

Case Study #6

HOW A RETAILER FOUND ITS AUDIENCE ON EBAY

JOMASHOP



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DISCLAIMER

This business case study has been independently researched and created for educational purposes only.

No Affiliation: I am not affiliated with Jomashop or any of its subsidiaries.

No Endorsement: This analysis is not endorsed, authorized, or sponsored by Jomashop in any way.

Educational Intent: The content is intended solely to provide insights into ecommerce strategies and trends and does not represent consulting, advice, or an official recommendation for Jomashop or any other organization.

Sources: All information presented here is based on publicly available data and independent research.

PURPOSE OF THIS BUSINESS CASE

The purpose of this business case is to provide a brief overview of Jomashop distribution strategy, highlighting key tactics, challenges, and opportunities that have shaped the brand's success, as well as ideas for improvement and optimization. This case aims to offer valuable, educational insights for businesses looking to improve their own digital retail strategies.

However, it's important to note that this analysis is based on publicly available data, as Jomashop internal information was not accessible. As such, the conclusions drawn here are speculative and should be considered as general observations rather than specific, data-driven advice. The purpose is educational, intended to inspire ideas and discussions around ecommerce innovation, not to represent Jomashop internal strategies.

— WHY JOMASHOP?

I picked Jomashop because I found it interesting to look at a grey market retailer. Grey market refers to the sale of genuine, brand-name products through unauthorized channels, often at a discount compared to official sources. Its customers are using it to save money on items sold often at a discount compared to other channels like the brands themselves or stores like Nordstrom. Grey market sellers have to resort to different tactics than official brands to make up for the lower sale price.

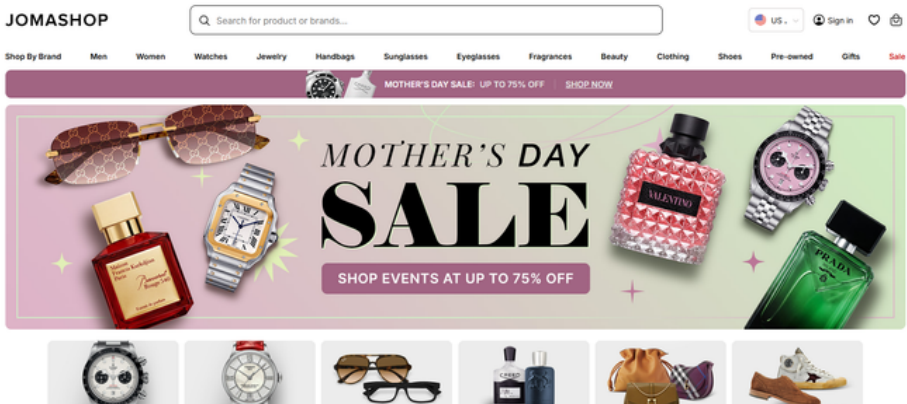
The second reason is the idea that eBay is only for small businesses or individuals trying to make extra income, and not larger companies. This can't be further from the truth. As we will see, eBay, while rarely the main channel for larger companies, can be a great source of additional revenues.

Finally, Jomashop is a retailer, not a brand. Most discussions around ecommerce distribution focus on brands deciding where to sell. Jomashop reminds us that the channel fit question applies equally to retailers, and that a retailer can build a deliberate multi-channel strategy just as thoughtfully as any brand.

ABOUT THE COMPANY

Jomashop was founded in 1987 by Marvin Sternberg, and was originally a mail order retailer selling watches, fine china, luxury crystal, and high-end pens. The company has grown a lot since its early days, thanks to the internet, and now offers products from over 650 major brands across categories like watches, handbags, sunglasses, jewelry, or beauty. The company is based in New York, and operates a massive fulfillment center that serves customers all around the world.

Jomashop is what is known as a grey market seller, meaning it sells legitimate products through legal but unauthorized channels at significantly lower prices. The majority of its inventory comes from manufacturer-authorized dealers rather than directly from brands, allowing them to price products well below MSRP.



