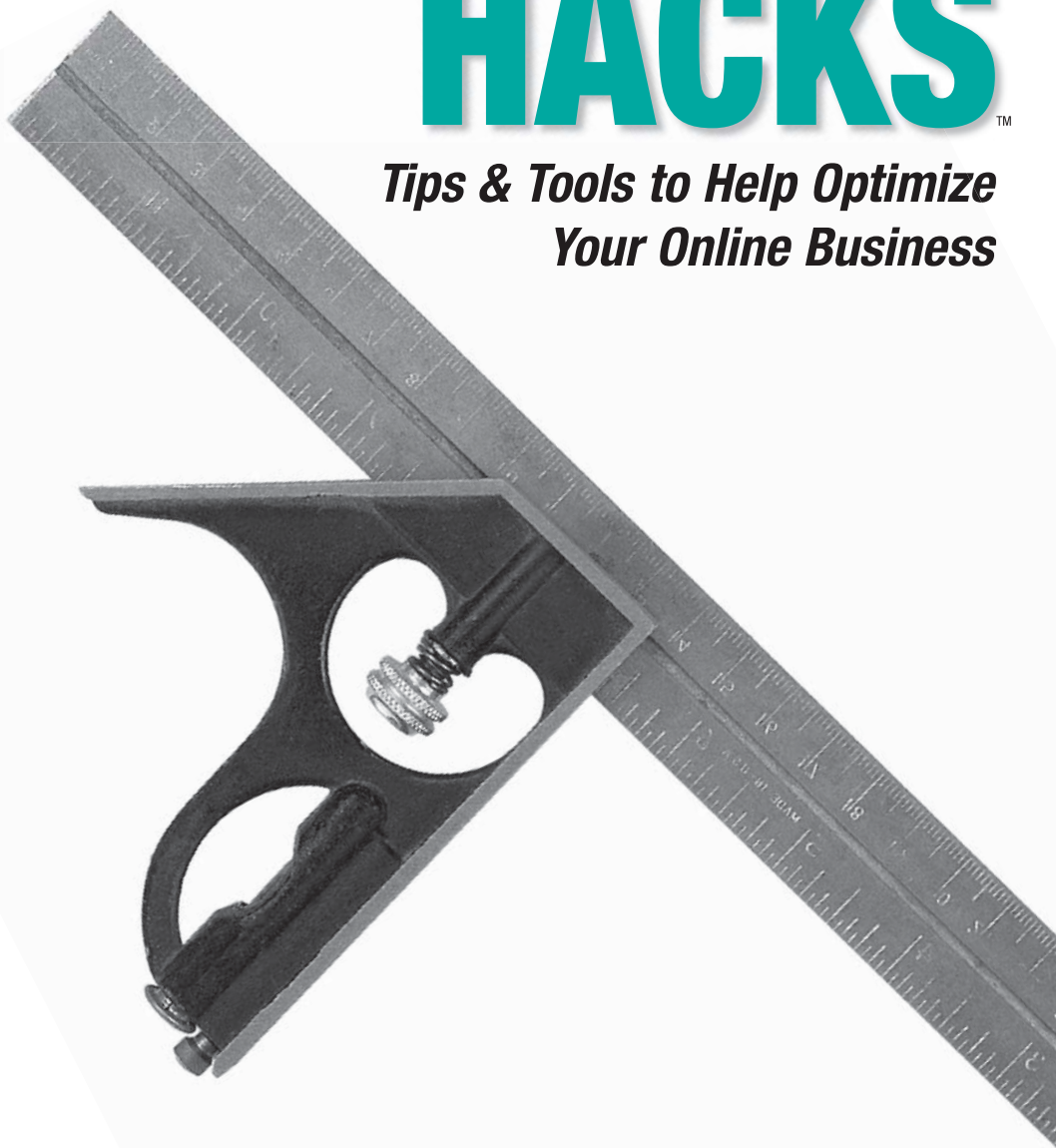


# WEB SITE MEASUREMENT HACKS™

*Tips & Tools to Help Optimize  
Your Online Business*



O'REILLY®

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HACK  
#2

## Best Practices for Web Measurement

To truly be successful with your online business, you need to treat web measurement as a business practice and be willing to invest time, effort, and money as necessary.

Web measurement is not a silver bullet; in fact, outside the realm of law enforcement and werewolf hunting, there are no silver bullets. In order to be successful with your web measurement program, you have to treat it like any other business process through such things as customer relationship management (CRM), sales force automation (SFA), and enterprise resource planning (ERP). There needs to be an abbreviation for web measurement—for example, “WMO” for “web measurement and optimization,” which captures the fact that you measure for improvement’s sake, or “SMI” for “site metrics integration,” which expresses the need to integrate your metrics with other site operation strategies. Perhaps that’s all that stands in the way of web measurement becoming widely used inside organizations: an appropriate abbreviation.

The following best practices, if rigorously followed, will help you identify changes you can make that will dramatically improve your site.

### Identify Your Objectives Before You Begin

A common mistake that many companies make is to rush out to purchase software or services before they develop sound reasons for doing so, a mistake not exclusive to web measurement. While occasionally these companies are able to back into the rationale for the purchase, a better approach is to actually sit down with those in charge and explore what you hope to gain by an investment in web measurement in advance. This is usually the best place to begin implementing a web measurement strategy: clearly [identifying your site’s business objectives \[Hack #38\]](#). Some examples of clear reasons for investment include:

- “We’re a retailer and our margins are very low. We want to increase the number and value of online purchases while making sure that our marketing dollars are not wasted.”
- “Our customer support costs are very high. We want to optimize our support site so that more customers are likely to find answers to basic questions, decreasing the number of phone calls we get.”
- “We have an online banking application that customers have complained about. We want to identify and fix any usability issues so more people will use this application.”

