

DR. ALVIN'S PUBLICATIONS

HOW TO PERFORM SIMPLE E-COMMERCE ANALYTICS

DR. ALVIN ANG



COPYRIGHTED BY DR ALVIN ANG
WWW.ALVINANG.SG

CONTENTS

Introduction	3
Customer Conversion	4
Assumptions	5
Conversion Indicators.....	6
Key Performance Indicators (KPIs)	7
Traffic	7
KPI 1 = Total Store Visitors per Month.....	7
KPI 2 = Individual Product Pageviews per Month	9
Conclusion	12
Three Key Indicators for Any E-Commerce Platform	12
Key Indicator 1: Total Number of Store Visitors	12
Key Indicator 2: Total Number of Views for that Particular Handbag	12
Key Indicator 3: Total Number of Enquiries / Chats for That Handbag.	12
References	13
About the Author	14

INTRODUCTION

- This manuscript uses real data collected from an E-Commerce site at
 - <https://www.lazada.sg/shop/mydreamzcloset/>

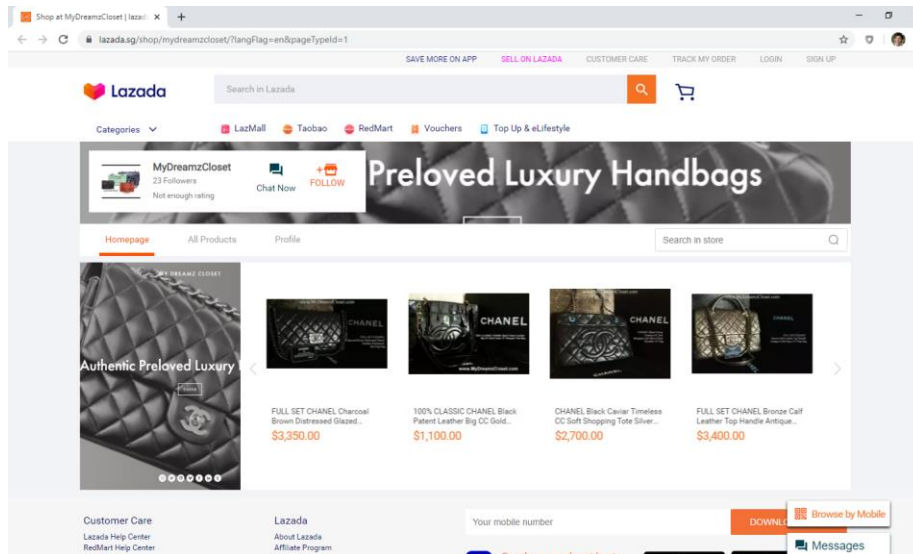


Figure 1: www.lazada.sg/shop/mydreamzcloset

- Two fold purpose of this manuscript:
 - Understand what drives customer conversion (sales on Lazada.sg).
 - Seek out Key Performance Indicators (KPIs) of this site.
 - Doing a Professional Monthly Report (using [www.Canva.com](https://www.canva.com))



Figure 2: How Customer Conversion Works

ASSUMPTIONS

- Figure 2 shows how Customer Conversion works.
- We assume the Law of Large Numbers (LLN (Wikipedia 2020)).
 - Meaning, there should be a large number of viewership before any product gets sold.
- In this case study, we assume one handbag (Figure 3) gets sold *THRU* the Lazada Platform.



Figure 3: Assume This Handbag Got Sold

- By “Sold”, it does not necessarily mean that the buyer purchases directly *on* Lazada, rather, we could have sold it to them from other platforms as well.
- But “Sold” here means that the customer got to know us thru Lazada – the first point of contact.

