# eCommerce Best Practices:

## Optimize Online Product Assortment, Prices & Promos

SKIM

decision behavior experts

# SKIM's eCommerce Webinar Series

## eCommerce Success Strategies Amidst Disrupted Consumer Behavior

*Three execution strategies to increase eCommerce engagement and conversion*

**OPTIMIZE ONLINE ADVERTISING & PRODUCT CONTENT**

**OPTIMIZE ONLINE ASSORTMENT & PRICING**    $

**OPTIMIZE OMNICHANNEL SEARCH & PURCHASE**
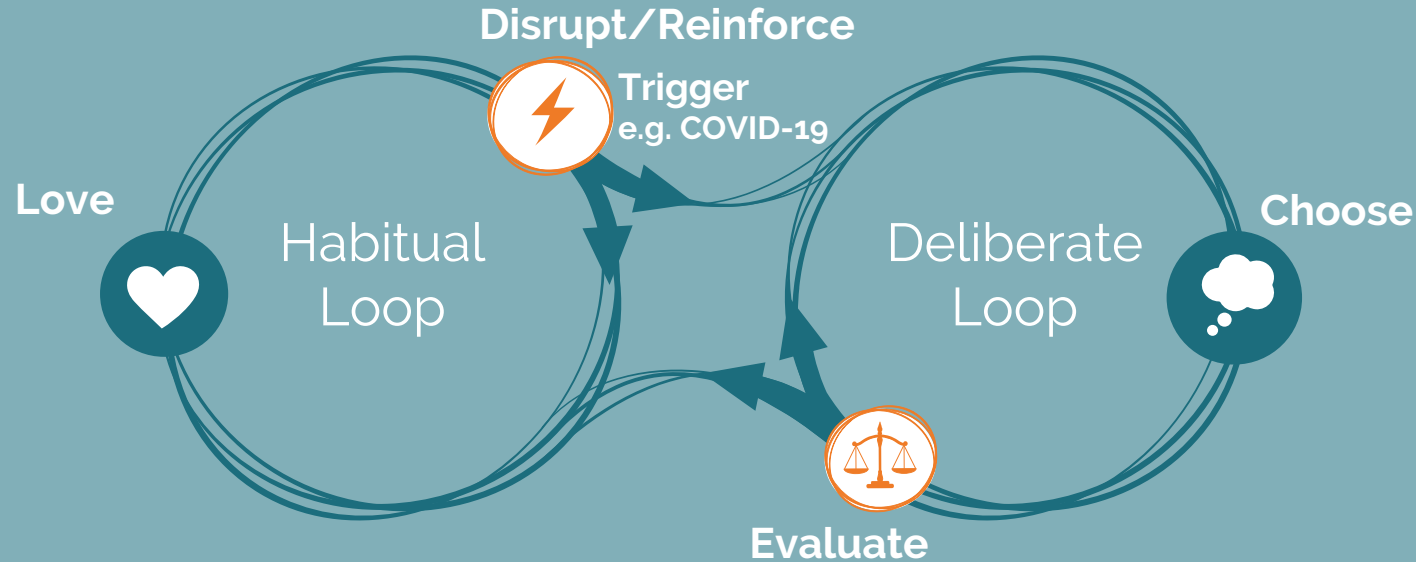
**Joey Ophof**

eCommerce and
pricing expert

**Mini Kalivianakis**

eCommerce
practice lead
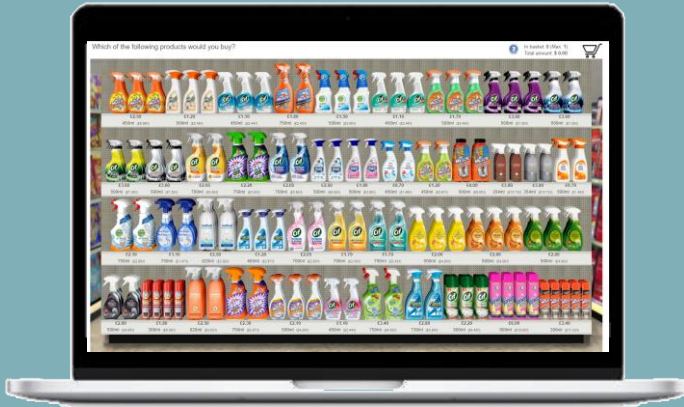
# Habits are being disrupted, new choices made, now what?

