



Supply and demand in
social marketplaces

GOLD-START PROBLEM



WHAT IS SOCIAL MARKETPLACE?

**BLEND OF E-COMMERCE AND SOCIAL MEDIA
THAT ALLOWS FETCHING CONTENT AND
USING IT FOR E-COMMERCE NEEDS**

BLEND OF E-COMMERCE AND SOCIAL MEDIA

WHAT IS COLD START PROBLEM?

MARKETPLACE MATURITY LEVELS

- **Cold start:** is an early phase of your marketplace where you need to solve a chicken and egg problem and get the liquidity going
- **Growth:** balance your value proposition/incentives budget to outcompete other players
- **Dominance:** achieves a dominant market share (>50%) and gradually captures the remaining demand until reaching full saturation

MEDIA AND E-COMMERCE

PRE-INTERNET TIMES

SELLERS

PRE-INTERNET TIMES

OFFLINE MEDIA

Marketing



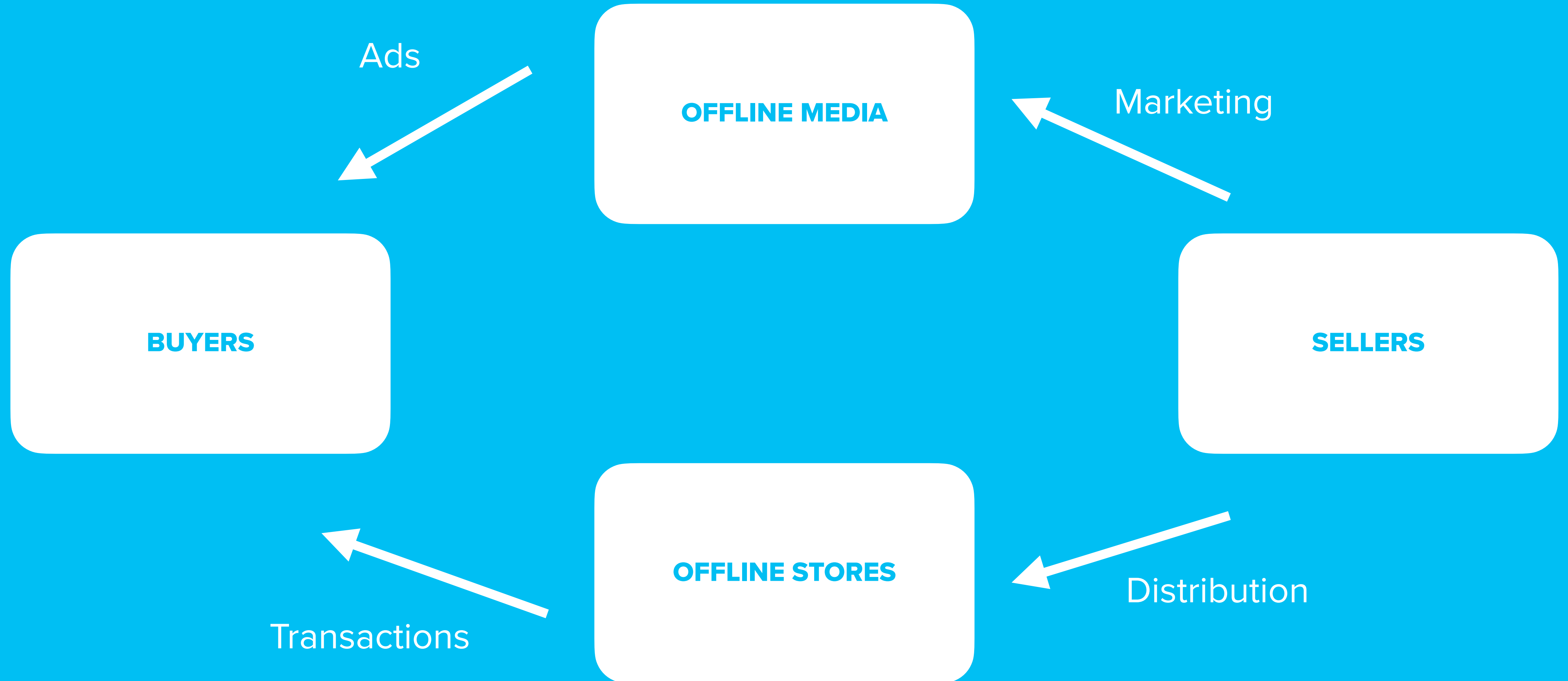
SELLERS

OFFLINE STORES

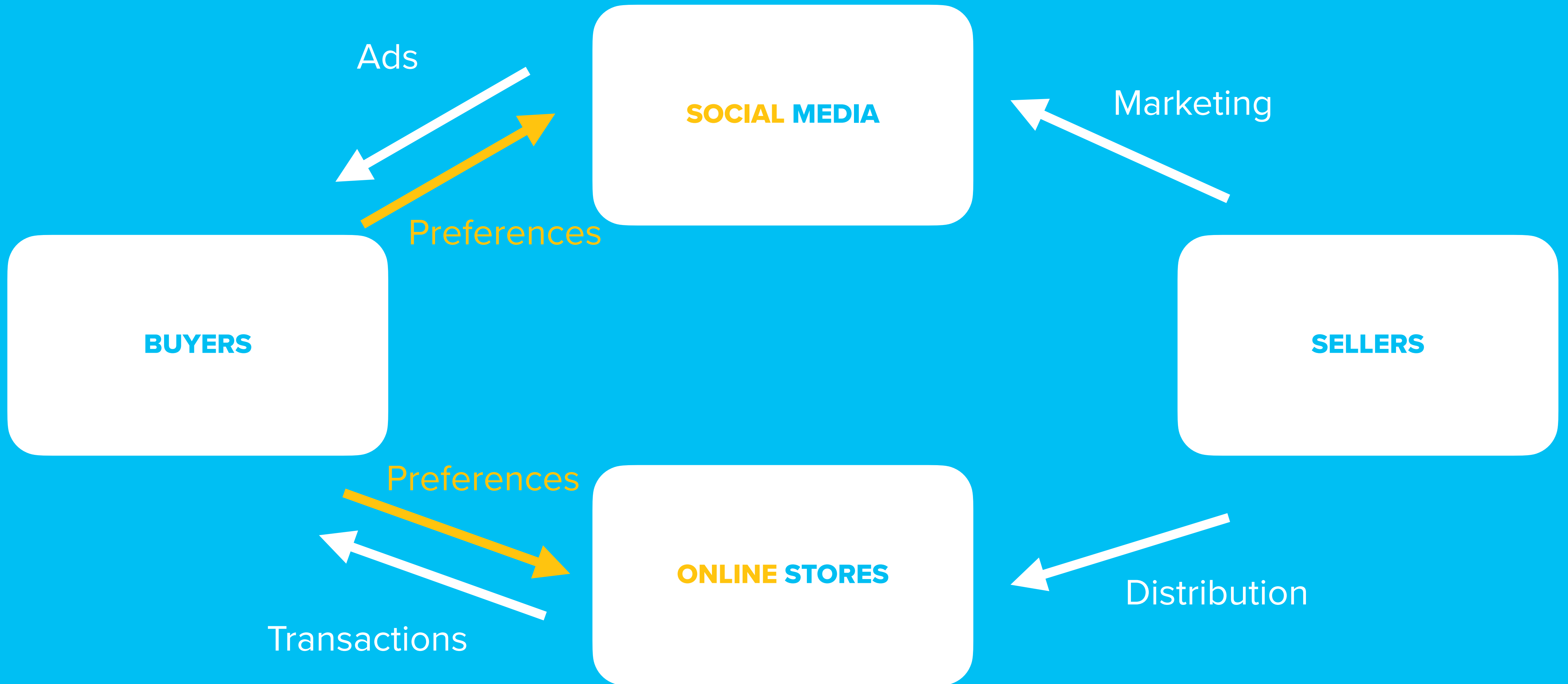
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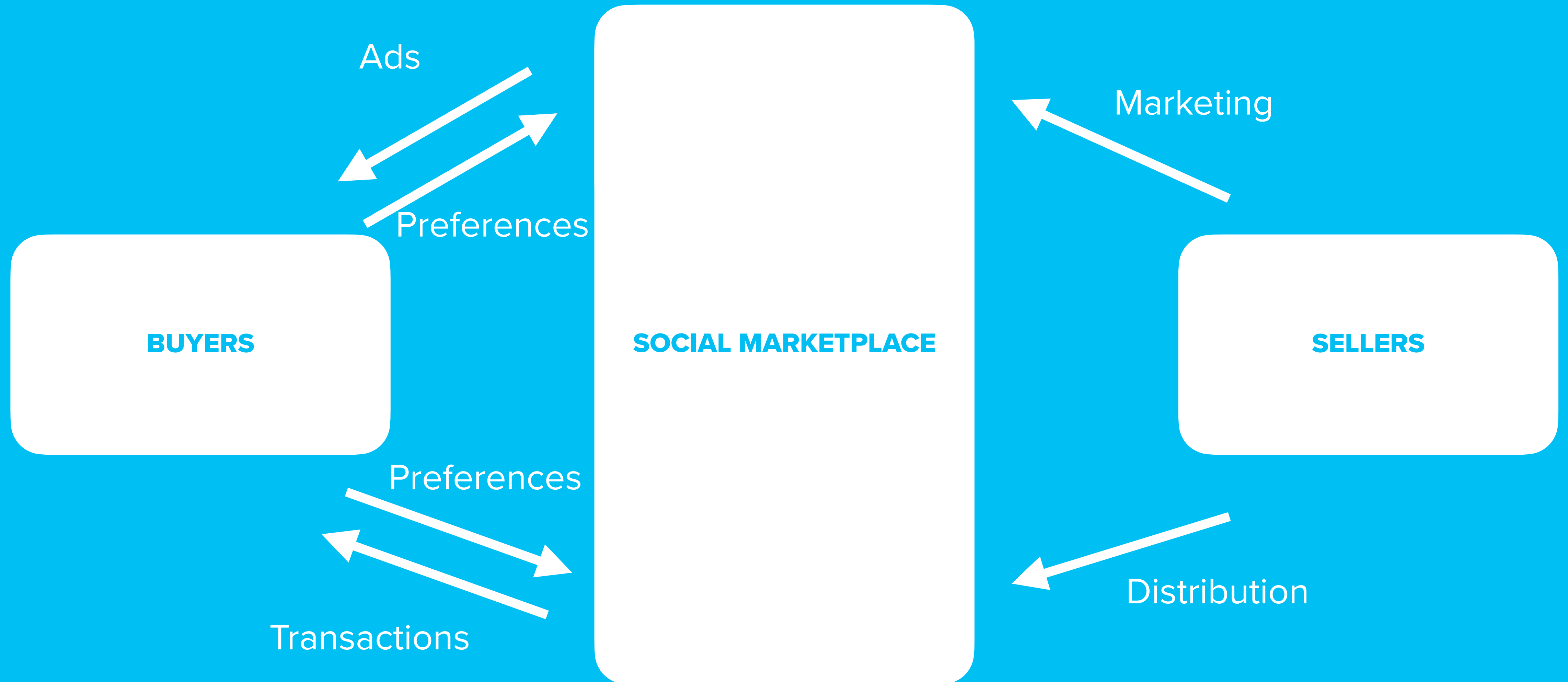
PRE-INTERNET TIMES



