



“Raysan is a great example of a Newegg vendor that has used merchant financing to aggressively grow their sales and is now using this to expand internationally.”

Grant Fraser | Global Head of eCommerce Financing, Woodsford TradeBridge



“I would highly recommend a Woodsford TradeBridge merchant financing facility to any seller operating on a marketplace.”

By Sunand Kangath

Company Director | Raysan Direct

Raysan Direct is a specialist IT distribution and consulting business (est. 2013). Started as an online business, Raysan quickly became a regional partner for component distributor Spy Technologies. And in 2015, Raysan took time to explore new eCommerce options and decided to use marketplaces as a distribution channel, ultimately joining the Newegg platform. This was a shrewd move, with Raysan seeing record sales and both Newegg and merchant growing GMV.

A year of opportunity

2020 has been a year like no other, it has seen an incredible surge in eCommerce. Using a merchant financing facility, created for us by Woodsford TradeBridge, we have been able to achieve remarkable month-on-month growth of our GMV on the Newegg platform.

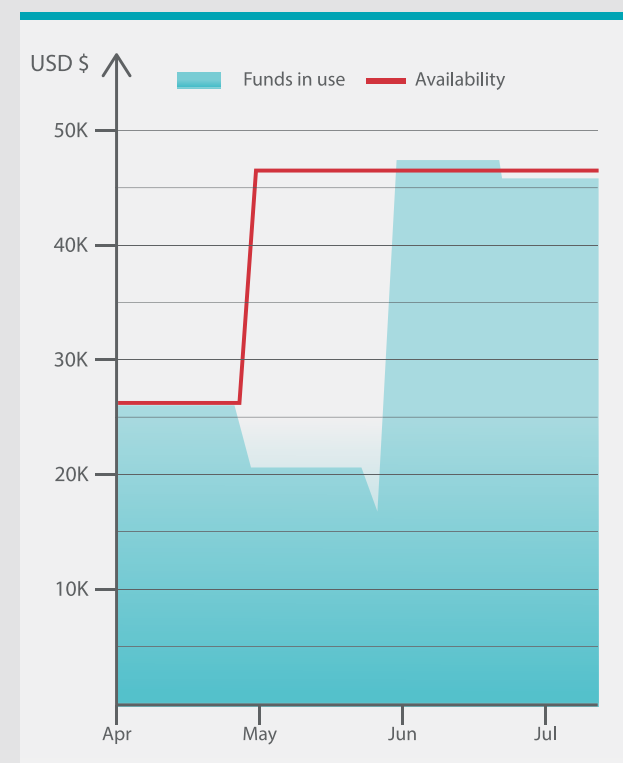
We are heavily reliant on spotting an opportunity with a distributor to buy a popular product at a discount, and to undercut the same product on other marketplaces. To do this quickly, we needed immediate access to working capital – which the Woodsford TradeBridge facility offers.

Typically, we use 70-80% of the facility – but we only pay for it when it is in use, so it's an affordable as well as flexible solution that's ideal for a business like ours.

“ We could see immediate growth, and so increased Raysan's facility. Continued success saw it reach almost \$50,000 in August. We had direct access to sales data that showed how Raysan were financing growth in sales. ”

Grant Fraser

Global Head of eCommerce Financing,
Woodsford TradeBridge



Capitalising on an opportunity

As a result of the COVID19 pandemic and subsequent government lockdown, the population turned its attention to shopping online. As a result, many online merchants saw a surge in activity and subsequently revenue in April and May 2020. In June, in line with other Newegg vendors, we saw a small dip in sales, but were able to quickly respond to the changes in the market, and we saw our highest ever GMV in July (up 80% on the previous month). Contrast this with the average seller on Newegg, down 10% in July 2020. The likely cause of the dip was those merchants sold out of the stock they had. Firstly because of the surge in demand. However, they were unable to replenish that stock because of a cash shortage caused by delays in the payment cycle. A shortage

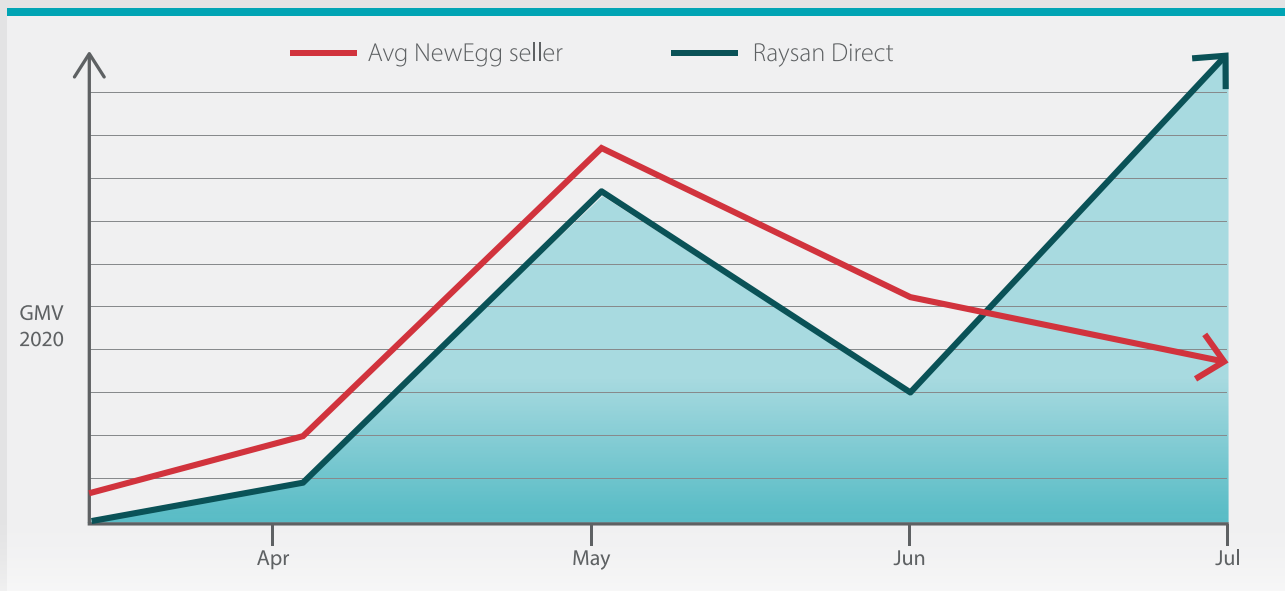
of working capital meant that those merchants left sales on the table.

The Woodsford TradeBridge merchant financing facility works by making funds available based on actual sales activity, which means we have the cash upfront to capitalise on good deals from our suppliers, and importantly to never run out of stock. The success of our business model is based on our ability to spot an opportunity in our market and having the means to capitalise on it quickly. Our Woodsford TradeBridge facility allows us to continue to meet demand whilst waiting for sales payments to be released. Woodsford TradeBridge is a truly international business, because they are not limited or challenged by jurisdiction, we are not restricted either. We can sell in US dollars whilst purchasing in Euros or Pounds Sterling, without disruption or fees.

“ Raysan Direct tried a range of different paths to secure the right funding for a fast-growing eCommerce merchant - but couldn't find anything that gave them the agility they needed to scale. Our facility literally put a rocket up their business, helping them realise their potential on the Newegg platform ”

Grant Fraser

Global Head of eCommerce Financing,
Woodsford TradeBridge



Get in touch to find out how Woodsford TradeBridge can help your eCommerce marketplace grow.



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