# Leveraging the Power of Analytics

ReCharge

From Our
Partner
Agencies

# If someone were to ask you, "Do you know your customers?", would you say yes? But if they also asked you, "Do you have **data** to back that assumption up?", how would you answer?

Our industry experts talk about the importance of data and analytics so you can make informed decisions about where to place your attention- whether in **marketing spend**, product development, sales, web development, or elsewhere to grow your brand online.

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It's very easy to think anecdotally about an ecommerce site based on the experiences you've had as a shopper, but also quite dangerous. While it's easy to make assumptions, it's harder to recoup investments made on incorrect assumptions. Realistically, using data doesn't need to be a strenuous or an overly mathematical process. We can actually use some relatively simple data to answer these key questions:

- Where do my visitors come from?
- From each platform, how many of them add to cart?
- From each platform, how many of them purchase?
- When someone lands on my site, which page leads to the most sales?

Ultimately, those 4 questions can give a huge amount of insight and guidance on paid marketing, SEO, and CRO.

**Adam Pearce**
CEO at Blend Commerce

There is no shortage of analytics tools for ecommerce. Google Analytics is the easiest to set up on Shopify and seems to be the popular choice for merchants (however Google Tag Manager is most common for Shopify Plus). Shopify's Analytics dashboard is also a good starting point for eCommerce analytics and can give you a birds eye view of just who's coming to your site.

Quantitative data can only be contextualized with qualitative data. Make it easy for merchants to reach out to you through email, a contact form, or a chat bot. Fast responses are not only key to ensuring customers that you're providing excellent customer service, but also a way to quickly develop a rapport with them.

If your Google Analytics indicates a preference towards a product line or identifies a particular customer segment, look to qualify it in conversations with your customers.

**Jonathan Osborn**
Partner & Co-Founder at Presidio Creative

Data really is the lifeblood of a successful ecommerce business and subscription program. Beyond tracking factors like churn and customer acquisition costs that affect profit, historical, and real-time customer behavioral data can be used to take an eCommerce site and subscription program to the next level with personalization.

The good news about subscriptions is that they provide an opportunity to collect more data over time about shopping behaviors and preferences. A personalization platform collects the data and integrates with your other systems and platforms to unify personalization across channels, including your

ecommerce site, email, advertising and more. Personalized recommendations, that help customers find new or complementary products, can increase revenue on average by 10-30%.

In addition, whole-site personalization – different experiences for different users on the same site – that includes tailored content, navigation, photos, offers, and products can help increase conversions by making experiences more compelling for the user. You have to think about the whole experience, not just "what do I do to get them to purchase," and data can help you personalize the experience.

**Aaron Quinn**
Founder & CEO at eHouse Studio

Data and analytics is the lifeblood of your subscription program. Through the proper set-up, you can learn many things about your customers and the success of your program, such as:

• How often customers want to receive your product
• What is your CLV
• Why and when customers churn
• What products are more frequently added or removed to recurring orders
• Which tactics helped improve core metrics

When BVA works with Native on their subscription business, data is the only tool we have to understand the customer experience at scale. We try to break down the data into two pieces:

1. What is blocking customers from becoming subscribers?
2. What is causing them to cancel?

For the first part, we like to combine custom website tracking with subscription-focused marketing campaigns to optimize the purchase funnel for subscribers. For the second, Recharge provides an out-of-the-box suite of cancellation options that customers must select from when they churn.

This information is extremely useful for new brands and should be monitored regularly. But, what we've learned is that it can be even more useful when it's combined with other data; like purchase frequency, product type, and price. This data can help you identify gaping holes in your subscription strategy that can generate more revenue if fixed.

# Data and analytics should guide decisions and help your business make predictions. Not only is it important for evaluating performance, but it also can help inform product development and necessary adjustments to your subscription experience.

**Sean Glass**
Senior Strategist at BVA

From a data perspective, the customer journey starts well before a potential customer lands on the site and extends well beyond the point of conversion. However, understanding the data points collected from the time a user lands on the site, until a user converts into a customer is imperative to a successful ecommerce growth strategy.

From the moment a user lands on a site, key signals can be observed in the user site behavior data to recalibrate acquisition audience targeting, build smarter remarketing pools and fuel more advanced customer propensity models. In turn, this data can be leveraged to find efficiencies in customer acquisition strategies to help scale a sustainable ecommerce brand.

