-19 pandemic forever changed how buyers want to do business with ecommerce sellers. A younger and more online-oriented business buyer is primarily a digital-first customer. And where this rapidly growing audience wants to do business is online — and on marketplaces.

B2B marketplaces are now the fastest-growing channel in B2B ecommerce, based on a market projection from Digital Commerce 360.

Consider these facts:



Three years ago, Digital Commerce 360 was following about 75 to 100 B2B marketplaces. Today, the forthcoming B2B Marketplace 400 research report has metrics and analysis on 400 commercial and vertical marketplaces. They are spread across 18 industries.



Sales on B2B marketplaces shot up 131% to \$56.5 billion in 2021. And they are projected to increase at a similar pace to \$130 billion in 2022.



Despite challenging economic conditions, investors continue to pump funding into B2B marketplace companies, says investment firm Bowery Capital, which specializes in digital commerce. In 2021, there were 111 deals completed, and the pace has not fallen off so far in 2022. Through May, there have been a total of 63 deals.

“Companies that were pre-digital before COVID-19 are getting more digital now,” says Tyler Ellison, CEO of ChemDirect. ChemDirect is a three-year-old B2B marketplace that links buyers and sellers of chemical products in a dozen industries ranging from automotive, paint and coatings to health care to building/construction, printing/packaging, and agriculture. “Millennials and Generation Z employees are moving into procurement management roles, and they are not checking their Amazon-like expectations at the door. They want the same user experience on the job they are accustomed to at home.”

No longer is the B2B marketplace movement an on-again, off-again relationship. This time the relationship among buyers, sellers and marketplaces is long-term and serious, and the chief reason B2B marketplaces are now a mainstream digital commerce business channel.

The B2B Marketplace 400 report describes in detailed data and analysis how B2B marketplaces are blossoming. ❁

# OVERVIEW

## B2B marketplaces: The new mainstream channel

Buyers and sellers once viewed B2B marketplaces only as a hazy image on the B2B ecommerce landscape. But these days, droves of digital-first buyers use marketplaces to source and pay for business goods and services in the wake of ongoing supply chain disruption. B2B marketplaces are now a mainstream digital sales channel.

### B2B MARKETPLACE SALES<sup>1</sup> ACCOUNT FOR A BIGGER SHARE OF TOTAL B2B ECOMMERCE SALES

2020

1.8%

B2B marketplace sales  
portion of all  
B2B ecommerce sales

\$24.60 BILLION

B2B marketplace sales

\$1.390 TRILLION

Total B2B ecommerce sales



2021

3.5%

B2B marketplace sales  
portion of all  
B2B ecommerce sales

\$56.50 BILLION

B2B marketplace sales

\$1.600 TRILLION

Total B2B ecommerce sales



2022

6.9%

B2B marketplace sales  
portion of all  
B2B ecommerce sales

\$130.00 BILLION

B2B marketplace sales

\$1.890 TRILLION

Total B2B ecommerce sales



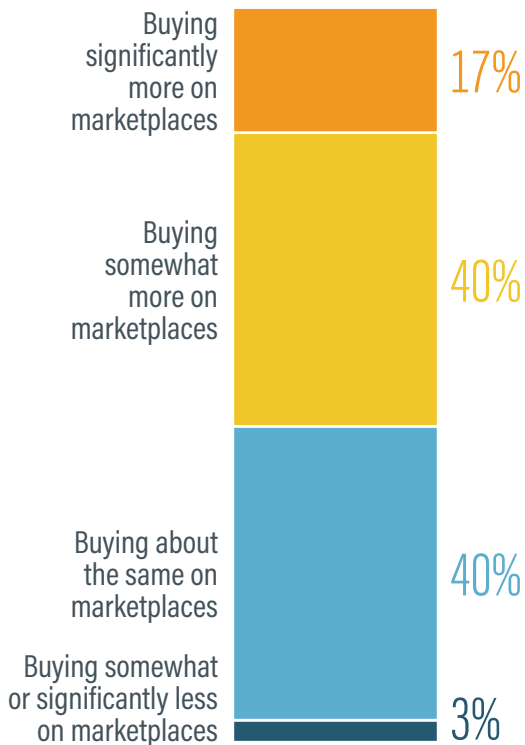
1. Projection Source: Digital Commerce 360

B2B marketplaces are also the fastest-growing ecommerce channel, with sales on all types of platforms, including commercial and vertical industry marketplaces. Sales on B2B marketplaces shot up 131% to \$56.5 billion in 2021. And they're projected to increase at a similar pace to \$130 billion in 2022.

