DIGITAL ANALYTICS

THE CULTURE OF INSIGHTS AND ACTIONS

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INTRODUCTION

“Return on investment” (ROI) is an overused phrase, rendered nearly meaningless through its misuse and most marketers’ inability to truly measure anything in a useful way.

Frustratingly, the solution to this is at hand, but inertia, impatience and outdated organizational views prevent most firms from reinvigorating the usefulness of an ROI perspective. Often, companies have the tools in place, but lack training and appropriate access. I equate this to a well-equipped construction site, but you give the Mason’s trowel to the electrician, the carpenters hammer to the glass installer and leave the painters with nothing at all. The right tools are either not in the right hands, or not present.

I have seen this many times. Companies invest six-figures in analytics applications, but don’t know how to use them, severely restrict access, and leave those most capable of acting on the information to wallow in ignorance. This state is a result of neglect, readily corrected with focus, patience, and persistence.

COURSE CORRECTION

We’ll go through steps to help you and your organization refocus, overcome hurdles and ultimately make analytics a commonly used tool to affect ROI at all levels. This is not just about how to use analytics tools like Google Analytics, Omniture / Adobe (Adobe), Web Trends or other technology. A good portion of our focus will be on the way we incorporate the language of analytics… not nearly as onerous as some “gurus” would have you to think.

In the pages to follow, we’ll address a range of topics, starting from the simple notion of just gathering the questions you need to answer. From here, and related, we are spending a fair amount of our content on Alignment; Roles, Information Types and Actionable Information. Before you touch data, set up analytics or generate reports, these aspects must be well understood within your organization. Without these, your journey in analytics will be rudderless.

Once the organizational foundation is understood, and hopefully set, you can start diving into Analytics. There are a host of tools with varying degrees of sophistication. My short recommendation seems a contradiction: Control the inputs, Provide universal access. Virtually all tools can facilitated this dichotomy, but the methods of doing so vary, some requiring much greater administrative support and technical knowledge. As we walk through this portion of the discussion, we'll use Google Analytics (GA) as the representative tool. However, we'll also note how others can facilitate the same needs.

While we will delve into some detail along the way in order to provide concrete applications during our conversation, this is not intended to be an analytics manual. We will however provide reference and resources. If you are hands on, or just curious, these will be great sources for you.

A couple things before we move on. First, don't wait for perfection. You may not be able to implement the changes across the entire organization, but you should endeavor to change within your area of influence, providing a model for the rest of the organization. Second, analytics are for everyone whose actions affect the consumers' experience. We'll get into detail further on, but all people who impact the experiences of the consumers should see some metrics or KPI related to their activity. Absent this, it is too easy to have people doing work without any insight into its value.

CHAPTER 1

ALIGNMENT

START FROM THE SAME PLACE, GO IN THE SAME DIRECTION

There are so many possible objectives, ways to measure progress, and views on what progress really means that it is virtually impossible for all levels of an organization to simply "know" what is expected. Expectations need to be clearly communicated, and the measure against them clearly visible throughout the organization. To establish a clear view of these, there must be alignment.

Achieving alignment requires an understanding of the Roles we all play within an organization. These Roles determine our relationship with others in the company, how we impact them, and how they impact us. To meet our goals, we need to understand who the Actor is, The Influencers and the Stakeholders are. As you will see, the interaction between these Roles is pivotal to organizational success.

ACTOR

This is you. In fact, relative to our specific areas of responsibility, this is everyone within the organization. Anyone who is not an Actor serves no purpose.

Actor: *The person who has the authority, ability and resources to take action to affect change or maintain direction.*

The role of Actor is filled by different people at different levels throughout the organization. As we view analytics, understanding the scope of the Actor is vital to knowing the frequency and type of information the Actor needs in order to make decisions and direct their own effort.

At the senior levels of an organization, where structure and resource allocation decisions must be made and executed, the type of information is high-level, delivered monthly, quarterly or annually. They set KPIs around revenue to cost ratios, revenue growth targets and higher level metrics that point to the overall health and progress of the organization. This information is used to decide product mix, organizational structure, or high-level funding. These are the strategic decisions for the company, and the corresponding KPIs are gathered over wider spans of time. Additionally, the action of the high-level Actor takes longer to manifest itself in the data; their impact is longer term.

Contrast the senior level position with the pay per click (PPC) manager. At the PPC level, very minute data points, delivered at least daily are necessary to perform the job properly. These are very tactical KPIs that can radically change day to day. The PPC manager will see the impact of their actions within 24 hours. It is vital that this person have a steady stream of focused information in order to perform their responsibilities.