Jomashop.com homepage

This case study is about distribution, and Jomashop's main channel is its own DTC website, jomashop.com. It generated \$536M in revenue in 2025.

But what I found especially interesting is how Jomashop built a strong presence on eBay, where its sales grew over 600% in 19 months, following their decision to update their store. As of today, its eBay store has sold over 765,000 items sold with 99.3% positive feedback rating, making it a massive retailer in this industry on the platform. As we will see, this channel fits Jomashop strategy very well.

THE TRADE-OFFS OF BUYING GREY MARKET

Before we get into why eBay makes sense for Jomashop, I think it is important to understand who grey market customers are. Because the reality is, buying grey market saves you money, but it comes with some trade-offs. I personally always had a great experience buying on Jomashop, this is not directed at the company specifically, but more as grey market retailers in general.

The first category of trade-offs is what I would call the annoyances. Shipping is sometimes slower than what you would get from an authorized retailer or a brand's own site. Prices are constantly changing, and deals disappear fast. The \$50 perfume you see on Monday morning could be \$90 on Tuesday evening. Grey market sellers work with unpredictable inventory, meaning when something is gone, it is gone. And you don't know when it will be restocked, if it ever happens. It can be fun to hunt for short lived great deals, but for most buyers it can create a frustrating shopping experience.

Then there are things that can be a little scary for some customers. Many grey market purchases come without the original manufacturer warranty. For items that costs hundreds or thousands of dollars, that isn't easy to ignore.

Items may also arrive without the original box or papers, which make resale more difficult. And of course there is the concern of receiving fake products. Jomashop has a clean track record and is often recommended on Reddit or forums, but a few bad experiences shared online can be enough for a customer to buy elsewhere.

HOW GREY MARKET SELLERS WORK AROUND TRADE-OFFS

To be honest, the main reason why people bother with the grey market is price. Finding watches and perfumes at 20-50% off will make customers forgive some issues with the market. Pricing alone does not eliminate the trade-offs we talked about in the previous section, but it makes them feel worth it. Another advantage is that these channels sometimes have inventory of items that brands have discontinued, and can be the only way to purchase them.

TOM FORD Graduation Sale

★★★★★ 2 Reviews

- Costa Azzurra Eau De Parfum Spray (Gold) 100ml/3.4oz

Item No. 888066117470

IN STOCK 46% OFF

20% coupon W/CODE *NF20*

Retail \$240.00 Asking ~~\$163.34~~

\$130.67 after coupon

4 interest-free payments or as low as \$15/mo with affirm . [Prequalify now](#)

TOM FORD

Costa Azzurra Eau de Parfum Fragrance with Lemon & Oakwood

★★★★☆ 867 | Ask a question | ❤️ 14.4K

Highly rated by customers for: [Complexity](#), [Scent](#), [Unisex](#)

\$240.00

Get It For **\$228.00 (5% Off)** With Auto-Replenish

Size: 3.4 oz/ 100 mL

The same item on Jomashop (top) vs at a large US retailer (bottom)

But price and availability alone are not enough to build a sustainable and trustworthy business, especially when items can have 4 or 5 figures price tags. This is why third-party reviews, ratings and testimonials are needed. For grey market sellers, that is the only way to compete with the credibility that an authorized dealer gets automatically. Jomashop does that very well with strong trustpilot ratings and positive testimonials all over social media, Reddit and forums.

Finally, I probably won't surprise you if I tell you that reach and trust these days are earned through influencers. Grey market sellers are now working with YouTube reviewers, watch enthusiasts, and lifestyle creators. These independent, trusted creators won't risk losing their following promoting a scam. Doing so gives grey market sellers credibility and reach.

WHY EBAY MADE SENSE FOR JOMASHOP

To fully understand why eBay makes sense for Jomashop, the easiest way is to look at an example of a customer journey. Let me introduce you to Jim. Jim wants a nice watch but has no intention of paying full retail price for it. He searches eBay for a model he likes, and luckily finds a few sellers. He is a little worried to shop on eBay with the risk of fakes, but one seller has great price, thousands of reviews, and a 99.3% positive feedback rating.