B2B buyers, like consumers, turned to websites to make purchases when the COVID-19 pandemic struck in early 2020, making face-to-face transactions impossible in many cases. When Digital Commerce 360 asked business buyers in May 2021 how the pandemic changed their buying behavior, the top response, selected by 52%, was that they went to “ecommerce sites as they

#### B2B BUYER INSIGHTS

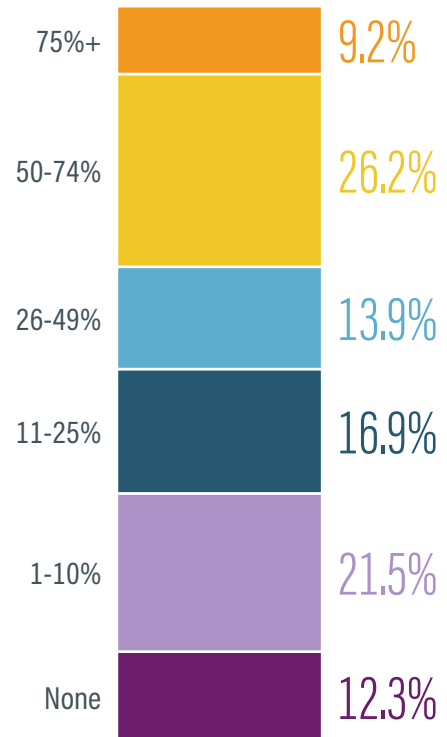
##### HOW HAS YOUR MARKETPLACE PURCHASING CHANGED AS A RESULT OF COVID-19?



Source: Digital Commerce 360 and Bizrate Insights survey of B2B buyers, March 2022

#### B2B BUYER INSIGHTS

##### WHAT PERCENTAGE OF YOUR B2B BUYING IS CURRENTLY DONE VIA MARKETPLACES?



Source: Digital Commerce 360 and Bizrate Insights survey of B2B buyers, March 2022

have more selection.” And many times, the ecommerce sites they purchased from were marketplaces. In the same survey, 57% of buyers said they were purchasing more from B2B online marketplaces during the pandemic, and 17% said they were buying “significantly more” than before.

That is showing up in the results of B2B marketplaces.

Despite challenging economic conditions, investors continue to pump funding into B2B marketplace companies, says Bowery Capital. In 2021, there were 111 deals completed and the pace did not fall off so far in 2022. Through May, there have been a total of 63 deals.

“We have not seen a huge slowdown even as the market matures,” says Michael Brown, Bowery Capital founder and managing partner. “There are still so many problems in the industry cloud segments that B2B ecommerce can solve.”

Three years ago, Digital Commerce 360 was following about 75 to 100 B2B marketplaces. Today, the B2B Marketplace 400 research report has metrics and analysis on 400 commercial and vertical marketplaces spread across 18 different industries. They range from automotive parts, chemicals, energy, and construction supplies to labor and logistics.





# Unlocking Growth Without Limits in the Global Economy

An executive conversation with  
**Angela Troccoli**, Sr. Director,  
Product Marketing, Mirakl

## **The marketplace train has left the station. Next stop: Limitless growth. Are you ready?**

We're in the midst of a sea change in the way that businesses conduct the day-to-day work of buying. Previously the exclusive realm of small-ticket, long-tail purchases, B2B eCommerce is taking a central role in purchasing as more buyers recognize that online channels offer a simpler, more convenient way to conduct the core buying for their business.