CONVERSION INDICATORS

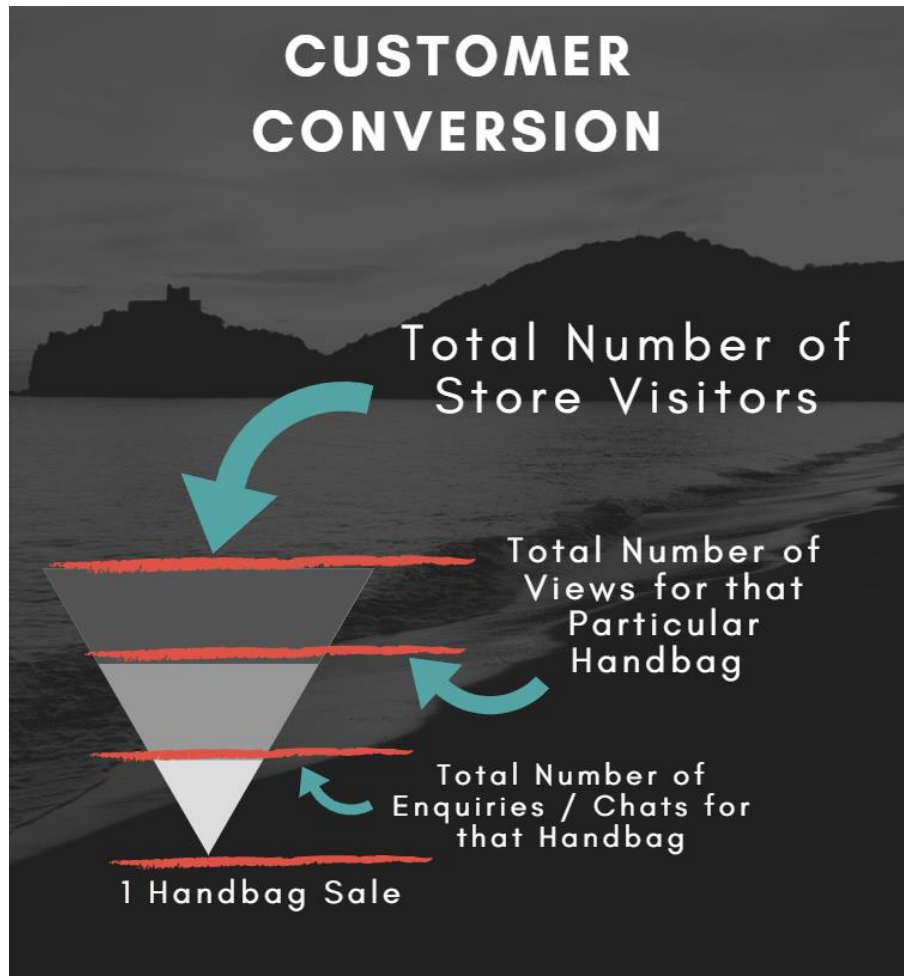


Figure 4: 3 Key Customer Conversion Indicators

- Figure 4 shows the Key Customer Conversion Indicators:
 - Total Number of Store Visitors
 - Total Number of Views for that Particular Handbag
 - Total Number of Enquiries / Chats for That Handbag.

KEY PERFORMANCE INDICATORS (KPIs)

