



# Exploring eCommerce Expansion Opportunities

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An advice report



Richard van der Putten – 00081140

[putt0051@hz.nl](mailto:putt0051@hz.nl)

**HZ coach:**

Mr. García Sepulvéda

[l.garcia@hz.nl](mailto:l.garcia@hz.nl)

**Internship Coordinator:**

Ms. Polinder

[m.polinder@hz.nl](mailto:m.polinder@hz.nl)

**In-Company Mentor:**

Nicole Gielen

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**Author**

Richard van der Putten  
Student number: 00081140  
Email: [putt0051@hz.nl](mailto:putt0051@hz.nl)

**University**

HZ University of Applied Sciences  
Domain Business, Hospitality & Vitality  
Edisonweg 4  
4382 NW Vlissingen, the Netherlands

**Internship Organisation**

Maxodeals  
Rucphensebaan 23  
4706 PH Roosendaal, the Netherlands

**In-Company Supervisor**

Nicole Gielen  
Team Lead Sales

**Graduation Supervisor**

Mr. I. García Sepulvéda

**First Examiner**

Mr. E. Veldhuis

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## 1. Introduction

As an e-commerce reseller of automation products, Maxodeals has experienced significant success on online marketplaces such as Amazon and eBay in the last few years. However, to continue to grow, the company must consider expanding to new online marketplaces. This will enable Maxodeals to access new customers that are not accessed with Amazon or eBay. It will also enable the company to diversify its revenue streams and reduce its dependency on single marketplaces.

This advice aims to provide practical strategies and insights based on the research conducted by the student during the internship. The research focused on addressing the following questions:

- *Main research question:*
  - By using which resources will the sales department of Maxodeals be able to significantly expand the scope of their business operations to lucrative online marketplaces worldwide?
- *Sub question 1:*
  - Which online marketplaces should Maxodeals prioritize for expanding their business operations, and what criteria should they use to evaluate potential marketplaces?
- *Sub question 2:*
  - What processes should be altered internally in order to accommodate an expansion to a new online marketplace, and how?

By addressing these research questions, this advice seeks to provide practical recommendations and guidance to facilitate Maxodeals' successful expansion into new online marketplaces.

## 1.1 The current situation

Maxodeals is currently operating on various platforms, as outlined below: (Maxodeals, 2023)

### 1. **Maxodeals.com**

- a. Maxodeals owns and operates its own website, directly linked to their ordering system Magento.
- b. This website serves as the source of product information for the other marketplaces, including images, weight, and other attributes.

### 2. **eBay**

- a. Maxodeals has a store on eBay. catering to both national and international customers.
- b. International shipping is offered on the .de (Germany) and .com (United States) eBay websites.
- c. In addition to these, Maxodeals is active on local eBay sites in several countries, including Canada, U.K., Italy, France, Spain, Netherlands, Poland, Belgium, Australia, Austria, Switzerland, Ireland, and Singapore.

### 3. **Amazon**

- a. Maxodeals has a presence on various Amazon websites, expanding their reach to a wider customer base.
- b. The company is active on Amazon in Belgium, Canada, France, Germany, Italy, Mexico, Netherlands, Poland, Spain, Sweden, U.K., and the U.S.

Furthermore, Maxodeals is currently in the process of applying to Allegro.pl in Poland and Conrad.nl in the Netherlands to further expand its market reach.

The decision to expand to additional marketplaces is driven by several reasons, including:

- Increasing sales and overall turnover.
- Accessing customers on more localized marketplaces, to further penetrate specific markets.

## 1.2 The desired situation

It is Maxodeals' goal to have a diversified presence on multiple e-commerce platforms. This way, they can reach, and engage with a wide range of potential customers. This presence on multiple platforms should however not come at the high cost of having to hire a lot of new staff or increase the workload significantly.

This report, that is based on conducted research by the student, is aimed to help Maxodeals with the identification of marketplaces that are popular among their specific target audience and are suited to their products.

