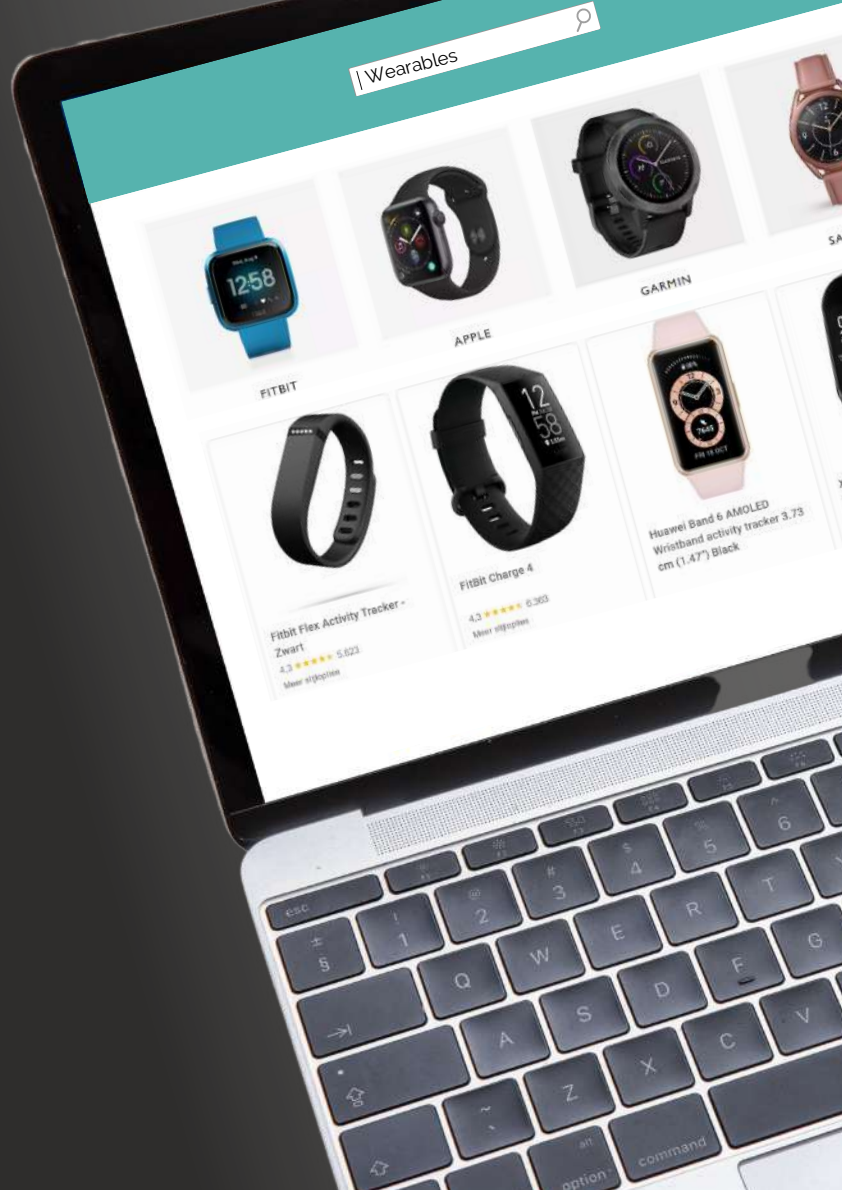




SiteLucent elucidates:

THE WEARABLES DIGITAL SHELF



THE WEARABLES DIGITAL SHELF

The major factors driving market growth in the Wearable segment are rising health interests, increasing chronic diseases, and the need for real-time body tracking for health checks. As a result, the revenue of the European Wearables segment is projected to reach €15,810m by 2024 (source: Statista).

The rising eCommerce growth and online competition from, among others, 3P sellers on marketplaces bring sales, search placement, content compliance, and brand equity into risk. Winning on the digital shelf asks for **great product experiences** and **maximum control of your brand**.

Easier said than done, right? This report gives best practices, tips, and insights based on our digital shelf observations on the Dutch wearables market.

Featured Brands and retailers:

Apple, Garmin, Samsung, Fitbit, Huawei, Xiaomi, and Fossil.