TRAFFIC

KPI 1 = TOTAL STORE VISITORS PER MONTH

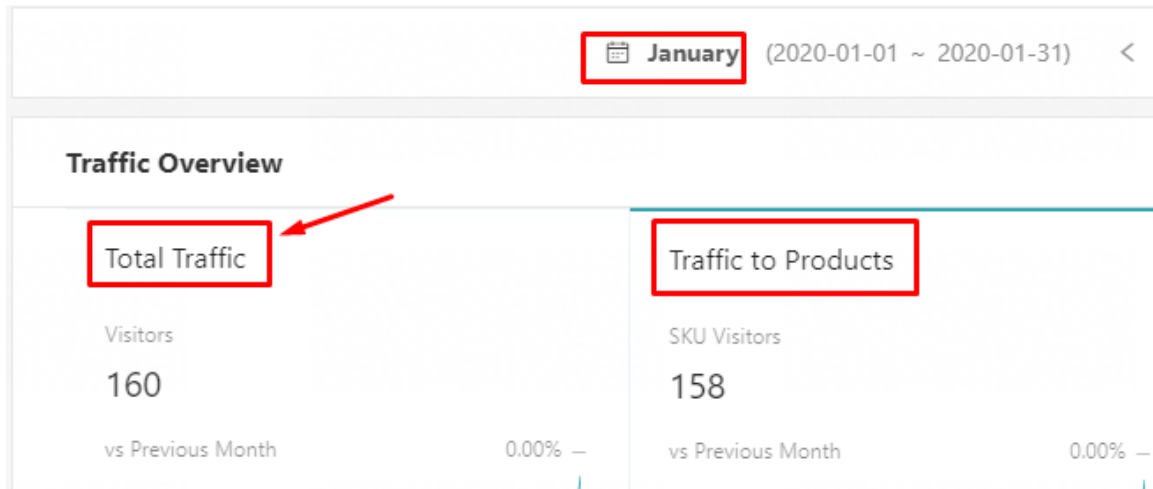


Figure 5: KPI 1 = Total Store Visitors Per Month

- We shall use January 2020 (Figure 5) as an example.
- As you can see, there are two KPIs
 - Total Traffic
 - This is the total number of visitors to the Store Page (<https://www.lazada.sg/shop/mydreamzcloset/>) per January 2020
 - Traffic to Products
 - This refers to visitors who come to the main page with the intention of viewing our products.
 - 160 came in to the store, but only 158 viewed products.
 - 2 visitors didn't bother to view any products and left.
- We only care about Total Traffic (ignore Traffic to Products).

- This is because we assume that our products (preloved luxury handbags) are high in demand items.
- In other words, we assume that visitors will automatically view our products upon coming in our shop.
- If many customers come in to our shop but they don't view anything, something is wrong with our products.
- But we don't face such a situation, so we ignore it for now.

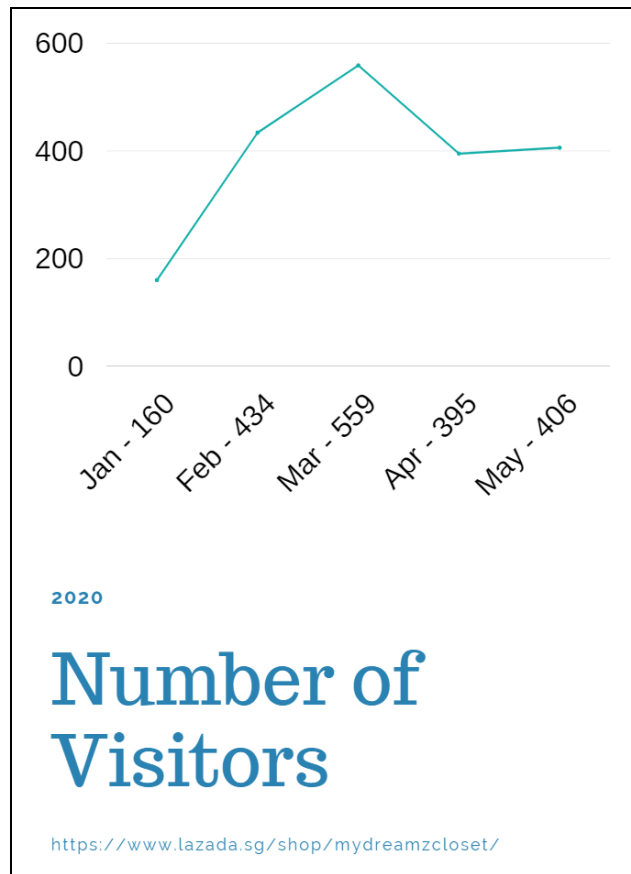


Figure 6: Total Number of Site Visitors Per Month

- Figure 6 shows a compiled graph (Jan 2020 – May 2020) on Total Number of Site Visitors Per Month.
- It was created using [www.Canva.com](https://www.canva.com)

