



Spreading Relevant Insight:

Selling Web Analytics throughout the Organization

WHITE PAPER



EXECUTIVE SUMMARY

The broader, more powerful destiny of Website analytics is to inform and enrich business intelligence throughout the entire organization. According to a recent survey of Website analytics users conducted by Forrester Research, the single greatest challenge facing companies who implement Website analytics is putting what they learn to good use. Ironically, according to Jupiter Research, the rallying cries for better data have led to an unfortunate truth: today, less than one third of companies distribute Web data at all to key executive stakeholders.

Web executives who promote the use of site analytic insight throughout the rest of the organization—from C-level executives to finance, R&D, business development and other corporate functions—can drive Website and Website analytics ROI, while promoting better decision making everywhere.

FROM REPORTING TO RELEVANCE

The success of latter-day site analytics software packages like Omniture's Site Catalyst is due in large part to an industry-wide shift from products focused on mere reporting (i.e. data dumps) to those focused on relevance (i.e. decision making). Indeed, a recent survey by Forrester reveals that only a miniscule 6 percent of companies who have implemented site analytics report low satisfaction rates. By making data actionable to specific decision-making tasks, site analytic toolsets now help users discover new opportunities to optimize the Website and hence their business. In a classic example, a marketing manager exploring the conversion rates of specific paid search campaigns can use this insight to fine tune marketing spend. Similarly, a merchandiser examining product co-selling incidences can drive higher average order value by pairing likely skus. Tools that surround data with context relevant to a specific decision-maker (eg. marketer, merchandiser) conducting a well-defined task (eg. optimizing spend, improving AOV) provide the greatest opportunity to drive better decisions (see figure 1). While helping managers make better decisions by providing relevant insight has worked very well within the Web group, equally significant opportunities to leverage Web analytics tools are to be found throughout the entire organization.

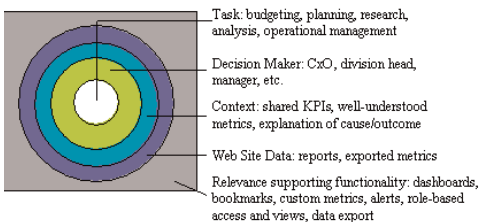


FIGURE 1.
MAKING WEB DATA RELEVANT:
TARGET DECISION MAKING

THE WEB AS CORPORATE CYNOSURE

Since its inception, the Web—far more than any other channel—has acted as a cynosure for corporate and customer attention. On the corporate side, few departments are exempt from having a stake in the Web, from the legal group charged with protecting IP and brand assets, to customer service organizations seeking to measurably lower their operational costs, to product and service groups vying for Web development efforts to support their offline activities. On the consumer side, the Web has become a universally acknowledged point of entry to all companies and their brands, whether through explicit online service and/or product offerings, or as an always-on pointer to customer support, corporate policy, or even basic contact information. Finally, the Web as a technical protocol has become a key standard for developing employee and partner collaboration applications such as intranets, extranets and portals. But despite the prominent, near ubiquitous role of the Web in the fabric of the corporation, more than 70 percent of companies still fail to distribute any Web data to key executives. Similarly, less than 40 percent of companies leverage Web-based metrics to understand the adoption of intranet or extranet initiatives. When it comes to adoption of the Web—whether by customers, partners, suppliers or even employees—Web analytics is a necessary and vital component of business intelligence work, albeit vastly underutilized. The sole inhibitors to broader, more effective use of Web data are a lack of understanding of the benefits, and a lack of documented decision-making use cases.

THE BENEFITS OF BROADER ADOPTION OF WEB INSIGHT

Like any investment in technology, the extent to which users adopt a toolset is a solid proxy for both ROI and deployment success. But by all accounts, the power of Website analytics tools has outpaced their users' immediate needs, and most organizations are still finding low-hanging fruit to optimize their Web sites. Still, the Web executive who promotes a broader use of relevant Web data can accomplish several great feats, viz.:

Keep executives in touch with the customer. Because consumer interaction on the Web is so measurable and direct, providing even summary reports of content, products, features and search terms of high--and low--interest to visitors is a great first step to helping executives keep pace with the pulse of customers. Critically, site visitors are in many instances either self-selected brand loyal devotees or early adopters of new products and services.

Prove the value of Web investment. Helping executives understand the frequency and depth of customer interactions with the corporate Web presence, from extending the footprint of the brand to managing relationships with partners, provides solid rationale for continued investment in the channel.

