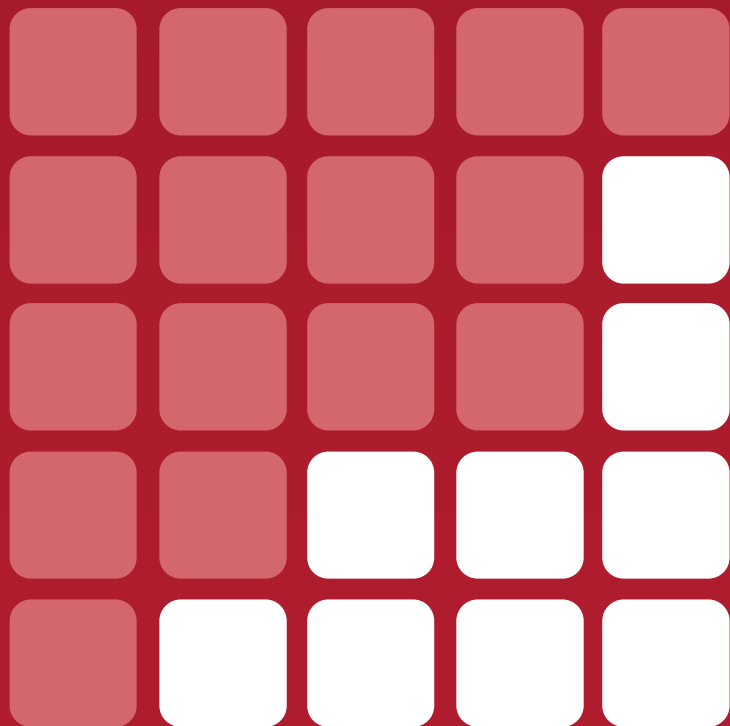


The Web Analytics Business Process

Making the Case for a Process-Driven Approach to Web Site Measurement and Ten Critical Requirements for Success



Research and Analysis from
WebAnalyticsDemystified
The Web Analytics Thought Leaders
www.webanalyticsdemystified.com

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The Web Analytics Business Process

Making the Case for a Process-Driven Approach to Web Site Measurement and Ten Critical Requirements for Success

At *Web Analytics Demystified*, one of the things we believe to be “most true” is the idea that web analytics isn’t easy. Web analytics isn’t supposed to be easy. The act of analyzing one’s web site is supposed to take time, require effort and serious thought. The quality of the outputs is a direct function of the quality of the inputs, and the old saying, “You have to spend money to make money” absolutely applies in web analytics. Unfortunately too many companies have assigned their investment in web measurement technology mystical powers, able to optimize marketing spend and improve site design “automagically”.

A Brief History of Web Analytics

In the early part of this decade, tens of thousands of companies around the world rushed to invest in web analytics tools and technologies. They spent significantly to license solutions that would, in theory, provide valuable and actionable insights about their online business.

But the insights rarely appeared. Instead what most companies got were canned reports that few people viewed and even fewer actually understood.

Eventually, the technology analyst community started to make the case for hiring bright people to manage and use web analytics technology. Beginning with JupiterResearch’s report on *Web Analytics: Staffing, Spending, and Vendor Selection* in October, 2004 and affirmed on multiple occasions by Forrester Research, The Gartner Group, Aberdeen Research and others, clear guidance was given regarding the relationship between dedicated staff and the appropriate use of measurement platforms like Omniture, WebSideStory, WebTrends, and others.

In time companies listened and started to hire dedicated resources. Today there are hundreds of open positions looking for “1 to 3 years of demonstrated experience with web analytics tools.” And slowly but surely these positions are being filled as experienced analysts and dedicated recruiters alike take advantage of the dramatic increase in salaries associated with the hiring frenzy. Problem solved, right?

Wrong.

Our collective understanding of web analytics is still very much in its infancy in 2007, and the vast majority of companies still fail to generate an appropriate return on their investment in technology and people. Consider the following data:

- Aberdeen Research reports that while the vast majority of companies surveyed already have or plans to get support from senior management for web analytics projects, only 18 percent have any defined method for interpreting web analytics data in the context of their own business. (*The Web Analytics Benchmark Report*, May 2007, www.aberdeen.com)

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- Forrester Research reports that many web analytics professionals spend “the bulk of their time responding to fire drills that keep them from high-value activities like user education, advanced analysis, and experimentation.” (*The Web Measurement Planner’s Checklist*, April 2007, www.forrester.com)
- Our own research recently found that 25 percent of the companies who are tracking ROI from web analytics report a *zero* or even a *negative* return on their investment. What’s worse is that a full 75 percent of web analysts are working for companies where the return on investment from analytics is either not being tracked (54%) or is not widely known (21%). (*Web Analytics Demystified Survey*, March 2007, www.webanalyticsdemystified.com)

