

PRICE MONITORING SOFTWARE A BOON FOR ECOMMERCE SELLERS IN THEIR JOURNEY TO SUCCESS



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Description

Let us go back to the days when the physical stores and markets saw a humongous footfall. Shop hopping was a common trend, where buyers moved from store to store in search of a better deal. They would weigh the discounts and offers on the table and eventually purchase from the seller who offers the buyer the best bargain along with quality and assurance.

If the buyer is satisfied, he/she now knows who to visit should they wish to buy a similar product. What would you call this customer behaviour? Building Trust! Simply put, if the sellers are offering a good-quality product for a better deal, it's pretty obvious that the buyers will continue to visit them, communicating their further expectations at the same time.

Now, let us translate the same situation aligning it with the era of online buying and selling. With the trend picking up faster than we thought, people are happy purchasing goods online given the relatively

lowers prices attached with the coupon and freebies. However, not to forget, there are numerous online retailers that are utilizing the web space aggressively to mark a strong presence.

With this, buyers have to abide by the thumb rule of shopping, which is price monitoring and comparison. The difference is, it is a lot more easy to track prices in the age of the internet as compared to traditional shopping as now it is done with the comfort of just a few clicks. Buying through the internet combined with low-effort price comparisons opens the horizons for the purchasers to actively engage in grabbing the best deal.

At this point, sellers cannot be careless else they lose their market position in the blink of an eye. They must monitor prices as vigorously as their target audience is diligently skimming through websites in search of a jackpot. Therefore, in the upcoming section of this blog, we will discuss price monitoring in detail.

Defining Price Monitoring

With ever-evolving eCommerce, the fierce market competition allows only those players to survive and exist who brace themselves to sustain it and put a strong foot forward declaring that they are here to stay. What could be the differentiating factor for these players? Is it their audacity to turn their moments of failure into the road to success? To a large extent, yes.

However, there is another, rather more significant factor that sets them apart from their competitors – Price. These sellers keep a hawk-eye on the activities of their competitors, to set a price that gives them an edge. This activity is called Price Monitoring.

Price Monitoring is an extensive process. It involves defining your competitors, data mining, comprehensive analysis, creating reports and scrupulous strategizing to set a price that would define their level of profitability and would justify the product quality. If done manually, the likelihood of an erroneous outcome is very high. Here is when Price Monitoring Software come to play.



What are Price Monitoring Software?

Price Monitoring Software, simply put, are devices that are used to track the prices of the competitors. However, in the world of eCommerce, their role is way more extensive than just monitoring prices. Large data sets on market trends and competitors' pricing policies need an automated analysis, which lays immense stress on the importance of Price Monitoring Software.

With less of human intervention and more of machine-based analysis, Price Monitoring Software give accurate reports with regards to market dynamics, competition's approach towards increasing conversion and sales, and other useful insights that can essentially be used while creating a pricing strategy. Price Monitoring Software run a comprehensive analysis on historical as well as current data with precision to give the outcomes that are of dire use in constructing a winning strategy.

All-inclusive recommendations by Price Monitoring Software keep sellers abreast with the market trends as well as rivals' decisions. Let us discuss it further in the upcoming segment of this blog.

Price monitoring Software: Know your competitors to develop a competitive eCommerce pricing strategy



Target the right category and SKUs

When you are selling your product on a retail store, it is very important that you place your product in the right category. With exhaustive market analysis, you will gain insights that will help you target the right category. While conducting market analysis, you study the segments that your competitors are tapping to reach the right set of customers. You also review their SKUs to gather the key product information. Based on all the data that is accumulated by extensively studying your competitor, you can decide the perfect mix of consumer base that will bring in the desired revenue.

Constantly tracking the actions of your immediate competitors

The online retail market is highly competitive where survival of the fittest is the brands' modus operandi to sustain and be on the minds of their buyers. With the application of intelligence tools, they are taking profitable pricing decisions, rolling out customer-centric offers and discounts, experimenting with their [marketing strategies](#), adding new features to the product, launching new products, and even discontinuing the existing products.

They want to stay on the top of their game and be the most preferable seller for their buyer group. If you want to outrun your competitors, keep a track of their actions all-round the clock so that you also have a winning strategy.

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Product comparison

There are numerous manufacturers of a particular product in the market. However, every manufacturer is offering different features in their product. For example, where Adidas is producing running shoes with maximum cushioning providing immense support while running, Nike added the feature of supporting flat-foot to its shoes. Both shoe manufacturers are selling their products under the running shoe category, however, both of them are selling different kinds of shoes.

Now if a less established running manufacturer wants to build a market reputation, product comparison can pay off. Assessing [Nike](#) and Adidas product features gives it a fair idea of features that need to be processed and incorporated to make its shoes a high-selling product.

Take a deeper dive into the market

Comprehensive market analysis gives you a deeper knowledge of your sector. You move past your immediate competitors to know the new players entering the market, existing ones on the expansion mode, and those who have left the market. Studying your market thoroughly acts as your business guru imparting you the detailed dos and don'ts of sustenance.

