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Web Analytics:

Optimize Your Marketing Dollars During The Recession

WSI White Paper

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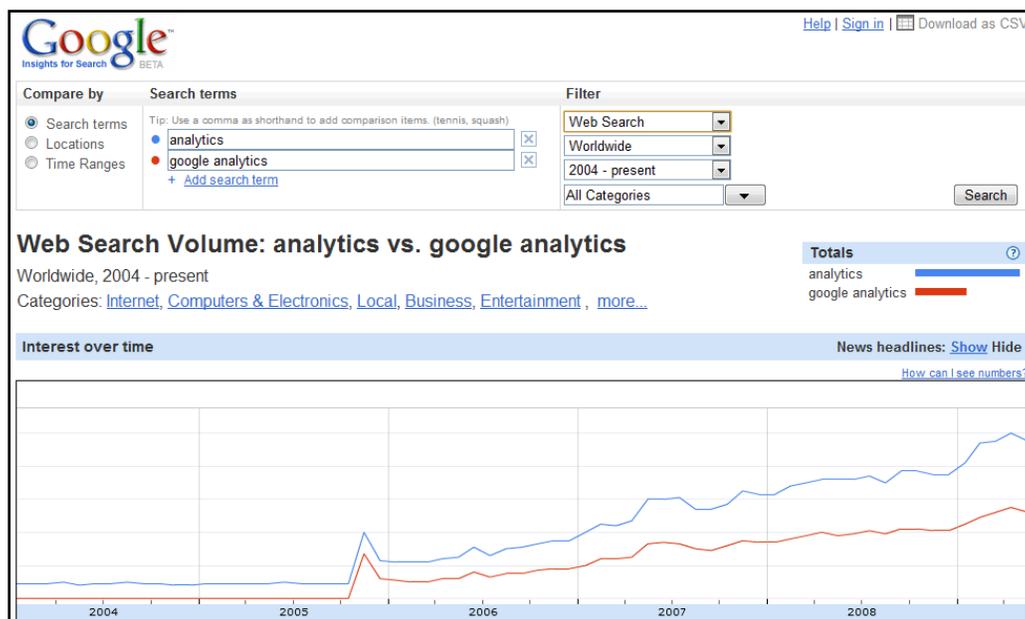
Introduction

We have heard it many times, an old management and marketing saying: “You Can’t Improve What You Don’t Measure”. It is still so true today, and more than ever in a recession. Although Web analytics is full of numbers and measurements, this whitepaper highlights the business and marketing aspects in analytics and focuses on two very important aspects for your business:

- Increasing Revenue
- Reducing Costs

Why Web Analytics

In the graph below, Figure 1 (using the “Google Insights for Search” online tool), it is clear that our collective interest in analytics has been on the increase since late 2005, November 14, 2005 to be exact. What is the significance of this date? It is when Google launched its enterprise-level analytics tool branded as “Google Analytics”. Google also made the tool available to all for free (please note that “free” doesn’t equate to “cheap”).



(Figure 1)

Google Analytics and other analytics packages, when properly configured and implemented, help answer the following questions:

- Which marketing campaigns generate leads and customers?
- Which keywords drive more visitors?
- Which pages do my customers find engaging?

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Problem

Especially in a recession, marketing managers and business owners are looking for ways to optimize the return on their investment, in simple terms, to get more bang for their marketing dollars. But where would they start this optimization effort?

- Does my radio ad really work?
- Is my half-page yellow page ad worth the thousands of dollars I am paying?
- Is my website unattractive to my visitors?
- Is my search marketing campaign driving the wrong traffic?
- Are my email campaigns going to spam and my emails are un-opened?

The above questions are clear signs that a business is not measuring and not employing available analytics techniques, or the business owners are unclear what to do in tough economic times. Without proper analysis and making decisions based on best guesses, marketing managers might stop a campaign that is working very effectively. This action would lead to missed opportunities in leads / sales and make a bad situation worse.