KPI 2 = INDIVIDUAL PRODUCT PAGEVIEWS PER MONTH

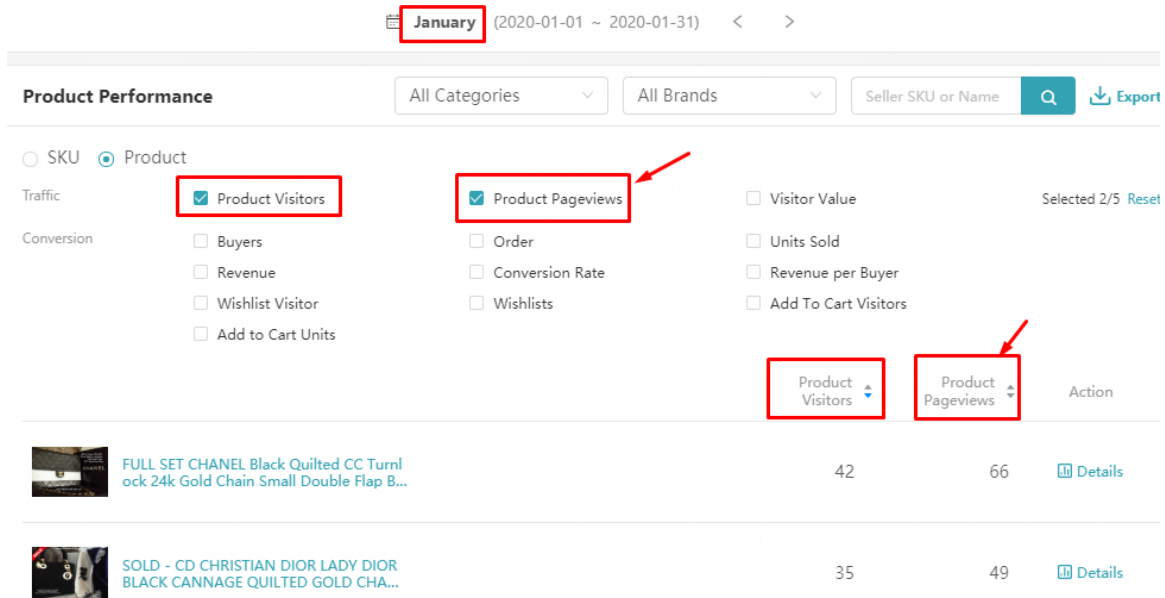


Figure 7: Individual Product Page Views Per Month

- Figure 7 shows the Product Performance Analytics from Lazada.sg
- As you can see, there are two KPIs
 - Product Visitors
 - This is the total number of visitors to the Individual Product Page per January 2020
 - Product Pageviews
 - This refers to the number of Pageview for each Individual Product Page.
 - In other words, each visitor may visit each product more than once.
 - 42 visitors previewed the CC Turn lock 24k Gold Small Double Flap bag.
 - But it was viewed 66 times.
 - This meant that some visitors viewed this bag more than once.

- We only care about Product Pageviews (ignore Product Visitors).
 - This is because we are only concerned with how many times the product was viewed before the customer initiated a chat.

