Episode 31:
Accelerating eCommerce Performance for CPGs: Data, Measurement and Analytics

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Keith Anderson:	Hello and welcome to another episode of the Profitero podcast. I'm Keith Anderson of Profitero's Strategy and Insight team. Today my guest is Scott Hamm of Rockfish. Scott is a guy who spent about a decade in ecommerce in different roles where the common thread has always been analytics, so he's somebody that I always have learned a lot from and enjoy catching up with to see what's on his mind. Now you can hear what's on his mind, too. With Rockfish, as you'll hear, he does a lot of work supporting brands, doing business with Amazon and other online retailers. We talk about the state of ecommerce, measurement and analytics and what's working and what isn't working. We drill in a little bit on areas like paid search, which is driving performance for a lot of his client. So, it's a great conversation and I think you'll enjoy it. Let's hear now from Scott Hamm of Rockfish. Well, joining me on today's episode is Scott Hamm, VP of ecommerce analytics for Rockfish Interactive. Scott, Happy New Year. Thanks so much for joining us.
Scott Hamm:	Yeah. Thanks for having me. I appreciate it.
Keith Anderson:	Where are you connecting from today?

Scott Hamm: I'm coming to you from Cincinnati. That's one of our three major offices for Rockfish.

Keith Anderson: Nice. As we often do, I thought it might be helpful just to hear a little bit about your background and what a VP of Ecommerce Analytics does for Rockfish and maybe what Rockfish is doing in the industry just to start.

Scott Hamm: Yeah. Sounds great. I've been in the digital analytics space for about 10 years, starting out within social media analytics and a lot of focus on helping different clients and organizations understand kind of consumer sentiment about their products online back when Myspace was actually bigger than Facebook, so we've come a long way since then. After focusing on social media, moved into more digital web-based analytics, a lot of Google analytics and Adobe analytics, but for the last four to five years, I've been almost solely focused on ecommerce analytics and helping our clients sell more and navigate the waters of ecommerce, specifically pure plays like Amazon or omni-channel retailers like Walmart. That's kind of where I found my personal passion of driving sales within the shopper marketing space and especially watching companies grow and become more mature within the ecommerce space.

Rockfish as a whole, we think of ourselves as an innovation partner, so a lot of what Rockfish does is really thinking about what's next and helping clients think through that and prepare that and create ways to disrupt the consumer. One kind of area of expertise we've developed over the last four or five years is the ecommerce space and thinking about innovation within shopper marketing and being that true innovation partner with our clients.

Keith Anderson: When you say ecommerce, I heard you mention Amazon. It sounds like your clients tend to be brand manufacturers that sell indirectly via Amazon and Jet, Walmart, FreshDirect and other retailers. Is that correct?

Scott Hamm: Yeah, that's correct. Rockfish works with a variety of different manufacturers, but I would say the vast majority are really CPGs, where Amazon is often the biggest player that they're currently dealing with, but there's a lot of new revenue stream retailers and possibilities that are always coming up or at least other retailers that are getting a lot more serious with selling online, such as click and collect models to more of a true ecommerce play.

Keith Anderson: Yeah, yeah. I think we see so many brands just following the pace of change in the landscape. Obviously, in Europe, the full basket model for temperature sensitive frozen and chilled perishable products is more mature than it historically has been here, but when you look at Kroger coming off the sidelines, Walmart expanding their model from a handful of markets to dozens of markets, the growth of Instacart and Shipped, FreshDirect taking capital, there's no question that for anybody whose price to weight ratio makes the one or two item national ship model economically challenging or if their products require a cold chain, everybody's sort of trying to figure out, "Well, what's the right model

for my portfolio and what's similar or different?" I think that's both an exciting and a challenging thing hitting some of our mutual clients at the moment.

It sounds like you've been able to observe not only the evolution and the trajectory of CPG companies in this area, but the analytics landscape. What's your point of view on how the industry has adapted from a data and measurement and analytics point of view?