Support broader decision-making. Decision-making use cases like those described below can extend the benefits of data-driven management throughout the company.

SPREADING INSIGHT: USE CASES BY BUSINESS FUNCTION

Supplying data relevant to specific business functions is the best way to deliver insight and drive more meaningful decisions among stakeholders outside the Web group.

Adoption begins with specific uses cases:

Executive: Among the small percentage of companies who distribute Web data to senior executives, the most common method is simply to deliver occasional rollups of gross metrics (visitors, visits, page views, etc.). Summary data must always come accompanied with explanatory context, at a minimum a hypothesis about what the data indicates, supplied by those in the Web group best qualified to depict the data. One way to accomplish this is to accompany every executive report with written summary text detailing rationale for changes—or lack of changes—to key metrics.

Operations: Operational oversight of Web initiatives is best supported by establishing shared key performance indicators (or KPIs). These may include volume-based measurements such as visitors or page views, but will likely also include engagement metrics such as page depth or visit duration, sales/conversion and other transactional metrics, frequency and depth of customer service use, etc. All KPIs should be measurable across meaningful time intervals. Sending snapshot data can be helpful, but the ability to trend it, to track key shifts in operational parameters is critical; to support this, make use of time interval, A/B comparison, or data export functionality.

Finance: Finance groups are perennially interested in the reach of Web initiatives and their impact on business operational costs, as twin proxies for rationalizing investment in the channel. Companies that use the Web as a lower-cost customer service channel are in a great position to measure adoption—and its lower cost—against the use and cost of other channels such as phone-based support. Where the Web effort is a profit center, carefully presented business-legible benchmarks—revenues, conversion efficiency, sku sales data—can supplement other data sets that are harder to work with (credit card reconciliation reports, etc.). In some circumstances, site data is exported and posted directly to the general ledger. Keeping finance personnel attuned to the business of being on the Web solidifies the case for continued investment. In one example, a corporate purchasing department used Website data to drive a model justifying the cost of their outsourced development efforts, proving, in effect, that their expenditures were on

the wane, even as corporate benefits accruing from new site features and functionality were on the rise.

Product Development, R&D: In industries like consumer product goods, healthcare and technology manufacturing, the Web has often—and correctly—been seen as an ideal channel to take the pulse of a self-selected group of active, loyal, and in many cases articulate customers. In one example, a consumer goods manufacturer analyzed internal search keywords and learned that the number one customer requested product type was in fact something they do not manufacture. Product development groups should be encouraged to view customer interactions with the Website as a test bed for fluxions in demand, and as a likely sourcing ground for profitable new ventures. For example, one company aggressively tracks product searches on their site to understand what their customers want but can't find to purchase on their site. This data is used by product development to define and validate their product roadmap for upcoming seasons.

Business Development: In highly competitive corporate environments, giving corporate business development insight into which com- and co-petitors are most active visitors to the site can guide partnership, deal-flow, and on some occasions, M&A efforts. To this end, data detailing visitor segments by incoming organization source will provide insight into related-business trends. One example of this is to let business development initiatives be supported by data that indicates keen interest from otherwise unknown potential partner companies.

Corporate Marketing: Web groups are accustomed to inheriting the mantle of a pre-defined brand, and then acting as its stewards in the online channel. In this sense, most corporate marketing functions see the Web as yet another place to have to enforce and protect the brand attributes they have worked so hard to define. Instead, corporate marketing should be encouraged to see the Website and the data it produces as a resource to understand customer and market reaction to identity, design and messaging changes. Additionally, the marketing team can use the data to gauge interest in corporate news and announcements, understanding what is driving traffic and where it is coming from. In one example, visitor data indicated high consumer interest in documents on the company's third-world manufacturing policies. This alerted corporate marketing and PR to continue their efforts to educate customers about the enforcement of ethical treatment of overseas labor.

Heads of Business Units: Managers of offline business units can learn from Web data by treating it as a proxy for gauging the potential of new offline business opportunities. In one example, a manager responsible for opening new retail stores analyzed online spending habits by geographic origin; the analysis revealed distinct geographic clusters of high-spending customers where no store existed. This indicated an opportunity to open a brick-and-mortar location in an area otherwise underserved by the brand.

Information Technology: The single greatest barrier to return on investment in the IT world is adoption. Where new applications go unused or underutilized, companies are assured that resources and capital have been wasted. Accordingly, business analysts responsible for developing new Web-enabled applications need to take advantage of the "measurability of user adoption" by instrumenting new initiatives—portals, intranets, extranets and any other Web-enabled application—to gauge adoption and, by extension, cost savings or efficiency enhancement. Companies who spend months developing new portal applications are often shocked to see utilization data far lower than anticipated, and can accordingly focus their efforts on promoting adoption, measuring their success as employees begin to rely on the new tools.