## SKIM Habitual-Deliberate Decision Loop



**Disrupt/Reinforce**

**Trigger**
**e.g. COVID-19**

**Love**

Habitual
Loop

Deliberate
Loop

**Choose**

**Evaluate**

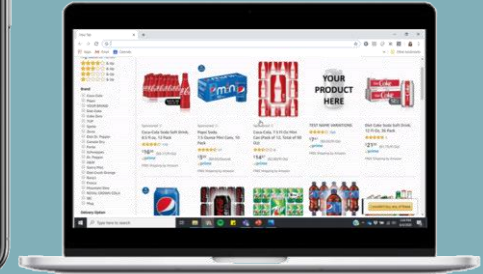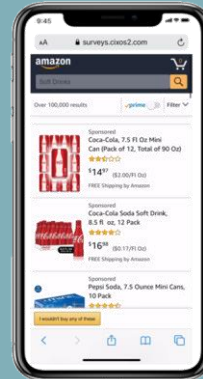# Where our best practices are coming from

**Brick & Mortar:**
**Assortment, pricing, NRM**

**> 40 years, 35 countries**

**DigiShop: Replicated online**
**Shopping Environment**

**> 6 years, 10 countries**

# Today's eCommerce focus points

**ASSORTMENT** > **$ PRICE** > **PROMOTION**
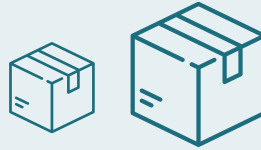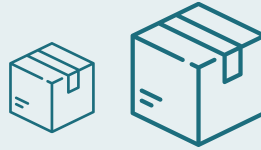
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# Today's eCommerce focus points

**ASSORTMENT** $ PRICE 📢 PROMOTION

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# Best Practices related to Assortment

**Investigate why consumers shop online and what products they want**

# Key differentiators for online shopping:
# Home Delivery, a Wide Selection, and Product Information

## Channels – Job to be done

| Large Groceries | Convenience Stores | Discount Stores | Online Specialists | Online Groceries | Online Generalists |
|---|---|---|---|---|---|
| One-stop shopping | Immediacy | Low prices | Selection & info (self education) & **Convenience** | One-stop shopping & **Convenience** | Low prices & Selection & **Convenience** |

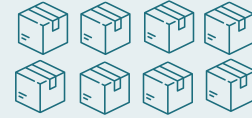| | ASSORTMENT | $ PRICE | PROMOTION | SKIM |
|---|---|---|---|---|

