

Measurement

Keeping Track: Is the Net Too Measurable?

The good — and bad — news is that the Net is measurable (maybe too measurable)

By Bernadette Starzee

If you build a Web site, do they come? And do they come back? If so, what do they do when they get there? And who are they, anyway?

The answers to those questions — and literally hundreds more — are available but Web site measuring is getting more and more sophisticated while remaining largely unstandardized and confusing.



So if you get a metric, but don't understand it or can't use it, is your question answered?

Probably not, but the first question e-marketers might want to tackle is: Why measure at all?

Here's why: Knowing what works and what doesn't on your site will help you make important decisions about your Web presence.

In fact, interpreting e-metrics can help you design a more user-friendly site that's easy to navigate, will keep customers coming back and will improve your return on investment. Measuring can help you determine which content and products warrant greater investment, and which you should drop. It can tell you where your visitors are coming from — that is, which of your marketing efforts are successful. And, naturally, inquiring advertisers will want to know how your traffic numbers stack up against other sites before they invest their dollars with you.

The good news is, the Internet is very measurable. The bad news is, it may be too measurable.

In a survey of managers from 20 leading e-businesses, Web site analysis company NetGenesis discovered that Web managers are inundated with data that they know contains valuable information but are unable or unwilling to access it due to lack of people, resources, standard definitions and/or expertise. A lack of standard terms for metrics such as hits, impressions and page views not only makes it difficult for the industry to compare one Web site to another, but it makes communication within a company a challenge.

"Right now, we're in the Stone Ages of how people are able to adjust to information they're gathering about how people use their site," says Eric Schmitt of Forrester Research. The breadth of research conducted varies by site. Most sites contract a measurement service, whose services can cost \$50 a month or in the six figures, depending on the sophistication and scale of measurements desired.

So where do you begin? Here's a look at common measurement goals.

Getting around your site

Is your site easy to navigate? Do users get frustrated and leave, never to return? If you're an e-tailer, do a higher percentage of customers abandon the shopping cart on your site than on other sites? Navigability is an important ingredient to customer satisfaction and deserves proper attention.

"One of the most popular ways to evaluate navigation is through path analysis," says Brent Hieggelke, director of corporate marketing for WebTrends, an e-metrics company. "That means simply looking at top paths visitors take through sites. Are visitors getting to the most critical information, or are they somehow missing it? If so, why? For instance, maybe there's a giant internal banner campaign promoting one part of the site that's working well but keeping visitors from looking at anything else."

"You should look at which point in the path visitors are abandoning the site," Hieggelke continues. "Go back and look at that page — do visitors have to click through so many steps that by the time they get there, they're frustrated and leaving? Looking through this information is important to decision making when tweaking or redesigning a site."

Path analysis helped e-tailer PetsMart.com redesign its site. "We looked at how people enter, where they go from the starting point and the best ways to build the site based on the way they wanted to shop us," says Mark Siegel, VP of marketing for the site. "We improved the quickness of the experience, the ease of finding information and the depth of the home page to make it a clear launching page to everything so that users wouldn't have to drill down through multiple levels."

Sites that sell online want to determine the most effective path to get people to purchase. This is often done by reverse-path analysis. "Start at the purchase page and look backward at the top paths that got people there," says Hieggelke. "Is there certain content on the site that's driving people disproportionately to purchase? Maybe in one section there's a particularly compelling product review that discusses your company. Although the review may be about one specific product, it might have a really strong influence on people wanting to do business with your company. You might decide to put it on the home page, so more people will have the chance to read it and feel comfortable dealing with your company."

"E-tailers should compare the shopping-cart abandonment rate for their site with other sites," suggests Peggy Lee O'Neill, director and principal analyst for Internet marketing and media research company NetRatings. If the rate is relatively high at their site, they can examine the cause, for obvious reasons.

"You want people who start the checkout process to complete it," says Chris Grant, senior data analyst for Fry Multimedia, which designs, develops and manages Web sites for about 50 companies. "And you want to make sure there's nothing about your site design that's preventing them from doing so. Each checkout page should be clear and simple. You may want to revise the design to flow with people's expectations. For instance, when users place an order, they want to next go to the shipping page to see how much shipping will cost before they give billing information."

