

Aligning Social Objectives with Business Goals



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- Social media is an integral part to the business and so it requires establishing the social media objectives with the business objectives
- The social media managers like the CEO or an executive team helps in setting a vision for the company through corporate goals for the organization

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Figure 3-17. Aligning Social Objectives with Business Goals

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Notes:

Aligning Social Objectives with Business Goals

Social media is an integral part to the business, thus it requires establishing the social media objectives with the business objectives. The social media managers like the CEO or an executive team helps in setting or establishing a vision for the company through corporate goals for the organization.

Social media is powerful to generate awareness about the brands, products or services offered by the business. It is a good medium to educate the consumers on the benefits of the product. Finding the amount of sales is one of the important business goals and how many sales came from social media referrals can be done with the help of an analytics tool such as Google Analytics.

Aligning Social Objectives with Business Goals



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- Measuring the success of a business can be achieved by measuring the KPIs (Key Performance Indicators).
- The KPIs of social media will help tracking the success against the business goals or objectives.
- For brand awareness, tracking online conversations about the brand or number of unique visits to the product website would help

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Figure 3-18. Aligning Social Objectives with Business Goals

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Notes:

Measuring the success of a business can be achieved only through measuring the KPIs (Key Performance Indicators). Writing down the KPIs of social media will help tracking the success against the business goals or objectives.

For brand awareness, tracking Online conversations about the brand or number of unique visits to the product website would help.

For deciding the social media objectives to increase the business revenue, it requires knowing what the company's major business objectives are. Setting up benchmarks like getting the average sales numbers, doing some research on the brand awareness, or understanding the consumer opinions about the brand will align to the business goals.

These benchmarks should also be setup ahead of time to better understand what impact that the social media program is having on the bottom line.

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Unit 3. KPIs / Metrics

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Aligning Social Objectives with Business Goals



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- The Social media helps to achieve three common business goals:
 - Brand Awareness – Aims at getting more people to have exposure and know about the brand and the company name owning the brand
 - Lead Generation – is about getting more sales and revenue opportunities for the company. It is also about selling more products or services
 - Customer Retention – is keeping the existing customers on a proven brand

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Figure 3-19. Aligning Social Objectives with Business Goals

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Understanding the purpose of social media and setting the strategic goals for the social media approach enables measuring the results. The Social media helps to achieve three common business goals:

- Brand Awareness – Aims at getting more people to have exposure and know about the brand and the company name owning the brand. Social media can prove better than the traditional marketing methods.
- Lead Generation – is about getting more sales and revenue opportunities for the company. It is also about selling more products or services. A lead is defined as someone who is interested in the brand or product and has provided information on the sales point of view. A lead can be a potential client or an application who can effectively take forward the company through the social media channels. An effective lead generation strategy for the social media can be done for example, by having a favorite fan page or making it easy for a client to buy a product. The social media content can be designed to facilitate the sales process and building relationships with the client or the customer.
- Customer Retention – is keeping the existing customers on a proven brand. Tracking the lifecycle of the customers in order to understand where the customers are interested in. For example, consider the following tracking about the users of a product of Autodesk.

Social media strategies are bonded with the corporate goals and the vision set by the organization. The goals may include generating revenue for the business, reducing the customer service costs, shifting brand

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sentiment, improving the operational efficiency through the social media, and cultivating customer relationships or communication to gain insight into the target markets.

Corporate goals should also be well known throughout an organization by taking the time to explain them around to the employees. This is important for social media and analytics managers in general because corporate goals bind all together with their peers. These corporate goals can apply to any group, department, team, or channel within the organization.

Social media metrics is also important! Increasing revenue and reducing cost aligns well with the financial goals of the business. In terms of the Returns on Investment (ROI), the marketers need to map their social media goals to specific metrics. For example, an airline company can use Facebook as a customer service portal so that an ROI framework assesses reduced call center volume is a key metric.

Aligning Social Objectives with Business Goals



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- Identifying the business objectives or goals for the brand, market, and campaign
- Accomplishing a set of social media objectives contributing to the business goals
- A measurement strategy can be formulated to increase the performance against these objectives

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Figure 3-20. Aligning Social Objectives with Business Goals

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Notes:

For aligning the social objectives with the business goals, first it requires identifying the business objectives or goals for the brand, market, and campaign. Then it is followed by accomplishing a set of social media objectives contributing to the business goals. A measurement strategy can be formulated to increase the performance against these objectives. Meaningful web analytics are essential for monitoring and optimizing social media efforts. Tools like Google Analytics can be used to segment conversions according to original source.

