DON'T FORGET ABOUT MEASUREMENT

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The Web Analytics Association defines web analytics as the "the measurement, collection, analysis and reporting of Internet data for purposes of understanding and optimizing web usage."

A more recent definition – one that takes into account that analytics is more than just your website nowadays - states that it is the "process of obtaining an optimal and realistic decision based on existing data" and the "study of online experience in order to improve it." These definitions seem more meaningful and relevant to digital marketing.

Measure is What Businesses Do

Every company checks its financial books to see how it is doing. Although businesses tend to have a general perception of things, they always want to verify their financial reports down to the exact cent. In reality, not analyzing your digital marketing data is very much like not looking at your financial reports. You simply can't neglect the data – it could be costing you money.

For the most part, web analytics data is collected automatically (given a simple setup) and you don't need to have a bookkeeper enter the information for us to see the results. Therefore, a lack of data certainly isn't the problem. Quite the opposite – we are living in a world where we often hear phrases like "so much data, where do I start?"

The problem could actually be how to synthesize the enormous amount of data you get from your analytics tools – much more than could ever be used by any human being – and choosing the data that is most relevant.

Just like in financial books, in order to analyze correctly and drive the right recommendations for your marketing efforts, you need to make sure that the data you're collecting has the following three attributes:

Proper Quality

No analytics tool is perfect. Analytics practitioners take it as a given fact that the different vendors are always trying to find better ways to measure and analyze. Thus, the attribute of "quality" should not be mistaken for "perfect", but within the scope of whatever tools you are using to measure, you need to make sure that you're getting high-quality data.

Accuracy

The default settings of analytics tools are generic. They do a great job in representing the basic types and ways of tracking and presenting data. However, the world of digital marketing is changing very fast and sometimes what you are doing online is not yet supported generically in analytics software. Remember that your website and your data are specific and therefore should sometimes require some tweaks in the tool to make sure you're mining accurate data.

Relevancy

Analytics should inform and be informed by business goals. Any data you search for should remain in context. It has to be relevant to you, your company, your website, and your digital marketing activities.

You can rely on our analytics tools and some help from professionals to ensure that your data is of proper quality and accuracy, but the toughest part is to make it relevant.

Measurement Starts at the Beginning

In most digital marketing strategies, the measurement part traditionally comes last. It's the one common element that ties everything together and shows you how you're doing.

However, in order to analyze, measure and compare, you need a baseline. Your business needs to decide upfront what that baseline is by determining what you're going to measure and how that will dictate whether you're improving or actually wasting marketing dollars on things that are not yielding a good return on investment.

Thus, diving into the enormous amount of data and reports you get out of the box from an analytics tool without setting the proper foundation is the wrong approach. A better one would be to construct a process and a model that helps you set the path for where you want to head and be able to answer an important question: are you improving or not?

Don't get discouraged just yet, as such a tool exists.

Web analytics evangelist Avinash, has presented and promoted the Digital Marketing Measurement Model (DMMM) that will be expanded upon in this whitepaper.[1]

All websites have a purpose. Tracking the basic metrics such as visitors, traffic sources, and page views is potentially important, but it isn't enough data for commercial businesses. These metrics don't really give you impactful data. Impactful data is informed by business goals and must be tailored directly to your business.

The Digital Marketing Measurement Model

The DMMM is a top-down model. Every layer is built on its predecessor with a direct connection that ensures all layers, from top to bottom, have the business context you need and helps focus on the things that really have an impact on your business and marketing initiatives.

Business Objectives

Any web site can be categorized in one or more of the following four types:

Commerce. In this environment, the goal is to get customers to buy directly online.

Lead Generation. In this model, the goal of the site is to get visitors to submit their contact information so that you can nurture these visitors into customers.

Content. Content sites revolve around the advertising business model. Example of such sites includes Wikipedia.org. The goal is to get visitors to keep coming back to consume content.

Support/Self Service. The support or the self-service model revolves around providing customers with the ability to find the answers they need regarding their products. This model revolves around the cost savings associated with deflection of call center volumes.

Once you are clear on the type of website you have, you are on your way to identifying your business objectives.

Make sure to seek business objectives that are achievable and easily understood by everyone that reads them. Anything that does not carry those attributes should be discarded from the list.

Goals

Once you have established your list of objectives, you are looking to set goals to meet those business objectives. The aim is to identify one or two goals per business objective.

Goals are specific strategies or even tactics that you will carry out in order to accomplish your objectives. Since the objectives are strategic and high level, you need to narrow them down to specific things that need to be done in order to realize the objectives.

When considering your goals, keep in mind the three key facets of analytics:

Acquisition. Anything that has to do with getting traffic to your website. Make sure to take into account your priorities and to cover – where relevant – all types of sources, whether they're earned (e.g. social media), owned (SEO) or paid (PPC, display advertising).

Behavior. What is the behavior you are expecting when people arrive to your website? Think in terms of returning to your website, time spent on the site, pages being consumed, or videos that should be played.

Outcomes. What outcomes signify value delivered to the business bottom line? Think of those things that you will want your visitors to do that have meaning to your business. Things like filling in an inquiry form, downloading a file, or signing up to your newsletter.

Key Performance Indicators (KPIs)

This step is taking your goals to a more measurable level. Since this is where the data starts to come in, this might also be the step where the involvement of a data analyst is an advantage.

A KPI is defined as a measure that determines how your campaigns are doing in terms of your objectives and goals. A KPI will explain which metric is going to be used to measure the goal it belongs to and will act as a benchmark for you.

Good KPIs must be:

Relevant. This one is obvious. Just because others are using a certain metric as a measurement does not mean it is relevant to your business and website.

Timely. It must be a metric that can be pulled out of your data quickly and with no effort. You cannot be waiting around for data.