You become aware of the best practices to adopt, faulty decisions taken by those who could not retain their market position, and mistakes that you should avoid to attain growth stability. In short, a comprehensive market analysis is about studying the market evolution to stay updated about changing trends, customer behaviour, product launches and shift in prices.

Automated insights and comparison reports

Online retailers often want to know the best-selling product in the market, its salient features, the most expensive products in the market, products falling under the affordable price range, and delisted products. A detailed report with all this information and other relevant data works as a key to developing a business growth strategy aligned perfectly with the business goals.

When you have a descriptive account of product comparison, price differences, customer expectations, and shifting trends, you tend to dynamically enhance your game plan for survival, sustenance, profitability, and market leadership.

Price Monitoring Software help you collect critical data that aids in keeping a track of competitors. Not only this, with these software you get an easy access to the past, present and future trends. When you have far-reaching and accurate information about market activities, it becomes very easy for you to quickly adapt to the trends and give your competitors a tough fight.

Using price monitoring tools to get an edge over your competitors: Major advantages



Know your customers

Customer behaviour keeps on changing, which makes it extremely important to stay aware of their expectations. If you fail to do so, you instantly lose on a share of the market. Price Monitoring software give you an opportunity to keep a track of your buyers' need and requirement so that you stay ahead of your competitor. They give a detailed view of trends that prevailed in past and the popular ones in the present basis which future buyer behaviour is easy to predict.

Product Differentiations

Amid a pool of vendors selling similar products online, you intend to stand out. This is possible only when your product seems better than your competitors to your target audience. Here product differentiation comes to play. Your product should possess a unique quality that other similar ones are lacking. Price is definitely a differentiating factor. However, if it is accompanied by a unique selling point, your market position strengthens.

Brand positioning

Brand positioning, in simple terms, is a technique that helps your brand create a distinct image in the minds of your target audience. Expanding on this, when your buyer group finds several sellers offering products similar to that of yours, they will search for the one that provides them with the highest value for the price they want to pay.

Here you have to elicit a unique brand image to invade the minds of your target audience. Align your

pricing strategy with your brand personality and product quality to place your business at a captivating position. Whether you are a seller of elite high-end products or sit under the affordable goods category, offer your customers the best value proposition.

Leveraging limited period offers to boost sales

Your customers are always on the lookout for the best deals. They will not refrain themselves from availing festival discounts, limited period offers, season-end sales, coupons, lightening deals, etc. Most of your competitors will leverage it to capture the inclination of your buyer group.

It is always good to stay alert and keep a hawk-eye on the market activities that involve offering discounted products. Keep a close watch on the price bargains your competitors are rolling out with the motive of devising a gainful discounting strategy. Offer lucrative deals to your buyers so that they hold on to you and stay ahead of the competition.

Build a reputation as a trusted vendor

Price variations are inevitable and so is the buyers' demand for product enhancement. You should encash it to remain a trusted vendor in the market. Use data analysis to record price changes based on which you decide the product value that is profitable for both you as well as your buyers. When it comes to product improvement, users spread the word faster than any other medium, thanks to practices like influencer blogging.

So, the moment you get to know that a similar product with cutting-edge features is taking over the market, modify your brand with features that keep it distinguished and unique. Product enhancement combined with the price that customers are willing to pay enables you to build a reputation as the trusted vendor.

Taking profitable pricing decisions

Price fluctuation is a reoccurring phenomenon in the market. At times you may face fierce competition that can encourage you to slash prices to the level where you do not lose your market share while making sufficient profit. There is also a possibility that there is no match for the product you are selling and you hold the position of the most preferred supplier in the market. In this case, you can increase the prices but only up to the level that prevents new players from taking over. Either way, you must monitor prices in order to devise a pricing strategy that generates profit while furnishing customer satisfaction.

Higher accuracy and reduced human intervention

Human resources are indispensable assets of a business. However, leaving the task of analysing large pricing data on them can be risky as this can increase the chances of error and result in lower ROI. Since accuracy while data analysis is the key to making the right pricing decisions, implementing price monitoring software becomes important.

These software furnish accuracy, lower the chances of errors significantly and increase ROI. Deploying price monitoring tools just means reduced human intervention, not eradicating it completely as a

certain skill-set and expertise is critical to operating them smoothly.

Conclusion – Price monitoring to increase conversions



While competing in the online retail landscape, your ultimate goal is to increase conversions. When you know your market and target audience well you can motivate them to visit your product page, provide them with the information that serves their purpose, set prices they find lucrative and eventually, urge them to buy your product.

The entire journey of page visits to conversion when supported by price monitoring software takes you closer to your goal relatively faster. And, with the help of insights based on regular price analysis, you successfully cut through the competition treading towards capturing a higher position, retaining existing customers and attracting new ones.

Paxcom – Bringing you closer to the success you desire through price monitoring

Paxcom actively monitors market trends for its customers using Kinator – its proprietary software. This data analytics tool delivers insights that have helped brands take profitable pricing decisions. It analyzes data from all the [eCommerce platforms](#) across multiple geographies and languages to deliver relevant information based on which brands managed to strategize their way across the borders.

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