To set the Social Media Goals, the ROI can be measured in a variety of ways like customer acquisition, lead generation, clicks, revenue, contest entries which all depend on the goals. Before tracking and measuring the ROI, it needs to determine the goals and know which factors are being measured.

The best social media goals depend on the overall business strategy. It should be noted that many businesses have discovered that the disconnect between the social media and business goals results in noise, not progress. The overall business and marketing goals can be classified as customer acquisition, retention, and development.

A SMART Methodology



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S	Specific	Targeted for a unique audience, outcome, or purpose
M	Measureable	Quantifiable as a single instance or benchmark over time
A	Attainable	Realistic in the ability to achieve and replicate
R	Relevant	Applicable to the intended medium, audience, or channel
T	Timed	Delivered within appropriate or necessary intervals
E	Evaluate	Verify that goals meet the requirements of the business
R	Reevaluate	Validate the sustainability and applicability of goals over time

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Figure 3-24. A SMART Methodology

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It can also include two more activities called Evaluate and Reevaluate. Both are key activities, which are meant to include when evaluating the Social Analytics goals because they enforce a method of verification and validation.

By using a plan that includes a strategy embedded with specific measurement tactics, organizations can systematically develop social media programs and campaigns that can directly impact progress towards corporate goals.

There can be only a limited set of corporate goals, but there can be many objectives, measures, and tactics that work towards advancing the company to achieve its targets. Each and every initiative requires planning and strategy as well as collaboration across the enterprise.

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Unit 3. KPIs / Metrics 3-33

Identify Common Social Business Objectives



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- Gaining brand exposure
- Fostering consumer dialogue
- Promoting consumer advocacy
- Facilitating customer support
- Learning from the conversations
- Generating interaction
- Spurring innovation

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Figure 3-25. Identify Common Social Business Objectives

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Identify Common Social Business Objectives

Business objectives are considered to be the social media initiatives that are used to accomplish a goal. Objectives are set in order to reach the goal in social media. A goal is finally what the business seeks to attain. The business goals follow the SMART methodology and should be specific, measurable, attainable, relevant, and timed. Objectives are used to set the direction that needs to be followed with measures of success and tactics.

Objectives are uniquely configured for the specific organization. Some common social business objectives can be framed but may not be relevant to every organization. The organization can also have other objectives necessary to meet the business goals. The objectives when framed properly will lead to measures of success and then to operational tactics.

There are many tools available to track the success of social campaigns. A few common social business objectives that can be applied to any launch campaign that helps the Social Analytics program are as follows:

- Gaining brand exposure
- Fostering consumer dialogue
- Promoting consumer advocacy

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- Facilitating customer support
- Learning from the conversations
- Generating interaction
- Spurring innovation

Some common social business objectives that can be applied to any launch campaign:

Gaining Brand Exposure

Brand exposure is an important and powerful metric to measure. When the social media content is good, it can help to push the content beyond its own audiences and to even those users who may be new to the brand.

Brand exposure is the marketer's key to success. It aims at introducing an idea or a concept into the social media centrifuge and waits for its reach among the audience. When the innovations or ideas are good and productive, they push them beyond the known audience and also to the ones who have never heard of a particular brand or a product. So this proves that the brand exposure is a powerful aspect of social media and also an objective for the business to measure its reach.

Social media exposure is the ability to make a particular brand, products or services known to the audience. This works through the power of the interconnected social media networks. The brand exposure enables organizations to introduce their products to millions of potential new customers by focusing on the strength of social media to spread the market.

Brand exposure can be well connected to social media channels, and it also has its presence in traditional media as well. An exposure can be about simply recognizing a brand with advertising and social media. Organizations have URLs or the use of QR codes for providing a means to track referrals from traditional media.

