Top 5 Ecommerce Reporting Tips from Data Analysts

Integrate.io
The Ecommerce Data Platform

Table Of Contents

01

FIVE REPORTING TIPS FOR ECOMMERCE ANALYSTS

1

Narrow down your focus. Avoid being overwhelmed by the endless mountain of data by segmenting it based on customer data (e.g., different personas).

2

Set goals and track them carefully. Maintain benchmarks for the most important metrics and set goals on how you wish to improve them. For instance, aim to raise your organic search rankings for a given keyword to the top three spots or seal holes in the sales funnel to reduce the cart abandonment rate by 5%.

3

Integrate your data with the right tool. Don't rely on a bunch of disparate data sources. Unlock a single source of truth with the help of a data integration tool so you don't miss any more valuable insights.

4

Use real-time analytics. Tap into the data flowing in at all times so you can track product performance, marketing efforts, email campaigns, and more as traffic navigates through your Ecommerce website.

5

Invest in post-sale monitoring. Stop wasting money on customer acquisition just to lose a customer after the first sale. Monitor shopping behavior and post-sale interactions to boost retention rate and nurture more loyal customers that love your brand.

Last year, Ecommerce sales represented more than 13% of total retail sales in the United States, accounting for over $870 billion in revenue. However, while consumers are shopping online more often, there's also more competition than ever, which means growing your Ecommerce store will take a strategic approach.

In all instances, for Ecommerce sites hoping to expand their audience and generate more sales, the process starts with compiling reports using the valuable data your online store has been generating from day one. Of course, many brands struggle to sift through the mountains of information and figure out what's worth tracking.

With dozens of potential metrics that are intricately connected to one another, it's crucial that Ecommerce brands take the time to build a solid foundation for their reports and how they perceive them. From there, you must figure out which data points to focus on, and set benchmarks to track changes over time. Only with those prerequisites handled can you effectively take action with the help of a data integration platform, real-time analytics, and additional data points to track your brand's reputation.

In this guide, you'll learn how to implement all of these components to ensure that your brand can make the most of its data without losing sight of the numbers that really matter.

02

NARROW YOUR FOCUS

Tracking Ecommerce analytics can quickly become overwhelming.

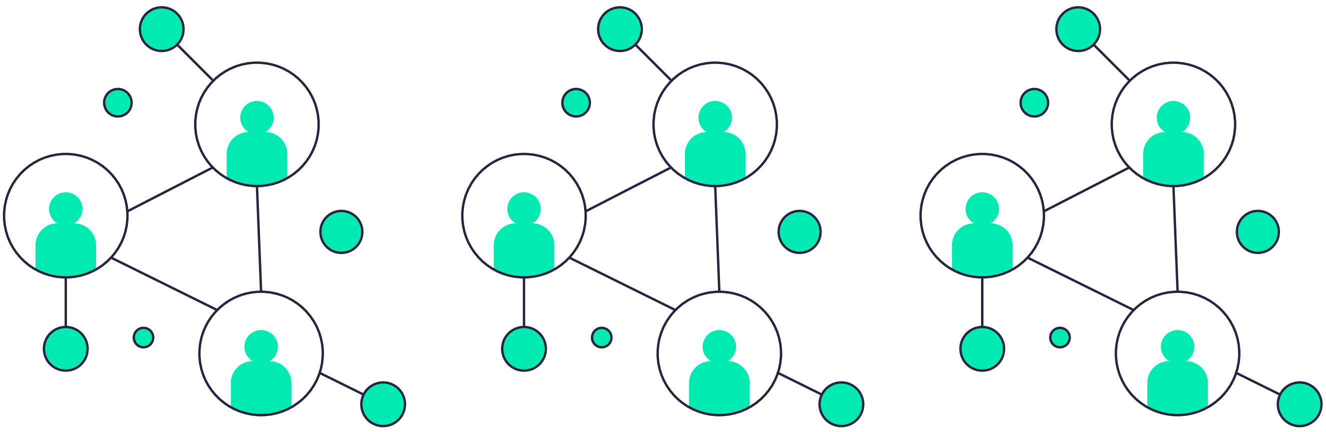
With so many traffic sources, categories, and products to track, you might have a hard time deciphering your reports unless you take the time to organize your data appropriately. For most reports, this means getting to know your target audience, developing buyer personas, and segmenting your reports accordingly.