Scott Hamm: Data's really interesting and I think foundational to driving the best strategy and focus within the ecommerce space. Because it is so new, and so data really is a jumping off point to use to get smart and to act quickly because every day dollars are on the line. From a data perspective, I would say in the last four to five years, the number of different data providers has grown, but from an overall perspective, data, especially from a retailer, is still very fragmented. The data that a manufacturer may be able to get directly from the retailer, say at Amazon, where there's Amazon retail analytics, basic and premium and other offerings could be very, very different from another retailer that may be simply sharing an Excel spreadsheet every week or every month with sales data.

With regard to the types of data from a retailer, I would say it's been very fragmented, but retailers, I think are recognizing that using data can certainly be a win-win, both for the manufacturer and for themselves. If manufacturers are focusing on a core assortment, that can help with supply chain. It can help with getting the right product in front of consumer at the retailer's site to build that basket and make that sale.

Retailers are very fragmented data sets right now. Some are doing better than others, but where I think we've seen a lot more consistency and a lot more growth over the last two or three years is with third party data providers. That's where it's really great to be able to have one provider that can give you a consistent set of metrics across several different retailers. We already talked about Amazon, Walmart, FreshDirect, and Jet, and Boxed, and some others, but having what I would think of a data provider that can give you insights on digital shelf, and/or competition, and/or impact on promotions and other shopper marketing activity, I think is again where I've seen a lot of growth to give insights into assortment availability, pricing, perfect page content. Not only do product detail pages have content, but is it the right content that you thought that retailer should have that you're pushing through to them, as well as search and customer abuse.

Those types of metrics, those digital shelf metrics aren't things that we're actively seeing retailers offer to clients, but we are seeing our metrics that are very core to understanding the consumer path to purchase and being set up to succeed online.

Keith Anderson: Well, I think you highlighted one of the complexities, but unfortunately the reality of the availability of data and analytics across the landscape. I think in a

perfect world, every retailer would offer data continuously, consistently in a structured way so that suppliers with better information can be more effective on the retailer's behalf, but I think part of what you've observed and obviously what we've observed is in the absence of that ideal state, having some common metrics that you can analyze commonly across different retailers and parts of your business does give you a view of where you're starting from and lets you monitor your progress over time.

You mentioned a few points that I'm just curious to talk about for a minute, one of which was things like product detail content and whether the content that's there is the content you thought should be there. That's obviously a key part of making sure the brand is well represented on a retailer site. How do you think about not only executing against what your plan was, but measuring the impact of that plan or of that execution? In other words, how do you think about that?

Scott Hamm: I would say content is something that comes up quite frequently and is often one of the first areas that Rockfish focuses on as well as clients like to focus on, is getting the right content and creating what some call the perfect page. In terms of what we want to see from that effort and from that investment, are kind of two things. One is a lot more soft and fuzzy feeling of we just want to put out a consistent voice of the brand with the best content and imagery that we have at our disposal. That's not a lot of metrics behind that per se, but I think it's really crucial when you think about how many consumers are influenced by digital on their path to purchase, whether or not they follow through and buy online, or they're simply interacting online and then buying offline.

The fact is consumers are going to see that content. Several clients we've looked at where we've had like page view, product detail page view traffic, product detail pages are getting more traffic online than some brand dot com sites. A lot of consumers are going to be researching your product through those retailer sites, so that content is very critical.

Another thing that I've heard in the past is if you think about Amazon and you take off the buy button, it's the largest repository of product information basically on the planet. If you just stop thinking about selling and just think about all the people coming to retailer websites for product information and to do research, having the best content on that page is very, very important just for the matter of having that consistent brand voice, that consistent brand experience.

From more of a hard metric side, we think about content certainly impacting the path to purchase in a few different ways. The first would certainly be how does content help influence search? Thinking about the keywords you're using on a product title to the basic content to any type of enhanced content. Using the keywords that consumers are searching on the retailer sites, not necessarily just Google, but on retailer sites when they're ready to buy, making sure those

category brand and maybe tertiary category keywords are present on the page so you can be served as a result within the search results.

