

Performance web metrics for software vendors

Methods of measuring the online marketing success

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- 1. Reporting versus Analytics**
- 2. Take the risk out with web metrics**
- 3. Primary Key Performance Metrics**
- 4. How to get started with free tools**
- 5. Examples**
- 6. Conclusions**



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Numbers don't tell you anything by themselves
- they require **context** and **interpretation**

- Don't confuse "reporting" with "analysis."



- **Traditional web analytics is dead**
- Measure what is important for your business and not what the web analytics tools gives you
- **DATA versus MONEY**

- Choose performance metrics that can:
 - increase revenue
 - reduce costs
 - improve customer satisfaction



More sales



Conversions

“ Where performance is measured, performance improves. Where performance is measured and reported, the rate of improvement accelerates.”

- **The Primary Performance Metrics**
 1. Money Spent / Unique Visitors = **Average Cost per Unique Visitor**
 2. Money Spent / Prospects = **Average Cost per Prospect**
 3. Money Spent / Customers = **Average Cost per Customer** (CPA-cost per acquisition)

More performance metrics

1. $\text{Desired Action} / \text{Total Number of Unique Visitors} = \text{Conversion Rate (\%)}$
 2. $(\text{Site visitors who stay on the site for less than 10 seconds or viewed only one page}) / (\text{Total number of site visitors}) = \text{Site Bounce Rates (\%)}$.
- **Do I make money?**

- **NEVER** measure conversion rates **without goals**
- Trend over time, segmentation is a **MUST**
- Multi marketing channel – conversion rate
- Compare revenues with conversion rates
- Measure, Experimentation Testing, Optimize

- **How to start measuring?**
 1. Set your website **objectives** and **goals**
 2. **Free tools**: Google Analytics (javascript tags) or Clicktracks Appetizer (log file parsing)
 3. Top Referrals and keywords

What next?

1. Use Site Overlay report or CrazyEgg
2. See which landing pages are converting
3. Revenue by referring URLs or campaigns
4. Competition comparative traffic analysis with Alexa

- Don't **PANIC!**
- Check site bounce rate to avoid spam traffic
- Conversion rates, cost per visitor, cost per lead, cost per customer
- Multivariate Testing with Google Website Optimizer
- Measure, Test , Optimize

Site overlay



Google Analytics

Heatmaps



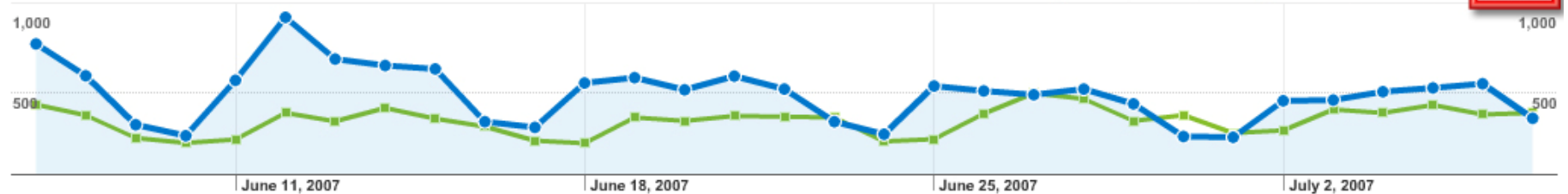
Crazyegg.com

Dashboard

Export

Jun 7, 2007 - Jul 7, 2007
previous: Jun 7, 2006 - Jul 7, 2006

■ Jun 7, 2006 - Jul 7, 2006 ● Jun 7, 2007 - Jul 7, 2007 **Visits**



Site Usage

15,275 Visits
Previous: 10,178 (+50.08%)

4.13 Pages/Visit
Previous: 3.22 (+28.40%)

42.61% Bounce Rate
Previous: 50.73% (-16.01%)

63,102 Pageviews
Previous: 32,747 (+92.70%)

00:04:01 Avg. Time on Site
Previous: 00:02:32 (+58.55%)

71.29% % New Visits
Previous: 77.79% (-8.36%)

Context and Trends - what is the trend for my key metrics?

- Decide what is the best metric definition for you
- Start with a free analytics software
- Look at the top pages that lead to conversions
- Measure bounce rates
- Segment, measure, test and optimize

- Additional ideas for applying analytics to your business (Web Analytics Guru):
 - Avinash Kaushik
 - Eric Peterson
 - Bryan Eisenberg
 - Jim Sterne.



Thank you!

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