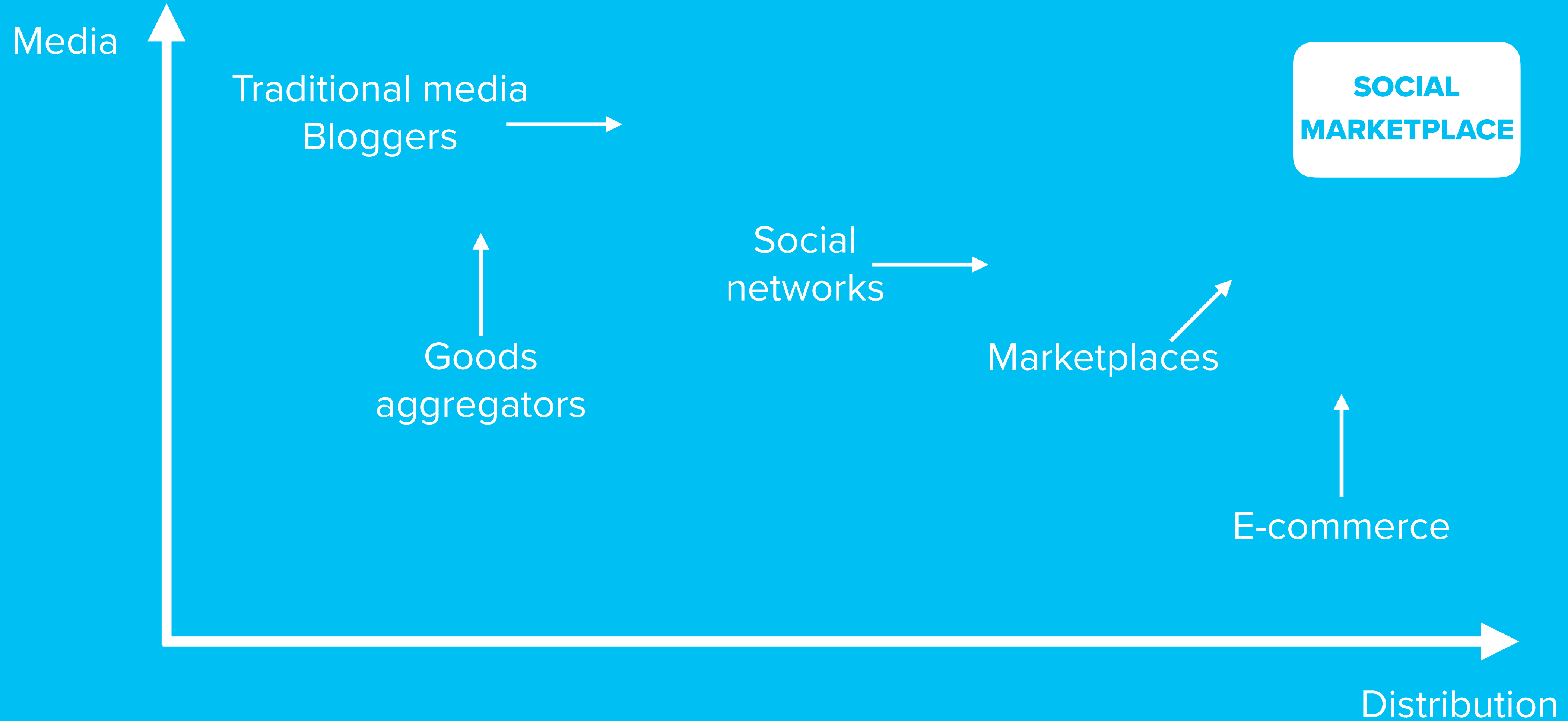
SOCIAL MEDIA AND E-COMMERCE



SOCIAL COMMERCE



MARKET LANDSCAPE CHANGE

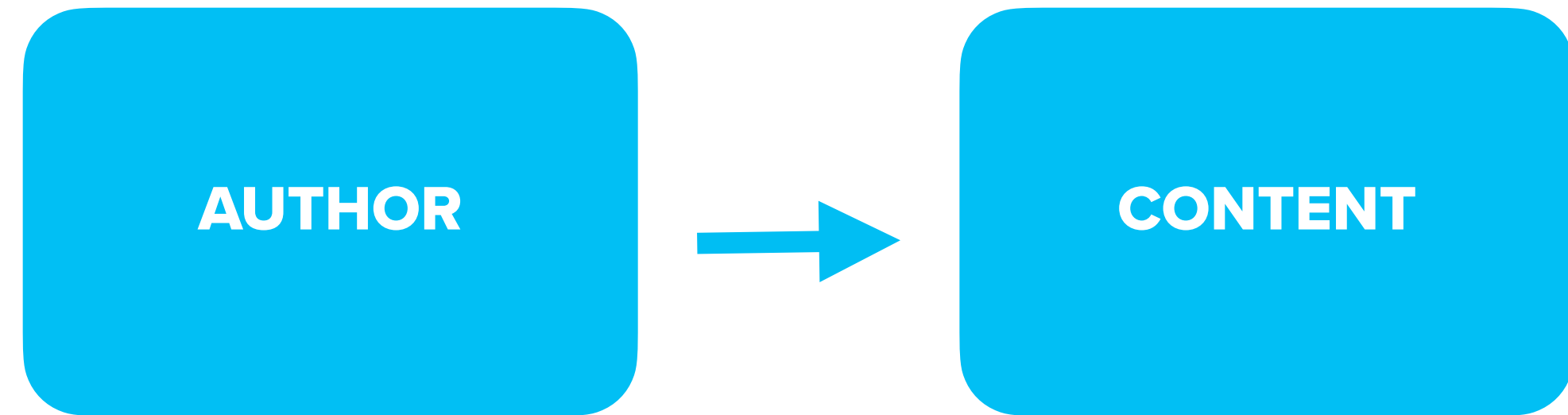


E-COMMERCE
SOCIAL MEDIA

