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ECOMMERCE PRICE INTELLIGENCE : WHY DO YOU NEED IT ?



eCommerce Price Intelligence: Why Do You Need It?

Description

The eCommerce landscape has witnessed explosive growth, paralleled by a significant surge in the percentage of consumers shopping online. In this dynamic digital marketplace, one critical factor reigns supreme: **price intelligence**.

Data suggests that a potential customer visits three websites before making a final decision. A slight improvement in the price sometimes contributes to over 10% of the profit and margins.

Just like customers prefer to visit multiple offline stores before making a purchase, Online consumers make the purchase where they get the best deal. As per Shopify's report, it has been identified that about 74% of consumers make purchase decisions based on pricing. Thus, having a staunch pricing strategy makes the brand stand out from its competition.

E-commerce brands must adopt a transparent pricing policy across all platforms in this landscape. Transparent pricing is the bedrock for building trust and fostering consumer loyalty. It facilitates effortless price comparisons, enabling informed purchasing decisions. Moreover, it mitigates consumer confusion and frustration, averting negative reviews and lost sales. In sum, embracing price intelligence and transparent pricing is the key to cultivating consumer loyalty and fostering repeat business.

About Price Intelligence

[Price intelligence](#) involves systematically gathering and analyzing data related to prices, promotions, and various pricing factors for products and services. This data-driven practice empowers eCommerce businesses to make informed decisions, maintain their competitive edge, and optimize revenue streams.

Price intelligence isn't just about setting a price and hoping for the best; it's a dynamic process that provides valuable insights. It allows businesses to track prices across multiple channels, encompassing their own websites and prominent eCommerce platforms like Amazon and eBay. Additionally, it facilitates monitoring competitors' product prices, identifies market trends, and detects real-time price fluctuations. This process equips decision-makers with the knowledge needed to adjust pricing strategies based on prevailing market conditions and emerging trends, fostering long-term growth and positioning your brand ahead of the competition.

Imagine having a finger on the market's pulse, ready to seize opportunities and make informed, on-the-fly decisions. That's the magic of price intelligence. It empowers us to align our product pricing with the current market, promoting short-term gains and long-term growth, ultimately granting us a coveted edge over the competition.

This is where competitive pricing and product pricing strategies take center stage, propelling our brand to new heights. This blog spotlights price intelligence, a technological marvel with transformative potential for your business.

While free shipping is a common tactic, price intelligence operates differently. It's a multifaceted symphony, harmonizing market trends, consumer behavior, and price fluctuations into a strategic masterpiece. This symphony is the pulse of modern eCommerce success.

Importance of Pricing Intelligence Tools

Pricing could be highly complicated if not kept track of properly. Even being a few hours behind a significant price change can result in widespread losses for a corporation.

“Giant eCommerce Marketplace, Amazon constantly monitors its pricing and resets rates every 10 minutes to ensure it's the lowest.”

Pricing in the retail industry is critical as it can affect the factors driving sales and profits. Price comparison tools have made customers extremely sensitive to purchasing without evaluating prices online or offline. That is why it becomes imperative to incorporate a reliable pricing strategy and target an accurate set of audiences suited for the process. Below are the key highlights that help you understand the importance of Price Intelligence.

- **Automating data collection:** Pricing intelligence tools automate the process of data collection, making it easier for eCommerce businesses to gather and analyze data on prices, promotions, and other pricing-related information. This can save businesses time and resources and allow them to focus on making data-driven pricing decisions.

- **Identifying trends and detecting price changes:** Pricing intelligence tools can help e-commerce businesses identify trends in pricing and promotions and detect price changes in real-time. This can help businesses stay competitive and respond quickly to changes in the market.

The e-commerce space is huge; thus, monitoring the price regularly requires an hour. Having proper visibility and competitive pricing helps track SKUs across platforms and marketplaces. The tracked data makes it easy to keep track of regulated prices and close loopholes for promotional claims. This way, the [tool](#) acts as a catalyst for your brand.

Risks the process holds

Before diving into the benefits of Price Intelligence, it is important to look at the risks associated with the process. These risks can impact your business in a number of ways, ranging from revenues to losses if analyzed incorrectly. It goes without saying, that Data can make or break a business, depending on how it is used. Thus, it is advisable to analyse the data professionally and seek training to avoid further inconveniences.

Let us look at the risks that need to be taken care of.

- **Competition**

Analysis helps to leverage the price choice and determine the ranking and visibility of the products as well. Ranking right at a place similar to your competitors eases the intelligence approach.

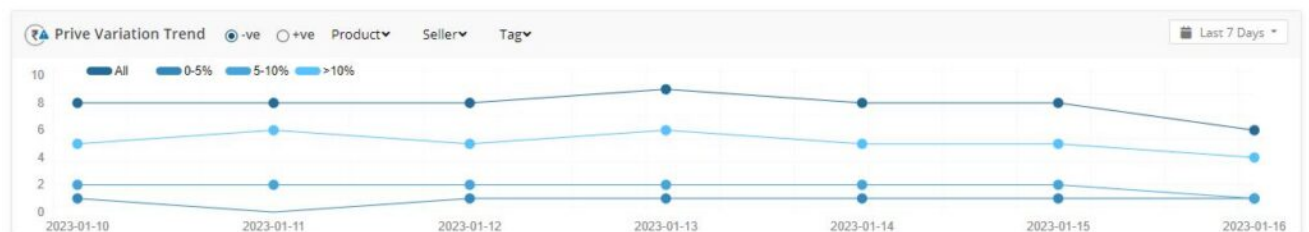
- **Tracking Unauthorised Sellers and Price Variations**

authorised and unauthorised price tracking

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Authorised and Unauthorised Price Tracking

It is necessary to gather the information because the brand needs to be aware of rivals' sales of comparable goods. The products need to be evaluated on several parameters, like their description, pricing, similarity, differences, and what threat they could pose to your product(s). Automation can aid the evaluation, and a human review will follow to ensure the information gathered is pertinent.