In addition to this, it provides recommendations on the technical and practical dimensions of an expansion to new marketplaces.

## **2. Recommendations:**

Below all the student's recommendations are included. They are all based on the conclusions that were made after concluding the research on the topic.

### **2.1 Magento & feedback**

The first recommendations are all related to the backend system Magento and the gathering of feedback from customers.

#### **2.1.1 Magento Integration**

A primary recommendation from the student is for Maxodeals to prioritize online marketplaces that offer integration with Magento, the backend system powering their website. Currently, all orders from different marketplaces are received and processed through Magento. Additionally, Magento serves as the source for crucial product attributes like pictures, weight, and prices. Based on observations and interviews, the student has determined that this system plays a vital role within the company at this moment.

Given the fact that the company is familiar with Magento, and its important role in the order flow, opting for a marketplace without this integration would only complicate processes and increase the workload for the sales team.

#### **2.1.2 Magento Performance**

The following recommendation is connected to the performance of the Magento system and its ability to handle multiple marketplaces. Due to the limitations of this system, continuously adding new marketplaces can result in decreased performance. Since Maxodeals operates its Magento installation on a dedicated server, it is essential to regularly upgrade the server to accommodate the growing traffic and operations.

Therefore, it is advised not to directly add new marketplaces to Magento. Instead, a more efficient approach is recommended, such as using an intermediary platform like Channable. This intermediary platform serves as a bridge between Magento and the marketplaces, alleviating the workload on the Magento system. By choosing this approach, Maxodeals can ensure a smooth customer experience and reduce the likeliness of errors in the long term.

#### **2.1.3 Customer Feedback**

This recommendation is focused on the importance of actively gathering customer feedback to strengthen the connection between Maxodeals and its customers.

As Maxodeals is looking to expand to smaller "local" marketplaces, it becomes clear that the company should actively be seeking ways to establish stronger connections with their customers. An example of this can be seen in their planned expansion to the Polish website Allegro.pl, despite already being present in Poland through their website, Amazon, and eBay.

In order to effectively collect customer feedback and insights, Maxodeals is advised to focus on gathering feedback specifically related to the platforms used by their target customers. To facilitate this data collection, the following options should be considered:

- Surveys: By conducting well-structured surveys, Maxodeals can provide customers with a platform to express their opinions, suggestions, and concerns. This will enable the company to gain a deeper understanding of customer preferences and expectations, guiding their decision-making process.
- Feedback forms: Implementation of user-friendly feedback forms empowers customers to easily share their experiences and provide valuable insights. This method enables Maxodeals to receive specific feedback on various aspects of their products and services, helping them refine their offerings accordingly.

## 2.2 Cdiscount and other marketplaces

The following recommendations are related to the marketplace selection model.

### 2.2.1 Cdiscount

The student recommends that Maxodeals expand its business operations to the prominent French e-commerce platform Cdiscount. This recommendation is based on the findings derived primarily from the marketplace selection model developed during the research. The model ranked various marketplaces from the entire world based on carefully selected criteria that align with Maxodeals' specific requirements.

The criteria considered for marketplace selection consisted of the following key factors:

- Size of potential market
- Legal requirements
  - Consideration of whether an address or Tax ID is necessary in the marketplace's country.
- Popularity
  - An assessment of the marketplace's popularity and relevance within the country it operates in.
- Import/export regulations
  - An assessment of the strictness of import/export regulations in the marketplace's country.
- Use of EANs
  - Whether the marketplace requires the use of EANs (European Article Numbers).
- Integration with Magento
  - Whether a connection with Magento, Maxodeals backend system, is possible.
- Commission and setup costs
  - An evaluation of the commission fees and setup costs associated with selling on the marketplace.
- Language of product information
  - Whether the product information should be translated in another language than English.
- Option to sell used items
  - Not all marketplaces allow the sale of used items, it assesses whether this is possible on the marketplace.
- Number of automation brand results
  - An analysis of the presence and visibility of automation companies, and items on the marketplace.