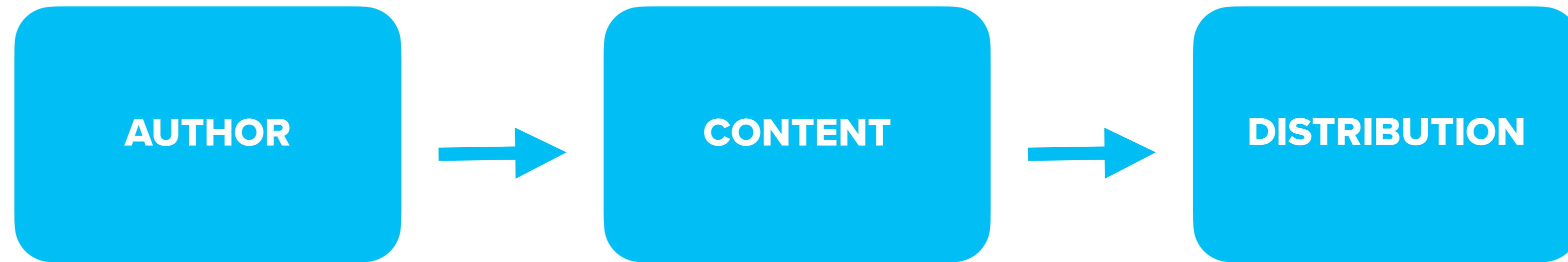
MEDIA FOCUS AREAS

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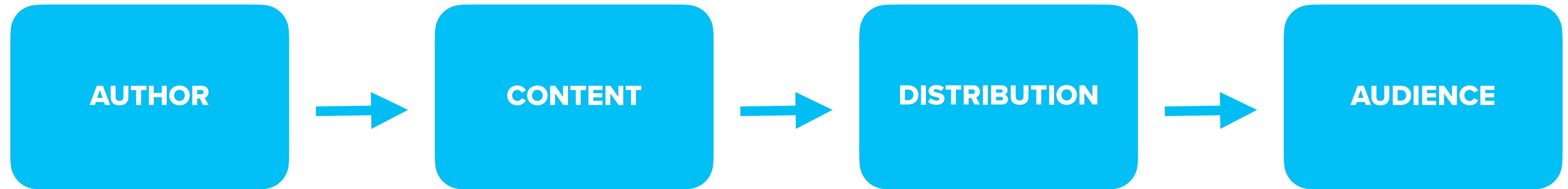
MEDIA FOCUS AREAS