# Best Practices related to Assortment

**Investigate why consumers shop online and what products they want**

**Include bigger packs / multi packs / bundles**

# Home Delivery allows for bigger packs

VS

**Multipacks**

**Bigger pack sizes**

**Bundles**

# Best Practices related to Assortment



**Investigate why consumers shop online and what products they want**



**Include bigger packs / multi packs / bundles**
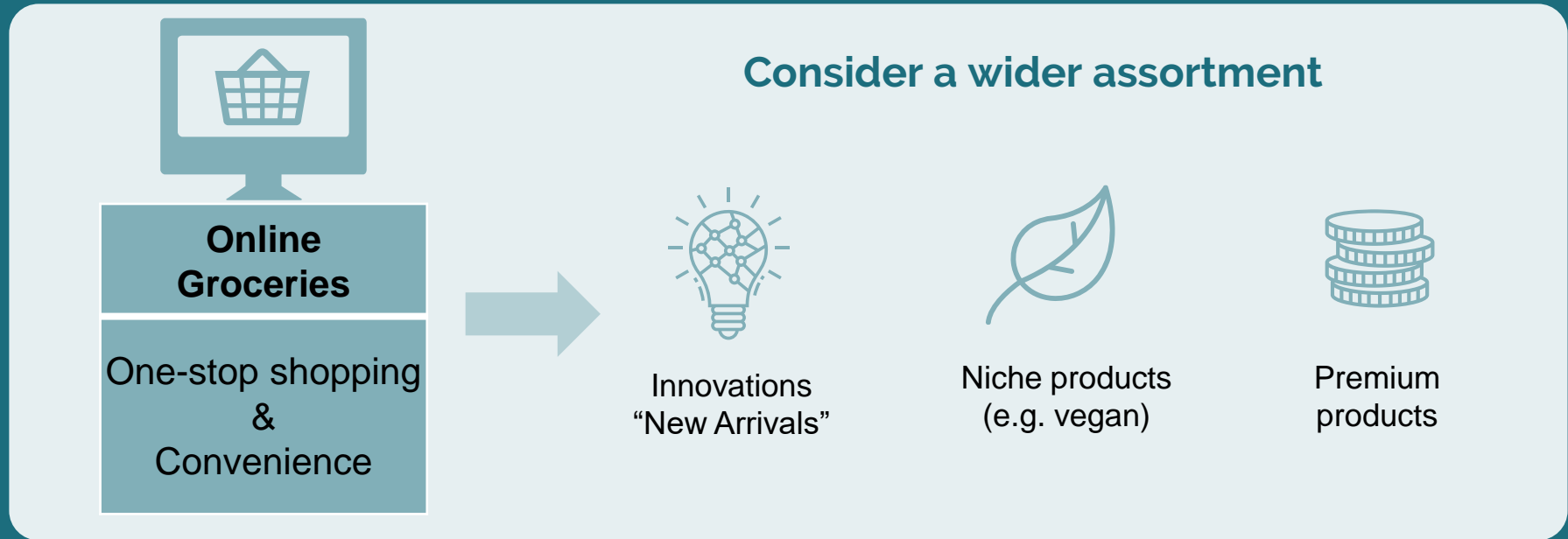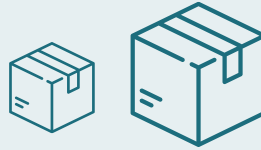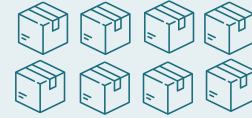


**Consider a wider assortment online**

**ASSORTMENT**  $  **PRICE**  **PROMOTION**  SKIM

# Within channels, there are different shopper segments with different product preferences

**Consider a wider assortment**

**Online Groceries**

One-stop shopping & Convenience

Innovations "New Arrivals"

Niche products (e.g. vegan)

Premium products

# Best Practices related to Assortment

**Investigate why consumers shop online and what products they want**

**Include bigger packs / multi packs / bundles**

**Consider a wider assortment online**

# Today's eCommerce focus points

ASSORTMENT $ PRICE PROMOTION

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# Best Practices related to Price

Analyze search, filter and sorting habits for your category

# Searching, filtering and sorting changes the competitive environment, and hence the consumer's "willingness to pay"
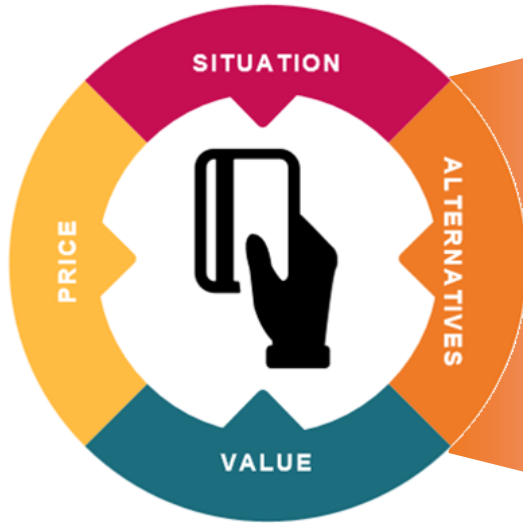


