

UNDERSTANDING A WEB MEASUREMENT PROGRAM

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You can't manage what you do not measure. Successful management based on measurement is Darwinian, the best ideas survive. Faith-based marketing is no longer good enough to stay employed.

More and more, companies are turning to the Web for customer intelligence. Effective Web measurement is more than looking at a few page hit numbers, its part of your Market Analysis Program. This article outlines the steps involved in a Web Analytics Program and what each step entails.

Your Market Analysis Program (MAP) probably already looks at other channels: Mail, E-mail and Telephone, for example. In addition, you may be doing data mining. These provide rich data both about your marketing technique and your customers' behaviors, needs, and preferences.

Web analysis is an additional and extremely rich source of information. It uses Web measurement and tracking software such as Omniture, Web Trends, Web Side Story and Optimost. It also uses traditional techniques such as focus groups and surveys.

Web analytics helps your team understand how well your Web investment/campaign is doing and how you might be able to do better. It's a learning experience. Over time, you can dramatically improve your results, and you can prove it.

A Web Analytics *Program* is a business process, more specifically, a continual improvement process. Its a methodology of science: hypothesis, test, analyze. (See figure 1).

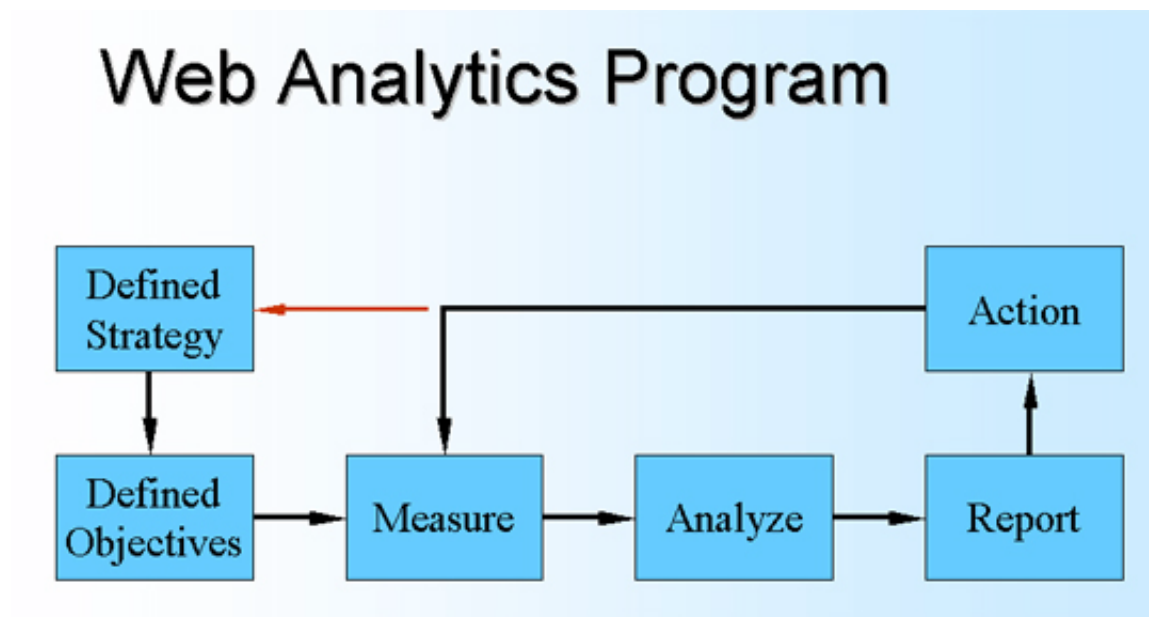


Figure 1.

The principal parts of the program are:

- Define Strategy
- Define Objectives
- Measure
- Analyze
- Report
- Action

I will discuss the elements of each step in detail.

Define Strategy

The defined strategy comes from your business-wide organizational goals and objectives. What is the Web effort supposed to do to support the business? For example:

- Increase orders
- Improve retention
- Cost savings
- Generate leads
- Manage public relations
- Improve customer service

These are the reasons you have a Web site. To understand what to measure, the business must know what it wants to achieve, not the other way around. We all know that well-defined objectives and expectations are essential to the success of the business and the staff.

