

# Successful Web Analytics: 10 Essential Practices



“ However beautiful the strategy, you should occasionally look at the results. ”

– Winston Churchill



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## Introduction

Web analytics has quickly progressed from the realm of simple site measurements - visits, page views and orders - to become a core and indispensable component of online business success. In recent years, companies have spent hundreds of millions of dollars on web analytics software, support and staff. But still, only a small percentage of these investments are translating into positive returns.

It's not that these companies aren't collecting enough web data. In fact, they're gathering it like never before. But somewhere between data collection and business improvement, something is getting lost. Perhaps they aren't collecting the right data. Or they lack staff with the skills needed turn data into actionable insights. Or they're not sharing those insights with the right people in the business. Even if they're doing all of those things, they may not be tying their analytics activities to their business goals in a meaningful way.

Whether you're new to web analytics or looking to improve your current program, these 10 practices will ensure that your numbers always add up to a winning count:

## 1) Establish a Steering Committee

One of your first steps in creating a successful web analytics program is to establish a steering committee made up of key stakeholders. The committee's make-up is the single most important factor in its success. Not only does it require a diverse membership from across the organization, but its members must be in a position of leadership. A model steering committee would include the following members at a minimum:

- Chief Marketing Officer
- Chief Technology Officer
- Director of e-Business or Chief Web Officer
- Senior Web Analyst

## 2) Define Business Objectives for Your Website(s)

Often, the biggest obstacle to optimizing a website is a lack of clear and agreed-upon business objectives. It is important to document what stakeholders see as the primary website goals from the point of view of the organization and individual departments. The list of business objectives will usually revolve around the following:

- Increasing revenue (e.g. selling more products or advertising)
- Reducing costs
- Building brand (customer) loyalty



All objectives should be put on the table so that they can be discussed and prioritized, with the end result being a clear set of business goals that everyone accepts as valid and worthwhile. Without common goals, there will be a lack of synergy between the different groups and individuals responsible for the website – resulting in paralysis.

### 3) Establish Key Performance Indicators (KPIs)

Once the goals of your website have been clearly defined and agreed to by all stakeholders, it is time to identify which metrics to use to track your progress against those goals. Each goal needs to have a set of clearly defined metrics, or KPIs, attached to it that can measure progress toward that goal over time. **For example, if a goal of your website is to generate consumer leads, one of your KPIs might be the percentage of visitors who contact you through the site by email or telephone.**

With literally hundreds of things that can be measured, the focus must be on quality over quantity. It is critical to only report on what directly impacts your business goals. As a rule, **if a metric is not actionable, it does not contribute business value and therefore should not be tracked.**

### 4) Identify Your Most Important Site Visitors

For many sites, a relatively small base of visitors brings a disproportionate amount of value to the business. These might be the people who come to your site the most often, generate the most page views or spend the most money. As a rule of thumb, if website managers can determine what these people want and make their experience better, then the experience of all visitors will improve.

### 5) Identify and Implement the Right Software Solution

Once you have identified goals for your website and have established a list of KPIs to measure success by, selection of the right analytics package is a much more focused and efficient process. Unfortunately, many firms buy their analytics solution first, before they have determined what their needs are.

Factors to consider when evaluating analytics packages include:

- Does the solution capture, track and report the metrics you've defined?
- Does the tool provide ways to drill down deeper to better understand the contributing factors – such as path analysis and segmentation?
- Is the cost of the tool within your budget? **Be sure you've allocated enough budget for both program set-up and ongoing management.**
- Does it have the flexibility to meet future needs?
- Is it easy to use?



#### Pilot Test Solutions

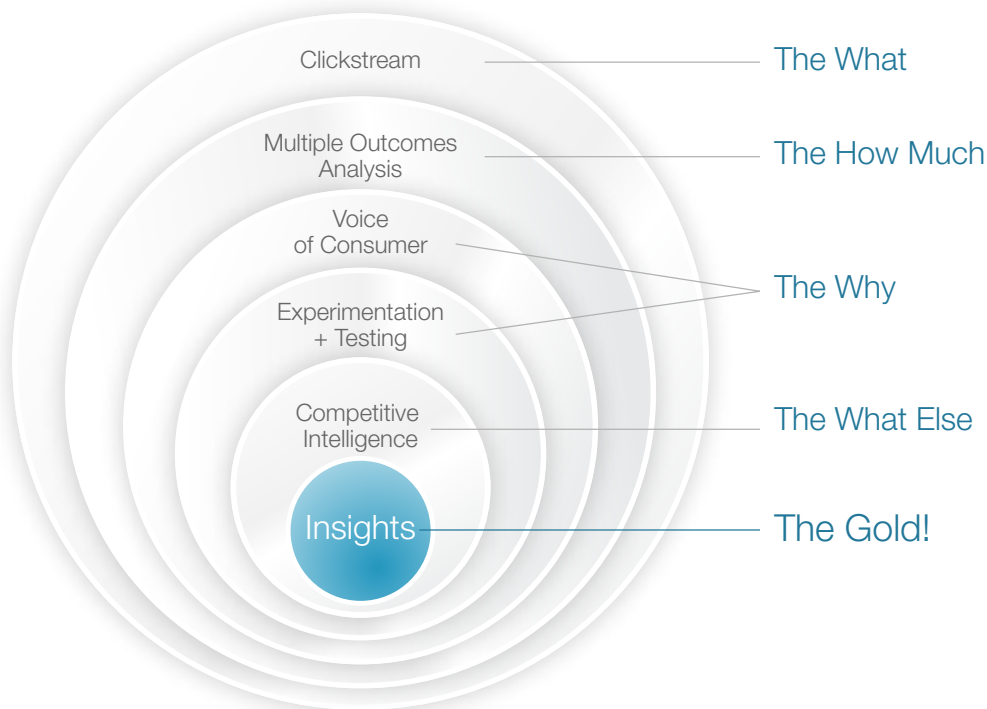
It is always a good idea to conduct a pilot test of at least the top two solutions before final selection. This way it is possible to get a better understanding of the appropriateness of the solution for your website and business.