Gaining brand exposure requires the following features:

- Social media can help reaching the business to the world. But it requires finding the audience and using the social media channels to release the message. It requires continued efforts to make the social media content available to maintain a presence for the brand.
- Offering innovative ideas or methods for sharing – brand exposure is about how innovative ideas or methods spread through social medium enabling people to share. The message or content to be shared must be good, but it is quite easy to share the content by building share functions into the social media.
- Controlling the message – In social media it is also possible to control the message in the category of brand exposure. It means that we require the consumers to see the brand and what we want them to know about the products. When planning to use the business objective of exposure, it needs to be ensured that it is building awareness for products and services in a strategic manner.

Fostering Consumer Dialogue

The business objective of creating a conversation or communication or dialogue between an organization and its consumers is built on the fundamental concept of using social media to facilitate conversations between people.

Components of the dialogue or communications would include:

- Building the brand awareness by initiating conversations through means of creating original content
- Engaging with the consumers to understand their response to ideas, thoughts, products, etc., and
- Responding to individuals through genuine interactions.

Such dialogue requires that brand managers act in a genuine and real manner.

Dialogue or communication involves starting a conversation and offering the audience something to talk about while allowing that conversation to take on a life of its own. Such conversations can ultimately traverse the Web through multiple social media networks and platforms, gaining momentum and building merit, thus providing knowledge back to the organization.

But building the conversation requires:

- Building the brand awareness by initiating the conversation among the audience. Organizations generally do this by creating original content on the blogs, communities, or any other social channel that offers information as a catalyst for discussion. This conversation can be either addressed directly or socialized to extended networks via additional social media channels like Twitter.
- Engaging with the audience or the individuals to determine their response to ideas, thoughts, products, and activities generated by the organization. Capturing the feedback has to be done through blog comments or microblogs or other social media web sites. This is done in order to follow the updates and new conversation streams as they develop on the source channel as well as on external channels.
- Responding to individuals on behalf of the brand through genuine interactions. This way of interaction can demonstrate a willingness to communicate with individuals in an environment that is familiar to them also that is outside the control of the business. By this way of responding to individuals through interactions it can validate that the individuals can influence the products and services offered by the brand and instill trust among the followers.

Promoting Consumer Advocacy

This objective involves enlisting the support and dedication of individuals who are ambassadors of a brand or a product of a company, without having an official connection. This type of advocacy allows the brands or products to extend their reach by taking advantage of the word of mouth opportunities.

Consumer advocacy requires:

- Nurturing existing relationships with the customers is a proven and effective method of building advocacy within an easily identified segment. It is an easily achievable goal of consumer advocacy. Organizations must rely on varied measurement methods of determining customer satisfaction, life-cycle cues, and indicators for action. These metrics are typically derived from a number of disparate applications.
- Encouraging word of mouth activity by promoting and endorsing conversations shared by individuals through social media channels like Twitter. This information can be tracked over time to determine velocity of word-of-mouth activity and recognizing contributions through acknowledgement.
- Developing relationships with the users who are interested in the brand. It could also be with those who have clout or influence over others. Organizations can establish these relationships through brand advocacy program. Identifying and determining the influential individuals is also achieved through learning and dialogue.

The business objective of consumer advocacy enlists the support and dedication of individuals who are ambassadors for certain products, brands, or organizations despite having no official connection. Offering some breaking early news or offering advanced opportunities is a way of promotion.

Advocacy allows businesses to extend their reach beyond their immediate circles of influence by taking advantage of word of mouth and viral activity.

Facilitating customer support

This business objective impacts the consumer empowerment which has been enabled by social media. Consumers can focus on social media channels to share their issues. They can positively and negatively influence the business. This has also led to the expectation of instantaneous responses to their social posts.

Consumers, who are listening and sharing, will develop and share their impressions of the brand based on the ability to respond to them in a timely manner. They also focus on the quality of your answers. The capability to provide support through social media requires the following:

- Expediting issue resolution and communicating it. It guarantees quality and integrity. Social media channels hold potential for speedy resolution of issues with less friction than traditional solutions. Organizations should measure these efforts using comparable call center metrics such as issue resolution time, issues resolved without escalation, and quality of response. Quality can be measured using survey tools and ratings or ranking of resolution.
- Resolving the issues through the social media channels through direct company response and crowd-sourcing alternatives. Organizations that encourage support inquiries via social media channels can potentially decrease the customer care support costs. It should also track metrics such as number of issues resolved by company, number of issues resolved by customers, shift in volume of service issues online versus offline, and change in cost per service issues online versus offline.
- Satisfying customers is the pinnacle of support and requires quality, integrity, and speed. Organizations can monitor satisfaction levels using traditional online survey tools to acquire feedback as well as by monitoring social media channels for comments about service interactions. Companies should monitor the number of product or service use mentions as well as mine sentiments within product and service use mentions.

