

Accel

# 5 things B2B marketplace founders should focus on

Marketplace Conference Berlin

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Why are we excited about B2B  
marketplaces?

**\$20B+**  
Under Management

**39+**  
Years of Investing

**1,000+**  
Investments

**130+**  
IPOs



**Global**

Investments across the Americas, Europe, Africa & APAC



**First**

Focused on early-stage investments (Series A & Seed)



**Prepared**

Thesis-driven investment approach across all sectors



**Active**

Support founders in building teams & scaling globally

# We love marketplaces at Accel



Natural network effects



Winner take all



Multiple ways to monetize

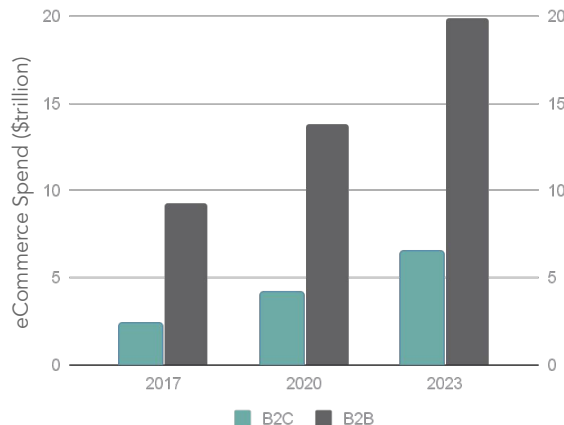


Longevity



# B2B is a massive untapped opportunity

B2C vs. B2B eCommerce Spend



Several large verticals



Trucking  
\$400bn EU TAM



Custom Manufacturing  
\$900bn Global TAM



Auto Parts  
\$9tn Global TAM



Wholesale Retail  
\$1tn EU TAM

Tailwinds for online shift are strong

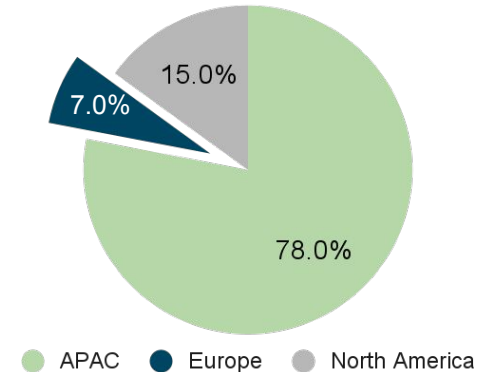
**75%** of buyers  
typically research at least  
50% of their work  
purchases online

**80%** of all B2B sales  
transactions are likely to  
take place in digital  
channels by 2025

# Europe represents a small % of B2B global commerce, but we expect it to grow fast

- Europe represents ~7% of B2B eCommerce but we expect that to increase rapidly
- Using B2C as a proxy, Europe's share of B2C eCommerce is 27%, with the US at 31% and APAC at 36%
- APAC accounts for a large share of global B2B eCommerce due to faster adoption of digital technologies

B2B eCommerce Share by Region (2021)