Uncomplicated. A KPI should be very simple and straightforward.

Instantly Useful. You want your KPI to easily indicate what areas and campaigns need attention.

Here are some ideas for potential KPIs:

- Conversion Rate – the ratio of number of conversions divided by the number of visits

- Days/Visits to Purchase – how many days or how many visits it takes a visitor to buy on our website
- Loyalty – the number of times a visitor returns to your site
- Time – how long does it take to a visitor to return to your site

Segments

One of the biggest risks when looking at data is the aggregates. The other one is the averages.

Typically, your analytics tool will show aggregates of data being collected. For some metrics, you get aggregated averages (such as "average time on site"). However, there is no such thing as an 'average visitor'.

So, on one hand you want sufficient population size in order to make decisions and to avoid a specific occurrence (a visit, a visitor), but on the other hand you need to understand that aggregated data is misleading. Visitors behave differently depending on the medium or campaign they came from, their location, or the day of the week.

In order to solve this, you need to segment the data. If you divide the streams of data into different groups, you can better understand the data and take quicker action.

So, in this step of the model you are seeking an answer to the question: What are the most important segments to focus on for each KPI that will help you understand your goals and meet your objectives?

Here are some straightforward segments to consider (remember to use those that are important and relevant to you):

- New vs. Returning Visitors
- Traffic Sources: differentiate between search, direct and referral traffic. Depending on your specific situation, you can further drill down to paid search vs. organic search
- Originating Country
- Subscribers vs. Non-Subscribers

Targets

Now you need an answer to the most important question: "What does success look like?" To do this, you need numerical values that will serve as indicators of success (or failure).

Remember, looking at data can be misleading. Is 500 downloads of a certain white paper per month good or bad? 1000? 5000? The answer depends on your goals, objects and targets. For some campaigns, these numbers will be really good, and for others, they'll indicate poor results.

From the other side of things, targets will help you plan your initiatives. If there is a target to get X number of visits per month, the type, nature and budget of the campaign you will be running will be different if this number was Y.

Congratulations, now your model is done. Whether you use a spread sheet, a presentation, a document or a piece of paper it does not really matter. As long as you can see how everything is relevant to your business today and every step is connected to its predecessor, you can be sure that you have completed the first step in your road to improving your digital marketing strategy.

What's Next?

Now that you have your DMMM, what should you do next?

Make it a point to visit the model every few months (or when it makes sense) and adapt it. Typically, from the KPIs down you will need to adapt the model, replace KPIs with new ones, add a segment that has become important and set new targets to new initiatives.

To start, make sure you are collecting the data you need to find the answers to the questions your model is raising. It will probably involve "out of the box" data that you aren't getting from your analytics tool as is and a portion that will require you to do some configurations of your own. A good example for that would be the need to tag your non-Google AdWords campaigns such as email and display advertising. You can find multiple resources online on how to do almost anything that you need or you can always have an analytics professional help you if you're feeling overwhelmed.

Once data is in place, spend time creating your reports and automate them. Analytics tools such as Google Analytics provide great possibilities for setting up dashboards and you can (and should) create one or more dashboards that will represent the KPIs that you set in your measurement model.

Google Analytics also has a list of third-party tools that can connect data and present it in other formats like Microsoft Excel and PowerPoint. This makes your dashboards much more interesting and presentable, but the biggest advantage is that you will be able to present your targets and show how you are doing compared to those targets. This makes reporting much easier for everyone and ads the value reporting deserves.

The last part pertains to automation. Web analytics tools are constantly adding great automation abilities. You can now get your reports delivered to your inbox at various time intervals, but you can also set alerts to get immediate notifications when a KPI drops lower than a given threshold. This enables you to be aware of things as they happen and to identify the cause and take action.

The DMMM Beyond Digital

Take another look at the DMMM and you can recognize that this model is actually not restricted to the realm of digital marketing or marketing in general. This is a great model for any business to realize and recognize its goals, targets and measurement factors.

This is exactly the essence of analyzing data – understanding what to track and the impact it might have or is having on your company, whether it involves strictly digital marketing data or your business in general.

Measurement Beyond Online Marketing

In today's digital world, the line that separates traditional marketing and digital marketing is fading away. Studies support what we all know from our own behavior as consumers, that our engagement with businesses is no longer reserved to our exposure to spots on the TV or newspaper ads or even banners on our favorite news portals online. The path of the consumer crosses this artificial line of offline and digital.

The challenges of measuring marketing are broader than just the website (even broader than all of your web properties and strategies such as social, mobile, and email). Business owners and marketers should find a way to set goals, track and measure holistic marketing initiatives and strategically build campaigns that yield results.

For example, let's say you're a business that only sells items at your brick and mortar location. Your website and all of your digital marketing tactics should be driving people to your store. The correlation between your marketing mix – online and offline – and the bottom line is where the challenges reside.

Never Stop Measuring

Remember that "if you cannot measure it you cannot improve it." Digital marketing measurement is all about improving what is most important.

Make it your point to focus on the critical factors that make the difference to you and your company, track them, analyze them and concentrate on improving those aspects. Everything else will fall into place.

ABOUT THE AUTHOR

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Miko Kershberg is an Internet marketing expert located in Antwerp, Belgium. Miko has been an Internet Marketing Consultant with WSI and from 2008-2012 was the representative for Europe on the WSI Internet Consultants Advisory Council.

Certified for web and Google analytics, as well as conversion optimization, Miko is passionate about laying the proper foundations, using search to drive traffic, measuring results and improving the digital marketing efforts of and for his clients.

NOTES

1.   Avinash Kaushik, http://www.kaushik.net/avinash/digital-marketing-and-measurement-model/