Learning from the Conversations

This should be an obvious objective for all organizations. It is vital to realize that every conversation with an advocate or customer provides an opportunity to learn. The best businesses will embrace these experiences and formalize the learning process by tracking insight, dialogue and even complaints, as a part of their long term growth and strategy.

Generating Interactions

The business objective of generating interactions is utilizing the organization's ability to persuade visitors, customers, or prospects into responding to the social media calls to action. Interactions are the social media conversion events that happen whenever a person interacts with the social media initiative.

For example, visiting the website, downloading information or transaction are the ways to do. With all the users online, the ability to generate interaction is a critical business objective. Interactions are the events that people accomplish when they explore the social media initiatives.

Interactions can be directly tied to revenue, used as lead generation vehicles, or they can be purely for entertainment value. People can be enticed to change from a passive state of social media consumption to an active state of decision by compelling them to interact. Interaction requires:

- Compelling calls to action. When developing the social media initiatives, it should be made clear about what it is the people have to do. These acts should align with the business goals, and so it needs a call to action. For example, giving the social media participants a strong message to get their attention.

- Offering a value exchange. In addition to getting people's attention, they also need to interact. Promoting what an individual gains from interacting with the brand can be stressed. This does not mean giving away free goods, but simply about communicating the value offered through the activity.

- Creating choice. When it comes to interacting with the brand, consumers will oscillate in their desires to share information or commit to an interaction. Choices have to be offered to the individuals by allowing them to interact directly from the social media channels when possible or by offering up additional means of contact and communication.

Spurring Innovation

The business objective of innovation is engaging in social marketing activity. Organizations that are listening to their customers take cues from social media comments, suggestions, and conversations to source and identify product needs, service requirements, and other innovative opportunities. Companies with customer-centric innovation are tapping into their audiences for ideas, support, and promotion with great success.

Innovation can also happen from the collective knowledge base gathered by social media information, which can be mined for insights and ideas. Innovation requires:

- Gathering customer insights via social media channels with a mission of identifying market needs and service opportunities. Organizations will benefit from mining product ideas offered by the community through platforms, ideation sites, Facebook, Twitter, or other channels. These ideas should be tracked by source and channel to expose the sources of innovation.
- Processing ideas and community feedback as a means to drive products and services requires receptive product managers. Organizations that source innovation from social media must set egos aside and acknowledge that the collective mass can be more innovative than the creative few. This can be measured by tracking product ideas and comparing innovations developed from traditional methods with those having social origins.
- Delivering new products and services to the market with credit and acknowledgement to the customers. For example, Microsoft focusing on Windows 7 commercials, the campaign features individual consumers and their ideas for improving a good product. Companies can get awareness through advocacy programs and measure effectiveness by the number of ideas/posts updates shared by customers, the velocity of product ideas, and the influencers identified from ideation.

Developing KPIs



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- Key Performance Indicators are metrics that evaluate the success of particular activities
- They are used to evaluate a page over a specific period of time
- Measuring KPIs provides specific quantified metric to decide on the company's social success
- KPIs would also help to produce qualitative data to help analyze industry trends in social media

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Figure 3-26. Developing KPIs

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Developing KPIs

Key Performance Indicators are metrics that evaluate the success of particular activities. They are used to evaluate a page over a specific period of time. It shows the progress towards the strategic goals. Many of the organizations will use both metrics and Key Performance Indicators (KPIs) in order to quantify and report on their social media activity.

Measuring KPIs provides specific quantified metric to decide on the company's social success. KPIs would also help to produce qualitative data to help analyze industry trends in social media. An important use case for measuring KPIs is for companies to improve future products by analyzing customer feedback expressed in social media.

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Unit 3. KPIs / Metrics 3-39

Metrics vs KPI's



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- The term metric is used to refer to measurements of business activity
- KPI encompasses a strategic objective and measures performance against a goal!
- The goals associated with KPIs are known as targets because they specify a measurable outcome.