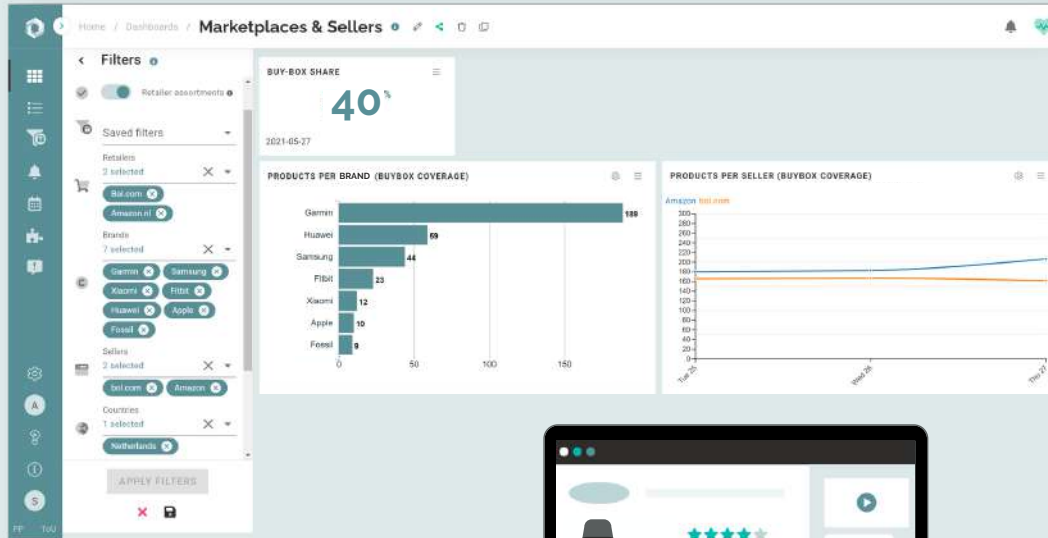
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1P VS. 3P SELLERS

Marketplaces such as Dutch bol.com and Amazon are a playfield where retailers and third-party (3P) sellers compete with brands (1P sellers). For shoppers, the enormous range on marketplaces can lead to confusion. The different prices and product content from various providers and the fraudsters, who are also active on the platforms, contribute to this.

BUY BOX

If other sellers are offering your products, marketplaces algorithms identify who has the 'best offer'. This offer wins the 'Add to cart' button— aka buy button or buy box. If the Buy Box suggests 3P sellers over you, you're probably not only missing sales but also ranking lower in search results and losing content compliance. As a brand or manufacturer, it is not self-evident that you win and keep the buy box.



On May 27th 2021, we've measured a **buy box share** of 44.6% on Amazon.nl and 35.3% on bol.com for seven leading wearable brands.

For 40% of the total 1330 product pages, a P1 seller (brand) won the buy box. For the other 60% of products, 3P sellers own the buy box.

If you don't **win the Buy Box**, all your effort in search and content is profiting 3P sellers.

WINNING THE BUY BOX

A P1 seller can lose the buy box due to performance issues.

Most marketplaces algorithms look for 'the best offer'- The seller with a combination of outstanding:

- Chances of conversion
- Product information
- Customer satisfaction



CHANCE OF CONVERSION

The most important factors that fall under the label; chances of conversion are **Stable & Competitive Prices** and **Stock Availability**.

Product details

Offers

Seller	Overall rating	Condition	Best offer	Price	Stock	Availability text	Actions
Telefoonwinkel	9.0	Nieuw	Y	368.95	Y	Op voorraad. Voor 23:59 besteld, morgen in huis	
Alfa solutions		Nieuw	N	364.95	Y	Uiterlijk 7 juni in huis	
bol.com		Nieuw	N	499.00	Y	Op voorraad. Voor 23:59 besteld, morgen in huis	

3P seller - best offer

1P seller - lost buy box on price

Rows per page: 10 1-3 of 3

CLOSE

If third-party (3P) sellers beat you in stock availability or price, they can 'steal' your Buy Box position. In the example above, we see a 1P seller (a wearables brand, selling directly to bol.com) losing the buy box to a 3P seller (telefoonwinkel). We can assume that the 3P seller in our example won the buy box due to a much lower price, although, as we've seen in the graphic on the previous page, many more factors can play a role.