This is evidenced by what buyers are actually spending online. B2B online sales increased by double digits over the past year. More than a third (35%) of B2B customers are willing to spend half a million dollars in a single transaction online, and more than three-quarters (77%) are willing to spend \$50,000 or more in a single transaction online. We're entering the true "consumerization" of the business buying experience.

In this new landscape, online B2B marketplace adoption has risen to the forefront, with buyers drawn to the wider assortment and convenience of marketplaces operated by trusted brands. In fact, in 2021, B2B marketplace sales grew 7.3x faster than B2B eCommerce sales, and 8.5x faster than total distributor and manufacturer sales across all channels. Looking forward, B2B marketplace sales are projected to grow at twice the rate of online, non-marketplace sales through 2025.

## **The secret to B2B marketplace success: Your minimum viable ecosystem**

Faced with these numbers, the solution might feel like it's right in front of you: double down on eCommerce and invest in a marketplace to grow your online business faster. But creating a successful B2B marketplace that resonates with your buyers can be a balancing act. You have to provide the extended assortment that customers want, without compromising on the curated experience and convenience that characterize the best eCommerce experiences. And you have to do it quickly, because this is something that your buyers are looking for now.

Enter: the minimum viable ecosystem, or MVE. Think of your MVE as the marketplace version of a minimum viable product (MVP). Just as a minimum viable product is designed to establish a foundation and kickstart customer adoption, your minimum

viable ecosystem focuses on ensuring that you launch and grow your marketplace efficiently. How? By building an initial critical mass of sellers, technology partners and customers, your marketplace will gain momentum fast.

## **Back to basics: Establishing the foundation of your MVE**

Shifting from traditional first-party eCommerce to a third-party marketplace brings new technical requirements, which your ecosystem of partners can help you meet. Your MVE should span core marketplace capabilities and interconnect to facilitate a unified commerce solution. These capabilities include (but are not limited to) the customer buying experience, product and catalog management, seller management, order management, and customer service. Back-office management is another important consideration, with tax calculation and reporting, and financial reconciliation becoming more critical (and more complicated) in a marketplace environment.

As you build out your marketplace, you will want to have a clear vision of the technology services partners, from eProcurement to payment and tax, that you'll include in your MVE. They don't necessarily need to be net-new partners: if you already have an eCommerce environment in place with preselected and integrated partners, creating your MVE may be as simple as expanding the services you procure from them in support of the marketplace.

## **Expansion opportunities bring a new set of complexities — and MVE requirements**

Defining and onboarding the foundational partners that deliver your core marketplace capabilities is a critical step, but one of the defining factors of a B2B marketplace is its ability to unlock new opportunities for expansion. Whether you're building breadth and depth in your catalog, looking across borders for growth, or both, your MVE should also be optimized to meet those goals.

**Continued on next page**



# MIRAKL

# Unlocking Growth Without Limits in the Global Economy (CONTINUED)

Luckily, while these new opportunities can present new challenges, the goal always remains the same: Drive more traffic, accelerate cash flow, and deliver the best possible experience for your customers and suppliers. How do you achieve this without inhibiting growth?

Consider personalized product recommendations. One of the most significant imperatives in eCommerce businesses today is delivering personalized experiences for your customers. As organizations experience rapid growth of suppliers and their catalogs, it will become increasingly important for merchants to use marketplace tools that showcase the right products to the right target customer groups, accelerating sales for all suppliers. Moreover, these tools will become increasingly important to include in MVEs for marketplaces across industries.

You can also take your MVE one step further and unlock international expansion opportunities. As online purchasing becomes the new normal in B2B, buyers are increasingly comfortable with buying products from outside of their own countries. According to [Forrester Research](#), cross-border shopping will make up 17% of ecommerce in 2023, achieving global sales of \$735 billion.

Establishing operations in multiple markets is a major opportunity for businesses looking to expand – and as you expand your portfolio exponentially or grow globally, the challenges you encounter and questions you ask must evolve. And, not surprisingly, so will the requirements for your minimum viable ecosystem.