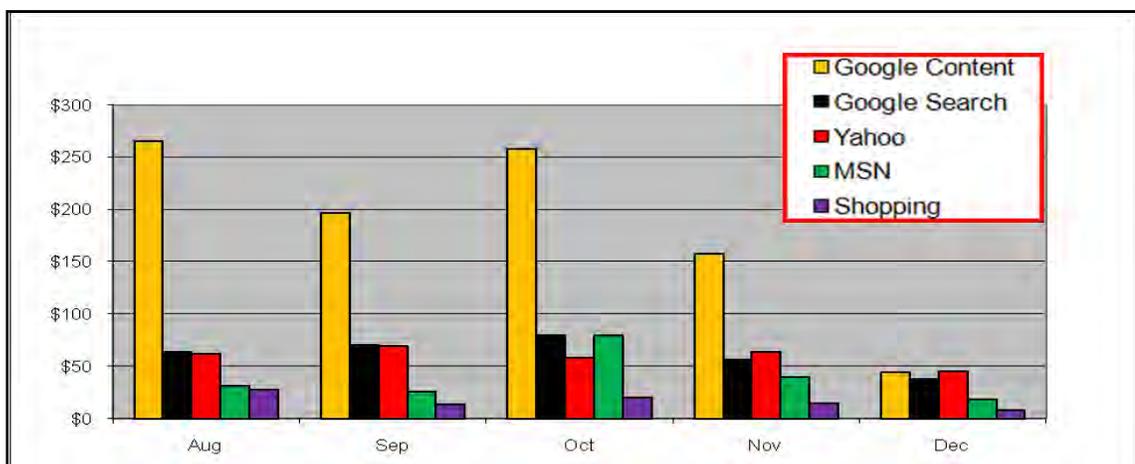
Solution & Success Stories

Analytics and measurements help you remove the guesswork from your marketing decision making process.

Case Study #1

Figure 2 below shows how traffic segmentation (arranging website traffic according to the sources of traffic) will lead to significant visibility into your campaign performance.

Note that every bar represents the cost-per-transaction from the respective traffic source.



(Figure 2)

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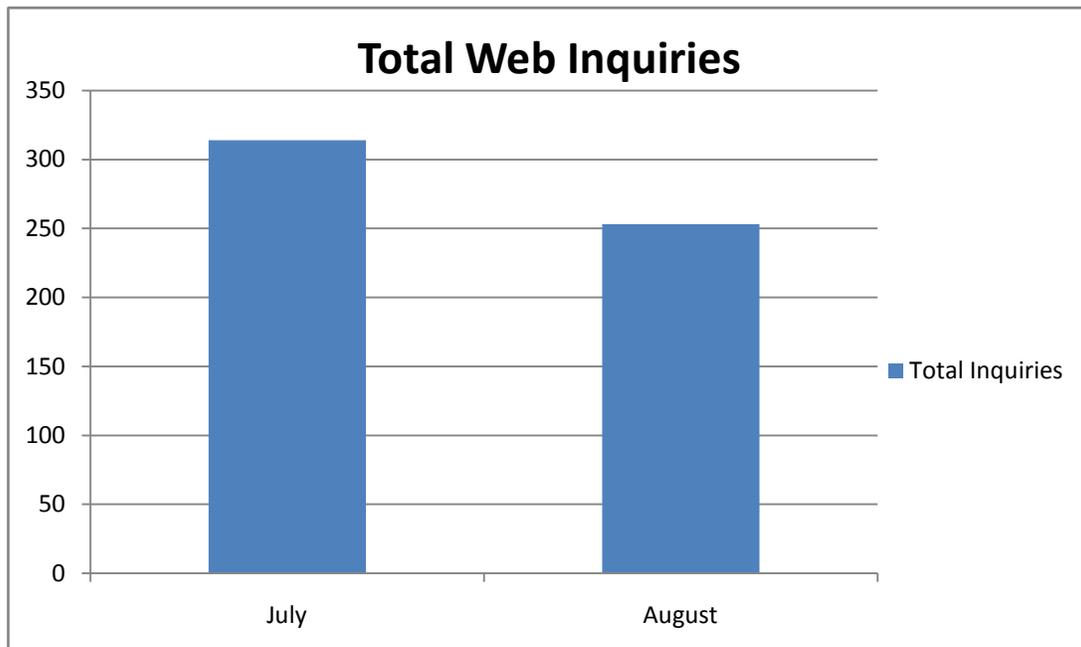
Observations

- In August, the most expensive traffic source was the “Google Content”, costing over \$250 / transaction.
- After a few months of optimization (improving targeting and some website enhancements), the cost-per-transaction from the Google Content, improved by 5 fold. Additional improvements to other traffic sources also were introduced during the same period, resulting in a significant reduction in cost of transaction over time.

Case Study #2

Analytics doesn't only apply to websites; it should be an integrated part of running a business. Businesses often track website metrics but don't invest the time and energy to track offline activities. For a lead generation business, understanding where leads are coming from is imperative; tracking the quality of the leads is just as important.

