



The End of Digital Overwhelm:

5 Questions Your Data
Intelligence Should Be
Able to Answer

1010DATA |  **BRANDSTUDIO**

Custom content for 1010Data by **Retail Dive's Brand Studio**

Introduction

If there's a word that sums up the modern retail customer's experience, it's choice. When the time comes to make a purchase, today's shopper can choose from thousands of products and hundreds of retailers, both online and off, established and new. But as the customer decision journey expands to include new technologies, touchpoints, and marketplaces,¹ most approaches to eCommerce intelligence either offer too much or too little information to be useful – leaving organizations overwhelmed, uninformed, or both.

“Many brands are looking at the same retail POS data they were looking at 20 years ago,” says Frank Riva, vice president, growth marketing & demand generation at 1010data. “This is important data, but it doesn’t take into

account the fact that longitudinal eCommerce data is a better predictor of consumer trends. It captures customers using leading-edge technology to try new things, new markets, and new ways of buying. If you’re not looking at eCommerce data, you’re just looking in the rear view mirror, and you won’t be able to look further down the road ahead of you.”

Your data intelligence should help you make better, faster, more confident decisions about how consumers engage with your products today and tomorrow. But it can only do that when it offers a comprehensive and current look at actual customer behavior. Here are five questions your eCommerce intelligence should be able to answer in order to make your online marketing efforts strategic and effective.





Question #1:

Where do we stand against our competition?

Thanks to traditional POS data, you can be confident about where your brand stands against your competitors in the brick-and-mortar retail space. But when you consider how quickly eCommerce marketplaces are growing – like the fact that the online grocery space has more than tripled in the past three years and is expected to quadruple in the next five² – it's easy to see why it's so important to capture that performance intelligence in the online space, especially when that data is more detailed than what brick-and-mortar retailers can report.

“The most powerful thing about online longitudinal data is you can capture all behavior surrounding a purchase,” says Andy Mantis, Chief Business Officer 1010reveal at 1010data. “If a customer goes into a store and picks up a box of cereal, but then puts it back and selects a different box, you’re not seeing that in your POS data. But online, you can see that someone went to your website and looked at an item, then looked at a competitor’s item, then went to a third website to add four more items and complete the purchase. You can see where you lost the sale and why.”

Detailed performance measurement data fills out the picture of online customer behavior while also capturing baseline information about where you stand in the market. This adds important perspective to internal metrics, allowing you to clearly compare your performance to your competitors' to understand whether or not your growth rate matches or beats the market. You can then bring an informed perspective to important questions, such as "Why are we losing to the competitor?" and "What's giving them the edge on this particular marketplace?"



“Our eCommerce intelligence allows us to understand our market share and where we are winning and losing against the competition. With access to consistent insights across brands and retailers, we’ve been able to understand how eCommerce sales differ from brick-and-mortar and make positive changes in promoting and discussing future spend in different categories on e-retailers like Amazon and Walmart.com. As a result, we’ve been able to grow our business significantly.”

- Brian Oeschger, manager of insights/customer development at Amazon - Nestlé Waters North America

Question #2:

Where will up-and-coming threats come from?



There's a reason emerging brands do so well in the eCommerce space – a low barrier to entry and high customer demand for niche lifestyle products means even major brands can find their category dominance threatened online. In fact, recent reports show that since 2013, more than \$17 billion CPG sales have shifted from large players to “extra small” brands that generate an annual revenue of less than \$100 million,³ which might account for why so many established brands are monitoring and buying emerging brands.

“Large CPG companies often can’t keep up with the innovation and speed of emerging brands,” says Mantis. “That’s why many big brands will turn the competition into a company under their umbrella, or closely monitor emerging brands to see the growth trajectory of consumer preference and types of items that are working well in the marketplace.”