Whether you're turning to globalized buyers, globalized suppliers, or both, you introduce a new set of business requirements and challenges, including the perception of

"brand dilution," the increased complexity of multi-currency management, regulatory and financial risk, and more. These challenges can present a real barrier to accelerating your marketplace growth and international expansion strategies. In your MVE, account for specialized partners that can support these additional complexities from the start.

## What's the next frontier? Global expansion and growth without limits

The world is shrinking. Our economy (specifically, digital commerce) is becoming more global every day. Buyers want what they want, when they want, no matter where it comes from. And businesses will be expected to adapt and evolve to meet this demand. The organizations that embrace this opportunity by launching a marketplace, and build a minimum viable ecosystem to support it, are the ones that will capture true growth without limits.

Mirakl's technology, expertise and partner ecosystem allows marketplace operators to expand their product lines and accelerate their globalization strategy in partnership with third-party suppliers, faster than they could on their own. Mirakl provides a curated list of technology and service partners that represent the best tools and talent an enterprise will need, from invoicing and eProcurement to payment service providers and tax compliance – to power growth without limits. And Mirakl's out-of-the-box connectors make integrating with our best-in-class technology partner ecosystem fast and simple, with full integration and maintenance supported by Mirakl, to ensure consistent data model mapping and export.

## [Learn more about our technology and partners.](#)

Explore the ins and outs of developing a B2B marketplace strategy for your business in Mirakl's new eBook, co-authored with Deloitte: [The Blueprint for Building and Growing a Best-in-Class B2B Marketplace](#).



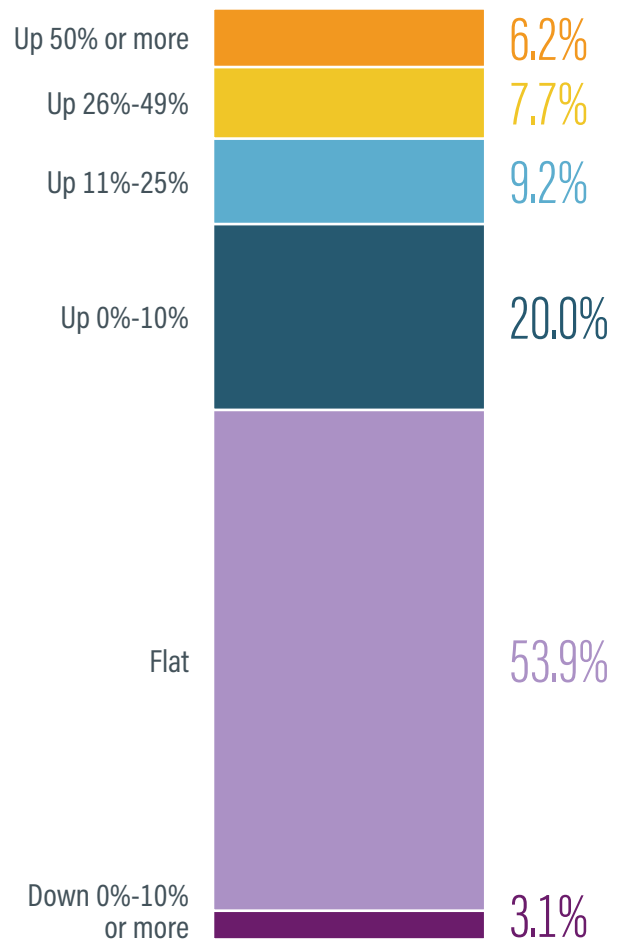
B2B marketplaces can take shape according to multiple ecommerce ownership arrangements. But there are two categories of marketplace types: Industry (vertical) marketplaces that bring together buyers and sellers in a particular industry such as automotive parts, steel, health care, and multiple other segments. The second are commercial third-party (horizontal) marketplaces, such as Amazon Business and Alibaba.