# Why are we excited about Europe?

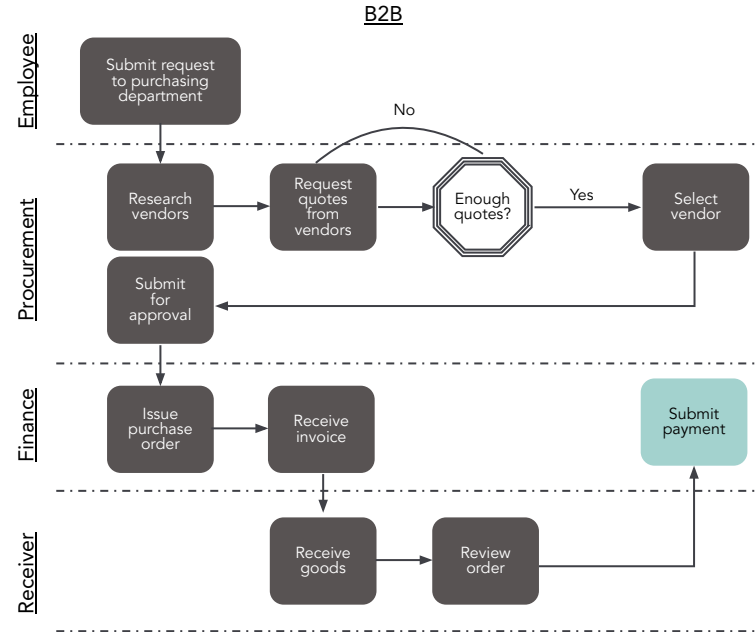
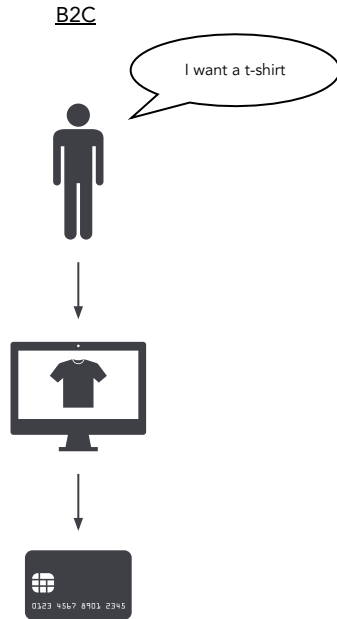
Absence of a **pan-European dominant player of similar size** to Amazon (US) / Alibaba (China) / Udaan (India)

**Move towards going “local”** because of geo-political dynamics and accelerated by Covid-19 pandemic

**EU Marketplaces solve the tough problems on Day 1 by mitigating** traditional trade & cultural barriers for exporting within Europe (e.g. payments, language barriers, etc.)

**Industrial heritage** of Europe – it is the heart of several global manufacturing & logistics companies

# B2B transactions are more nuanced than B2C





# Why now?

## Millennials taking the reins

- Millennial account execs translate their B2C experience into B2B
  - First-rate digital experiences and near-effortless self-serve options needed
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## Search for Efficiency

- Like enterprise software, motivation to cut costs and manage sales better
  - Integrated payments and lending unlocking new business models
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## Pandemic accelerated shift to online

- Covid has accelerated shift as participants were unable to transact physically
- Remote engagement tools have matured to support selling & prospecting



