ClickZ Network

Best of Web Analytics Guide

12 TIMELESS ARTICLES & INSIGHTS FROM MARKETING EXPERTS

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FROM MARKETING EXPERTS

FOREWORD

BY BRENT HIEGGELKE, Vice President of Marketing, WebTrends Inc.

Web Analytics is the Marketer's Bridge over the Confidence Gap

There is a significant confidence gap in marketing today.
With increased pressure from executive management to show tangible financial returns, there's no question that marketing is in the process of maturing into a more results oriented discipline. However, few marketing organizations have a comprehensive view of their performance to be fully confident in the decisions they make.

In a recent CMO Council study, *Measures + Metrics*, nearly 90% of senior marketing executives said measuring marketing performance is a top priority, yet fewer than 20% of them have developed a meaningful, comprehensive metrics framework within their organizations. Consequently, 50% of CMOs are under a direct mandate to provide better metrics and measurement for the marketing department, according to IDC.

In our own *2005 Web Marketing Confidence Report*, we surveyed over 250 marketing professionals and learned that only 5% are currently "very confident" in the measurement of their results. In fact, 26% admitted to "flying blind". Why? Because less than one out of four had a complete view of their performance metrics—including conversion, revenue, ROI—to gauge the success or failure of their marketing initiatives. The majority, a combined 52%, are still relying on clickthrough rates or have no campaign metrics at all.

What are savvy marketers doing to bridge the gap? Major trends point to the Web.
In no other medium is optimization as achievable as the Web. Testing is easier. Measurement is more comprehensive. And incremental improvements can be realized on a daily basis. Because of these advantages, companies are investing more in online marketing. In fact, according to a CMO Magazine survey, interactive marketing will achieve the largest increase in spend (71%) of any marketing area over the next 12 months. In addition, the Internet Advertising Bureau and PricewaterhouseCoopers reports that online advertising spend is up 26% in the first half of 2005, and shows no signs of slowing down.

So, as the Web continues to develop into a more strategic channel and secures its position as the hub of marketing. And as online marketing continues to earn a greater share of the marketing mix, measurement becomes a more critical component of every marketing initiative that's launched. Web-smart marketing professionals are leveraging the full power of web analytics to prove and improve their overall contribution to their organizations.

Better measurement. Improved results. Increased confidence.
The CMO Council's research shows that companies who establish comprehensive measurement achieve greater financial returns and higher CEO confidence in the marketing function. So as you're reading through this guide, consider your organization's use of web analytics toward improving your web channel and overall marketing results. It can have a dramatic impact on the success of your organization. For T-Mobile, it's meant a 27% increase in conversion. For Volvo CE, a 700% increase in leads. For La Quinta Hotels, a 63% increase in online revenue. What can it mean for you?

Enjoy the guide.

WebTrends is a proud sponsor of the ClickZ Network and we share in their mission to help interactive marketers do their jobs better. We've combed through the rich archives on ClickZ spanning the last two years and pulled together twelve timeless articles and insights from the authors of these two relevant columns: *Analyzing Customer Data and ROI Marketing.*

1

Web Analytics Data: Share It to Maximize Value

by **JASON BURBY**
March 15, 2005

Like a diamond in the rough, web analytics data may have great volume, but they don't display their true worth until in an expert's hands. Cut for maximum brilliance, data can bring light and value to an organization's many different facets.

Many people within an organization – from executives to developers and merchandisers – can benefit from the insight analytics data have to offer, if staffers are given data they can act on.

When designing your analytics reports and defining the data you intend to capture, consider the following teams' needs, and how they might use the data to improve their work:

- **Web product managers/business leads.** These managers can evaluate the effectiveness of their site sections and outcome of site changes. They can also use analytics to identify improvement opportunities.
- **Designers.** Site designers can evaluate different designs' performances. They can also conduct A/B or multivariable design tests.
- **Executive/management team.** Until recently, executives and management teams didn't pay much attention to Web analytics. Now, some of our most successful clients use Web data to set corporate or group goals, as well as to evaluate the success of different groups or individuals. Many of our clients even use this data as part of their bonus distribution plan, especially for their Web teams, tying specific metric goals to individual performance evaluations.

- **Developers/technical.** Developers can use analytics data to evaluate performance issues such as Web server loads, content delivery speed, and uptime.
- **Merchandisers.** Merchandisers can use analytics data to learn which products drive the most interest, which sell, and which drive repeat purchases. Online retailers are taking what they've learned online and using it to drive offline behaviors, such as in-store merchandising and pricing.
- **E-marketing.** Those driving traffic to the site through banner campaigns, e-mail, search engine optimization (SEO) and search engine marketing (SEM) can quickly learn which campaigns drive the most value. They can also gain insight on how to optimize campaign landing pages to better induce people to take desired actions.
- **Sales/business development.** Sites that generate leads for offline sales can give a sales rep more than just contact information. Analytics data can provide information such as the number of times the prospect visited the site. A good system can tell the rep what the lead looked at on the site and what enticed her to make contact. If you hand this information to a rep before he makes contact, he can more easily start an educated conversation.
- **Information architects (IAs).** Web analytics information can help IAs understand how people navigate the site, what they're interested in, and what drives people to convert on the desired behavior. This information can help IAs better tune their recommendations to drive visitor behavior on the live site, rather than just employ best practices.

The key to getting different people to use Web analytics data is to help them focus on the aspects that can help them do their jobs better. Once you help people access relevant information, the data's value, along with your teams' intelligence, can really shine.

Breaking Down a Conversion Funnel

by **JASON BURBY**
May 24, 2005

So you've identified the most important behaviors on your site. One of them is some sort of conversion funnel. Now what? The conversion funnel could be five steps to purchasing a pair of shoes or booking a trip. It may be a lead conversion funnel that drives people to request more information or sign up for a Webinar.

