

BLACKTECHSTARTUP EDUCATION

Marketplace Capital Readiness: Liquidity, GMV, Take Rate & Repeat Transactions

Prove that supply and demand can reliably find each other, transact repeatedly and produce monetizable value—without confusing GMV with company revenue.

Marketplaces fail when one side looks large but the market cannot clear. a16z's marketplace frameworks distinguish GMV from marketplace revenue and emphasize metrics such as concentration, repeat behavior and take rate. Capital readiness requires more: define the unit of a match, show the funnel from intent to completed transaction, and prove liquidity by geography/category/time window rather than blending dead and healthy markets together.

Know what weak and strong look like

READINESS AREA	WEAK / DILIGENCE RISK	STRONG / INVESTOR-READY
GMV	Transaction volume presented as "revenue."	GMV, refunds/cancellations and company net revenue separated.
Take rate	Revenue ÷ top-line volume with inconsistent inclusions.	Net marketplace revenue ÷ eligible GMV under a documented definition.
Liquidity	Registered buyers/sellers count.	Search/request-to-match-to-completion rates plus time to match/fill by market.
Repeat	Total transactions divided by users.	Buyer and seller cohort repeat rates at defined intervals.
Balance	National totals hide local shortages.	Supply/demand density and failure reasons tracked by geography/category/time.

Define the marketplace transaction

Write exactly when GMV counts: booking, shipment, completed service, or another event. Decide how cancellations, refunds, taxes, tips, pass-through costs and failed transactions are treated.

Map the liquidity funnel

For demand: qualified request → relevant supply shown → response/match → booked → completed.
For supply: active provider → receives qualified demand → responds → wins → completes. Measure conversion and median time at each stage.

Segment liquidity

A marketplace can look liquid nationally while failing in every individual city. Cut metrics by market, category, day/time, price band or buyer type until the unit represents the actual matching constraint.

Measure repeat on both sides

A marketplace with repeat buyers but constantly replacing suppliers may be subsidizing a broken supply experience. Build acquisition cohorts and show transaction/GMV retention for both sides.

Audit subsidies and incentives

Separate organic marketplace economics from credits, guaranteed earnings, referral bonuses and paid acquisition. Report incentive spend per incremental completed transaction and whether retained cohorts stay healthy after incentives decline.

Run the diligence stress test before investors do

Do not rehearse an answer. Rehearse the evidence. Give yourself a short diligence window and try to produce the underlying records without rebuilding the story from memory. A clean result is reproducible, tied to a source system or signed document, and consistent with the numbers elsewhere in the company.

→ **GMV:** Put the underlying records on screen and prove this standard: GMV, refunds/cancellations and company net revenue separated. If the evidence still looks like this weak state—Transaction volume presented as “revenue.”—record the gap, name an owner and give it a due date instead of explaining it away.

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- **Take rate:** Put the underlying records on screen and prove this standard: $\text{Net marketplace revenue} \div \text{eligible GMV}$ under a documented definition. If the evidence still looks like this weak state— $\text{Revenue} \div \text{top-line volume}$ with inconsistent inclusions.—record the gap, name an owner and give it a due date instead of explaining it away.
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- **Liquidity:** Put the underlying records on screen and prove this standard: Search/request-to-match-to-completion rates plus time to match/fill by market. If the evidence still looks like this weak state—Registered buyers/sellers count.—record the gap, name an owner and give it a due date instead of explaining it away.
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- **Repeat:** Put the underlying records on screen and prove this standard: Buyer and seller cohort repeat rates at defined intervals. If the evidence still looks like this weak state— $\text{Total transactions} \div \text{users}$.—record the gap, name an owner and give it a due date instead of explaining it away.
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- **Balance:** Put the underlying records on screen and prove this standard: Supply/demand density and failure reasons tracked by geography/category/time. If the evidence still looks like this weak state—National totals hide local shortages.—record the gap, name an owner and give it a due date instead of explaining it away.
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Do the math investors will do

Core math: Take rate = $\text{marketplace net revenue} \div \text{eligible GMV}$. Fill rate = $\text{completed or accepted requests} \div \text{qualified requests}$, using a definition appropriate to the model. Example: \$2.0M completed GMV and \$300k marketplace revenue implies 15% take rate. If \$80k of that revenue is delivery/pass-through money with matching \$80k cost, investors need the net economic view—not a 19% “headline” take rate built on gross receipts.

Build the evidence investors can verify

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- ✓ Metric dictionary for GMV/revenue/take rate
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- ✓ Buyer and seller liquidity funnels
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- ✓ Fill/match rate and time-to-match by segment
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- ✓ Buyer/seller cohort repeat tables
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- ✓ GMV/revenue concentration
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✓ Subsidy/incentive schedule and post-incentive retention

✓ Unit economics per completed transaction

Questions an investor may ask

? Where is the marketplace truly liquid today?

? What percentage of qualified demand fails to transact and why?

? How much GMV comes from repeat buyers?

? What happens to liquidity if incentives fall by half?

? How concentrated is GMV among the top buyers and sellers?

30-day repair sprint

1 Days 1–5: lock GMV, revenue and transaction definitions.

2 Days 6–10: instrument request/match/book/complete events.

3 Days 11–15: build segment-level liquidity and time-to-match views.

4 Days 16–20: build buyer/seller repeat cohorts.

5 Days 21–25: reconcile take rate, refunds and incentives to financials.

6 Days 26–30: identify the two illiquid segments to fix or stop serving.

Research behind this guide

Use the primary and authoritative sources below to verify current rules, market conditions and technical guidance. Terms and regulations can change.

Andreessen Horowitz — 13 Metrics for Marketplace Companies



Andreessen Horowitz — Insider's Guide to Data Rooms



Amplitude — Cohort Retention Analysis



Stripe — Customer Lifetime Value



Important: This guide is educational information, not individualized legal, tax, investment, employment, security or compliance advice. For decisions with material legal or financial consequences, use a qualified professional who can review your facts.

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