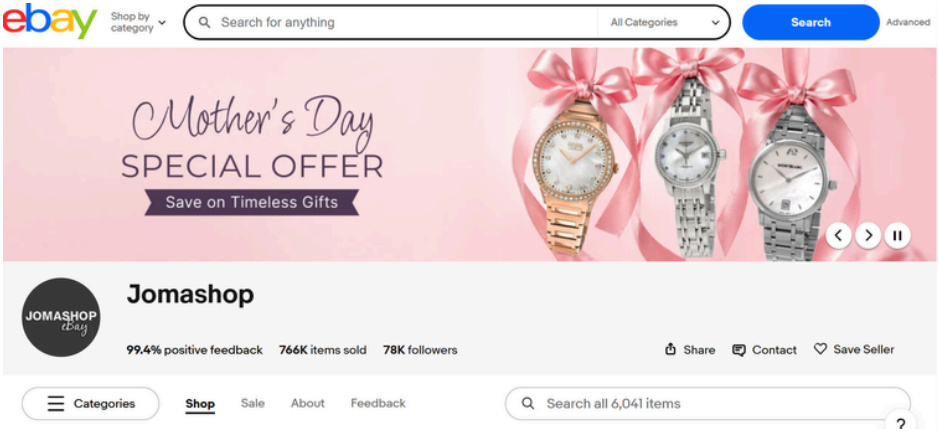
He has never heard of Jomashop before, but he does not need to, a quick online search will result in enough positive feedback that he buys the watch. It arrives as described, and Jim, very happy with his purchase, goes straight to jomashop.com for his next purchase a few months later. eBay did not just generate a sale for Jomashop, it landed them a new customer.

Most people see eBay as some sort of giant online garage sale. But this type of story is exactly why eBay makes so much sense for a grey market seller like Jomashop, or other large companies, that can sell tens of thousands of items per year on eBay.

First, the platform attracts exactly the right kind of buyer, someone looking for great deals and low prices through unofficial channels.

Second, because the way eBay works is the perfect environment for Jomashop. Buyers can compare dozens of listings side by side, and a seller with low but realistic prices and a massive review profile is almost hard to beat. Grey market sellers are built for this kind of competition.

Finally, eBay's reputation system helps with the trust problem that grey market sellers face. Reviews and ratings are a very valuable asset to beat competition and scammers. It worked well for Jomashop with 765,000 items sold and 99.4% positive feedback. The results speak for themselves: after investing resources into their eBay shop in 2010-12, Jomashop saw their sales on the platform grow by over 600% in just 19 months.



Jomashop store on eBay

I'd also add that eBay can also be seen as part of a sales funnel, and a way for customers like Jim to discover the company. These customers may end up shopping on the Jomashop website, potentially increasing purchase frequency, AOV, and lowering fees paid.

WHAT JOMASHOP DOES RIGHT AND SHOULD DO

There are a few things I think Jomashop already does well on eBay that are worth mentioning here before getting into recommendations.

The first is their use of eBay's Authenticity Guarantee program. For a grey market seller, trust is the biggest challenge. However, customers tend to trust eBay more than any third party seller, and using this feature costs very little to Jomashop compared to the benefits it brings them on the more expensive items.

Their listings are also well optimized, with quality titles, detailed descriptions, and a professional store design. This sounds basic, but the numbers from their 2010-2012 revamp tell you exactly how much it matters, with growth of over 600%. I understand that optimizing listings on eBay is not the most exciting aspect, but it definitely helps.

They also run a formal influencer and affiliate program, which drives awareness outside of eBay, but also builds trust.

Where I think Jomashop may be leaving money on the table is in two areas. The first is responding to negative feedback on eBay. With over 765,000 transactions, and despite their great track record, they still get negative feedback on their profile. That is a section that is very often read by first-time customers.

