Zalando Shares Customer Insights with Brand Partners to Deliver Better Service, Results

Use case:
Data analytics to improve the e-commerce consumer experience, optimize brand performance

Favorite Metrics:
How data insight impacts what products, where and when, brands present to consumers.

Best feature:
Brand partners get 24/7 self-service access to data on purchases, customers, and brand performance.

What they're saying:
"If we can empower our partners, we enable them to grow sales on our platform, while also benefiting customers who will receive a wider selection."

Results With GoodData:

Zalando expects more than 1,000 brands to use the ZMS Insights tool by the end of 2020, up from a few hundred a year earlier. More than 70% of brands who use the ZMS Insights tool check it monthly and 46% check it weekly.

Zalando is on the frontlines of the e-commerce revolution as Europe's leading online platform for fashion and lifestyle. Founded in Berlin in 2008, it brings head-to-toe fashion to 32 million active customers and provides a platform for more than 2,500 top fashion and lifestyle brands.

While Zalando handles e-commerce for third party brands, it is also building an operating system for fashion, providing logistics, technology and marketing solutions to brand partners alongside its wholesale business.

Key to that effort is data that on-line shoppers provide given their 300 million monthly visits to the Zalando website and app from across 17 European markets. By capturing such data, Zalando helps its brand partners gain a holistic understanding of their consumers, what products they want and when they want them.

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Cody Alton
ZMS Insights Senior Product Manager, Zalando

Sharing Data Based Insights with Brand Partners

As a leading online platform, Zalando has long had access to data insights about what happens in its Fashion Store. Zalando can now use this access to give fashion brands more detailed information, analytics, and a better understanding of how their shoppers are using Zalando.

To share detailed customer insights with brand partners, Zalando, using GoodData's analytics platform, developed ZMS Insights to provide all brands, large and small, the same detailed access to data to help them better target their customers and grow their businesses.

With ZMS Insights, Zalando enables its brand partners to optimize their strategy, product, market and merchandising decision-making, and enables Zalando to be more collaborative with brands via data sharing.

"If we can empower our partners, we enable them to grow sales on our platform, while also benefiting customers who will receive a wider selection," says Cody Alton, ZMS Insights senior product manager. "We are enriching our partners with data so they can take action."

Tool Highlight Insights

With its GoodData-powered tool, ZMS Insights provides eight dashboards with more than 30 metrics enabling brands to:

- Identify new opportunities
- Benchmark against peer competitors
- Evaluate performance based on detailed data
- Drill into metrics on an article level
- Deliver easy to use data analytics to anyone
- Customize data analysis
- Monitor market share

Zalando expects more than 1,000 brands to use ZMS Insights tool by the end of the year, up from a few hundred a year earlier. The deeper level of insights is available to all brands, from big, well known names, to niche providers offering specialty fashion. Zalando also offers a second assortment planning product that delivers fewer insights around things such as best sellers, stock information and reasons for returns. It's used by 1,400 brands.

In addition, ZMS Insights offers access to comprehensive research, ad hoc consulting and customized dashboards.

A New Level of Data Insight

Zalando buys items from partners and then sells them online as a wholesaler. Its other line of business - Partner Program - allows brands to sell through the Zalando platform. In both cases, Zalando seeks to create a strong relationship with partners.

ZMS Insights enables relationship building. With the GoodData-powered tool, brand partners get 24/7 self-service access to data on purchases, customers, and brand performance. ZMS Insights aggregates countless touchpoints consumers have with brands on the Zalando website and supports the fashion industry from what sells where and to whom and how that differs by region to rate of conversions and return buyers.

GoodData enables e-commerce retailers to be the best online sales channel for brands and suppliers. With data analytics-such as insight into what products are selling where, to whom, and why-companies can maximize revenue, grow market share and create new revenue streams from data they collect.

Via the ZMS Insights tool, Zalando found that one company recognized that its Nordic customers preferred higher-priced shoes and so it produced one especially for them.

Another retailer wanted to reach an audience under 35. Previously, delivering on this goal had been a challenge because the retailer lacked quantitative insights on customers. With ZMS Insights, it discovered what part of their assortment was most appealing to their target customer, which colors, patterns, shapes and styles were important to them, and how it differed from other audiences. With that data, the retailer increased the visibility of those items and, with the help of ZMS, increased visibility for its products on Zalando by more than 69% year over year.
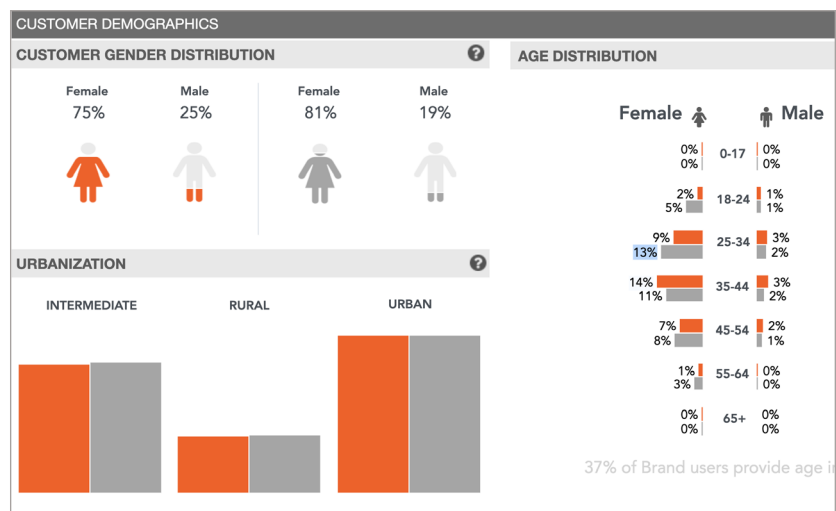
Discovering Customers, Opportunities

Other partners have discovered, via the data, that they're selling more to people they didn't expect, such as to a younger or older audience. "People think they're planning for one group, but when they dig into the data, they might find they're actually selling to others," Alton says. "Real data gives them analysis to know who their customer is versus who they think it is."