One source of increased competition for CPG brands revealed by eCommerce data is the rise of private-label products from big retailers

like Walmart.com, Target.com, and Amazon. Because the eCommerce landscape makes it easier for retailers to promote their own products, brands and manufacturers must increasingly compete with their e-retail partners for share without the advantage of shelf placement, end caps, or marketing promotions.⁴ The more data you have that shows how these private labels affect your category and your brand, the more strategic you can be in how you respond to the threat.

“Large CPG companies often can’t keep up with the innovation and speed of emerging brands.”

- Andy Mantis, Chief Business Officer 1010reveal at 1010data

Question #3:

What kind of assortment will drive sales?

One of the biggest benefits of selling products across different eCommerce channels like Target.com and Walmart.com is the ability to carefully target your product assortment for different consumer segments and drive sales based on different consumer behaviors. But it's only when you can compare how your assortments are doing against other brands that you can maximize sales and cater to consumer needs efficiently.

"Shoppers on one platform are going to want different things from shoppers on another platform," says Kaye Young, director of retail CPG industry development at 1010data. "To make the most of each marketplace, retailers and brands need to drill down into the details

of how customers make decisions on each site and develop channel-specific strategies based on those behaviors. You want to make sure the products your customers are interested in are the ones you're selling and promoting the most."

If your brand is going to launch a product on Amazon, you can use rich information about which products already perform well – such as flavor, pack size, and product color – to make the most strategic decisions about which product types and sizes to include. You can also use this information to understand why your products aren't performing. For example, if the top ten protein powder flavors are chocolate-based and you only sell vanilla or strawberry, you'll know that you need to open your brand up to other flavors in order to show up in search results.

"Online sales are growing, and, more often than not, new items are discovered online. Paying attention to the details of why online sales are growing, including what makes products more appealing to the online shopper, is what will keep your brand viable."

- Kaye Young, director of retail CPG industry development at 1010data, Inc.



Question #4:

Where should we be investing our marketing budget?

M

ore choice for customers means more choice for marketers in how to reach those shoppers and influence their path to purchase. While this gives brands an enormous window for flexibility and innovation in engaging customers, it can also lead to insecurity and confusion about how to allocate the marketing budget; in fact, about 60% of B2C marketers surveyed by Nielsen indicated they don't feel confident in their ability to allocate their budget effectively.⁶ This highlights an important role eCommerce intelligence can play in identifying where brands are struggling in the purchase funnel and where the best opportunities lie to influence the way consumers shop.

"Where a brand should invest its marketing budget is a question you can really only answer if you understand what customers are doing pre-purchase," says Mantis. "You can figure out your market share or how quickly you're growing with a basic analysis of your customer. But if you want to inform your digital strategy, (Is it about getting more people to the product page, or getting them to purchase once they're there?) you need to know what website your customers are on, what they're searching for, and what products they're considering before they make their purchase. Only then can you make sure your ad placement is in the right place at the right time."

In-depth clickstream data allows you to identify the different issues that could be affecting your purchase funnel, such as how you're converting the traffic to your website, your search rankings and ratings on marketplaces like Amazon and Walmart.com, or how your price point or product attributes affect your sales. With more targeted information, you won't have to guess which portion of your marketing budget is the most effective – the data will show you.

“Detailed eCommerce intelligence gives us more confidence that what we’re doing is the right thing to do. Instead of just capturing retail data, we now have insight into our total brand presence in 3rd party marketplaces and new shopping options like order online and pick up so we can develop our strategy to influence the sales we might have been missing before.”

- Chuck Tullis, senior vice president at Utz



Question #5:

How can we encourage customer loyalty?



In a consumer-first landscape where shoppers can compare products and prices with a single click, customer loyalty is more elusive than ever before, with as many as 90% of product categories showing no customer loyalty in a recent McKinsey&Company study.⁶ In addition to helping them make informed choices about product selection and assortment, brands will find that eCommerce intelligence also allows them to better leverage their knowledge of

each retailer's customer base to influence post-purchase behaviors and drive increased loyalty.