The key is breaking down the conversion process to determine where opportunities are and why people don't continue to the next step. When analyzing a conversion process or funnel, you must understand the overall conversion is made up of a series of microconversions.

At each step in the funnel, site visitors make one of three decisions:

- **Continue to the next step in the funnel.** This is the desired behavior.
- **Leave the funnel and go to other content on the site.** In many cases, these people seek more information, often to support their buying or conversion decision. Most will end up leaving the site without converting, but some may reenter the funnel process and complete it successfully.
- **Exit the site altogether.** Obviously, we've lost our chance to convert or cross-sell people on this visit. In addition, if they leave the site, we can't get them to convert on secondary goals or other desired behaviors outside the primary funnel.

Handholding

Visitors have a choice to make at every step in the process. For them to complete that process, we must help them make the right decisions along the way.

When we analyze conversion processes, we find it helpful to break the funnel into different steps, then categorize those steps into a few key areas.

Here's an example of an eight-step conversion process:

1. User visits site.
2. He clicks to a product detail page.
3. He clicks to add the product to his cart.
4. He clicks to check out.
5. He enters his address.
6. He enters his billing information.
7. He clicks to an order-confirmation page.
8. He clicks to an order-complete/thank-you page.

Tracking the Conversion Process

Most top analytics tools can set up funnels to analyze processes such as these. Each tool is different, and some are better than others, depending on what you want to analyze and how the site is set up. WebTrends calls its tool "Scenario Analysis," while Omniture calls its "Fall-out Report."

Now analyze the different behaviors you may see throughout the process. As you analyze behavior at each step, consider what the visitor did to reach that step as well as how he may view the site visit. Just because someone comes to your site doesn't mean he intends to purchase just then. The same can be said about someone going to a product detail page, or even adding an item to the cart. He may simply be browsing products and adding them to the cart to keep track of them, with no intent to buy.

As people start the checkout process, we can assume they're getting a bit more serious. After they've begun to submit personal information, they're even more serious. Often, the "money step" comes next. Will they enter their payment information?

Commitment and Acceleration

Commitment level increases as people move through the process. It starts with zero, or very low, commitment when they arrive at the site and builds slowly as a product is added to the cart. Commitment picks up quickly as people begin to enter personal information and move through order confirmation. It's imperative to continue to sell the decision, even on the order-completion and thank-you pages. A buyer can always cancel an order or return the product.

Since the commitment level grows through the different key steps, we also want to see the abandon rate drop as we move through the steps. In the above example, it would be very worrisome to see a high abandon rate from order-confirmation or order-complete pages. Visitors have gone through the entire process, entering personal and payment info. They're the visitors we can't loose. They're so close! They made the decision to continue on at each step in the process, up until the last one. This is an obvious area to focus attention on.

What Do They Need to Decide?

As you analyze your conversion funnel, determine at each step which of the three choices visitors make (continue, visit other site content, or exit the site) and why.

One of the most informative things to look at is where people go on your site when they leave the funnel. Do you cross-sell other content too much in the wrong places? Are people questioning their decision and seeking more information to help them decide?

It can also be insightful to understand what content visitors look at when they leave the funnel, then return. By understanding what people seek when they leave the funnel, you can understand common questions that cause people to leave the process. By understanding what does or doesn't drive people back into the funnel, you can determine where to focus efforts to help answer the questions that keep people from converting.

Fine-Tune for Your Audience

Each conversion funnel is different, and visitor behaviors within each process are different. But approaching each in this manner will help identify how to improve your overall conversion rate as well as microconversion rates. Once you look at the conversion rate for all visitors, explore different behaviors based on new versus returning visitors; repeat buyers; traffic from different campaign sources; weekday versus weekend visitors, and so on. You can often tune the flow for different audiences and significantly increase conversion.

3.

How to Improve A/B Testing

by **BRYAN EISENBERG**
April 29, 2005

A/B testing is a proven means to increase conversion rate. It's not as simple as it appears. It's more than simply testing two or more versions of Web pages, banners, search ads, or whatever persuasive element you can imagine. It also has limitations.

A/B testing, unlike the intuitive creative process, must be treated like a true scientific experiment. Many clients come to us frustrated by the results of their tests. Almost without fail, we discover their tests don't conform to experiment design. Most just heave two versions of an element at the wall to see what sticks.

Unless you're one of those learn-the-hard-way types, benefit from our experience. Here's what we've learned from seven years of trial and error.

One Change at a Time

When beginning an A/B test, establish a control and baseline for whatever you're testing (e.g., Web page, landing page, banner ad). Put your best creative effort online first. Monitor its performance over an established period.

Once a baseline is established, start optimizing the page by making one change at a time. More than one makes it impossible to determine which change actually made a difference.

A client wanted to change the way the box for their lead-generation form appeared. They thought they were testing just the form box. I pointed out changing the background color, headline, copy, and box position amounted to multiple variables and should therefore be conducted over multiple tests.

This is a limitation of A/B testing; conversion improvements can only be made incrementally.

Clicks Don't Exist in a Vacuum

Customers participate in scenarios on your site or in your marketing efforts whether you plan them or not. Each page or touch point exists in the context of what visitors saw on a previous page. When conducting an A/B test, consider all scenario elements. Often, a change to another element affects test page results.

A page with high exits or a call-to-action form with high abandonment may not actually be problems. Consider the page visitors viewed prior to the test page. How many of us have clicked a "Free iPod" banner, only to find a landing page detailing the painful process of getting a free iPod? We could optimize and A/B test the landing page ad infinitum, but the real problem is the misleading banner.

