

SIGNIFICANCE OF WEB ANALYTICS IN ONLINE RETAIL SECTOR**R. Nath¹, J. Pawar² and S. Bachhav³**¹Sinhgad Institute of Business Administration and Computer Application, Lonavala, Pune²Sinhgad Institute of Business Administration and Research, Kondhwa, Pune³ASM's IBMR, Chinchwad, Pune¹reenanath29@gmail.com, ²jyothipawar18@gmail.com, ³shamaissm@yahoo.co.in**ABSTRACT**

Impressive growth has been observed in the retail sector due to advancements in technology. Client interaction and conversion rates have gone up substantially on an online platform, supporting the cause of e-retailers. Web analytics is a critical aspect of managing online retail stores and it has a major role to play in driving conversion rates as well as making decisions about areas that need improvement. The importance of web analytics for online retailers cannot be understated, with better understanding and knowledge being gained through careful analysis. The research paper is based on a survey of 38 experts and the findings of the survey have been demonstrated through real-time case studies. The reader will also be able to draw insights from the present research on web analytics in retail sector, which has a direct impact on retailers' strategic and operational decisions. Prospective retailers will learn what they need to know about web analytics for retail, how it is being used in online stores, and how it can be integrated into online retail strategy. The findings of the study reveal that web analytics is an important aspect of online retail business, to drive conversion rates as well as making decisions over areas that need improvement. Thus, web analytics is a critical aspect of managing online retail stores.

Keywords: Web analytics; Online retailers; E-retail; Retail

Introduction

It is the process of collecting, analyzing and reporting on data from a website's visitor. Web Analytics can tell online retailers what users do on a particular website, which helps online retailers determine which parts of a particular site are most popular and effective at getting visitors to take the desired action. Web analytics can also tell online retailers how visitors found a particular site (search engines, links from other sites, etc.) and where they go after visiting a particular site. This information can be used to make strategic marketing decisions about how to spend advertising dollars more effectively (e.g. should more money be spent on search engine marketing, SEO or site hosting?)

Web analytics is a critical aspect of managing online retail stores and it has a major role to play in driving conversion rates as well as making decisions about areas that need improvement. Most online retailers use web analytics to track their site visitors, measure the effectiveness of their advertising campaigns, analyze user behavior and improve their website's performance. The importance of web analytics for e-retailers cannot be understated with better understanding being gained through careful analysis for improving their existing

products or services, coming up with new product or service ideas and determining how to overcome the hurdles faced by them from time to time.

In the current day and age, increasing customer demands on services as well as attention spans for digital products have improved the online retail experience. 'Big Data' and analytics are often named, together and with a lot of discussion about both terms. 'Big data' is a term that has been associated with big numbers, whereas 'analytics' refers to information from large volumes of data. Data analytics encompasses an extensive range of analytical methods used to derive actionable insights from massive amounts of data. Data analysis is one of the most important aspects of finding meaningful patterns in large volumes of data. It is a necessary part of any business, for example retail firms rely on data analytics to make their operational decisions. Online retailers use analytics tools to monitor their website traffic and then use the insights gathered from that to improve user experience, interaction and conversion rates.

It is also used to track changes in consumer behavior, analyze consumer preferences and target specific market segments with optimum marketing strategies. Thus web analytics helps

an online retailer to understand its customers better and provide them with better services.

Web analytics are commonly used in retail sector to measure the success of e-commerce websites through the following ways:

1. Insight into visitor behavior: Web analytics tools can provide visibility of how visitors are using a website. This can help better understand what drives conversion, and inform strategy and decision making

2. Improve Web usability: *Web analytics also provides insights on areas for improvement for site usability. For example, web analytics data may be used as input for conversion rate optimization projects or to determine where to focus on areas such as search engine optimization (SEO) activities*.

Review of Literature

Mishra et al. (2016) state that with the advent of internet and rise in internet users, E-commerce industry has seen a surge in growth. They further add that this has increased the need for web analytics to be measured and analyzed to understand the cause and effect relationships between various parameters. The study from Visitor Path helps us understand this relationship better; around 90% of online retailers have web analytics integrated into their websites, while only half of those actually have a documented strategy related to it (Visitor Path, 2016).

Sanghvi et al. (2019) have studied the role of web analytics in the eCommerce industry. They have analyzed the research related to web analytics and analyzed the impact of web analytics on e-commerce websites. The findings are based on a survey spread across 12 international e-commerce websites over 2 weeks in March 2019. The findings of their study revealed that web analytics is an imperative aspect of online retail business, to drive conversion rates as well as making decisions about areas that need improvement. Thus, web analytics is a critical aspect of managing online retail stores. The study also confirms that web analytics is not only beneficial for retailers, but also for e-commerce website owners/developers, marketers and other stakeholders as it helps in better understanding the visitors' behavior on their website. As a result they are able to take

informed decisions which may help improve the ROI of their websites. The research also suggests that most eCommerce websites do not use all the available features of the software employed to analyze traffic on their sites due to which they are missing key insights into visitor behavior.

Keshav (2021) has presented an example of web analytics and its application in online retail. He has discussed the important aspects of web analytics, from types to analysis, and suggested a few ways to use them for better understanding of visitors' behavior on e-commerce websites. A detailed discussion about the growth in number of web analytics tools available for e-commerce website owners is also discussed. The author concludes that the importance of web analytics for e-retailers cannot be understated, with better understanding being gained through careful analysis.

John et al. (2019) provides a comprehensive overview of online retail market and web analytics for the same. He has discussed about the key aspects of web analytics, from types to analysis, and how it drives conversion rates on e-commerce websites. The author concludes that once the data is collected from web analytics tools, it should be analyzed carefully to understand visitor behavior and analyze the impact on conversion rates for e-commerce websites. The author also presented an example to understand the importance of web analytics in online retail.