**Adena Merabi**
Strategic Partnerships at MuteSix

It's no secret that online customer buying habits have changed in recent times. Thus, brands relying on historical customer behavior data will really start to struggle. In 2021, retailers will need to begin to re-learn who their customer is and what their ever-increasing expectations are. Customers are telling you what they want, you just need to know where to look to find it.

Web analytics tools will become invaluable as merchants embark on a data-driven journey like never before. They will help you to understand how the customer reached your site and where they went when they got there.

What they won't tell you is why they visited in the first place, what the common customer frustration points are, or what the customer expects. For example, understanding where customers click on the page, even if the section or image is not clickable, shows merchants what their customers expect.

Gradually adapting the UX to what the customer wants is vital for getting those customers through the path to conversion.

Eventually, you should be recording user sessions to monitor errors and analyzing scroll maps to see how much content the customer is looking at - this will be vital in taking your site to the next level and will allow for the use of personalization tools to give the customer the best experience possible. For now though, focus on the basics and understand what your customers want instead of giving them what you think they want!

**Matt Abbott**
Head of Growth at Swanky

**Suzannah Cranwell**
New Build Service Team Lead at Swanky

Qualitative and quantitative data are equally important in understanding your customer's experience. Understanding quantitative data from analytics platforms provides essential insights into the customer journey, such as which acquisition channel, what content they engage with, where they drop off, and beyond.

**To build a complete picture, brands also need to collect qualitative data by speaking directly with their customers. This can be achieved through user testing and interviews to understand the customer's perspective better. One-on-one conversations create an opportunity for users to offer direct feedback and help brands improve their experience.**

Once a brand has these insights, they need to cater to and maneuver their strategies to meet customers. Optimizing data also enables brands to retarget certain demographics in specific locations.

**Mick McCarthy**
Chief Design Officer at Zehner

Have you ever played football, in the dark, blindfolded, and tried to score a touchdown?

OK, probably not--but that's what it's like running an ecommerce store without analytics: lots of guesswork and hoping for the best. Sounds disastrous, no? To avoid metaphorical concussion, the first step is getting the proper analytics in place and making sure they're working correctly. (More merchants than you'd think never get past this step.)

The second step is understanding what they're telling you. Accurate analytics allow merchants to extrapolate and digest complex data reported on their store, painting a clearer picture of what's going on. Are there purchase drop offs at a certain threshold? At which stage of checkout are carts being abandoned? Is traffic not where it should be in the first place? Once you figure out what the problem is, you can begin to correct it.

For example, analytics could reveal a customer drop-off after 5 months--the "what" in the "What the hell is happening?" you mutter to yourself when the numbers don't look like you want them to.

Once you have the "what," it's up to you to determine the "why." Examine what might be causing that drop-off. Has the customer relationship gone stale?

Is the subscriber saturated with the product? Once you've figured out the "why," you can put measures in place to fix it.

Continuing with our example, if you suspect that the subscriber is struggling with more product than they can use, make sure they have the option to pause or skip a shipment in their Customer Portal instead of canceling altogether.

If they do cancel, do you have a question set up to ask them why? Or, maybe you need to brush up your "recommended products" prompts (in the portal or via email marketing) to direct subscribers towards other items they can swap for that might pique their interest.

Ta dah! Analytics collection + understanding + thoughtful investigation = money-making problem solving.

Bonus points (especially for merchant accountants): a robust analytics suite acts as a powerful health-check on any store, providing data visualization that is understandable by the average person. Tables, graphics, and other visuals clearly demonstrate not only store activity but also critical financial information.

**Z**
Founder at Tako Agency

We are surrounded by reports, data, analytics, etc. However, every single most valuable and least valuable point of data has the same value if no one takes action. Data and analytics must be understood and acted upon. And, it does not have to be extravagant. It just needs to be progressive, at whatever scale.

# Every touchpoint a brand creates with a prospect or subscriber carries insights and actionable data. These touchpoints and the data that it provides, they carry signals of what is working, what is not, etc. The signals can allow a merchant to pivot and reduce friction.

Working with a merchant that sold a men's shaving subscription, we analyzed the entire sign-up funnel. Looking at the drop-offs in each step, we found that after someone came to the shipping screen, they dropped off. Why? They were charging for shipping, $4.99. So, we ran a test where we increased the price of the subscription box by the shipping cost ($4.99), and we made shipping free. This small adjustment increased their conversion rate by 27%.