## 6) Use Multiple Measurement Technologies and Methods

Most web analytics packages today provide analytics and reporting based on user behavior, also known as clickstream data. But this is only one piece of the puzzle when it comes to understanding what works and what doesn't on your website.

The most successful organizations also use techniques such as customer focus groups, online surveys, usability studies, competitive data and customer service contact analysis to help them understand not just how customers behave, but why they behave the way they do. These diverse analysis methods, when done in a systematic way, will yield a more holistic view of how your sites are performing and how best to optimize them.



Source: Avinash Kaushik

## 7) Establish a Process of Continuous Improvement

Successful web analytics programs do not run on autopilot. It is easy (and quite common) to implement a web analytics software solution and consider yourself done.

**Web analytics must be viewed as a process, not a tool.** Every change you make to your website, every design decision, every new feature you implement should be analyzed in comparison to what the state of the website is now, and what you expect the future impact on the site to be. Once a change is made, you should measure its impact and determine how the result compares with your expectations. Did the change make things better or worse? Did it contribute in a positive way towards meeting the business goals of your website?

It is only through this process of hypothesis, experiment, testing, and checking results that web analytics can help managers to constantly improve their websites.



## 8) Make Improvements Iteratively

As a rule, the only way to know for sure what adds value to your website and what does not is to make changes to it iteratively. It is a common best practice to change only a small set of variables at a time, while measuring KPIs before and after to quantify impact. This evolutionary approach will lead to the gradual, steady and measurable improvement of your website.

At the opposite end of the spectrum is when you implement a full-scale, all-at-once redesign of your website and then can't pinpoint what specifically caused the changes that result from it.

## 9) Hire and Empower a Full-Time Analyst

Web analytics is complex stuff, and it is hard to become an expert when it's a part-time role. Therefore, it is recommended that you assign a single person as a full-time web analyst.

While many companies are hesitant to hire a full-time analyst, if they're the right person, they're smart, and you empower them, the return on investment can be significant. Since web analytics is still relatively new, you may find it easier to train someone already in your organization than trying to recruit a hard-to-find veteran analyst.

A good analyst:

- Understands the needs of the business and communicates well with all stakeholders.
- Has a good grasp of both marketing and technology, with basic web skills sufficient enough to understand how things are put together as well as a good head for business.
- Is logical and analytical, with desire to find the deeper meaning in your data.
- Has respect, credibility and authority in the organization.

## 10) Establish a Regular Reporting System

Critical to the success of any web analytics program is the distribution of regular performance reports that are read by and acted upon by managers. Effective performance reports share the following characteristics:

- They include all of your KPIs in one location.
- Are succinct – one or two pages is ideal.
- Are formatted for easy comprehension.
- Provide context (e.g. ratios, trends, results vs. targets).
- Are actionable – they don't just tell you what, but what to do about it.

Don't simply rely on the canned reports from your analytics software. Use whatever format will get the attention of decision-makers and lead them to good business decisions. Reports can be distributed daily, weekly, bi-weekly or monthly, depending on the needs of your business. The main determinant of frequency is your ability to absorb and act upon the reports. If your organization doesn't have the bandwidth to review reports more than once a month, then monthly is probably the right schedule for you.

“Fundamental to the continuous improvement process is the notion that no changes are made on the website without a reason for making the changes and expectations about what effect the changes should produce.”

Eric Peterson  
*Web Analytics Demystified*



# Resources

## BOOKS

- > *Actionable Web Analytics: Using Data to Make Smart Business Decisions* by Jason Burby, Shane Atchison, and Jim Sterne
- > *Web Analytics Demystified: A Marketer's Guide to Understanding How Your Web Site Affects Your Business* by Eric Peterson
- > *Web Metrics: Proven Methods for Measuring Web Site Success* by Jim Sterne
- > *Web Analytics: An Hour a Day* by Avinash Kaushik
- > *Web Analytics 2.0: The Art of Online Accountability and Science of Customer Centricity* by Avinash Kaushik

## EVENTS

- > eMetrics Summit [www.emetrics.org](http://www.emetrics.org)
- > Web Analytics Wednesday [www.digitalanalyticsdemystified.com/wednesday](http://www.digitalanalyticsdemystified.com/wednesday)

## ORGANIZATIONS

- > Digital Analytics Association [www.digitalanalyticsassociation.org](http://www.digitalanalyticsassociation.org)

## PROFESSIONAL DEVELOPMENT

- > Digital Analytics Association's Essential Series Courses <http://www.digitalanalyticsassociation.org/trainingandworkshops>
- > UBC/DAA Award of Achievement in Digital Analytics <https://cstudies.ubc.ca/programs/digital-analytics-award-achievement>
- > DAA Web Analyst Certification Program [www.digitalanalyticsassociation.org/certification](http://www.digitalanalyticsassociation.org/certification)
- > Web Intelligence Certificate at UC Irvine [unex.uci.edu/areas/it/web\\_intel](http://unex.uci.edu/areas/it/web_intel)



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Modus Associates is a digital innovation and design consultancy founded to help global brand leaders and visionary start-ups more fully realize the business potential of the digital age, where customers rule, connectivity is everywhere, and creating value for profit and social impact is the name of the game. Clients include ADP, Comcast, NBC Universal, NYSE Euronext, SIRIUS Satellite Radio, Sittercity.com and Wyndham Hotel Group.

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