That's from a keyword perspective, but you can also think about content, especially above-the-fold content, like imagery impacting a metric like conversion. We like to look to see if there's any impact on search, but also follow through with traffic and conversion and then finally sales. As you get all that going, hopefully you're getting the right consumers, making the right purchase, and also leaping possible customer abuse. A bit of a lot of different gears going on at once just by a simple, or perhaps comprehensive product detail page update.

That's how we think about content. Like I said, it's one of the first places we start, but can have a lot of different levels of impact depending on what the consumer's looking for and at which stage they're at to purchase.

Keith Anderson: Do you find at different companies or with different brands that you support, they have a different set of priorities or definitions of success? You mentioned at the beginning of our conversation, you tend to work with shopper marketing. In my experience, sometimes the focus for the shopper marketers is as much on driving traffic and engagement and ideally, managing through to conversion, but maybe not to the same degree that a purely sales oriented dynamic might be focused on. I'm curious, who do you see owning this work inside the companies that you deal with and is there any pattern in terms of their single highest priority for what success means, or is it just a lot more nuanced and they've got to consider all these different factors?

Scott Hamm: Yeah. I would say from a which metrics matter the most, it's certainly nuanced with regard to who has the ownership, who's funding or overseeing the project. Some manufacturers may simply want to check the box next to the perfect page and know that there's all these tangible and intangible benefits to having that out there, but some of the core metrics that I think folks are most focused on are, "How does content influence search performance and then influence conversion?" That conversion certainly would be more of a question from folks that are looking at sales goals, finding the ways to maximize every visitor to their PDPs that they can to help reach that goal and hoping content helps drive that extra conversion.

In terms of overall responsibilities of content, it really varies. I think manufacturers and clients of ours are still figuring that out. Sometimes brand teams are heavily involved. Their brand teams are at least making brand assets available such as product imagery or legally approved keywords, making those available to be used within content. Other times it's channel managers or a number of different folks that may wear many hats, but like I said, I don't think it's well-defined yet from a best practice standpoint across organizations. It's still kind of that it depends, but I think there's a lot of seeing how quickly ecommerce is growing and how much digital influences purchase. It's something most clients

are tackling right now. I think a few years from now, it's going to be much more defined.

Keith Anderson: I totally agree. I often say a lot of the innovation and what's interesting is happening at the margins between well-established functions or disciplines. If you take much more common titles like account manager or sales, shopper marketer, for as long as I've been at this, you've seen content in particular [set a 00:18:11] sort of a hot potato because if you're primarily responsible for sales, in addition to trying to manage content, you're sitting there trying to figure out, "Well, what should be in distribution and what are the terms?" and you're managing the full customer P&L and to add to that responsibility, understanding and executing optimized content is a big challenge.

If you're a shopper marketer, you're much more campaign oriented, working backwards from either from the retailers' big platforms for hitting their shopper objectives and content development and deployment and optimization is just an always-on work stream. It's not something you can necessarily run on a purely sort of calendar-driven schedule. You have to follow the product's lifecycles and so on.

I see among the more forward-looking companies in the industry, I do see dedicated specialists starting to emerge who are in-house content analysts. They may not be personally responsible for managing the content. They often would be a partner or a counterpart to an agency, but it's increasingly important I think, the more companies understand some of the work that's really critical and doesn't have an owner dedicated to it full-time, they're starting to restructure and prioritize.

Scott Hamm: Yeah. I'd certainly agree. Not only specialists at individual or role level, but those specialists laddering up to a center of excellence of sorts within the ecommerce and content space. That can be leveraged across retailers, especially because there's so many nuances retailer to retailer, but also that common thread among them of the best types of content to use or in best practices from a search or purchase influencer perspective that moving to that specialized route is certainly something I think that we're going to see more of moving forward.

