



Online Marketplaces In The AI Era:

How **marketplace** and **merchandising** leaders are leveraging AI to **win** in an increasingly **competitive** commerce market.



“

A Note from Versori Founder & CEO

Versori was started because of the **integration challenges** I faced building **my own** marketplace software, Mercarto. Having signed a nearly **\$10M** contract with our first customer, our team became bogged down in **endless** custom integrations during **implementation**.

Not only did it **slow revenue**, but it also slowed product development as I moved more and more engineers over to **support** the rollout team.

This passage of my career as an entrepreneur and builder gave me a **deep understanding** of not only integrations, but also the challenges marketplace **leaders** face around **SKU** onboarding and seller management.

Working with the world's **largest** retailer to build an **end-to-end** solution that has now processed more than 2.5M SKUs was a **defining moment** for Versori.

This paper is the **exact guidebook** to the challenges we've solved in retail and the **impact** we're having across the industry.

Sean Brown



Chapter 1: The Current State of Marketplaces

1. Modern way of shopping
2. Pushing retailers to build their own
3. Increasingly competitive space

Chapter 2: Goals & Challenges for Marketplace Leaders

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2. Improving SKU Listing Quality
3. Opening New Sales Avenues
4. Retaining Sellers Over Time

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1. Automated SKU Mapping with Taxonomy Tuned AI Models
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The Shifting Marketplace Landscape



“In 2024, the GMV of the top 100 marketplaces hit **\$3.8 trillion**, up from \$1.7T in 2019.

To **survive** in today's commerce world, you need a **marketplace strategy**.

After some unsuccessful attempts in the 2010s, **retailers** are taking a refreshed approach, leveraging modern **AI tools** to solve **old** marketplace problems.”

George Goodfellow

Head of Growth @ Versori

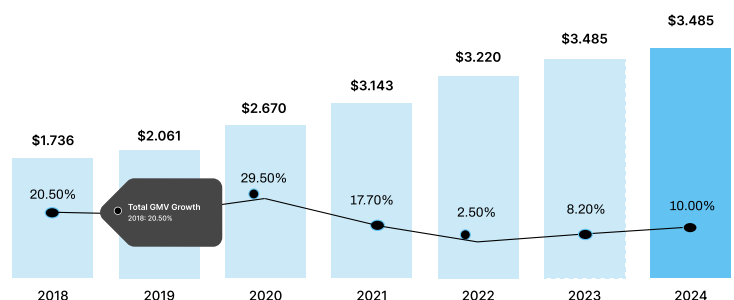
Why is this a big deal?

“If you evenly distributed a year's worth of global ecommerce sales to every human on the planet, you'd give each person approximately \$768.29,” according to Exploding Topics.

Compound this with the fact that “47% of consumers start their shopping journeys on marketplaces” (Channel Engine), and marketplaces are generating a burgeoning percentage of commerce revenue.

“47% of shoppers head straight to their go-to marketplace to check availability, read reviews, and benchmark prices.” The Future of Commerce.

Marketplaces offer a unified, single source of hundreds of thousands of products, combined with reviews from other shoppers to create an environment of loyalty.



Top 100 Global Online Marketplaces GMV Year-over-Year
Total GMV in \$ Trillions

A Short History of Marketplaces



2025: Future Outlook

Aug 2025

Marketplace relaunched on BestBuy.com and app with 500+ sellers.



2025

Kingfisher (Castorama Poland) → Marketplace expansion following success of B&Q.



Late 2025

Marketplace launch for fashion (third-party brands), with possible in-store expansion (led by Paula Nickolds).



Fall 2025

Marketplace launch scheduled.



Pushing Retailers to Build Their Own Marketplaces

Amazon continues to lead the way for online shopping, offering maximum convenience due to its unbeatable product offering via a marketplace model and same-day delivery service.

And the trend of centralized, marketplace shopping is only growing across Asia, Europe, and South America. In short, for retailers to survive, they need a marketplace strategy.

Leaders such as Walmart, Tesco, and Kingfisher have moved to build their own marketplaces. Beyond consumer behavior, marketplace economics are attractive for 4 core reasons.

- 1 **Instant access to larger, high-intent audiences with broader SKU offerings**
- 2 **Global reach without border friction with fully online experience**
- 3 **Built-in social proof with reviews and social sharing**
- 4 **Scalable infrastructure without capital expenditure due to fully online setup**



**Instant Access to
Larger Audiences**



Global Reach



Social Proof



**Scalable
Infrastructure**

Again?

