

# ECOMMERCE: THE COST OF MISSING METRICS

# UK RETAILERS EXPECT 30% OF ALL THEIR ECOMMERCE WORK WILL BASICALLY GIVE THEM BACK NO VALUE

“UK retailers expect 30% of all their eCommerce work will basically give them back no value”. This is just one of the stats from our study into the state of eCommerce in the UK.

How is this acceptable? How do we tolerate a situation where so much work and investment is failing to improve the bottom line? If we don't sort our eCommerce project issues, is it 'game over' for UK retail?

According to our 'eCommerce: The Cost of Missing Metrics' report, something has gone very wrong for UK retailers when it comes to their eCommerce work. Far too many projects fail, and an insane amount of perfectly good money is being improperly used.

Digital has completely revolutionised the way we shop, but apart from a few exceptions, the British retail sector doesn't seem to be able to keep up. They are investing in eCommerce projects but for whatever reason, they are not implementing them correctly, leading to wasted time and wasted resources.

Retailers need to fix this - urgently. Senior management needs to step in and ensure projects are properly planned, implemented and their actual delivery properly measured. For instance, the results we are sharing with you today demonstrated that 87% of eCommerce decision-makers believe they need to improve when measuring the success metrics of a project, with over

nine in ten (93%) stating that being able to demonstrate a project's success is critical to getting budget for the next. Almost two-thirds (61%) of respondents believe their organisation is behind its competition when it comes to the maturity of its eCommerce website.

Brands should look in the mirror - and ask themselves what will work for their customers... What will make them stand out? How can we get a proper handle on this stuff, what is at the heart of the way the whole world now works, shops, dates and buys - digital?

Because if we don't - we might as well just hand the keys to Amazon and give them the market - a solution that I do not find tolerable, as either a business person nor as a consumer.

Do you?

—



**Kevin Murray**

Managing Director  
Greenlight Commerce

# A PICTURE OF PROJECT CRISIS

At the beginning of 2019, we conducted an extensive market research exercise to get a fully accurate picture of the true state of eCommerce achievement in the UK retail sector. Our probe - conducted by respected third party quantitative data experts Vanson Bourne - involved contact with 100 senior eCommerce team leaders at companies in this space.

The results identified the following key problem areas for this community:



## Constantly Wasted Money

On average - which means, sadly, some teams will see higher figures - the cost of failed or abandoned eCommerce project delivery translates to as much as £180,000 per company, per year. And let's not forget: UK retailers expect 30% of all their eCommerce work will basically give them back no value - preparing to get no return from £217,000 pounds of their £725,000 commerce project war chest.



## Disappointing Delivery

One in three of all eCommerce projects fail to meet the business objectives set at their outset. While that means the majority (68%) will, it means that 20% will fail to deliver some KPIs, while an unacceptably high 15%, or 5 out of 100 initiatives, will meet none - in other words, will be complete failures.



## Fuzzy Project Measuring

A similar proportion - one third - of all the organisations we spoke to say they are currently struggling to arrive at acceptable and meaningful metrics for eCommerce project success. That means that while the UK retail sector does track some metrics - like website traffic (55%), revenue (53%) and customer retention (52%) - too many organisations have not determined the profile of success as it applies to their specific businesses.



## 'It's Their Problem, Not Ours'

And while these multiple problems and disappointments are bad enough, there's also a lack of internal honesty and accountability as to who, precisely, should own up to poor project delivery: put bluntly, IT blames Marketing, while the latter says it's the technologists who keep screwing up. Thus 28% said it was IT's fault, while 30% of IT job title respondents say it's the other way round. Intriguingly, respondents say that 14% of their wasted project cash will be down to 'poor project planning' but 15% because of 'poor project execution'... suggesting both sides may need to take on some of the responsibility here.

# DISCUSSION

Thus, a very disappointing picture has emerged about the state of retail eCommerce in the UK. Far too few projects are truly satisfying the business, delivering value on a range of proof points that all stakeholders are in full agreement on; as a result, far too many eCommerce projects get kicked off with less than clear definitions of what success looks like. That's a big methodological problem, as it could well be that projects which our sample of 100 representative UK organisations class as 'failed' might actually have been worthwhile - but no-one knew how to properly capture and benchmark that. More likely, of course, is that some work got done but no finish line was ever really drawn for the team, and the initiative simply petered out, wasting both budget and opportunity.

An equally worrying insight from this data is that organisations are so demotivated about their eCommerce expectations that they have got to the state where they are figuratively shrugging their shoulders and planning for failure. It's hard to see how a 30% failure rate headline 'target' could be acceptable in any other part of a retail business - let alone any project management context.

At the same time, our survey does definitely show that most eCommerce projects hit their targets, are being measured along a number of axis and are seen as worthwhile by project sponsors. But, if literally (as we found), 99% of all UK retailers report some kind of commerce issues - with poor customer retention and poor CX (customer experience) being seen as the top two worries (39% and 33% respectively) - then something has gone very wrong here.

