



Lynchpin Best Practice Guide

Getting The Most Out Of Your Web Analytics Tools

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Summary

Web analytics tools are ultimately only a means to an end.

Organisations need answers to critical questions:

- What marketing and content works (and doesn't work)?
- How do customers engage online?
- Where are the opportunities to add value?

To answer these vital questions we need to bridge the gap between the complexities of online data and the need for concise analysis.

It's generally accepted that technology and people are both part of that conundrum. Less universal is any clear sense of how this is actually supposed to work in practice.

This best practice guide isolates the common practical issues in "getting analytics to work". Based on our experience, we look at pragmatic steps that can be taken to resolve these and start to unlock the real potential of the technology.

Simplicity Counts

"I just need a web analytics tool that can tell me everything"

The quest for "everything" can drive businesses to get the most sophisticated web analytics tool they can find or afford – without any clear plan for what they hope to get out of it.

Since nobody has the capacity to analyse everything, a simple analytics strategy pays dividends in setting the agenda.

An analytics strategy sets out in simple language the high-level questions that the business needs to get to grips with, in order of priority. For example, the key questions for a retailer might be:

1. What is the true cost of acquiring a new customer online?
2. What investment in content is most likely to engage visitors profitably?
3. Where do my most valuable customers actually come from and where can I find more of them?

The brief for the service provider is then "How will you help us answer these questions?"

Metrics Muddle

"It's all about increasing conversion!"

Want to double your conversion rate? Easy: half the price of your products.

It's all too easy to get focused on one metric that doesn't actually represent real economic value.

For example, retailers with impulse-buy products might favour "average revenue per visit" as a better site performance metric than conversion rate.

The process of choosing KPIs based on real business objectives (e.g. profit) is vital, and needs to challenge the assumptions at every stage.

Implementation Catch-22

"Sigh. We can't start benchmarking until we've finished implementing the new tool"

Web analytics deployments are software engineering projects, and suffer from all the associated evils.

In an ideal world we'd implement in one phase, get everything done in weeks rather than months, and never have to touch it again.

In reality, an iterative approach is far more likely to get good results on time and avoid a seemingly never-ending quest to get the deployment fit for purpose.

There's no golden formula for this (it's rare to find two sites with an identical technical setup), but a typical process might be:

1. Basic Tagging

Focus on getting site tagging across the entire site in its vanilla form, and verify there are no gaps in coverage. Filter out internal traffic (if appropriate) so you have a base traffic figure.

2. Conversion Events

Do whatever re-tagging or customisation you need to capture the events that are most economically critical (i.e. sales/acquisitions) and verify these are consistent.

3. Campaign Segmentation

Get a labelling scheme for **all** your off-site marketing activity and get your agencies following it religiously so you know where your acquisitions are coming from.

4. Content/Engagement

Review on-site content segmentation and tagging requirements for grouping content and tracking engagement events.

About Lynchpin

Lynchpin is a web analytics consultancy with marketing and technical clout.

- We help our clients manage, interpret and apply the data from web analytics tools to improve their online presence in business terms.

- We use our in-house expertise and advanced technology to build innovative and efficient solutions to reporting and analysis challenges.

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If you *have* to implement in one go, make sure you have a detailed plan prepared in advance by an expert who is familiar with your business and get buy-in before you start.

2 + 2 = 5 ?

"These stats don't add up!"

Accuracy and trust are big issues in analytics. If the highest echelons of the organisation don't believe the figures, the whole analytics exercise can become a waste of time.

There's a temptation to focus on things like the accuracy of cookies and a lack of common currency between different tools. But these are largely irrelevant to real discussions about "accuracy". In reality, the issues to focus on are:

- Change control on site tagging. Make sure site changes don't corrupt data collection and skew baseline metrics. Your internal and agency processes need to have analytics best practice written into them to have any hope of maintaining a consistent

view of what's going on.

- Definition of metrics - be transparent on things like what a "monthly unique visitor" really means in upward communication.
- Attribution policy - when are marketing campaigns credited for conversions? Last click wins? 30 day commission window? This is the most common cause of discrepancies between agency and in-house reporting.
- Configuration management: a "minor" change to a web analytics tool configuration can have a profound effect on reporting output. Make sure you know what is being changed and communicate the impact.

Often training for the senior management team on web metrics is the most important step to resolving the ongoing "accuracy" debate.

Then focus on making sure your deployment stays consistent when other things change.

Rabbit in the Headlights

"I know there's something I don't know... but I'm not sure what it is!"

For every new report and every new jazzy feature in the web analytics tool, there's more information to look at.

It's easy to get lost, and the reality check of "does any of this stuff actually matter to me?" is really important (and liberating).

Get back to the business questions, and get professional advice to help translate those into metrics.

Analysts to the Rescue?