This is not the first time major retailers have attempted marketplace strategies. Through the 2010s, a number attempted to build marketplaces to compete with Amazon.

Some were a success: “Last year, Walmart said e-commerce accounted for 18% of its global sales” ([Talk Business](#)). Others struggled: Best Buy Marketplace has closed and relaunched a number of times.

Reasons vary but often include challenges handling multiple returns strategies, onboarding sellers at scale quickly, and listing quality management from third party vendors.



SHOPLINE's Take: The Current State of Marketplaces

David Meakin, Director of Partnerships at SHOPLINE, the unified commerce platform, gave his thoughts on the current state of marketplaces.

“Our customers are all generally seeking growth and ways to reduce costs and increase efficiency. Selling online is now more competitive than ever, and that is in part a result of marketplace options growing.

A high percentage of brands we talk to have never really considered marketplaces for their growth plan. Marketplaces are fast becoming a preferred way for consumers online to shop; their ability to provide consumers a vast product offering from a combination of suppliers can offer additional benefits of convenience and cost saving, mix that up with a solid loyalty program and positive customer experience, and it is no surprise why marketplace models are growing.

We believe all brands selling online should consider adding some form of marketplace option aligned with their brand and audience targeting. SHOPLINE has created a platform that can integrate with leading marketplace channels such as Amazon, eBay and TikTok Shop [to address this demand]. With the help of Versori, we are unlimited in the marketplaces we can connect to.”



“Marketplaces are **fast** becoming a **preferred** way for consumers online to **shop**. Their ability to provide consumers a **vast** product offering from a combination of suppliers can offer additional benefits of **convenience** and **cost saving**, mix that up with a solid **loyalty program** and positive **customer experience**, it is no surprise why **marketplace models** are **growing**.”

David Meakin, **Director of Partnerships**

SHOPLINE



The Goals & Challenges For Leaders Growing Their Marketplaces

To grow revenue, marketplaces must grow both sides of their platform, onboarding sellers quickly while attracting as many buyers as possible.

This is often referred to as the “chicken and the egg” problem. Each side (sellers and buyers) come with specific challenges when it comes to growth.

In this whitepaper, we’ve highlighted the goals marketplace and merchandising leaders are focused on specific to the seller side, and the challenges that come with building this side of the marketplace.

“Seller side tooling is the **greatest focus** for marketplace **leaders** – how can you encourage more sellers to **onboard faster** with higher **quality** listings?”

**SVP of Walmart
Marketplace**



The Goals & Challenges For Leaders Growing Their Marketplaces

Focus	Goal	Challenge
 Attracting New Sellers	<p>Expand and diversify product offerings to attract more buyers and drive revenue growth</p> <p>Improve localized offerings – esp key as competition grows for Europe, the Middle East, and South America</p>	<p>Long onboarding times due to highly manual SKU mapping – sellers often must upload CSVs and manually map fields.</p> <p>High drop-off rate during onboarding</p>
 Improving SKU Listing Quality	<p>Enhance Listing Quality to Improve the Buyer Experience and Drive Conversions</p>	<p>Manual SKU Mapping Processes Often Result in Poor-Quality Listings</p> <p>Incomplete Attribute Data from Brands, Even with Perfect SKU Mapping</p>
 Growing New Channels	<p>Grow revenue across channels and customer segments</p> <p>Add New Sales Avenues Through Strategic Partnerships and Integrations</p>	<p>Building Integrations to Power New Partnerships Is Time and Resource Intensive</p>
 Seller Retention	<p>Enhancing Seller Enablement To Improve Retention In Your Marketplace</p>	<p>Building Integrations Across the Seller Ecosystem is Slow and Resource Heavy</p>

Focus One: Attracting New Sellers

Goal One

Expand and diversify product offerings to attract more buyers and drive growth

To stay competitive, marketplaces must continually broaden their catalog—onboarding new sellers, launching private-label lines, or entering new categories.

Goal Two

Improve localized product offerings—critical as competition rises in Europe, the Middle East, and South America

Global competition demands hyper-localization. Customers expect platforms to match cultural preferences, seasonal needs, language, and product norms. In France, for example, shoppers want EU sizing and native French descriptions—not UK templates. Regional buyers may prioritize product origin (fair trade, halal) or detailed ingredient information. A one-size-fits-all approach fails.