Amazon Business remains the single most dominant B2B marketplace. In 2022, Bank of America Securities projects Amazon Business will post \$41.5 billion in gross merchandise volume. That would be up 31.7% from a projected \$31.5 billion in 2022. Based on these projections, Amazon Business singlehandedly would account for 31.9% of all B2B marketplaces sales, or one in every three transactions, based on a Digital Commerce 360 estimate. As soon as 2025, Amazon Business could post annual gross merchandise volume of about \$83.1 billion, says BofA Securities.

“Amazon appears to have gotten over many of the B2B procurement system hurdles and has significantly grown its B2B reach over the past two years,” BofA Securities analyst Justin Post said in a 2021 research note. “Amazon Business is a B2B marketplace that gives procurement professionals the selection, convenience, and value that they have become used to on Amazon’s core B2C marketplace.”

### B2B BUYER INSIGHTS

HOW DO YOU EXPECT YOUR AMAZON BUSINESS VOLUME (TOTAL SPENDING) TO CHANGE OVER THE COURSE OF THE COMING YEAR?



Source: Digital Commerce 360 and Bizrate Insights survey of B2B buyers, March 2022

In 2022, Amazon Business has rolled out new features for its marketplace platform. For example, in January, Amazon introduced Amazon Business Punch-in, an online tool designed to let companies manage their buyers' spending on Amazon Business even when they don't start a purchase through their e-procurement software system. Amazon introduced the Punch-in product with procurement technology vendor Compleat Software.

"This new feature will simplify the buying process for many of our customers," says Todd Heimes, global director of Amazon Business. "For those companies with buyers who enjoy the familiar user interface and functionality of Amazon Business, Punch-in will enable them to start their journey on our website while remaining within their organization's buying policy guidelines."

Amazon Business is growing its B2B marketplace market share, but other ecommerce companies are targeting the space as well. Alibaba Group's international wholesale unit, Alibaba.com, accounts for just 2% of the giant ecommerce company's revenue — but it is one of the stars of the corporate empire. Revenue on Alibaba.com jumped 29% year-over-year — to \$760 million in the quarter ended Dec. 31 — on the strength of a 50% increase in transaction value, the company says.

Hangzhou, China-based Alibaba Group doesn't release its B2B gross merchandise transaction value figures, but Alibaba says a big part of the recent growth came from B2B ecommerce transactions in the United States.

"Our business is robust here in North America," Alibaba says. "The demand for 'Made in USA' is surging around the globe."

Nor does Alibaba release the number of U.S. B2B companies on Alibaba.com, but it says more than 200,000 suppliers are in its



Revenue on  
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29% year-over-year —  
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ecommerce marketplace globally. Alibaba opened its ecommerce platform to U.S. manufacturers, wholesalers, and distributors in July 2019.

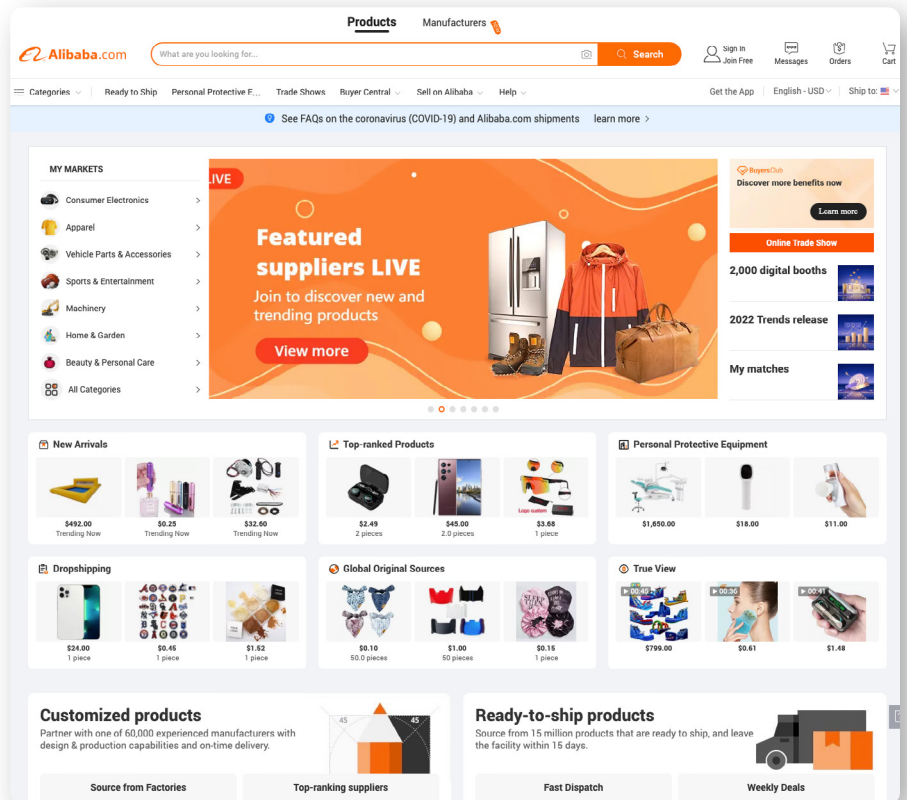
“Today, the United States is one of the fastest-growing seller regions on Alibaba.com,” the publicly traded company said in a recent investor presentation.

