Building a Robust Digital Shelf Analytics Framework

Description

As the eCommerce industry continues to grow at an unprecedented pace, it has become crucial for businesses to stay ahead of the game and ensure their online presence is solid and competitive. It is like a race; if you stand still, you will be lapped by your competitors. It is essential to keep moving forward and adapting to the changing landscape to stay ahead of the competition. Building a robust **digital shelf analytics** framework is key to achieving this. The global big data and analytics market is expected to grow at a CAGR of 14.9% from 2023 to 2028, reaching USD 624.27 billion by 2028, according to EMR research.

The framework can help businesses gather valuable information about their products and competitors. In this blog, we will dive deep into digital shelf analytics. We will explore how it can benefit your business and provide actionable tips for building a solid framework.

Importance and benefits of digital shelf analytics for eCommerce brands

Digital shelf analytics boost eCommerce performance by providing valuable insights, enabling informed decision-making, and driving growth. Through advanced data collection and analysis, brands gain a deep understanding of customer behavior, preferences, and trends. For instance, brands can uncover actionable insights that inform marketing and product development strategies by analyzing customer interactions with product listings, reviews, and ratings. These insights go beyond surface-level understanding, allowing brands to effectively tailor their offerings to meet customer needs and preferences.

Benefits of Robust Digital Shelf Analytics Framework

- Competitive advantage
- Comprehensive view of KPIs
- Product listing optimization
- Issue identification and rectification

The benefits of a robust digital shelf analytics framework for ecommerce brands:

1. Competitive advantage: Monitoring competitor pricing, promotions, and product availability provides valuable insights that allow businesses to adjust their strategies and stay competitive in the market.

2. A comprehensive view of KPIs: The framework offers a holistic view of key performance indicators and benchmarks at each stage of digital shelf maturity. This evaluation helps businesses assess their measurement maturity and drive digital shelf optimization.

3. Product listing optimization: Businesses can optimize their product listings by analyzing search terms and consumer behavior. They can identify relevant keywords to include in listings and improve product descriptions to make them more appealing to consumers, boosting visibility and driving sales.

4. Issue identification and rectification: A digital shelf analytics framework helps businesses identify and address issues that hinder online sales. For example, if a product frequently goes out of stock, the framework helps determine the root cause and enables businesses to take corrective action to ensure consistent availability.

A robust digital shelf analytics framework empowers you by providing competitive insights, evaluating performance, optimizing product listings, and resolving sales hindrances. This framework is instrumental in enhancing online presence and driving revenue growth in the highly competitive ecommerce landscape.

Key Metrics and Data Points for Digital Shelf Analytics

To effectively measure the success of their products, businesses must understand the key metrics and data points associated with digital shelf analytics.

1. Stock Availability: This metric tracks the percentage of time your products are available for purchase on digital platforms. It helps identify **stock management** issues and ensure consistent availability to maximize sales opportunities.

2. Share of Search: Measures how frequently your brand or products appear in search results compared to competitors. It provides insights into your visibility and market share in search-driven e-commerce platforms.

3. Share of Shelf: Determines the percentage of the digital shelf occupied by your brand or products compared to competitors. It helps assess your positioning and identify opportunities to improve visibility and stand out.

4. Pricing: Monitoring pricing dynamics is crucial for optimizing sales. Analyzing pricing data, including your product's pricing relative to competitors and price changes over time, helps you evaluate price competitiveness and make informed pricing decisions.

5. Ratings and Reviews: Analyzing ratings and reviews for your products allows you to assess customer sentiment, identify improvement areas, and promptly respond to customer concerns.

6. Conversion Rate: Measures the percentage of visitors who purchase after visiting your product

page. Monitoring this metric helps you optimize content, imagery, and other factors influencing buying decisions.

7. Search Rank: Tracking your product's search ranking for relevant keywords is essential for improving visibility. Understanding your search rank helps you identify opportunities to enhance your position in search results and drive more organic traffic.

8. Content Quality: Assessing the quality of your product content, such as titles, descriptions, and images, is crucial for attracting and engaging customers. Optimizing content helps improve conversion rates and search performance.

9. Competitor Analysis: Benchmarking your performance against competitors provides insights into your market position. Analyzing competitor metrics helps identify areas for improvement, differentiate your offering, and stay competitive.

10. Market Trends: Keeping an eye on market trends, including category growth, emerging consumer preferences, and competitor strategies, helps you adapt your digital shelf strategy to meet evolving customer demands and stay ahead of the competition.