5 things founders should focus on



Margin Extraction



Buyer Behaviour



Supply Fragmentation



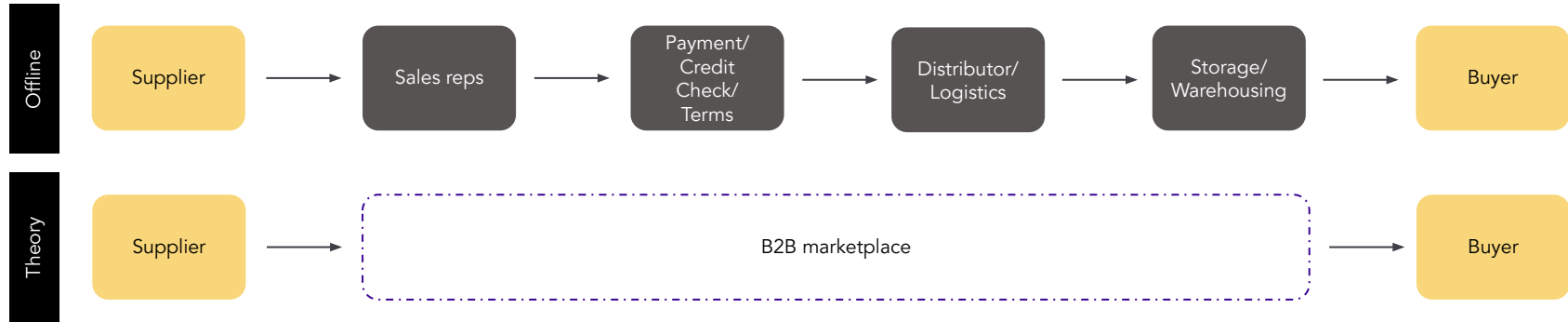
Software Insertion



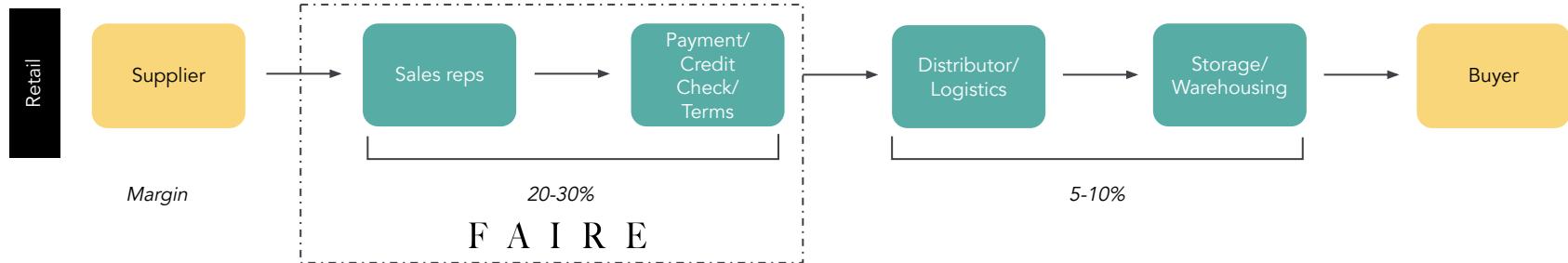
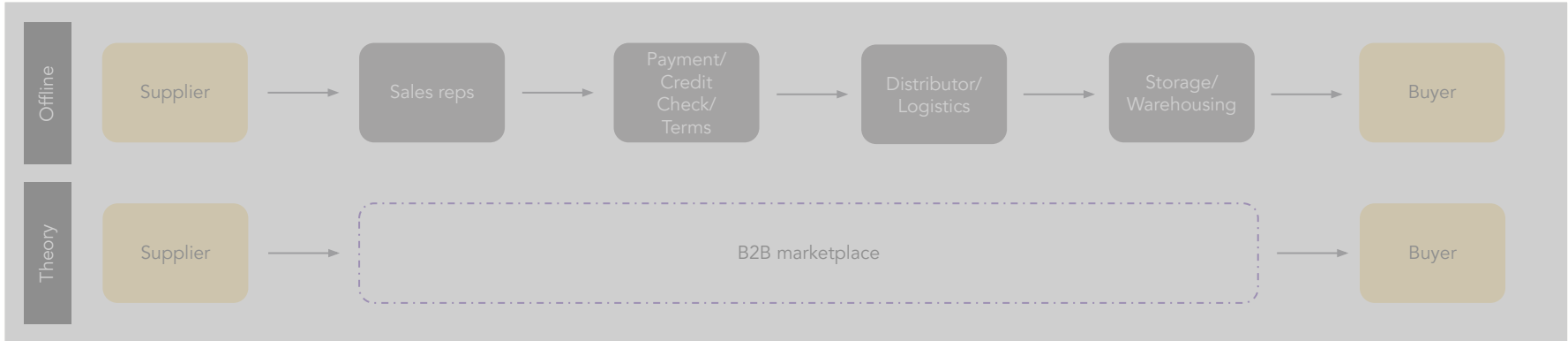
Financial Services

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# B2B marketplaces have to replace margin from the offline system



# B2B marketplaces have to replace margin from the offline system



# B2B buyers have different priorities than B2C buyers

## B2C Buyers



Convenience

*"Our platform enables local businesses to thrive in today's convenience economy by addressing consumers' expectations of ease and immediacy."*



Selection

*"We serve consumers through our online and physical stores and focus on selection, price, and convenience"*



Cost

*"We believe that servicing consumers at lower price points can unlock significant growth based on the large number of consumers for whom our current offerings may be perceived as too expensive."*



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amazon



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Uber

## B2B Buyers



Cost

*"Margins mean everything in this space so we've decided to charge flat matching fees - it's hard for buyers to accept take rates."*