Alibaba.com’s U.S. ecommerce merchants are seeing especially strong demand for agricultural, food, health-and-beauty, electronic, and medical products, according to Alibaba.

“It’s largely things that go on your body or in your body, or high in technical sophistication,” the company says.

The COVID-19 pandemic that hit in early 2020 spurred demand for U.S. outdoor-related products, but according to John Caplan, who served as Alibaba’s president for North America and Europe from 2017 until late last year, Alibaba.com’s continuing B2B growth is independent of the pandemic.

“There’s the rise of the digital entrepreneur,” Alibaba says. “It used to be if you were a manufacturer or wholesaler, you essentially did business as far as your salespeople could drive in a day.” ❄️



Alibaba.com’s U.S. ecommerce merchants are seeing especially strong demand for agricultural, food, health-and-beauty, electronic, and medical products.

## CASE STUDY

## B2B ECOMMERCE IS A BIG DIGITAL GROWTH DRIVER FOR UNILEVER SALES

In the first half of 2022, B2B ecommerce grew 69% and is helping to grow overall digital sales, the company says.

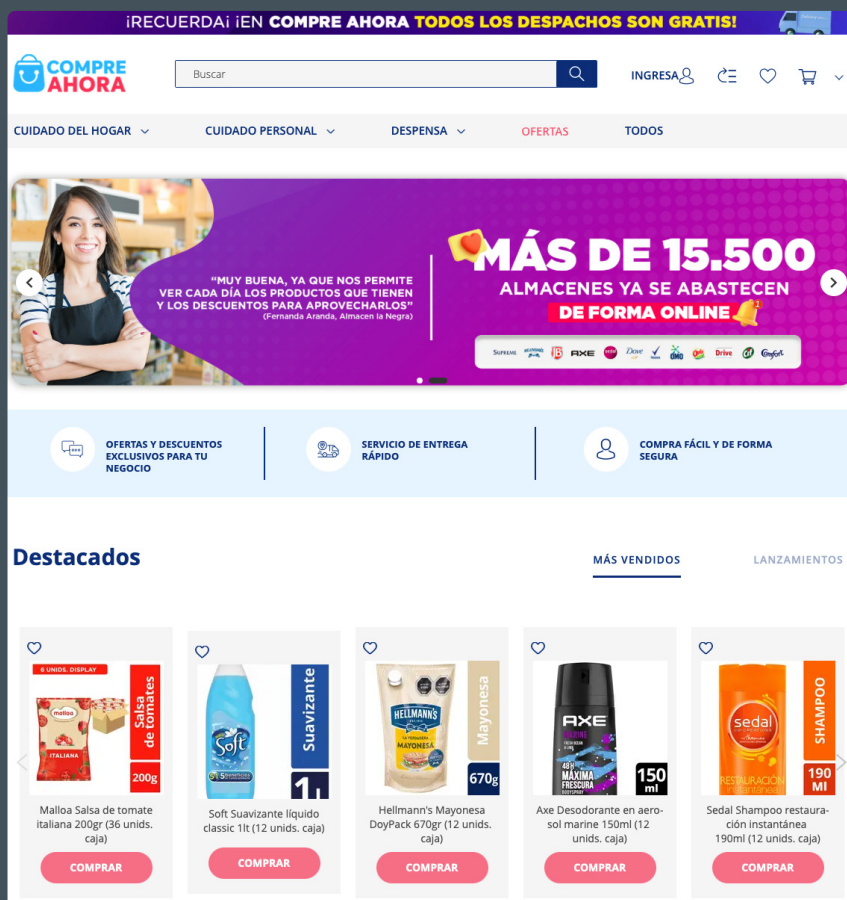
B2B ecommerce is a digital growth driver for Unilever, one of the biggest and oldest consumer brand manufacturers and the maker of more than 400 products such as Dove soap and Lipton tea.

