GoodData

The evolution of ecommerce analytics

A guide to not getting left behind

Today's ecommerce market

The transformation in consumer demand, in part due to the current global pandemic, paired with access to technology, has fuelled a rapid and sustained growth in the global e-commerce sector. What was once a market populated primarily with smaller eshops connected to brick-and-mortar stores has evolved into a market dominated by ecommerce marketplaces. Brands now sell more and more via ecommerce platforms relying on data to track consumer trends, market developments and more, in order to maximize their revenue.

Collecting data is the easy part. Drawing insights and actions from the mass of data is where the struggle lies and where invariably the potential for growth can be found. The level of data collected and the sophistication needed to process it can be broken down into 3 main levels.

In this ebook, you'll find the key criteria you should be considering in embracing and utilizing data analytics in order to continue growing your ecommerce organisation.

Web analytics

The starting point of data analytics, that almost every e-commerce business uses, is that of web analytics.

Web analytics, Google Analytics being a popular example, gives eshops insight into how their website is performing - the what, why, when and how. It gives them the ability to evaluate how marketing campaigns are performing, how people are navigating their platform and which products are popular, to name a few.

Some of the main web page performance metrics that are commonly tracked include:

▸ Bounce rates
▸ Buyer journeys
▸ Transactions
▸ Revenue
▸ Conversion rate

▸ Cost per acquisition
▸ Product revenue
▸ Product quantity
▸ Cart-to-detail rate
▸ Buy-to-detail rate

These metrics are all of course invaluable in understanding how the business is performing, or at least to an extent. While this level of analytics is clearly helpful, it is very much the bare minimum.

> Much like excel spreadsheets of monthly sales figures, web analytics is no longer sufficient to run a successful ecommerce organization.

Dashboards with company data

More and more systems, more and more data. It's a popular scenario. As any well-established company finds, each department has their own set of systems. For example, Finance is using one platform, Sales is using one CRM system, while customer support uses something else, the order fulfillment side of things needs a separate ERP system… And the list goes on. While it's possible to function with lists of different tools and scattered data, it's certainly not efficient.

> It's at this level of a company's analytical journey where things tend to get messy, and the need for one central analytics solution becomes more and more apparent.
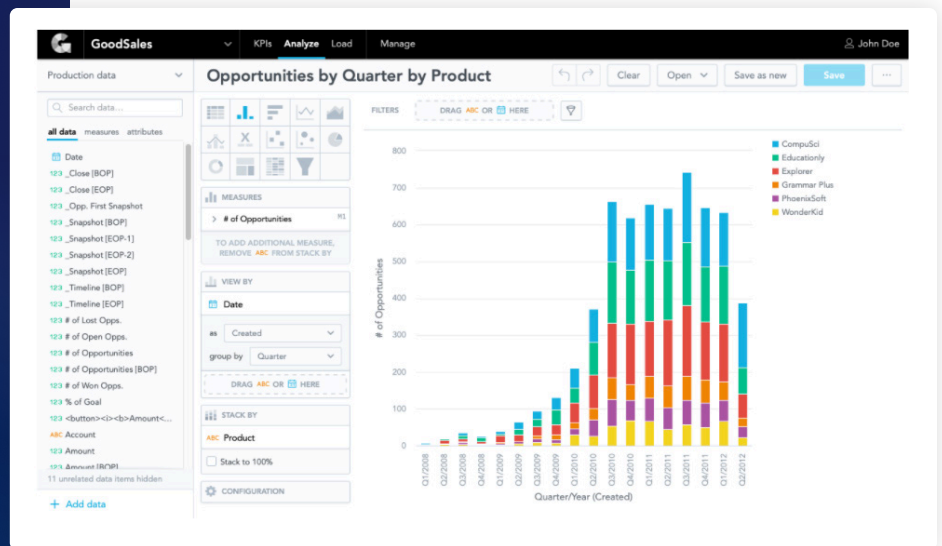
By employing one analytics platform, you are able to store all the data from multiple sources in one central repository, providing the relevant access to each department. This not only keeps your data clean, a single source of truth so to speak, but also improves the productivity and smooth running of your organization, easily allowing each department to communicate and share data with one another.

Further, the ease of access empowers each user, no matter their technical ability (or lack thereof), to get the most out of the data available to them. It gives them the ability to create their own reports and dashboards, ones that are most useful and relevant to their needs.