In between these two levels, depending on your organization, you may have a Media Director, whose responsibility is to decide how much of the budget allocated by senior level management should be directed to PPC, display, email, and affiliate marketing and so forth. This mix will be based on the target KPIs for media and the mix necessary to achieve them. The information this person needs is the summary performance of each medium relative to target KPIs, usually on no more than a weekly basis, no less than monthly. This is about the frequency needed to make adjustments to the digital media mix.

As you consider the Actor at different levels, you will note that the nature and frequency of information that is needed changes. This seems obvious, but when we look at the nature of the information with which people are typically inundated, the “obvious” does not necessarily match with the reality. We will cover **Information Types** later, and consider ways to make it more focused.

Dysfunctional?

A common symptom of poor alignment is the involvement of higher-level managers in the day to day activity of lower level employees. This occurs most often for one of two reasons: 1) lack of trust in the lower level employee, or 2) lack of visibility into the appropriate KPIs. Often, #1 is the result of #2. If you see managers being pulled into activity one or two levels below their position, don't just tell them to "get out of the weeds." Instead, review the KPIs into which the two levels of employees have visibility, and how they are aligned. Unless these KPIs indicate performance problems, each level should focus on their own KPIs. We discuss stakeholders below, where we touch on cascading KPIs. This is a key attribute of good alignment.

INFLUENCER

By the very nature of an organization, no one person achieves results in isolation. The Actor's success or failure is significantly impacted by the actions of others. And the organizational success is dependent on the proper alignment of the influencers' focus. Those whose actions impact our success are Influencers and in turn, we are Influencers to others.

Typically, Influencers are reciprocal, but are not directly accountable to each other. To understand who within in an organization is an Influencer, you have to understand the KPIs upon which others are measured. When the Actor has visibility into this, it becomes apparent who they need to consider as they seek to achieve their goals.

As an example, for online retailers, the Product Buyers (PB) who decide what products will be sold, establish suppliers, and buy inventory are typically judged on how well the products sell and the margin produced (just to keep it simple). PPC Managers are judged, to a large extent, on the efficiency of the sales generated from search marketing.

If the Product Buyers do their job well and anticipate the market shifts, it makes the job of the PPC Manager much easier. The opposite is also true. If the PB poorly anticipates styles for the next season, the PPC Manager will have a difficult time being efficient… the demand simply isn't there.

Conversely, the PPC Manager who does a poor job with keyword targets, poor campaign structure or bad ad copy, will cause the products to not move quickly; pricing incentives are typical tactics for poorly moving products. This affects the metrics by which the PB is judged – inventory turnover and margin.

User Experience directors, creative and media are all Influencers to each other. While none is directly accountable to another, their success is intertwined. By establishing very transparent analytics, each person has visibility into the others' performance, allowing for greater collaboration. Absent this visibility, the Actors may be at odds with each other.

CONSIDER:	
Objective:	Increase Revenue.
Media Strategy:	Increase conversion Rates.
Tactics:	Focus media on proven high-converting keywords and products.
UX Strategy:	Increase the average order value.
Tactics:	Implement cross sell / upsell decision engines across all shopping carts.

In this case, media is driving focused traffic, with a high propensity to convert on specific products. This tactic can quickly be undermined with the introduction of the UX tactics. Or the UX tactic can be undermined by the Media tactic. In either case, they are both Influencers of the other.

The obvious answer is to make sure these groups communicate with each other. But, too often they don't. Each is surprised by other's actions. By knowing the Influencers and the respective KPIs (AOV and conversion rate in this case), you can better manage the cross functional impact of influencers.

Later we will address **Types of KPIs.** In the above example, we share **Result KPIs** as well as **Managing KPIs.** Each is important and will be elaborated upon shortly.