Price Variation Trend

Look at how [active price variation](#) helped the brand identify major pitfalls, such as unauthorized sellers, and formulate a solid pricing strategy.

- **Reading The Data Right**

Keeping track of your product's data along with your competitors' helps understand and predict consumers' buying behavior. The collated data further helps in forming a price strategy and aids the brand in assessing the risks or threats that both direct and indirect competitors could pose.

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Benefits of Price Intelligence

benefits of price intelligence

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Benefits of Price Intelligence

Customers tend to do some virtual window shopping, visiting three to four different websites or channels before making their final purchase—a bit like test-driving several cars before choosing one. That's where [Price Intelligence](#) steps in, offering a toolkit of benefits to boost your business.

Think of it as having access to essential data points, much like a GPS for your pricing strategy. Just as a GPS guides you through various routes to reach your destination efficiently, Price Intelligence helps navigate the complex terrain of online pricing. As we delve into the world of Price Intelligence, let's explore some of its key benefits—akin to understanding how specific fuel additives can improve your car's mileage and performance.

1. Increased Profit

Monitoring helps to get an idea of market prices and provides a better insight into boosting the strategies further. The only way to stand out among the competitors is to price it so that the product looks more enticing.

You must use the right algorithms for your product to land on the right markets and websites. Once your product shows up, traffic flows to your website, resulting in better conversions.

You need to display your product to make it look attractive and leave a positive impression in the consumer's mind.

2. Improved Marketing Efforts and Customer Satisfaction

Price intelligence can also help eCommerce businesses improve their marketing efforts and increase customer satisfaction by providing valuable insights into consumer behavior and market trends.

For example, an eCommerce business can use price intelligence to gather data on the most popular products and search terms in their market, allowing them to create targeted marketing campaigns that

will resonate with their audience. By monitoring competitor prices and promotions, businesses can identify areas where they can offer unique value to customers, such as lower prices or a more comprehensive selection of products. This can attract and retain customers, leading to increased customer satisfaction.

Discover how Paxcom helped a personal care brand [scale its sales on Amazon by 35%](#).

3. Better Budgeting and Forecasting

An eCommerce business can use price intelligence to gather historical data on [competitor pricing](#), including information on price changes and promotions. This data can be analyzed to identify trends and patterns, such as seasonal fluctuations or changes in pricing strategy.

Understanding these trends and patterns helps eCommerce businesses make more accurate budgeting and forecasting decisions. If the business knows that competitors typically run promotions during the holiday season, it can budget and plan accordingly.

Additionally, eCommerce businesses can use this data to predict future pricing trends and adjust their pricing strategy to stay competitive. For example, if competitors gradually increase their prices, they can anticipate this trend and adjust their prices accordingly to maintain a competitive advantage.

In this way, price intelligence can help eCommerce businesses optimize their financial performance by giving them the information they need to make more informed budgeting and forecasting decisions.

4. Improved Margins

By monitoring competitor prices, businesses can ensure they are not pricing themselves too low and leaving money on the table, and they can adjust prices accordingly to optimize their margins.

For example, an eCommerce business that sells clothing may gather data on competitor pricing for similar products and discover that they are pricing their items lower than the market average. They can then adjust their prices to align with the competition while offering competitive prices to attract customers. Similarly, businesses with products with a high margin can use [price intelligence](#) to monitor their competition and avoid undercutting. This allows them to maintain high margins while remaining competitive.

Businesses can also identify areas with [pricing flexibility](#), such as products with lower demand or higher costs. They can then adjust their prices accordingly to maximize profits on these products.

5. Generative AI and Price Intelligence

Undoubtedly, AI has taken over the eCommerce industry, and generative AI is one of its core components. We can help you create pricing strategies tailored to your business goals and needs. Our [software](#), Kinator, is designed to be easy to use and integrate into your existing systems to help you make data-driven decisions. Combining these two forces will give your business a competitive edge.

CONCLUSION

eCommerce price intelligence is an essential tool for businesses looking to stay competitive in the fast-

paced world of online sales. By monitoring and analyzing the prices of products across multiple e-commerce platforms, businesses can gain valuable insights into market trends, identify opportunities to increase profits and stay ahead of the competition. With the right price intelligence solution in place, businesses can make data-driven decisions that will help them increase sales and improve their bottom line.

Businesses should be dedicated to their consumers and stay aligned with trends to level up. Rather than spending hours on complex manual pricing tasks, Paxcom offers the perfect solution to help you automate the business process.

Contact us at info@paxcom.net or [fill out the form](#) to learn more about how we can help you draft accurate pricing strategies for your business.

[Enquire Now](#)