If you haven't already developed detailed buyer personas, or it's been a while since you reviewed them, taking the time to conduct this foundational research will prove extremely valuable as you go forward trying to make the most of your Ecommerce reports. Here are some tips for building upon your buyer personas:

- Pull reports on audience demographics, such as gender, age, relationship status, household size, annual income, etc.
- Consider where your audience is located geographically and whether or not that tends to impact buying behavior.
- Find identifying metrics that can help you sort traffic into various personas based on where they come from, what they look at, or what they purchase.
- Segment your marketing campaigns and lists based on your personas, allowing you to better target them with messaging, sales, and announcements.

Once you have buyer personas in place, you'll be able to track them as groups (e.g., cohorts) and conduct cohort analysis. By doing so, you'll be able to see how well one group of buyers is converting versus another, along with how they differ in browsing habits, buying habits, and long-term satisfaction.

As you compare how different personas interact with your brand, you'll be able to fine-tune your understanding of those personas. From there, you can figure out which personas offer the most value to your brand (e.g., highest conversion rates, largest sales, most repeat sales), which will help guide your future marketing and advertising campaigns.



Integrate.io is a new data warehousing integration platform for the Ecommerce industry. It moves data from multiple systems to a centralized data warehouse for analysis without lots of code or programming, helping businesses that lack data engineering skills. With its click-and-point drag-and-drop interface, it's never been easier to accumulate Ecommerce data and generate insights into your business activities.

Email hello@integrate.io to learn more about how Integrate.io optimizes and automates data warehousing.

03

SET AND TRACK YOUR GOALS

Generally, you won't compile data for all of the metrics you track for every report.

Instead, you'll handpick some metrics based on the purpose of the report you're generating. In any case, you need to make sure that you're tracking the right numbers so that you have the information you need when it comes time to start generating reports.

For Ecommerce businesses, the metrics you'll track tend to fall under five categories: audience, acquisition, behavior, conversions, and paid marketing activities. Identifying the most valuable metrics in each of these categories will help ensure that you can generate complete, actionable reports.The usefulness of all reports you generate will come down to one thing: Whether you chose the right metrics.

FINDING THE RIGHT METRICS

Across the five categories of Ecommerce metrics, the exact data points that your company tracks will come down to your industry, goals, and company size. Generally, the larger your company or catalog, the more metrics you'll want to stay on top of to make sure you're seeing the big picture.

- **Audience**: If you've taken the time to identify your target buyer personas and segment your audience accordingly, you're probably already tracking the right audience metrics, which include product preferences, purchasing behavior, and demographics.

- **Acquisition**: Knowing where your visitors are coming from and their actions will help you determine which marketing channels offer the most value. For instance, if Facebook ads generate a lot of traffic, but Instagram leads to more sales, you'll probably focus on the latter.

- **Behavior**: Understanding how your visitors respond to information on your website, such as product listings, can help you improve conversions by removing barriers and streamlining the buying process. For instance, if you find that many users are dropping out of the shopping cart on the second page, you could run split tests that condense the fields of the checkout process.

- **Conversion**: Most brands know that tracking their conversion rate matters, but they fail to consider the many ways in which to do it. For instance, you can track overall conversion, but you should also track the conversion rate for different acquisition sources, various personas, all of your product categories, etc.

- **Paid Marketing**: Tracking all of the above metrics is easy, assuming that you have some on-site analytics reports (such as Google Analytics) that can track all of it for you. The last piece of the puzzle involves tapping into third-party tools, like Shopify or another Ecommerce platform, to get all the valuable data being generated before a visitor heads to your site. This would include engagement, impressions, cost-per-click, and so on.

When it comes to finding the best metrics for your company, the good news is that analytics tools tend to track all of these automatically, so long as you've completed the initial setup correctly. However, by fully understanding what information is at your disposal, you'll be able to interact with and leverage this data going forward.

ESTABLISHING BENCHMARKS

Once you have decided on the specific metrics you wish to track, you can go ahead and look at your historical data to establish benchmarks for each one. A benchmark should tell of your site's average performance so that you can track future progress (or regression).

Depending on the metric you're working with, you might set benchmarks using only the most recent data or by averaging out your data over a given time period. For instance, you might set benchmarks for overall traffic in a number of ways, like by averaging unique visits per day over the past 30-60 days and then finding the average visits for a given season or quarter.

Because you should be able to go back and look at historical data at any time, it might seem unnecessary to set benchmarks. After all, as you generate reports, you can decide to use historical data as needed to compare apples to apples. However, establishing benchmarks for key metrics is critical to accomplishing the next task, which involves goal setting.