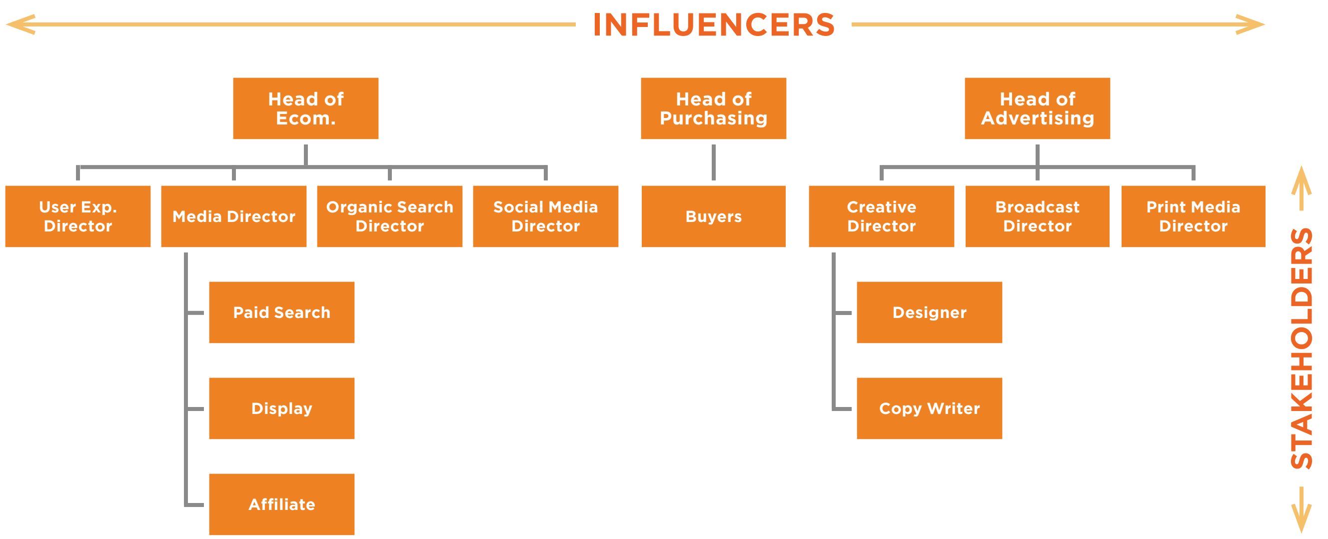
STAKEHOLDER

This person's success is directly dependent on the Actor's (your) success, and has authority over the Actor. In a typical organization, this is the boss. The proper connection between a Stakeholder and the Actor is the Cascading KPI. Whatever the Stakeholder is required to deliver, the Actor is directly responsible for a subset of that KPI. In this way, the KPIs of the organization "cascade" downward.

> An **Area Sales Manager** is responsible for $1MM in sales over the year, the individual sales reps are each responsible of a portion of that; perhaps $250K each for the four sales reps. If any one sales reps falls short (and others don't make it up), the manager fails.

The relationship requires that each Actor understands what the Stakeholder's responsibility is, and what their portion of that is. If you want to know if an organization is aligned in this respect, simply ask "how is your boss's performance measured?" If the Actor does not know, they are likely out of alignment. If they do know, then the follow up is "what of that do you deliver?"

Understanding the different Roles we all play (as we can play all of these at different times, related to different people) is critical to knowing what information is necessary for us to do our jobs properly. Organizations are a series of relationships that must be well managed as we seek to achieve the common goal. While a Goal may be shared, absent good coordination between the different ways to achieve it, Actors may negate each other's impact.



CHAPTER 2

INFORMATION TYPES

STAY FOCUSED, AVOID SHINY OBJECTS

As many ways as you can think of it, information is available. From push technology that finds us wherever we are and pops up notices on our phones, to e-readers that aggregate RSS feeds to social networks that stream the exciting, mundane and inane with equal vigor, we are inundated with information far beyond our ability to assimilate and comprehend. Access to information is not the concern. Access to the right information is.

In business, separating the valuable and important information from the rest is the key to taking the right actions. In order to filter properly, we need to establish categories of information, determine how we treat each category and our following actions, if any.

For this purpose, we divide information to three primary categories:

1. Interesting
2. Actionable
3. Alerts

INTERESTING

As you might surmise, interesting information is that which is pertinent to us, either by some connection to our job, or simply by virtue of our personal interest. This is obvious on its face. What is not so obvious is just how much information we receive “related” to or job that is simply interesting. It has no bearing on what actions we will take, or affect our performance within our plan time lines.

Interesting information is not without value. It is good to be aware of our business landscape, and may inform some future decision. But, for the performance of our jobs and the effect on our KPIs, it is not pertinent.

If your job is to plan product merchandising for a US website, Global Internet usage figures are not terribly relevant. Knowing that Latin America has about 10% of Global internet users is not going to impact how you develop your merchandising programs for the US market. This is interesting, and as your scope expands in your career, this information may impact your decision for Global resource allocations. But, for now, it does not affect your job.

As we go up the ranks of an organization, the shift from Interesting to Actionable begins to include broader strokes of information. For instance, a PPC Manager is very dependent on the traffic generated by their efforts. But total website traffic is not a great concern; they should be aware of it if only to be aware of their company. To an e-commerce manager or an IT manager however, total website traffic becomes very important, and will affect how they allocate resources and where they focus their time. The same information is simply interesting to one level, while being Actionable to another.