The more complex the category, the more consumers filter

Of the filters, brand is used most often

After filtering, consumers may sort on price, but many don't

SITUATION

ALTERNATIVES

PRICE

VALUE

ASSORTMENT | $ PRICE | PROMOTION | SKIM

# Position is very important: Consumers shop from the top

↑ **HIGH SEARCH** POSITIONING

↑ **INCREASED VISIBILITY**

↑ **CUSTOMER CONSIDERATION**
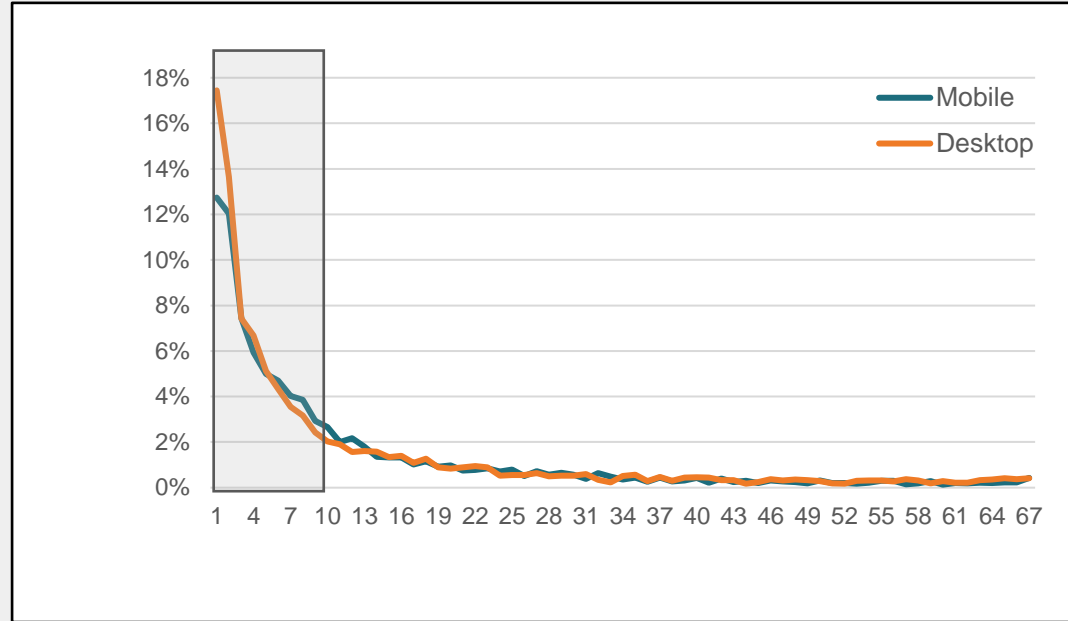


ASSORTMENT $ PRICE PROMOTION **SKIM**

# Best Practices related to Price
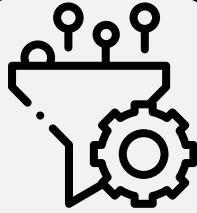
**Analyze search, filter and sorting habits for your category**

**Good reviews command a higher price**

# Best Practices related to Price
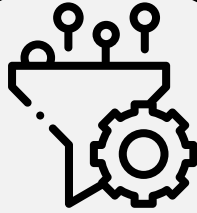
**Analyze search, filter and sorting habits for your category**

**Reviews can help command a higher price point**

🔍 Know what happens on retailer sites

ASSORTMENT | $ PRICE | 📢 PROMOTION | SKIM

# Today's eCommerce focus points

ASSORTMENT

$ PRICE

PROMOTION

SKIM

# Best Practices related to Promotion

**Determine specific online promotion objectives**

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Improve visibility:

**Be listed in the top**

# Best Practices related to Promotion



Determine specific online promotion objectives

Improve visibility:
**Be listed in the top**

Impulse buying:
**Be in the *Special Offers* section**

Habitual Loop

Deliberate Loop

ASSORTMENT

PRICE

PROMOTION

SKIM

# Best Practices related to Promo



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# Best Practices related to Promotion

**Determine specific online promotion objectives**

→

Improve visibility:
**Be listed in the top**

Impulse buying:
Habitual Loop
Deliberate Loop
**Be in the *Special Offers* section**

Decrease basket abandonment
**Use check-out promotional**

ASSORTMENT    $ PRICE    📢 PROMOTION    SKIM

# Best Practices related to Promo



Determine
online pr
object

Decrease basket
abandonment
**Use check-out
promotional**

ASSORTMENT          PRICE          PROMOTION          SKIM

# Best Practices related to Promotion

**Determine specific online promotion objectives**

**Make the promotion relevant to the individual shopper**

ASSORTMENT

$ PRICE

PROMOTION

SKIM

# Make the promotion relevant to the individual shopper

**Loyal customer** ➡ No promotion

- - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - - -

**Lapsed buyers** ➡ Price Promotion

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**Non-buyer** ➡ Free trial sample

