

Providing Merchants with an Online Solution to Understand Product Behavior in E-Commerce Marketplaces, Terapeak is the First Authorized Analytics Provider Of eBay Market Data and Leading Aggregator of E-Commerce Data

**Technology
E-Commerce Analytics**

**Terapeak
247 High Street
Palo Alto, CA 94301
(866) 959-8372
www.terapeak.com**



**Kevin North
CEO**

BIO:

Kevin North is the President and CEO of Terapeak, where he is responsible for company vision, strategy, revenue growth and business operations and is based in the San Francisco Bay area. Joining the company in January 2012, Mr. North was recruited to establish Terapeak's U.S. headquarters in Silicon Valley.

Prior to joining Terapeak, Mr. North was the President and CEO of Dyadem, which was acquired by IHS Inc. in 2011. Under his leadership, Dyadem was identified as one of North America's fastest growing technology companies three out of the last four

years prior to its acquisition (2007, 2009, 2010 Deloitte Technology Fast 500), and was also named to the ranking of Canada's fastest growing companies by PROFIT magazine for three consecutive years (2009, 2010, 2011). Mr. North was also a finalist for the Ernst & Young 2009 and 2010 Entrepreneur of the Year Award.

Under Mr. North's leadership, Terapeak was recognized as a PROFIT 500 company (2013) and won a SIIA CODiE Award for Best Big Data Solution. Kevin North brings over 15 years of experience in the information technology industry with a history of consistent year-over-year revenue growth, increased customer and employee satisfaction and multiple awards for sales and marketing leadership and product innovation.

About Terapeak:

Terapeak helps online merchants to understand the current and competitive landscape of marketplaces (eBay, Amazon.com and Yahoo! Japan) by providing transparency into competitor behavior, pricing techniques and strategies, supply and demand, category and product trends, and customer purchase patterns.

As the first authorized analytics provider of eBay market data, and the leading aggregator of e-commerce data for eBay, Amazon, Yahoo! Japan and Magento, Terapeak has evolved from a pioneer to the market leader in analytics and business intelligence for ecommerce.

Terapeak analyzes over 2.4 billion transactions per year and over \$68

Billion in online consumer spending worldwide. This summarization of data provides online merchants with the market intelligence needed to maximize their business, resulting in increased margins, revenue, customer loyalty and satisfaction.

Founded in 2004, Terapeak is an indispensable resource for over 1.3 million online merchants.

**Interview conducted by:
Lynn Fosse, Senior Editor
CEOCFO Magazine**

CEOCFO: Mr. North, what is the concept at Terapeak?

Mr. North: We are a software company that provides ecommerce analytics to merchants that are selling on big marketplaces such as eBay, Amazon, and Yahoo! Japan. For merchants that are selling on those marketplaces, we help them understand those marketplaces better by allowing them to see what is happening with products of interest, how they are trending, how their competitors are performing, how they are personally performing, and helping them find sourcing opportunities. We also help merchants see where in the world they should sell, how they should sell, as well as which regions might represent new opportunities for the merchants. In summary, we provide an online solution for how products behave in ecommerce marketplaces.

CEOCFO: How do you come up with the suggestions for your clients?

Mr. North: When merchants come in to the system, they do a search on a product of interest, and the return is

going to show them several pieces of information about the product, like what the average sale price is, the average shipping cost, the start price, the number of listings where the product is featured, the sell-through rate, and from there you can drill down to get even more specific information about a product, competitor, or listing. We do not as of yet provide suggestions, but we do provide facts and insights that are unparalleled. What we are very good at now is allowing a merchant who already knows what product they want to research and tell them everything there is to know about that product and how it is behaving in the marketplaces of eBay, Yahoo! Japan and Amazon.com. Moving forward, we are going to take our insights one step further and provide recommendations to Terapeak subscribers as we have done for large merchants in customized research projects.

CEOCFO: Is there much difference between Amazon and eBay regarding the way people are selling and the way they are buying? Are most of your customers working in both of those venues?

Mr. North: If you go back more than five years ago, the auction style marketplace was much more common, and eBay was the more popular choice for small and mid-sized merchants. At this point in time, as more people have come online and more merchants have started online businesses, selling has become far more competitive and there is almost no choice but for a merchant to sell on more than one marketplace. They have to, and they have to be everywhere. We have merchants that have multiple storefronts as well as having their goods on eBay, Amazon, Etsy, and Craigslist. They are leveraging all of the various ecommerce marketplaces to make sure that they have the best visibility possible. Because selling on multiple marketplaces is now the norm, our Terapeak for eBay customers were asking us to develop an analytics product for Amazon.com, which is exactly what we did. It has been in

development for quite a while, and it is a huge thing because we have been long associated with only the eBay marketplace, and more recently with Yahoo! Japan. With this release of Terapeak for Amazon, it represents a big statement that we are more than just eBay and Yahoo! Japan. I am excited about it, and we are delivering this product to merchants along with our MySales product at no additional charge.

CEOCFO: Do you know if many of your customers take advantage of the information? Are you able to track their use of what you provide?