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Figure 3-27. Metrics vs KPI's

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Notes:

Metrics Vs KPIs

The term metric is used to refer to measurements of business activity. KPI encompasses a strategic objective and measures performance against a goal. The goals associated with KPIs are known as targets because they specify a measurable outcome. Managers and the business personnel collectively set targets during strategic, planning, or budget discussions. Targets can also be set by a KPI team charged with translating strategic objectives into a performance plan.

A Web analytics dashboard is an area that displays important information about the website. The online analytics dashboard enables to understand how the Web site is performing and also displays key performance indicators (KPIs), which are metrics that illustrate the performance of the website against goals.

There are many types of KPIs ranging from number of visitors to the site and where they came from to what pages they visited and so many. KPIs are vital in improving the Web site's performance. The KPIs can vary from site to site because each site has unique goals. For example, to sell online advertisements to popular brands, the unique visitor counts and the average time spent are vital. To generate leads, the quality of the visitor is more important than the quantity.

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Standard vs Critical Metrics



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Section	Definition	High Level Metrics	Data Sources (Tools / Networks)
Experience Reach	<ul style="list-style-type: none"> Volume of Exposures Active Participation 	<ul style="list-style-type: none"> Impressions Clicks Views 	<ul style="list-style-type: none"> Ad Platforms Insights Facebook Traffic YouTube LinkedIn Google+
Light Engagement	<ul style="list-style-type: none"> Simple Participation Low-effort Interactions 	<ul style="list-style-type: none"> Fan Conversions Liking, Favoriting, +1 Viewing Content Simple Participation 	<ul style="list-style-type: none"> Publishing Tools Viral Social Hostsite CMS Tools Viral 20+ Modules
Heavy Engagement	<ul style="list-style-type: none"> Deep Interactions More Active Unique Participation 	<ul style="list-style-type: none"> Commenting Gameplay Metrics Content Submissions 	<ul style="list-style-type: none"> Custom Agency Reports 3rd Party App Developers
Advocacy	<ul style="list-style-type: none"> Actively Extending Reach into Advocate's Networks 	<ul style="list-style-type: none"> Sharing Retweeting 	

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Figure 3-31. Standard vs Critical Metrics

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Notes:

Standard Vs Critical Metrics

A metric is defined as a quantitative measurement of statistics describing events on a website. Web Analytics is highly involved with web metrics.

Standard Metrics



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- The Standard metrics are measurable and they are classified into various types of standard Web analytics metrics:
 - Count represents a total, the basic unit of measure which is a single whole number
 - Ratios can represent a quantitative metric like Conversion rate or a qualitative metric
 - KPIs can represent either a count or a ratio, and is used by all web sites
 - Dimension is a general source of data used to define segments or counts. Metrics are measured across the dimensions in three types:
 - Aggregate is the total site traffic for a defined period of time
 - Segmented is the subset of the site traffic for a defined period of time

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Figure 3-32. Standard Metrics

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Notes:

The Standard metrics are measurable and they are classified into various types of standard Web analytics metrics:

- Count represents a total, the basic unit of measure, which is a single whole number. For example, the total number of visits on a web site = 10,585 or the number of page views is 17,760.
- Ratios can represent a quantitative metric like Conversion rate or a qualitative metric. It is a count divided by another count, which is numerator / denominator. It represents a decimal number. For example, the number of page views per visit.
- KPIs can represent either a count or a ratio, and is used by all web sites. But it is aligned along the business strategy which can vary from web site to website.

Dimension is a general source of data used to define segments or counts. It represents a dimension of data or an attribute of visitor behavior or the site dynamics. For example, referring URLs and events such as campaigns and attributes, like days since last visit. Metrics are measured across the dimensions in three types:

Aggregate is the total site traffic for a defined period of time.

Segmented is the subset of the site traffic for a defined period of time. It can be used to gain analytical insight: For example, by campaigns like e-mail or banner and by visitor type like new or repeated or referrer.

Individual is the activity of a single website visitor for a defined period of time.