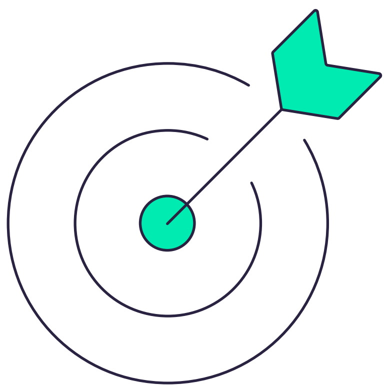
SETTING GOALS

It's difficult to grow your brand when you don't know what growth truly consists of, which is why you need to stay on top of your metrics and current performance so that you can look ahead to better results. For instance, most brands would like to drive more traffic, but if you don't know how many unique visitors you get in an average day, what does improvement really look like to you?

Once you have your benchmarks in place, the next thing you need to do is go down the list and think about how you want those numbers to change in the next 3 months, 6 months, and 12 months. Presumably, you want all traffic and conversion rates to increase, but by how much?

A good starting point is to see how much growth you've attained over those same periods in the past and adjust accordingly based on how much time you were putting into marketing/advertising back then and how much you plan to invest going forward.

The first time around, you might find that you wholly under- or over-estimated the growth you actually received, which is just fine. As you begin to understand what your brand is capable of doing given its ad budget and organic reach, you'll be able to set realistic goals.



04

INTEGRATE YOUR DATA

With so many sources of data out there, it can seem almost impossible to stay on top of it all, which is why many small businesses fail to see the big picture and only focus on on-site or per-campaign analytics.

While this can simplify your analytics and reporting process, failing to take all data sources into account will only work against you.

In order to get the most complete picture for any time period, campaign, or given metric, you need to look at it in the context of all the information you have—including the data collected on-site and all the off-site data that comes from your email marketing tools and social media ad campaigns. Fortunately, you do not need to manually find all of this information and bring it into one place.

With the help of a data integration tool such as integrate.io, businesses can easily create a low-code data pipeline that allows you to pull data from any source and then perform extract, transform, and load (ETL) activities with visualizations to help you easily understand attribution, bounce rate, the customer journey, and critical customer behavior.

In other words, an integration tool can take data from search, site, sales, social, email, and other analytics tools and create a single source of truth for your business by automatically cleaning it up, reformatting it, and sending it off to your business intelligence dashboard, customer relationship management (CRM) system, or other data workspace.

05

USE REAL-TIME ANALYTICS

One of the biggest mistakes a brand can make today is failing to recognize the value of real-time analytics.

It is an outdated way of thinking to continue approaching your analytics as if they are confined to historical reports that you can review a week, a month, or a year later. In reality, the most competitive companies today have reached their high status because they're leveraging real-time data.

Fortunately, with massive availability and adoption of real-time analytics, access to advanced business intelligence (BI) tools is becoming more widely available and affordable. So, Ecommerce brands big and small truly have no excuse not to leverage real-time data. The question is, where do you begin?

HOW TO USE REAL-TIME DATA

When most brands think about real-time analytics, they imagine a complex dashboard that's covered with charts and graphs. And, while it might seem empowering to have information flowing about traffic and sales in real-time, none of it is truly valuable if you aren't using it appropriately.

There are many uses for real-time analytics that go beyond generating more sales. Both bug detection and fraud detection are highly valuable activities that are difficult to manage effectively without real-time data.

For example, getting alerted to a huge spike in traffic in your BI dashboard when you have no ads or sales launching could be a red flag. Upon closer inspection, you might find the majority of that traffic is coming from bots, which could lead to an outage or attempted breach. With real-time data, you can act immediately, ensuring that you maintain proper site performance for your human users while thwarting any nefarious attempts.

Likewise, a sudden downturn in real-time traffic could alert you to a potential bug or site performance problem stopping people from shopping. In a matter of seconds, your team could have eyes on the problem and get to work on bringing the site back up with minimal impact on your business.

These are just two of the ways that real-time analytics can be used to support your business. Countless other examples, such as making adjustments to advertising campaigns on-the-fly, can directly help you generate more sales and improve the user experience.

THE MOST IMPORTANT REAL-TIME METRICS

Out of all the metrics your business may be keeping track of, a handful of data points stand out as the most valuable for real-time analytics purposes.

- **Site conversion rate and traffic by channel** can show you when search traffic is down or when the inflow you expected following the morning email isn't coming. In all of these cases, it could point to potential issues (e.g., that email didn't go out as expected or your latest ad isn't finding the right people).