Despite all of this, financial analysts estimate global expenditure on web analytics technology and services to be roughly \$500M to \$600M in 2007, a number that will grow to over a billion dollars annually early in the next decade. As advertising and marketing dollars continue to shift from traditional outlets to the Internet, the need for existing investment in web analytics to produce results becomes paramount, serving to guide and justify billions of dollars spent on online advertising

So how do companies who have already spent significantly on web analytics technology and staffing resources begin to fully appreciate a positive return on investment? At Web Analytics Demystified we believe the answer is simple:

Companies need to invest in the process of “doing” web analytics!

The set of activities companies need to understand to be successful with web analytics is something we call “The Web Analytics Business Process.”

The Web Analytics Business Process

The Web Analytics Business Process is a series of business processes and sub-processes that, when considered collectively describe the ongoing activities that any organization needs to master to be successful with web analytics. These are management processes like “Define Business Objectives for the Web Site” and “Allocate Appropriate Resources” and operational processes like “Collect Data” and “Distribute Reports and Analysis.”

The act of documenting these processes may seem pedantic or even wasteful, but turns out to be the first step that companies need to take to improve their use of web analytics. According to Forrester Research,

“Despite the potential for Web measurement plans to end up as shelf-ware, firms should still go through the process of writing them down. Why? Because it forces stakeholders to clarify their ideas and can uncover hidden assumptions that lead to problems later on.” (From *The Web Measurement Planner’s Checklist* Executive Summary, April 2007)

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“25 percent of respondents to our March 2007 survey who are tracking ROI from web analytics report a zero or negative return on investment.”

WebAnalyticsDemystified

Why, it's as if they've taken the words right out of our mouth! Far too many companies assume they know “everything they need to know” about web analytics when in fact they still have a great deal to learn.

In fact, our recent survey indicates that while only 7 percent of U.S.-based companies take a process-oriented approach towards web analytics, **50 percent of those companies report measurably positive return on investment from analytics!** That may not sound great, but when compared to only 16 percent of companies reporting positive ROI when web analytics is managed mainly by employees or on an *ad hoc* basis, that 50 percent begins to sound pretty good.

ROI	PROCESS-DRIVEN ¹	EMPLOYEE-DRIVEN ²	MOSTLY AD HOC ³
Zero or Negative	0%	5%	13%
Positive	50%	16%	16%
Don't Know	17%	24%	13%
Do Not Measure ROI	33%	55%	58%

¹ U.S. respondents who indicate they manage web analytics primarily by DEFINED PROCESSES (n=30); ² U.S. respondents who indicate they manage web analytics primarily by EMPLOYEES managing data collection, reporting, and understanding (n=276); ³ U.S. respondents who indicate they manage web analytics primarily on an AD HOC basis (n=85)

The best news regarding the use of process in web analytics is this: While statistically companies leveraging process in web analytics are generally larger than those that do not, average reported salaries are dramatically higher in process-oriented companies than in those managing web analytics primarily via employees or on an *ad hoc* basis. Our study found that in the U.S., web analytics workers at process-oriented companies were earning over \$103,000 annually, compared to about \$85,000 annually, a difference of more than 20 percent!

At Web Analytics Demystified we believe that all of this data makes perfect sense. Higher salaries are well-justified when the investment in web analytics is producing a measurable return on investment. This is why we offer the web analytics industry's only strategic analysis, the *Web Analytics Strategic Assessment*. In the assessment we critically examine each of the critical Web Analytics Business Processes, score our clients, and then provide detailed recommendations for improvement.

The following section contains ten management and operational processes critical to achieving success and ongoing return on investment from web analytics.

Five Critical Web Analytics Management Processes

While there are dozens of management processes known to Web Analytics Demystified required to be successful with web analytics, here are five that in our experience are absolutely critical, presented with questions to ask yourself about how these processes manifest in your own organization.

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CRITICAL PROCESS #1: Assign Ownership

Assigning clear ownership of web analytics to a single, senior stakeholder in your organization is one of the most important things you can do. We can debate whether the owner should be the head of technology, the head of research, or the head of marketing for hours on end and never come to agreement, but web analytics needs to have an identified champion and owner. When you assign ownership, you create a clear expectation about who is responsible for the success of analytics projects and who is on the hook to show a return on the company's investment. When you make the owner someone very senior in the organization, you increase the likelihood that the owner will be able to drive necessary actions based on the results of analysis you conduct.