Challenges to Attracting New Sellers

Challenge One: Long onboarding times due to highly manual SKU mapping.

Slow seller onboarding slows growth, often caused by manual SKU mapping and data entry. Sellers frequently upload CSVs and match each field—categories, attributes, etc.—to the marketplace structure. This leads to frustration, low conversion, and limited scalability. The challenge grows as marketplaces add more SKUs from smaller, localized sellers, who often provide lower-quality data.

Challenge Two: High drop-off rate during onboarding

Many sellers start onboarding but abandon it due to unclear instructions, complex steps, technical issues, or long approval times. This churn raises acquisition costs, slows product expansion, and weakens marketplace strategy. In a competitive market where speed and simplicity matter, cumbersome onboarding drives away valuable merchants and harms brand reputation.

The screenshot displays a seller onboarding interface with a search bar at the top. On the left, a progress bar indicates '2,750 out of 11,702 SKUs Mapped' with a 'Time Remaining: 6 weeks'. Below this is a table of products:

Product Name	Supplier SKU
Blend T-Shirt	CBT-TS-1023
<input type="checkbox"/> Slim Fit Jeans	SFJ-JN-4578
<input type="checkbox"/> Lightweight Zip Hoodie	LZH-HD-8934
<input type="checkbox"/> Crew Sweatshirt	CCS-SW-2765

At the bottom left, a red error message states: 'Failed to Upload: 217 Invalid SKUs'. On the right, a search bar contains 'Cotton Blend T-Shirt'. Below it is a list of products with checkboxes:

- ☐ Product Name
- ☐ Cotton Blend T-Shirt - Slim Fit
- ☐ Cotton Blend Crew T-Shirt
- ☐ Cotton Blend Relaxed Crew T-Shirt
- ☐ Cotton Blend V-Neck T-Shirt

On the right side, there are two pop-up messages. The top one is a warning: '538 Duplicate SKUs. Each SKU must be unique. Please review your file and update the SKUs accordingly.' with buttons for 'Try Again' and 'Download Items'. The bottom one is an 'Application Review' message: 'Your application from 6 months ago has...' with a 'View' button. At the bottom of the interface, there are navigation links: '3k+ Items', 'Next >', '185 Items', and 'Next >'.



Focus Two: Improving SKU Listing Quality

Goal One

Enhance Listing Quality to Improve the Buyer Experience and Drive Conversions

Strong listing quality boosts buyer satisfaction, search relevance, discoverability, and conversions. It means listings are complete, accurate, and aligned with platform standards (e.g., white backgrounds). With the highly manual onboarding process, marketplaces need to equip sellers with tools to create compliant listings and monitor for errors or duplicates.

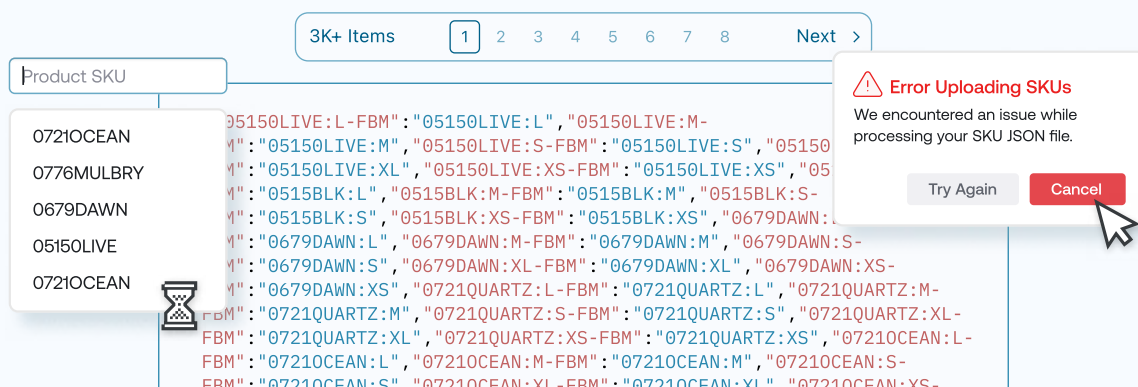
Challenges to Improving SKU Listing Quality

Challenge One: Manual SKU Mapping Processes Often Result in Poor-Quality Listings

Manual SKU mapping during onboarding often produces incomplete, inaccurate, or poorly formatted listings. Errors arise as sellers match categories, attributes, and specs to marketplace taxonomies, leading to misclassified products, missing details, and inconsistent conventions. The result: lower conversions, higher returns, more service inquiries, and added effort to clean product data.