Recently, to increase an e-mail open rate, we tested a new "free offer" subject line. The e-mail body remained the same. Though the open rate went up, conversion rate and total conversions dropped. Instead of returning to the original subject line, we modified the e-mail copy. Test copy conversion strongly outperformed the original.

The new subject line changed the e-mail's context. Until we changed the body copy to echo the subject line, we were losing momentum. Users in the first test of the new subject line were simply not seeing the free offer in the original body copy.

In complex selling scenarios, many sites successfully funnel high amounts of traffic to a call-to-action form. Yet they test different versions of the form with little success. Usually this is indicates prospects don't have enough information or resolve to complete

the form. The problem isn't the form; it's the scenario visitors participate in.

Small Changes, Big Differences

Never assume a seemingly inconspicuous change will bring inconspicuous results. The day of the week, a font, or a color palette shift can dramatically affect test results. Just moving a few buttons around on a checkout page can mean deep decreases in conversions.

There are really only 20 design principles that can affect conversion. Don't take any of them lightly.

Testing Two Very Different Creatives

Many conduct an A/B test on two significantly different offers or two significantly different creative efforts.

If effort A returns a conversion rate of 3.0 and effort B returns a conversion rate of 2.5, many will abandon effort B for the seemingly more efficient A. This could be a colossal mistake.

That's not a true A/B test. There's no way to determine if effort B were optimized if it perform better than optimized A. Think of this as two different tests rather than as one.
Often, we've found the two efforts speak effectively to two very different audience segments. Both may be worthy of further optimization, and their cumulative conversions would go well beyond effort A alone.

A/B Testing Is Real Work

True, effective A/B test is not for the impatient. You must be committed to true scientific application. Next time you move into the A/B laboratory, remember that A/B testing is science, not art.

Defining Key Performance Indicators

by **JASON BURBY**
August 16, 2005

On my daily view of the Yahoo! Web Analytics Forum, managed by Eric Peterson, I ran into an interesting question. An individual wanted to know about common key performance indicators (KPIs) for a specific industry.

It got me thinking about what the right metrics are for an individual company. Some materials cross industries or may be more pertinent to specific industries. Yet I struggled to post a response to the question, even though we've done analytics for nearly a dozen companies within the industry he was asking about.

I kept changing the KPIs in my response as I thought through the different companies we've worked with. It forced me back to where we begin when defining metrics or KPIs for a client: KPIs shouldn't be driven by what others are doing in your industry or in other industries; they should be driven by the overall goals of your business and the role the Web site plays within your organization.

Webopedia.com defines a KPI this way:
KPIs, or key performance indicators help organizations achieve organizational goals through the definition and measurement of progress. The key indicators are agreed upon by an organization and are indicators which can be measured that will reflect success factors. The KPIs selected must reflect the organization's goals, they must be key to its success, and they must be measurable. Key performance indicators usually are long-term considerations for an organization.

A few key components in this definition:

- **"Organizational goals."** It's imperative KPIs aren't set to standard industry goals but to your goals for your business and Web channel. The second-to-last line speaks to this again: "The KPIs selected must reflect the organization's goals, they must be key to its success, and they must be measurable."
- **"Measurement of progress."** We want to look at KPIs over time as we make changes to improve the overall site performance based on those KPIs. After a change is made to the site, did it drive KPIs in the direction we expected?
- **"Agreed upon by an organization."** This is imperative so everyone is on the same page, and the KPIs are constructed by people with different functions within the organization.

In the past few years, a number of analytics tool providers have approached me about what "standard" KPIs they should build into their tracking tools. I tell them they can create some basic KPIs, such as "visits to lead conversion" and "visits to sales conversion," to get people started. More important, they must allow each company to define its own KPIs based on what's important to each one's business. Some providers have built this function into their tools, based on similar feedback from many other people.
Don't worry about the KPIs your competitors use; in many cases, they don't have well-defined KPIs and success metrics for their Web channel. Instead, focus on what will make your overall business successful based on the Web site's role.

Once you've defined your KPIs, make sure you share them with the Web team and people driving site traffic. Look back at your current online initiatives. How many of them truly support and drive those KPIs? What effect will they have on the KPIs? You'll most likely want to monetize those initiatives' potential effect based on the KPIs, then reprioritize those initiatives. You'll be surprised how having well-defined KPIs can change your current initiatives and priorities in a very positive way.

5.

Web Analytics Red (And Green) Alert

by **JASON BURBY**
November 23, 2004

It's two days before Thanksgiving, which means it's three days before the holiday shopping season officially kicks off. What have you done to maximize your online conversions and reduce shopping cart abandonment in the coming weeks?

If you're an online retailer, you're likely poised to make or break the year based on this holiday season. You set up ad campaigns for the coming weeks, stocked up on inventory, determined the last possible order time when you can guarantee delivery by the special day. Now, you must ensure customers complete their transactions.

In a recent study, WebTrends predicts $63 billion in sales will be lost in the U.S. alone in 2004 due to shopping cart abandonment. What if you could convert just three more visitors into buyers out of every thousand who visit your site?

If your conversion rate is 3.0 percent, those additional three visitors would increase conversion to 3.3 percent. That may not sound like much, but it's a 10 percent increase in revenue. Plus or minus 10 percent could make or break many e-tailers' holiday season.

Abandonment Issues

Where's that estimated $63 billion going? More important, why do those people abandon a site? According to the WebTrends study, the four most common contributing factors leading to abandonment are:

- Additional costs, such as shipping and handling, or lengthy delivery times (35 percent)

- Too much consumer information required to make the purchase (30 percent)
- Lack of product information (17 percent)
- Decision to purchase from a brick-and-mortar store rather than online (14 percent)

There's Still Time to Redeem Your Site
How well does your site combat these issues? Looking at the calendar, is it too late to reduce abandonment this shopping season? Many of our clients have locked down their sites and don't anticipate making changes during the holiday season. Most have already fine-tuned their sites through A/B testing in preparation for the holidays.