ACTIONABLE

We hear about the desire for Actionable information a lot. Perhaps so much that it has lost its meaning. But, it is nonetheless important to apply the term, returning to it its original importance.

For our purposes, Actionable Information is that which informs and is affected by our actions. It is related to specific KPIs that are tied to our performance. Based on our scope and our timelines, the impact of our actions will be visible in the information we are using. The frequency of the reporting will be contingent upon the time it takes our actions to impact the results.

For conversion rate optimization (CRO) specialists, implementing new layouts can impact the results as soon as they go live. Based on site traffic, the results may be readable within a day (view Alerts below for more on this). PPC Managers need to see results daily to ensure their programs are running according to their plans. As we rise through the ranks, the impact of our decisions and actions take place over longer spans of time. As such the reporting should also change – weekly, monthly, or quarterly, etc.

From an Analytics perspective, the greatest focus should be providing people with actionable information on a timely basis. This has proven to be, perhaps, the most challenging aspect of Analytics.

Actionable information:

- Tied to KPIs
  - Indication of success or failure
  - Your actions materially impact the numbers
- Timely delivery
  - Received with enough information to be actionable
  - Frequently enough to take action

ALERTS

Alerts inform us of something outside the expected. This can be positive or negative. But, it has immediate implications.

As in the example above of a CRO specialist, when a new layout is implemented, the specialist should implement Alert triggers related to conversion rates / volume that indicates either something is wrong with the implementation or that the results are well below expectations. If the anticipation is that conversions should be 5%, but in the first few hours, it drops to 1%, the CRO specialist needs to be notified in order to determine if action is required.

Alerts need to go to two groups of people:

1) those who can address / fix the issue and
2) those whose jobs / KPIs are affected by the problem.

A common issue is website responsiveness. When page load times increase significantly, the IT staff needs to address the problem, but the marketers who are driving traffic also need to decide if the programs should be paused. Each should be Alerted, and a protocol for communicating the nature and severity of the issue must to be implemented.

Alerts, usually, are a way of containing the negative impact of the unexpected. They can be thought of as "hyper-actionable" information.

So what?

To focus our efforts, we have to minimize the distractions that stem from so much information coming our way. This is true individually and also organizationally.

Individually, identify the KPIs that are impacted by your actions, and the targets you have. Develop the reporting, both content and timing that will allow you to measure your efforts, indicated actions and keep you on track.

For all information not related to the KPIs, filter this into email folders or hard files to be reviewed at specified times during the week. This information is the Interesting information that should not be treated with the same priority of the Actionable information. Schedule time to review and explore Interesting information.

For the organization, minimize broadcast reports. Go through a process of reviewing the reports and email distribution lists for them. Remove those for whom it is not relevant. Limit the frequency of the reports; Email blasts telling everyone in the organization what the website traffic was the prior day is a distraction for the vast majority of recipients. Limit or eliminate this type of reporting.

KPIS

KPIs have been reference a lot. To leverage KPIs, it is important to understand two types of KPIs.

The first is the **Results KPI**. This is the number that you are trying to achieve, the one that lets you know if you have succeeded or failed. It is usually tied to revenue, customer acquisition or profitability levels or some such higher-level metric. While the term Result is an "end" state, the Results KPI are what we look at for progress to the Goal. If the target Result is to grow from $20MM to $24MM in annual sales, our Results KPI might be a target of $2MM in sales each month.

To plan and track our path to the Results KPI, we need to also have the second type, the **Managing KPIs**. These are the tactical numbers that let us know if our actions are taking us in the right direction.

> For instance, we may carve out 10% of the sales growth to come from cross sell / upsell activity. To do this, we'll target increased average order values and upsell conversions as two **Managing KPIs**. On a day to day, week to week basis, we will look at these **Managing KPIs**, make changes and see if those changes are moving the metrics in the right direction.

Result KPIs cascade from the top down. As we manage the people below us in the organization, our focus should be on the **Result KPIs**. When these begin to trend short, we have our indicator that we need to work with our direct reports and help them in their actions relative to their **Managing KPIs**. Allowing direct reports to handle the **Managing KPIs** without looking over their shoulders can be tough, especially for a manager who rose through the same position. But, it is important to allow those responsible for the performance to have control. It requires trust.

