



WebAnalytics.be
A Business Unit of OX2

Introduction - Web Analytics



Yadda, yadda, yadda: about me

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Dutch, native French speaking, married to a Spaniard

Econometrist (ULB), Master in eBusiness (Solvay)

Internationally recognized WA blogger:
<http://webanalytics.wordpress.com>

Member of the Board of Advisors of:



Inspirations:



Eric T. Peterson
Jim Sterne
Avinash Kaushik
Bryan Eisenberg
Judah Phillips

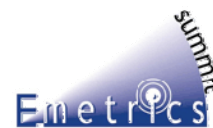
WebTrends Premier Partner,
Authorized Training Centre
& only European member of the
WebTrends Insight Network (WIN)

Google Analytics Authorised Consultant

Visual Sciences

Omniure

Unica





Preliminary thoughts

There is nothing more difficult to take in hand, more perilous to conduct, or more uncertain in its success, than to take the lead in the introduction of a new order of things.

~ Niccolo Machiavelli

Strategy without metrics are only wishes

~ Charles Phillips, Copresident, Oracle

It is a capital mistake to theorize before one has data. Insensibly one begins to twist facts to suit theories, instead of theories to suit facts

~ Sherlock Holmes

There are no rules - only customers

~ Craig Sullivan, Video Island Entertainment



Summary

- How does it work: log file vs. tagging (& performance)
- Maturity & processes
- Market actors: vendors & service providers
- Choosing the right tool
- Why you should staff
- Outsourcing or inhouse?
- Market conundrum: 10/90 => 10/20/70



What is Web Analytics?

« Web Analytics is the **measurement, collection, analysis** and **reporting** of Internet data for the purpose of **understanding** and **optimizing** web usage. »



“Tools for measuring the success (or not) of your website”



Brian Clifton, European Head of Web Analytics Google (over 1.5 million GA accounts worldwide)

It not only about the tools! It's about the tool, the online strategy, the processes and the people!



Web Analytics packages are sold as if it's an automatic coffee maker.

In fact, it's more like buying a coffee plantation

You can still get your coffee (eventually), but you're going to have to stick your hands in a lot of more manure than you ever knew.

Tom Cunniff (Yahoo User Group)





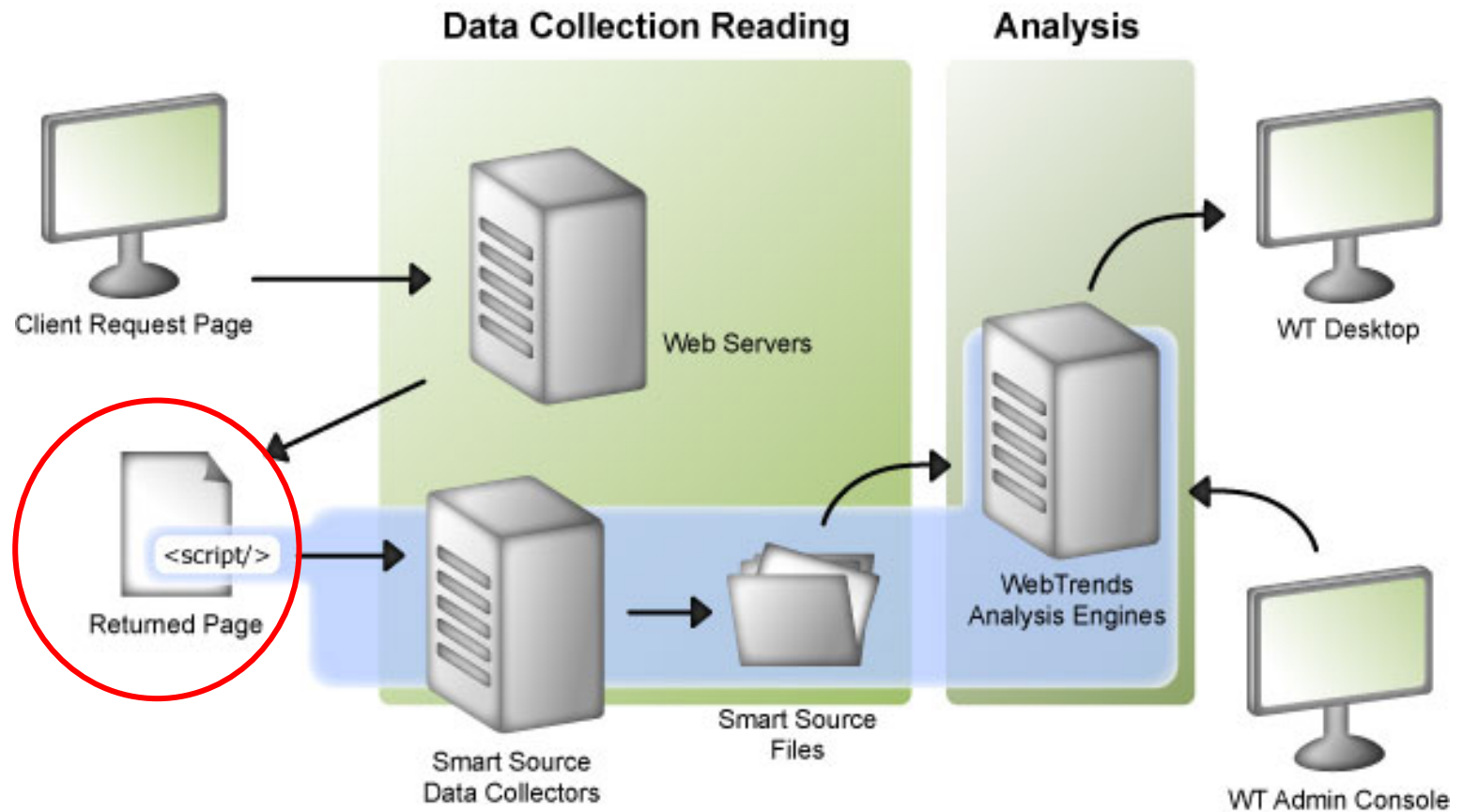
How does it work?