Unfortunately, organizations commonly either fail to assign a clear owner for web analytics, they assign ownership to someone too junior to truly be effective, or they assign web analytics to entirely the wrong type of resource or group. Ownership of web analytics is not about *budget*, it is about *benefit*—which is why typically we recommend that *marketing organizations* own measurement; marketing usually has the most to gain based on decisions supported by web analytics technology and processes.

Regarding ownership of web analytics, ask yourself this:

- Do you know who ultimately owns web analytics in your organization?
- Does that owner make sense given the structure of your organization?
- Does the owner fully understand the web analytics value proposition?
- Is the owner of web analytics able to assign additional resources, allocate budget, and make cross-company decisions based on the output of web analytics projects?
- Does the owner of web analytics receive *at least* monthly reports regarding web analytics projects?

Web analytics is an ongoing concern for all online businesses. To be successful, you have to assign ownership to a manager willing to treat web analytics as something the organization does continually, not sporadically.

CRITICAL PROCESS #2: Define Business Objectives

All business web sites exist for a reason and have a series of specific objectives. Unfortunately far too many businesses have failed to explicitly identify these objectives, often simply assuming that “everyone knows why our site exists . . .” Your business objectives define your web analytics reporting needs: Objectives create the framework against which you measure visitor activities, and visitor activities are the basis for all of your metrics and key performance indicators.

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“In our March 2007 survey, 57 percent of respondents indicated that one of their top concerns about web analytics was data accuracy ...”

Here is an example of how good key performance indicators are derived from business objectives for a B2B site selling million-dollar technology solutions:

Business Objective	Measurable Visitor Activity	Appropriate Metric(s) ¹
Generate qualified leads	Visitor submits contact information	Lead submission rate, segmented by targeted companies and known target IP addresses
	Visitor reviews relevant content	Page and content view rates and document (PDF) take rates, segmented by targeted companies and known target IP addresses
	Visitor views “Contact us” content	Page view rate, segmented by targeted companies and known target IP addresses; call rate for dedicated 800 number
	Visitor displays “engaged” behavior	Visitor engagement over time, segmented by targeted companies and known target IP addresses
Support existing customers	Customer views “Support” content	Page and content view and document (PDF, download) take rates, segmented by known companies and annual contract value
	Customer views “Support” content frequently	Percent low/medium/high frequency visits, segmented by known companies and annual contract value; Percent low recency visits, segmented by known companies and annual contract value
	Customer finds answers to their questions	“Information find” conversion rates; customer satisfaction index (ACSI or Net Promoter score)

¹ Most of the key performance indicators we describe here can be found in Eric T. Peterson’s *Big Book of Key Performance Indicators*.

As you can see, everything starts with “generating qualified leads” and “supporting existing customers”. By defining these high-level objectives for the site, the visitor activities that you need to focus on become clear, and relevant metrics and measures are easily defined.

More importantly, when someone asks why a metric is important, you can say something like “The information find conversion rate is a measure of how successful our existing customers are in answering their questions through our least expensive channel, and this activity is critical to our stated business objective of supporting our existing customers while controlling operational costs.”

Regarding your business objectives, ask yourself this:

- What are the business objectives for your web site?
- What are the critical visitor activities on your web site?
- How many people in your company know your site’s business objectives off the top of their heads?

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- How many of the metrics you generate with web analytics are measuring something relevant to your stated business objectives?

In our March 2007 analytics end-user survey, only 20 percent of U.S.-based respondents indicated that they believed the majority of people in their organization who used web analytics data understood what the data meant. Business objective thinking and the use of key performance indicators directly addresses this problem by putting the metrics into a business context and focusing on metrics that truly matter.

CRITICAL PROCESS #3: Allocate Resources

In 2004, JupiterResearch documented a strong correlation between dedicating resources to web analytics projects and reported successes. Since that time, an increasing number of companies have heeded this advice and aggressively started allocating resources to web measurement activities, and recently it was reported that there were in excess of 1,000 open positions advertising the need for “experience with web analytics” posted on the Internet.

Our March 2007 survey asked to what extent web analytics data was integrated into the organization’s decision-making process: 47 percent of U.S.-based respondents said “We are only using web analytics data to give us general guidance.” When compared to the 26 percent allocating at least one resource and the 10 percent allocating two or more resources, this 47 percent identifies a significant missed opportunity. The opposite pattern appears when asked about using web analytics data for strategic decision making inside the organization.