Challenge Two: Incomplete Attribute Data from Brands, Even with Perfect SKU Mapping

Even when mapping is accurate, many brands still fail to provide full product information. Missing specs, dimensions, or localized content (e.g., translations) reduce listing effectiveness. Causes include inconsistent standards across brands and marketplaces or lack of focus on data completeness. For marketplaces, this creates an ongoing quality-control challenge at scale.



“It is only now in the era of high digital growth that the power of product data is fully understood, as it now directly links to the success of selling, with the detail being an essential requirement in all ad platforms and marketplaces for accuracy.

If you have well-structured and segmented product data, and we mean detailed specific data per SKU, your ability to connect and go live in any other web or marketplace is relatively straightforward.

The main challenge in many new migration projects is that the data structure is misaligned or missing key components, which, depending on how many SKUs you have, can be a large task to repair.

It is worth your time and investment to restructure or improve your product data, as it will have a measurable impact on your business in enhancing any digital ad performance, as well as creating a structure to grow into additional channels with ease.”

David Meakin, **Director of Partnerships**

SHOPLINE





Focus Three: Opening New Sales Avenues

Goal One

Grow revenue across channels and customer segments

Expansion can come through new product verticals, geographic markets, B2B or wholesale offerings, and alternative channels like social commerce, live shopping, or affiliate programs. Diversifying sales reduces reliance on a single stream, reaches new customers, and helps marketplaces capitalize on trends ahead of competitors.

Goal Two

Add New Sales Avenues Through Strategic Partnerships and Integrations

Strategic partnerships and technology integrations extend reach and accelerate growth. By collaborating with platforms, service providers, or distribution networks, marketplaces can access new segments and add value without building in-house. For example, integrating with social media or POS systems creates more purchasing opportunities for buyers.

Challenges of Opening New Sales Avenues

Challenge One: Building Integrations to Power New Partnerships Is Time- and Resource-Intensive

Each integration requires technical coordination, development, and ongoing maintenance. This becomes a bottleneck, limiting the speed at which new partners can onboard and sellers can tap into new sales avenues. Moreover, the complexity increases as partners often use different tech stacks and APIs, adding further strain on internal teams and slowing down go-to-market strategies.





Focus Four: Retaining Sellers Over Time

Goal One

Enhancing Seller Enablement To Improve Retention Across Marketplaces

Improving the seller experience is key to retaining merchants, especially smaller ones with limited resources. Many face duplicative listing processes, inconsistent onboarding, and minimal support—barriers that prevent them from maximizing marketplace opportunities. Without tools to manage inventory, orders, and performance across channels, sellers often churn or restrict activity to one platform.

Challenges of Opening New Sales Avenues

Challenge One: Building Integrations to Power New Partnerships Is Time- and Resource-Intensive

Custom integrations for each seller system are a major technical burden, requiring deep expertise, long development cycles, and constant updates for API or data changes. This complexity limits scalability, delays seller onboarding, and slows marketplace growth.

“Strategic partnerships have been **instrumental** in helping us **expand** our technology capabilities at **speed**. By partnering with **Versori**, we’ve grown our service offering and expanded into **new regions** without needing to build everything **in-house**.”

These collaborations allow us to meet customers where they are and **respond quickly** to evolving ecommerce trends.”

Alex Sims, Solutions Architect
@ J&J Global Fulfilment



Update ERP



Leveraging AI to Differentiate

Over the last 18 months, Versori has worked across the commerce stack, from leading marketplaces to brands, tackling each challenge in Chapter 2. As the most frequently occurring roadblocks to marketplace success, it's likely that you have already faced these challenges too.

In this chapter, we discuss the exact AI-enabled product and use case solution, the outcomes of implementing each of these, as well as real-world examples from marketplaces.



Solution 1: Automated SKU Mapping with Taxonomy-Tuned AI Models Embedded into Seamless Integrations

Challenge Tackled

Marketplaces often have unique and complex taxonomies that sellers must manually map their product data to. This process is time-consuming, error-prone, and results in poor data quality, inconsistent listings, and increased seller drop-off. Currently, seller onboarding averages 8+ weeks with a 40%+ churn rate during the process.