For the first six months of the year, total Unilever sales grew about 15% to 29.623 billion pounds (US\$35.998 billion) from 25.791 billion pounds (US\$31.341 billion) from January through June in 2021.

Ecommerce grew 25% in the first half and now represents 14% of total sales, Unilever says. Based on those metrics, Digital Commerce 360 projects that digital Unilever sales totaled \$5.039 billion from \$4.03 billion in the first half of 2021.

While the company did not break out specific metrics, B2B ecommerce was the primary growth driver for digital Unilever sales, the company says.

Unilever operates multiple B2B platforms such as Compre Ahora, a B2B marketplace in Spain.





"Ecommerce grew 25% in the first half, with growth coming from omnichannel retailers and our B2B platforms."

—Alan Jope, CEO, Unilever

"Ecommerce grew 25% in the first half, with growth coming from omnichannel retailers and our B2B platforms," says Unilever CEO Alan Jope. "Ecommerce growth has moderated in the U.S. as consumers return to physical stores and we see greater number of consumers researching online and then purchasing offline. And that emphasizes the growing importance of digital channels in the path to purchase."

In the first half of 2022, B2B ecommerce grew 69% and is helping to grow overall digital Unilever sales, the company says.

"Worth noting that in just five years, ecommerce has grown from 2% of Unilever's turnover to 14% in the first half," Jope says. "We do continue to invest in channel expertise and the right technology and in channel-specific innovation."

Unilever operates multiple B2B platforms such as Compre Ahora, a B2B marketplace in Spain.

Unilever produces 400 food, beverage, cleaning, hygiene, and personal care products sold in 190 countries and used by more than 2.5 billion people every day. ❁

## ABOUT THE AUTHOR

Mark Brohan is senior vice president of B2B and market research at Digital Commerce 360, covering B2B ecommerce trends. Prior to his current role, Mark was vice president of research for Digital Commerce 360 and editor of Internet Retailer's Top 500 Guide, Top500Guide.com and related research publications. Mark's previous experience includes leading new print and web product business development for Faulkner & Gray where web publisher and editorial director for DM Review magazine and its two websites: DMReview.com and dataWarehouse.com. He was also the founding editor of various Faulkner & Gray technology magazines, including Internet Retailer. Mark earned a bachelor's degree in secondary education and history from Western Michigan University and a master's in journalism and public affairs from the American University.



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Over the last two decades, Digital Commerce 360 Research has become a global leader in ecommerce research and data, helping a wide range of businesses better understand the industry. Each year, our experienced researchers collect hundreds of metrics on thousands of retail and B2B ecommerce companies around the world and offer access to the raw data including online sales, web traffic, conversion rates, AOV and key technology partners. Most notably is our Top 1000 Database, a ranking of the leading North American online retailers by web sales. We also publish our analysis of the data in numerous annual reports on timely ecommerce topics like marketplaces, omnichannel, apparel, platforms, web design and many more. In addition, our robust custom research department is skilled at creating personalized projects—including in-depth reports, exclusive surveys, raw data pulls and more—to support top retailers, consultants, financial analysts and technology providers in meeting their goals.

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