Use in Decision-Making Process ¹	0 FTE	1 FTE	2+ FTE
Not interested in using web analytics data for decision-making purposes	0%	1%	0%
Not sure how to integrate web analytics data into decision-making process	16%	6%	4%
Using web analytics data to give us general guidance	47%	26%	10%
Using web analytics data for tactical decisions only	13%	17%	14%
Using web analytics data for tactical and strategic decisions	20%	38%	47%
Fully integrated web analytics data into our decision-making process	3%	13%	25%

¹ “Please indicate to what extent web analytics data is integrated into your organizations decision-making process?” (n=395, U.S. only)

While we are highly encouraged by the dramatic increase in hiring for web analytics professionals, the demand far exceeds availability of experienced talent and likely will for some time. What’s more, in our experience most companies need more than a single individual to effectively manage web analytics projects; the “web analytics dream team” often consists of the following resources:

- **A project manager** well-versed in the value proposition, the technology, and the terminology who manages web analytics and serves as a clearinghouse for requests for data, training, and analysis
- **A dedicated analysis resource** having significant experience conducting high-quality analysis and well-versed in web analytics, online marketing, and usability who is also capable of presenting the information to a diverse audience

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“Only 20 percent of respondents to our March 2007 survey believe the majority of people in their organization who used web analytics data understand what the data means.”

- **A part-time but dedicated technology resource** capable of learning the subtleties of whichever analytics package your company has deployed and tasked with working directly with the project manager and analyst to rapidly augment data collection as necessary

Regarding staffing for web analytics, ask yourself this:

- Do you know who to ask internally for web analytics data and analysis?
- Do you believe that most of the people who use your web analytics system fully understand the capabilities and limitations of the technology?
- Do you think your web analytics system is well implemented and provides accurate data?
- Have you failed to properly implement some aspect of data collection in the last 12 months, resulting in lost data and incomplete reports?

Web Analytics Demystified can help you assess your staffing needs and assist you in finding the right candidate for the job through our *Web Analytics Staffing Support* engagement. Keep in mind, web analytics is a process managed by people leveraging appropriate technology; all three components—people, process, and technology—are required to be successful.

CRITICAL PROCESS #4: Establish a Model for Reporting and Analysis

Deploying web analytics is not as simple as installing software and sending an email telling people where to look for the reports, nor is it as easy as simply hiring appropriate resources. Your organization’s ability to take advantage of your existing investment in web analytics is a direct function the process through which questions are asked and answered. The *ad hoc* treatment of web analytics is not sufficient—far too few companies actually benefit from the “it’s so simple anyone can do it!” model of web analytics—and thusly a formal internal deployment model is required.

There are four basic internal deployment models used today:

1. The unfortunate “*Ad hoc*” model which is both the dominant and least effective model in which every request for data or analysis is a new project
2. The centralized “Research Group” model in which all requests for data and analysis come through a single, dedicated group
3. The de-centralized “Business Unit” model in which individual departments develop their own expertise in web analytics
4. The combination “Hub and Spoke” model in which a dedicated group provides expertise and guidance to “power users” in individual departments

All but the first model have their pros and cons, but given appropriate attention to process each can be effective. Regarding your web analytics reporting model, ask yourself this:

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- Do you know who to ask when you need a new report?
- Do you know who to ask when you need detailed analysis?
- Do you review web analytics data and analysis on a regular basis?
- Does your group or line of business have the same analytics expertise as others in your organization?
- Are most, if not all, of your web analytics-related questions being answered?

Establishing the model through which your organization will actually take advantage of your investment in web analytics is absolutely fundamental and one that merits serious consideration from management; each model creates different staffing, training, and support requirements, and each model creates different sub-processes for web analytics throughout your organization.

CRITICAL PROCESS #5: Track Return on Investment

There is a certain irony in the fact that while web analytics applications are designed to help companies improve their ability to make money online, the majority of companies aren't tracking their return on investment for web analytics. And while there is a growing body of evidence that describes how companies are taking advantage of web analytics, often reporting incremental sales or operational savings measured in millions, we at Web Analytics Demystified believe that in 2007 companies are only now beginning to understand and appreciate the value of their existing investment.

Tracking return on investment for web analytics is critical for many reasons but one stands out: It is difficult to justify the costs of headcount, additional hardware and software, and additional services if you're unable to quantify the value of outcomes these expenses will produce. Put another way, any smart CEO is willing to spend \$100,000 if they're confident that they will see \$1,000,000 in return, but *every* CEO should be wary of making any technology investment if they're unable to measure the value the investment provides, regardless of whether it seems like "the right thing to do."

Fortunately the ability to measure web analytics return on investment is a natural byproduct of the Web Analytics Business Process; by adopting a process-oriented approach to web measurement, you create both the ability to measure the value of the investment *and* a framework against which that value is reported.

Regarding your return on investment from web analytics, ask yourself this:

- Do you know your web analytics return on investment?
- If not, do you have a plan to calculate your web analytics return on investment?
- Do you actively use insights derived from web analytics to guide site changes?
- Do you actively use a testing platform to validate changes?
- Do you assign a dollar value or estimate to all of your online design and marketing efforts?