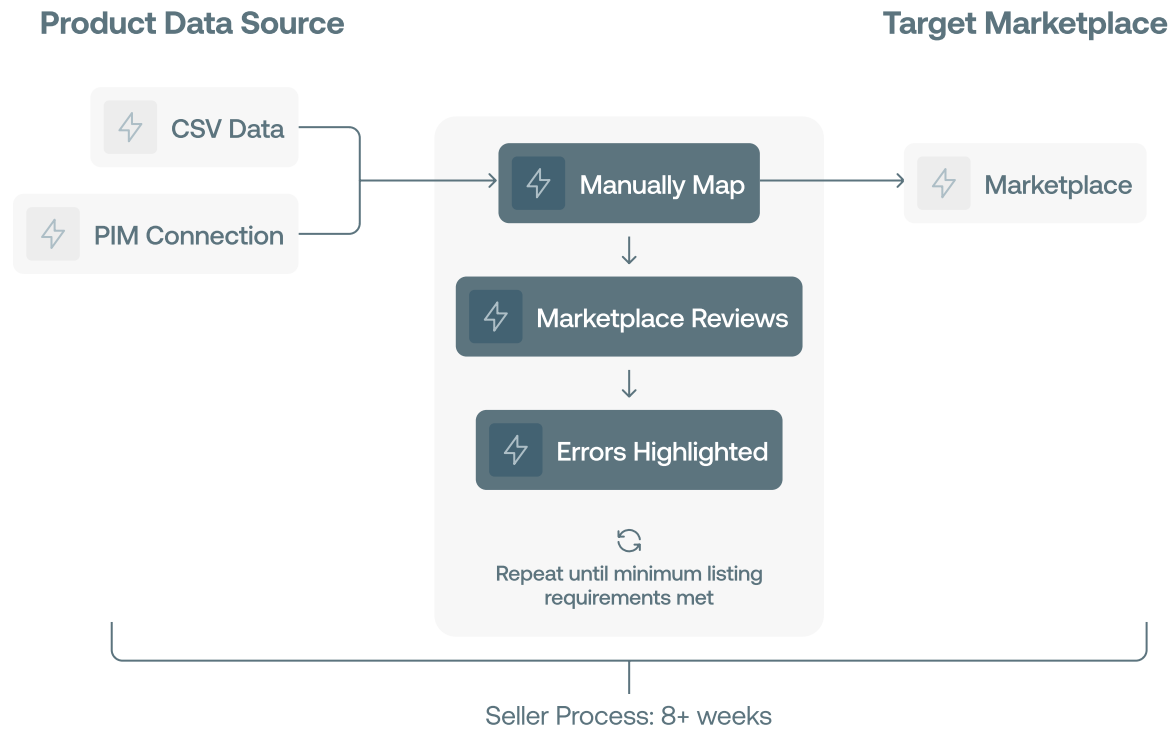
Solution

Taxonomy-tuned AI models are specifically trained to align with a marketplace's category structure. These models automate product classification and attribute enrichment in real-time, enabling source product data to be passed in and accurately translated to the target taxonomy on the other.

