

## How to improve online performance in a tough economy

Or how the online world can learn a lesson from the UK cycling team.



### How did the cycling team win eight gold medals?

The explanation used by the cycling performance director, Dave Brailsford, was that it was achieved through the “aggregation of marginal gains”. By looking for a 1% gain at everything they do, from mechanics upwards, they pulled together a whole series of small gains that enabled their athletes to dominate their sport.

This same principle is now being used by many leaders in ecommerce - look for the marginal gains that give the consumer a better experience and then deliver them. By adding all these marginal gains together, you can have a greater impact than placing all your focus on one area.

Let's face facts - we are working within a tougher online environment and we know that:

- It is harder to persuade consumers to part with their money
- Competition has increased and price has become an even bigger driver
- Marketing budgets have been squeezed
- Capital expenditure has been reined back, so the opportunities to invest in big new initiatives have reduced

The expectation is that you and your team still deliver big growth; you have done so over the last few years and the business is now relying on you to deliver through the tough times too.

### The good news

Despite the gloomy outlook, there is some good news in that a number of different trends are pulling in the right direction; it is not an impossible task to deliver strong growth in a tough environment.

- We know that customers are doing more online; research we conducted revealed that nearly 56% of consumers expect to maintain or increase spending online
- Also, most websites can now be edited to a far greater extent than before and there are people available to make the changes; there are ‘levers’ that can be pulled to improve performance
- There is now good data on most sites that shows how campaigns, products, categories and processes are performing. Although the use of web analytics may be immature within some organisations, the data is there waiting to be used.

However, this in itself is not enough; you need an improved approach, and the inspiration for this comes from an unlikely source - the UK Olympic Cycling team.

### How to run a programme to “aggregate marginal gains”

There is no secret to this, it involves putting in place a programme to track down the areas where there are opportunities to improve, and then making cost-effective improvements using the resources you have available. This type of process has been used for many years by companies like Toyota, and is usually referred to as “Kaizen”. The British cycling team took this continuous improvement process and has shown it can be made to work in a totally different field.

# Logan Tod & Co

We have identified the three areas where marginal gains are most achievable for our clients:

## 1. Web analytics and testing technology

Putting in place a web analytics tool that can highlight the areas to improve is a pre-requisite. Without this, how will you know what needs fixing and if the changes you make have actually fixed the problem? Most organisations now have web analytics tools implemented, but instead of using them to define areas for improvement, they use them as a reporting tool to report yesterday's activity.

A clear understanding of where the gains might be found is also essential. A web analytics tool will not tell you this, you need to delve deep into the data to find the weakest links, and use benchmarks to be sure that they are indeed causing issues. Insight needs people with more skills than reporting. A testing technology (A/B testing or multivariate) will also be required; it is the only way to be sure that a change has made a difference and that you have actually optimised rather than changed.

## 2. Process led approach

Improving performance is not done on a one-off basis any more, on most sites the 'easy wins' are long gone as basic usability issues have been ironed out. What is now required is a standardised programme that is regularly run by the online team. The programme must be focused on the real issues that are raised by the insight rather than focusing on the easy options, such as improving the visual aspects of your website.

Making changes is critical and these should be small and frequent rather than large and occasional. For most businesses the downturn in the economy has limited the scope for larger 'big bang' style projects and so these smaller changes are the key drivers of growth.

Learning from the impact in order to feedback and drive organisational awareness is critical. Both successes and failures need to be understood and acted upon, thus making the process more powerful.

## 3. People

Like any significant initiative, a leader with passion is required. This needs to be somebody who believes that improvements can be made and who will empower a team to deliver. No driver will mean no results and so the support of the right person is essential. Who should make up the team is an interesting debate. There needs to be people to provide insight and creative ideas, who can execute and project manage - and all of them need time dedicated to the improvement process and personal objectives that are aligned.

A no blame culture is also important; the people doing this work will probably be new to it and will be trying their hardest to succeed. Naturally, this leads to the occasional mistake. If there is blame and major fallout when the inevitable backward step happens, then the team will play safe and start only to do the simple things; this leads to a reduction in the impact of the program.

## Winning gold

If it were big, easy or simple the chances are you have already done it. The challenge now is even trickier as you are aiming at a moving target and your customers are getting smarter and more demanding by the day. So the Olympic cycling mantra of "the aggregation of marginal gains" is essential to winning, when the difference between winning and losing is measured in ever smaller increments.

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## About Logan Tod & Co

Logan Tod & Co is Europe's leading online performance optimisation consultancy, delivering guaranteed revenue and gross profit improvement for the ecommerce operations of leading retail and consumer brands.

Logan Tod & Co creates and implements improvement programmes by identifying and quantifying the true online constraints for businesses, which in turn accelerate growth and increase profit. These programmes are based upon the experience the team has gained, working with more than 150 clients, over the last eight years. A deep understanding of the technology needed to convert 'interest into action' enables Logan Tod & Co to deliver more sales, leads, registrations and cost savings for clients.

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