Define Objectives

The objectives are operationalized strategy. They speak to how you plan to achieve that strategy. This requires a deep understanding of the business and your customers. For example:

- Increase e-mail click through
- Increase repeat purchases
- Increase new Web accounts
- Increase use of an online tool. IE. an online directory
- Reduce per-order cost of registration
- Reduce non-performing customer contacts

Measure

Measurement allows you to get the information that will tell you if your work is succeeding, failing or, perhaps worse, doesn't make a difference. It allows you to:

- Adhere to goals
- Monitor performance
- Compare actual outcomes with expected outcomes

- Infer customer behaviors
- Predict outcomes (extrapolation)

Measurement tells you what happened, but not why. It is important to keep this distinction in mind as we often need to impute motives to measured behaviors.

What you measure comes from the defined objectives. Those metrics will differ by audience and purpose. Some measures are high-level round-ups of activity while others are very granular and specific:

- Key Performance Indicators
 - Example: Orders per site visit
- Activity/process monitors
 - Example: Profile views per month
- Campaign measures
 - Example: Click through

Analyze

Analysis tends to look at two types of things. It looks at variance (what's the difference), and it looks at trends (what's the difference over time). The first becomes more important at the campaign level, the latter at the KPI level.

Analysis mostly reveals the match between your product and your audience. You can infer customer behaviors and, if correct, predict outcomes. Analysis will not tell you *what* to do (that comes from your business acumen), but can focus your efforts.

The analysis of your data requires human intelligence, experience & training. (Folks who do this for a living tend to be expensive.) One also needs to understand context: what is being measured, why, under what conditions.

Analysis involves several tasks:

- Data selection – select the correct data for what needs to be measured.
- Data review – get the results, look at the numbers.
- Causal hypothesis – what happened and why could it be happening?
- Lessons learned – draw conclusions or inferences.
- Opportunity assessment – what are options for taking advantage of the knowledge?
- Recommendations – Specific next steps.

Report

Reporting is actually the analysis deliverable and is part of that step. It's where you write up the results of your efforts. But it's important enough to discuss separately. It is often omitted in an attempt to save time and that can be a serious mistake.

Reporting allows one to disseminate the knowledge throughout the organization. You are sharing what you learned so the organization can get better. You should also memorialize the

information. Put the report in an accessible repository where folks know where to find it. It then becomes part of the institutional expertise.

Reporting also tends to actualize the recommendations. All too often folks fail to take action on Web data. Written recommendations tend to become to-do lists.

For reporting to be effective, it must be provided in a meaningful frequency for the recipient. Most CEO's don't need the number of daily visitors every day. Weekly or monthly is often enough. However, the marketer in charge of a campaign may need those conversion numbers daily (or even hourly), and monthly is just not useful.

Action

Taking action on what you have learned is often harder than it should be. First, distribute your report to the decision makers and the affected parties. Then meet to discuss the findings. Meeting, while time consuming, is often the most effective means of getting people on the same page and moving forward. It helps folks to focus.

What changes need to be made? For this you look to your levers-of-change tool box. For example: labeling, placement, copy, persuasion flow, call to action, usability, site navigation, product design, etc.

Once you know what you want to do, create an implementation plan. List all the tasks, who does them, when must they be done. This is regular project management.

Then you need to actually do it.

Measure Again

Did the changes work? To find out, you need to measure again, repeating the process. If the change did not improve your results, back it out. You learned something. Try something else. Over longer periods of time, this measure, analyze and act loop will change your objectives and your strategy.

The process is Darwinian in nature. The best solutions survive, you learn, and the business gets better. Because you are more effective, the business is more profitable. That's the point of an analytics program.

Robert Blakeley is a product manager for Web MD. Prior to this he was Director of Internet Development for the Direct Marketing Association in New York City. Mr. Blakeley has worked in the Internet industry since 1993 and has worked with many companies and government agencies to improve their Web sites. These include the International Council of Shopping Centers, Atlantic City and the City University of New York. He can be reached at rblakeley@webmd.net. More articles by Robert Blakeley can be found at www.rblakeley.com/webwork/articles.shtml. © Robert Blakeley.