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THE RIPPLE EFFECT

Stories of purpose and lasting impact

**Crystal balls not
needed**

Macy's new marketplace provides a glimpse into the future of e-commerce.

FUELING GROWTH VIA A **FULLY** **INTEGRATED SHOPPING DESTINATION**

THE SITUATION

How to compete in an age when iconic retail brands have continued to evolve and push forward the digital brand marketplace experience for customers—at breakneck speeds? And in the process provide a digital experience that meets multiple shopping needs? And support purpose-driven goals like featuring minority- and women-owned businesses?

This was the challenge faced by Macy's, Inc. as it aimed to continue boosting its e-commerce capabilities. It needed a faster and more flexible way to add new products and categories to its website and capture trends without the lengthy process of sourcing, purchasing, stocking, and delivering.

The solution? With help from Deloitte Digital, Macy's launched a new third-party marketplace on macys.com, creating a one-stop shopping experience for customers.

As one Macy's IT executive put it, "The marketplace allows us to move into new and adjacent categories more quickly—without any risk from an inventory perspective—to test customer demand and continue to meet customer expectations. It enables us to create more-profitable customer relationships and to add styles and trends as they emerge."

In creating its third-party seller online platform, Macy's joins a growing number of retailers doing the same.

"We spent time talking to a lot of other retailers who had launched a marketplace before," notes another executive. "We listened to their lessons learned so we could get ours off the ground quickly and smoothly."



THE SOLVE

Deloitte Digital worked closely with the Macy's team to create an experience that would meet the needs of the omnichannel customer.

Launching the platform required not just a significant creative e-commerce transformation but also the integration of a whole new B2B business model into more than 40 different systems and processes across the company. We supported this effort by driving strategy; running the Program Management office; implementing innovative technology, including Mirakl, an industry-leading third-party marketplace platform; and cleaning up the messy middle—building a custom data integration layer that allowed a seamless interchange of data between Mirakl's and Macy's internal systems.

"Our customers are omnichannel customers," explains the IT executive. "They are used to shopping online, picking up curbside, and returning an item to the store. However, the marketplace requires different processes on the back end, and we had to think through that very carefully. It took collaboration across Macy's entire ecosystem—including the digital end customer, IT [information technology], stores, and supply chain teams. It was a real team sport," they said.

"This digital transformation puts Macy's at the forefront of what's next in retail, combining brand-appropriate curation with the efficiency, flexibility, and scale of a marketplace," said Surya Saurabh, senior manager at Deloitte Digital and a leader in Deloitte's marketplace practice, which helped Macy's with this strategic transformation. "It points to the future of retail where ecosystems and partnerships (third-party sellers in this case) will help retailers unlock additional value from existing assets (Macy's e-commerce presence)," he said.

ORCHESTRATING AN **OMNICHANNEL** **RETAIL TRANSFORMATION**

THE IMPACT

The new marketplace platform allows Macy's to venture into new categories like electronics, video games, wellness, sports nutrition, and more. And because it is integrated into Macy's existing site, shoppers can browse products from Macy's and its partners all in one space. During the fall 2022 launch, as the marketplace scaled, it provided customers access to 400 unique brands and 20 product categories (eight of them new to Macy's).

"What we're doing is expanding that great value we offer in a wide assortment of products, giving customers even more ways to shop," said one Macy's, Inc. leader.

Implementing the marketplace into the existing Macy's tech architecture enables rapid scaling without the associated supply chain costs to the retailer. It also helps Macy's give voice to brands from underrepresented communities.

"We created a centralized layer that coordinated information flow between Macy's systems and Mirakl to enable seller catalog uploads, real-time inventory, and order management capabilities," said Saurabh. "Doing so created greater efficiencies to allow scaling of the marketplace and ultimately meet the customer needs in a much quicker way."

CREATING A PATH FOR THE FUTURE OF RETAIL

LET'S CONNECT.

Do these challenges sound familiar?



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