

From Prototype to Product – Electronic Components Come Full Circle

Missy Hall, vice president of new market development, DigiKey

As a longtime leader in distributing electronic components, [DigiKey](#) now works with our customers to reach their customers. Historically, companies providing the components weren't the same ones also selling the final product. DigiKey is changing the game and supporting customers at all key touchpoints of the technology lifecycle: we've always had the components to build products, but now we're selling the finished product too.

The Changing Customer Landscape

Until a few years ago, DigiKey had focused on what went into a product versus selling the finished product. This full circle approach isn't something that had been done in the technology/electronic component industry. DigiKey saw a potential to be a partner that could enable designs through the sale of components as well as provide an online marketplace to sell the customer's finished products.

In 2019, DigiKey launched an [online marketplace](#) to create a repository for engineers, technicians and general consumers across all industries to fulfill electronics and technology product needs in one place. By expanding its product offerings, DigiKey could offer semi-finished and finished products such as single board computers, plug and play sensors, industrial robots and consumer tooling. It now has over 2 million products available.

Since the launch in 2019, more than 40,000 new customers have used DigiKey's Marketplace to make a purchase, resulting in more than \$25 million in sales. These initial results showcase the desire of DigiKey customers to not only buy traditional components, but to also utilize this growing sales platform for their finished products.

Being able to serve our customers in a new way for us, and frankly the industry, is exciting for DigiKey. Now we're not only a partner for their upstream process, but we can also be a sales chain partner for the finished product's journey to the end customer.

For customers and consumers, DigiKey's easy to use website and ordering process is no longer strictly used for B2B (business-to-business), but now being used as a B2C (business-to-consumer) marketplace, selling products for both business and personal use.

Full Circle Products

Many of the finished products on the DigiKey Marketplace likely had one or more components originally sourced from DigiKey. For example, a reel of LEDs shipped to a business customer could come back through the DigiKey website as a shop light fixture and be sold via Marketplace. Sometimes products can even enter and pass through DigiKey's doors multiple times in evolved forms.

Let's use the example of a Dremel tool. It started as a set of components (that we sell) that were then put on a board with a motor (that we sell) and after several steps it became a finished product – that we also sell.

To further explain this full circle of electronic components, here are a few real-world examples from DigiKey customers.

- [Coolgear Inc.](#), a longtime DigiKey customer and leading manufacturer of USB hubs, chargers, serial devices, adapters and cables, has seen success on DigiKey's Marketplace. For many years they had purchased components from DigiKey to put into their products and in 2019 they began selling their finished products on our Marketplace.
- [Omron Automation](#) is one of the world's leading suppliers of intelligent robots and industrial automation solutions. Inside their highly intelligent automated robots is a range of components including drivers, wires, semiconductors, sensors and discrete components -- all items that DigiKey is notorious for providing. With DigiKey's sales expansion to reach Automation customers, we can now offer customers Omron's advanced product line by offering more evolved products such as motors, controls, boards, industrial robots, safety products and more.
- [Jabil](#), a leading contract manufacturer is also taking advantage of the Marketplace platform with the addition of their 3D printing services. Their 3D printing and additive manufacturing service partnership with DigiKey allows them to reach a broader set of users and increase their value to both Jabil and DigiKey customers.

More than Components

Due to changing customer needs and interest, DigiKey continues to push into new areas of technology. Marketplace offerings go beyond components and related products and now includes Internet of Things (IoT) solutions, alternative energy, bare PCBs, tools to aid in industrial automation and more – selling virtually anything related to technology innovation.

For more on how DigiKey is helping customers through the entire technology lifecycle, visit www.digikey.com.

DigiKey is recognized as the global leader and continuous innovator in the cutting-edge commerce distribution of electronic components and automation products worldwide, providing more than 17.2 million components from over 2,800 quality name-brand manufacturers.