



MARQETA

Drop Ship Woes

Agenda

- What Is Drop Shipping?
- Challenges
- Best Practices
- The Payments Piece
- Q&A



Speakers



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These Retailers Have Something In Common...

Amazon

ipsy

Shoe
Carnival

Spring

Zappos.com

23% of online sales this year will be delivered to customers via drop shipping models.*

(* Forrester Research, company examples cited on [WSJ.com](https://www.wsj.com))



MARQETA

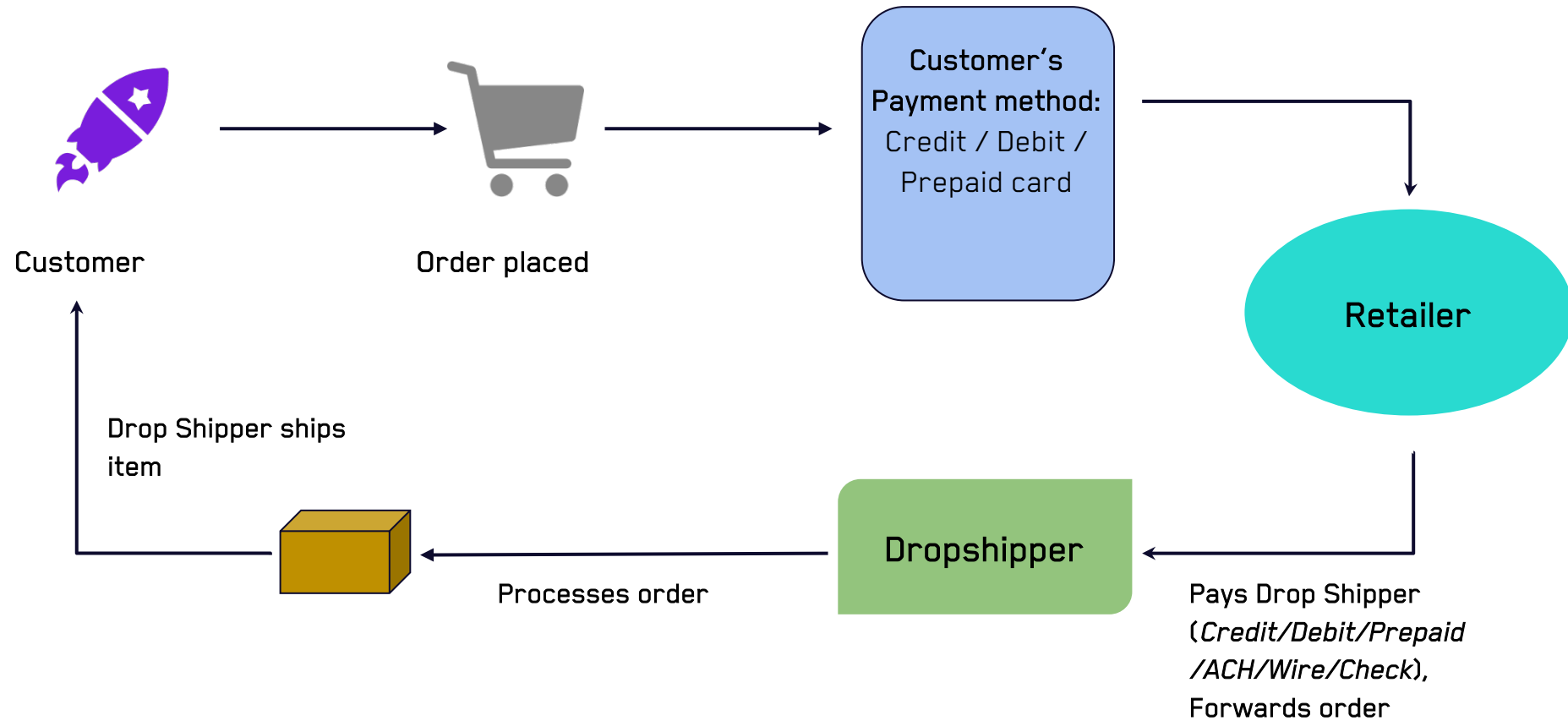
What Is Drop Shipping?

Drop Shipping is an increasingly popular form of e-commerce where stores do not stock the products they sell

- Ability to source from a variety of merchants/brands to create a tailored e-commerce experience.
- No inventory overhead and no shipping logistics creates a powerful business model.



Drop Shipping Flow



Success Requires Exceptional Operations

Retailers need to carefully manage relationships with multiple suppliers while providing a stellar customer experience.