Objectives of the Study

1. To understand how web analytics is used in online retail industry.
2. To understand the importance of web analytics for online retailers.
3. To analyse the future scope of web analytics in retail industry.
4. To study key challenges faced by online retailers in implementing and using web analytics effectively.

Research Method

Detailed interviews with the 38 experts in the field of web analytics were conducted and a thematic analysis was performed. These experts were told to express their views about the importance of web analytics, especially

when it comes to online retail. Their responses were recorded and summarized. The summary of the findings has been mentioned in the next section of the paper.

Data Analysis

Along with the interviews the experts were also asked to respond on a Likert scale of 5 to understand the various factors that make web analytics more important, especially in the online retail sector. The Likert scale started at 1 for strongly disagree, 2 for disagree, 3 for neutral, 4 for agree and 5 for strongly agree.

Table 5.1. Regarding the usefulness of web analytics and its significance in online retail.

	Strongly Disagree		Disagree		Neutral		Agree		Strongly Agree	
	Count	Row N %	Count	Row N %	Count	Row N %	Count	Row N %	Count	Row N %
Drive conversion rates	4	10.5%	3	7.9%	9	23.7 %	14	36.8%	8	21.1%
Analysing Browsing Session and provide valuable insights on how websites are performing	4	10.5%	2	5.3%	8	21.1 %	17	44.7%	7	18.4%
Web Analytics used with SEO	6	15.8%	2	5.3%	8	21.1 %	16	42.1%	6	15.8%
Usefulness in upgrading the features of the website and its optimization	4	10.5%	3	7.9%	9	23.7 %	17	44.7%	5	13.2%
Usefulness in Customer feedback and customer profiling	4	10.5%	2	5.3%	9	23.7 %	17	44.7%	6	15.8%
Usefulness in understanding customer needs and customer relationship management	3	7.9%	3	7.9%	9	23.7 %	16	42.1%	7	18.4%

From the above table it can be seen that 36.8% of the respondents stated that web analytics are useful in driving conversion rates. 21.1% of the respondents strongly agreed to the same. 44.7% of the respondents agreed whereas 18.4% of the respondents strongly agreed that web analytics help in analysing browsing sessions and also provide valuable insights on how the websites are performing. 42.1% of the respondents agreed whereas 15.8% of the respondents strongly agreed that when web analytics is used with search engine optimisation, it can produce significant results and increase the usefulness of web analytics in

general. 44.7% of the respondents agreed whereas 13.2% of the respondents strongly agreed that web analytics are useful in understanding the areas where the website needs to be upgraded and optimised. Almost similar number of respondents have stated that web analytics help in gaining the right kind of feedback from the customer and also help with the profiling. 42.1% of the respondents stated that web analytics is useful in understanding the needs of the customers and helps in customer relationship management. 18.4% of the respondents strongly agreed to the same.

Table 5.2. Responses of the experts relating to the challenges

	Strongly Disagree		Disagree		Neutral		Agree		Strongly Agree	
	Count	Row N %	Count	Row N %	Count	Row N %	Count	Row N %	Count	Row N %
Time and Effort needed to implement web analytics	3	7.9%	0	0.0%	7	18.4%	19	50.0%	9	23.7%
Organizational Change	0	0.0%	3	7.9%	8	21.1%	19	50.0%	8	21.1%
Security	4	10.5%	1	2.6%	12	31.6%	18	47.4%	3	7.9%
Web Analytics Bias	0	0.0%	4	10.5%	10	26.3%	19	50.0%	5	13.2%

The above table shows that 50% of the respondents agreed and 23.7% of the respondents strongly agreed that they face a challenge due to time and effort that is needed to implement web analytics. 21.1% of the respondents stated that they challenge majorly faced by the respondents was related to the organisational change. 47.4% of the respondents agreed that they have problems with web analytics due to security and it is a significant challenge to make sure that the web analytic data is kept confidential. 50% of the respondents stated that they face problems due to the bias that arises due to web analytics whereas 13.2% of the respondents strongly agreed to the same.

Key Challenges Faced by Online Retailers in Using Web Analytics Effectively

1. Web Analytics Implementation :Web analytics implementation for online retail stores requires time and effort. Online retailers need to make sure that their web analytics tool works properly so that a thorough analysis could be conducted on the various aspects of their business. This would help these organisations deliver a better customer experience while also improving their business metrics. This is a clearly a key challenge that retailers need to overcome.
2. Organisational Change :While it is true that implementing web analytics would organize a particular business in a way that would help online retailers make better decisions, it might not work out the way online retailers expect. While this may

seem like a positive outcome, it could end up being a very costly mistake if not handled properly. If there are organizational issues and processes within the firm, this will most certainly become an issue for a particular web analytics implementation.

3. Web Analytics Security : The other challenge that retailers face is security. Online retailers need to make sure that their tools are secure and that nobody else can access their data except for them. This can be a very demanding task for small organisations who may not have the resources or the budget required for this challenge.
4. Web Analytics Bias :It is important for retailers to understand how web analytics works, so that they could try to minimize any forms of bias in their implementation. This would help them understand how web analytics works and eliminate any possible issues with it.

Conclusion

Retailers can use web analytics tools to guide their decision making and to track the progress of their business. Web analytics can help retailers improve their customer service and provide better insight on the performance of their digital marketing campaigns. In order to successfully implement web analytics in retail businesses, there is a need for managers with experience in the field, as well as technical skills to create digital marketing campaigns that will deliver a good ROI (Return on Investment).

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