

One page summary, view the full blog/deeper dive at: <http://www.cleardigitaluk.com/blog/the-uk-marketplace-sector-and-the-role-of-community>

- The UK marketplace sector is forecast to grow by £13.1bn to £39.3bn in 2024, up 50% from £26.2bn in 2019. Amazon and eBay dominate, with 90% of sales, but the rest of the UK marketplace sector is worth a still significant £2.6bn. With total UK online retail sales for 2019 standing at £76bn, £1 in every £3 spent online is via a marketplace.
- The top 15 UK marketplaces can be split into 3 distinct sectors:
  1. *Generalists* sell a wide variety of products. UK top 15 examples: Amazon, eBay, Wish, Shpock.
  2. *Category specialists* e.g. fashion/home etc. UK top 15 examples: Wayfair, ASOS, Game, Zalando, Farfetch.
  3. *Community-driven*: typically selling arts/crafts or vintage/used products. UK top 15 examples: Etsy, Not On The High Street, Discogs, Bandcamp, Depop, Abebooks.
- Breaking down UK marketplace share, Amazon's 55% of the market equates to £14.5bn, eBay's 35% is £9bn. Established global players in Etsy and Wayfair are next in UK sales generated, with in excess of £250m each in 2019.
- The % of commission taken ranges from 8% for Discogs to 25% for Not On The High Street, with a median average of 12%.
- Wayfair and ASOS Marketplace's category specialisms have led to recent continued growth; Wayfair's 2019 global sales of \$9.1bn grew by 35% year on year, while ASOS doubled its usual number of new sellers in April due to the Covid19 lockdown.
- Depop is a buzzy example of a new community-driven marketplace, with its social mobile app first approach very different to a traditional retail website. Depop has over 15m users, most under 26 and has sold over \$500m of clothing on its platform since launch.
- Etsy and Not On The High Street are both arts/gifts focused community marketplaces, but Etsy's recent sales growth has been much more impressive, with \$5bn global sales in 2019 growing by 27%.
- The 10th and 11th most visited UK marketplaces are both music specialists; Discogs sold 14.6m second-hand/vintage records in 2019 (+34% YOY) while the artist friendly Bandcamp has seen recent huge sales spikes when waiving its commission for records and downloads on selected Fridays during the lockdown.
- Amazon Prime now has 15m UK members. The convenience offered by its speedy, flexible shipping is difficult for anyone to compete with, even eBay whose global sales in 2019 fell by 5% in 2019.
- However, certain niche specialists with a strong community-driven flavour are surviving and thriving, boosted by quirky/unique product selections, a strong sense of usefulness and fun, underpinned by strong trust and ethical credentials, increasingly important for younger consumers in particular.