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“In our March 2007 survey, 57 percent of respondents indicated that one of their top concerns about web analytics was data accuracy ...”

Only 19 percent of respondents we surveyed in March, 2007 reported positive return on investment from web analytics. At Web Analytics Demystified we firmly believe that this low number is a reflection of organizational efforts to effectively track this investment, not an indication that positive return on investment is difficult to come by.

Summary of the Critical Management Processes

To reiterate, there are dozens of management processes that are critical to your organization's success through web analytics. The five presented in this document are those that we believe to be an excellent starting point when implementing a larger Web Analytics Business Process in your organization. To this end, Web Analytics Demystified provides strategic consulting to assess your current process orientation and make highly actionable recommendations for improvement.

Five Critical Web Analytics Operational Processes

The operational processes in web analytics are where the real work occurs—data collection, report generation, analysis, and action. While there are dozens and dozens of operational processes depending, five in particular are critical to *all businesses*.

CRITICAL PROCESS #6: Plan the Implementation

In web analytics, the quality of your implementation determines your ability to generate reports and conduct analysis. Collect too little and you'll be faced with questions you cannot answer; collect too much and you may end up hamstrung by endless “what if” scenarios that diminish your ability to answer questions in a timely manner. Unfortunately implementations are more frequently driven by the need to check a box on a contract than well defined business requirements, a mistake that almost always leads to unhappy data consumers.

In fact, in our March 2007 survey, 57 percent of respondents indicated that one of their top concerns about web analytics was data accuracy, a direct function of implementation quality. As soon as implementation problems occur, data accuracy questions immediately follow.

Every online business has plenty of questions about visitor behavior that they'd love to answer, often times the answers to these questions are the source of significant web analytics return on investment. These questions become even more critical when your organization starts to deploy emerging Internet technologies such as those commonly associated with “Web 2.0”—just because AJAX-powered applications are interesting doesn't mean they're necessarily engaging.

Regarding your implementation, ask yourself this:

- Do you believe your current implementation supports your data requirements?
- Do you fully understand the limitations in your approach to data collection?
- When you need to modify data being collected, do you know who to call?

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- If you have them, are you collecting data from your RIAs and “Web 2.0” applications?
- Did you use your business objectives as a guide when you implemented, or did you simply collect the baseline data your vendor recommended?

At Web Analytics Demystified our approach to implementation planning is to determine the real data needs of the organization based on defined business objectives and work backwards into technical requirements. To this end we provide strategic *Web Analytics Implementation Planning* services to help our clients get the most out of their existing investment in web analytics technology.

CRITICAL PROCESS #7: Validate the Data

Setting up log files or tagging pages with JavaScript is only part of the implementation process, and it turns out to be the *easy* part. Once you’ve done that, you need to go through the process of data validation to ensure that A) people in your organization will accept and believe the numbers when you provide them and B) if they don’t, you have an established strategy to demonstrate that you’ve done your due diligence.

In an environment where cookie-based systems are increasingly shown to suffer from accuracy-related issues, it is no surprise that nearly half of the companies we surveyed in March 2007 reported problems and concerns regarding the accuracy and quality of data. These concerns, when combined with gaps in data collection that arise from failure to code pages and campaigns, paint a somewhat bleak picture of the overall utility and trustworthiness of web analytics data.

Data Collection Issue ¹	% of Respondents
Failed to deploy tracking scripts in new pages or applications	42%
Failed to deploy tracking codes in new campaigns	42%
Failed to remove non-human activity from web server log files	20%
Failed to communicate data collection needs to external agencies	12%
Failed to generate reports for a newly deployed section of the site	27%
Failed to generate reports for a newly deployed campaign	26%
Web analytics application prevented us from collecting data	20%
Internal processes prevented us from collecting data	41%
General quality of data was questioned	46%
Overall accuracy of data was questioned	51%

¹ “Which of the following problems related to web analytics data collection have occurred in your or your clients organization in the last 12 months?” (n=397, U.S. only)

Regarding data validation, ask yourself this:

- Has anyone challenged the accuracy of your web analytics data in the last six months?
- Do you know what percentage of your visitors is actively deleting their cookies?
- Do you have a process for verifying data collection and/or code coverage?
- Do you know the major risks to data collection in the system you’ve deployed?

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“We at Web Analytics Demystified believe that in 2007 many companies are only now beginning to understand and appreciate the value of their existing investment in web analytics.”

- Has your organization failed to tag or identify critical content or campaigns on your web site?

