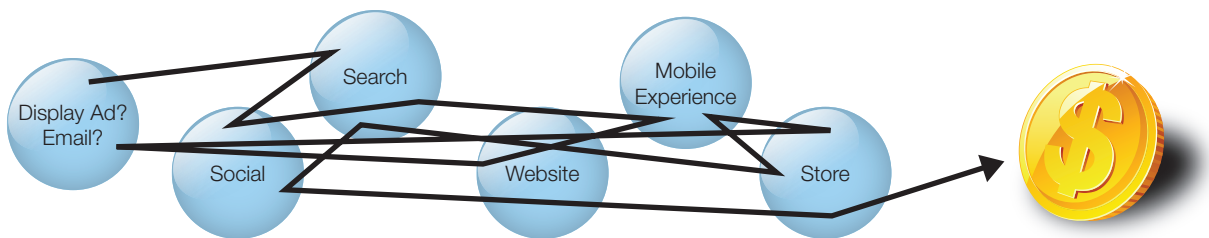# Customers click before they buy

Summary: Since a customer's path to purchase begins prior to the sale, integrating click data into the customer database shows you how the journey really began. The real reward comes when you match customer value back to the online source. You can then make good decisions based on customer loyalty, not just clickthrough rates.

The truth about customer behavior is that it is chaos

Have you noticed that a customer's path to purchase looks like chaos? This is reality folks; customers are searching, clicking on paid- or natural results, landing on pages, navigating around, searching some more on a mobile device, asking their social community for advice, reading reviews, looking for deals, loading up carts. Don't get me started on whether an email started this mess; don't even mention measuring digital display ad impressions along the way. If this sounds crazy, look in the mirror – this is how we all purchase things. If we fixate on measuring media, we're not explaining this customer behavior. We shouldn't try and solve the media optimization puzzle when we should be looking at the customer and their relationship to our brand.

Customers control the media. They pull the advertising they want to see. How else would you explain why customers ignore email, even when they opt in to receive it? Why else would customers be blind to digital display ads that literally demand interaction (to get them out of the way)?

Customers zigzag in and out of channels. They see brands across channels during their path to purchase. After the conversion, they couldn't care less who gets credit for the sale.

Measuring web behaviors prior to the sale

Customers are navigating around your website as we speak – clicking, viewing pages, downloading content. Their behavior provides clues as to their interests and readiness to buy. They may choose to be anonymous, but they are not cookies or IP addresses, they are prospects.

Web Analytics tools can do more than just measure user flow and abandonment points. These tools are the first step to measuring behaviors prior to a sale. To me, the most important information is the referring ID (or source of traffic). Working with weblog data is not easy. The data are very noisy and duplicative. The information is raw and too low-level to be useful. So you need to summarize the data up to concepts that will show you customers by:

- **Time** (total time spent on your website in hours or days)

- **Rhythm** (the gaps between visits)

- **Tenure** (when you first saw the customer and how much time has elapsed)

- **Conversion Path** (how long it took to complete the first sale or get to a magic "contact me" page)

- **Actions** (pages painted, forms filled out, content consumed, videos viewed)

- **Themes** (type of information consumed, informational? Transactional? Community oriented?)

- **Source** (search engine, referral traffic from other sites, email clickthrough, direct to site)

To illustrate how to summarize all of this, consider the case of an equipment manufacturer with a strong name and very high price tag. It can take many months before a prospect is ready to talk with a sales person, but that doesn't mean there isn't a ton of clicking going on. There is and any one of the dimensions above can become the row identifier in a report that looks like this:
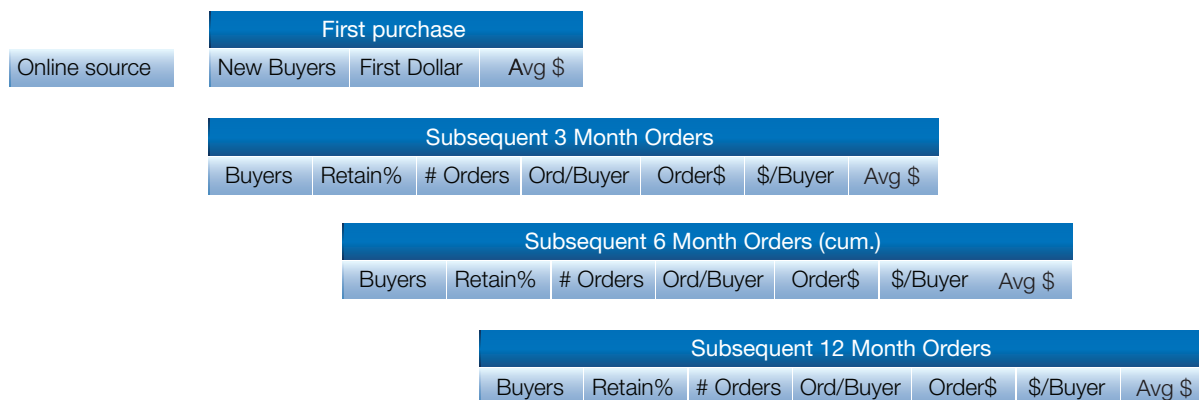
Distinct Days											
Visited Brand.com	Customers	Hours on Site	Days on Site	Total Actions	Days/ Lead	Actions/ Lead	Actions/ Day	Hrs/ Day	% Leads	% Hours	% Actions
75 or more days	xxx	xxx	xxx	xxx	112	530	4.7	3.0	19%	48%	47%
50-74 days	xxx	xxx	xxx	xxx	58	211	3.6	2.0	33%	31%	34%
25-49 days	xxx	xxx	xxx	xxx	36	185	5.1	2.0	15%	17%	13%
1-24 days	xxx	xxx	xxx	xxx	17	36	2.2	0.5	33%	5%	6%
Total	**xxx**	**xxx**	**xxx**	**xxx**	**51**	**208**	**4.1**	**1.4**	**100%**	**100%**	**100%**