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Unit 3. KPIs / Metrics 3-47

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Standard Metrics

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	Search Term	Continent	Total Unique Searches	Results/Pageviews/Search	% Search Exits	% Search Refinements	Time after Search	Search Depth
1.	engagement metrics	Europe	137	1.04	74.45%	2.60%	00:00:48	0.42
2.	engagement metrics	Americas	118	1.14	72.88%	2.22%	00:01:54	0.75
3.	bounce rate	Americas	116	1.24	9.49%	8.33%	00:03:17	1.65
4.	hitter	Americas	71	1.13	42.25%	8.75%	00:02:33	1.36
5.	survey	Americas	60	1.48	65.87%	4.49%	00:05:36	2.75
6.	engagement metrics	Asia	58	1.00	79.31%	5.17%	00:00:55	0.31
7.	kpi	Americas	58	1.36	8.62%	11.39%	00:03:42	2.57
8.	kpi	Europe	57	1.26	10.53%	8.33%	00:04:25	1.79
9.	social media	Americas	57	1.30	15.79%	13.51%	00:02:46	1.05
10.	metrics	Europe	53	1.04	37.7%	7.27%	00:01:59	3.38

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Figure 3-33. Standard Metrics

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Notes:

All the measures and metrics relate to an action by visitors who are users. This is implied by the reference to unique visitor in most of the definitions. The non-human "visitors" include spiders and website crawlers that download content from a website. They are identified in the HTTP request that allows the website to provide a different version of the content to help the search engines and content aggregators.

But if they cannot be identified they should not be confused with human traffic. Each web analytic provider has various techniques for identifying and filtering this traffic. This is done for analysis of data, which are represented as metrics or for creating reports represented as KPIs.

Another important metric to be considered is page views. Page views are used to represent a measure of success. Some tools call them as visitors. Visits have been the currency used to measure macro success. They mean a user visiting the site and consuming some content.

The other important terms to be considered are the Conversion Rate metric or the Revenue Trends metrics. The Depth of Visit is one of the essential metrics for a content based website. Hits are refined to page views and then to visits. The terms to be considered as page, page views, visits/sessions, unique visitors, new or repeat visitor.

Critical Web Metrics



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Visits and Visitors

- A visit represents a page view on the website
- Unique Visitors represents the count of individual users who visited the web site regardless of the number of times they visited.

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Figure 3-34. Critical Web Metrics

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Notes:**Critical Web Metrics****Visits and Visitors**

A visit represents a page view on the website. The visit would continue until the person finishes the activity on the website. For example, visiting a page on www.abc.com, one instance of a visit is added. Sometimes closing the browser window does not end the current visit or when reopened a new visit is registered. A visit starts when visiting the website, and ends after an inactivity or idle time which is commonly referred to as a session. Each visit is important because there is a chance to convert a visitor to a customer.

Unique Visitors are a superset of visits and represents multiple opportunities to convert a customer. It is one of the most strategic web metrics. Businesses dealing with their brands or products are interested in knowing how many unique visitors came to their site on any given day. Each unique visitor is not always a unique person. It represents the count of individual users who visited the web site regardless of the number of times they visited. For example, if user A visits a web site once and user B visits the same web site five times, it will have two unique visitors and six total visits. Daily, weekly or monthly and absolute unique visitors are various terms used by the Web analytics tools.

Visits and Visitors

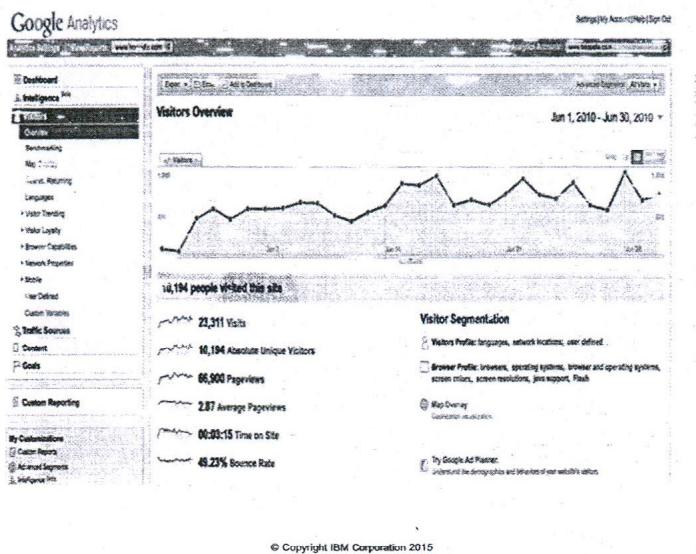


Figure 3-35. Visits and Visitors

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Notes:

When tracking the unique visitors, it can be expanded to look at the repeat visitors. If the number of repeat visitors is growing, this means that customers are visiting the web site once and then are interested in the brands or products to come back again.