- **Log files** is a by product of transaction systems: log files generated by server requests
- **Tagging** is more accurate as:
 - Only counts browser generated (real) traffic
 - Can be more specific in terms of measure (Web 2.0)
- **Packet sniffing** is rarely used and often needs additional tags
- **Performance**: often a pre-requisite and not included into WA projects. It can influence analysis though!



How does tagging work?

WebTrends example





What are the pitfalls?

- Logs, ideally extended, track absolutely every request to the server, including non browser generated traffic (spiders, robots);
- Tags by default don't measure document downloads, error pages (both can be circumvented) and spiders & robots;
- Tags are based on a JavaScript that needs to be implemented on the pages (CMS ideally) and accepted by the visitor (cookie issue)



How did Web Analytics evolve?



By 1999, the really smart companies were calling WebTrends to buy a copy of Log Analyzer™

By 2001, everyone had deployed log analyzers; the really smart companies began moving to page tagging

By 2003, everyone had page tags; the really smart companies began hiring web data analysts

By 2005, everyone was still trying to hire web data analysts (magic pill syndrom);

By 2006, the really smart companies began aggressively A/B testing, Optimizing

1998

1999

2000

2001

2002

2003

2004

2005

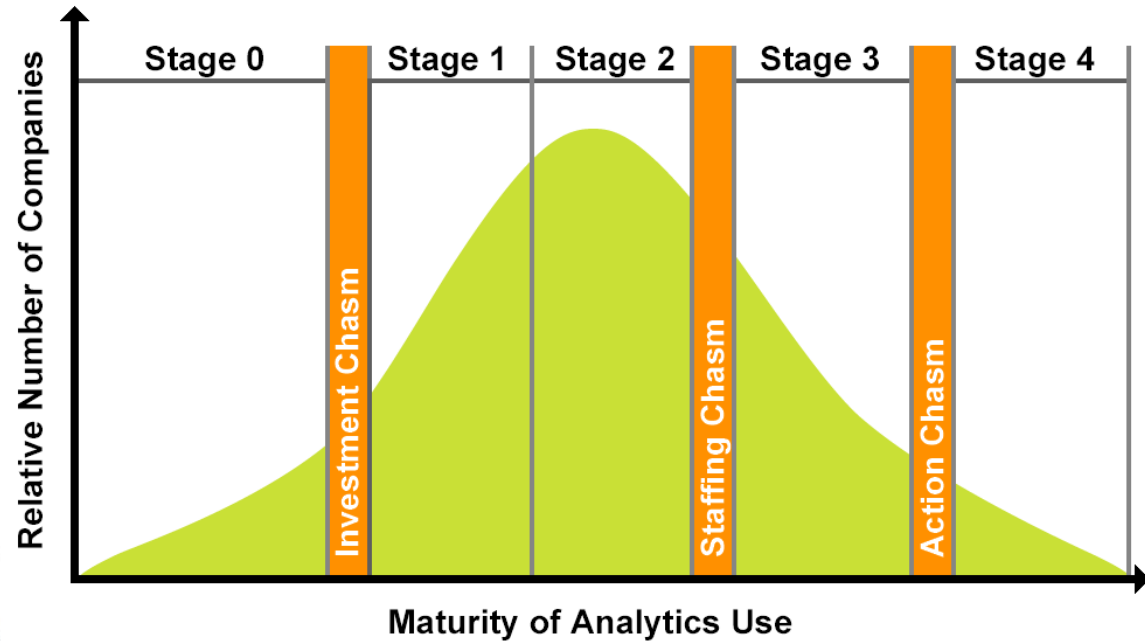
2006

In 2007, everyone is still struggling with :

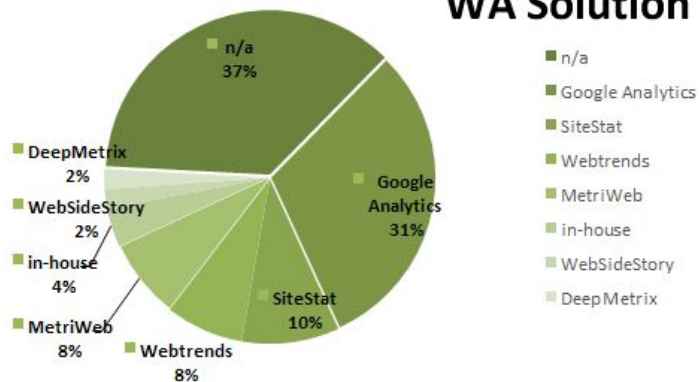
- Ownership & responsibility: who does what? A WA team? Where does it sit?
- Setting up of adequate tagging, Web 2.0 (events): processes
- Understanding & taking action based on the reports distributed: internal communication