The process of validating the data you collect is absolutely critical to your success with web analytics. Failure to do so opens the door to people saying “I just don’t believe these numbers . . .” and failing to explore sources of inaccuracy in your data collection strategy give weight to these challenges. While some analytics consultants will tell you to “not expect perfection” and “manage based on trends,” in our experience most companies much prefer to work with data that is as accurate as possible.

CRITICAL PROCESS #8: Define and Design Reports

Seventy percent of U.S.-based respondents to our March 2007 survey said that the majority of people in their organization *do not* understand web analytics data. Given that this percentage is strongly correlated to total company size, it is clear to us at Web Analytics Demystified that *how* you communicate about web analytics is critical to your success, *especially* in larger organizations.

Percent of Respondents Saying that “Most People in their Organization DO NOT Understand Web Analytics Data” by Total Employees Worldwide ¹			
Less than 100	100 to 500	500 to 5,000	More than 5,000
51%	65%	74%	81%

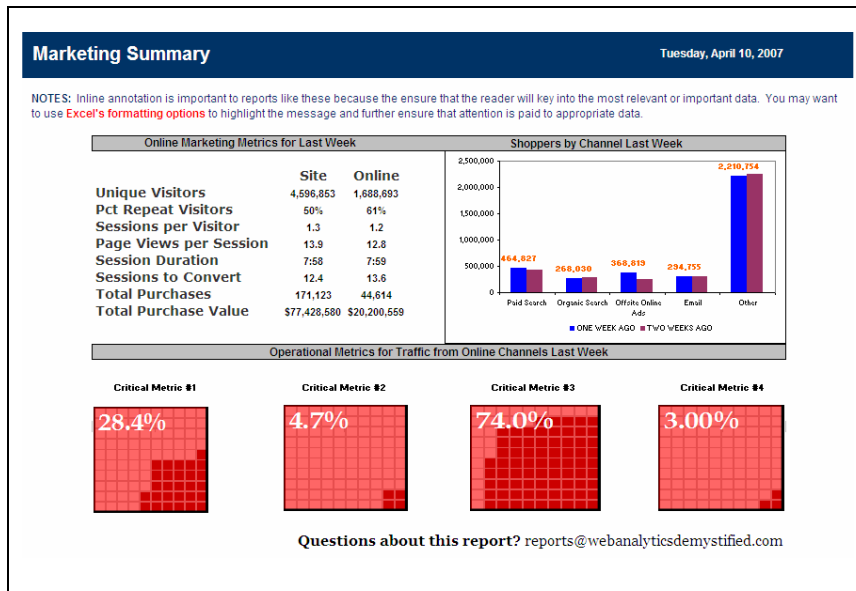
¹ “Do you personally believe that the majority of people in your or your client’s organization who come in contact with web analytics data understand the data?” and “Please indicate the total number of employees in your organization worldwide.” (n=398, U.S. only)

Unfortunately, far too many companies choose to rely on “canned” reports coming from their web analytics application. And while the vendors have done a good job in designing their default reports, there is little they can do to overcome the need to use arcane and often confusing terms like “Daily Unique Visitors” and “G1”.

To be successful communicating web analytics data you have to give reasonable thought to the reports you choose to show the majority of people. The use of key performance indicators and relevant visualizations will drive interest, the inclusion of definitions will improve understanding, and the naming of a report owner will encourage questions. By adopting a “push” model for web analytics, one where relevant data is delivered direct to the inbox, you increase the likelihood that people will pay attention. By taking the time to analyze or interpret the data for them, you increase the likelihood that they will understand what they’re reading.

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Regarding your web analytics reports, ask yourself this:

- Do the majority of people in your organization understand web analytics data?
- Do you primarily rely on your web analytics package to view and share data?
- Do you use key performance indicators specific to your business objectives?
- Do you deliver reports to key stakeholders or require them to find the reports themselves?
- Do you provide definitions, explanations, and interpretation of the data?

You cannot be successful with web analytics unless people understand the data well enough to use it to make decisions. Because most people simply do not understand this type of data, you need to pay careful attention to the processes you use to communicate relevant information. At Web Analytics Demystified we offer *Key Performance Indicator Planning* and *Implementation Planning* engagements designed to help our clients improve their data messaging strategies and increase the likelihood of data adoption and use.

CRITICAL PROCESS #9: Conduct Analysis

At Web Analytics Demystified we believe that you need to analyze available data—not simply generate reports—to make decisions, but that far too few companies are successfully conducting analysis. In our March 2007 survey of web analytics professionals, nearly 70 percent told us that the number one concern for their organization in regards to web analytics was the “ability to use [web analytics] data for decision making purposes.” Unfortunately, few companies are successful in doing this—only 15 percent of respondents indicate that they had integrated web analytics data into their decision making process.