Figure 3 below shows how a typical business might be tracking leads from their website.

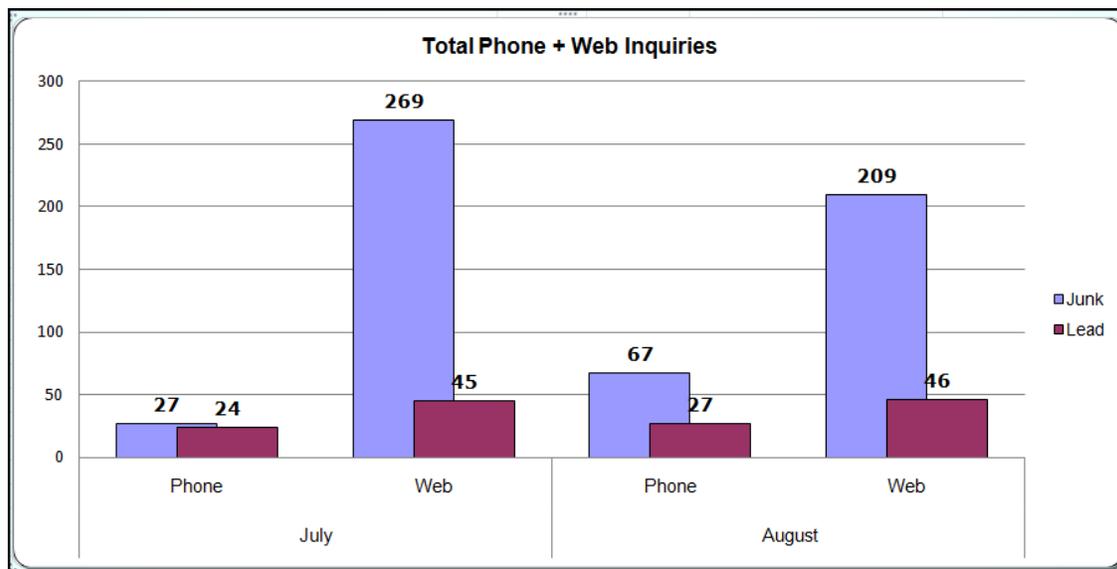


(Figure 3)

A much more effective analytics system would cover all mechanisms to capture a lead, including phone data. For this business, trained staff members who interact with customers, played a key role in identifying lead quality.

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Figure 4 demonstrates how inquiries as well as lead quality are tracked and segmented.



(Figure 4)

Observations:

- Identifying the source of all the “junk” inquiries resulted in significant savings on lead generation. You might ask how. Easy! In case study #1, we discussed “campaign segmentation”, so apply the same concept here:
 - Say campaign X is bringing the “junk” traffic
 - Campaign X costs you \$2,500 / month
 - By stopping campaign X, you begin saving \$2,500 / month immediately
 - Alternatively, redeploy the same amount of dollars into a more effective channel, leading to an improved overall returns
- Trending data (July and August in the above example), will help identify seasonal and other business cycle attributes.

What To Do Next and Where Do I Start?

You are not on your own! Helpful resources are in abundance. If you are a business owner, you can take the following steps:

- Ask for numbers, data and reports on efforts you are spending money on.
- Educate your staff about the importance of tracking and measurement (highlight cost savings, increase in revenue, etc.)

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- Online marketing is much more measurable than traditional marketing. Familiarize yourself with online marketing terms (keywords, SEO, PPC, conversion rates, etc.)
- Stay connected with developments in your industry and monitor what your competition is doing.
- Seek the help of a qualified Internet Marketing Consultant to increase your ROI!

References & Helpful Resources

Books:

- “Web Analytics—An Hour a Day”, Avinash Kaushik
- “Advanced Web Metrics – Google Analytics”, Brian Clifton

Blogs:

- <http://www.kaushik.net/avinash>
- <http://analytics.blogspot.com>
- <http://www.e-nor.com/blog>

About the Author



Feras has an extensive background in the areas of business consulting, interactive marketing and Web analytics. Feras has traveled the globe educating businesses and Consultants on the subjects of search engine marketing, online marketing and analytics. Under his leadership, his company has achieved certification as a Qualified Google AdWords Advertising Company as well as a Google Analytics Authorized Consultant (GAAC). Feras can be reached at education@wsicorporate.com.