Keith Anderson: I was hoping, Scott, we could spend a couple minutes on search. I think you and my colleague, Ryan Jepson, have had some interesting exchanges on not just where we are today, but where things are headed. I'm curious about what you would tell people they really must do starting today to make sure that they're winning search and then any thoughts you have on where we're headed and what's likely to change I think would be really interesting.

Scott Hamm: Yeah. Search is similar to content. In a lot of our conversations, they've gone hand-in-hand in how one influences the other, but from a search importance standpoint, we know especially for certain categories, it may hold true more so than others, but for the vast majority of categories, consumers are starting on

retailers with search. Search is going to be where you're more than likely going to be getting the most consumers at the top of the purchase funnel with an intent to purchase. Understanding how your products are ranking on the first page of search results, what number of spots you have, so like share of search for example on the first page is important, but what I think a lot of folks don't look at as often beyond share of search is do you have one of those top three results because that is the top consideration set that consumer's going to look at. A lot of consumers won't even click, won't click past the first page, let alone scroll down and view all the results.

One, putting out there that search is indeed very important. That's one of the top ways that you can win within your category and something to really focus on. Number two, I would say thinking of search within various lenses is also really important. For example, looking at search keywords from a branded standpoint is important to make sure that you are owning most of those results and that competition hasn't crept in. You would expect from a branded term that you would perform well, but keeping a constant eye on that.

But then, completely separately, looking at category keywords and how you perform on those. That's where you're going to expect maybe lower results than branded, but nonetheless, that's where you're probably going to get ... One of the ways to best win share against competition is performing well against those keywords where a consumer hasn't shown a brand preference yet. They're simply looking for that category and having a handful of terms that best represent that category to see how you rank against each of those.

Search is important. Think about keywords with different lenses or different viewpoints, but the final thing I would say is think about search with respect to everything else that is going on with your product. It's not just content. It's, "Is your product in stock? What is competition doing? Are you running promotions for that product that could be increasing traffic and could be increasing sales, which should be hopefully increasing search rank?" Really thinking about search not just as a standalone metric, but as a metric surrounded by all these different inputs that should be looked at simultaneously to best understand how to optimize.

Keith Anderson: Scott, everything you're saying makes tons of sense. Let me share with you one of the things we hear from a lot of clients, especially those that I think appreciate the importance of search, but don't have a ton of experience with it, especially if they've managed search outside of online retail. Maybe they've done traditional SEO or even paid search in a Google context. That's an environment where so much has already been automated and it's as much about really dynamic keyword analytics and bidding and optimizing for hundreds and hundreds of keywords in some cases really efficiently. It's a little different in the ecommerce world and so if you were new to this space and you were really eager to get started, but feeling a little overwhelmed, how would you help people think about

prioritizing? If they could only focus on the most important things at the outset, what would those be?

Scott Hamm: Great question. I would say at least from my perspective, when you're thinking about search keywords, it can be overwhelming and there's going to be huge long-tail, but on a retailer's site, usually there's going to be a huge disproportionate amount of volume of keyword searches within a handful of terms. I would say as a starting point, don't worry about all the long-tail. Don't worry about the eight or nine different keywords strung together that maybe only a handful of consumers are really searching for. Focus on the biggest terms where there's the most searches and the most potential to convert consumers and to get traffic.

You can use Google Search Insights to get a little bit of insight into different types of keywords consumers are using, but I think to your point, Keith, on retailer sites, usually that's very different, so consumers aren't searching for the best way to do something, and they're not searching for ingredients on a retailer site. They're searching for a product to buy and usually that's very specific to a category or something they have in mind. That's why I think that you start to see a very highly concentrated, short list of keywords to focus on.