Others will use the next few weeks to test a few minor site adjustments to capture the extra three or four out of every 1,000 visitors. You can, too. Done correctly, you'll reap rewards in the coming weeks.

I'm not talking about wholesale site changes, but small adjustments that help people complete the purchase process. Where do you start? Here are a few quick tactics to consider:

- **Create a conversion funnel.** Look at visitors from the time they enter the site and view a product all the way through purchase. Where do they drop off? The further down in the process, the lower the drop-off rate should be at each step, as visitors are more invested in the process.
- **Focus improvements on a selected area.**
- **Determine what causes the drop off**. At this time of year, a survey or usability study may not be reasonable, though it's strongly recommended for the long term. Consider a targeted expert review by a usability specialist to generate ideas. Or, after reviewing the data and seeing where people go, what's causing the problem may be obvious.
- **Set up a simple A/B test. Explore different solutions against an existing page.** As it's the prime shopping season, you may only want to filter off a portion of site traffic.
- **Roll out the best-performing solution to all visitors based on your conversion goals.**

Depending on your organization and willingness to work to maximize online revenue over the coming weeks, these ideas may or may not be feasible. Many of you are reading this and thinking, "I should have done this in September or October. It just isn't possible to react this quickly to make these types of changes."

You're right. Ideally, this would have occurred a few months ago! If you can't fine-tune your site over the coming week or two, make it your New Year's resolution.
When you get back to the office on Monday, January 3, what steps will you take to maximize conversion, revenue, and profits for 2005? You invested in that powerful analytics tool; this is how you should use the data. Begin January 3 and continue to use it throughout the year, so next year at this time you're not saying, "I wish I'd tested this or that before the site freeze. Now I'm out in the cold, waiting to see the numbers."

Remember, even small, quick changes can make all the difference in a good holiday sales season for your commerce site.

6.

Calculate Your Online Conversion Rate

by **BRYAN EISENBERG**

August 13, 2004

How do you determine the natural online conversion rate for any product?

We've developed a formula to calculate this, as well as other key performance indicators. We won't divulge the formula, but here are the factors we consider when making calculations.

Common logic is to set a site profitability goal while striving to achieve a conversion rate equal to or greater than the "universal average." Yet in our experience, this formula leaves dollars on the table.

In every case we've observed, this approach results in conversion goals that are far too low to realize a product's potential or even to inspire a Web development team. Another undesired result is other critical top-line metric goals are typically left undetermined or, at best, very vague. There's simply no greater enemy of business than unclear goals and objectives. When you don't know where you're going, as the Cheshire Cat told Alice, "it doesn't matter which way you go."

The purpose of setting a baseline conversion rate is to maximize a product's income and potential. There's no way to accomplish this other than to evaluate every possible factor that affects conversion rate and to score each. Doing so will provide a big-picture, realistic overview of what level a Web site can be expected to perform at.

FACTORS FALL INTO THREE PRIMARY CATEGORIES: confidence and intent; the personal experience factor (PEF); and environmental and conditional factors.

Confidence and Intent

These factors occur before a visitor lands on your site and measure the confidence buildup that occurs prior to that event:

- **Unqualified.** How much traffic on your site belongs there? A certain percentage of traffic doesn't belong on your site simply because the visitor arrived by mistake. Another set of visitors needs a product or service you don't offer.
- **Customer intent.** What are your customers' intentions toward your site and products? Will they buy today? Or do they intend to research a product online, then purchase it offline? Keyword research can help determine intent.
- **Brand confidence.** How much confidence do visitors have in your products or brand before they arrive at your site? This, in a nutshell, is customers' prior knowledge of your brand. It's learned through word of mouth and the impact quotient of your marketing efforts, both online and off-.

PEF

This is the actual experience a visitor has during and after a visit to your site. The following factors contribute to a site's PEF:

- **Planning.** Is there a comprehensive, focused understanding of target-visitor buying models? How well do you communicate your unique value proposition in regard to what's in the visitor's heart?
- **Structure.** Do the design, information architecture, and technology aspects of the site support the requirements of the buying and selling process? Does the visitor become disoriented or lose interest due to site flaws?
- **Momentum**. Does the site's conversion process channel visitor activity and motivate action? Does each page engage the buyer and persuade him to take action? Can you capitalize on up- and cross-sell opportunities?
- **Communications.** Does your site content convey your message effectively, and is the copy persuasive? Is it unequivocally clear where visitors are, and why, based on their goals?
- **Value.** Does the Web site communicate the value not only of your products and services but also of doing business with you? Are the benefits clear?
- **Service after the sale.** How do you support customers after the transaction? Do you find ways to exceed their expectations? Can customers find their shipping and product questions on the site easily, or at all?

Environmental and Conditional Factors

These factors exist largely outside of a company's immediate control:

- **Product relevance.** Do your products deliver on the promise made to the customer? How relevant is your offering?
- **Conversion type.** Is your site's objective to sell products or services, sell content, or generate leads? We know a significant percentage of all traffic on an e-commerce site won't convert.
- **Product buy in and buying cycle.** How complex is the sales process? Does your product require endorsement from another person, in addition to the visitor? (Common for many B2B sites). How much time and effort is a visitor willing to devote to the conversion process?
- **Market potential.** This is the total dollars available in a product or service category. Keyword research can help determine this.

- **Competitive environment.** What are your competitors doing, and how does it affect your sales?

Each of these factors must be taken into account and individually scored. Our formula also calculates the effect each factor may have on another one.