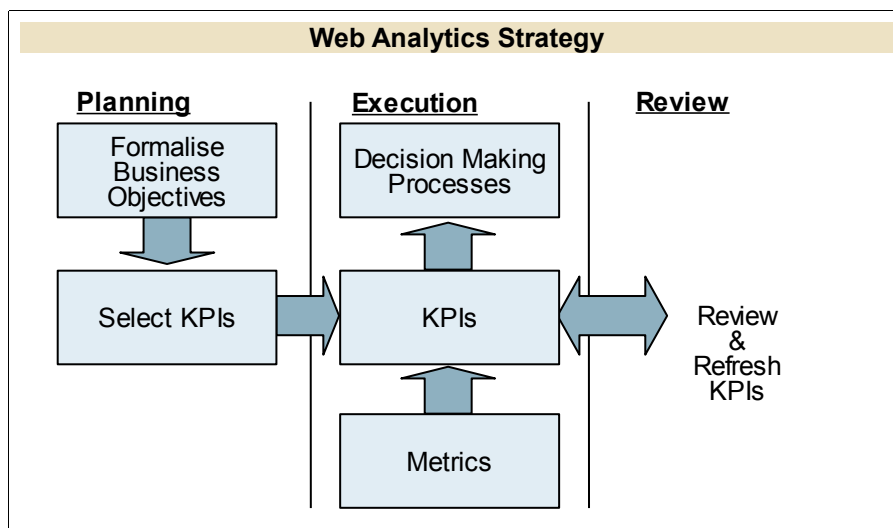
People are really important to the analytics process. But it's equally important to recognise the difference between an expert in a particular web analytics *tool* versus an expert in web analytics.

Web analysts need a broad awareness of a spectrum of commercial/technical issues, with some quite niche skills.

Some skills to look out for are:

- JavaScript programming (for site tagging/integration)
- Database skills (for custom reporting)
- Marketing nuance (to isolate what to analyse in the first place)
- Business clout (to get people to take notice of the results)
- Analytical skills (to interpret the data and pick out the trends)

Fully-formed web analysts are in short supply, so bringing together the right combination of skills (internally and externally) as a team



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may be a better approach.

Training is also a great way of getting an analyst mindset into your existing technical and marketing teams, and help to ease communication between the two sides of the business.

Customer is King

If our business is customer-centric, then making our analytics customer-centric is a great way of focusing the process.

We can then wrap optimisation and analysis around the customer cycle:

- Acquisition: what sources of traffic and content are most efficient at acquiring new customers?
- Retention: what content and campaigns engages customers long term?
- Monetisation: what drives lifetime value and profit maximisation?

Finally, we can feed back lifetime value insights into our acquisition

targeting to make sure we focus on getting the right kind of customers: quality, not just quantity.

Big Picture

"...so what's actually going on?"

Big picture context is hard: there is so much data around that seeing the wood from the trees can be a struggle.

Don't look at the big picture as a data integration challenge - you'll never get there.

Instead look at the key trends that need to be looked at in the context of each other rather than in isolation:

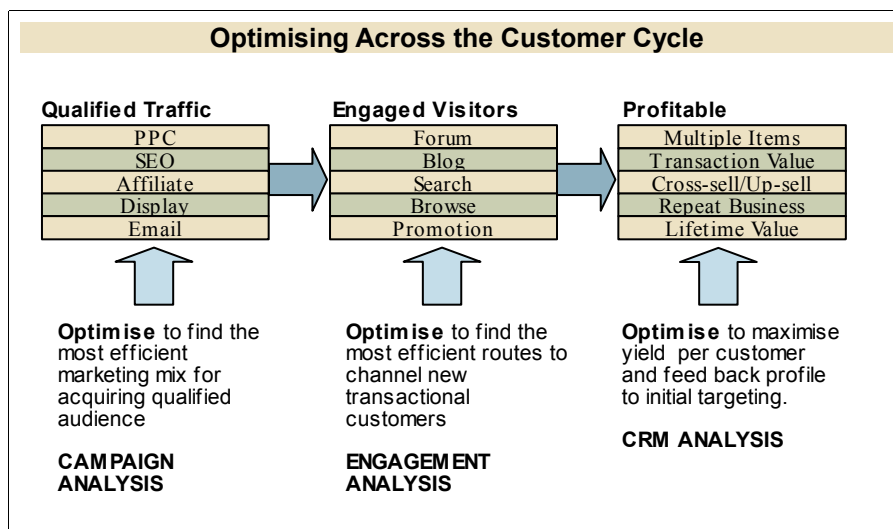
- Competitor/market analysis - is your market growing or shrinking, and where do the opportunities lie?
- Traditional web analytics - what is and isn't working within the confines of your own site and marketing.
- Surveys/market research - what do your customers really think?

Best Practice Checklist

There's not a one-size-fits-all magic bullet for analytics, but the issues organisations experience are surprisingly common.

The checklist below summarises the important best practice actions covered in this document:

- ✓ Get a high level analytics strategy in place from the start that summarises your key business questions.
- ✓ Be disciplined in choosing KPIs and challenge the assumptions used in the process.
- ✓ Don't try to complete tool implementation in one, final cycle. Use an iterative approach to get good results.
- ✓ "Accuracy" should be focused on consistent data collection and a clear understanding of metrics.
- ✓ If there's a feeling of "drowning in data", go back to your key questions and get professional advice in translating these into the required metrics and analysis.
- ✓ Be aware of the breadth of skills a "web analyst" needs, and don't assume that recruiting one person will crack the entire nut
- ✓ Focus your optimisation and analysis across the customer cycle
- ✓ Don't forget the big picture of competitor and survey intelligence



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