Optimize product offerings based on data

Earlier, you learned about the key metrics used to evaluate product performance. Now it's time to apply the insights from this data to make changes that can improve a product's performance. Product analytics can help companies increase the number of sales for a product, discover new product ideas, and decide which SKUs to retire, or stop selling.

Increasing the number of sales for a product

In order to increase the number of sales for a product, a company needs to make changes to improve key metrics, such as the number of product views and the product conversion rate. Below are a few ways that a company can improve these two metrics.

Increasing the number of product views

The number of times a product is viewed indicates whether visitors are interested in buying that product. If a product has a low number of product views, visitors might not be able to find the product on the site. Or, visitors might not be interested in buying that type of product.

If a product has a low number of product views, a company can try to increase views by making it easier to find the product on their website. If this strategy doesn't work, it may mean that customers aren't interested in the product. In that case, it could be time to stop selling the product on the website, or "retire the SKU," as it's often called in e-commerce.

Here are some changes a company could make to try to increase the number of product views:

- Make sure the product is included in the navigation menu in the place(s) a visitor might expect to find it.
- Make sure the product is displaying in the search results on the website.
- Feature the product in a more prominent place on the website, such as the homepage or category page.
- Include the product in the product recommendations engine.
- Highlight the product in email marketing, social media, and advertising campaigns.
- Bundle the product with a related product that has strong sales—for example, a bicycle and helmet package.

Increasing the product conversion rate

The **product conversion rate** is the percentage of customers who purchase a product after viewing it. If the company's goal is to increase the product conversion rate, they can make changes to the product page that might encourage more customers to buy the product.

Here are some change the company could make to their product pages to try to increase the conversion rate:

- **Improve the product images:**
  - Use high-quality product photos.
  - Allow customers to zoom in on the photo for more detail.
  - Include photos of the product from multiple angles and in all available colors.
  - Include a photo of the packaging, if it features information about the product.
  - Include a photo of the product in use.
- **Upload product videos:**
  - Add videos that demonstrate the product in use.
  - Include a video that features a 360-degree view of the product.
  - Include instructional videos, if applicable.
- **Update the product description:**
  - Highlight the benefits and features of the product.
  - List any technical specifications, such as product size and weight.
  - Include a size chart, if applicable.
  - Use a comparison chart to explain the difference between similar products.
- **Increase the number of product reviews:**
  - Enable product reviews, if the store doesn't currently have product reviews on the website.
  - Encourage customers to review products by sending an email request after the customer receives their product.
- **Consider pricing:**
  - Make sure the price of the product is competitive when compared to similar products in the market.
  - If the product is priced too low, customers may question the quality of the product.
  - If the product is priced too high, it may cost more than customers are willing to spend on this type of product.

Discovering new product ideas

Product analytics can help a business make changes to improve a product's performance. It can also provide insight into new products that might perform well on the site.

One way to find new product ideas is to analyze the keywords customers use to search on the website. If a lot of customers search for a product that the store doesn't currently sell, it may be time to consider adding that product to the website. Keep in mind that the company will also need to do product research to determine if the product is worth selling. One method for researching products is to reference the best sellers report in Google Merchant Center, which provides information about the most popular brands and products used in Shopping ads and free listings.

Another way to find new product ideas is to figure out which products are the best-sellers on the company's website. Then use those products to brainstorm ideas for related products that customers might also be interested in buying.

For example, if a store sells a lot of mattresses, customers might also want to buy sheets, pillows, a mattress pad, or a bed frame from the same store. Product research can help companies determine the demand and **viability**—or sales potential—for these products. They can also gather data by conducting surveys or interviews with customers to find out if they are interested in buying these types of products.

If the company typically sources products and handles the shipping and fulfillment process in-house, they might consider dropshipping the new product to test out the product's performance before committing to a supply of inventory. Or, the company could start out by purchasing a limited supply of inventory to avoid the risk of **dead stock**, which is inventory that remains unsold for a long period of time and has little chance of selling in the future.

Deciding which SKUs to retire

Even after making changes to the product detail page and website, sometimes a product's performance doesn't improve—or, it doesn't improve enough to make the product worth selling. In that case, it may be time to retire the SKU.

In some cases, retiring a SKU might mean continuing to sell the product but no longer offering a certain variation, such as a specific color. For example, if a company sells a lunch box that comes in multiple colors, and lots of customers buy the blue lunch box but very few customers buy the green lunch box, they might choose to continue selling the lunch box but retire the green SKU.

Retiring SKUs that are underperforming can free up more time to focus on products that customers really want. No one can predict for sure how a product will perform before it's launched. If it turns out that a SKU doesn't perform well, despite the effort put into it, then it's better to retire the SKU than continue trying to sell a product that isn't adding value to the business.

Key takeaways

Product analytics can help companies discover how to optimize product offerings based on data. Insights from this data can help companies increase the performance of a product, discover new product ideas, and decide which SKUs to retire.

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