> A self-service analytics approach helps the entire organization to make informed decisions, and in turn, helps to drive it forwards.

Sharing data with your business partners

Once you have a handle on your internal data, with each team having easy access to the information they need, the next logical step is to bring these benefits to your external brands and suppliers.

Gone are the days of sharing a monthly pdf, excel or CSV sales report, with data like: monthly revenue, best performing product category and so on. Reports that become quickly out-of-date, almost the instant they are sent. Brands and suppliers need something actionable, giving them the ability to react to market changes, sales trends and customer behaviour, keeping them ahead of the curve.

Direct access to accurate data

With the right analytics tool, data can be viewed in real-time not only by internal teams, but pushed out to brands and suppliers. This data can be made available directly through the brand portal, giving them access to reliable and accurate data and allowing them to react quickly to sales trends and shifts in the market, thus letting them capitalize on these changes.

This can be achieved with an analytics solution able to deliver customer behaviour, product and sales data, and more, straight to them. All in a quick and cost-effective solution that doesn't compromise their privacy or data security.

The flow of data should be automated, with the ability for your brands and suppliers to customize and create their own reports and dashboards for any specific trend or problem area. This frees up your departments from having to create ad-hoc reports for your suppliers, and empowers them with a self-service analytics solution, to help drive their business forwards, and yours in turn.

Maximize and monetize

By supplying easily accessible data insights to your brands you can help streamline your business as well as maximize revenue and profit margins.

With access to data, your brands can react to market trends, optimize product return rates and ultimately improve their bottom line. This helps improve their performance on your platform, increasing loyalty as well as attracting new brands and suppliers.

Not only can delivering analytics externally, help maximize your business growth, promoting customer retention along the way, it can also open up an entirely new revenue stream.

By packaging data analytics into free and paid plans for your brands, you can provide different levels of data analytics insights sophistication. For example, your Free plan could deliver a set of basic customizable reports consisting of the most essential performance statistics (sales figures, return rates, stock trends), while the Paid plan could deliver more in-depth insights.
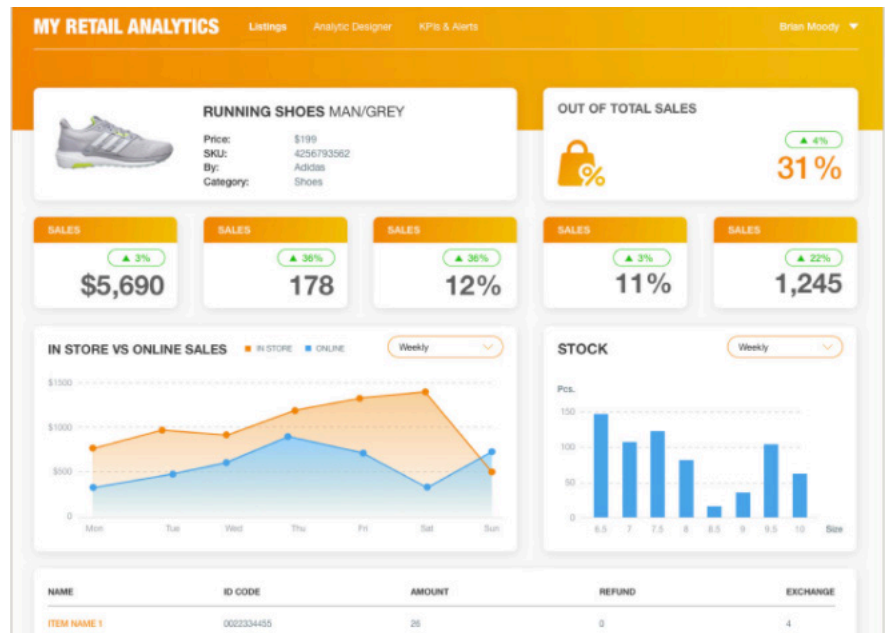
Free tier - Product insights