Mr. North: We can understand the truest level of our value to a customer by how long they stay subscribed with

“We have merchants tell us that they have doubled their money with one use. We have customers that have provided testimonials about what Terapeak has meant to their businesses, and how they would not have succeeded without it. I am not just talking about the subtleties of increasing a product’s sales margin, or how Terapeak positively influences individual product sales, I am talking about how we have grown a merchant’s entire business. Those stories are common, with people saying that their business is in business because of Terapeak.”- Kevin North

us – in other words, are they keeping their Terapeak subscription or are they cancelling it. The value that is received is attached to the customer churn data, and our churn rates have been dropping every month for the last 18 months, which is quite a feat. If we had a lot of turnover or if people were not using the product, then we would understand implicitly that we are not providing enough value. What I can tell you categorically is that not only have we been increasing subscribers on a monthly basis, but also our churn levels are at the lowest levels in the company’s history, and that is without the release of Terapeak for Amazon. We have been around for ten years, so we are obviously doing something right because people are sticking around and seeing value in the subscription. We have merchants

tell us that they have doubled their money with one use. We have customers that have provided testimonials about what Terapeak has meant to their businesses, and how they would not have succeeded without it. I am not just talking about the subtleties of increasing a product’s sales margin, or how Terapeak positively influences individual product sales, I am talking about how we have grown a merchant’s entire business. Those stories are common, with people saying that their business is in business because of Terapeak. Say you are selling a widget on eBay and you are selling the same widget as 1,000 other merchants. If 100 of those merchants are using Terapeak, those 100 merchants could go into our system, understand what all their competitors are doing, understand exactly how products are being priced all over the world, what products are hot or not, which regions products are selling more in, and what is the next best thing to sell in order to get ahead of the curve. When it comes to online selling, the Terapeak subscribers have complete visibility of what everyone else is doing, and they are going to always have the best handle on pricing and product trends. So, if 100 of those 1,000 sellers are using Terapeak and you are one of the unfortunate 900 that are out of the loop, how would you compete against the rest? It would be very difficult, because you are operating blindly, you are guessing relative to the Terapeak subscribers. There is so much competitive advantage for the Terapeak subscribers and there is so much evidence to suggest that a Terapeak subscription is almost a must when you are selling on eBay. If you start Googling and looking around the internet on ecommerce and on the eBay message boards, you will see a trend of customers saying that you “need” Terapeak if you are starting a store or beginning to sell on eBay. You are losing opportunities and money without it, and all eBay books will mention Terapeak as a necessity for making your online business competitive.

CEOCFO: Is there much competition for you?

Mr. North: There are companies that scrape product prices from websites and attempt to provide pricing analysis, but there is no company in the world that has the depth and breadth of eBay analytics as Terapeak. We have been working with eBay data for almost 10 years, so our understanding of how to perform analytics on marketplace data is second to none. Moreover, we have a relationship with eBay that allows us to receive transactional data, not listing data. In other words, what a product listed for and what a product sold for is not necessarily the same. If a product is listed in an eBay auction at ten dollars that does not mean that it is going to sell for ten dollars. It could sell for fifteen, twenty, or thirty dollars. If you are scraping data, all you are going to know is that the product was listed at ten dollars. That is not necessarily accurate however, because that product likely sold for a different value. We are the only company in the world with years of historical transactional data so it is very hard to compete with that.

CEOCFO: Do you do outreach for new customers, or does everyone come to you because they know you are the only one in your space?

Mr. North. We do outreach.

CEOCFO: In what ways?

Mr. North: We are a business so we have to grow and we cannot sit back and be comfortable. Yes, we are very well known and we participate in all of the eBay events, trade shows, merchant events, and we have integrated within the customer community as much as possible. We have a community ambassador, Matt Brossard, who is very well known and he is engaging with the eBay community and soon to be Amazon community. We

spend marketing dollars to get new customers just like everybody else through internet advertising, affiliates and through partners all over the world. Regardless of your position, you can never sit back, be comfortable, and merely rely on your existing customers to enable growth. We do our best to keep our customers happy, and the Amazon.com product is a testament to that, but we always have to think about new customer acquisition and growing the database as well as being able to use that income to enhance and create new products.

CEOCFO: Are there particular types of business whether by size or products that have not been as engaged with Terapeak as they should? If not, do you do your outreach across the board?

Mr. North: We sell to mostly small to mid-sized merchants on our online platform, but we do have a B2B department that is focused on the needs of larger enterprises. These are generally larger merchants that may have customized needs, so we do that but it has not been as much of a focus for us recently. We have been more interested in making our online platform more broadly suited to the needs of larger customers, and the product roadmap is indicative of that. We have to accommodate merchants of all sizes, and we do not want to isolate anyone from the vast amount of big data that we are working with. Even large brand-name merchants are selling on eBay and Amazon, so technically they are all potential Terapeak subscribers. A Terapeak subscription is not very expensive for most merchants given the value it provides - at \$20 a month - so for most people it is an affordable price plan and we can accommodate most sizes of merchants already.

CEOCFO: Terapeak has been recognized with a number of industry awards. What stands out for you and is most meaningful?

Mr. North: I would say that if the customers are validating you, then that is the best type of award. The CODiE Award comes to mind as well because it was a win within the Big Data category. Doing analytics on big data is not easy; otherwise, everybody would be doing it. It is hard when you are working with such mass amounts of data, data that just keeps pouring in and has no shut-off valve, so to speak. But I am proud of our company because we were one of the first to face these challenges and we have done a great job with it. We are one of those companies that did this very early on. If you think about now, people throw around the term "big data" as if it is a new thing. But the Terapeak founders were early innovators, before everyone was using the term. Also, awards for revenue growth like the PROFIT 500 are meaningful because customers were validating our solution in the subscription growth that drove this revenue. Subscriber growth can only happen when you are offering a product of value. On account of all of the industry awards, I think that when our customers recognize we are doing a good job and when our employees are being recognized for the great work they are doing - none of this happens without great employees and I am proud of them for being able to deliver on our promise. I have been in this company now for a year and a half, and being a pioneer on big data was one of the many things that attracted me to this company. I am proud of the industry awards that we are receiving, but we have so much more that we will be delivering over the next couple of years so it will be a very exciting time to be a Terapeak customer.



Terapeak

**247 High Street
Palo Alto, CA 94301
(866) 959-8372
www.terapeak.com**