



EVERYONE HAS A PLAN UNTIL THEY GET PUNCHED IN THE MOUTH:

— MIKE TYSON

A GOOD GROWTH WHITEPAPER



2020 WAS THE YEAR MUCH OF THE WORLD GOT PUNCHED IN THE MOUTH.

Right across every sector, for some businesses it was a knock-out blow. For others, however, whilst they might have been 'down on points', they weren't down and out.

As we start 2021 with the prospect of a continuing restriction on trading, and movement and a potentially disruptive end to the UK's membership of the EU, what made the difference between those who reacted well and those who did not?

As we thought more about this, it struck us that the brands we worked alongside in 2020 broadly got it right. Some benefited undoubtedly from lockdown because of the sector in which they traded: those in DIY for example. But, despite the uplift in online interest, some players floundered; our clients on the other hand, were able to shift quickly in the face of changing consumer habits and

shopping behaviour. In other sectors the headwinds were harder, but even in areas such as fashion retail it was one of our clients who spotted the trend to leisurewear and moved fast to capitalise on it.

We were fortunate to have found ourselves working with a number of the 2020 successes in the UK, US and elsewhere. From this experience, there are a number of themes that we believe are helpful for any organisation thinking about how best to survive the inevitable ups and downs associated with the remainder of the pandemic and perform strongly as the global economy eventually moves into recovery.

Putting the customer first

In the pandemic this has become one of the biggest differentiators in performance that we have seen.

This was particularly powerful for those who had established a baseline level of insight into customer behaviour as they spotted the movements in the data. They could re-run their insight process and quickly identify not just the movement, but to understand the rationale or the shifts in customer intent. The actions they took included:

- Shifting customer engagement from products associated with going out to those linked to staying in
- Building better click and collect engagement as an alternative to home delivery and in-store shopping
- Improving browsing journeys in complex or more costly purchases to encourage return visits when intention to buy was higher

As we have explored in our last White Paper,¹ the traditional patterns of user engagement online have been disrupted and certainly for as long as the pandemic continues to place restrictions on our daily lives there is little chance that familiar patterns resume. The disruption to the way we used to live may well have last for so long that we have established new ways of doing things that won't go back.

As yet it isn't clear how much of the changes imposed by government policies we will see remain. However, if at this stage you aren't sure you have real insight into your customers' online behaviour, then an early action for 2021 should be to get a baseline established. It should take anything between 8 and 12 weeks to get a complete insight report, quicker if you have considerable traffic levels to your website/apps. The value is incalculable.

¹ See: goodgrowth.co.uk/publications/using-customer-experience-innovation-to-rebuild-performance-at-pace

“ *(Good Growth's) thorough customer-first approach helped us to see things in a new light and to focus on the most important challenges, stimulating different conversations with our team and challenging our business to rethink customer behaviours and our approach to testing and priorities.”*

RICK ALMEIDA
Vice President of Ecommerce, Puma

Look to improve marketing ROI

The second differentiator of performance in 2020 was a desire to understand relative marketing ROI and respond to the analysis by shifting spend to maximise impact. In times where speed is of the essence there are simple and smart ways of getting quality data to support decision making to improve margin.

In this area, disaggregation is the biggest barrier to making effective decisions on where to invest. Whether it's the confusion of multiple platforms (Google, Facebook etc.) or that of organisational silos (paid search agencies, paid social teams etc.) leaders can find it challenging to get a grip on spend effectiveness. When faced with the need to identify savings they acted as follows:

- They used data from their web analytics tool to understand the role each marketing channel played in a purchase, applying some smart scientific data techniques
- They differentiated between conversion and consideration and gave a value to consideration spend where it played a role in purchase

This approach can be applied to any channel allowing an unbiased, comparative, view of performance across what would otherwise be incomparable activities.

It is this, unbiased, understanding of channel function that enables an organisation to make better-informed decisions and the approach works effectively for any size of business. It certainly enabled leaders to identify poorer performing investments.

“ Good Growth provided additional capacity to understand performance in both the US and the UK: together we were able to understand customers in the market to benchmark our own performance and provide innovative solutions to capture the additional revenue.”

Global Ecommerce Director, boohoo PLC

Max out the returns from the current technology

As capital spend went on hold, so clients looked to drive more value out of assets they might have wanted to change or upgrade.

In several clients, websites that were listed for replacement remained in place and were used very successfully to deliver significantly more value over nine months than they had in the previous nine. The actions they took included:

- Establishing a rapid assessment aimed at identifying the greatest loss of value and finding solutions through rapid test and learn
- Driving iterations of early successes to extract the maximum level of revenue from each opportunity
- Designing bigger, bolder tests that make dramatic changes to current executions to find revenue opportunities

Re-building websites and apps is an expensive and risky decision and should only really be considered if the following criteria are met, both of which can de-risk any eventual rebuilding project:

- There has been a proven programme of optimisation with a track record of growth in revenue for a period of at least 18 months where every avenue for improvement through a process of test and learn has been exhausted
- That consideration has been given to smart constraint-removing solutions that can add functionality and improve customer experience without development costs or time to prove the value of proposed additions to functionality

Both these approaches can do two things for far less investment than that required for a rebuild of a website or app that enable you to maximise the return from prior investments before you decide to invest again:

- They can improve performance in the channel and deliver significant growth
- They can help define the customer experience that you may want to build in the future and test it thoroughly such that you understand the value

“ *Good Growth stand out by driving profitable growth through implementing changes that don't need new technology or marketing investments: they focus on understanding failure and responding within current technology constraints.”*

**DARREN TOPP,
CEO, LK Bennett**

Invest in Minimal Viable Propositions, then work smart to improve them

Some clients used their insight to create a 'best guess journey' and then invested to create a structural or functional improvement to their websites through a minimum viable proposition (MVP) which was then launched and then continuously improved through test and learn in response to customer insight.

