

The Use of Web Analytics Software



Research on the use of web analytics software.

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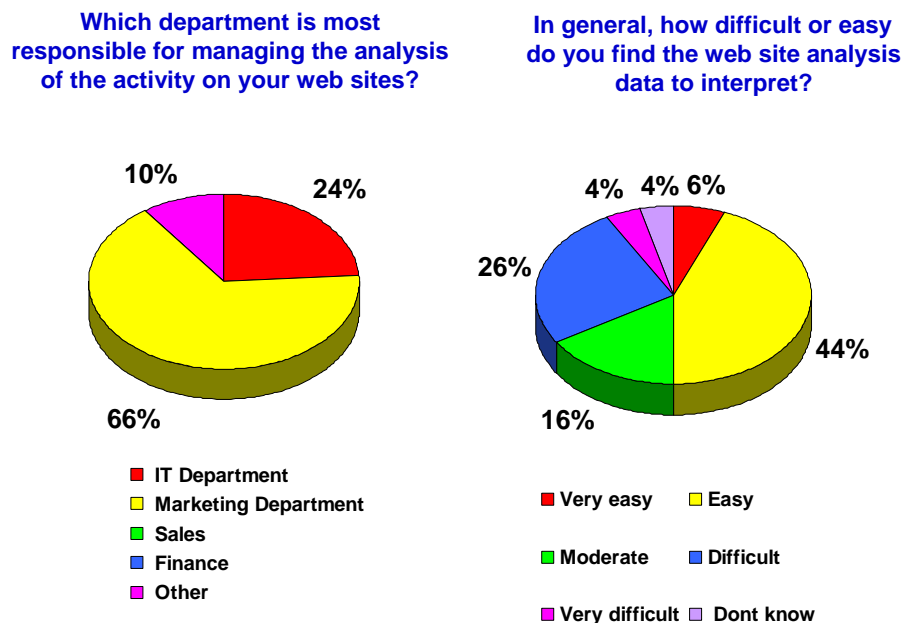
Research summary on the use of web analytics software

Web analytics is the process of analysing the behaviour of visitors to a website. The aim is to help organisations maximise the value of their internet marketing and improve the design of their website. By understanding visitor behaviour, organisations can tailor their marketing initiatives to attract, retain and grow the value of customers.

To see how companies are progressing in using this relatively new marketing tool PMP research has surveyed a cross section of leading organisations for their opinions on the use of web analytics software.

For the majority of organisations (80%) the analysis and activity monitoring of their web sites is undertaken by in-house staff with only 6% selecting an external company and 14% using a mixture of internal and external resources. A little fewer than half the companies (48%) feel they have sufficient resources dedicated to analysing their websites but a significant number (38%) think that more resources are needed.

Figure 1



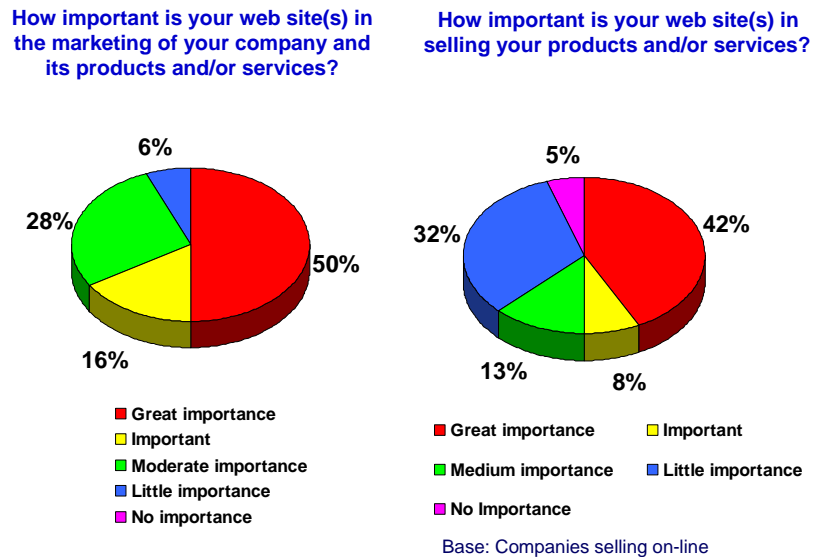
Not surprisingly the marketing department provides the driving force for managing the website analysis in 66% of the companies (see Figure 1), although 24% of organisations see the responsibility lying with the IT department. In reality, there should be a high level of dialog between the marketing and IT departments in defining what information should be collected and the best way to analyse and present it.

This is highlighted by the mixed views on how easy or difficult it is to interpret the website analysis (see Figure1). Half the respondents think it is 'very easy' (6%) or easy (44%). However, a significant number see it as only 'moderately easy' (16%) or 'difficult' (26%).