Every touchpoint and signal just requires a small tweak. Let's say that by making three small improvements, each improvement lifts a conversion rate by 5%. The first improvement takes the conversion rate from 2.00% to 2.10%. The second improvement of 5% then would take it from 2.10% to 2.21%. And finally, from 2.21 to 2.32%.

Small and incremental steps will allow for a merchant to run.

**Amer Grozdanic**
Co-founder & CEO at Praella

Many customers won't convert on their first visit, and that's okay, as long as your plan to get them back is solid. We still see many brands and media buyers that are focused on top of funnel KPIs like CTR and CPC. Generally though, the biggest needle mover is conversion rate. If you have conversion issues on the landing page or site you're sending a prospective customer to it will torpedo your acquisition efforts.

You can gather a tremendous amount of data to understand any friction throughout the purchase journey. Isolating variables will help improve conversion rates that impact the success of your entire marketing mix. The following are things we like to keep an eye on:

## Bounce Rate

You should always consider the page people are landing on and how they're getting there to create a cohesive experience. Having a disconnect between an ad and the landing experience can kill conversion rates. You can see from a high bounce rate where you might have a disconnect there.

## Funnel Completions

Getting someone to go from one page to the next or complete "goals" throughout your funnel is an important series of data points to track. We want to understand where someone falls off and what we can do to reduce the friction or push them deeper down the funnel. For example, a simple ecommerce funnel might go homepage > product category page > product detail page. Let's say you have a robust product catalog but everyone is dropping off on the category page. That might point to prospective customers getting confused or overwhelmed by the sheer number of products.

A couple actions we might take after reviewing this data:

- **Retargeting Optimization/Messaging** - Where we see fall off, how can we use retargeting to bring people back into the funnel.

- **Friction on the pages** - Within our CRO team we'll look at scroll data and heatmaps to help determine where we're losing people on a specific page.

## Pop Up

Capturing email or phone number via an onsite popup is a great method that most brands utilize. Having a healthy opt in rate can really help increase ecommerce conversion rates via the welcome series that deploys off that entrant. Here are a few quick tips to improve your pop up opt in:

- Adding a 6-15 second delay.

- Only using flyouts on mobile to stay within Google recommended best practices.

- Adding a first buyer incentive here, like 15% off.

- Having a strong welcome series that  triggers after opt in.

- When running ads with discounts to your site, we suggest suppressing your pop up from those pages or creating exit intent pop ups with a different or more enticing offer.

Looking across 50+ of our clients, pop up opt in generally sits between 4-10%, most brands come in around 6% (note these stats are for brands at scale driving significant paid traffic).

## Gateway Product

A product that's best for first time customers (think your variety pack or bestseller) is your gateway product. A great KPI to track is which one of your products has the highest retention rate.
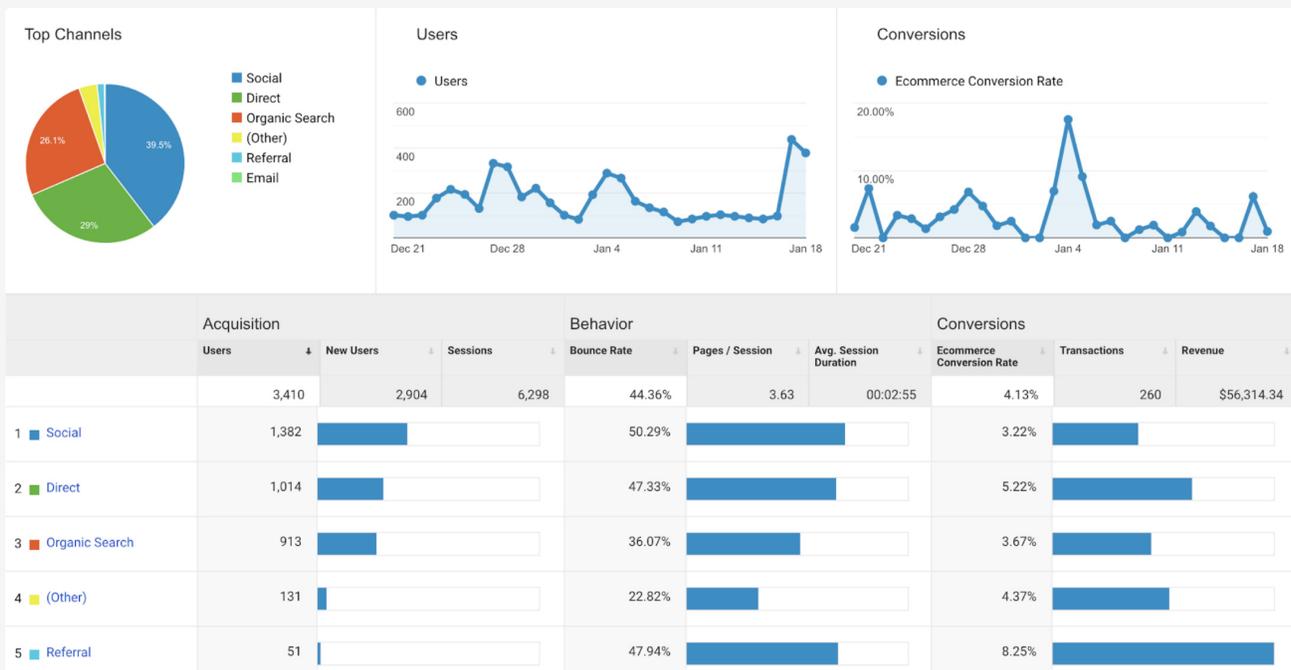
This will allow your brand to ensure you are highlighting this particular product to your audience. Understanding retention rate and AOV by product can really help you dial in conversion rate and other KPIs.