STABLE & COMPETITIVE PRICES



Leveraging various sales channels to spread your brand increases the likelihood of price wars.

To keep your prices stable and competitive and be aware of losing the Buy Box, it is necessary to monitor (3P) sellers and their prices constantly.

If your product is available for a lower price elsewhere, pricing algorithms will find that price and match it. A chain reaction can result in a loss of margin and product and brand value, both in the eyes of your customer and resellers.

In the example on the left, we see that a single promotion on retailer BCC triggered an average price drop of EUR 6.55 (11.15%) in 1 week for a wearables product.

HOW UNAUTHORIZED SELLERS CAN DAMAGE YOUR BRAND



HOW TO AVOID A PRICE WAR?



Track sellers & prices. This can help you to:

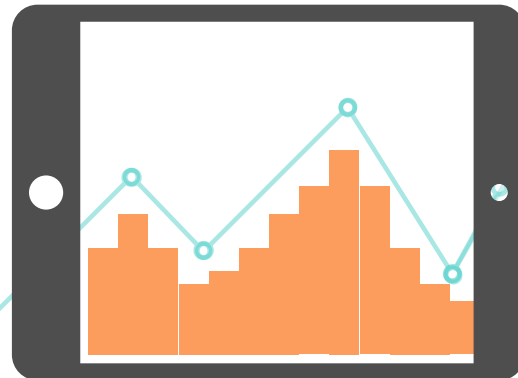
- 1 Immediately **contact** the seller and look for a reasoning and a possible solution together.
- OR
- 2 **Identify** the seller and cut off the supply.

Be aware that Minimum Advertised Price policies are prohibited in the EU.

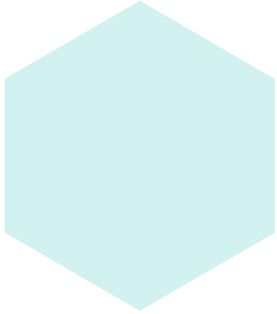
BENEFIT FROM MONITORING PRICES IN MULTIPLE WAYS!

For example:

- Select an optimal price strategy based on **competitor prices**
- Analyze the impact of **changing** purchase prices on selling prices and quantities sold
- Know which resellers maintain **stable** prices: *A stable price often shows a product to be successful and vice versa.*



NEGOTIATE MARGINS, BACKED WITH RETAIL PRICE DATA



By knowing the retail price, you can calculate the profit margin of your resellers

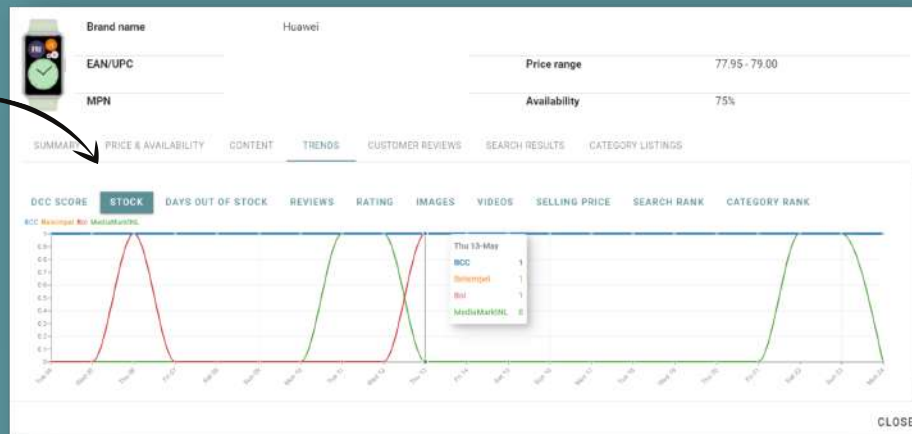
And if it's in line with the brand's profit margin.



STOCK AVAILABILITY

Running out-of-stock can not only cause a buy box loss but can also have longer-term consequences for your brand. The more frequently your products run out of stock, the fewer chances you have of winning the buy box. Marketplaces algorithms prefer sellers that have full inventory most of the time.

We found that poor availability in the past 20 days, can cause an average drop of 4 to 5 positions in eCommerce search result for the keywords: 'activity tracker', 'smartwatch' and 'sports watch'.



