



Lydia Dishman, Contributor

My beat is fashion, retail, and e-commerce.

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How E-Commerce Marketplace oBaz Pivoted From Daily Deals to Successful Sales

Before [oBaz](#) remade itself into a Pinterest-like virtual marketplace to shop for indie brands at exclusive discounts, it was aiming at building a deal site that would turn the Groupon model on its ear – both for retailers and consumers. The idea was to get a big enough group of shoppers interested in an item to then strike a deal with the supplier. The buyers get the goods and the retailer gets new customers at no additional cost. Win-win.



Except it only lasted four months.

All that haggling with multiple retailers was tough on the oBaz team and [some of the deals fell flat](#). This January, oBaz (so dubbed because it's the short version of online bazaar) did away with social grouping and debuted its current model. The site currently showcases products for men and women including jewelry, clothing, accessories, home décor, cooking and organizing tools.

The premise now is that users go to oBaz to either “play” or “shop.” By choosing to play, shoppers can build a list of “wants,” coveted items that will be instantly presented with special limited-time offers and discounts. Each item listing further entices impulse buyers with notes that say how many pieces are left in stock – “Only 5 left!”

That small pivot has made a huge difference in the business cofounder Brian Ficho tells me. “We have over 22,000,000 user votes, which provide us with realtime insight into the best products available on the Internet.”

Over the past three months, Ficho asserts that oBaz has doubled sales and amassed more than 250,000 members. oBaz currently has 200 brands and merchants on its platform.

But even before the shift to such a personalized shopping experience, oBaz

drew the attention of Lightbank, the Chicago-based venture capital firm founded by Eric Lefkofsky and Brad Keywell, the [duo that backed Groupon](#). Ficho says he had a role at Lightbank previously. Two years ago when he first pitched the oBaz concept to the VCs, he was invited to become a founder-in-residence, [developing his own company](#) while working with others and keeping an ear to the ground for new deals.

Though he could have gone the investor route and canned his concept before launch, Ficho says, “It is definitely a much different experience being an entrepreneur vs. a venture capitalist, but my goal was always to start this company.”

Here’s what else he told me about the inner workings of the oBaz e-commerce model:

How do you select who sells on the site?

We have curators who are in charge of making sure that a certain standard is maintained, but our online community plays a very active role in picking the best products with their votes. Their input has a significant impact on the products that appear at the top of each section (Trending Today) and what products get featured each day.

Are they trying to sell off overstocked items?

We don’t really sell overstock items at all. We operate more like a traditional retailer, but through an interactive and socially curated shopping experience we help people discover new products and brands from around the world, across multiple different categories. We do offer sales and promotions, a lot of which happen dynamically to people as they browse our site, but we are not a liquidation site.

It looks like when you started you were aiming to compete with Fab.com in terms of getting people to buy into deals to lower pricing. Now the site just offers straight retail prices. Why the switch?

We do offer sales and promotions as well as below retail pricing on a lot of items, but our goal has always been to make shopping online more fun (which is why the game feature is so prominent) and to help people discover the best products and brands out there.

Many have compared us to Fab as well as other e-commerce sites, but we’re focused on building something unique that really provides a completely different experience than what’s on the market.

Likewise, you moved from thumbs ups to “wants.” Is this working better in terms of the site’s ability to personalize offerings to different customers?

Knowing what people want really helps us filter through thousands of products and find the best products at any given moment. We use the 22,000,000 votes from shoppers to socially curate the experience on a level that the vast majority of websites can’t.

This article is available online at:

<http://www.forbes.com/sites/lydiadishman/2012/10/26/how-e-commerce-marketplace-obaz-pivoted-from-daily-deals-to-successful-sales/>