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MARKETPLACE FOCUS AREAS

INCENTIVES
FLYWHEELS
DENSITY

INCENTIVES

- Think about potential user CJM



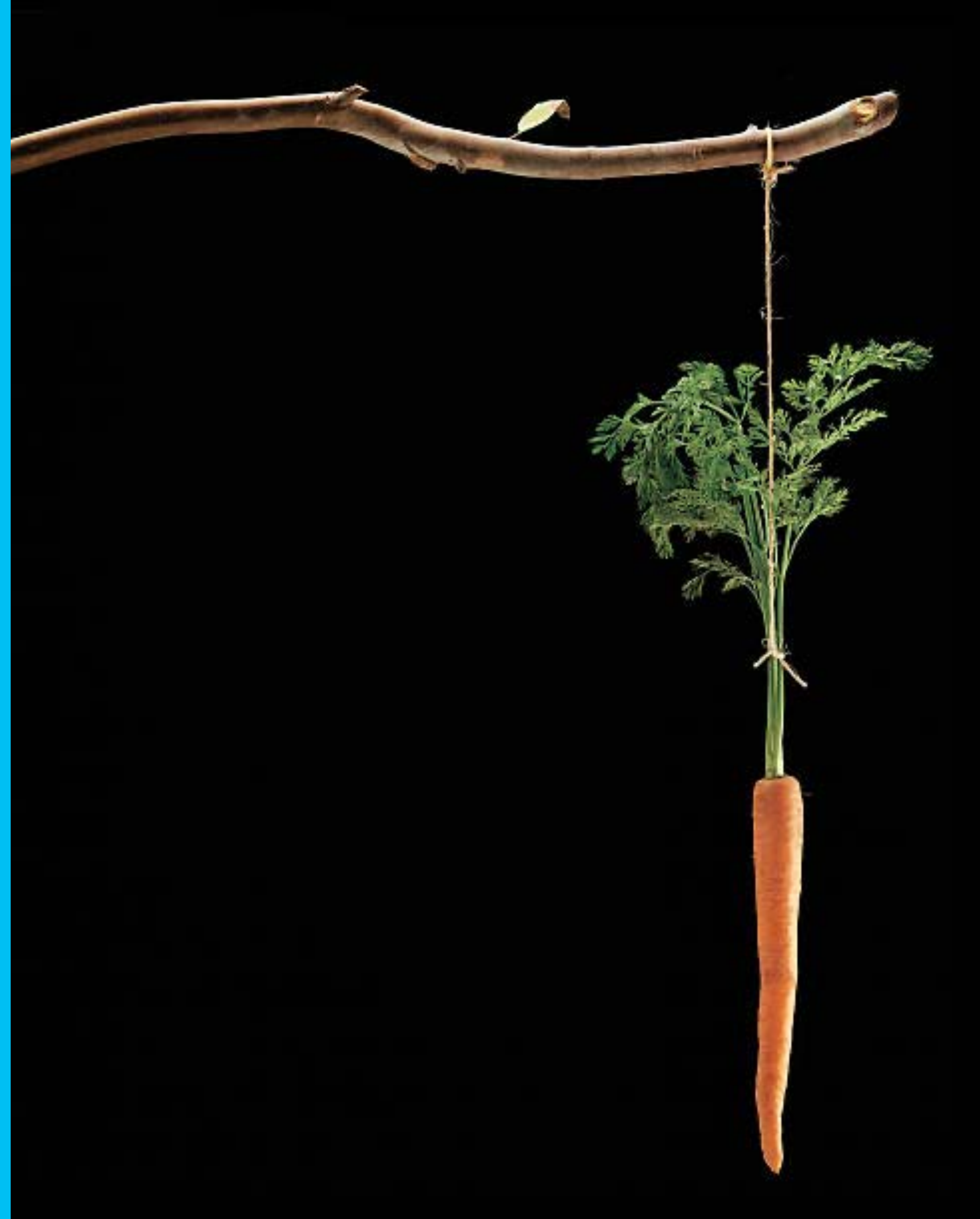
INCENTIVES

- Think about potential user CJM
- Create value proposition relative to competition



INCENTIVES

- Think about potential user CJM
- Create value proposition relative to competition
- Find segment underserved by competitors



FLYWHEELS

- Supply more important than demand



FLYWHEELS

- Supply more important than demand
- Multiple growth loops stacked upon each other