THE CONSEQUENCES OF RUNNING OUT OF STOCK



HOW TO PREVENT ONLINE STOCKOUTS?

- Keep products with the **best profit margins** and **sponsored** products in stock at all times
- Keep a close eye on seasonal products and try to **forecast peaks**
- Daily **track the availability** of your products at your key sales channels
- Track the length and timing of each product's stock-out and **anticipate supply issues**



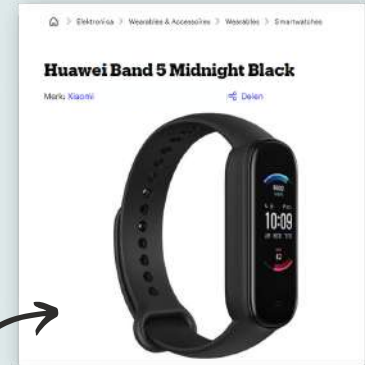
PRODUCT INFORMATION & CONTENT COMPLIANCE

Keeping a consistent brand image and being content compliant on all channels is a challenge, yet indispensable to win on the digital shelf, including winning the buy box. Monitoring product content regularly is needed. Begin with the essential content elements— what a shopper sees when they first land on your product page.

1 PRODUCT TITLE

The basic elements of a product title for smartwatches are Brand name - Product name - Keyword(s) - Variant - Material - Size/diameter - Color.

Samsung Galaxy Watch Active2 - Aluminium - Smartwatch dames - 40 mm - Rosegoud

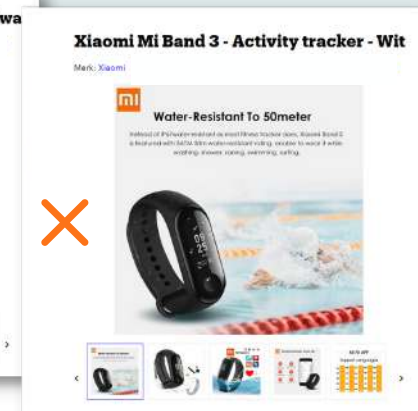
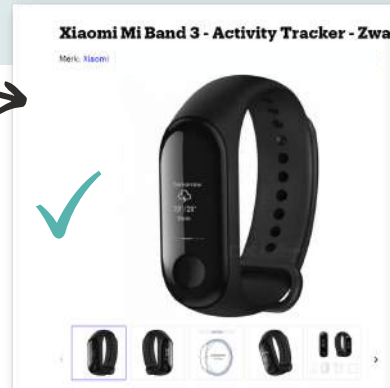


The above activity tracker on bol.com shows two different brands in the product title and listed brand name. Also, the title is missing the product type: 'activity tracker', an essential search keyword for the product. This product, offered by a 3P seller on marketplace bol.com, could be causing content compliance issues for the Brand and SKU in question.

2 HERO IMAGE

It is highly recommended to display a **hero image** showing the item itself - Straight from the front or clear side view and as filling as possible. Provide a white, neutral background with no shadow visible and do not show any logo, text, icons, or watermarks in the hero image.

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TIE BENEFITS TO PRODUCT ATTRIBUTES



- Activity tracker
- 5ATM & IP68-certified
- 230 mAh battery



- The virtual partner that supports you in building, maintaining and improving a healthy lifestyle by tracking your daily activity.
- Thanks to 5ATM and IP68 you can swim with your smartwatch in both sweet and salty water, up to 50 meters deep!
- The 230 mAh battery makes it possible to use this smartwatch for up to 45 hours. Use its sports functions for up to 12 hours, and listen to music for 8 hours.

PRODUCT DESCRIPTION

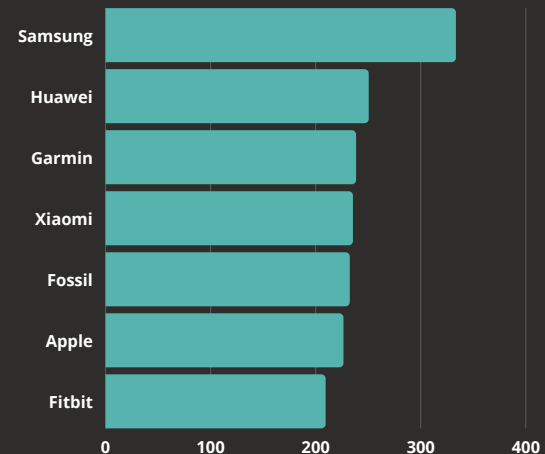


To create **product descriptions that sell**, keep it simple and scannable, trigger emotions, capture your ideal customers' imagination, and **tie benefits** to your products' features.