This encourages your brands to fuel their success with data while monetizing this extra service. You bring in more revenue and your brands have access to more data, letting them further streamline their product offerings.
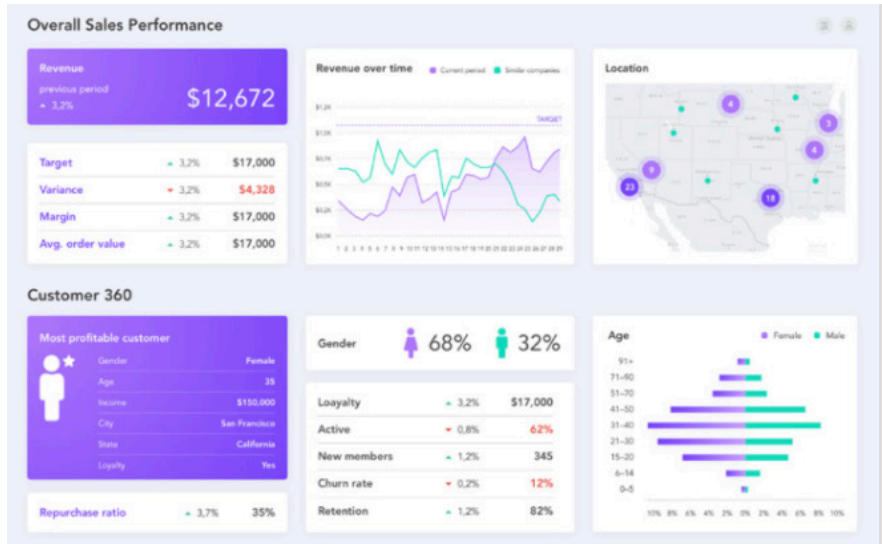
Pad tier - In-depth sales & marketing insights

▶ **zalando**

For a real-world example, read **this customer success story** to see how Zalando, Europe's leading e-commerce platform, has used self-service analytics in order to provide its brand partners with key data insights, and in turn drive revenue growth and customer retention.

The solution

The concept of delivering analytics both internally and externally is fairly straightforward, but finding the right solution, one that is up-to-task not only now, but inline with the growing needs of your company in the future, is a more difficult endeavour.

Much like with any technology, what is sufficient or even ahead of the curve today becomes swiftly outdated tomorrow. And it's this obvious yet key statement that underlines the need for a dynamic analytics solution.

In-house or off-the-shelf?

As the needs of the company become more complex, a one-size-fits-all analytics solution starts to struggle to meet those needs, particularly when you want to extend internal analytics to external partners.

And it's at this point where the following question needs to be asked: Do we build analytics inhouse, or do we find a 3rd party solution tailored specifically to our needs?

While building in-house is a tempting proposition, the resources, time and costs involved can be prohibitive. With a third-party analytics platform, you get a solution tailored to your exact needs, letting you focus on growing your ecommerce business.

When searching for the right analytics platform, be sure to take the following parameters into account.

First and foremost, you need a platform whose architecture is built to enable fast, cost-efficient and fully customizable scaling of embedded reports and dashboards to hundreds or thousands of independent brands and suppliers.

Workspaces

To achieve these lofty expectations, the analytics solution should be based on workspaces.

Workspaces, or analytics containers, separate all the analytical data for each brand or internal team, while containing everything needed to create dashboards, vizulations and data insights for 10s, 100s or 1000s of users.
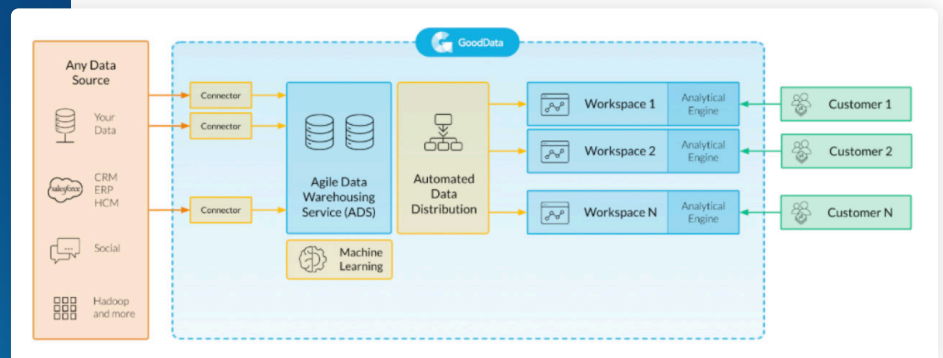
Providing these separate workspaces for each one of your brands enables full customization of their analytics experience while ensuring data privacy and security aren't compromised.

Further, in order to keep up with the rapidly evolving e-commerce sector, your analytics solution has to be able to match the rapid pace of change. It should allow your organization to keep up, by letting you roll out new versions of analytics to all, or select, brands without affecting their individual custom settings.