The metrics Time on page represents the time spent on each page and Time on Site represents the time spent during that session on the website. A metric single page view session illustrates a visit to the web -site with a single page view and then leaving the web site.



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Critical Web Metrics



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- Bounce Rate is the percentage of single page sessions in web which the user leaves the site from the welcome page without interacting with the page

- Bounce rate for a specific page= the number of times that page was a single page view visit / the number of times that page was an entry

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Figure 3-36. Critical Web Metrics

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Notes:

Bounce Rate

The term bounce means someone visiting the web site and then immediately clicking the back button or closing their browser tab. Bounce Rate is the percentage of single page sessions in web which the user leaves the site from the welcome page without interacting with the page.

Measuring the Bounce Rate implies measuring the percentage of sessions where the user's time spent on the website was less than a specific number of seconds. It can be expressed as the percentage of website visitors who see just one page on your site or who stay on the site for a small amount of time (usually five seconds or less)

- Bounce rate for a specific page= the number of times that page was a single page view visit / the number of times that page was an entry
- Bounce rate for a group of pages= the number of times pages were a single page view visit / the number of times pages were entry pages
- Website Bounce rate = the percentage of total visits that were single page view visits.

The Bounce Rate can be measured for the website's top referrers. They are the referring sites that sends not just the traffic but rather sites that send traffic that does not bounce. This bounce rate measure can also be applied for the search keywords.

It is also suggested not to measure the bounce rate for a blog in aggregate, but rather segment your data and measure bounce rate for the new visitors. Another exception for the bounce rate metric is web sites like Yellow Pages. They maintain the details of various contacts and they exist to bounce the visitor, or get the user out to another site of their advertiser. So the bounce rate is just one click, such that it measures those people who come to the site.

To measure the bounce rate for traffic sources in the web analytics tool, simply go to the Referring URLs / Sites report.

So to summarize measuring the Bounce Rate of the web site, it can be done at two levels.

- Measuring the Bounce Rate in aggregate at an entire web site level
- Measuring the Bounce Rate of the top landing pages report

Reasons for a High Bounce Rate

The reasons behind leaving the page can be because of site design or usability issues. Alternatively, users can also leave the site after viewing a single page if the information is found on that page, or no interest in going to other pages.

Sometimes if there is only one page on the website, analytics tools cannot register the multiple page views unless users reload that page. So single-page sites usually tend to have high bounce rates. But if there is a high bounce rate from a multiple page web site, then it must be checked to ensure whether tracking code has been added to all the pages.

If all the web pages contain the tracking code but still a high bounce rate is observed, then redesigning the welcome or the index pages, optimizing those pages so that they correlate better with the search terms that would bring users to the web site can be done with the ads with keywords. It helps to better reflect the page content.

Reducing the bounce rate is vital and requires specific, custom changes to the web site and setup. Considering the bounce rate for specific traffic sources and also by using other dimensions, like campaign, the bounce rate can be evaluated and also be more actionable than the general bounce rate.



Critical Web Metrics

- Exit Rate is the percentage of visitors to a web site who navigate to a different site from a specific page, after having visited any other pages on the site

$$\frac{\text{Number of exits}}{\text{Total Page Views}} = \% \text{ Exits}$$

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Figure 3-37. Critical Web Metrics

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Notes:

Exit Rate

Exit Rate is used to measure how many people left the website from a certain page. It is the percentage of visitors to a web site who navigate to a different site from a specific page, after possibly having visited any other pages on the site. The visitors have just exited on that specific page. For all the page views to the page, Exit Rate is the percentage that was the last in the session. Exit Rate shows the percentage of people who entered anywhere on the web site but having exited from a particular page. On the other hand, Bounce Rate shows the percentage of people who entered on a particular page, and simply exited from the site on the same page.

Page Exit Ratio is a metric, which is defined as the number of exits from a web page divided by the total number of page views of that particular web page. It should not be confused with bounce rate, which is an indicator of single-page-view visits on the web site.

Page exit ratio applies to all the visits regardless of length. Some tools may calculate page exit ratio using visits in the denominator instead of page views. Page view count is a more appropriate denominator because a visitor may travel through the same page multiple times in a visit.