- Marketplace for F&B brands



Quality

*"We recognized early on that combining payment terms with free returns would result in a high quality, winning solution."*

F A I R E

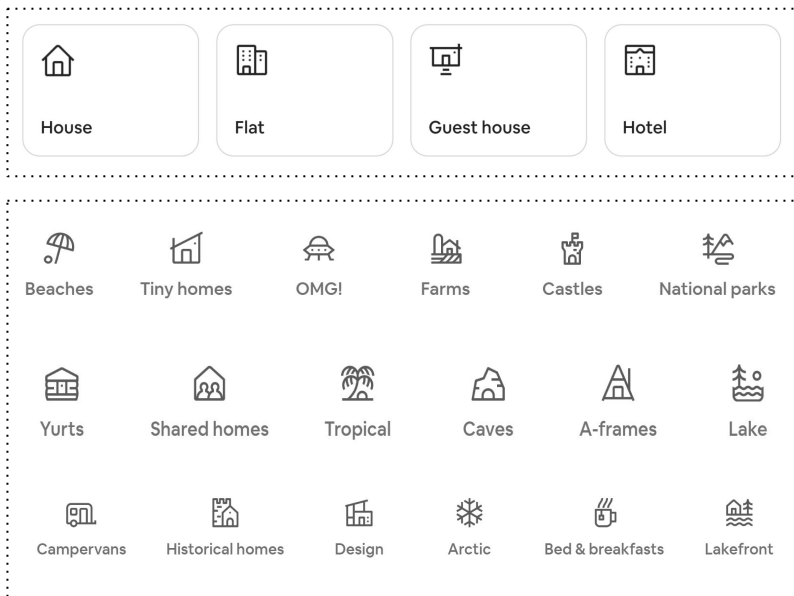


Compliance

*"There are 5-10 parties involved in every purchasing decision because of the importance of regulatory compliance."*

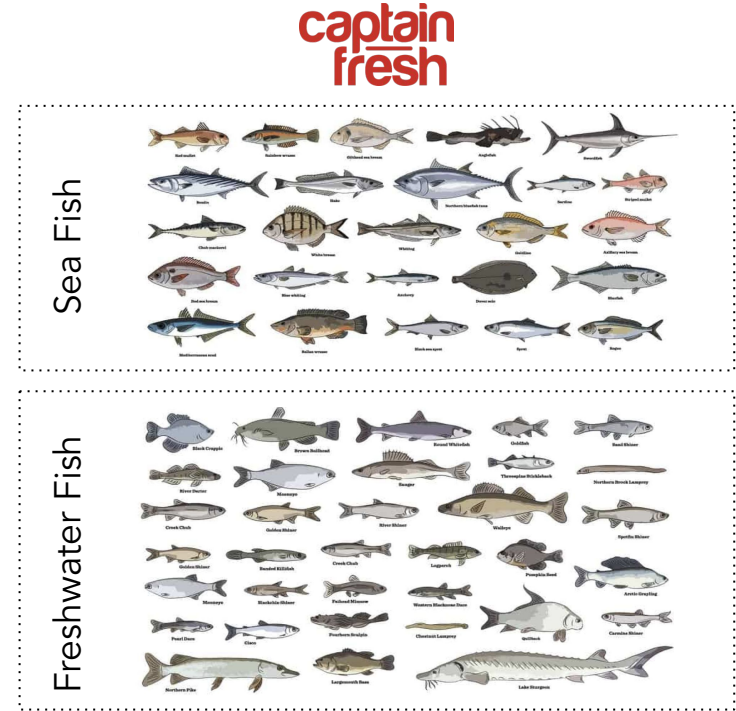
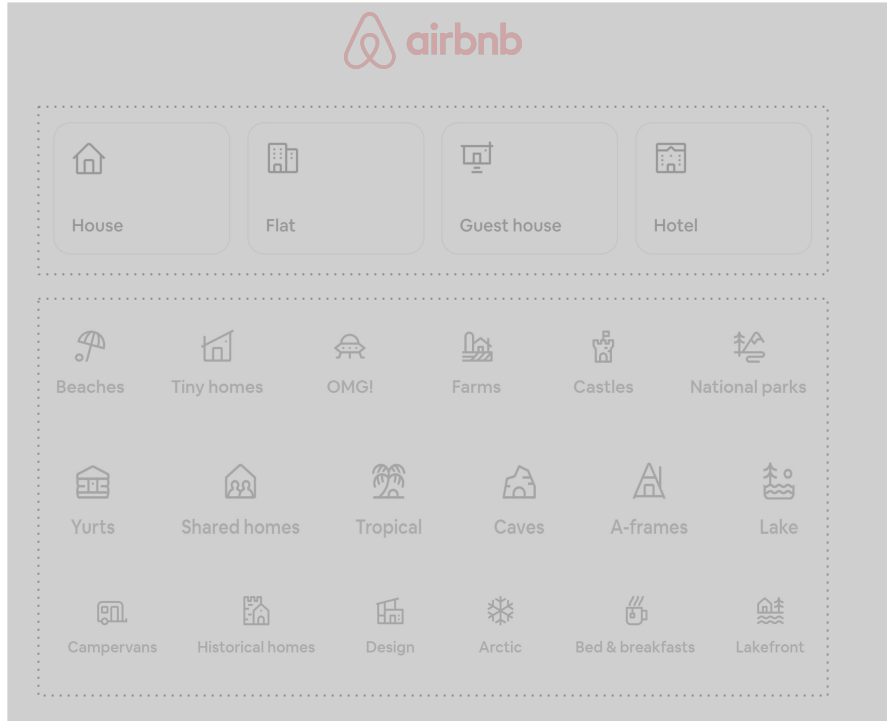
- Chemicals Supply Chain Expert