FIGURE 2: USE CASES BY INDUSTRY



USE CASES BY INDUSTRY	
MULTI-CHANNEL RETAILER	Understand demand flux by geographic region. Couple Web data with store data through coupon programs. Inform inventory and supply chain management by analyzing online proxies for demand distribution.
CONSUMER GOODS MANUFACTURER	Mine referrer and internal search vocabulary for frequently occurring, unexpected, or competitor vocabulary. Test receptivity to new products.
AUTOMOTIVE	Analyze Web production and maintenance costs across reach, frequency, and other KPIs. Couple dealer leads with online sources.
TELECOMMUNICATIONS	Report on new service request lookups by area code and exchange to prioritize regional rollouts. Analyze FAQ and support content use to prioritize support options, lower customer service costs.
FINANCIAL SERVICES	Analyze support content use to prioritize support options, lower customer service costs. Analyze opportunity based on customer segment adoption of pilot programs. Develop branch roll-out or closings based on online/offline adoption analysis.
MEDIA	Provide analysis of content and feature use to help prioritize media sales efforts.

PROACTIVELY ENGAGE STAKEHOLDERS TO DRIVE ADOPTION

Helping employees who don't explicitly focus on the Web make the most of Web data is not merely a matter of assigning login credentials and giving access to reports; nothing is less actionable than data lacking context and a user forced to guess at meaning. Instead, invest in the small effort required to make the data relevant to their business function. In the case of executives, this may merely mean providing KPIs with the appropriate context and explanatory analysis. To reach all other likely consumers of Web data, the sponsoring executive should proactively reach out to those who are likely beneficiaries of the data. More likely than not, other employees may first reach out to the Web group to secure access to reporting. Manage outside interests in Web data as follows:

Education: make sure other stakeholders understand the data they are examining. This can be done through formal training with the site analytics provider or, more likely, by setting up one or more sessions with the appointed site analytics administrator.

Ownership and Governance: Coordinate all efforts to sell the benefits of using site analytic data through the appointed program administrator, under the management of a single sponsoring executive. If your organization has not yet appointed a single business-side owner responsible for overseeing and coordinating the use of site analytics, it's a must for any successful deployment. This person will ideally report to a single sponsoring executive who has visibility throughout the entire organization.

Relevance: Not all users simply need access; in fact, most will be overwhelmed by the interface. Instead, allow them limited access to only the functions, data and reports most meaningful to their roles. See more on the kinds of functionality best suited to support this, below.

LEVERAGE RELEVANCE-SUPPORTING FUNCTIONALITY TO BROADEN WEB ANALYTICS UTILITY

Analytical tools and the data they provide must fit into the natural workflow of their users. One reason for the limited adoption of site analytics tools has been the perception of the tools as highly specific, technical reporting suites geared only to help those intimately involved with the day-to-day management of a Web site. In this sense, many executives—especially those who are not tactically involved with the activities of the Web group—see site analytic reporting as foreign to their decision-making palette. Nevertheless, packages like Site Catalyst offer functionality that specifically enforces the kind of context and relevance needed by users outside of the Web group:

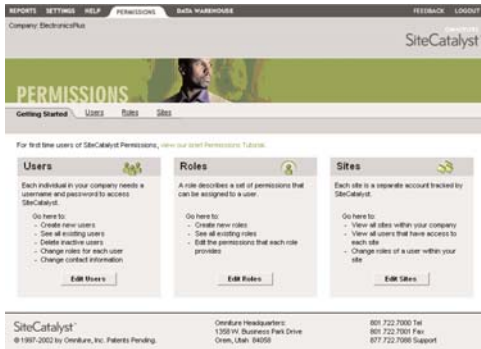


FIGURE 3. GRANULAR PERMISSIONS
Leverage user and role-based permissions to make sure users have access to only the data relevant to their responsibilities.

Role-based access to data: The ability to restrict specific users and groups to a limited set of data is a prerequisite for users outside the Web group, for whom anything but relevant data will overwhelm. {SEE FIGURE 3.}

Executive Roll-ups: Once the organization has decided on shared KPIs, the ability to generate custom reports summarizing data from across sites is key.