Brand partners can also more easily spot opportunities. For instance, they might see a high number of views but a low conversion rate, which could mean problems related to article availability or pricing. Because Zalando has insights across so many brands, partners get keen insight into how they're competing against peers or even who their newest competitors might be.

Also, brands can drill down into an individual item, a shoe, for instance, that sells well in one city but not another and into items that are viewed by shoppers who're 16 years old or 60 years old. Insights from such analysis can help brand partners plan for certain seasons and with sales and product design.

That level of detail is a huge advantage, which many Zalando partners "are not used to seeing," Alton says.

Understanding Brand Perception

Zalando also combines purchase and onsite data, as well as customer surveys, for tailored brand and sales analysis via consulting services. This enables brands to better understand their brand perception.

Also, customized dashboards enable brands to track performance based on their specific needs, and to track multiple data sources in one central location.

Developing the Tool

GoodData's end-to-end analytics platform allows companies to build complex data products for their customers and business partners. When needed, with a large set of customization options and developer tools, engineering teams can build applications on top of the GoodData platform. So GoodData can do both, deliver a solution that works for the customer, or deliver one that can be customized by the company's engineering team.

In this case, Zalando did a lot of the tool development itself. GoodData provided consulting services.

Zalando wanted a quick ramp-up without having to devote a lot of internal resources. GoodData enables Zalando to have its own data warehouse, managed by GoodData. With GoodData's solutions, Zalando can quickly scale as more partners use ZMS Insights and keep their data secure.
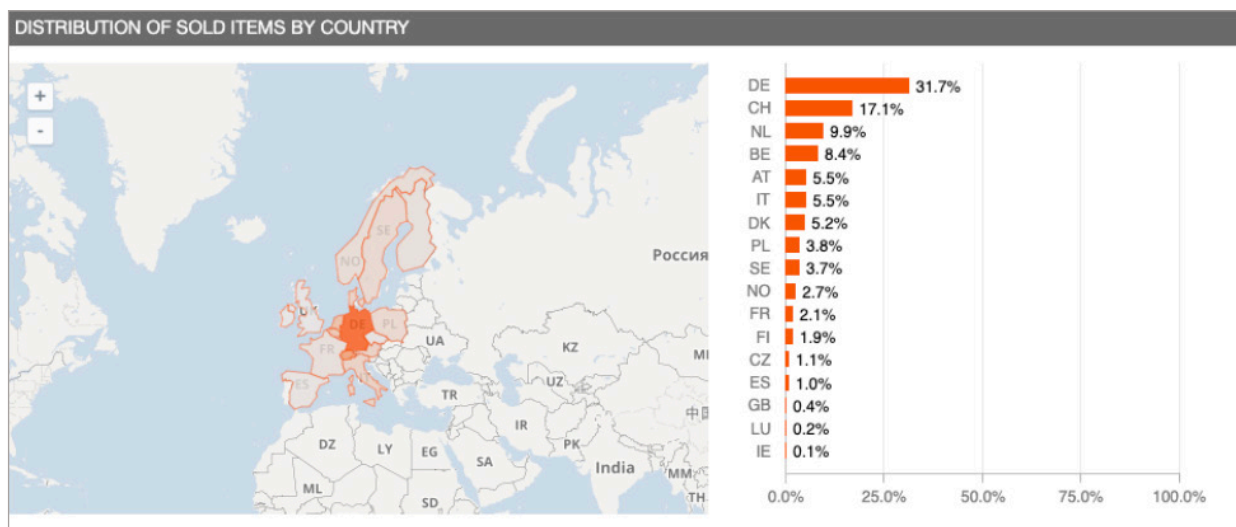
More Collaboration

ZMS Insights is being well received. More than 70% of brands who use the ZMS Insights tool check it monthly and 46% check it weekly. They're also using the data to help set strategy, Alton says.

In the future, Zalando expects to enhance the tool's capabilities to analyze where in the shopping and buying process customers drop off the buying journey, whether it has to do with product availability, price or other factors, and provide suggestions as to how partners might adjust.

Zalando also sees the need for data to be digestible so that anybody from the partner company can go into the tool and see what's going on, and make decisions based on the data "even if you hate numbers," Alton says.

"We see this (level of data use) as becoming the default in e-commerce."

Want to learn more about how GoodData can enable your business growth via analytics?

Schedule a demo

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About GoodData

What is it that we do?

GoodData is on a mission to break data silos. Real-time, open, secure, and scalable, GoodData's leading composable data and analytics platform provides a single source of truth across organizations and to their customers. To this day, GoodData has helped more than 140,000 of the world's top businesses deliver on their hosted or cloud-native analytics goals and scale their use cases — from self-service and embeddable analytics, to machine learning and IoT — all the while maintaining the performance, cost-efficiency, and easy change management of such a central and integrated solution.

GoodData has teams in the U.S., Europe, and Asia, with customers including leading software companies (SaaS), global financial and payment institutions, and multi-brand e-commerce platforms.

The GoodData advantage

Business:

1. One platform for all: internal teams, client companies, external partners
2. Self-service visualization for business users
3. Your own branding
4. Predictable pricing to suit your business, no pay-per-user
5. The highest data privacy and security certifications

Technical:

1. Automated scaling to different departments and companies
2. Embedded dashboards in your application or software product
3. Streamlined multi-tenant change management
4. Abundant data-source options
5. Fully hosted or deployed as a container in your private or public cloud (on premises)