With the above in mind, a fully customizable experience for your brands should also be top of your agenda.

The ability to provide customizable data-driven insights to each of them ensures they get just the information they need, presented in a way that's most understandable to them and their audience of users, both the technical and non-technical.

The question to ask then is, how does the solution go about delivering these customizable data-driven insights? And the answer lies within the data model.

The semantic data model

With a semantic data model, as opposed to an SQL data model, data elements and their relationships can all be easily defined as well as their properties and data type, with the metrics being reusable and context aware. In simple terms, the semantic model forms the foundations of dashboards and reports, with each workspace having its own data model. Thus, each workspace is kept entirely separate from the next, while users within a given workspace can customize reports and dashboards without affecting other users' data or personal settings and preferences.
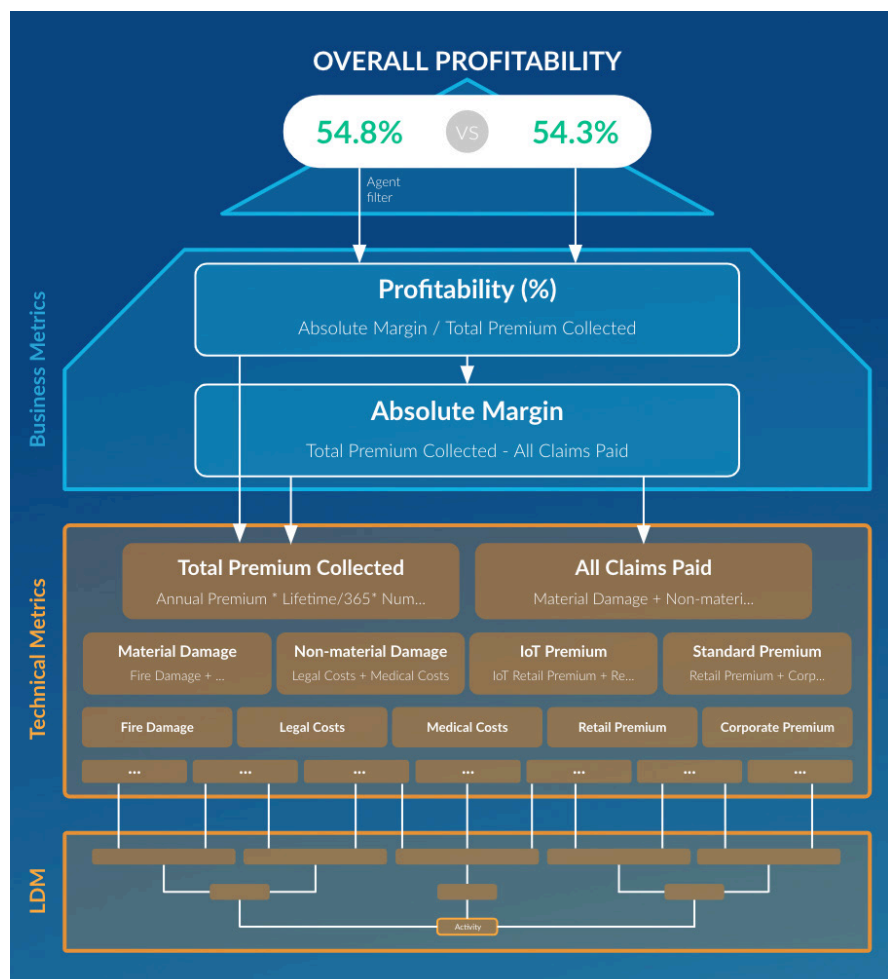
And thanks to its architecture, non-technical users are guided to the correct results based on the information in the semantic data model. Meaning, even novice users experience an intuitive straightforward data analytics environment.

The key takeaways

So, in order to really reap the benefits of all that data, consider the following key takeaways:

1. Sustained growth is not possible with web analytics alone
2. Internal analytics can greatly streamline any large organisation's workflow, but it alone is no longer a differentiator
3. To stay at the peak of the curve, share key data with brands in an easily navigable self-service package
4. Find a solution with the architecture, flexibility and scalability to stay ahead of the competition today and tomorrow

Starting with GoodData

Want to find out more about how the GoodData platform can help you drive forward your ecommerce business? Request a demo and let our experts take you on a guided tour of the GoodData platform. They'll help you discover its rich feature set, ease of implementation and unparalleled performance, as well as answer your questions.