In terms of optimizing against those keywords, I would then also look to see where are your products not showing up among that short list? Where you're not showing up is where you should immediately focus on. You can focus on those keywords a couple different ways. First, depending on which retailer, let's use Amazon for example, if you're not performing well for a keyword, they have something called Amazon Marketing Services that if you really dig into it, you can realize that it's kind of similar to if you're familiar with Google AdWords, it's similar to that in that you can pick certain keywords exact or broad match and do a cost per click model. Doing something with paid can be a stop gap until you have the time and the capability to optimize your page content for those same keywords.

Long story short, focus on a small set of keywords most critical to your category that are unbranded and then figure out which ones you need to climb the ranks fastest on to get in that consideration set as soon as possible. Once you've won on that short list or done all you can on that short list, that's when you can start to think about other keywords and thinking about maybe seasonality or other consumer need states that your product might be applicable to and seeding that content in keywords within your product detail page.

Keith Anderson: That makes a ton of sense. I think you just very efficiently helped me and I hope our listeners think about how to get started. So many people see the momentum in this space. They know they've got to do it. They may not have done it before and it can just be overwhelming when you dig in and see where there's hundreds or thousands of terms out there that I could monitor, but just the brute force

that's still required to go make an impact on every one of them usually leads people to start big to small, so I like the way you laid that out.

Scott Hamm: Yeah, and just following up on that. One kind of starting spot that we usually use to define that category, I set a short list. That could be eight to ten. That makes it much more manageable and gives you that starting point. You may be monitoring another hundred keywords beyond that, but you can get to those with time, so eight to ten is kind of what I think to be that sweet spot that allows you to keep focus, but also cover much of your category.

Keith Anderson: Yeah. Well, Scott, anything else you'd like to share about what you think folks should have top of mind as we enter 2017?

Scott Hamm: Yeah. I mean, from a focus standpoint, to one of your last comments, Keith, a lot of folks don't know where to start. I would say, foundation is key, so focusing on core products, making sure those are available, in stock, priced right, that they have perfect page content available so when consumers are researching or ready to buy, they're seeing the best of what you have out there to help them convert and make a decision. Starting there is great, but the next level things to think about beyond that is how do you drive even more traffic? Especially to categories that may be still growing at a slower or fast rate that are still a small percent of the overall sales happening online versus offline. As you sell products on Amazon, you're probably already seeing some growth just because of natural ecommerce growth, but thinking about how to accelerate that and how you may compare to competition is really, really important to make sure you're growing ahead of competition and just the category in general.

And then, even beyond that, always keeping an eye towards innovation, so there's always new channels, new ways to sell online, either within a retailer or new pure plays popping up they can focus on. That's where you can get a lot of learnings to really help shape selling online in the future. Starting, again, foundation, moving to driving traffic and conversion, to innovation. Like I said before, every day there's a dollar on the line, so it's never too late to start working with an agency or hiring your own team can make immediate impact. I think that's what I'd leave you with.

Keith Anderson: Yeah, and often both in my observation. In other words, working with an experienced partner can certainly accelerate your performance as you build some of that in-house capability and expertise. I think just given the pace of change and to your point, there is always a new tactic or marketing or merchandising vehicle or Boxed or Jet or Shipped or Holler. There's a new player emerging every quarter. It's I think over time going to be important for not just every brand, but every individual to continuously improve their own understanding and their own competency in this area, but it can absolutely accelerate your trajectory along that learning curve if you've got somebody working with you who's done it and particularly who has done the execution because it really is where the rubber meets the road in this channel. So much of

this is procedural and not technical, but certainly operational in a sense, so it's important to have that kind of experience.

Well, Scott, thank you so much for joining me. If people want to reach you, what's the best way to get in touch?

Scott Hamm: Yeah, you can ... I'm on LinkedIn. You can search me. Scott Hamm. H-A-M-M. Or you can send me an email at Scott.Hamm@RockfishInteractive.com.

Keith Anderson: Awesome. Scott, great to catch up. Thanks again for joining us and we'll talk soon.

Scott Hamm: All right. Thanks for having me.