Grant suggests that you also look at the keyword searches users conduct within your site. "You want the percentage of people who couldn't find what they were looking for to be really low," she says. "Check to see if they're using the same terminology as you. For example, you might say 'swimwear' and they might say 'bathing suits.' It's important to speak the language of your customer. Customers tend to look for things differently from how retailers categorize them. E-tailers call clothing 'apparel,' but no one in the known world calls it that. Customers often shop for a particular designer, not for 'pants.'"

Content with your content?

Looking at the top pages that users are viewing is a simple way to gain insight into what content is exciting to people. "But you have to look at it in terms of navigation," says Hieggelke. "It could be that [the most popular content] is just the easiest thing to hit on your site."

As Hieggelke notes, examining which content is popular and which isn't can help you decide where to invest future marketing dollars, which becomes especially important in a tougher economy. "Web sites branch into many different areas and a lot of times the content is very related," he says. "For example, a travel site will have information about different cities: where to eat in Chicago, where to stay in Chicago, which clubs to go to in Chicago. It's all disconnected content related to Chicago. The site can look at how

popular the content for Chicago is versus New Orleans, and hire someone to write more about the most popular one. Some people don't realize there are higher-level reports like this that tie content together into a 'content group' and give one set of metrics for each group."

According to Grant of Fry Multimedia, shopping is the only content that most e-tail site visitors want. "When people come to commerce sites, they're there to shop. Eighty percent will click from the home page to a shopping category, or if the word 'shop' is on the home page, they'll click that. Minimally, they'll go to a lifestyle or What's New section. " But before you trash those peripheral sections, look at their impact. "While it might not be one of the top 10 clicks, a lifestyle section may be valuable if it increases sales, " says Grant. "Look at who went to What's New, who didn't and who bought something. If the What's New visitors are much more likely to buy, the section is worth keeping. If not, you might decide it's not worth maintaining the section or devoting valuable real estate to it on your navigation bar."

On the other hand, if commerce-site visitors click on a lifestyle section often but don't buy, it's worth examining why. "If you're reading about khakis, there should be good links set up to allow you to buy the khakis you're reading about, " Grant says. PetsMart.com's Siegel says consumers responded well when his site began putting direct purchase links within its articles.

The complete customer

Not all customers are created equal. "It's very important for companies to analyze their customer base, " says NetRating's O'Neill. "Usually it comes down to the 80/20 rule, with 80 percent of the revenue coming from 20 percent of the customers. If you determine who your most valuable customers are, you can pamper them and offer them special deals. "

But with fragmented data, it's hard to get a handle on the complete picture of what an individual customer means to your business. "A good example of this is, 'I spent this money on these banners, I got this person to my site and he looks like a great customer, spending \$50 a week. But what I don't see is he's calling my tech support three times a week, which costs me \$25 a call, making him not a profitable customer, " says Forrester Research's Schmitt.

Analyzing your customers' behavior is an important component to calculating return on investment. "We look at cost per action. Most sites have some sort of action they want to take place, such as a purchase, a trial or a registration, " says Hieggelke of WebTrends.

Sites really want to concentrate on driving quality visitors, he says. "There are a number of qualification materials. For example, if you're a content site with an article on Web measurements, you can say 'If someone reads this article, he is interested in Web measurements.' If someone clicks on it, you can say he's minimally qualified. If he hits page three, then you can say he's most likely very interested in the topic. You can segment visitors based on the pages they hit."

"A large publishing company might segment customers into sports or finance enthusiasts, based on the pages they visit, " says Jay Henderson, product marketing manager for NetGenesis.

Bear Creek Corporation ranks and segments its customers based on buying behavior. "Based on how recently they've purchased, how frequently they've purchased and how much they've spent, we can then put together a contact strategy to know what to offer them and when to offer it to maximize our profitability, " says Nancy Tait, executive VP and CMO of Bear Creek, which runs gift seller Harry and David and garden-supply seller Jackson & Perkins.