- Feasibility of in-the-moment promotions

- Data is key

- Partner with the retailer

ASSORTMENT | $ PRICE | PROMOTION | SKIM

# Best Practices related to Promotion

**Determine specific online promotion objectives**

**Make the promotion relevant to the individual shopper**

**The depth of the promotion is less important**

ASSORTMENT $ PRICE 📢 PROMOTION SKIM

# The depth of the promotion is less important

Being on promotion is relevant

But the deepest promotion is usually not the best for your revenue



**EXAMPLE**

*Preference share*

*Depth of the promo*

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# Best Practices related to Promotion

**Determine specific online promotion objectives**

**Make the promotion relevant to the individual shopper**

**The depth of the promotion is less important**

# Best practice: Methodologies for Assortment & Price

**Good**
⭐

**Better**
⭐⭐

**Best**
⭐⭐⭐

## Collect available behavioral data

Not available? Research can help!

# Best practice: Methodologies for Assortment & Price

**Good**
⭐

Fast, **mobile-first** solutions for assortment screening and price optimization – Especially suitable for quick turn-around questions

**Better**
⭐⭐

**DigiShop:** a website replication tool, which mimics the consumers buying process, including filtering, sorting and putting in the basket

**Best**
⭐⭐⭐

**Data Fusion:** Combining sales data with e.g. conjoint data to inform an optimal assortment, pricing and promotion strategy across channels to maximize sales over time and make forecasts

Please select which product you are most likely to buy

500 ml
€16.50

800 ml
€14.50

600 ml
€13.50

500 ml
€14.50

400 ml
€12.50

SKIM

Would you buy this product at €500?

BEATS Solo 3 Wireless Bluetooth Headphones Gold

Yes

No

# Great methodologies: Assortment & Price optimization

**Good**

⭐

Fast, **mobile-first** solutions for assortment screening and price optimization – Especially suitable for quick turn-around questions

