

# From here to priority

By Sam Decker

## Conquer the challenge of improving e-commerce sites with this primer on prioritization

Now is not the time to let your e-commerce Web site go stale. New tools and metrics make it easier than ever to gauge the success of your online initiatives, so how do you decide which Web projects get the green light when you lack the resources to put all ideas into play?

The answer is prioritization. Just as a compass always points north, so should your Web initiatives point toward corporate goals. If you have clearly defined your company's strategic objectives, you can begin determining the priority level of your Web projects. The following six steps put prioritization in perspective.

### 1. Identify the levers

A mechanical arm can be maneuvered successfully by pulling certain levers—and your Web site is no different. Your Web site's levers are those key metrics that can move the business forward, ultimately increasing revenue or reducing costs. If any of those levers get snagged, however, they can have the opposite effect, causing a slow-down in profits. Here are some common spots for a stall:

#### Traffic

- » Percentage of visits from online sources (banner ads, portals, and others)
- » Cost of traffic (cost per lead, cost per sale)
- » Search engine referrals
- » Internal cross-traffic referrals
- » "Vanity URL" traffic from ads (for example, [www.dell4me.com](http://www.dell4me.com) goes to the consumer site for Dell)

#### Conversion

- (percentage of site visitors making purchases/total site visits)
- » "Leakage," or the percentage of customers that get away
- » Page "convergence," which measures the number of visits to a page that ultimately lead to a purchase
- » Consideration, an intermediary step occurring between site traffic and purchase that can help calculate the ratio of shopping page visits to shopping cart visits

#### Average order value

- » Click-through to up-sell or cross-sell offers
- » Traffic to high-revenue products

### 2. Get creative

You've flagged your stalled levers, and your team is brimming with ideas about how to fix them. What next?

Set a workable boundary by collecting and consolidating all of the brainchildren at play—including CEO suggestions, sales representative concerns, and Six Sigma/business-process improvement projects. Consider holding a brainstorming session, both internally with employees and externally with customers.

Another source for ideas is competitive and parallel industry research. Are other sites offering Web initiatives that might benefit your customers? Are these initiatives functional or practical for your business? Don't be afraid of being unoriginal.

### 3. Trust those who know

Too many ideas? Key decision makers may need to single out the top contenders. Leave the task to the people with intrinsic knowledge of customer needs, operational and technical constraints, financial measures, politics, resource allocation, and proven track records within your organization. External experts or analysts make great sounding boards, but they often lack the instinct required to make a strategic, prioritized decision.

Don't neglect customer input. If you have not already leveraged user feedback, take time at this stage to review surveys, focus groups, and existing traffic analysis so that you can get direct input on the projects that affect your business most. Although this step may add a bit of time and money, it ensures that you have heard and evaluated all relevant opinions.

### 4. Check out the benefits

After you know what challenges you face, create a benefit-model spreadsheet that estimates the impact each proposed Web site project is expected to have on each challenge.

Who decides what the estimated impact will be? You could gather opinions through a stakeholder voting process, but pay close attention to the standard deviation of the ballots. You may find that votes can vary widely based on personal judgment. Ideally, this is another point at which you should gravitate toward specific hands-on experience over generic industry expertise. Only employees who know what your customers want, which projects best meet those needs, and the relative impact of those projects on the challenges at hand—not to mention the bottom line—should participate in the creation of the spreadsheet.

### 5. Stack it up

Finally, a weighted or “stack-ranking” model can account for other factors relevant to choosing the right projects. For example, you might want to categorize the return on investment (ROI) for a particular set of projects based on the resources required to

## THE CUSTOMER SPEAKS

For an external brainstorming session, try one of these approaches to proactively solicit customer feedback.

**Survey:** Pop-up entry or exit surveys are inexpensive and useful—but be sure to ask questions specific to the objective. For example, if you are trying to improve follow-through on the checkout page, you could implement a random exit pop-up that asks departing customers why they are leaving and what might make the purchase process easier.

**Focus groups:** Focus groups enable direct interaction with your customers, giving you a chance to listen to their ideas and understand their needs. Bear in mind, however, that focus groups can get expensive as you reimburse customers for their time. In addition, experts recommend you hire a professional facilitator to keep the conversation neutral.

implement them. You could simply add an “effort” column to your spreadsheet to gauge against benefits—but keep in mind that every project typically incurs a technical and operational cost.

You also could add a “strategic fit” section to weigh in factors of long-term strategic importance—items that ultimately add to the bottom line, but that also could enable future benefits beyond the immediate profit-and-loss impact of the project. Give each of the scores a weight, with immediate business benefits ranking high.

### 6. Say it is so

Your next task is to communicate your findings clearly to those whose lives are affected by your decisions. Key stakeholders deserve the initial, one-on-one conversations. After those meetings have transpired, however, present your decisions wherever possible and to a wide audience. Make your results available for reference over a long period of time via a shared server or extranet, including both your process and your methodology. **D**

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