- **Site conversion rate and traffic by the platform** can help you better understand your audience (e.g., it can reveal that the majority of those who click on your ad are on mobile devices, allowing you to tailor the experience for them). It can also reveal web performance issues, differences in SEO rankings across platforms, and more.

- **Cumulative daily revenue** is useful any day, but especially on days of big sales. Assuming you create a marketing strategy in advance with contingencies, real-time data that shows your CDR is 20% less by noon than it was for your last sale, you can begin to send out additional ads, emails, or notifications to help make up the difference.

- **Technical performance metrics** such as site speed sorted by platform, number of HTTP errors generated sorted by platform, and similar metrics can help you notify your technical team in the event that the website is not working as expected.

As you track these metrics, one last thing to remember is that real-time metrics aren't tallying up by the second. In general, larger companies with millions of visitors can use minute-by-minute aggregation, while smaller companies may need to average out their real-time data based on a longer time increment, such as 15 minutes. You can decide what's best for you based on the amount of traffic you receive on an average day.

Integrate.io is a new data warehousing integration platform for the Ecommerce industry. It moves data from multiple systems to a centralized data warehouse for analysis without lots of code or programming, helping businesses that lack data engineering skills. With its click-and-point drag-and-drop interface, it's never been easier to accumulate Ecommerce data and generate insights into your business activities.

Email hello@integrate.io to learn more about how Integrate.io optimizes and automates data warehousing.

06

INVEST IN POST-SALE MONITORING

One of the biggest mistakes a brand can make today is failing to recognize the value of real-time analytics.

Acquiring a new customer is almost always more expensive than keeping an existing one happy, so why aren't more brands investing in post-sale activities to ensure that a first-time customer becomes a long-term, loyal one? In reality, many businesses are trying but simply can't seem to get the results they're after.

In today's world where your customer could be exposed to dozens of competitors before and after the sale, it's difficult to remain front-of-mind for them even if they like your product. Creating a sense of loyalty takes a collaborative effort and requires strong branding, great follow-up, and (of course) a fantastic product.

Fortunately, a slew of metrics can help you track your customers after the sale and figure out what you can do to turn them from passively satisfied consumers into promoters of your brand. These metrics can also help you identify detractors or unhappy customers who may take their opinions to a public forum and harm your business.

RETENTION VS. CHURN

Churn rate and retention rate are almost the opposite of each other, although there is a gray area in between before you declare a customer "kept" or "lost." Your retention rate refers to the former and summarizes what percentage of your customers have remained customers over a given period. Meanwhile, your churn rate refers to the percentage of customers you have lost over that same increment.

In general, a company with a high retention rate will have a low churn rate, and vice versa. However, measuring retention and churn isn't always that straightforward. Since customers might make a purchase once and go silent for months, or even years, before returning as a customer, it's important to define what counts as a customer kept and what counts as a customer lost.

To help simplify things, most businesses track churn and retention on a month-to-month basis. This works well for Ecommerce businesses that sell consumables, as it's likely that a happy customer will come back from one month to the next. However, for industries such as apparel, you'll likely need to expand this time period accordingly.

What matters when tracking churn and retention is that you're consistently using the same time period, which will allow for easier comparison going forward. For those customers you do retain, another important metric to track is known as "customer lifetime value" (CLV), which consists of the average order value and some other metrics.

CUSTOMER LIFETIME VALUE

By knowing the CLV of your average buyer, you'll immediately gain insight into how high your retention rate needs to be in order to meet your sales goals from month to month. Likewise, you'll have a better idea of just how much you can spend on acquiring a loyal customer before you begin to eat away at your profits.

For example, if you determine that the CLV of your average buyer is $300 and you're spending $100 on marketing to attain a customer, that's a fairly good ratio. Generally speaking, the CLV should be at least three times the cost of acquisition. If you can get the CLV even higher, or the cost of acquisition even lower, your profit margins will grow accordingly.

Of course, instead of simply maximizing profit in the short term, you should compare CLV to acquisition costs to determine if more can be invested to raise your retention rate. So, suppose your average customer is worth $600 and you're currently only spending $200. In that case, you have some wiggle room to invest in the customer experience, follow-up activities, and loyalty incentives to help retain more customers. These investments can also help increase CLV.

We hope that you have enjoyed reading this whitepaper.

If so, be sure to check out our other Whitepapers related to "Top 5 Ecommerce Reporting Tips from Data Analysts".

Interested in learning more about Integrate.io?

Chat with an Expert!