CHAPTER 3

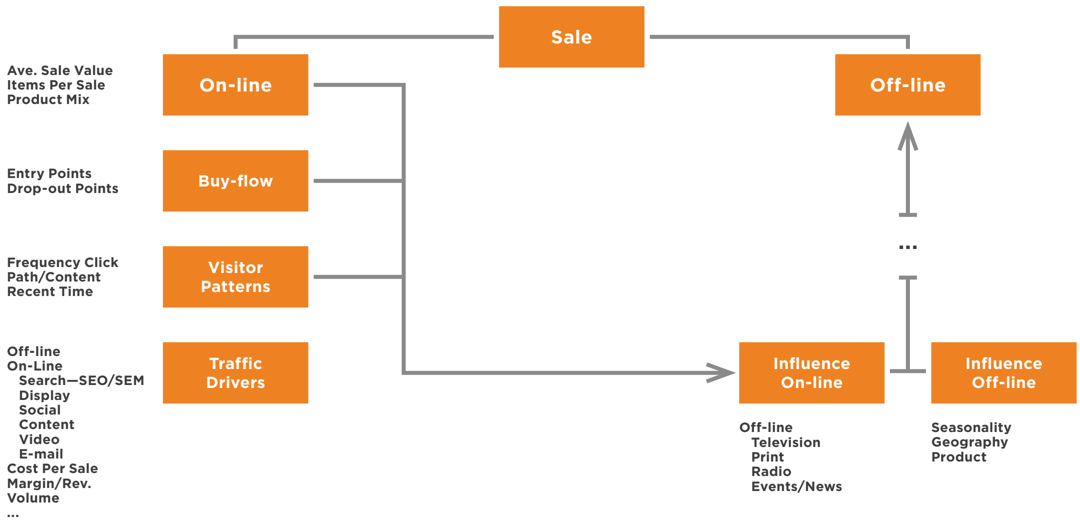
DIGITAL LANDSCAPE

BEGIN WITH THE END IN MIND

We are in business. Our goal is to sell something – product, service, idea. In the process of selling, companies employ people to look after the various aspects of digital marketing. One of the challenges in digital marketing is the very different jobs that have to interact in order to make it happen. For an individual to help the cause of selling, they must have a clear perspective on their position in the digital landscape and the applicable Managing KPIs they can affect.

One possible view of the landscape is below. At each step in the buyers' experience, Actors have an impact. Understanding that the end game is a sale, each person can see the next step in the flow, and how they can impact it.

LANDSCAPE



One of the common refrains from people on the 'front-line' is that they can't control or have visibility into the disposition of the users.

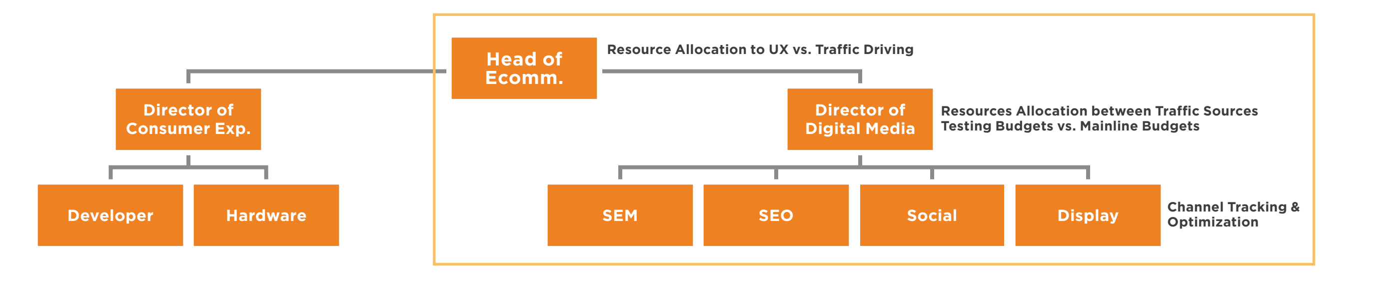
Copywriters are often not aware of the impact of their efforts. Assessments are limited to peers or managers telling them "I like what you wrote." And, people generally accept this as the assessment. But, with a more structured approach to copywriting and a well implemented analytics platform, copywriters can obtain great visibility into the impact of their efforts.

By testing multiple styles, terms or phrases, copywriters can see what prompts users to take that next step in the sales process. If we find that people who spend more time engaged with content convert better over time, applying time spent KPIs or exit rates versus given target performance benchmarks will let copywriters know if their content works.

The key point is that every person's (Actor's) contribution to the sale can be measured in some way. Whether it is how they help move a person along the conversion path, or determine the cross-sell, upsell opportunities, every action should have an intended result and a way to measure it.

RECEIVING AND ACTING ON INFORMATION

As mentioned, the level of information, detail and timing of reports should be catered to the level of decisions. The below illustrates some possible decisions that may be made at different levels of the organization.



As we will see later, a well-established analytics system can deliver information and reports to different levels as needed for their respective decisions. How this is set up for the individuals will depend on their place in the organization and the digital landscape.