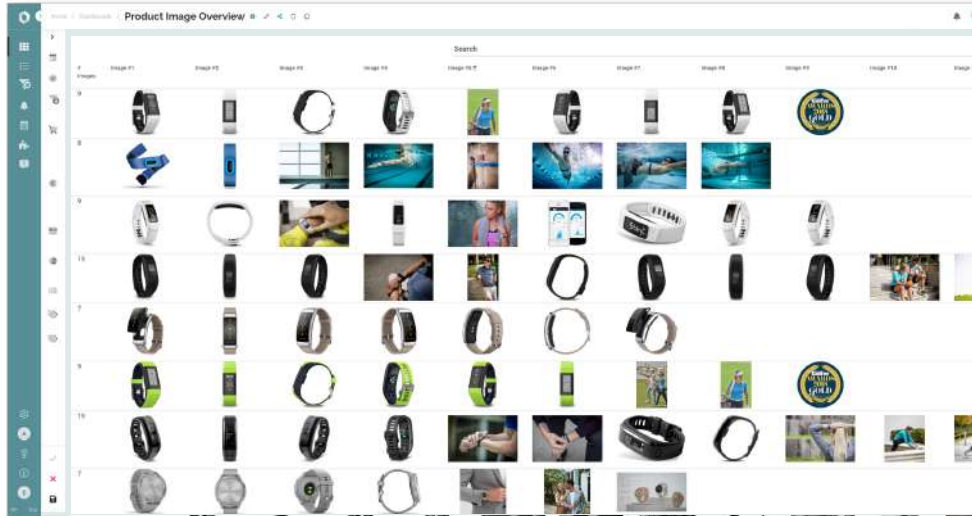
The product descriptions we analyzed for the top 7 brands on bol.com, amazon.nl, MediaMarkt and BCC in the wearables segment, have a **total average word count of 246**.

Average word count product descriptions per brand



PREMIUM PRODUCT CONTENT

4 ADDITIONAL IMAGES

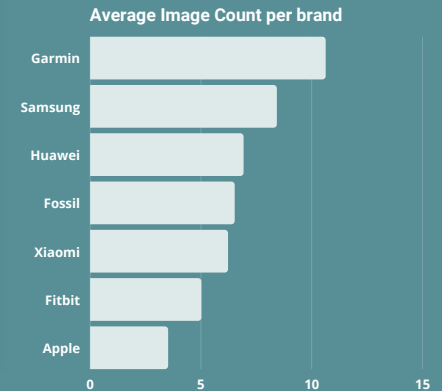


The more images, the better!

- Add atmospheric images to give your item more character and show it in use.
- Show the item from different positions so that you correctly map the looks and extras.
- Clarify the size of your product by showing the product when it is worn by a person.
- Show the ideal customer on the image - e.g. a woman, man, child, golfer or swimmer.

SiteLucent observed the average image count for 7 top brands in the wearables segment on 6 leading Dutch e-retailers.

The average number of images we counted on all 1330 product detail pages is 7.

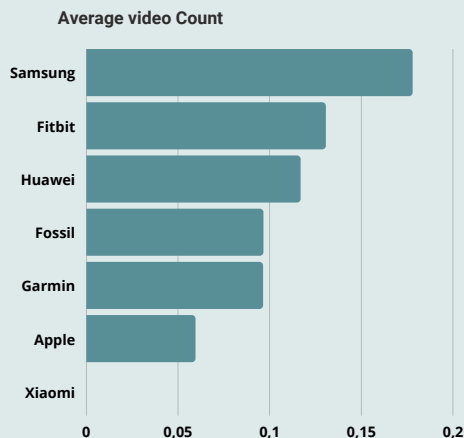


5 PRODUCT VIDEOS

Shoppers can use videos to:

- Better understand the usage or the intent.
- Learn how to set up and charge the product.
- Discover your (Brand) story.
- Get to know about customer experiences.