# Marketplaces with heterogeneous supply have long-term moats





# Marketplaces with heterogeneous supply have long-term moats



# Best marketplaces start to feel like operating systems over time

## Workflow Tools

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Team communication

Project Tracking

Digitising documentation



## Data & Analytics

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Data Synthesis

Transparency across teams

Drive additional value

F A I R E

## Integrations

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Logistics & Fulfillment

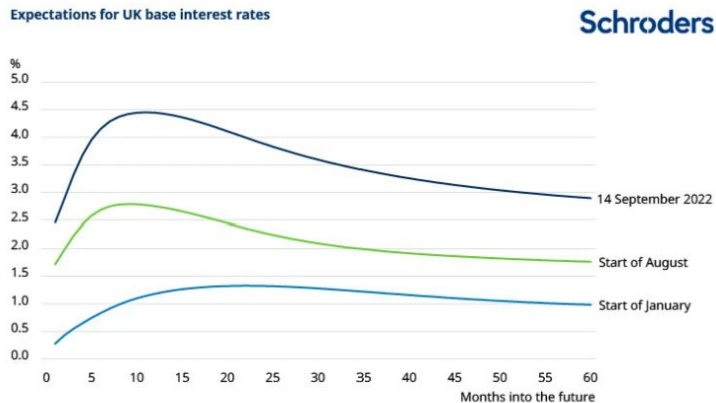
Supplier Product Catalogs

ERP / CRM Systems



# Financial services will play an important role in monetisation

A rising interest rate environment... ... leads to rising capital costs



Several fintech solutions will become crucial

Working Capital

Insurance & Invoice  
Mgmt.

Embedded Payments

Qogita

INFRA.MARKET



# What do we look for?

# What do we look for in B2B marketplaces?

Team	Founders with deep domain knowledge / unique insight into the space + ability to build trust with partners
Market	Large fragmented supply & demand that is not prone to monogamy or multi-tenancy
Stickiness	Must become a core part of doing business for market participants measured thru purchase frequency and increasing share of wallet
Liquidity	Making it easier than status quo to find a match thereby delivering quick value to buyers & suppliers
Monetisation Potential	Use of software or financial services to embed marketplace into workflow of buyers and sellers

# Thank you.

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