Technology usage



WA Solution





The smart guys getting serious

Smart companies are going to re-examine how web analytics
« gets done » internally

They'll re-evaluate their investment: ROI

They'll look for obstacles preventing their success

They'll start to formalize the process of doing web analytics

The results will be a gradual shift from web analytics
as an *ad hoc* process to web analytics as a
business process

“At a time when firms in many industries offer similar products, business processes are among the last points of differentiation.”

Tom Davenport,
“Competing on Analytics”,
Harvard Business Review



A business process

Wikipedia

Business processes can be thought of as a cookbook for running business and **reaching business goals** defined in organization's business strategy



The usual inputs

- Web analytics is informed by a variety of data:
 - Clickstream data
 - Performance logs
 - Customer data (feedback, relationship information)
 - Usability testing and controlled experiments
 - Marketing delivery and cost data
 - Cost and inventory data
- This data is often augmented with data from other channels (POS, IVR, etc.)



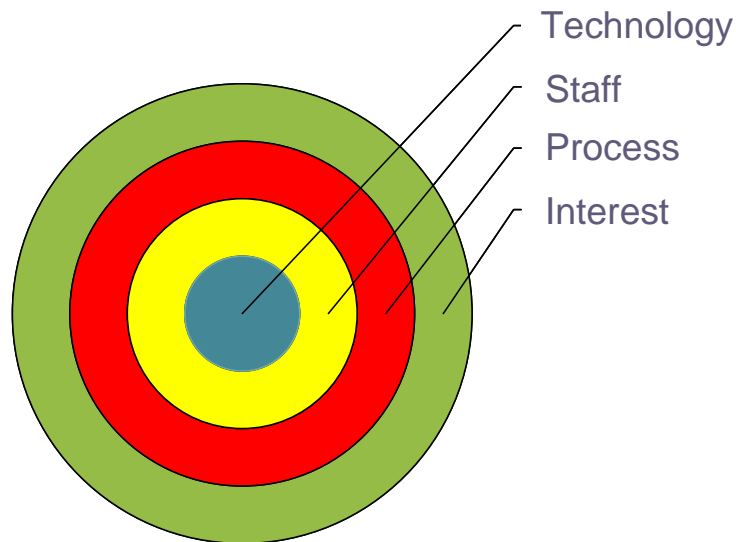
The unfortunate outputs

- Most companies simply settle for « canned » reports and hope to make heads-or-tails of summary data
 - Assumes that all businesses are alike
 - Assumes some base level of understanding and comfort with the data
- To compensate, companies create custom reports designed to highlight business relevant data
 - Key Performance Indicator (KPI) reports
 - Digital dashboards



Why?

Because they don't consider more than the technology



Interest: want to improve web site + be able to take action => education

Process: formalise as business practice

Staff: manage/maintain application + analyze/evangelise data => consultants in strategic change

Technology: appropriate application + good relation with (partner) vendor



Management & Operational processes

- Management processes:
 - Describes *how the web analytics organization will be structured* and how it will be **integrated** into the larger marketing and IT organization
- Operational processes:
 - Describes *how web analytics will actually get done* within the organization
 - Fundamental goal: **deliver “value” back to the “customer”**
 - Where the customer is another internal group (marketing, merchandising, design, management, etc.) or external business partners



Web Analytics Processes

- Management

- Assign Ownership
- Define Business Objectives
- Allocate Resources
- Establish a model for Reporting & Analysis
- Track Return on Investment

