

Tradekey.com - what a concept - but wait..

As I wrote on my previous post - 2009 Internet Sales Trends for Specialty Stores, I've been thinking about ideas on how to source goods and sell them online ourselves. We specialize in figuring out what to sell and to estimate demand for products on the Internet. For any ecommerce business, really, to me, it boils down to -

- Decide on what to offer (this is the hardest part)
- Establish reliable supply chain
- Market the product online and drive traffic to the site
- Provide customer service

As I said above, the first is the hardest part. It appears that there are stores for everything out there already. But wait a minute, do you know if they actually sell anything? Do you know if they are doing a good job with their current website? Can you do a better job? Can you offer a better price? Can you offer a better product? The way I look at it, even if there are tons of sites out there selling a certain product-line, that's probably a good thing. You have more sites to analyze to know what the status of that niche is. That being said, step 1 is still the hardest part.

Once you know what you want to sell, based on your analysis of search engine traffic, insider sales trends, trade shows, Etc., the next challenge is to establish a reliable supply chain.

This is where the difficulty arises. Most products available locally, especially in the US, can be pretty pricey. If you are looking to under-cut local prices or the current pricing on competitor sites, you are probably going to have to get creative with your supply chain. This is where tradekey.com comes into the picture.

Before I go any further, I want you to know that I am not affiliated with tradekey in any way. I am a new member and don't even have one real transactional experience with them. I am just putting down my thoughts about this site and the idea of sourcing products via online B2B sites.

Tradekey.com is one of the biggest B2B sites out there. I actually did not know there were such sites until I started this research recently. Another similar sites is alibaba.com. Tradekey.com claims 32 million visitors per month, over 3 million registered users, and \$20 million in seed funding. That's certainly some good numbers that only a reputable site could boast of. Tradekey.com connects buyers and sellers across international borders. Something that's been traditionally thought of as a huge hassle. What a concept, right? If I wanted to sell vegan wallets on my vegan cookbooks store, instead of adding an affiliate product and getting a small commission, I could instead buy products for cheap from China or elsewhere and sell them online myself! That sounded exciting so I started further research on this site.

They do have a lot of products listed. A search for vegan products came back with about 20 results, which is not bad for such a niche specialty area. Other areas such as computer parts, Etc. returned a lot more results. So far so good. I started looking at a few product pages and companies. It seemed to me that a lot of them had incomplete information. I noticed right away that they had a "TRUST POINTS" system and I did like that idea of establishing the credibility of the seller before I buy stuff from them.

Before I got too excited, I wanted to check to see what others that have dealt with tradekey felt. With only a few searches on google, I was able to get to these reviews which said some pretty nasty things about the site. This one was the strongest..

Tradekey review - Bad

I also found some good reviews - I will link to one here...

Tradekey.com - Good

In short, pros:

- Connects buyers and sellers
- Free registration allows easy trial
- Tons of products and large buyer and seller base

Based on the bad reviews, I could figure out the following cons:

- Trust points cannot be trusted! Trust points can be bought - Goldkey membership gets you 3000 trust points. So really, trust points only means the company paid more money to tradekey and not necessarily that they are a fair business or that they received good feedback. That leads to my next point.

- They don't have a feedback score for companies

- They don't really mediate the transaction. They simply connect buyers and sellers. They don't take any responsibility for sellers to ensure that they will actually deliver or for buyers that they will actually pay. For any B2B broker to be successful, this is an essential element in my opinion. Just based on this, I am surprised that tradekey is even this popular!

- Some people have complained about lack of prompt customer service from tradekey. I list this last because others have actually had good experiences with it.

To their credit, several people have reported using tradekey to successfully establish contacts and reliable, profitable supply chains. Several manufacturers and wholesalers have been able to find buyers as well.

Overall, I am kinda disappointed that such a phenomenal concept does not seem to be fully well executed at tradekey.com. Perhaps the people at tradekey will read their reviews online and take this as constructive feedback and fix these gaps.

Overall, my feeling is that this can be a great tool to establish or grow an online or offline business, but extreme caution should be exercised to ensure that the people you are dealing with are trustworthy. Also, I would not use western money or other bank to bank transactions. Paypal is better but not guaranteed to not fool-proof either. Just don't work with them unless they are willing to give you at least 5 references that you can call and personally confirm their credibility with. And that's only the first of many steps I'd take before working with sellers on tradekey.com.