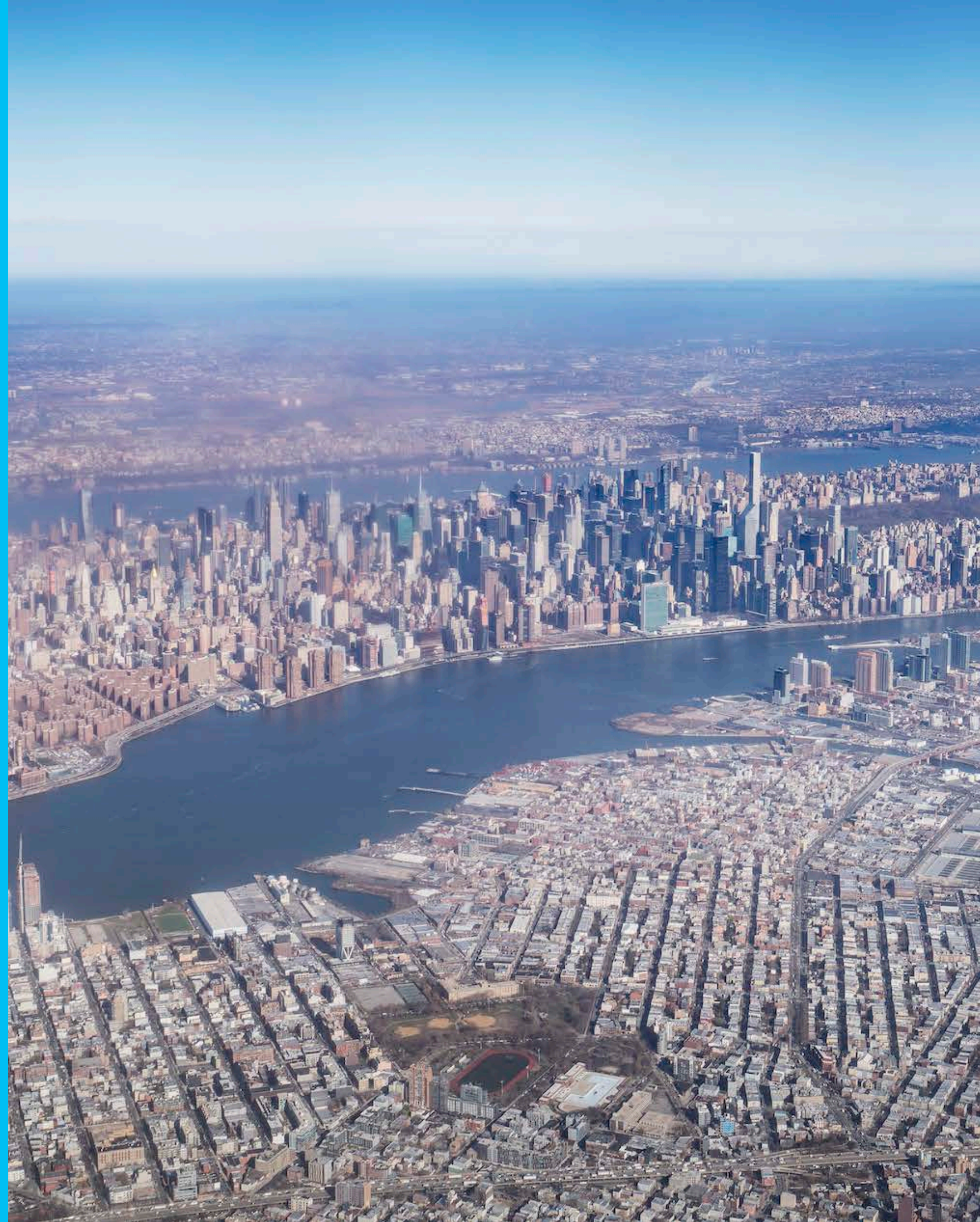
FLYWHEELS

- Supply more important than demand
- Multiple growth loops stacked upon each other
- Build network effect



DENSITY

- Marketplace is a combination on isolated sub-markets



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- To achieve density on a cold start phase you should focus on selected sub-market



DENSITY

- **Marketplace is a combination on isolated sub-markets**
- **To achieve density on a cold start phase you should focus on selected sub-market**
- **Find working growth mechanics and scale them to other sub-markets**



FIND RIGHT INCENTIVES

FIND RIGHT INCENTIVES TO START THE FLYWHEEL

**FIND RIGHT INCENTIVES TO START THE FLYWHEEL
THAT INCREASES DENSITY IN FOCUS SUBMARKETS**