Once you are aligned, you will have visibility into who is responsible for each part of the plan to achieve the goals for the company. This is perhaps the most challenging part of "analytics", as it requires up front planning.

CHAPTER 4

REPORTING

THE INFORMATION YOU NEED, WHEN YOU NEED IT

Simply put, what are the questions you need to answer? Using this as a starting point, you can identify the information you need. With this, you have the ability to identify the Key Performance Indicators. Reporting and the included information should be focused on answering questions.

We will discuss a range of possible questions and ways that Analytics can help answer them to provide seeds for consideration. While we will cover reports and dashboards through Google Analytics, the focus should be the concepts demonstrated. Once you know what you need in order to answer your questions, creating the reports or dashboards can be straight forward in Google Analytics or other platforms.

Following are some common areas where we find questions and the corresponding settings for analytics.

GEOGRAPHIC VIEW

Local lift

As we focus efforts geographically, we often drive people to our website. The more television, radio, direct mail and so forth we use, the more we expect to see the impact online. Perhaps searches for locations, leads or user content contributions / uploads. This provides an indication of our impact at the local level.

Setting target KPIs for store locator look ups, or inquiries by market allows marketers to measure the impact of the off-line media on specific actions. The key is to determine what the desired result is; foot traffic, coupon downloads, local leads, etc. Set the target changes, and the analytics reporting can easily show progress for the appropriate KPI.

Regional differences

On a broader stroke, we can see behavior differences by region, and deliver experiences accordingly.

http://www.google.com/analytics/customers/pdfs/swissotel.pdf

Swissotel was able to identify nuances in user behavior in the UK, Australia and the US by isolating traffic from regions and countries. In Google Analytics, they used segmentation to separate the traffic and review the behavior.

By identifying the different purchasing behaviors, Swissotel developed landing pages with messaging geared toward the specific countries. In the UK the average order value was twice that of Australia and the US. What Swissotel also found was that the UK users spent much more time reviewing the room information / photos and the amenities. By making this content part of the landing pages, they were able to increase the conversion rates of their highest value users.

Absent segmenting by Geography, all users would continue to be treated the same way. Segmenting, in any number of ways, helps isolate groups of traffic for deeper analysis allowing us to treat segments differently and optimizing the experience.

TIME TO PURCHASE & PATH TO PURCHASE

How many days between the average buyer's first visit and the time the buyer actually purchased? How about how many visits it takes? Knowing these data points can help identify ways to improve conversions.

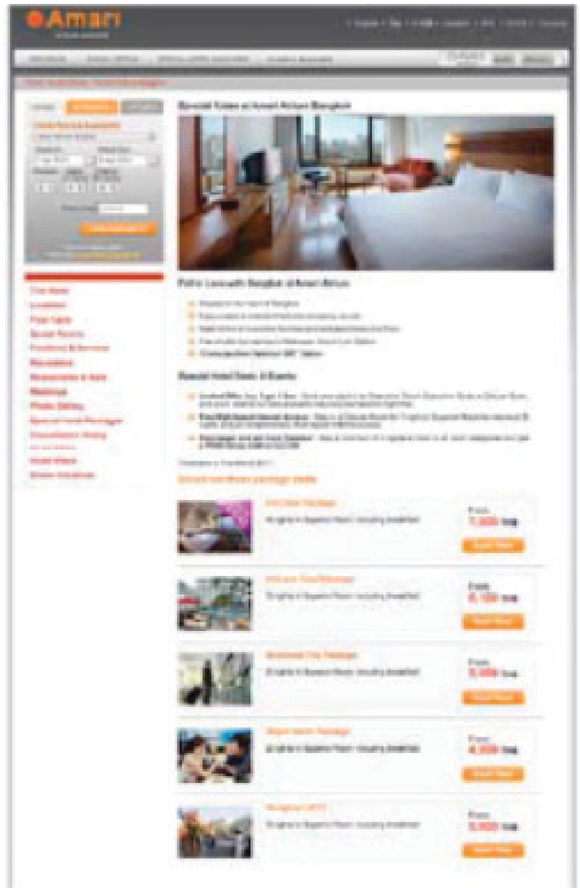
http://static.googleusercontent.com/external_content/untrusted_dlcp/www.google.com/en/us/analytics/customers/pdfs/amari.pdf

The Amari hotel in Doha saw visitors making purchases on the same day as the first visit. But, after taking a closer look, they also found that there were multiple visits involved before the purchase was made.

Knowing this, Amari made two important changes. 1) They implemented retargeting and 2) they changed the landing page to provide better "decision" information for users. With this, they saw an 11% increase in conversions.