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“Only 15 percent of respondents in our March 2007 survey indicate they had integrated web analytics data into their decision making process.”

Analysis is more than simply looking at tables of data; analysis is about segmentation, analysis is multi-dimensional, and analysis is conducted slowly and carefully by developing and testing hypotheses. But despite the number of corporate employees with titles of “web data analyst”, “web analytics manager”, and “web analyst”, companies rarely conduct analysis; most web analytics professionals spend the majority of their time responding to *ad hoc* requests for data and reports.

Regarding analysis, ask yourself this:

- Do web analytics resources spend the majority of their time generating reports?
- Do you have people specifically assigned to analyze web analytics data?
- Do assigned resources actually conduct analysis on a regular basis?
- Does your organization use the analysis for decision making purposes?

Web analytics is not about *having data*; it is about using *that data to create tangible business benefit*. Companies reporting success through web measurement have largely established processes for converting data into insight through careful, considerate analysis; most companies will not be truly successful with web analytics until they do the same. To this end, Web Analytics Demystified can help facilitate the shift from “generating reports” to “conducting analysis.”

CRITICAL PROCESS #10: Run Controlled Experiments

When you’ve mastered the process of conducting analysis, the final step is to put that analysis to work. While you may be tempted to simply deploy the recommended changes and look for the commensurate improvement, at Web Analytics Demystified we always recommend validating the analysis through controlled experimentation first.

Controlled experimentation—also referred to as “A/B testing” and “multivariate testing”—is one of the most important processes in web analytics. Controlled experimentation allows you to:

1. Ensure that analysis-driven changes have the desired impact on critical KPIs
2. Ensure that observed changes are not due to random variation
3. Measure your web analytics return on investment

Running tests is the final step in the process of doing web analytics, the point at which you prove that you’ve generated solid analysis against a well-implemented and well-validated data set. The proof is observed improvement as measured by your critical site key performance indicators, improvement that can be translated into incremental revenue or operational savings, a financial benefit that can be directly tied to your investment in web analytics.

Unfortunately, as previously reported in this document, over half of U.S. respondents in our March 2007 survey indicated that their organization was *not tracking* web analytics ROI, data that suggests that few companies have fully integrated the process of controlled experimentation.

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Regarding experimentation, ask yourself this:

- Do you have processes in place to validate analysis and conduct experiments?
- Do you run controlled experiments on changes made to your site or marketing efforts?
- Do you know how changes to the web site specifically impact critical site KPIs?
- Do you measure the return you get from your investment in web analytics?

Many companies have failed to develop processes for controlled experimentation because of the cost and complexity involved. Fortunately there are now a number of companies known to Web Analytics Demystified that can help design and deploy experiments at a reasonable cost. And while we expect this lower barrier to increase interest in conducting experimentation, companies must still implement appropriate processes for testing to be truly successful.

How to Implement Web Analytics Process in your Organization

Hopefully as you've read this document you've been asking yourself the questions we've posed along the way. If you've found yourself answering "no" or "I'm not sure" more often than not, your company would likely benefit from an exploration of your current use of web analytics and strategic guidance from Web Analytics Demystified.

Web Analytics Demystified provides this exact guidance through our *Web Analytics Strategic Assessment*, the cornerstone of our entire organization. The *Strategic Assessment* is an intensive multi-day engagement designed to evaluate your organization's likelihood to truly succeed with web analytics, measured against a well-established and well-vetted framework. After conducting extensive interviews with internal stakeholders, Web Analytics Demystified will provide a comprehensive assessment detailing your company's strengths and weaknesses regarding your use of web analytics.

Our goal in this assessment is to help your organization develop a process-oriented view of web analytics, consistent with our fundamental belief in the value of *leveraging process* to achieving positive return on investment in, and incremental gains or savings through, your existing commitment to web analytics. As a result of your Web Analytics Demystified session, you'll receive concrete, detailed recommendations describing how your organization can better use the tools you've purchased so that you'll be able to begin experience the same kind of success that other companies like Marriott, Amazon, and e-Bay have enjoyed through improved web analytics.

The *Web Analytics Strategic Assessment* is appropriate for any company that has ever struggled to understand or take action based on the data that your web analytics package provides. Regardless of the technology you've implemented, the number of staff you have dedicated to web analytics projects, and the quality and volume of reports you currently generate, Web Analytics Demystified can help dramatically improve the use and understanding of web analytics throughout your organization.

The Web Analytics Business Process

Making the Case for a Process-Driven Approach to Web Site Measurement

The *Web Analytics Strategic Assessment* is appropriate for any company that has ever struggled to understand or take action based on web analytics data.