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Challenges and Solutions for E-commerce Brands Selling on Marketplaces

Selling on marketplaces poses unique challenges, but practical solutions exist to overcome them and maximize success. Let's explore these challenges and their solutions:

Challenge 1: Limited control over the marketplace platform

Marketplaces exert control over search rankings and product visibility, limiting the influence of brands on their digital shelf performance. However, brands can optimize the factors within their control:

Solution: Focus on optimizing product content and pricing. Craft compelling and accurate product descriptions, utilize high-quality images, and ensure competitive pricing. By providing valuable information and a competitive offer, brands can enhance their chances of visibility and conversions.

Challenge 2: Increasing Competition on Marketplaces

As more e-commerce brands flock to marketplaces, competition intensifies. To stand out from the crowd, brands need to differentiate themselves and attract customers:

Solution: Build strong customer relationships by providing excellent customer service. Engage with

customers, promptly address their queries and concerns, and encourage positive reviews. Invest in improving product content, including detailed specifications and informative descriptions. Additionally, leverage promotions and advertising to drive traffic to your digital shelf, increasing your visibility and enticing potential buyers.

Challenge 3: Managing multiple marketplace channels

Selling on multiple marketplaces can be complex, as each platform has its rules and guidelines. Keeping track of performance and optimizing strategies across different channels is essential:

Solution: Utilize analytics tools that consolidate data from multiple marketplaces. These tools provide a holistic view of your digital shelf performance, allowing you to identify trends, measure success, and make data-driven decisions. Centralizing data lets you streamline operations, manage inventory effectively, and allocate resources across various channels.

Challenge 4: Ensuring data accuracy and consistency

Maintaining accuracy and consistency can be challenging, with vast data to track and analyze. Errors or inconsistencies in product information can lead to confusion and decreased customer trust

Solution: Employ automated analytics tools that streamline data collection and analysis processes.These tools minimize human error, ensuring data accuracy and consistency across all channels. By automating data management, brands can focus on interpreting insights and implementing effective strategies to optimize their digital shelf performance.

Building a Robust Digital Shelf Analytics Framework

Investing in a digital shelf analytics framework is crucial for ecommerce businesses looking to remain competitive in the market. It allows them to gain insights into their product performance and optimize their strategies for pricing, content, search, and more. By using this framework, businesses can stay ahead of the game and achieve success in the digital shelf landscape. Here are the steps required for building a robust digital shelf analytics framework:

1. Define Key Performance Indicators (KPIs): The first step is identifying the key performance indicators you want to measure. These KPIs include search ranking, product reviews, availability, pricing, and customer satisfaction. For example, an eCommerce brand may want to track its products' search ranking on marketplaces like Amazon, Walmart, or eBay. They may also want to monitor product reviews to improve quality and customer satisfaction.

2. Collect Data: Once you have defined your KPIs, the next step is to collect the data. This can be done using web scraping tools or accessing the marketplace APIs. For example, a brand may

use web scraping tools to collect data on its product pricing, availability, and reviews from different marketplaces. They may also use APIs to collect product search ranking data.

3. Analyze the Data: After collecting the data, the next step is to analyze it. This involves cleaning, transforming, and visualizing the data to identify patterns and insights. For example, a brand may use data visualization tools to create charts and graphs that show their product's search ranking over time. They may also use data analysis tools to identify the reasons behind a decline in their product's search ranking.

4. Benchmark Performance: Once the data is analyzed, the next step is to benchmark your performance against your competitors. This can be done by comparing your KPIs with industry benchmarks or competitors. For example, a brand may compare its product's search ranking with its competitor's search ranking on different marketplaces.

5. Take Action: After benchmarking your performance, the final step is to take action based on the insights gained. This can include optimizing your product titles and descriptions, improving your product reviews, adjusting your pricing strategy, and enhancing your product availability. For example, a brand may optimize its product titles and descriptions to improve its product's search ranking. They may also adjust their pricing strategy to compete with their competitors.