How have UK retailers let themselves get to such a problematic place? The objective fact is that while

ten years ago the tool could realistically have been blamed, progress in underlying digital commerce platform technology has been so rapid that no retailer choosing one of today's leading B2B commerce suites to run their eCommerce could say that there are serious functionality gaps any more.

Perhaps the uncomfortable reality is that this is more probably a project management and lack of vision issue. The most immediate factor, and it was one identified by almost half of respondents (48%), is that too many of this class of projects are rushed. Other problems include budgets and costs (47%) and a lack of expertise within the business (37%) - but before the starting pistol has been fired, not enough care and attention has been applied into defining what the project is going to actually do for us. For example, our study finds that many key metrics are being neglected; 71% are failing to measure the return on investment, almost half (48%) are not measuring customer retention, 47% are failing to measure the impact upon revenue, and so on.

It's a business cliché to say what can't be measured can't be improved, and we're sorry to drag it up yet again - but that doesn't mean it isn't true. For example, based on our own experience, we often get called in to help with a technical scaling issue, which is a relatively straightforward capacity management problem... but then it turns out that that isn't really the issue at all. Instead, one part of the business sees the goal as to improve personalisation, another to drive more sales, yet another team that this is a digital problem, not a bricks and mortar one.

And before you know it a solution to what wasn't the actual problem is in place - and no-one's satisfied.

# HOW TO FIX THIS

The clue is in the finding about IT blaming Marketing and Marketing blaming IT for projects crashing and burning.



There's real value for all sides of the business when eCommerce is seen as everyone's problem - and thus, everyone's opportunity.

This can be a challenge in even the most mature of digital organisations, as there is still a tension between what is seen as the purview of the online part of the business and what is the High St end. It makes no sense to see it that way, but that is the reality that we need to do something about.

Ultimately, this is a problem for the C-Suite - the overall leadership of the company. For a start, no trader should sanction a project that doesn't have a convincing and transparent business case attached to it. Such a business case should detail what the transformed state of the business or process will look like and offer metrics for how such promises will be cashed out ('Sales of x will be y% higher/We will improve our Net Promoter Score among this problem demographic by 1-2 points' etc).

This business case should also be signed off by all relevant stakeholders, who will agree to work jointly to deliver the work in the appropriate timeframe, with the necessary resourcing - and, if necessary, with external skills if it is believed insufficient in-house competence is available over the timeline.

And sometimes - the best thing of all would be for someone to press pause on the whole process and ask, in a supportive, collegiate way, 'This sounds like a good idea, but can we really nail down just why we need to do it now?'

By adopting a more vision-centric, hard-metrics PM approach, UK retailers can justifiably spend that far-from-insignificant annual £725,000 on their eCommerce work - and end the ridiculous situation that they plan for 30% of that vital resource to essentially be thrown away.



# THE GREENLIGHT CODE

Risk can be minimised if a measured and due diligent approach is taken.

The Greenlight Code is a measurement-based set of core principles that combine our technical and business expertise with a focus on growth and success. It's an approach we've used successfully across a wide range of eCommerce projects for some of the world's leading brands. At its core is a focus on measurement – which is how we maximise results, and minimise risk, on your eCommerce projects.

**STOP.** Take the time to honestly understand what you want to achieve.

**THINK.** Consider what you want the outcome to be.

**SIMPLIFY.** Create what you need, not what you want. Don't hide behind jargon.

**COLLABORATE.** Bring together the relevant people, data and technology.

**CHALLENGE.** Ask the difficult questions. Don't take assumptions at face value.

**DO DETAIL.** It's usually the difference between project success and failure.

**SET METRICS.** Agree then measure what matters. It shows where real value is added.

**BE OPEN.** We are. We need you to be too.

**GREEN LIGHT.** Be brave. Go when it's good enough – don't wait until it's perfect.

**EVALUATE.** Make sure you have achieved what you needed. And that it's making a difference.

**STAY THE DISTANCE.** Even after project launch. We stay the distance to support.



Greenlight is a multiple award-winning digital and commerce agency that designs, builds, consults, trains and implements transformational strategies across: paid search & Shopping, programmatic display, SEO, content marketing, digital PR, creative, site design & build, analytics, eCommerce systems integration, conversion rate optimisation, user experience, affiliate marketing, and data & audience insights. With the consistent objective of achieving dramatic growth for its clients, Greenlight delivers innovative work for brands such as ghd, Dixons Carphone, Superdry, Furniture Village, and eBay in over 30 countries.

greenlight  
commerce

[www.greenlightcommerce.com](http://www.greenlightcommerce.com)

The Varnish Works, 3 Bravingtons Walk,  
King's Cross, London N1 9AJ

+44 20 3326 1900  
@GLCommerceLtd