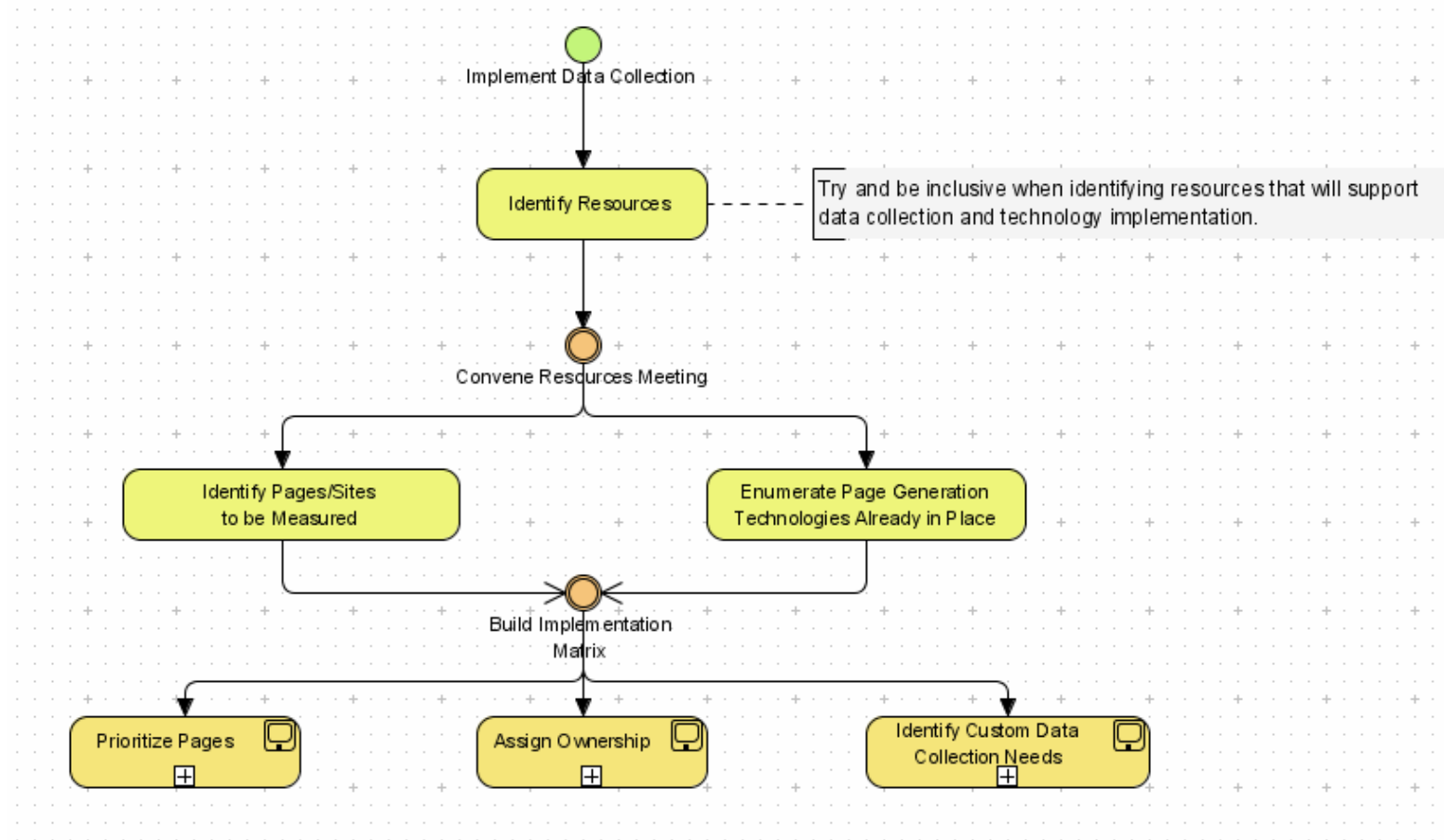
- Operational

- Plan the Implementation
- Validate the Data
- Define and Design Reports
- Conduct analysis
- Run controlled Experiments





Plan the implementation(s)

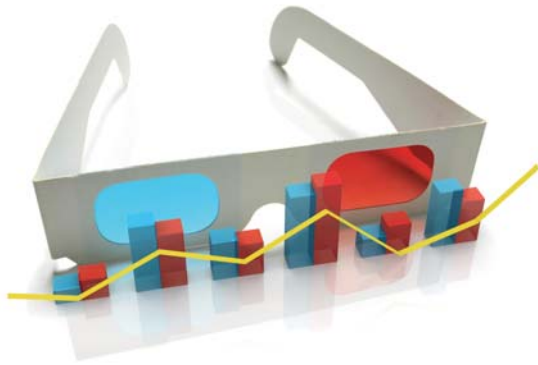




If you don't ...

You'll end up with 2 major issues:

- Defining the data you/business needs



- Integrating your applications





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Market actors: vendors & ...

- To a lot of people, WA is still:



- Additionally, vendors are also proposing (behavioural targeting):



- And as search is hot, you can also buy:





Vendors & service providers

- Vendors propose:

- Training courses for their products
- Best practice groups
- Professional services



- But as “bodies” are scarce*, they also partner:

- With exclusive partners: Adversitement (NL) for VisualSciences, eDynamics (D) for WebTrends, ...
- With partners in general who need to be certified
- With “vendor independent” parties... because they have to

* You should see the job boards ;-)



What are the issues?

- Vendors are software builders...
- Partners (exclusive or not) are either too technical or not enough
- Vendors and exclusive partners know only their supported tool...
- So, vendors recently started talking & listening to users, gurus
- New entrants:
 - SEM companies
 - Media buying agencies
 - Interactive Agencies
 - (Auditing firms?)



Eric T. Peterson
Jim Sterne
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Bryan Eisenberg
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Choosing the right tool

What usually happens?

- An RFP is sent to vendors
- They act according to their objectives, like any economic being.