Best practices for implementing a digital shelf analytics framework
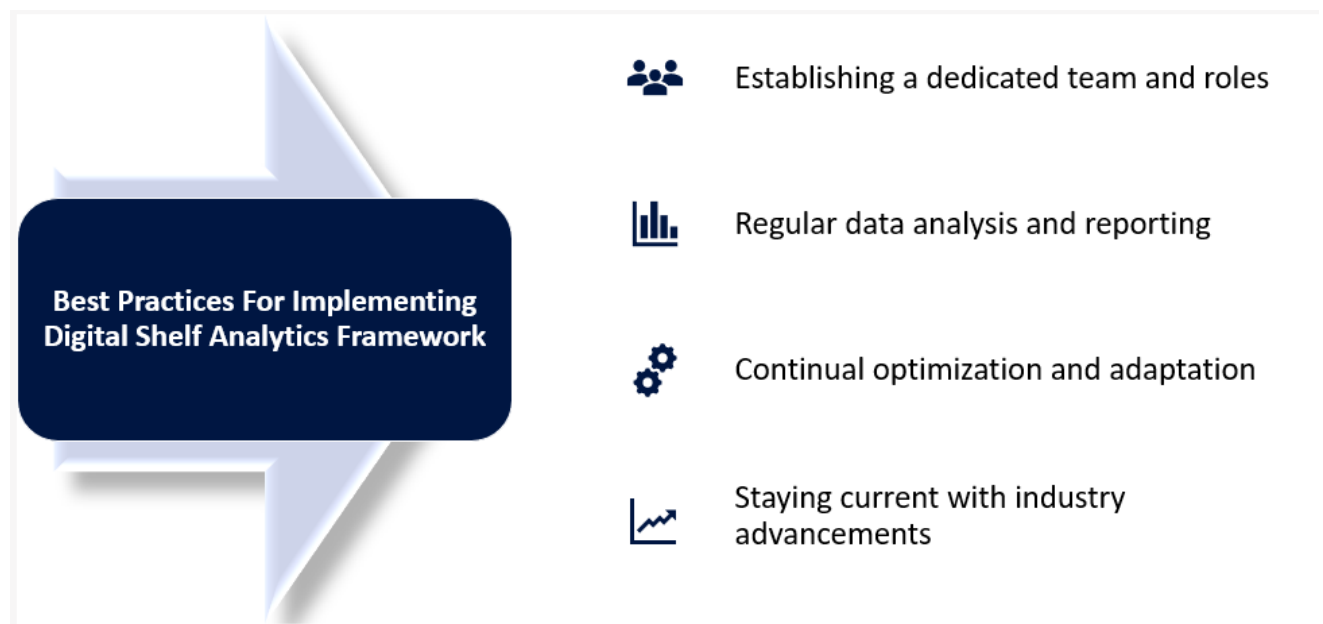
A. **Establishing a dedicated team and roles:** The team should include individuals with expertise in data analytics, eCommerce, and marketplace operations. They should collect, analyze, and report on the data to make informed business decisions.

B. Regular data analysis and reporting: This should be done regularly, such as weekly or monthly, to ensure that the data is up-to-date and relevant. The reports should be concise and easy to understand, highlighting the key insights and actionable items.

C. Continual optimization and adaptation: eCommerce is a dynamic and constantly evolving industry. Therefore, it is essential to continually optimize and adapt the digital shelf analytics framework to keep up with the latest trends and advancements. This may involve updating the KPIs, refining the data collection process, or adopting new tools and technologies.

D. Keeping up-to-date with industry trends and advancements: It is important to stay up-to-date with industry trends and advancements. This may involve attending industry conferences, following industry thought leaders, or collaborating with other eCommerce brands to share best practices.

Successful Implementation of Digital Shelf Analytics Framework

Example1.

A leading FMCG brand faced difficulty monitoring frequent price changes across multiple platforms and could not identify which seller changed the price first. With the help of a **digital shelf analytics tool**, it decided to leverage price tracking to analyze the inconsistent pricing of its products across channels for further growth strategies by leveraging a data-driven approach. By gaining visibility into which sellers are driving the price changes and understanding the impact of their own pricing decisions, the brand was able to identify areas of improvement and optimize its pricing strategy across all channels. This enabled them to remain competitive in the market and optimize the margins for their products.

Read more about it here.

Example 2.

The global consumer brand was a market leader in the offline space yet held a minuscule share online. They were unaware of their out-of-stock instances on the eCommerce channels on which they were selling their products, which led to sales loss. However, the brand revolutionized its approach by harnessing the power of a cutting-edge digital shelf analytics tool like Paxcom's Kinator. With this tool, they effectively monitored product availability, identified areas requiring enhancement, and optimized their inventory management practices. This strategic shift led to improved sales performance and a significant increase in their online market share.

Read more about it here.

Final Thoughts

With the right tools and technologies at your fingertips, you can gather valuable data and insights into consumer behavior, allowing you to optimize your product offerings and enhance your online presence.

By utilizing digital shelf analytics, you'll be able to improve your product visibility, attract more customers, and ultimately increase your revenue. Stay caught up in the competition; keep a constant eye on your digital shelf performance and adapt to the changing needs of your customers.

With a solid digital shelf analytics framework, you'll be well on your way to achieving eCommerce success. So why wait? Invest in your brand's future today and watch your sales soar. Contact us at info@paxcom.net.

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