Dashboards: At-a-glance reporting can often give executives the top-line summary data they need to keep abreast of the health of the online business. Ideally, dashboards can be personalized—whether by an executive or by an administrator on their behalf—to include the most relevant details. {SEE FIGURE 4.}

Thresholds and Alerts: In many cases, providing proactive data alerts to stakeholders is the best way to fold them into the analytics workflow without requiring them to consciously and proactively log-in to the system. {SEE FIGURE 5.}

Flexible Data Export: Outside the Web group, site data is often analyzed as part of a larger palette, which may include data from BI tools, other reporting systems, or manually developed models. To this end, make sure new users understand how to take advantage of exporting functionality. {SEE FIGURE 6.}

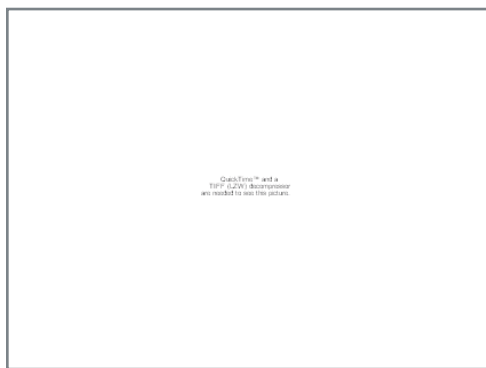


FIGURE 4. DASHBOARD VIEWS
Provide at-a-glance reporting summaries relevant to specific tasks, such as this “Monday Meeting” dashboard. (QuickTime and a TIFF (LZW) decompressor are required to see this picture)

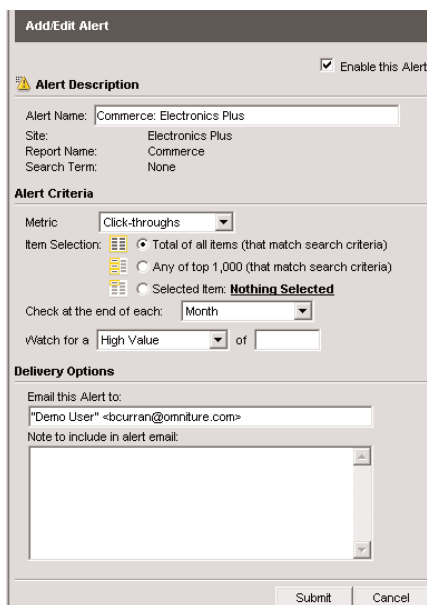


FIGURE 5. THRESHOLD-BASED ALERTING
Instead of waiting for users to run reports, have the system proactively reach out to decision makers when key metrics approach or cross predetermined levels.



FIGURE 6. FLEXIBLE EXPORT.
Flexible tools that support custom reporting and data export are a prerequisite for integration with broader business intelligence work.

CONCLUSION

With good reason, the near-term bang for the Web analytics buck has been to optimize the value of the Web site; still, broader applications of Web data for decision making are a great way to prove the ROI of the investment in the online channel, even as you aid better decision-making, planning and strategic thought throughout the entire organization. The use cases and tactics presented here should provide a solid foundation for thinking about the benefits of promoting broader use of Web data, but it's also a good idea to ask your service provider to help. Often, they will be able to provide use-cases relevant to your industry as well as group-specific training, to help your organization quickly gain the most benefit from your solution. Also, because they are able to generate and aggregate expertise across their entire client base, they are often in the best position to provide ongoing strategic and tactical "best-practices" recommendations to help you make the most of the data. The benefits of data-driven decision making that have accrued to Web teams in the past few years are just a beginning; given the increasing prominence of the online channel, relevant Web data can inform the broadest range of strategic thinking in all companies.

INDUSTRY LEADERS CHOOSE OMNITURE

SiteCatalyst has been built from the ground up to fit the complex online marketing intelligence needs of enterprise organizations.

THE INTERNET'S BEST RELY ON OMNITURE:

- World's Largest Retailer
- World's Largest Online Mall
- More Top 300 Retailers than any other analytics provider
- More Fortune 200 companies than all other ASP analytics companies combined



Discover how quickly your company can gain a competitive advantage using enterprise-grade web analytics from Omniture. Call 1-877-722-7088 today to discuss your goals and objectives for online marketing intelligence with an Omniture representative. Ask about a live demo or free trial of SiteCatalyst.



CALL 1.877.722.7088

www.omniture.com
info@omniture.com

550 East Timpanogos Circle
Orem, Utah 84097

© 2004, Omniture, Inc. All rights reserved.
Omniture and SiteCatalyst are trademarks of Omniture, Inc.