**Better**

⭐⭐

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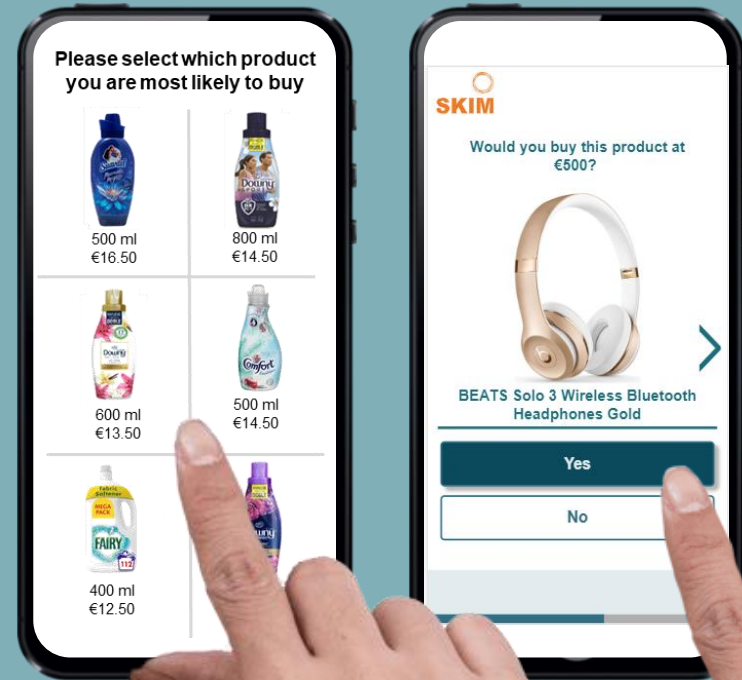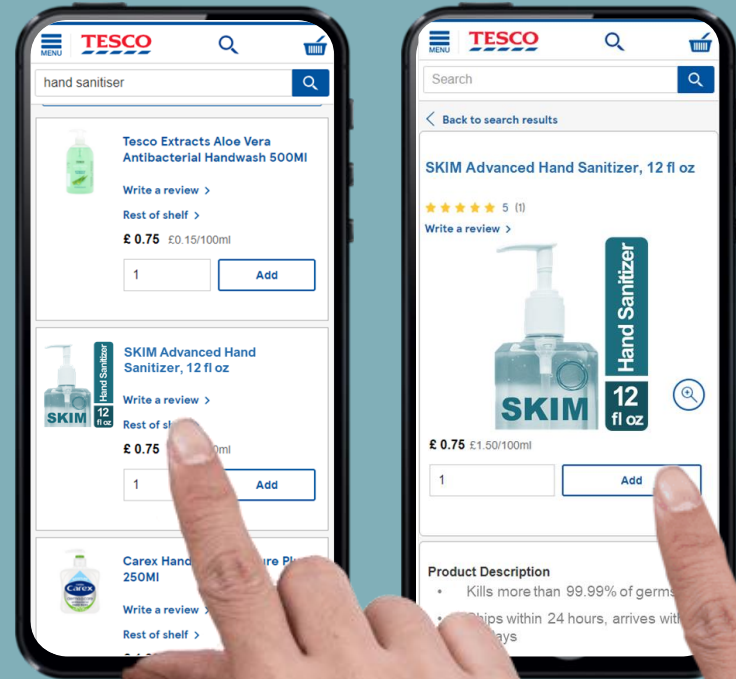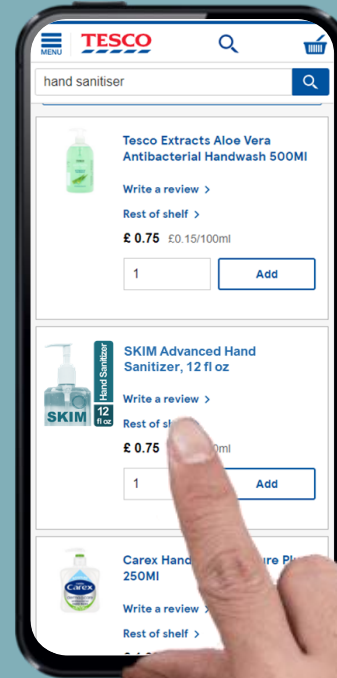
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⭐⭐⭐

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# Best practice takeaways

**Assortment**

- ✓ Investigate why consumers shop online and the products they want
- ✓ Include multi packs / bigger packs / bundles
- ✓ Consider a wider assortment online (e.g. niche product, premium product, innovations)

**Price**

- ✓ Analyze searching, filtering and sorting habits
- ✓ Good reviews command a higher price