Time and path to purchase provide insight into possible issues and opportunities with users to increase conversions.

Amari Atrium before



Amari Atrium after

Source Google Analytics Success Stories: http://www.google.com/analytics/customers/index.html

There are a lot of dimensions, or bits of information that are standard parts of Google Analytics.

TRAFFIC SOURCES	CONTENT	CONVERSIONS	REAL-TIME
Overview	Overview	Goals	Overview
Sources	Behavior Flow	Overview	Locations
All Traffic	Site Content	Goal URLs	Traffic Sources
Direct	All Pages	Reverse Goal Path	Content
Referrals	Content Drilldown	Funnel Visualization	Events
Search	Landing Pages	Goal Flow	Conversions
Campaigns	Exit Pages	Ecommerce	Overview
Search Engine Optimization	Site Speed	Overview	Locations
Queries	Overview	Product Performance	Traffic Sources
Landing Pages	Page Timings	Sales Performance	Content
Geographical Summary	User Timings	Transactions	Events
Social	Speed Suggestions	Time to Purchase	Conversions
Overview	Site Search	Multi-Channel Funnels	
Network Referrals	Overview	Overview	

Data Hub Activity	Usage	Assisted Conversions	
Landing Pages	Search Terms	Top Conversion Paths	
Trackbacks	Pages	Time Lag	
Conversions	Events	Path Length	
Plugins	Overview	Attribution	
Visitors Flow	Top Events	Model Comparison Tool	
Cost AnalysisBETA	Pages		
Advertising	Events Flow		
AdWords	AdSense		
Campaigns	Overview		
Bid Adjustments	AdSense Pages		
Keywords	AdSense Referrers		
Matched Search Queries	AdSense Exits		
Day Parts	Experiments		
Destination URLs	In-Page Analytics		
Placements			
Keyword Positions			

In addition to the standard dimensions, we can set up custom dimensions for a website. This allows for a great deal of flexibility in the level and content of tracking. Custom dimensions replace custom variables (still available in the old version) in the new version, Google's Universal Analytics.

CUSTOM VARIABLES / DIMENSIONS

There are some aspects of user behavior or content that may be unique to your website. The ability to set Custom Dimensions allows us to track the users interactions related to this unique content.

Key to setting up custom dimensions is the ability to act on the data. Consider how you might treat the segment identified in the Custom Variables / Dimension differently than the rest, or how understanding their different behavior can help inform your decisions, set targets, etc.

One of the most often used custom dimensions is to identify those users who are purchasers, or members. One of the ways to increase sales or conversion is to pattern the behavior of current customers and adjust the content that is presented.

Within Google Analytics, you can set the scope of the variable. The scope is defined as the amount of time that a user remains identified as fitting into the custom dimension. These can be set at the user level, meaning that they are identified as part of that group each time the user visits the site. There is also a session scope that only holds during the time the visitor is on the site, and will be erased once the user leaves the site, or the session times out.

You can track particular types / categories of content consumption and see if there is a connection to purchase or conversions. As users view certain content on the web site, or come to the site through tagged links, the customer dimension or variable can be set to identify them as such. Then during that visit, or subsequent visits depending on the scope, we can see the propensity to purchase.

How engaged are your members or purchasers? By setting custom dimensions, you can see what content they view on your site during visits even if they are not logged in. This will provide the ability to enhance their user experience and aid in increasing the life time value.

Do high value or frequent purchasers behave differently? Are there other patterns to their behavior that we can leverage? By applying the custom variables or dimensions we can identify opportunities. But, these can be applied in other ways. Based on the nature of the business and the data available, users can be identified in any number of ways. Content consumption, traffic sources, purchase types, whatever variable you can track or add from database sources during the user visit can be used to understand, track and optimize the user experience.

TRACKING EVENTS

On each website users take actions that can be tracked; things like sliders, image rotators, same-page form submits, item selections (or de-selections) can be tracked to provide us with information on how users are interacting with the websites

The fact is website real estate is valuable. We create features that we believe will be useful, but unless we track the interactions with the features, we do not know.

Product sliders are a common feature on many e-commerce web site. But, how many items do users 'slide' through as they shop. Is 5, 10,15 or more the right amount? You can tell by tracking the number of item views, or number of times the users click on the sliders. Knowing how users interact with the elements on the site informs us on how to make the elements more useful.

You have social media links on your site. How often do users click on these. Absent some type of event tracking, you won't know. Same for document downloads / pdfs, or click on email links. All these elements that are placed on a site should be tracked to understand their value or utility to the users.