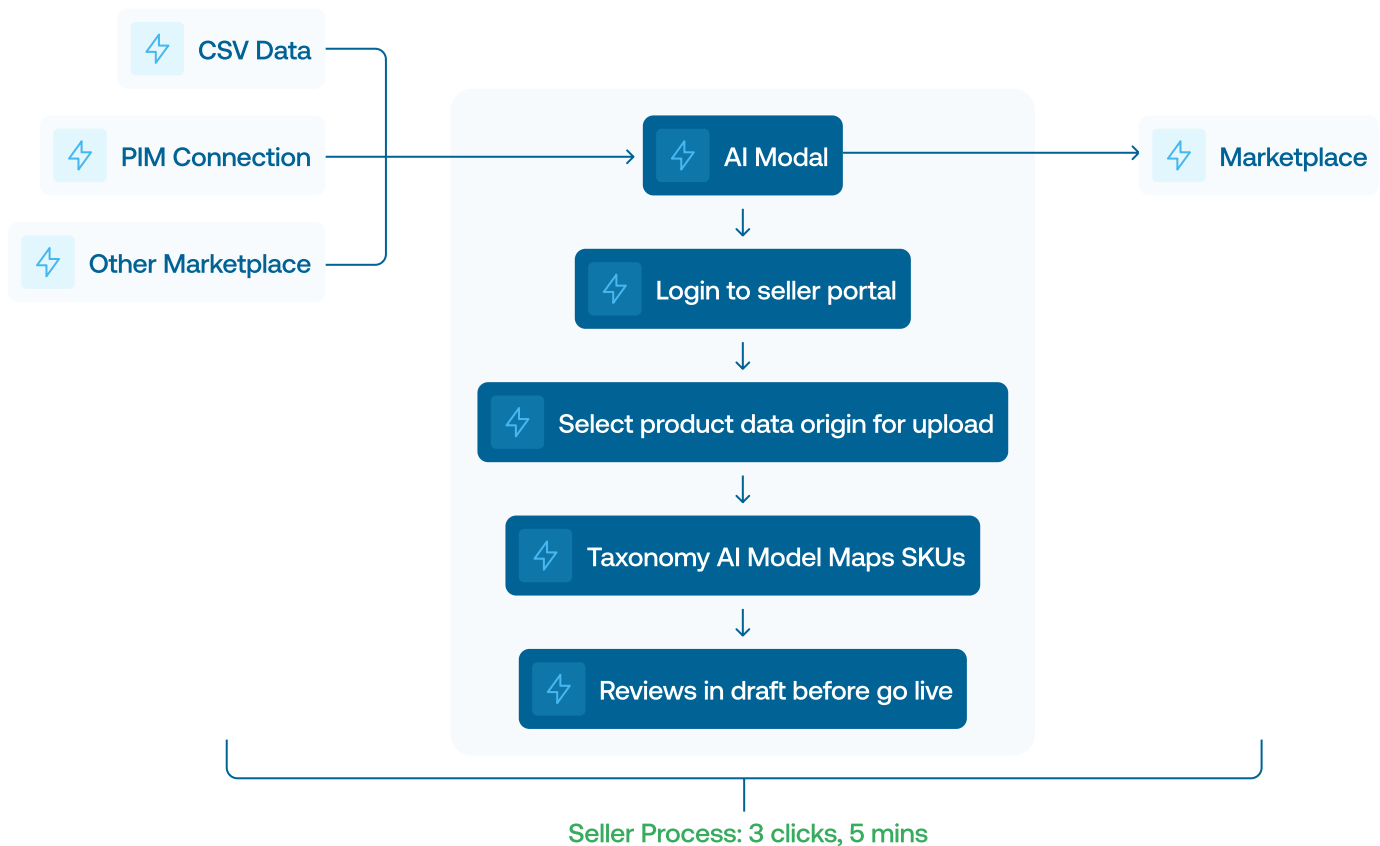
Embedded into an integration, these models enable the seamless extraction, translation, and upload of catalogues from one system (another marketplace, CSV, or PIM) to the target marketplace.



Current Marketplaces' Process



Versori's Process



Case Study: Walmart's AI SKU Mapping

Walmart faced a high drop-off rate among brands during onboarding due to complex SKU mapping and long implementation timelines.

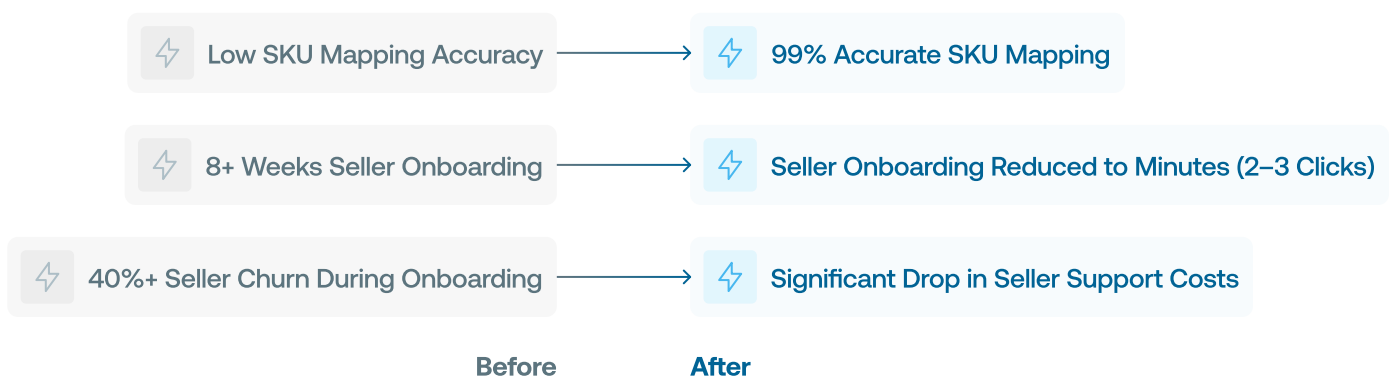
- ⚡ 40%+ of mid-market brands dropped off during onboarding
- ⚡ 80+ days average time to map SKUs
- ⚡ Reaching automated data mapping accuracy over 65% was proving difficult