"In an age of fickle customers, eCommerce intelligence is a growing lever of importance," says Mantis. "It allows a brand to understand the drivers behind a purchase and whether customers are motivated by brand loyalty or price sensitivity, as well as actual behavior, such as what product they buy if they stop buying yours. Understanding these affinities

allows brands to make smarter decisions during the checkout process or with the post-purchase follow up to drive customer loyalty."

When you only see your own data, you can't accurately measure the loyalty of your customers. You need to see benchmark metrics like share of wallet across categories and channels to understand what product, pricing, or promotion will pull in more of that share and gain loyalty for your brand.

"In an age of fickle customers, eCommerce intelligence is a growing lever of importance."

- Andy Mantis, Chief Business Officer 1010reveal at 1010data

Converting More Customers Online

A decade ago, understanding where your products stood in the marketplace was not difficult. But today, almost everything has changed in the customer purchase journey, and in order to stay competitive in an evolving marketplace, marketers are under more pressure than ever to collect and analyze customer behavior. The most effective path forward is to connect with an eCommerce intelligence partner that can guide you through a customer's complex path to purchase, and to identify where your brand wins and loses sales, defend against emerging competitors, and improve the performance of your marketing efforts.



Sources

1. "Ten years on the consumer decision journey: Where are we today?" McKinsey&Company, <https://www.mckinsey.com/about-us/new-at-mckinsey-blog/ten-years-on-the-consumer-decision-journey-where-are-we-today>
2. "Online grocery sales more than tripled in past five years, expected to quadruple in next five," Food Navigator USA, <https://www.foodnavigator-usa.com/Article/2018/10/17/Online-grocery-sales-more-than-tripled-in-past-five-years-expected-to-quadruple-in-next-five#>
3. "Small CPG Brands Are Gaining Upper Hand On Giants -- And Now The Big Want To Get Even Bigger," Forbes, <https://www.forbes.com/sites/andriacheng/2018/10/17/17-billion-this-is-how-much-sales-major-cpg-brands-have-lost-to-upstart-labels/#2f083fc6d35f>
4. "The Rise of Private Label," 1010Data, <https://www.1010data.com/company/blog/the-rise-of-private-label/>
5. "Three things B2C marketers can do to build better budgets," Nielsen Perspectives, <https://www.nielsen.com/us/en/insights/news/2018/three-things-b2c-marketers-can-do-to-build-better-budgets.html>
6. "Ten years on the consumer decision journey: Where are we today?," McKinsey&Company, <https://www.mckinsey.com/about-us/new-at-mckinsey-blog/ten-years-on-the-consumer-decision-journey-where-are-we-today>

1010DATATM

1010data transforms Big Data into smart insights to create the high-definition enterprise that can anticipate and respond to change. Our modern cloud-based analytical intelligence and alternative data solutions enable over 850 clients to achieve improved business outcomes quicker, with less risk. The world's foremost companies, including Rite Aid, Dollar General, Procter & Gamble, Coca Cola, GSK, 3M, Bank of America and JP Morgan, consider 1010data the partner of choice for mastering customer touchpoints, optimizing product portfolio health and digitally renovating operations. We've been recognized as a Challenger in the Gartner Magic Quadrant for Data Analytics Solutions, named a Leader in the Forrester Wave for Cloud Business Intelligence Platforms and honored as a Big Data Analytics Player by Information Week. 1010data is delivering on the promise of Big Data, and **we're just getting started.**

Learn More





BRANDSTUDIO

Custom Content. Targeted Results.

Industry Dive's Brand Studio collaborates with clients to create impactful and insightful custom content. Our clients benefit from aligning with the highly-regarded editorial voice of our industry expert writers coupled with the credibility our editorial brands deliver. When we connect your brand to our sophisticated and engaged audience while associating them with the leading trends and respected editorial experts, **we get results.**

LEARN MORE