CONVERSION FUNNELS

Every analytics package worth a darn allows us to set up a conversion funnel. This is the series of steps a user takes in order to convert. The number and nature of steps is up to the marketer, but there are a few ways these funnels can be set up, and they are NOT mutually exclusive; you can have concurrent funnels.

The conversion funnel provides steps that users can reach and allows us to see how many people progressed from one step to another. You can see exit or drop off points, and if set up properly the entry points along the funnel.

The shopping cart.

Each 'proceed' button / page should be marketed as a step in the conversion funnel. With this visibility, we can see what parts of our cart are causing drop offs. This can also be applied to form fields within the pages, depending on the tracking package and setup.

Product navigation

Moving from the search to the category page to the detail page are key milestones in a funnel. Properly set up, along with event tracking (mentioned earlier), we can understand what parts of the shopping experience are valuable and which cause the shoppers to drop off.

The key to a funnel is establishing an expected user path and measuring the progress along it. You can segment the path, as suggested above with a shopping cart funnel and a product navigation funnel, or you can create an over arching funnel that overlaps the two.

But, there are other conversions as well, such as member registrations, downloads or inquiry submits. By identifying the key user actions, you can create funnels that allow you or measure and optimize progress to the goals.

CHAPTER 5

GETTING GOING

We've covered a lot, and admittedly this is not nearly exhaustive. But you've gained enough to have an impact. Now it is time to turn the information you've acquired into action.

Begin with the end in mind.

Take some time to articulate what the desired state is for you and your organization. As Seneca said, "No wind is favorable if you do not know to which port you sail." So, consider how you want your day to look if you have a good reporting and analytics framework. Start with simple statements.

> "When I come in each morning, I see the prior day's performance and week-to-date performance for the 5 KPIs on which I can take action."

> "My colleagues and I share the same definitions and views of company KPIs."

> "I have visibility into my colleagues KPIs if I want it."

Your business is unique, so consider the Actionable information you need and how best to receive it. Consider your interactions with colleagues, clients and suppliers. What will help you communicate better, make better decisions and take timely actions?

Now, "sketch out" the reports you will need to achieve your vision. Your first pass is simply content. Determine KPIs should you see to take action (or not) for the day, week or month. Then consider how you best consume information to determine the format. We all absorb information differently. Some are better with graphs while others are looking for tables of information. Work with others in the organization to determine the common framework for the reports. Timing, content and display are key to effectively absorbing your KPIs so don't rush past this part of the process.

COVERING THE GAP

Unless you are very fortunate, the vision you just outline and your current state of affairs are probably far apart. That's okay, it's why you've read this book. Bridging the gap between current and desired state will take time and effort, but it is worth doing.

Unfortunately there is not a one size fits all solution to implementing the vision. However, based on experience, there are some steps you can take to make the process less frustrating and perhaps more valuable.

1) **Focus first on your sphere of control.** Create processes and reports that mimic what you ultimately want. While the company is going through the broader project, you have a chance to "live with" the reports prior to the final version being rendered. Take this time to make in-stride adjustments.

2) **Work the broader plan in stages.** Even unformatted, data can be useful. As the process of putting together the final vision proceeds, data will be gathered. Used spreadsheets or tabular reports to view the data and see if it is providing the foundation for your reports that you envisioned.

3) **Keep regular tabs on your co workers who are involved in the process.** Depending on the tools you're using or the amount of data that needs to be gathered and processed, you may see weeks or months before there is tangible output for everyone. During this period, people's enthusiasm slides. Keep them engaged through the process to mitigate this tendency.

I have been involved in million dollar data, analytics and reporting projects that span more than a year as well as those that were relatively simple changes to current data sets and reports. If you find yourself in a very long project, create short, mid and long term plans for the organization. This is key to keeping momentum going.

The short and mid term plans are designed to provide truly actionable reports (or data) that people use in their daily activity as the project moves forward to the final vision. The key is that the short and mid term outputs should be in stride with the long term plan, not a divergence from it. It may be as simple as data being sent out in spreadsheets, and people use their own pivot tables to summarize, or sort and filter. This is intended to enact 25% or 50% of the project's usefulness as you move toward 100%. Doing this keeps people engaged and shows value to senior management, who don't want to wait all the way to the end to see some return on the investments.

FINAL THOUGHTS

You're experiencing issues with your analytics and reporting, that's why you've read this book. Keep in mind that there are degrees of solutions out there. Using a web analytics package, a CRM or a marketing automation tool provides you with some pretty quick access to the information and insights. So don't wait for the organization to finally "get it" and implement the project. Take control of your sphere of influence, develop some of these reports for yourself and become a microcosm of the solution you want the company to adopt. You'll make your life easier and may motivate the rest of the company to follow suit.