These criteria were carefully developed based on the PESTLE analysis, which is included in the conducted research.

However, it remains important to note that due to the limitations of the research, further investigation is recommended to anticipate any unforeseen challenges that may arise during the application process for Cdiscount, specifically due to Maxodeals being a subsidiary of the ASM/ABF group.

Based on the student's contact with Cdiscount, the following documents are required for a Dutch company such as Maxodeals to register on the marketplace:

- Identity documents: The identity documents of the company manager and the contact person of the store, if they are different individuals (specifically, the main pages of their passport or the front and back of their ID).
- Official legal registration document: A recent legal registration document of the company, preferably in English and no older than three months.
- Official bank details: Bank details provided by the bank, also issued within the last three months. The document should be in English and include the bank's name, logo, address, account holder name, IBAN, and BIC or SWIFT number.

By fulfilling these requirements, Maxodeals can proceed with the application process and establish its presence on the Cdiscount marketplace, making use of the opportunities presented by this platform.

## Other Marketplaces

In addition to Cdiscount, the marketplace selection model identified other high-ranking platforms such as Amazon Japan and Bol.com. These marketplaces demonstrated strong potential for Maxodeals' expansion aspirations. Therefore, if Maxodeals encounters insurmountable challenges during the application process on Cdiscount, it is advisable for them to explore the option of establishing a presence on the Japanese Amazon marketplace or the Dutch Bol.com.

However, it is important to acknowledge the limitations of the conducted research. Further investigation and analysis are crucial to mitigate risks and enable Maxodeals to make well-informed decisions. This additional research should focus on understanding the specific requirements, market dynamics, and potential obstacles associated with each marketplace.



### **3. Implementation plan**

Below, the implementation plan based on the recommendations mentioned earlier can be found.

#### **Phase 1: Research and preparation**

- Duration: 1 month
- Define customer feedback collection methods:
  - Determine the appropriate methods for gathering customer feedback, including surveys and feedback forms.
  - Implement these feedback methods into the company's customer support processes such as emails and chats.

#### **Phase 2: Customer feedback gathering**

- Duration: ongoing
- Launch surveys:
  - Develop well-structured surveys to gather opinions, suggestions, and concerns from customers.
  - Analyse the survey responses.
- Implement feedback forms
  - Integrate feedback forms on the company's website and other platforms if possible.
  - Encourage customers to share their experiences.

#### **Phase 3: Expansion to Cdiscount**

- Duration: 3 months + 2 months of testing
- Cdiscount application:
  - Fulfil the registration requirements specified by Cdiscount, such as providing identity documents, official legal registration documents, and bank details.
  - Purchase the Cdiscount Magento plugin by Cedcommerce and test it once the account on Cdiscount is in place.
  - Conduct additional research.

#### **Phase 4: Evaluation of other marketplaces**

- Duration: 2 months
- If challenges arise during the Cdiscount application process, further evaluate the option of establishing a presence on Amazon Japan or Bol.com
- Conduct additional research to understand specific requirements, market dynamics, and potential obstacles.

#### **Phase 5: Evaluation and continuous improvement**

- Duration: Ongoing
- Monitor performance
  - Regularly evaluate the performance of the Magento system and its integration with the marketplaces.
  - Address any issues or slowdowns timely.
- Analyse customer feedback
  - Continuously analyse the gathered customer feedback to identify trends, and preferences.
  - Use these insights to research new marketplaces, refine product listings, improve customer service, and improve the overall customer experience even further.
- Adapt and expand
  - Based on the analysis of customer feedback and marketplace performance, make informed decisions on further expansion.
  - Continuously update strategies to align with trends in the market and customer demands.



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## **Appendix:**

1. C.IBS4B-vanderPutten-GraduationInternship-ResearchJustification010623-V1 (PDF)
2. Advice Report Presentation (PPTX)