The improved journey was then run through optimisation software until there was confidence that what was 'in test' was delivering sufficiently to then be built and released as a product update. The actions they took included:

- Introducing new customer journeys and running these using non-dev solutions until optimised
- Building new click and collect functionality and then optimising the experience through testing without investing in more development until confident they had iterated fully

Just because technology exists to do 'x' or 'y' doesn't mean that the customer will perceive it as valuable. There is plenty of evidence out there to demonstrate that product teams can drive wasteful uses of resources. UX teams too can burn cash on promoting form over function and implementing changes without submitting them to customer testing that measures commercial impact. Thinking MVP is a useful way to constrain investment behind an unproven idea.

“ (Good Growth have) a really good test and learn programme and are constantly stretching our thinking.”

Ecommerce Director, WHSmith

Focus on planning, not building plans

Dwight Eisenhower, the 34th President of the United States, quoted in *Six Crises*² is recorded as saying that ‘in preparing for battle I have always found that plans are useless, but planning is indispensable.’ His point is an important one for those leading in times of rapid and uncertain change.

Plans can act as constraints on innovation. They can encourage ‘group think’ which can lead to the continuation of activity that is value destroying in the face of the evidence that change is needed.

“PLANNING, ON THE OTHER HAND, CAN ENSURE THAT YOU ARE ABLE TO RESPOND TO ANY UNEXPECTED CHANGE IN CIRCUMSTANCES.”

Planning, on the other hand, can ensure that you are able to respond to any unexpected change in circumstances. The difference? Understanding choices that could be made if ‘a’ or ‘b’ occurs and ensuring that anything you do in the meantime always enables you to enact one of the choices you plan to make should ‘a’ or ‘b’ happen. These are examples we have spotted in our clients of the application of ‘planning’:

A clear agreement on the long-term success measure for the channel – this drove fast decision-making in the face of a shock change

- Knowing where your constraints were and which were easier to change and which were difficult if not impossible
- Establishing strong processes through which the channel is managed such that changes to personnel or product were absorbed without the channel being at risk of serious damage

We call this getting the operating model right and in our observation those teams who had a clear and codified operating model that everyone involved understood were able to shift quickly in the face of lockdown and deliver innovation as required.

² Six Crises, Nixon R, Doubleday (New York 1962)

“ *The Good Growth team bring a wealth of experience and pragmatic wisdom to their customer-focused, insight driven approach. Taking a test and learn approach means they deliver tangible benefits quickly, but they keep their eyes on the bigger prizes that a strategic focus yields. I love working with smart people who understand that each client needs an ecommerce operating model that drives value for both the business and their customers.”*

ALEX MURRAY

Former Digital Director, Lidl GB

Measure what matters

One of the biggest challenges to the ability of e-commerce leaders to respond effectively in rapid and uncertain change is to ensure that they are measuring and reporting on what matters as opposed to what is available or presented to them by self-interested third parties (agencies, platforms such as Facebook etc.).

E-commerce is a function where you can drown in data and still not spot the key issues until performance has dropped away. One of the regular conversations we have with clients is how to get the story behind the data and one of the biggest challenges to this is being able to 'join the dots' across the various platforms so leaders can see the full picture.

Late last year we launched a new tool that has been rapidly picked up by our current clients that for the first time pulls together metrics from web, app, CRM and key marketing platforms such as Google and Facebook and presents them not just in a single view, but also with a narrative that tells the story behind the data and indicates where there are issues and opportunities to be explored.

The power of the tool is that it brings together internal and external data (for example trust pilot scores, and data from 3rd party platforms such as Amazon and Facebook) and gets all this analysed by an experienced scientist who can make the links and spot the trends. It can segment reporting by channel or device.

Its other value is that it gets the e-commerce leadership teams to think hard about what matters and exactly what they should be tracking to reflect their strategy and their current plan. There are over 200 metrics to select from, but the process drives a focus that encourages clients to look for 40-60 that really matter and can help them spot changes before they become major issues.

[You can find out more here.](#)

“Using 4Front has helped us gain real insight into what drives our recruitment and where we should focus to ensure the best possible level of efficiency from our marketing. Without it we would have found it far more challenging to ‘join the dots.’”

University of Exeter

2021 IS THE YEAR TO BUILD BACK BETTER

If there's a year to think about not just getting back onto the treadmill, but to step back and reconfigure what you have been doing then 2021 must be a good choice.

Doing some or all of the things shared in this paper would ensure that you would be well placed not just for the surprises and shocks still to come as we navigate through a challenging 12 months, but also be confident that whatever comes over the horizon, whilst it may require some fast moving on your feet, it won't put you on the ropes.

Interested in learning more?

If any of this has sparked your interest and you want to know more then get in touch at:

enquiries@goodgrowth.co.uk

In the words of Mike Tyson's legendary trainer Cus Damato:

"A man who's thinking or worried about getting hit is not gonna have a good sense of anticipation. He will in fact get hit."



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approach to digital performance.**

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