For example, all factors being equal, a Web site with strong brand confidence might expect the same conversion rate as a lesser-known site with a stronger PEF score. When Citrix Online introduced a new product, GoToMeeting, we scored these factors using lessons gleaned from our experience with its more established GoToMyPC site. Being able to compare and contrast made some factors easier to measure. Others, like market potential, required more research. Finally, we determined a natural baseline for conversion that will allow Citrix to realistically project the site's performance.

An added benefit of the formula is it reveals potential weaknesses in a product offering and serves as a guide for recommending improvements. Think about these factors. They'll help with your planning.

7.

Measuring Personas for Success

by **BRYAN EISENBERG**
August 5, 2005

Just six months ago, personas were little more than an industry buzzword. At the recent AD:TECH conference, I surveyed the room a colleague was speaking in and was pleasantly surprised to find 30 percent of the audience claimed to use personas in site design.

Now that persona use is more widespread, the questions are different. No longer do people ask if they should use personas. Instead, they ask if their personas are effective.
How do you know if a persona is good or bad?

Evaluating effectiveness boils down to two things:

- How well does your Web team empathize with your personas?
- Can your personas be used to create persuasive scenarios that can be measured and optimized?

Empathy, Empathy, Empathy

Write Tamara Adlin and John Pruitt in their upcoming "The Persona Lifecycle: Keeping People in Mind Throughout Product Design":

You walk down the street and you see gorgeous people, nondescript people, and everything in between. Which are good people? Are the gorgeous ones good and the nondescript ones bad? Who knows? To know, you'd have to ask people who are close to each individual. You'd have to watch how they behave.

The same is true of personas. Is a gorgeous persona — one with lots of pretty posters, tons of details, gobs of included data — a good persona? Is a persona that's not much more than a name sitting on top of a bunch of assumptions a bad persona? The only way to find out is by observing how they're used. What makes a persona "good" or "bad" isn't the way it was created, the way it looks, or the richness of its details. What makes a persona good — what makes a persona a persona and not an interesting segmentation experiment — is a persona must live in your team's minds.

Empathy isn't a touchy-feely, cry-with-those-who-cry type of action. In business, particularly selling, empathy is the identification with and understanding of another's situation, feelings, and motives. Personas should evoke clear, focused customer empathy in the team, otherwise they're little more than a thin voice whispering in a loud room. A persona should have a strong character diamond and be more than a average caricature of your demographic research. There are certainly some things you can include in a persona description that will sharpen its identity, reveal its motivations, and humanize it.

Techniques we've seen used successfully:

- Use a quote from a persona stating her attitude or view of the product or service:

  "I want a state-of-the-art home theater system. Bottom line: what's the best DVD player I can get?"

  "I've been looking for a DVD player, and everyone keeps trying to sell me things I don't care about. Just give me the facts. I want to see how each player works, so I won't have to pay a penny extra for something I don't need."

- Take a snapshot. What does this persona do on a daily basis?

Information to help your team relate to your personas:

- What's the persona's life mantra?
- What are her hot buttons in this product category and others? For her life? Her work?
- How does she define value?
- What are her pet peeves and turn-ons?
- What kind of car does she drive? Why?
- What are her hobbies, pastimes, and favorite TV shows?

More from "The Persona Lifecycle":

The classic mistake people make with personas is to assume that the personas are "done" once the details are written and the posters are printed -- because personas can't be good or bad until after they are created. If company A has an ad-hoc persona named Bob that they created in 15 minutes, but everyone on the team knows and can describe Bob, and thinks about Bob when making decisions, then Bob is a much better persona than the expensive persona Gail who hangs ignored on another company's wall in all her color-printed, data-driven, expensive glory.

Don't get us wrong — we're all for creating personas from data. But if you're trying to figure out if your persona is good or bad, walk through the halls of your company asking folks to describe who they are trying to help with the work they are doing. If they immediately start talking about your personas, congratulations!

Don't Forget Your Business Goals

Empathy is the critical first step. Only after can you begin to uncover how your personas experience your company, products, and Web site.

When you know and understand personas, you can begin to discover why your customers do what they do:

- What's this persona's unspoken question regarding this product?
- What does she expect from this product?
- What's her experience with your company? Will it fall short of her expectations? Of your competitors?
- What information will this persona need to be persuaded to take action?
- Does she prefer to collect information slowly and methodically? Does she take a personal approach? Or does she want a bottom-line summary?
- Why is she motivated to take this action?
- What actions do you want this persona to take, and how will you persuade her to take them?

Now you can begin to plan persuasive scenarios that will entice people to participate in the conversions that are critical to your business success.

Though your personas evoking empathy in your team is critical, empathy remains somewhat subjective. What isn't subjective is personas' real-world effect on your conversion and key performance indicators (KPIs). These are things that can be measured, tracked, and optimized.

8.

Audit Before You Redesign

by **JACK AARONSON**
January 28, 2005

The word "audit" usually scares people. In the context of Web development and interactive marketing, however, an audit helps you understand where the biggest return on investment (ROI) potential is. As it's still the first quarter and everyone's prioritizing their projects for the rest of the year, now's a good time to talk about what to do before that prioritized project list is finished.

An audit (usually qualified as a "site audit," an "e-mail marketing audit," etc.) is a nonbiased look at your company's Web site, e-mail marketing, loyalty program, or any other part of your business that needs improvement. You know the better you design and plan a project, the easier that project will be to execute. That same logic holds true here. Instead of jumping into a project because it's been on the backburner or is relentlessly internally championed, you must set priorities based on their anticipated lift to the business. Many companies spend millions of dollars based on the whims of executive management or on projects IT thought were "cool," though the projects' actual value was questionable.

In a nutshell, an audit should inventory what's good and bad with your current marketing efforts and Web site. Depending on the expertise involved, an audit should list problems with current initiatives and suggest solutions.

