

Measuring Online Success

By Brian Clifton

Is your website a cost or an investment?

Doing business effectively on the web means continually refining and optimizing your online marketing strategy, site navigation, and page content. Web analytics provide the measurement tools for you to do this and benchmark the effects. In fact, web analytics methodologies have proven so successful at increasing website return on investment that they have become almost a mainstream part of online marketing.

WHAT IS WEB ANALYTICS?

Web analytics is the collective term for the techniques, methods, and tools used to understand online visitor behavior in order to improve it. Often, multiple data sources and tools are used. For example, offsite tools measure the size of your potential audience (opportunity), share of voice (visibility), and buzz (comments) that are happening on the Internet as a whole. These are relevant metrics regardless of your website's existence.

The following is an example of offsite web analytics data. In 2007, just over 80 percent of European Internet users bought a product or service online. According to a European Interactive Advertising Association 2008 report, these online shoppers made 1.3 billion purchases in just a six-month period, spending an average of €747 (approximately \$1,400 U.S.) each online.

Conversely, onsite tools measure the visitor journey, its drivers, and your website performance. These are directly related to your website's existence. For example; 90 percent of our visitors from banner campaigns bounce (only view one page then leave), a visitor from an e-mail campaign is twice as likely to convert than one from organic search, visitors that use our site search facility convert faster and spend more than those that do not.

Google Analytics (www.google.com/analytics) is one such onsite reporting tool that has become very popular in recent years. Not only does it have a powerful feature set for digital marketers, but it is also free to use. If you have already experienced looking at click-through metrics from pay-per-click advertising campaigns, then think of

Google Analytics as widening that report view to see all the referrals to your site and the behavior of your visitors while there.

WHAT IS A CONVERSION?

Conversions, also known as goal conversions, are the de facto way to ascertain if your website is engaging with your visitors. The reason is simple; collecting web visitor data is easy. In fact, so easy that you can be overwhelmed by the amount of data generated. Goal conversions help you distill this into the key touch points with your potential customers.

Think of a goal as any action or engagement that builds a relationship with your visitors. An obvious goal for an e-commerce site is the completion of a transaction. However, even without e-commerce, your website has goals. For example, the completion of a feedback form, a subscription request, leaving a comment on a blog post, downloading a PDF white paper, viewing a special offers page, or clicking on a mail-to link.

WHERE WEB ANALYTICS FITS IN

A low performing website will starve your return on investment (ROI) and can damage your brand. But what is performing poorly—the targeting of your marketing campaigns or your website's ability to convert? Google Analytics can tell you this by reporting what happens on your website and when.

For organizations where an online presence is a key business objective, web data has multiple touch points (see figure). The key to successful web analytics is therefore the integration of the data throughout your organization so that it is the driver for your entire business strategy. For example, you find out that for your website, the target keyword “gadget” leads to a conversion rate double that than for the keyword “widget.” So you want to ensure that your offline campaigns use the phrase “widget.”

Similarly, during an online marketing campaign, monitor it and make adjustments throughout its lifetime

according to the web analytics results. For example, say your web infrastructure is currently performing slowly, leading to a poor visitor experience. You need to pause that campaign until the website is fixed. The result is that web analytics is of central importance for organizations whose web presence is a key business objective.

KEY PERFORMANCE INDICATORS

Bringing good quality visitors, that is, qualified leads, to your website is the bread and butter of your marketing department. Putting offline marketing to one side, the bringing part is achieved with online marketing and may include any or all of the following sources: search engine optimization (free search), pay-per-click advertising (paid search), banner advertising, affiliate networks, blog marketing, links from site referrals, and e-mail marketing.

Determining which traffic is qualified means looking at the goal conversion rates, campaign costs, revenue generated, and ROI. In most cases, online marketing is grouped under the general marketing department. It is therefore critical to use hierarchical KPIs to differentiate those parts of your audience familiar with the online channel from those who are not.

Looking beyond the visitor volume to a site, some suggested KPIs for marketing managers include:

- *Percentage visits by medium type*
This will enable you to compare how visitors from organic search engines (Google, Yahoo, etc.) compare with paid search, e-mail marketing, etc.
- *Percentage goal conversion rate by medium type*
Which mediums produce the most conversion? Is it search engines, pay-per-click text advertising, banners, email, social network referrals, etc.
- *Percentage visits by campaign type*
How are specific campaigns performing in terms of generating traffic? For example, is the “summer sale” campaign outperforming your generic branding campaign?
- *Percentage goal conversion by campaign type*
Beyond traffic levels, how do these campaigns compare for goal conversions? For example, does the “summer campaign” result in more sales or more inquiries?
- *Goal conversion index by campaign*
If 30 percent of your visitors come from organic search, do 30 percent of your conversions come from there as well? If not, investigate why. Perhaps the landing pages are poor converters.
- *Average ROI by campaign type*
Even if you have a non-e-commerce site, monetized goals allow you to see the return on investment.
- *Percentage of new versus returning visitors*
New visitors inform you how well your marketing is working, while returning visitors indicates loyalty and satisfaction (or non-satisfaction if there are complaints).
- *Percentage of new versus returning customers*
Segmenting customers from visitors can provide real insights as to what works and what does not.
- *Percentage brand engagement*
What proportion of visitors come directly to your website because they know your URL or use your brand terms in the search engines?

ONLINE MARKETING ESSENTIALS

Online marketing has come a long way in recent years. For example, Search Engine Optimization (SEO) was once perceived as black magic and avoided by marketers out of misunderstanding and fear. Since the myths have been debunked, SEO has simply become technical marketing and the practice is now commonplace.

Pay-per-click advertising, such as Google AdWords, has also grown in usage and developed from what used to be a simple “highest bidder wins” auction model into to a more sophisticated platform where the quality of landing pages are also taken into account.

In addition to these “push marketing” approaches (businesses publishing information to a potential audience), social networks have risen in popularity and grown in importance during the past year. Social networks relate to the audience discussing and publishing among themselves—also referred to as user-generated content (UGC). Examples include sites like MySpace, Yahoo Groups, Beebo, YouTube, and LinkedIn. These are some of the most highly visited websites on the planet. Conversations often include product reviews, retailer and supplier experiences, brand image, price comparison, after sales support service, etc.

SUMMARY

Web analytics has progressed greatly in the past few years with a shift towards simplification, making it easier for marketers to be involved with implementation and the resultant data analysis. It is therefore critical that marketers are involved with this and become the drivers of the process. That may require training your marketing team, hiring expertise, using the services of an external consultant, or a combination of all of these steps. The key to success is to have an integrated approach. ■

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