Challenges Retailers Face with Drop Shipping

Order Management	Fulfillment	Payments
<ul style="list-style-type: none">- Supplier integrations for inventory visibility- Stock outs- Price differentials	<ul style="list-style-type: none">- Timeline expectations- Lack of process visibility	<ul style="list-style-type: none">- Integration- Reconciliation- Refunds- Timeliness

Best Practices with Drop Shipping

Order Management

- Seek API driven ordering options
- Leverage technology to synchronize supplier inventory information in timely fashion

Fulfillment

- Shipping SLA agreements with suppliers
- Use of shipment tracking technology
- Well defined returns policy and process

Payments

- Leverage 'single use virtual cards' to overcome payment challenges
- Whitelist cards with your suppliers to reduce rejection
- Seek API driven payment options



Various Options For Supplier Payments



ACH (bank to bank)

- Point-to-point integrations required
- Difficult to scale partner merchants/brands
- Typically, 3 day funds transfer



Multi-use Credit Cards

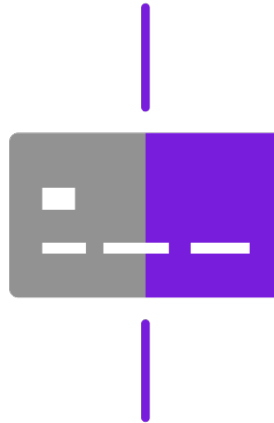
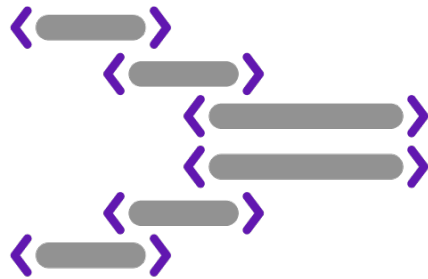
- Universally accepted
- High credit limits expose risks
- Reconciliation issues for returns



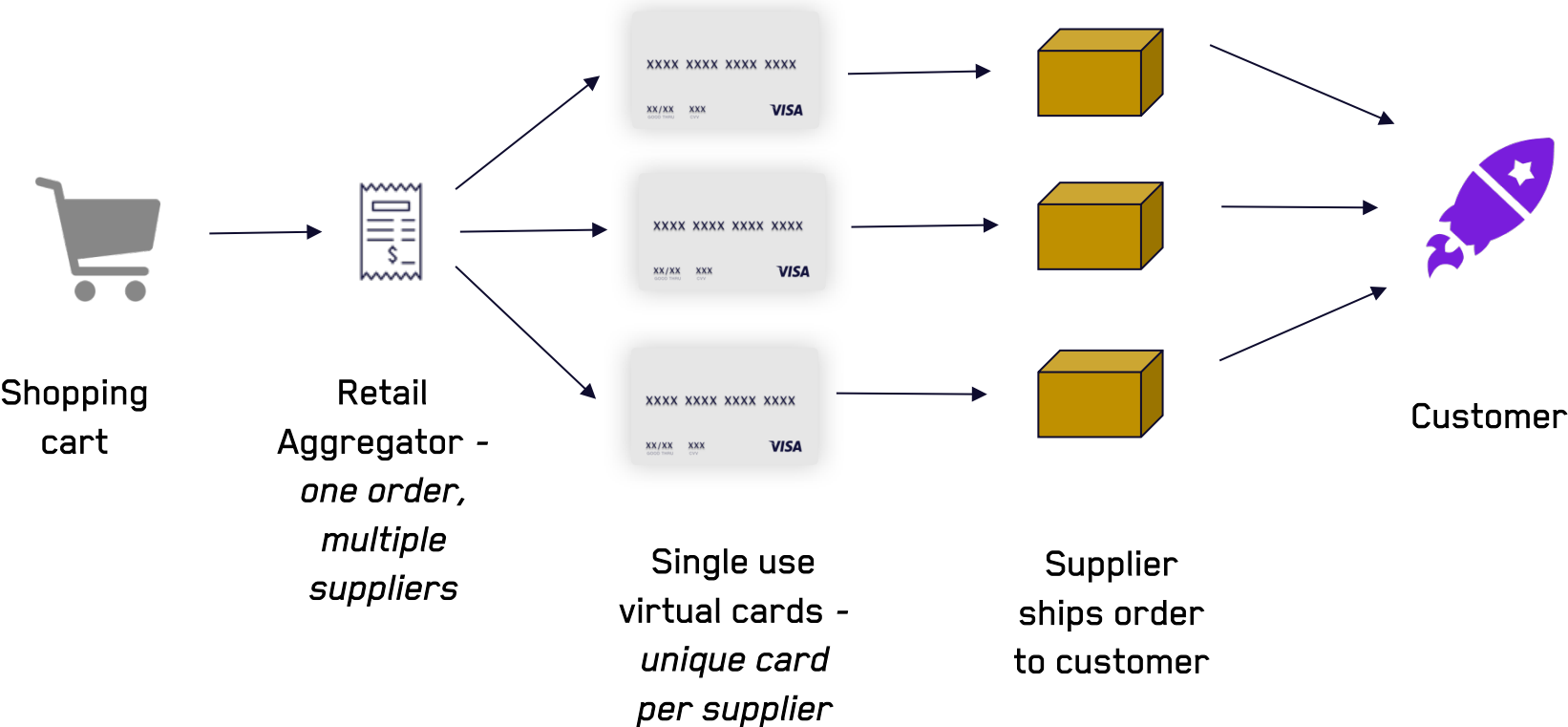
Single-use virtual cards

- Instantly provisioned and usable
- One to one mapping between cards and transactions
- Timely, accurate reconciliation for returned orders
- Limits risks

Marqeta Powers Prepaid, Debit and Credit Cards For The World's Leading Innovators



Marqeta Solves Payment Pain for e-Commerce



Questions?

Contact Us

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Get Started

Sign up for API Access:
www.marqeta.com/api

Thank You!