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CX is essential for growing online marketplaces

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Positive customer experiences are at the heart of success for many online marketplaces.

By KATIE TAMOLA

With new offerings and innovative tactics, online marketplaces are progressing at a rapid pace.

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These organizations are progressing in quite a few different directions, but despite each organization's disparate offerings, they all remain dedicated to observing consumer behavior, adapting to trends and needs and to enhancing the customer experience. During a virtual session on March 18 at the *Vogue Business* and TikTok inaugural **Technology Forum**, Lacey Maguire, trends editor for *Vogue Business* spoke with leaders of four online marketplaces about business models, reaching Gen Z and how to keep their businesses moving forward.

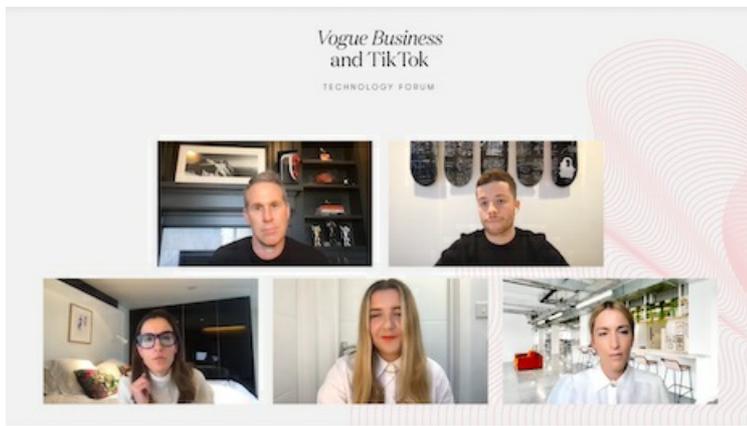
"We don't only foster the mere transaction," said Maria Raga, CEO of peer-to-peer marketplace **Depop**. "From the very beginning, the founder wanted to create a community, not so much just a marketplace; [with Depop] you have all the similar features across the social media platforms where you can like items, comment, search hashtags and follow users.

"At the end of the day it is very much about fostering interaction between users and allowing them to get inspired, discover new things and so forth," she said. "People initially come for the clothes, but they actually stay for the culture, and this is because they feel safe to be part of this community that allows them to self-express and be creative."

The customer is key

Throughout the session, marketplace leaders reverberated the point of prioritizing the consumer. Marketplaces are aiming to land consumers and to keep them coming back by offering unique experiences and fostering loyalty.

Scott Cutler, CEO of **StockX**, a marketplace that focuses on sneakers and collectibles, noted how the authentication feature of the StockX model makes consumers feel at ease and ultimately encourages the chance of them returning to the platform.



Leaders from online marketplaces including StockX, Heat, Depop and Threads Styling spoke during this panel. Image credit: Vogue Business

"The secret to our success differentiating from other marketplaces, particularly for high-demand consumer goods has been being able to create a platform that authenticates every single product that is sold on it," he said. "This creates an experience for buyers that is a highly trusted experience, that is the equivalent of buying directly from a brand for the very first time and has enabled us to capture tremendous attention from this generation of consumers.

A study by Certilogo found that consumers' propensity to engage with a brand after using their authentication tool grew from 28 percent before authentication to 61 percent after authentication ([see story](#)).

Sophie Hill, founder of [Threads Styling](#), a personalized luxury shopping service, also spoke about the importance of organizations prioritizing customer experience and service from the very beginning. This helps the platform reach high-net-worth millennials and Gen Z consumers, who are currently the most sought out customer bases for luxury brands.

"We've been exclusively focused on this audience since the beginning and really it's an audience that we truly understand, and very much own in the luxury space," she said. "One of the reasons we have such a strong connection with this customer base is the customer experience we provide them.

"We have always been focused on bringing the experience to the customer, so that's why we communicate with them exclusively on the platform, direct messaging with them on Snapchat on Instagram or WhatsApp or iMessage or WeChat," she said.

Offering resources for buyers and sellers within these organizations is also crucial to their success. These marketplaces focus on providing personalized and accessible paths for everyone interacting with the platform, consumers and sellers alike.

"It's not actually just about supporting our customers, but it's also about supporting our personal shoppers, the platform to run their own business, and to deliver the most exceptional customer, so we've been really focused in the beginning on building out a toolset with our personal shoppers to make sure that they had everything they needed to do their job," she said. "And really this does deliver the highest level of customer service."

StockX's Mr. Cutler underscored that marketplaces are successful when they provide seamless experiences for both buyers and sellers.

"The StockX experience is really meant to be seamless for both the buyer and the seller," he said. "You're effectively participating in an active market for the product that you're selling, and for that seller, you could sell a product in under 10 seconds."

The panel also discussed the benefits of different partnerships with different brands. More collaborations with different brands offering different products is a way to continue to seize the attention of new consumers.

Joe Wilkinson, managing director and cofounder of [Heat](#), an organization that distributes boxes of mystery luxury items with a guaranteed value, discussed how collaborations helps his organization, that brand they collaborate with and the consumer, leaving everyone satisfied.



The Depop platform grew 100% in 2020. Image credit: Depop

"There are a few different positives to the brands, one being the economic value as sometimes we're getting a lot of stuff from brands that they wouldn't normally sell, so it's a new almost revenue stream for the brands," he said. "And the next one is the sustainability element of the product going into the box, with some of the inventory that the brands have that don't normally go into the sales or to outlets, this is one of the new ways to almost get rid of that inventory in a way that's sustainable.

"And another main draw for the brands is the access that we have to the Gen Z market and we're able to give brands post-purchase feedback on the products that people liked and what people didn't, which is a huge draw," he said.

Beyond the brand

Online marketplaces should consider preferences from both buyers and sellers, from adding features like easy checkouts to publicly supporting social causes.

"The opportunity for marketplaces is really creating a different experience for that consumer, you want to be able to create an experience that for that buyer that seller is the best experience that they can have anywhere," StockX's Mr. Cutler said.

Thread Styling's Ms. Hill agreed on the importance of always observing and hearing the consumer.

"As we grow, it's extremely important that we continue to listen to all of these groups in our community, and really incorporate their insights into everything we do," she said. "The combination of those direct relationships, being able to enable the technology team to really deliver the best possible level of customer service, is a really important part of delivering back to our community."

A 2020 report from CRM platform Kustomer noted that 79 percent of consumers say customer service is extremely important when deciding where to shop. Meeting consumers' expectations is more important than ever as retail spending has slowed due to the pandemic ([see story](#)).

Customer expectations have changed rapidly during the coronavirus pandemic, and brands and retailers have to respond accordingly and rethink their approach to customer engagement and experience. According to KPMG's 2022 U.S. Customer Experience Excellence (CEE) Report, companies that were able to maintain customer dialogues were more successful than those who did not, whether it was as a result of business models or government restrictions ([see story](#)).

Ms. Hill also spoke about how with continued dedication to the customer experience, online marketplaces can maintain the upper hand even beyond the COVID-19 pandemic.

"I think the fact that first-time customers had strong experiences purchasing goods, remotely using technology, I think that's a real step forward for luxury to have those trust levels, and the delivery of service that can be done using these platforms, versus having to go store," she said. "I really don't see that that trend reversing."