Of the companies interviewed, 60%, have regular website analysis reports provided to their management compared to 36% who do not. Only 4% of companies paid any form of compensation to their staff as a way of demonstrating the importance of using web metrics in the organisation.

Generally, companies see their websites as an important tool in the marketing of their products and services. Half say it is of 'great importance', 16% as 'important' and a further 28% as 'moderately important' (see Figure 2). Only 6% see it as of 'little importance'. When it comes to how important their websites are in actually selling their products or services then there is much more of a mixed view. For those companies selling online 42% see it as of 'great importance', 8% as 'important' and a further 13% as 'moderately important' (see Figure 2). In contrast 32% feel it is of 'little importance' and 5% of 'no importance'. Obviously it will depend on the type of products and services your company offers as to how important it is as a sales channel.

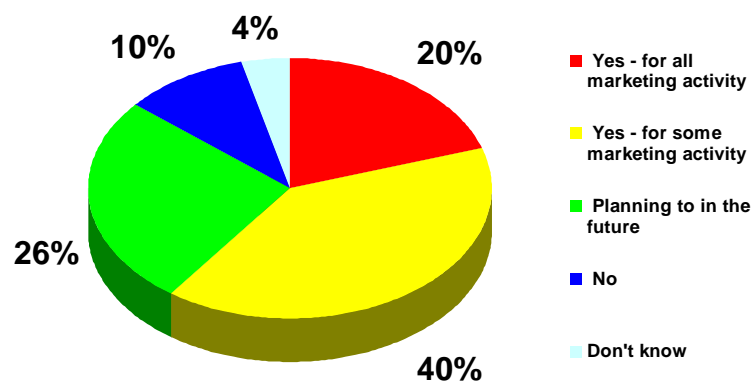
Figure 2



One of the key reasons for using web analytics is to monitor the success of your online marketing campaigns and/or product promotions. Only by understanding their true impact can you determine whether they are being successful or need to be modified and improved. Only 20% of organisations use web analytics to measure the effectiveness of all their marketing activity with a further 40% using it to measure some of their marketing initiatives (see Figure 3). A further 26% are planning to implement its use in the future but 10% have no immediate plans.

Figure 3

Do you regularly use activity reports on your web sites to monitor the success of your on-line marketing campaigns, on-going promotions, landing pages etc?



There are a number of visitor activities that can be measured by using web analysis tools. From the study the most popular is to measure the number of page views per visit (90%) followed by the average visit duration (76%) and the percentage of new visitors to the site (76%). The percentage of returning visitors is measured by 66% of companies but the number of visits per customer by only 50%. Customer conversion rates are only measured by 34% of companies.

Figure 4

Do you measure the percentage of sales transactions that are lost/not completed during the online process?



Do you use event based marketing on your web site using information you already know about existing customers or visitors?



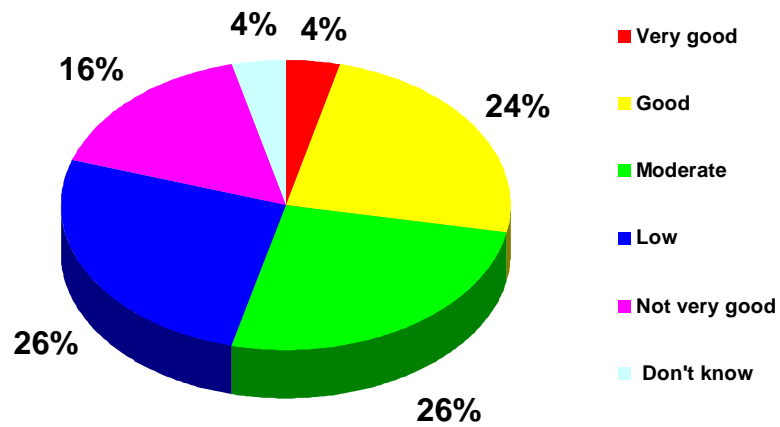
Base: Companies having on-line transactions

In addition, 32% of the companies who sell online fail to measure the percentage of sales transactions that are lost or not completed during the online process compared to 59% who measure the lost business (see Figure 4). In addition, nearly a quarter of companies (24%) use event-based marketing on their website whereby information that is known about an existing customer or visitor will trigger certain activities or sales offers (see Figure 4).

Driving traffic to your website is a key marketing task and one of the most powerful ways of doing this is to use search engines, such as Google and Yahoo, to promote your products. Companies can bid a maximum price they are willing to pay for a click on their advert as the result of a keyword search. This known as 'pay-per-click' and is used by half the companies in the survey to generate website visitors.