Solution One

Versori fine-tuned an AI model tailored to Walmart's taxonomy, enabling accurate SKU mapping with zero manual effort. This was embedded in a simple UI within Walmart's Seller Center, enabling sellers to 3 click upload their product data from any source. Sellers authenticate their source system credentials and then Versori runs the process from there. Sellers simply check back in after an hour to see all their products in draft status, allowing for a final human-in-the-loop check.



Outcomes



Solution Two: Improving Existing SKU Listing Quality with Product Enrichment Models

Challenge Tackled

Many retailers attempted marketplaces initially between 2012 and 2018. Few succeeded with most closing. Poor quality listings with missing data or poorly completed fields was a major culprit.

Data shows poor quality listings hurt sales, so many merchandising leaders are looking to “re-list” these SKUs – i.e. take the existing listings, enrich their data, and re-upload them.

Solution

Enrichment applies the same models as new SKU onboarding but processes existing catalog data. After identifying SKUs for cleanup, taxonomy-tuned AI models remap each product and its attributes to the correct category structure, ensuring alignment with marketplace rules.

Once categorized, listings are evaluated for completeness, addressing missing or low-quality fields such as improper descriptions or attributes required for compliance (e.g., hazardous materials). To support international growth, Versori’s localization models translate and adapt product data into correct languages, currencies, and regional formats. The result is a fully enriched, localized, and compliant product feed delivered at scale with minimal manual effort.