There is, unfortunately no easy answer as it depends upon:

- Business requirements which are often difficult to assess;
- Data integration strategies;
- Human resources & ownership;
- Level of company commitment;
- Budget



The price perspective

Visual Call

Cost of Calls: \$1,000,000.00 to \$0.00

Cost Difference: \$50,000.00 to -\$100,000.00

Metric Legend

Calls	12,273,273
Prompt Plays	130,010,656
Avg Call Duration	01:40
Calls Touch	10,160,079
Calls Voice	2,113,244
Self Service Calls	2,005,466
Pct SS	16.3%
Agent Transfer Calls	9,342,248
Pct Agent Transfer	67.2%
Trans Completed with Agent	1,438,886
Trans Not Completed with Agent	6,803,362
Hangups and LOB Transfer Calls	2,025,559
Pct Hangups and LOB Transfer	16.5%

APPLICATIONS

Application	40.0% Priced Applications in First Sessions	\$450.00 Total MSN Cost
Application	\$50.00 *Funded Applications in First Sessions	114
Application	\$1.75 MSN Jump Page Clicks (Assuming B2)	45.62 Total MSN Value
Application	20.0% MSN Jump Page Click Cost	61,201 Net Value MSN
Application	Charge Per Q: 0.002000 MSN Funded Applications Cost	\$107,101.49
Application	\$9,000.00 MSN to Cost	\$2,260.78 Total MSN Value
Application	Years	\$9,852.99 Net Value MSN P
Application	MSN	380
Application	MSN	12,240 All Sessions Funded Applications
Application	MSN	152.05 % Funded From J

Combinations Page Sections

Analysis for: Aug 1 2006 - Aug 1 2006

Sort By: Relevance Rating Order Created

Download: [T](#) [E](#) [P](#) [Print](#) [Preview](#)

Relevance Rating [?]	Variation	Estimated Conversion Rate Range [?]	Chance to Beat Orig. [?]	Chance to Beat All [?]	Observed Improvement [?]	Conversions / Impressions [?]
3 / 5	Original	50.1% ± 0.4%	—	4.97%	—	12456 / 24859
	Variation 3	50.8% ± 0.4%	94.4%	91.0%	1.42%	12693 / 24978
	Variation 1	50.1% ± 0.4%	46.9%	4.02%	-0.07%	12539 / 25042
	Variation 2	49.4% ± 0.4%	5.18%	0.03%	-1.46%	12404 / 25121
2 / 5	Original	50.2% ± 0.3%	—	14.0%	—	16818 / 33532
	Variation 1	50.6% ± 0.3%	86.0%	85.9%	0.82%	16936 / 33491
	Variation 2	49.5% ± 0.4%	5.65%	0.17%	-1.22%	16338 / 32977
1 / 5	Original	50.3% ± 0.3%	—	94.6%	—	24944 / 49544
	Variation 1	49.8% ± 0.3%	5.37%	5.37%	-1.00%	25148 / 50456
0 / 5	Original	50.1% ± 0.5%	—	10.0%	—	10033 / 20035
	Variation 3	50.5% ± 0.5%	79.8%	50.6%	0.83%	10109 / 20020
	Variation 2	50.3% ± 0.5%	66.1%	24.2%	0.41%	9964 / 19815
	Variation 1	50.2% ± 0.5%	57.3%	14.9%	0.18%	9994 / 19921
	Variation 4	49.4% ± 0.5%	10.0%	0.21%	-1.27%	9992 / 20209

[Go to Experiment List >](#)

Visual Site

MON, TUE, WED, THU, FRI, SAT, SUN

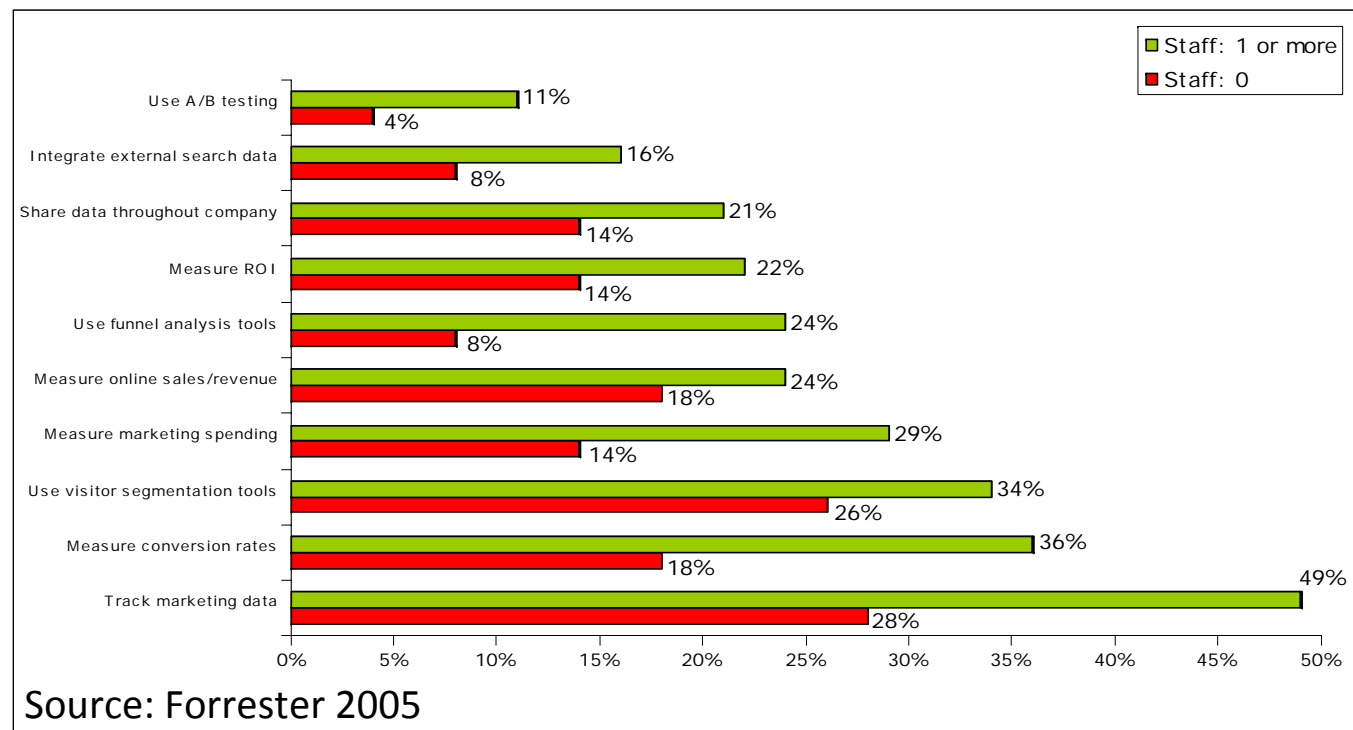
01:00, 02:00, 03:00, 04:00, 05:00, 06:00, 07:00, 08:00, 09:00, 10:00, 11:00, 12:00, 13:00, 14:00, 15:00, 16:00, 17:00, 18:00, 19:00, 20:00, 21:00, 22:00, 23:00