	1 month	6 months	12 months
Positive	1680	9444	13287
Neutral	10	49	69
Negative	7	56	89

Average for the last 12 months	
Accurate description ★★★★★ (1991)	Reasonable shipping cost ★★★★★ (3675)
Shipping speed ★★★★★ (3310)	Communication ★★★★★ (3367)

All received Feedback Received as buyer **Received as seller** Left for others

89 Feedback received (viewing 1-25) Revised feedback: 144 ⓘ
eBay automated feedback: 9071 ⓘ

☒ Show automated feedback ☐ Show only feedback with photos

Search Feedback received as seller with an item title or ID: ⓘ
e.g. Vintage 1970's Gibson Guitars

Rating type: Period: Sort By:

Negative (89) 12 Months Most relevant

FEEDBACK	FROM	WHEN
Item itself was ok but the original packaging was damaged -even on the inside. So it wasn't problem of shipping. They advertised a new item and sent it with the packaging already damaged. Jomashop is a big company, so they can afford to do this, this review won't affect them. I've messaged them directly, the answer was generic and haven't solved anything. Seems like they don't care. It was shipping from US to Europe - the return is way too complicated just for the packaging damage. Bittersweet.	6***2 (30★) US \$181.26 Verified purchase	Past month

Despite their overall very positive track record, the company seems to not respond to negative feedback

Responding to those comments, professionally and trying to help the customer rather than arguing, can improve the company's image. This matters especially with grey market sellers.

I have never personally ordered from Jomashop on eBay, so I cannot confirm whether they use packing inserts or not. But I hope they do. Now eBay's guidelines prohibit sellers from explicitly redirecting buyers to their own website, and for good reason. But sellers can still include a branded thank you note, or other material that does not say "go buy from us directly." However, it can indirectly build brand awareness that turns eBay buyers into more valuable DTC shoppers.

WHAT OTHERS CAN LEARN FROM JOMASHOP

The Jomashop story is interesting on its own, but the real value is in what it teaches brands and retailers, even those that have nothing to do with watches and the grey market.

The first lesson is to understand what causes friction in your business and, how to find ways to limit it. For Jomashop, the low prices attracted shoppers, but trust was the issue. Buyers wanted the deal but worried about authenticity, missing warranties, and the retailer reputation. Jomashop did a lot to address it. I find many companies attributing low conversion rates to bad customer targeting or difficult user interfaces. This can play its part, but sometimes the answer is deeper than that, and hard to see in the data. For example, for other companies, it could be decision paralysis from too many SKUs or confusion around sizing. These kill conversion rates, but can be addressed easily.

The second lesson is to not disregard a channel because of its reputation in other industries. Many companies would never consider eBay, sometimes for good reasons. Jomashop proves that this kind of thinking is lazy, and that perception in other industries is irrelevant if YOUR shoppers are there. eBay attracts people searching for great deals, not minding the unofficial channel. That fit was perfect, and works well for the company.

The third lesson is that a channel should be evaluated based on more than the revenue it generates directly. I don't have access to Jomashop financials, but I am sure that eBay does more than just adding revenues directly. For example, every positive review they get on eBay builds trust that also affects their website jomashop.com. A buyer who has never visited their website but sees 765000 transactions and a 99.3% positive rating is more likely to trust their website.

Managers who evaluate channels only based on direct revenue contribution are sometimes missing important benefits. Sometimes, the opposite thing happens: a channel looks great in term of pure revenues, but can damage the brand in other ways and should be avoided.

The fourth and final lesson is simple but worth mentioning here. Channel fit is not just for brands, but also for retailers, the same questions apply. Who is my customer? Where do they already shop? What does this channel say about my value proposition? Whether you make the product or just sell it, getting the channel fit right is key for long term competitiveness.

— FINAL WORDS

This case study was written with no affiliation with Jomashop or eBay. I had no access to internal data, financial documents, or strategic plans. Everything here is built on publicly available sources, including eBay seller success stories, market data, and customer reviews. Other analysts could reasonably reach different conclusions.

While I found the way Jomashop uses eBay fascinating, the lessons here apply well beyond grey market retail. Any brand or retailer dismissing a channel due to its image should reconsider, especially if this channel eliminates friction that slows down sales.

Finally, this analysis reflects what was known at the time of writing. Jomashop's distribution strategy will continue to evolve, but the strategic lessons here are valuable on the long term.