**Pierson Krass**
Founder & Managing Partner at Lunar Solar

Capturing good data on your customer's journey has become invaluable to ecommerce companies. This includes everything from the first impression of your site to a completed conversion. Not only is it important to capture this data, but to analyze it and identify actionable insights. These learnings can help build and refine your customer personas.

Once these are in place, you will better understand how to reach your target audience through strategic marketing, and gain insights into your customer's AOV, LTV, Conversion Rates, and so much more. Analyzing your data and understanding your customers will help improve organic reach as you refine keywords and content to improve on-page SEO. These data insights often help point out red flags such as slow landing pages, 404 errors, etc.



| | Acquisition | | | Behavior | | | Conversions | | |
|---|---|---|---|---|---|---|---|---|---|
| | Users ↓ | New Users | Sessions | Bounce Rate | Pages / Session | Avg. Session Duration | Ecommerce Conversion Rate | Transactions | Revenue |
| | 3,410 | 2,904 | 6,298 | 44.36% | 3.63 | 00:02:55 | 4.13% | 260 | $56,314.34 |
| 1 ■ Social | 1,382 | | | 50.29% | | | 3.22% | | |
| 2 ■ Direct | 1,014 | | | 47.33% | | | 5.22% | | |
| 3 ■ Organic Search | 913 | | | 36.07% | | | 3.67% | | |
| 4 ■ (Other) | 131 | | | 22.82% | | | 4.37% | | |
| 5 ■ Referral | 51 | | | 47.94% | | | 8.25% | | |

Working with a data expert is often a great use of resources; simply because they can find the answers to your questions faster, and can likely catch other notable details you might miss. However, most analytics toolkits (like Google Analytics) have become very easy to use, even for users with little experience. For these cases, there is also a host of simple training modules on sites like Lynda.com, YouTube, etc.

# If you want to improve your site's organic reach, make your ads more impactful, understand your ROI (return on investment) on marketing activities, learn about your customers and so much more—capturing data through analytics scripts is essential.

On most platforms, setting up these scripts is easy, but working with an expert can enhance the potential even further by adding custom goals, click tracking and ensuring cart values pass through to your analytics dashboard.

While analytics are incredibly important, a word to the wise, be careful with how many different analytics scripts and tracking pixels you install on your site. These WILL slow page load times if you have too many or if they are not properly configured. This is another great reason for hiring an expert or using a script management system like Google Tag Manager.

**Tate Lucas**
CEO at DotDash.io

# Here's the gist

Analytics and reporting provide brands with the knowledge to get ahead of the game. Are your customers ready for an **upsell**? Do customers **return at a regular frequency**? A healthy mix of quantitative and qualitative data can inform your business decisions and ensure you're moving in the right direction and pivoting in real time.

Explore the rest of the **Powerful & Profitable Subscriptions series** to gain insights from 12 different agencies on a variety of topics: from building a community, to scalability, and everything in between.

# Thank you to our partners

We're thrilled to collaborate with the most successful and fastest-growing agencies in commerce to create this playbook. If you're interested in contacting one of our partner agencies, please use the links below.

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