

# 6 Ways to Identify Best Sellers Using Consumer Demand Signals

## Introduction

Having more best-selling products on your website – for longer than your competitors provides an extended sales cycle with less competition. To accomplish this, you need to identify what products in your category are selling the best and foresee which products will be best sellers in the future.

Learn Ways To Identify Best Sellers Using Consumer Demand Signals:

1. Identify and Add Best Sellers to Your Assortment
2. Use Search Signals to Identify Upcoming Best Sellers
3. Examine Trends to Identify the Next Best Sellers
4. Compare Reviews and Fill Gaps on Likely Best Sellers
5. Predict the Next Top Sellers by Matching Reviews
6. Predict When Sales Will Decrease on a Best Seller

***This is the second paper in a 3 part consumer signal series. The first paper, “3 Actionable Insights from Consumer Signals” discussed the following questions:***

1. *What are my assortment gaps?*
2. *Am I talking to my audience in their language, addressing their issues?*
3. *How do I make smarter product development decisions?*

## Identify and Add Best Sellers to Your Assortment

The following example shows Amazons' top-six selling products in the television category. Retailers selling in this category can then review whether these six items exist in their assortment and undertake further analysis to ascertain whether they should be adding any best sellers.

### Amazon Best Sellers

Our most popular products based on sales. Updated hourly.

Any Department

Electronics

Televisions & Video

Televisions

#### Best Sellers in Televisions

1. 222 days in the top 100



Samsung UN32EH4003 32-inch 720p 60Hz...  
★★★★★ (365)  
Click to see price  
32 used & new from \$228.20

2. 194 days in the top 100



VIZIO E320i-A0 32-inch 720p 60Hz LED...  
★★★★★ (266)  
\$298.00  
46 used & new from \$248.95

3. 422 days in the top 100



Samsung UN32EH5000 32-inch 1080p 60Hz...  
★★★★★ (438)  
Click to see price  
14 used & new from \$278.35

4. 179 days in the top 100



VIZIO E320-A1 32-inch 720p 60Hz LED HDTV...  
★★★★★ (91)  
\$248.00  
24 used & new from \$194.95

5. 146 days in the top 100



VIZIO E420i-A1 42-inch 1080p 120Hz LE...  
★★★★★ (106)  
\$499.99  
20 used & new from \$368.40

6. 211 days in the top 100



VIZIO E601i-A3 60-inch 1080p 120Hz Ra...  
★★★★★ (570)  
\$998.00  
20 used & new from \$791.15

### Actionable Insight:

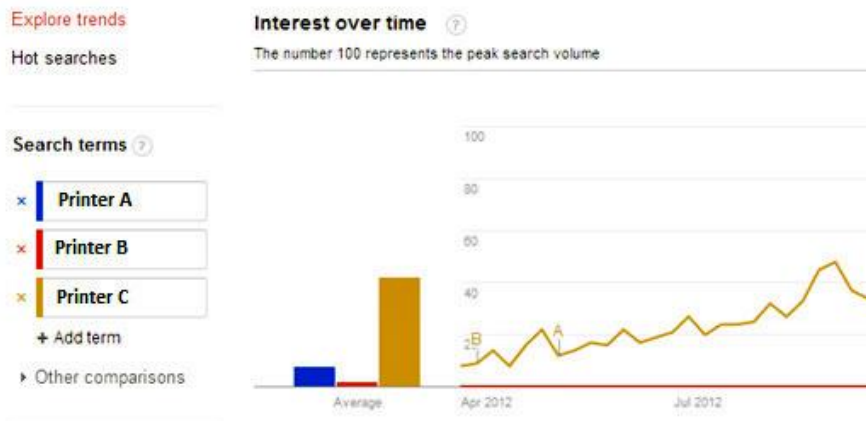
- Compare competitors' best sellers to your assortment to identify assortment gaps
- Identify current best sellers on your competitors' websites, and then compare them to your assortment to point out the gaps
- Undertake further analysis to figure out which assortment gaps you would like to fill, at what time, and at what price

## Use Search Signals to Identify Upcoming Best Sellers

In order to connect the dots, search data could be used as an input to the assortment gap analytical models to understand how searches specific products change over time and how they compare against their products.

### Actionable Insight:

- Are your best sellers really best sellers?



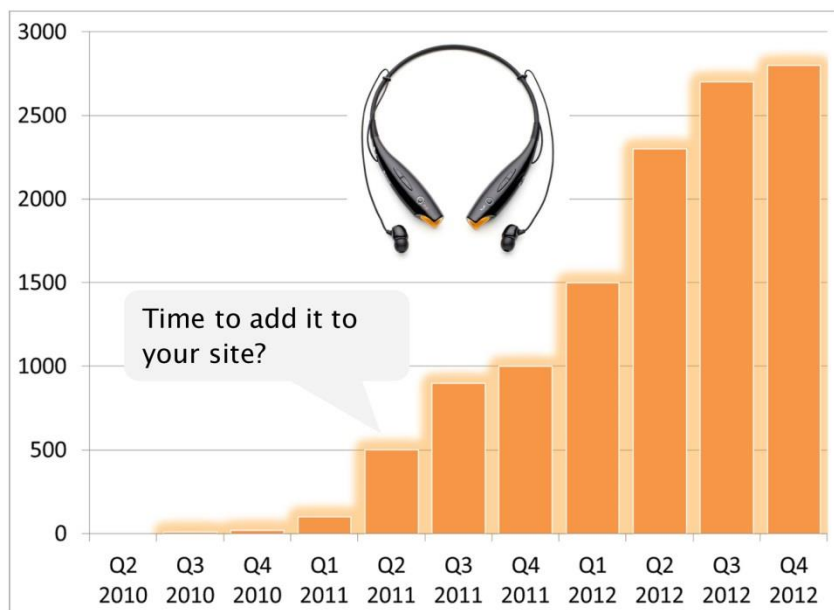
A word of caution though, just because a product is searched more does not always imply it will sell more than a product less searched for. In some cases, negative sentiment might drive the search, which is why it is important to triangulate various data sources, distill, synthesize and model appropriately before.