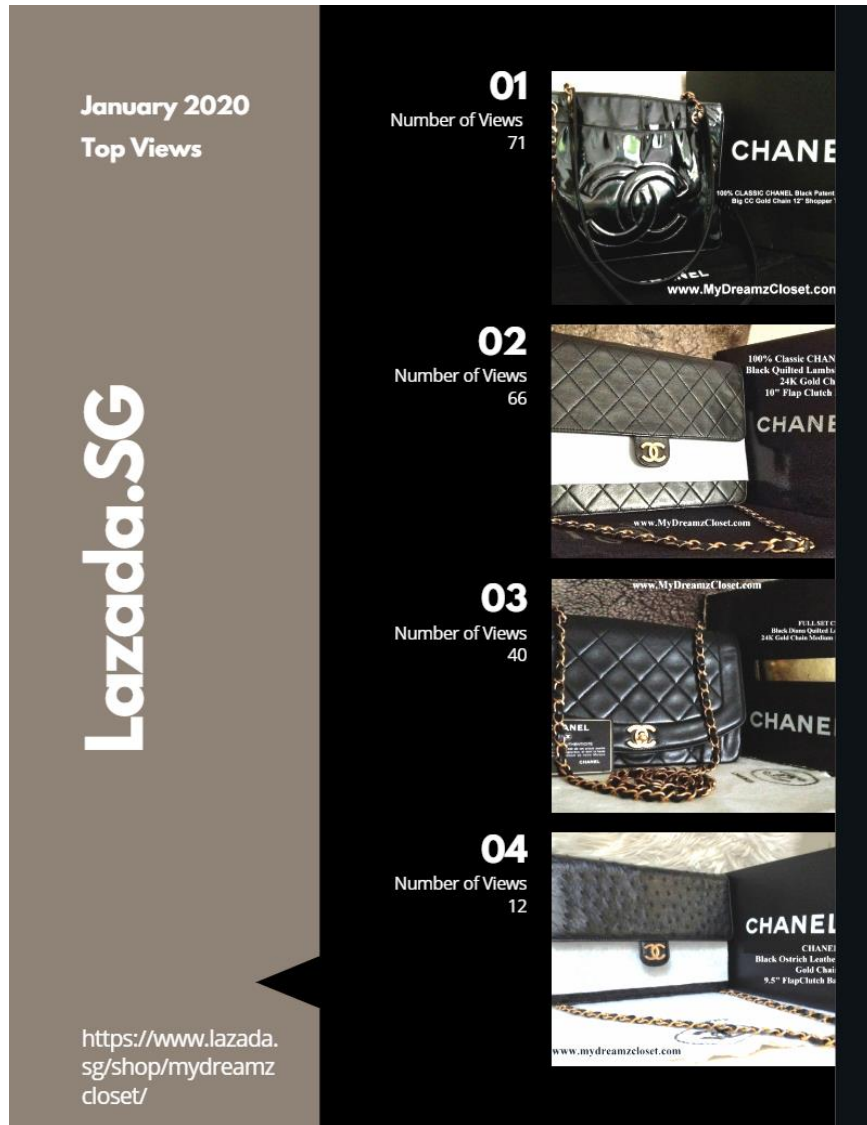


Figure 8: Top Product Views from Lazada.sg

- Figure 8 shows a poster (Jan 2020) on Top Product Views for each individual bag.
- It was created using www.Canva.com



Figure 9: Top Chats in Jan - May 2020 from Lazada.sg

- Figure 9 shows a poster (Jan - May 2020) on Top Chats for each individual bag.

CONCLUSION

THREE KEY INDICATORS FOR ANY E-COMMERCE PLATFORM

KEY INDICATOR 1: TOTAL NUMBER OF STORE VISITORS

- Infers / Shows how well the store is doing (in general).

KEY INDICATOR 2: TOTAL NUMBER OF VIEWS FOR THAT PARTICULAR HANDBAG

- Infers / Shows which handbag is the most popular (in terms of viewership).

KEY INDICATOR 3: TOTAL NUMBER OF ENQUIRIES / CHATS FOR THAT HANDBAG.

- Infers / Shows which handbag customers are most serious in buying.

REFERENCES

Wikipedia (2020). "Law of Large Numbers (LLN)." from https://en.wikipedia.org/wiki/Law_of_large_numbers.

ABOUT THE AUTHOR

Dr. Alvin Ang earned his Ph.D., Masters and Bachelor degrees from NTU, Singapore. He is a scientist, entrepreneur, as well as a personal/business advisor. More about him at www.AlvinAng.sg.