"Good marketing is consumer understanding, " says Kara Heinrichs, chief customer experience officer for Fry Multimedia. "You want to create an understanding of what people do and don't do online. Most metrics are about single-visit behavior, but a purchase event is a multi-visit event. The average user comes back

five to seven times before making a purchase. The first visit might build awareness, the second might build preferences, the third might allow him to assess and compare prices, and so on. "

That's one reason to make sure visitors keep coming back to your site. What's another?"The number of dollars it takes to acquire a new customer is much higher than retaining a customer, " says Alicia Nakamoto, director of strategic marketing for OnVia.com, an online exchange for small businesses. For this reason, OnVia, which started tracking a range of metrics on its site when it launched in November 1999, has focused its efforts on determining the best ways to retain customers. On a weekly basis, OnVia's marketing department tracks repeat customers and analyzes what brings them back to the site. Moreover, repeat customers are emailed coupons to encourage more business. "We'll set up a separate URL and track a direct mail or coupon to see how many repeat customers have responded, " says Nakamoto.

IBM.com, a B2B site that produced \$14.6 billion in sales last year, also analyzes new vs. repeat customers and looks at whether traffic to the site leads to calls to its customer-service lines, among other metrics. "Companies are trying to get a complete picture, a concept we call visitor-relations management, " says Hieggelke. "Sites that have stores and call centers want to get a complete look at the visitor/customer — maybe someone went to the Web site three times, then called the call center and then went to a store to buy. All the data has to be pulled into one area."

Where do they all come from?

There are a host of reports available that can show you how you rate on the various search engines, which ones are sending you the most traffic, etc. Companies that don't have the time or money to optimize their site for all the search engines might want to concentrate on those that are bringing them 80 or 90 percent of their traffic.

Of course, it's important to know where quality visitors are coming from. "You can look at the correlation between where visitors are coming from and what they're doing on your site, " says Henderson of NetGenesis. "Is there one area of your marketing campaign that's referring a lot of people who are exhibiting very desirable behavior on your site, such as making repeat visits or repeat purchases? If you placed banner ads on a number of different sites, you can measure which sites are driving the largest number of quality visitors. You can look at acquisition rates — getting visitors to your site — and conversion rates — getting them to take action."

"We email a lot of newsletters on different topics, " says Rob James, an analyst at eMarketer.com. "We track which ones are bringing in the most visitors and which ones have the highest conversion rates — whether the users make purchases or click to read the whole article."

"A lot of companies will set up a 'redirect' page' when they run a campaign, " says Hieggelke. "It's like an invisible page that's tied specifically to the campaign. The company can track visitors from the banner ad all the way through all their activity on the site."

Measuring a customer's lifetime value is important when evaluating promotions, since you can't judge a visitor's value on the first visit alone. "A sight might have a Flooz promotion, running banner ads that offer \$10 in Flooz to attract new visitors to their site, " says Grant. "It's likely that someone who is not loyal to your site will come and just spend the \$10. But if they're satisfied with the experience, they will be more likely to come back. Here, the lifestyle value of the customer becomes very important. "

Office.com, an online center for small and medium-sized businesses, tracks over time the behavior of the individuals that are brought to the site from each source. "We want to be able to judge which of our initiatives are really creating a larger and more loyal customer base, " says VP of marketing Stephanie Fierman.

Go tell It to your advertisers

"Most advertisers and site publishers are looking for the most accurate traffic numbers and demographic numbers that go along with them," says Doug Knopper, VP and general manager of research at DoubleClick.

Beyond that, different advertisers will ask for different reports, and sites should have the flexibility to provide information in different ways. "E-marketers try to show advertisers that their users exhibit very desirable behavior," says Henderson. "They will talk a lot about the frequency of the people that come to the site, the recency of their visits, the length of time between visits and the average duration."

For advertisers, comparing two sites based on metrics can be a challenge. "The industry is still struggling with standardization," says Knopper. "There are many, many sources of metrics, ranging from 'my own metrics' to companies providing all kinds of metrics services." And it's hard to compare impressions for two sites when different sites define impressions in different ways.

Setting standards is one of the many challenges the young Internet industry must meet as it matures.

Links List

Following are URLs of groups and companies mentioned in this article.

www.bco.com

www.doubleclick.com

www.emarketer.com

www.forrester.com

www.flooz.com

www.frymulti.com

www.harryanddavid.com

www.ibm.com

www.jacksonandperkins.com

www.netgenesis.com

www.netratings.com

www.office.com

www.onvia.com

www.petsmart.com

www.webtrends.com