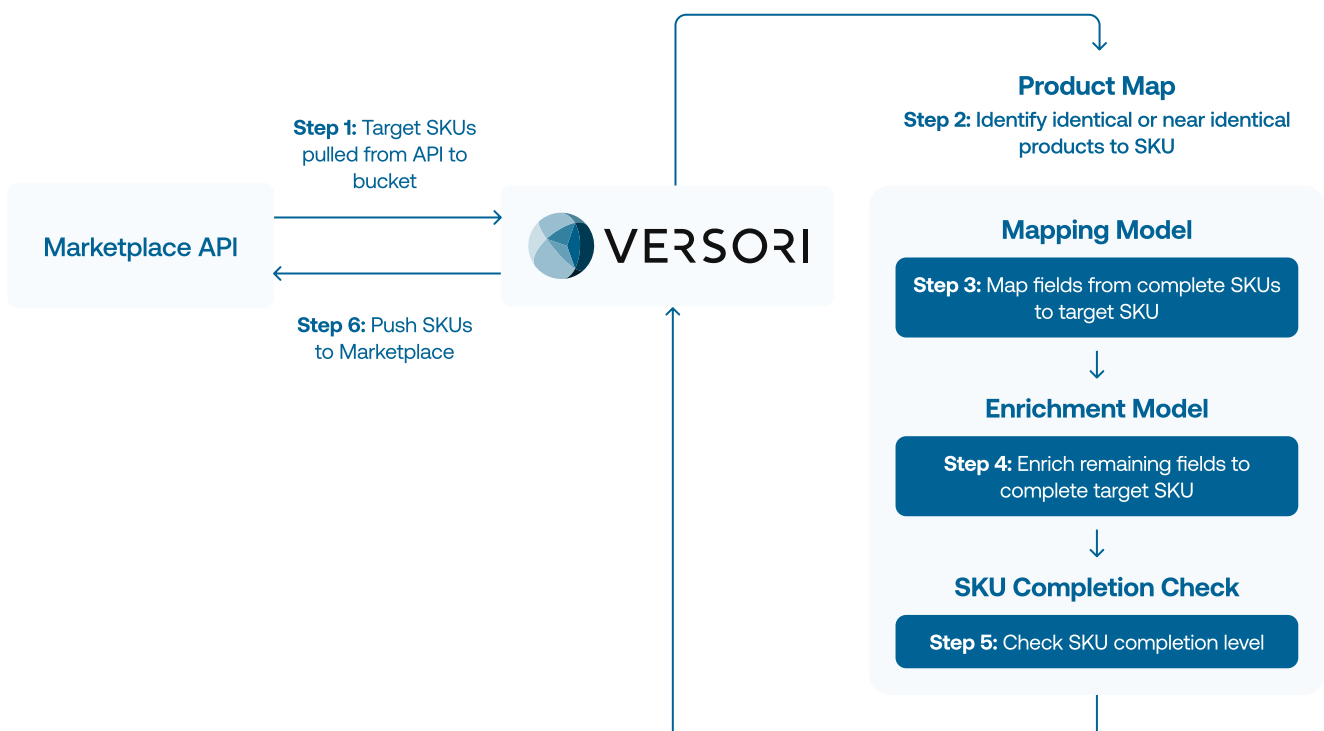
Outcomes



Enhanced Listing Quality Boosts Sales: Enriched SKUs feature accurate titles, attributes, and descriptions—boosting search visibility, conversion rates, and buyer satisfaction.



Reduced Operational Load: Data is cleaned and enriched in minutes without large manual teams, replacing days of human effort.





Solution Three: Accelerating New Channels with AI-Enabled iPaaS

Challenge Tackled

Expanding into new sales channels requires building robust, scalable integrations across diverse systems.

Traditional integration methods are slow, resource-intensive, and require extensive manual development, creating bottlenecks that delay time-to-market, increase operational cost, and limit a marketplace's ability to scale its partner ecosystem efficiently.

Solution

Versori's AI-enabled iPaaS (Integration Platform as a Service) transforms the traditionally slow, manual process of building integrations into an automated, intelligent workflow.

Versori's platform leverages four specialized AI agents to streamline the creation, deployment, and management of enterprise-grade integrations, ensuring efficiency and scalability:



Plan Agent

Gathers comprehensive system specifications, API documentation, and integration requirements, delivering precise insights to lay the foundation for seamless connectivity.



Build Agent

Generates tailored, production-ready code for integrations, minimizing development time and enabling rapid deployment of complex workflows.



Connect Agent

Securely enables communication between systems by managing credentials, tokens, and protocols, ensuring robust and compliant data exchange.



Runtime Agent

Continuously monitors integrations for schema drift or validation errors, proactively recommending and, if needed, deploying AI-driven fixes to maintain operational reliability.





Outcomes of AI-Enabled IPaaS



Accelerated Time-to-Market

Reduced integration timelines from months to days, allowing marketplaces and sellers to launch in new sales channels faster.



Lower Development Costs

Substantially decreased engineering resources needed to build and maintain integrations, resulting in up to 70% cost savings per channel.



Improved Integration Scalability

Ability to spin up multiple enterprise-grade integrations in parallel without proportional increases in development overhead.



Greater Business Agility

Rapid onboarding of partners and entry into new markets drives faster revenue realization and improved competitive advantage.



Reduced Maintenance Burden

AI-enabled schema detection and auto-adjustments eliminate the need for ongoing manual fixes when APIs or data models change.



Enhanced Partner Experience

Sellers and partners experience faster onboarding and fewer issues during integration, improving satisfaction and retention.

Final Remarks: Online Marketplaces In The AI Era

The challenges outlined in this white paper are not theoretical; they are real, recurring obstacles faced by the world's largest and most advanced marketplaces. From integration bottlenecks to inconsistent catalogue data, these issues directly impact a marketplace's ability to scale and maintain a high-quality buyer and seller experience.

The use cases presented in Chapter 3 demonstrate how AI-driven solutions can effectively address these pain points and help achieve the strategic goals identified in Chapter 2.

By embracing AI-native platforms, taxonomy-tuned models, and embedded enrichment capabilities, marketplaces can streamline seller onboarding, improve SKU mapping accuracy, and ensure consistently enriched, compliant product listings.

Marketplaces that take these steps will not only gain a competitive edge in attracting and retaining sellers, they will also build the infrastructure necessary to scale across geographies, verticals, and sales channels with speed and confidence.