## Examine Trends to Identify the Next Best Sellers

Consumer reviews are complicated. On one hand, there is a chatter of reviews being 'seeded' and on the other, when 'filtered' they are a rich source of actionable insights. Using advanced techniques to filter signals from noise and then synthesizing the relevant reviews with metrics like velocity, slope, category benchmarks, and sentiments, retailers can predict likely next best sellers.

### Actionable Insight:

- Use positive reviews as an input to further your analysis and predict if it will become a best seller



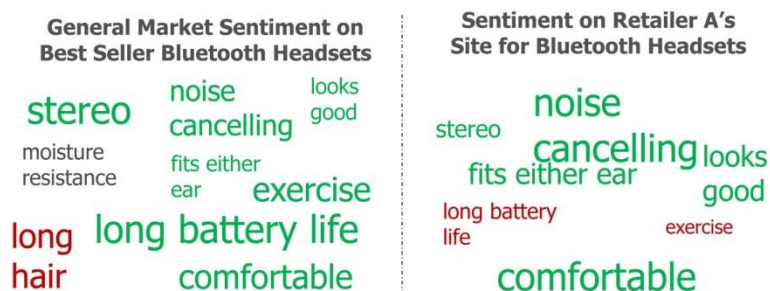
## Compare Reviews and Fill Gaps on Likely Best Sellers

When faced with low sales in a category, retailers can review consumer demand signals in product reviews to understand why their products are not selling and what products are likely to sell well.

Let us better understand this using the following example:

### Actionable Insight:

- Compare product reviews from the market to your site to fill in gaps with likely best sellers



In this example, the left side indicates what consumers like in the products they are buying in the market – 'long battery life' being the most important attribute.

Retailer A can compare these with the consumer signals he is getting from his assortment. As seen on the right side, 'long battery life' is not listed as a positive attribute. Retailer A can take this information, along with other consumer signals and fill out his assortment with headsets that fit consumer demand signals – that is, start selling headsets with long battery life.

## Predict the Next Best Sellers by Matching Reviews

Synthesize the reviews to ascertain key positive and negative sentiments and decide if your current assortment matches with these sentiments. If not, it could be a candidate for further analysis to determine if this is an assortment gap.

In the example below, reviews from the best-seller list indicate positive sentiments around long battery life, comfortable, etc.

### Actionable Insight:

- *Sentiment analysis of reviews is a great source of how customers perceive a product*

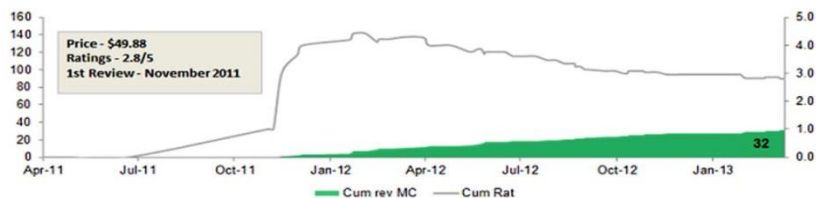


If a retailer does not have products that meets these attributes, he/she could undertake further analysis to determine whether or not to fill the gaps. Or if he/she have products with similar or matching attributes, they could try to emphasize them sufficiently.



## Predict When Sales Will Decrease on a Best Seller

In the following example, the positive reviews of a particular coffee maker reduced over time. In this case, comments show that the product starts to break down after only a few months of use, which might end up with lots of product returns.



### Actionable Insight:

- Consumer sentiment trending is an indicator of where sales are heading

A retailer might consider discontinuing sales of this coffee maker. A decline in ratings as seen above, may be a good indicator for retailers to discontinue sale of the product.



## Authors

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As Chief Innovation Officer and Co-founder, Mihir plays a crucial role in conceiving, and incubating pioneering solutions to help retailers improve their performance. These solutions combine analytics, technology and deep domain consulting to drive superior retail performance.



Mihir enjoys running, and is addicted to all things Apple.

## About Ugam

Ugam is a global leader in managed analytics that helps retailers, brands and market research firms transform big data into valuable insights. The company's unique managed services offering combines a proprietary big data technology platform with deep domain knowledge and analytics expertise to empower clients to make decisions that improve their business.

For retailers, online marketplaces and brands, Ugam supports better merchandising, marketing and channel management decisions through the use of analytics. For market research firms and insight-based consultancies, Ugam offers a portfolio of solutions including end-to-end research operations, technology transitioning support, and data warehousing, visualization and reporting that enables them to better serve their clients. **Five of the top 10 U.S. retailers**, many of the world's largest brands and online marketplaces, and **13 of the top 25 market research firms** work with Ugam because of its ability to deliver high-quality insights with unmatched customer experience.

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