Given that most companies view their website as a key element in the marketing of their products and services then making their site more attractive and easy to use should be a crucial issue. However, only 46% of companies actively analyse customer behaviour in order to improve the visitor experience. This leaves a substantial number of companies (44%) who do not analyse the user experience on their sites.

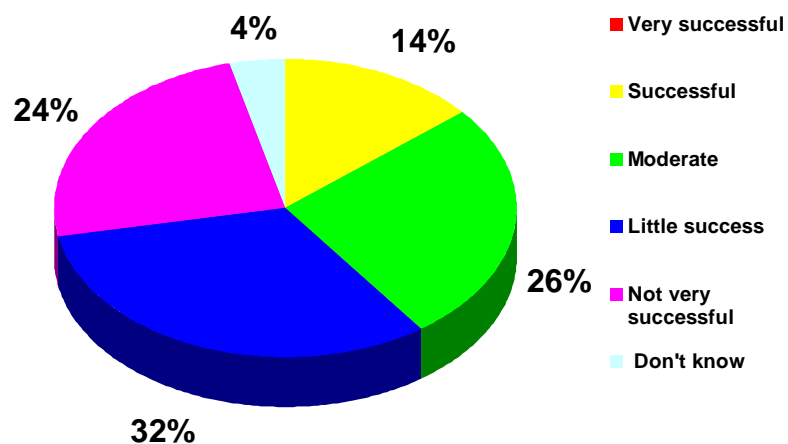
Figure 5
Overall how good do you think your knowledge is of your web sites visitors and their behaviour?



There is also substantial room for improvement in most organisations in having knowledge and understanding of their online visitors. Few companies (4%) think they have a 'very good' understanding of their website visitors and their behaviour with a further 24% saying it was 'good' and 26% having 'moderate' knowledge (see Figure 5). A significant number of companies say they have a 'low' (26%) or 'poor' (16%) level of knowledge.

Companies have a range of potential contact points with their customers and prospects and it is highly desirable that an organisation has a complete picture of all the ways in which a customer is interacting with them. This is a difficult challenge and no company sees they are 'very successful' in having this holistic view of customer activity across all its marketing channels, 14% think they are 'successful' and 26% 'moderately successful' (see Figure 6). However, the majority of companies think they are having 'little success' (32%) or are 'not very successful' (24%) in achieving this.

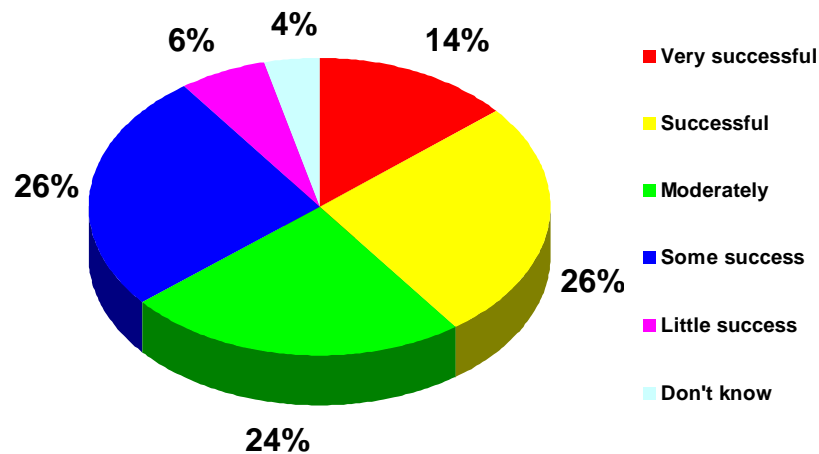
Figure 6
How successful is your organisation at having a holistic view of customer activity across all of its marketing channels (e.g. web site, telephone, advertising etc)?



Overall companies have mixed views on the success of their web analytics software in allowing them to analyse and improve their websites. Only 14% think it has been 'very successful', 26% 'successful' and a further 24%, 'moderately successful'. This leaves 26% who see they have only 'some success' and 6% 'little success'.

Figure 7

Overall how successful has your web analytics software been in allowing your organisation to analyse and improve its web sites?



The importance of the internet for marketing and sales is growing all the time and this makes it imperative that companies understand their customer's behaviour to maximise the effectiveness of this channel.

Web analytics software provides a powerful tool for doing this, but while many companies are advanced in its use others are still at an early stage and some way from maximising its full potential. Web analytics has come a long way in a short time but the tools and techniques are evolving rapidly, companies need to fully embrace the ethos of website analysis to maximise their sales and marketing efforts and stay ahead of the game.

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Just as sales force automation has streamlined sales operations; Unica's EMM solution is poised to revolutionize marketing. Today, more than 500 companies worldwide have adopted Unica's EMM solutions.

Unica has around 100 customers in Europe, including HBOS, Fortis, Bank of Ireland, O2, and Orange.

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