**Promotion**

- ✓ Determine your online promotion objectives
- ✓ Make the promotion relevant to the shopper
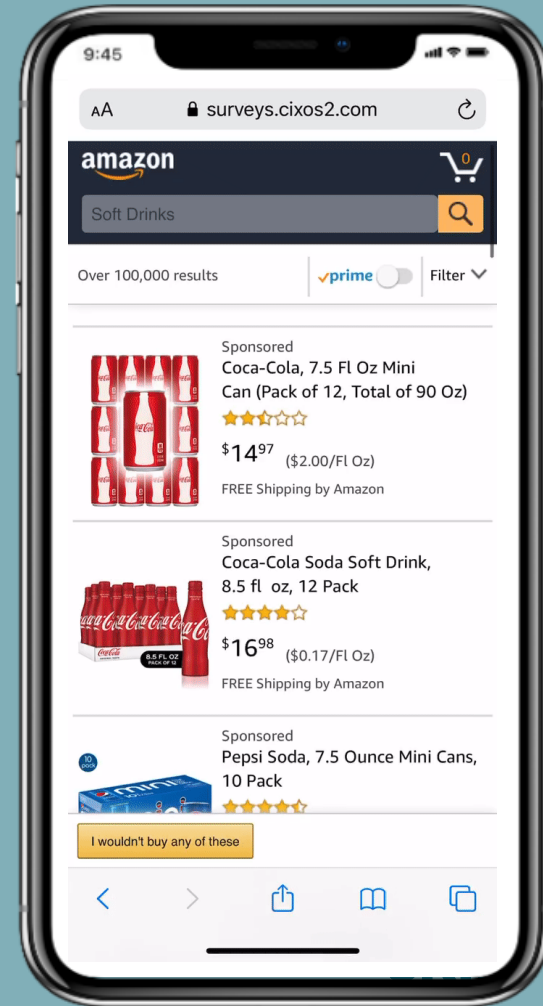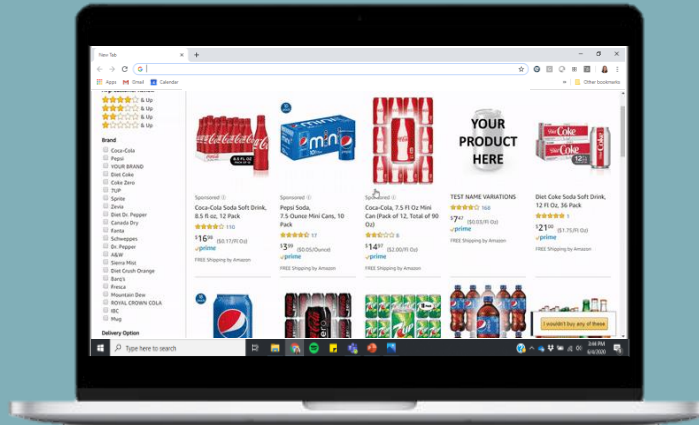- ✓ Don't go deep with your promotion

# SKIM's Digital Research Toolbox

# DigiShop
## Web Replication

*in action*

Try it yourself:

https://skimgroup.com/digishop-demo
https://skimgroup.com/skim-digishop/

# SKIM's Digital Research Toolbox

# UNSPOKEN®

## *in action*

**Try it yourself:**

https://skimgroup.com/unspoken-demo/
https://skimgroup.com/methodologies/unspoken

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9:45

**SKIM**

# UNSPOKEN®

## Modules

UNSPOKEN consists of three modules that help you ACE your marketing strategy

Attraction
Conversion
Evaluation

Back    Next

0%  ▬▬▬▬▬▬▬▬▬▬▬▬▬▬  100%
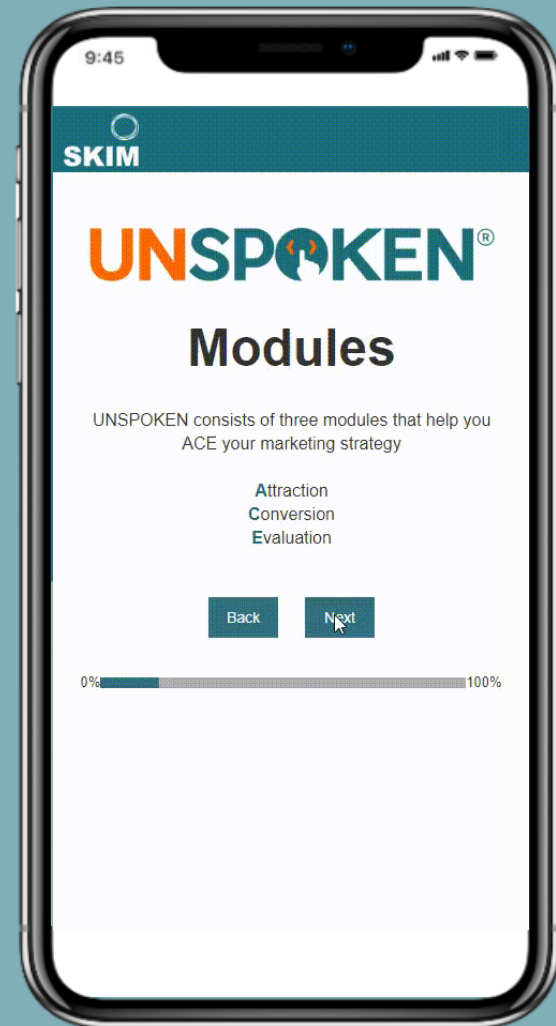
# Thank you for listening – Time for Questions



Joey

Mini

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decision behavior experts

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