The number of videos on the product detail pages SiteLucent has analyzed are low: An opportunity for growth and competitive advantage. Adding videos can increase sales by an average of +55%.



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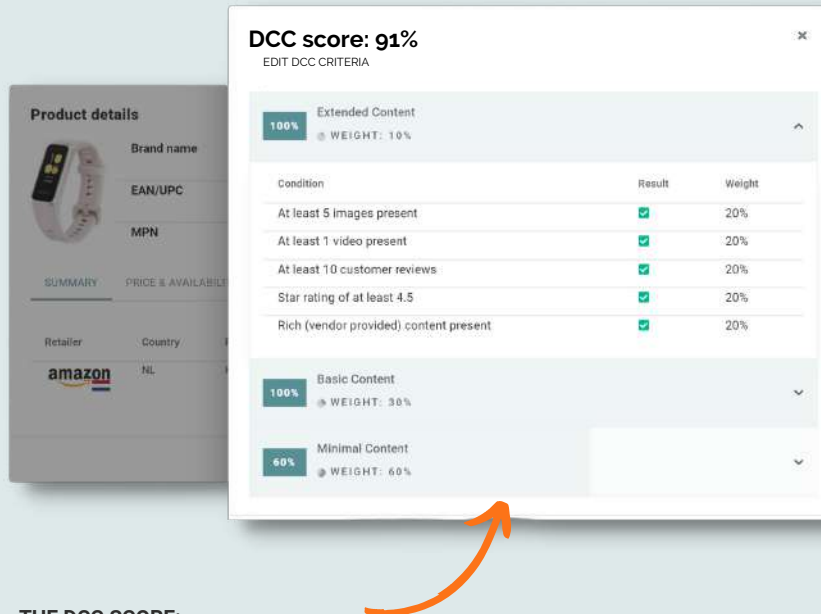
6 CUSTOMER FEEDBACK

Products within the Wearables segment often are new, higher-priced, and health-related products. For these products, reviews are extra powerful since it concerns **high-involvement buying decisions**.

Monitoring Ratings & Reviews helps you identify issues with your products and product content, gives you keyword ideas in the customer's language, and gives shoppers trust in your brand.

Northwestern University Research has shown that purchase probability peaks when a product's average star rating is **between 4.2 and 4.5**. Use SiteLucent's content quality scorecards to spot underperforming products and zoom in!

CONTENT QUALITY SCORECARDS



THE DCC SCORE:

- Is fully customizable: set your own (retailer-specific) content criteria and their weights.
- Has three layers - Minimal, Basic, and Extended, to help you prioritize what to optimize first and bring product content towards perfection level, step-by-step.

Once you have benchmarked competitors' and industry best-sellers' content and mapped retailer-specific content requirements, you can determine your content quality scorecard criteria.

The SiteLucent team created the **Digital Content Completeness (DCC)** score to measure content compliance on all channels.

Monitor if product content elements have been published correctly on your key sales channels. Set up alerts and be notified if products are not brand-compliant. Optimize underperforming product detail pages to stand out on the digital shelf!

By improving the DCC score by 50%, your wearables product can rank up to 15 positions higher in eCommerce search results.

ABOUT SITELUCENT

SiteLucent is a complete eCommerce Monitoring Software that gives you all the digital shelf analytics you need to drive eCommerce sales. Whether you want to improve visibility, be brand compliant on all online sales channels, avoid channel conflicts, or lower product return rates.

Get a helicopter view of your key online sales channels by monitoring product content, assortment, selling prices, Out-Of-Stocks, search rankings, and ratings & reviews.

The world's leading brand manufacturers trust SiteLucent's eCommerce data and analytics, including Garmin, Samsung, and Huawei.

For more information:

send us a message: www.sitelucent.com/contact
or visit: www.sitelucent.com

Ask SiteLucent's digital shelf specialists how we can help optimize your brands' digital shelf performances.

GET A PERSONALIZED DEMO

Get a 1:1 demo of SiteLucent's software where we can show you how we help other brands. We are curious to hear about your challenges!

REQUEST A DEMO



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