We once audited a large electronics store's site. Its higher-end product line wasn't selling very well. The site had a lot of problems, but most were symptoms of a larger one: lack of differentiation.

This store carried at least four different products per line, each with a different price point. The products' textual descriptions all sounded the same (unless you were a tech geek and understood the differences between technical components). The product photography was also bland and undifferentiated. Every computer looked like a grey box. Why would an uninformed user choose the expensive one when all looked and sounded alike?

A good audit identifies the problem and suggests high-level solutions. In this case, the solution wasn't just to have better descriptions or photos. The company had to realize that to an uneducated computer buyer, computers are all the same. The difference is in how people use them. The differentiation, then, should be in how the computers are positioned. The low-end "everyday" computer might be positioned for a person who uses the computer mainly for writing papers and checking e-mail. The "gamer's" computer has the best video speeds, and the "programmer's" computer has the best number-crunching capabilities for compiling code. Looking at the product line like this changed the landscape from "How much money do you want to spend on a grey box?" to "We'll guide you toward the right solution based on your needs."

The difference between doing this kind of upfront strategy in an audit and doing it during the project's development is huge. The audit not only suggests a high-level solution, it also prioritizes the problems based on how important the solution will be to the bottom line. The audit should be both a problem identifier and a mini strategy paper. Whereas a normal development list is based on individual problems, an audit has the advantage of being able to identify symptoms of an overarching problem, then prioritizing the problem as a whole, not just its underlying symptoms.

In the example above, the company's project list included "get better photography" and "make our descriptions easier to read." Those definitely were problems, but solving each one individually wouldn't have improved ROI or the bottom line. Both were part of a larger, unidentified issue: the people buying their products didn't understand the fine print, and no amount of clarity around technical components would help. They needed to be sold to differently. The company had to think about user needs more and be less product-centric.

Plan Before You Build; Audit Before You Prioritize

As you prioritize your projects this year, take a closer look before you start development. More than likely, many of the projects are really symptoms of larger problems.

Hopefully, you aren't too close to your business to see them. Whether you do it internally or externally, an audit of your current e-mail marketing campaigns and Web site usability is essential to understanding (and solving) the real problems effecting your bottom line this year.

ClickZ Network

Beyond Conversion Rates

by **BRYAN EISENBERG**
January 7, 2005

In that first second at midnight on January 1, something nearly mystical occurs. Though the only thing that really changes is the calendar, we somehow feel we're making a fresh start. We begin plotting things in our lives or work that can be different and better. Allow me to challenge you to think afresh about the opportunities 2005 offers you and your Web site.

The Conversion Rate Game

Before the dot-com implosion, we were a small, lonely voice shouting about conversion rates from every rooftop we could climb up. Back then, few seemed interested in submitting themselves to conversion rate accountability. We knew sooner or later, the piper would show up and demand payment.

Now, conversion rate optimization is almost mainstream. Welcome to the conversion rate ballgame.

A Low-Scoring Game

Depending on whom you ask, average conversion rates are between 2 and 4 percent. By today's standards, you get bragging rights and the full dose of hero treatment if you can maintain a conversion rate of 5 percent or above. You have deity-like status if your conversion rate approaches double digits. The world's finest players sport double-digit conversion rates of somewhere around 12-14 percent.

Of course, I'm referencing top-line conversion: The number of visitors who take the macro action you want them to divided by the total number of site visitors.

A double-digit conversion rate seems unimaginable to some, but experience demonstrates it's certainly possible. We've seen it happen time and again.

Of course, it takes a lot of work.

88 Percent Still Don't Convert

Even with an awe-inspiring 12 percent conversion rate, it's a little painful to consider 88 percent of visitors still don't convert. That's quite a mound of traffic. But it's understandable why many feel content with these conversion rates. Even when a dismal 2 percent conversion rate is elevated to 4 percent, that constitutes a 100 percent increase. This usually leads to profitability. One hundred percent growth tends to make people fat and happy.

That's one reason why the conversion rate game is only played on a portion of the playing field. Most sites optimize and test paths leading from the home page to the shopping cart (or lead-generation form). Many have milked their Web analytics dry and can only squeeze out another few drops of conversion here and there. Others have A/B tested everything they can think of, with only incremental improvements. Still others see so many opportunities, they don't know how or where to start or, more important, how to manage multiple conversion paths.

If conversion rate optimization were a football game, most teams have been trying to get to the end zone only with a simple, straight-up-the-middle running play offense. No wonder they can't move the conversion football more than a few yards at a time.

Put the Ball in the Air

If all your visitors were exactly the same in personality, product need, and buying preference, you could use this simple conversion strategy and theoretically achieve as close to a 100 percent conversion rate as possible.

Current conversion rate optimization deals with and measures what is. It can tell you what's going wrong, and where. In some cases, it can indicate why things happen on your site. But you must also take into account what could be.

Take a more inclusive, holistic approach to converting more visitors. In other words, instead of trying to drag a 12 percent conversion rate, kicking and screaming, up to 13 or 14 percent, put the ball in the air and aim to convert all your potential customers.

Even if your site is among the best performing, 88 percent refuse to tread down the same, tired conversion path you've been optimizing for a year or two. If that path were the one they wanted to click through, don't you think they would have by now?

Persuasion Vs. Basic Optimization

Clicks are people. Each has different needs, capabilities, preferences, and expectations.
The same conversion goal, or a singular conversion path, for everyone is foolproof recipe for mediocrity in site performance. Instead, use scenario design to help create, define, and measure more effective conversion paths.

Different visitors are in different stages of the buying cycle. They need different volumes and types of information. Does your site account for these variances? Do you even have the answers and information each type of visitor may seek?

