

Worth the detour? The effect of marketplace sales on a retailer's own channels

Erik Maier

HHL Leipzig Graduate School of Management

Jaap Wieringa

University of Groningen

Cite as:

Maier Erik, Wieringa Jaap (2019), Worth the detour? The effect of marketplace sales on a retailer's own channels. *Proceedings of the European Marketing Academy*, 48th, (4550)

Paper presented at the 48th Annual EMAC Conference, Hamburg, May 24-27, 2019.



Worth the detour? The effect of marketplace sales on a retailer's own channels

Abstract

Online retailers are increasingly using marketplaces as alternative sales channel to their website. While cross-channel sales elasticities have been established for many endogenously related sales channel combinations (e.g., adding bricks to clicks), we lack insights on the effect of using two competing online channels (own website, marketplace). For instance, the marketplace might either cannibalize a retailer's existing sales (e.g., because channel capabilities are similar) or complement a retailer's offering (e.g., as gateway to the offered products). The present research investigates this phenomenon using time series of categorical sales data from one of the largest global marketplace sellers. Using vector autoregressive modelling, we find that marketplace sales increase visits to a retailer's website, but also have a positive sales effect, if the product categories offered on the website are complementary to the ones offered on the marketplace.

Keywords: *marketplace; Amazon; cross-channel elasticities*

Track: Retailing & Omni-Channel Management