- “We’re a new company trying to enter a very competitive market. We need to know how best to communicate our value proposition and differentiate ourselves from bigger competitors.”

When you’re clear about your overall goals, it becomes much easier to explain [your needs to vendors \[Hack #3\]](#), make [implementation decisions \(Chapter 2\)](#), [develop a reporting strategy for your KPIs \[Hack #91\]](#), and explain to your senior executives exactly what you’re trying to do.

## Make Sure You Have Executive Buy-In

Web measurement works only if you’re able to make changes to your web site. Occasionally you’re going to realize that you need to make changes to your entire online strategy—something that is easier to do if you have executive buy-in. If you’re the owner of your site, great, give yourself permission. However, if you’re like most of us and you report to somebody who reports to somebody who reports to somebody, you may want to prepare yourself for an uphill battle at times. One of the best ways to avoid these internal squabbles—fights that often result in no action at all—is to ensure that management understands not only what is required but also what can be gained.

To get management involved, consider having them read the following hacks in addition to Chapter 7:

- [Best Practices for Web Measurement \[Hack #2\]](#)
- [Understand Marketing Terminology \[Hack #37\]](#)
- [Define Conversion Events \[Hack #39\]](#)
- [Identify Your Business Objectives \[Hack #38\]](#)

## Build the Right Team

One of the most important things to take away from this book is that regardless of how good the application, there is no substitute for smart people. Companies traditionally over-invest in software and under-invest in expertise to translate insight into action; web measurement is no exception. Research suggests that you’re far more likely to make good decisions based on web data if you have at least [one dedicated person \[Hack #4\]](#) maintaining the application and analyzing the data. The ideal situation is two people—one focused on the implementation and vendor relationship, the other charged with making sense of the data and ensuring that the rest of the organization “gets it”—both of whom report to a relatively senior person.

Regardless of how many people you can assign to web measurement projects, understand that zero dedicated resources will return zero valuable insights. That said, if you're willing and able to assign resources, the continuous improvement process will help you translate effort into action.

## Measure and Improve: The Continuous Improvement Process

Once you've identified your objectives, received executive buy-in, and built the right team, the real work can begin. The most reliable way to integrate web measurement into your overall business is via the continuous improvement process. Figure 1-3 illustrates an ongoing cycle of “measure, report, analyze, optimize” that takes advantage of your data collection and reporting applications; your smart people; and your desire to improve your site, customer experience, and (hopefully) top and bottom lines.

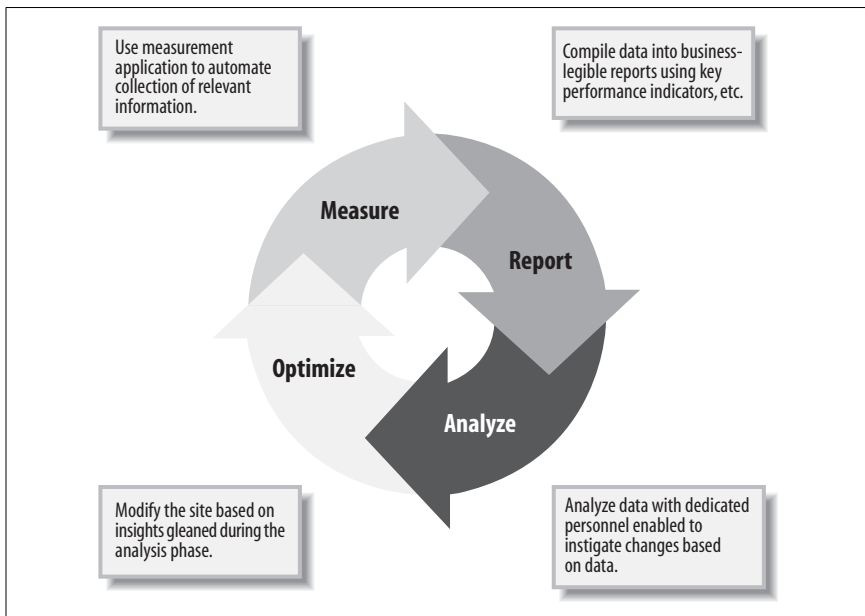


Figure 1-3. The continuous improvement process

This framework is deceptively simple. The majority of companies have a tendency still to use web measurement as an *ad hoc* process: to identify a problem through some other channel (email, phone calls, or the CEO's brother) and then look for an explanation in the metrics. This reactive use is appropriate in some situations, but should never be your only interaction with the data. The most successful companies have adopted the continuous improvement process, a proactive approach to identifying problems *before* the phone rings.

At the end of the day, following each of these best practices will help you align your organization around data, a surprisingly difficult goal. Jim Novo, measurement guru and former vice president of programming and marketing at the Home Shopping Network, has commented on many occasions that the companies who really get web measurement are companies that already “get” the use of customer data to make business decisions. Direct marketers, automobile manufacturers, book publishers, and their ilk are accustomed to mining data so they can make informed decisions. Other types of organizations are more likely to shoot from the hip and make gut-level decisions. According to Novo, the former already get it, and if you’re in this group you’ll most likely embrace the ideas in this book. If you’re in the latter group, well, keep reading.