Visual Site LEARN MORE >>



Why should you staff?

- Because magic pills only exist in movies
- Because a tool is not a magic WA pill
- Because you'll do better with a staff

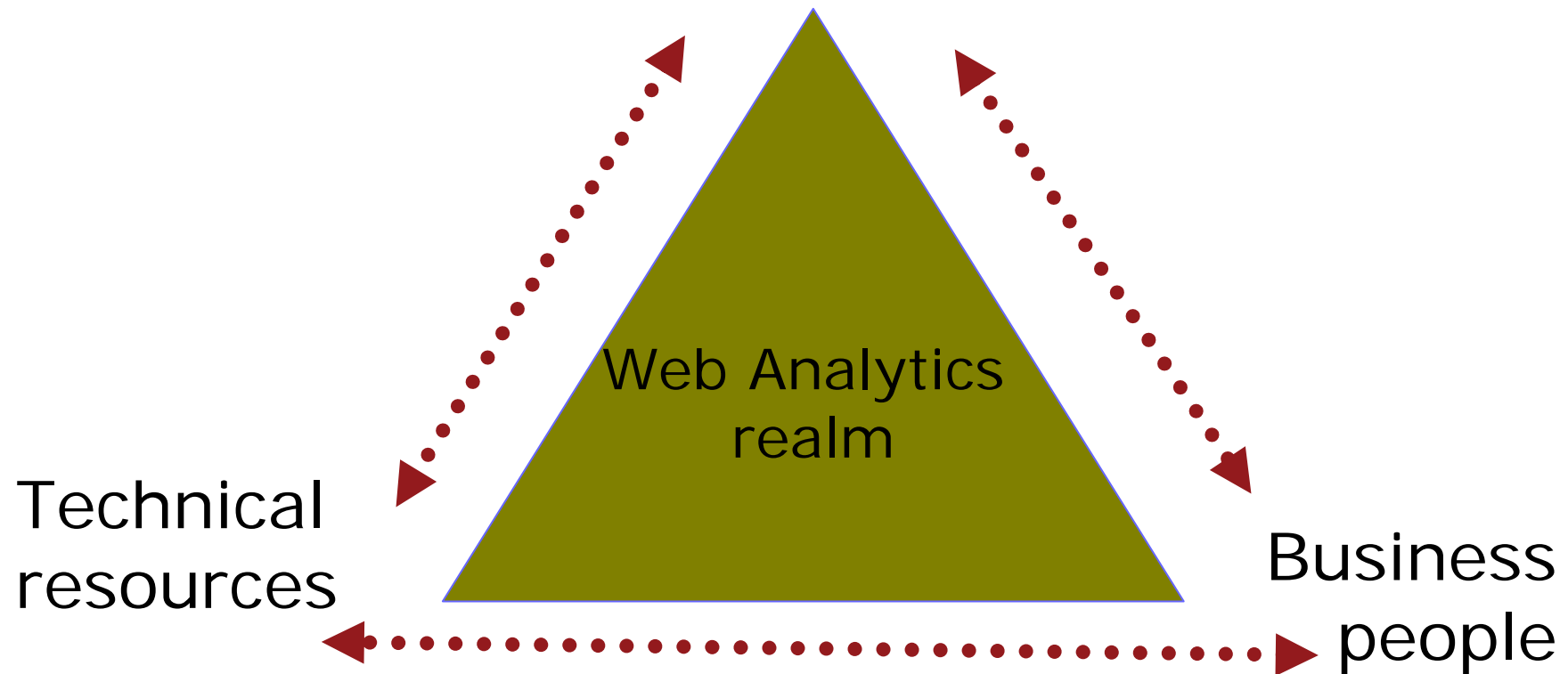




How should you staff?