Some visitors have drastically different motivations for buying. Have you addressed each motivation in your copy and trigger words?
Some visitors require multiple visits before they're ready to convert. Have you planned proper first, second, and beyond visit conversion scenarios and strategies for them?
Have you sorted out the types of hyperlinks you should include on pages? Do your point-of-resolution links create resolving doors for point-of-action links?

Then, there's audience segmentation. Visitors enter your site from several channels, carrying different expectations based on the channel that got them there. Have you planned appropriate paths (not just landing pages) for those who enter your site organically? For those who enter from banner ads, e-mail, or media campaigns?

Many companies establish conversion funnels for measuring performance for these channels but put little thought into how a conversion path may need to be planned differently based on context. In such cases, scenario design will rationalize all on- and offline sales efforts into a seamless whole, consistently relevant across all channels. Persuasion isn't site-wide. It applies to outside elements, such as pay-per-click (PPC) ads, e-mail, banners, and offline collateral.

Explore every possible question or issue. Architect those persuasive paths to a close.

Create Landing Pages that Convert

by **BRYAN EISENBERG**

March 18, 2005

Buying site traffic costs more every minute. Long term, the online business battle will be waged over conversion rates and return on investment (ROI), not traffic acquisition. Those landing pages you pay for so dearly are a logical place to begin your solid commitment to better conversion rates.

Each successful landing page answers the following questions:

- What's the offer?
- Who's interested?
- Why are they interested, and why should they take further action?
- How do they get started?

Before you address these questions, think about the context in which prospects land on your site.

Before They Land

Customer-data guru Jim Novo conducted a three-part test:

1. Visitors were sent to a home page containing content addressing three different offers in a generic, high-level manner. Prominent links to more information were readily visible on the page.
2. Custom landing pages were developed and written to match each search term used.
3. Google traffic was separated from other search engines' combined traffic to compare results.

When visitors landed on the generic home page, they stayed longer and visited more pages. Yet a larger percentage left without converting. When visitors landed on custom pages, they stayed for less time and viewed fewer pages. But these visitors converted two to three times more than the visitors to generic landing pages. When a prospect sees your ad or paid search result, one of two things happens: she will click on it, or she won't. A click-through reveals a certain degree of visitor intent. The search term and the relevance of the term that brought her to your landing page should be reflected in the header and copy. This gives your prospect a stronger scent trail.

Assuming your product or service offering is what that prospect needs, you have a recipe for better conversion.

Avoid using home pages or all-inclusive, multipurpose landing pages. Create specific landing pages for every ad and paid search term.

What's the Offer?

This is the foremost question in your prospect's mind as she clicks through. She's hunting for relevant scent and determines within seconds if your product or service meets her needs. Don't beat around the bush on your landing page; tell prospects what you offer up front. Don't over qualify or try to lead them into the offer.

Who's Interested?

When you know more about prospects; their motivations, needs, and preferences, you can provide the information they need to pull themselves into a conversion. Referring keywords and banner ad copy will reveal intent. Ask these questions:

- How are keywords and banner copy related to how each visitor is trying to solve her problem?
- How do keywords and banner copy relate to the visitor's stage in the buying process?
- What would the visitor consider a success based on keywords and banner copy?

Why Are They Interested?

When we know who our prospects are and what makes them tick, we can begin to answer the big question: why should they buy from you? Lead with benefits, not features. Don't skimp on the persuasive punch of your copy. Take this as far as necessary, employing personas and a persuasion architecture system that maps the customer's buying process to your selling process. The more you commit to persuading, the sweeter the fruit.

How Do They Get Started?

What action do you want visitors to take? Make it prominent on the page. Let the visitors know by taking that action, they'll understand what happens next.

On an online service site recently, I clicked to view what I thought was a Flash demo, only to watch the download progress indicator pop up. Needless to say, I canceled the download.

Test, Test, and Test Again

You could test everything on your landing page, but that would be a waste of time. Focus on the most important items, such as:

- Bonus gifts
- Coupons
- P.S. messages
- Guarantees
- Opening sentence images
- Closing sentence images
- Calls to action
- Headings

So Many Clicks, Too Few Conversion

As Novo says, "Not all traffic is created equal." Traffic you pay for deserves extra time and attention to ensure ROI.

11.

Don’t Be Afraid to Fail

by **JASON BURBY**
August 2, 2005

On a recent business trip, I read “Celebrate Failure” in American Airlines’ in-flight magazine. The president and CEO of Sygate Technologies, John De Santis, provided a number of great quotes that got me thinking about Web site optimization.

My two favorites:

1. I’ve been known to say that we’re not making mistakes fast enough.
2. There’s no way to be innovative and entrepreneurial without taking risks.

Some of the best site optimization lessons come from failed tests. Don’t be afraid of trying something in a test. Do be afraid if you aren’t using A/B or multivariate testing to improve your site. Unless you measure, test, and tune, you have no idea if changes you make improve or harm the site.

The number one problem in Web analytics is getting people to take action on the data. Assume you use analytics to identify opportunities, forecast the potential outcome of site changes, and monetize those potential changes to prioritize them. Now it’s time to act on those opportunities. **Here are your options:**

- Talk about improving things but don't ever make changes.
- Roll out a new page, new content, or a new call to action.
- Conduct an A/B or multivariate test.

Obviously, the first option isn't effective. Though the second option of just rolling out a new page, new content, or a new call to action may sound good, you have no way of knowing if it's effective. Even if you look at how it performs the first week or two after it rolls out as compared to the previous week or two, it's not an apples-to-apples comparison.

User behaviors frequently differ throughout the month. New campaigns, competitive pressures, and other external factors can influence behavior. This makes it difficult to know if your new content or promo is truly outperforming the original.