This click summary shows that there are some prospective customers who spend 3 hours a day on the client's site. They haven't bought anything yet, but there they are – 112 distinct days on the site in total. Holy cow, who are these people? That question is exactly the point. Who indeed. Once we know the answer, the fun begins: (1) How long did it take to reach the "contact me" form? (2) What did customers do to get there? (3) Which ones got stuck? (4) Does industry or role make a difference? All of these questions were answered because this client connected the weblog data back to their customer database and worked backwards to find out where the best customers came from – their clicks before the purchase.

> **Key Takeaway:** Use web analytics to measure customer engagement not just optimize web pages

Think customers not clicks

The best online programs measure customers not clicks. The way they do it is by studying subsequent sales behavior – meaning what customers do after they convert. This can take months, years or even a lifetime. Not surprisingly, this is called "lifetime value" but to me it's lifetime value of online customers, which includes offline purchases. Here's how we do it. First, separate new from existing customers. Next, see how the new customers perform over the next 3-, 6- and 12-months. Finally, connect these "downstream dollars" back to the original source, and everything you know about the path to purchase. Here is the analytical framework:

Online source	First purchase		
	New Buyers	First Dollar	Avg $

	Subsequent 3 Month Orders					
Buyers	Retain%	# Orders	Ord/Buyer	Order$	$/Buyer	Avg $

	Subsequent 6 Month Orders (cum.)					
Buyers	Retain%	# Orders	Ord/Buyer	Order$	$/Buyer	Avg $

	Subsequent 12 Month Orders					
Buyers	Retain%	# Orders	Ord/Buyer	Order$	$/Buyer	Avg $

By connecting subsequent sales to online sources you can:

- Measure which affiliates generated brand-loyal customers, willing to buy offline

- Measure which keywords and paid search tactics produce brand advocates – customers willing to defend your brand

- Determine how to personalize digital display ads to break through the clutter

Take another case of a big box retailer curious about which affiliate publishers drove repeat customers, not just traffic. Using this methodology, this retailer was able to remove dozens of publishers from the list and eliminate waste notably Comparison Shopping Engines (CSEs) as you will see in this report:

Online source	Buyers	Repeat Rate	Initial Demand ($000s)	Subsequent Demand ($000s)	Subsq $ / Buyer
Affiliate	100,000	40%	$16,000	$6,000	$60
Email	**100,000**	**41%**	**$12,000**	**$8,000**	**$80**
Paid Search	400,000	27%	$60,000	$20,000	$50
Direct Load	800,000	37%	$80,000	$35,000	$44
Organic Search	**100,000**	**35%**	**$20,000**	**$9,000**	**$90**
Comparison Shopping Engines	**200,000**	**25%**	**$25,000**	**$5,000**	**$25**

From this report you can see that email starts out strong and has excellent performance on the conversion and subsequent sales. Organic search has even better performance over the long term. The clear loser is CSEs, which generated buyers who never buy again.

Make this simple

Path to purchase can be simplified to solve business problems. The web analytics data provides insight on customer behaviors as they interact with your brand. The media data adds context for what may be driving this behavior (campaign metadata such as promo periods, keywords, ad formats, offers). All of these data can feed your customer database. If you connect referring IDs and sources to subsequent sales you can see which online ideas worked out from a customer's perspective. The most important thing you can do is connect the click data to the customer data because engagement happens prior to the first sale – customers click before they buy.

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