WebAnalyticsDemystified

Web Analytics Demystified Service Offerings

In addition to the *Web Analytics Strategic Assessment*, Web Analytics Demystified offers a series of consulting engagements, workshops, and presentations designed to help organizations improve their understanding and use of web analytics. All of our ancillary offerings are based on our fundamental belief in the value of *business process* to web analytics, and each builds on the other, offering our prospects and clients a way to gradually build a relationship with Web Analytics Demystified.

Web Analytics Demystified Presentations and Workshops

Our presentations and workshops are offered as an introduction to Eric T. Peterson's style and our fundamental beliefs here at Web Analytics Demystified. Each offering is appropriate for both businesses wishing to learn more about web analytics and also for conferences, seminars, and web-based events.

Web Analytics "Demystified". Our original presentation, based on the book that started it all, *Web Analytics "Demystified"* covers the fundamental topics that every business running a web measurement program needs to understand. Offered as both a three-hour seminar and a full-day workshop, Eric T. Peterson covers core issues like: Terms and definitions, effective staffing strategies, the difference between "reporting" and "analysis", running controlled experiments, and communicating results

This presentation is suitable for any organization, regardless of size or current commitment to analytics, and is often used to help set reasonable expectations across the organization about what web analytics can and cannot do.

Introduction to Web Analytics Processes. Our *Introduction to Web Analytics Processes* presentation, offered as both a three-hour seminar and a full-day workshop, is an excellent starting point for any company already invested in web analytics but who constantly feels like something is missing in their approach to web data analysis. Covering the critical processes described in this document in great detail, Eric T. Peterson will lead your organization through the steps required to truly optimize the value of your existing investment. This presentation is suitable for organizations of any size and skill-level regardless their current depth of investment into web analytics.

Web Analytics 2.0. Emerging Internet technologies like AJAX, Flash, and RSS create an entire new set of measurement problems. Compound this with user-related issues like cookie deletion and alternative browsing models and it is clear that entirely new strategies towards web analytics are necessary. Our *Web Analytics 2.0* presentation is geared towards cutting-edge organizations who want to stay ahead of the measurement curve. Offered as both a three-hour seminar and a full-day workshop, *Web Analytics 2.0* is appropriate for organizations and business investors interested in topics like event-based measurement, visitor engagement, and Web 2.0 key performance indicators.

The Web Analytics Business Process

Making the Case for a Process-Driven Approach to Web Site Measurement

Web Analytics Demystified Strategic Engagements

Our strategic engagements are offered to companies ready to significantly enhance their web analytics capabilities and are committed to doing the necessary work. Delivered by Eric T. Peterson, these multi-day engagements are delivered on your premises and are highly strategic in nature.

Web Analytics Implementation Planning. Given the importance of data collection to the entire web analytics process, and given the high general concern companies have about data accuracy, our *Web Analytics Implementation Planning* engagement is a “must” for serious online businesses. Delivered by Eric T. Peterson, who while at JupiterResearch opened the world’s eyes to the issue of browser cookie deletion, our *Implementation Planning* sessions cover all aspects of data collection in both a Web 1.0 and a Web 2.0 environment in a vendor-neutral way. This engagement is suitable for any organization, regardless of the state of their implementation, looking for an objective opinion and specific guidance regarding their data collection strategy.

Key Performance Indicator Planning. Once your implementation is complete, the next challenge for most organizations is creating truly actionable reports that will be widely understood and widely consumed throughout the organization. Our *Key Performance Indicator Planning* engagement is exactly that—a multi-day engagement where we learn about your specific data needs and then propose a complete plan of action around key performance indicator dashboards designed to bring you up to speed quickly. Delivered by Eric T. Peterson, author of *The Big Book of Key Performance Indicators* and a widely-recognized thought leader on the subject, this engagement is suitable for any organization wishing to dramatically improve their ability to communicate web data.

Web Analytics Staffing Support. The evidence is clear—success with web analytics depends on having smart people focused on using technology to create business value. To this end, Web Analytics Demystified offers *Web Analytics Staffing Support* services designed to help companies making their first critical hire. The engagement begins with an internal needs assessment to determine exactly what type of resource is needed and includes both a posting review and candidate screening. Supported in part by Web Analytics Demystified’s business partner Aquent—one of the world’s largest and most successful marketing staffing firms—our *Staffing Support Services* engagement is appropriate for any organization committed to the success of their web analytics program as a whole.

For More Information

For more information about how Web Analytics Demystified can help you increase your web analytics return on investment by helping you improve your web analytics business processes, please contact us via email at eric.peterson@webanalyticsdemystified.com, via phone at (503) 282-2601, or via our web site at www.webanalyticsdemystified.com