The biggest problem with the second option is having to guess which design or option you should use. In a recent client meeting, we presented three comps designed to improve a product detail page. The designer, copywriter, project manager, information architect, interactive head, and Web analyst were in the room. Guess who picked the design to be used. The most senior person: the head of the Web group. Instead of going with the design that pushed the envelope, he chose the one with minor changes; the safer option.

Groups that only select one option to roll out to the site are less inclined to try something extremely different or considered "unsafe." They don't want it to fail, kill the conversion rate, and ruin their numbers. Don't worry about that. Take some chances. It's the only way you're truly going to get the performance lift you're looking for.

The easiest way to do this is through a simple A/B or multivariate test. You can try some safe ideas and explore some riskier ones. You can use a simple A/B test on your own or a multivariate test using a tool such as Offermatica.

I've been involved with a number of tests in which the option that ultimately performed was very different from the original design and was considered risky. If the client had only gone with a single, safe option, it'd never have realized the performance benefits of the riskier option. If you find one of your risky attempts is failing miserably, you can easily tune the test to exclude that version. Just make sure you don't pull the plug too soon. You can always pull it out of the test if you want. Having it there can help you expand your and your organization's comfort zone.

There's no way to be innovative and entrepreneurial without taking risks. Take those risks in a measurable, safe environment by testing different ideas on your live site. Learn from the wins. Learn from the failures. You're only truly failing if you aren't attempting to optimize site performance through live testing.

12.

Rewarding Profitable Behavior

by **JACK AARONSON**
August 12, 2005

We've talked a lot about customer loyalty and retention strategies over the last few months. We focused on understanding how various reward programs work, but we haven't discussed what we should reward.

Should we reward users for purchases (with points or free shipping), or are there smarter ways to structure a reward programs? If rewards train our users to act a certain way (to get rewards), are we training them to be more or less profitable?

Training users to only shop when you have a discount leads to less-profitable users. Training them to expect free shipping all the time almost guarantees they'll look elsewhere once you stop offering it. There must be a better way to structure rewards to actually breed profitable customers.

Rewarding Better Behavior

Many online companies structure free-shipping promotions to require a minimum purchase amount. This accomplishes two goals: it stops the free-shipping promotion from occurring with every purchase, and it modifies user behavior. Smart companies set this minimum purchase to be higher than their average order amount. This technique attempts to coerce customers into the next bucket of customer segmentation: more profitable customers.

This is one of several techniques that push users into being more profitable. The hope is these customers' behaviors will be altered forever, and they will routinely buy more, even when not rewarded to do so.

But this coercion treats the symptom, not the cause. These people aren't in the "low order amount" segment because they've been waiting for a reward that will entice them to buy more. They're in that segment for other reasons: They don't know the full breadth of your product offerings. They don't feel the site's user experience is personalized enough. Or, they don't feel an emotional connection with your brand and use you only for price comparison.

Understanding why these users don't shop more frequently (or spend a lot of money) will help you structure a better reward program or promotion. For instance, many companies we work with have a multi-category problem. Customers use the site to buy jewelry but not clothes; electronics but not books. For some reason, these customers don't think of the company's brand for these other items and instead shop at competitors' sites.

Multi-channel customers are more profitable than single-channel customers. Customers who use your Web site in addition to your store or catalog are more profitable than Web- or store-only customers. Instead of rewarding single-category shoppers based on purchases, reward them for discovering new categories. Try offering free shipping to single-category shoppers if they purchase an item from a different category.

EBay did this with its "Camp eBay" promotion. It awards merit badges based on various activities users perform on the site. The badges aren't based on simple purchases. They're based on how purchases are made and what's purchased. Merit-badge-worthy behaviors include using the "Buy It Now" button instead of bidding on an item, shopping in several different product categories, and posting feedback.

By rewarding users based on behavioral changes, eBay hoped to accomplish several goals. It educated users about new or misunderstood features, such as the "Buy It Now" button. It encouraged more profitable multi-category behavior and extended its brand into product categories some customers don't associate with eBay. It trained users to be a better community by rewarding them for submitting feedback and performing other good-neighbor tasks.

Your company can do this, too. Rather than a simple points-based reward program, offer promotions based on customer behavior. eBay's promotion ended a while ago, but users who shopped for electronics for the first time because of the multi-category promotion now think of eBay for electronics, not just for antique cameras.

If you couple these types of rewards with better onsite features, such as cross-category promotions and personalized product promotions, you treat the cause of the problem, not just the symptom. This is a far more effective way to reward someone than simply saying "Buy more and you'll get free shipping." That reward certainly works, but it doesn't affect user behavior beyond the promotion itself. It doesn't get to the actual reason these users aren't more profitable.

ADDITIONAL RESOURCES

As the worldwide leader in web analytics, WebTrends offers a full range of educational resources to help ensure your long-term success. Be sure to check them out at webtrends.com

Accuracy Best Practices: WebTrends recently announced the industry's first and only true 1st party cookie solution for hosted web analytics. Learn more about how to implement accuracy best practices for your organization.

WebTrends Resource Center: An extensive library of educational guides, white papers, case studies and other resources, many of which are authored by industry experts, are waiting for you to explore in the WebTrends Resource Center.

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Training & Consulting Services: WebTrends also offers a full range of educational classes, training courses and strategic business consulting services to help ensure broader adoption of web analytics across your organization and accelerate your return on investment.

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Jack Aaronson is the CEO of the Aaronson Group as well as a corporate lecturer. The Aaronson Group works with companies to increase the loyalty and satisfaction among their customers, increasing their profitability. Focusing on multi-channel user experiences, Jack and his team makes sure that your users have a fulfilling and enjoyable user experience across all of your touch points. As a corporate lecturer, Jack also travels around the world teaching companies how to effectively implement personalization, loyalty programs and multi-channel CRM. He also publishes a newsletter about Personalization, User Experience and other related issues.

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