

Reduce Churn for Good:
A Foolproof Checklist to Create a
Successful Classifieds Marketplace

REDUCE CHURN FOR GOOD: A FOOLPROOF CHECKLIST TO CREATE A SUCCESSFUL CLASSIFIEDS MARKETPLACE

More and more marketplace and classifieds properties are emerging every day. In fact, Forrester reports that over 50% of online transactions are done through a digital marketplace. With the competition for these active buyers and sellers heating up, businesses need to find a way to bring more value to their experience than the next site. A high-value customer experience is everything.

CUSTOMER EXPERIENCE IS CRITICAL FOR REDUCING CHURN

A study of 10,000 consumers found

86% who received a great customer experience were more likely to repurchase from the same brand

compared with just **13%** of those who had a poor customer experience

(Tempkin Group)

This is a far cry from the days of Craigslist where it was enough to provide a platform for buyers and sellers to meet. Nowadays, classifieds platforms are expected to facilitate the transaction, provide user guarantees, offer customer support, and perform other services to help add value and differentiate themselves. Adding value, both in terms of quantity and quality, is critical. The higher value you deliver, the more buyers and sellers you'll retain. Just think—it's common and easy for a classifieds site to be used once, but becoming a go-to resource and developing a loyal audience is a whole different game.

Checklist

Here is our foolproof checklist for delivering value in your classifieds marketplace—and retaining your user base as a result:

- #1** Deliver a *new* experience as opposed to the status quo
- #2** Enhance convenience and/or usability
- #3** Cater to your most passionate users

1. DELIVER A NEW EXPERIENCE AS OPPOSED TO THE STATUS QUO

Successful marketplaces are more than properties which aggregate content from buyers and sellers. Operators also focus on delivering exceptional experiences to their end users. In many cases, those experiences wouldn't be possible without a marketplace to facilitate the transactions.



CONTINUED: CHECKLIST ITEM 1

Listia, for example, enables users to trade their unwanted goods for “XNK” (pronounced “Ink”) which is the marketplace’s custom currency. Users then use their Ink to purchase other goods on the platform. The core value-add of the platform is the reputation system and purchase guarantees that provide piece of mind.

THE DIGITAL CLASSIFIEDS INDUSTRY IS EXPANDING EVERY YEAR

with an annual growth rate of **5%**

(Statista)

These trust signals help to reduce hesitation and ensure transactions go through in a timely manner.

Even if you take a hands-off approach to running your marketplace, it’s still possible to deliver an exceptional experience. Carousell, for example, is a classifieds marketplace where users can create product listings in seconds by snapping a photo and uploading it via the mobile app. This is opposed to the old-school way of taking photos, loading them into a computer, and then uploading them to a website.

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2. ENHANCE CONVENIENCE AND/OR USABILITY

If you're already running a classifieds platform, you've probably leveraged a technique or two to get your marketplace flywheel moving from scratch. Whether it's focusing on a target niche, subsidizing suppliers, or building out useful tools, there's no shortage of ways to achieve peak levels of liquidity.



CONTINUED: CHECKLIST ITEM 2

Regardless of the vertical a marketplace focuses on, virtually all successful marketplaces put an emphasis on convenience and/or usability. Briefly going back to the Carousell example, it makes it possible to list items in a matter of seconds. Listia also is worth noting because it enhances usability by enabling users to automatically re-list goods that aren't sold.

Additionally, Poshmark helps sellers through all phases of the sales cycle by providing them with pre-paid shipping labels and instant payments once their items are delivered.

As you're developing your property, you should keep asking yourself, "How

can I enhance the user experience and encourage efficient transactions?"

By keeping your users in mind, you can develop a competitive advantage which is difficult to match.

The online classifieds industry
is developing
DYNAMICALLY

operating at
margins
of more than **60%**

Competition is high, so brands
must prioritize retention (McKinsey)

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3. CATER TO YOUR MOST PASSIONATE USERS

Running a classifieds marketplace can be a formidable challenge. Whether you're just starting out or are already running a vibrant property, one of the most important things to remember is that you should always focus on your most passionate users...you know, the ones who embraced your platform in the early days when you were just trying to find your way.



CONTINUED: CHECKLIST ITEM 3

Why? These users are your primary source of inspiration for the direction of your classifieds marketplace. By taking proactive measures to engage with your most passionate users (such as soliciting feedback via surveys) and address their needs (by actually incorporating their feedback and alerting them to this fact), you'll increase the odds that your marketplace will grow organically, via word of mouth. It also helps decrease the amount of spend on paid campaigns that are run over time.

eBay, for example, has what was formerly known as its PowerSeller program. Top sellers would receive recognition, premium service, and other unique offers as a reward for meeting specified revenue quotas.

“ By taking proactive measures to engage with your most passionate users and address their needs, you'll increase the odds that your marketplace will grow organically, via word of mouth. ”

A group of people, including a woman with glasses and a man, looking at a laptop screen in a collaborative setting. The woman is wearing a blue jacket and glasses, and the man is wearing a green plaid shirt. They are all smiling and looking at the laptop screen. The background is a light blue gradient.

A RECIPE FOR SUCCESS

The 3 primary elements of successful classifieds marketplaces are delivering new, unique experiences, enhancing convenience and/or usability, and focusing on your most passionate users. If you implement all three instead of just one or two, you'll put yourself in a better position at bringing unmatched value to your buyers and sellers, and as a result, encourage repeat business and build a defensible advantage against the competition.

SEE WHAT KAHUNA CAN DO FOR YOUR CLASSIFIEDS BUSINESS

Kahuna is built from the ground-up to help classifieds marketplaces bring the utmost value to their users, helping facilitate buyer-seller conversations, reduce stalled transactions, increase user satisfaction, and decrease churn. Kahuna's ultimate goal is to help your classifieds business transition from being a one-and-done site to becoming a go-to destination for an engaged, loyal user base.

REQUEST A DEMO TODAY AND WE'LL SHOW YOU:

- A walk-through of the Kahuna platform, specific to your company's use cases
- Kahuna's AI-powered optimizations and how they help you with seller optimization, buyer marketing, and market vibrancy, as well as provide an extensive dashboard of key KPIs and performance insights
- How Kahuna optimizes for the marketing metrics you care about: user retention, buyer/seller growth rate, platform retention, new listing growth rate, gross merchandise value (GMV) by channel, and more

 [CLICK HERE TO GET STARTED!](#)