This is how we saw it 2 years ago

Web data analysts





And we'd go and say

Hire 1 full time web analyst!

Doesn't work ☹ Because they're introverts...

And didn't exist at the time

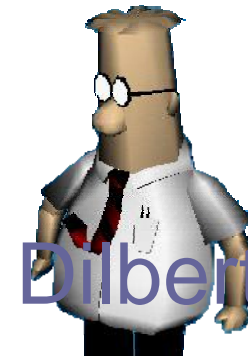
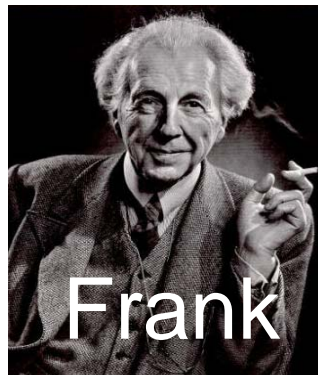
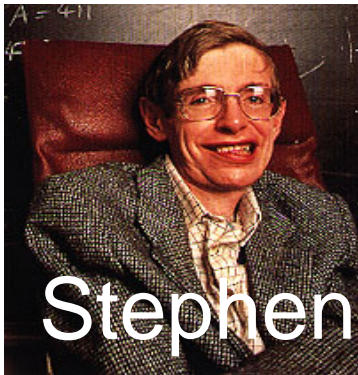
You need a communicating PM

Who is: business minded, either marketing background or strong interest; technically savvy (some HTML coding/Web development experience); strong demonstrated history of working with cross-functional teams and senior enough to be heard with the organization.





An ideal WA team?



Be reassured, it's very,
very, very rare!

Jim Sterne – Emetrics Düsseldorf 2007



Outsource vs. In-house (HR)

- What's the problem to be solved?
 - Short vs long term
 - One-time fix vs maintenance
- Complementary
- Organizational culture
- What's worked historically?
 - Cross-functional
 - Learning
 - Experimentation
 - Tolerant of re-directs



Outsourcing the technology

Web Analytics products are found in software & asp versions:

Inhouse software



ASP





Outsourcing the technology

What does it mean?

- You still need to tag your pages, there is no magical solution;
- You still need to define processes;
- You still need to configure the reports;
- You still need to analyse the data
- You'll find it less cost effective, in the long term;
- You'll have more technical hurdles to integrate data;
- You don't get to define « right-time » (instead of real time)



Market conundrum

- The 10/90 rule:

for every 10 € spent on technology, you should spend 90 € on brains

- It has changed the market perspective: companies call vendor independant partners to consult on technology choice, vendors are loosing ground



- The 10/20/70 rule:

Web Analytics is

- 10% technology,
- 20% people,
- 70 % process.

It is changing the market perspective, IT is getting interested again in data integration strategies, including WA... next to BI





Hungry for more?





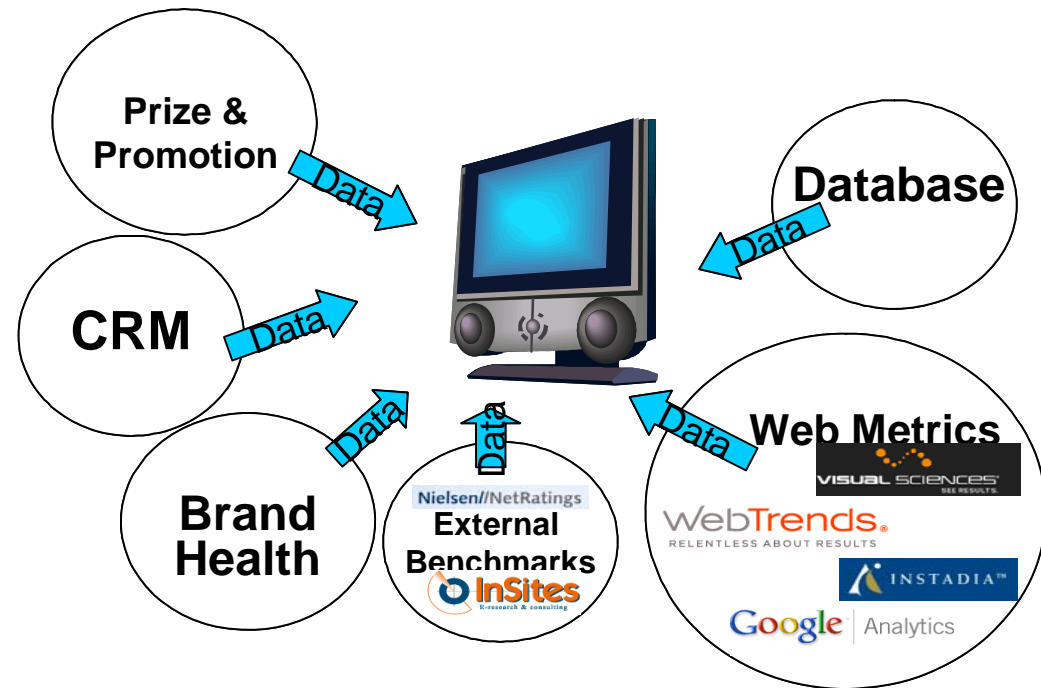
Optimize internal web processes

- Measure to improve:

Efficiency
Productivity
Clarity & moral

} = cost savings

Use score cards
for raw data





Key Performance Indicator Scorecard: Consumer Banking

Prospect Summary

	Prospect Traffic			Overall Application Conversion Rate		
	May-05	April-05	%Change	May-05	April-05	%Change
<input type="checkbox"/> Visitors	46,761	49,099	-5%	36,0%	30,0%	20%
<input type="checkbox"/> New	53,5%	54,5%	-2%	23,0%	22,0%	5%
<input type="checkbox"/> Repeat	46,5%	45,5%	2%	44,0%	36,0%	22%
<input type="checkbox"/> Customers	1,968	2,415	-19%			
<input type="checkbox"/> New	92,6%	95,2%	-3%			
<input type="checkbox"/> Repeat	7,4%	4,8%	52%			

Prospect Behavior

	% Total Visits		
	May-05	April-05	%Change
<input type="checkbox"/> Single Page Visits	9,3%	9,1%	2%
<input type="checkbox"/> Visits Under 3 Minutes	46,5%	45,5%	2%
<input type="checkbox"/> Browsed Category Pages	5,6%	5,5%	3%
<input type="checkbox"/> Browsed Product Information	7,4%	4,8%	52%

New Account Conversion

	Conversion Rate			% Total Visits Starting Application		
	May-05	April-05	%Change	May-05	April-05	%Change
<input type="checkbox"/> Deposit Products	3,6%	3,6%	-2%	-	-	-
<input type="checkbox"/> Loan Products	5,4%	5,4%	-1%	66,2%	66,6%	-1%
<input type="checkbox"/> Credit Cards	9,2%	9,3%	-1%	38,4%	38,8%	-1%
<input type="checkbox"/> Other key process conversion (e.g. Insurance, Investment, Personal Auto Loans, etc.)						

Marketing Channel Summary

	Conversion Rate			% Total Visits		
	May-05	April-05	%Change	May-05	April-05	%Change
<input type="checkbox"/> Onsite Promotions	0,9%	1,0%	-8%	20,4%	20,1%	1%
<input type="checkbox"/> Paid Search	2,3%	2,0%	14%	7,2%	7,4%	-2%
<input type="checkbox"/> Organic Search	0,4%	0,5%	-5%	8,1%	9,0%	-9%
<input type="checkbox"/> Email	1,3%	-	-	2,2%	-	-
<input type="checkbox"/> Media	2,3%	2,0%	14%	7,2%	7,4%	-2%
<input type="checkbox"/> Affiliate/Partner	0,4%	0,5%	-5%	8,1%	9,0%	-9%

Key Supporting Services

	% Total Visits		
	May-05	April-05	%Change
<input type="checkbox"/> Access Online Services	11,690	12,275	-5%
<input type="checkbox"/> Customer Service (contact us)	4,676	4,910	-5%
<input type="checkbox"/> Branch Locator	7,014	7,365	-5%





By the end of the day

We should start to imagine at least something like:

*Fully
automated
dashboard,
in Excel
using ODBC
connections*

*(WebTrends
+
DataLinks)*



Or ideally attribute KPIs

Engagement dashboard

Time frame 01.11.2006 30.11.2006

3.1.1 Benefit index

(Validated visits/Total visits on all the benefit material)

Current 50.4%

Last 52.0%

Change -3%

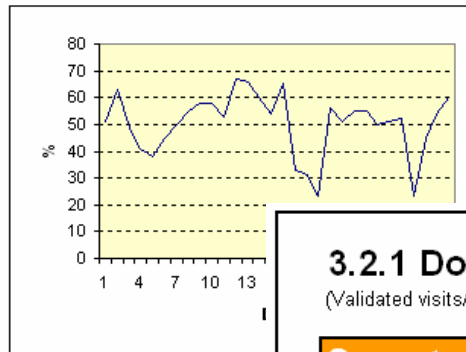
Flag 1 above 50.0% Good

Flag 2 below 20.0% Critical

Deviation 0.4%

Actors John Crossford

Evolution over time frame



3.2.1 Download opportunities index

(Validated visits/Total visits on all download pages)

Current 33.6%

Last 52.0%

Change -35%

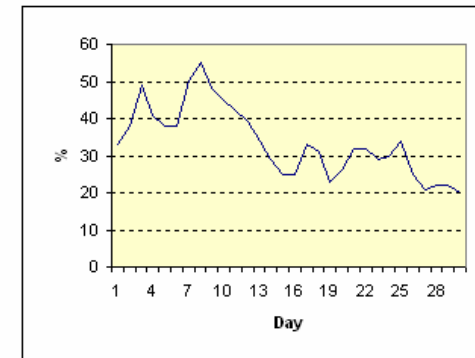
Flag 1 above 50.0% Good

Flag 2 below 25.0% Critical

Deviation -16.4%

Actors Matti Suominen
Mervi Lankinen
John Crossford

Evolution over time frame



Vincent Kermorgant – Nokia – Emetrics London 2007

Thank you for your attention

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