For a simple understanding assume that a web site has pages A through C and it has only one session per day that exists, with the following page view order as follows:

- Monday: Page A > Page B > Page C
- Tuesday: Page B > Page A > Page C
- Wednesday: Page A > exit

The Content report generated for the page A would show 3 page views which is visited 3 times. The bounce rate is 50% and not 33%. This is because as on Tuesday the page view granted to Page A is not considered in its Bounce Rate calculation. It was just considered to be navigation from page B to page C.

Another scenario for the exit rate metric for a series of single-session days are as follows:

- Monday: Page B > Page A > Page C
- Tuesday: Page B > Exit
- Wednesday: Page A > Page C > Page B
- Thursday: Page C > Exit
- Friday: Page B > Page C > Page A

The percentage of exit rate calculations is defined as follows:

Number of exits / Total page Views = % Exits

- Page A: 33%
- Page B: 50%
- Page C: 50%

There is a structured navigation on the web site when someone has to go from page 1 to page 2 to Page 3, and so on. When visitors move along these pages, it is meant to be a success factor. For example, in an online shopping cart the user goes from the page called Add to Cart to start with and goes till Checkout page to Complete Credit Card Information, and so on.

The Exit Rate, on any page, indicates a "bad" exit, called Abandonment Rate, which is used to distinguish what is actually happening in terms of customer experience. Abandonment Rate is used to measure submitting leads, signing up for an email newsletter, or completing any closed multipage process.

Critical Web Metrics



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- Conversion Rate is defined as the outcomes divided by the total number of unique visitors or visits. It is usually expressed as a percentage
- Conversions help in segmenting visits or visitors and attributing marketing activity and actions to these segments

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Figure 3-38. Critical Web Metrics

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Notes:

Conversion Rate

Conversion Rate is defined as the outcomes divided by the total number of unique visitors or visits. It is usually expressed as a percentage. The choice of choosing whether to divide by unique visitors or visits will influence which referrers, campaigns, keywords, and sources are valued most.

The underlying power of increasing the conversion rate is targeting the right kind of traffic. The term Conversion in general means a visitor completing a target action. It is a method of segmenting behavior as visitors interact on web. A conversion can be viewed and counted as any other event. The event represents a transition in the visitor state that can indicate:

- Potential for future behavior such as clicking on an advertisement, or registering for more information called step or micro conversions
- Completion of a goal milestone event such as completing a purchase on-line called target or goal conversions

Conversions help in segmenting visits or visitors and attributing marketing activity and actions to these segments. They provide the marketer an additional tool for segmenting visitors other than demographics. It enables understanding the visitor and their on and off line behavior with respect to various marketing

activities. The best conversions indicate that a visitor has successfully completed an objective of the site or business.

Unique Visitors take into account the unique browsers visiting the site, and visits consider only a session of that unique visitor. Each unique visitor might visit the site multiple times. Visits can be used for sites where the same visitor will make multiple purchases during a short duration of time.

Based on the experience gathered from ecommerce and non-ecommerce web sites, most customer behavior is across multiple visits. So it is recommended that unique visitors can be used in the denominator. But different web analytics tools use any one of these two. For example, tools like Google Analytics and Omniture would use Visits by default.

The conversion rate can be improved in the following ways:

- Allowing users to sign into mails and social sites using a single click sign on. Getting the users to sign up for using a tool can be done with the help of social login options and it also attracts the users.
- Allowing the customers to check out using the social profile would reduce the abandonment rate
- Allowing the customers to share their purchase with social networks. It helps in improving the trust in audience and also enables the conversion rate of the product, brand or service to be improved.

Displaying a blog or an article with the social shares like the number of likes, tweets or comments gives their audience a strong social proof that the content is useful and also others have liked it. This is called as Conversion Optimization.



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Critical Web Metrics

- **Engagement** is the user's response to an interaction that gains, maintains and encourages their attention when they are –motivated
- Engagement is the number of times someone visits the web site, and also the frequency of Visits, helps to understand the degree of Engagement

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Figure 3-39. Critical Web Metrics

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Notes:

Engagement

The term engaging is defined as drawing a favorable attention or interest towards something. It is the user's response to an interaction that gains, maintains and encourages their attention when they are motivated. For example, in the context of social media it can be creating website experiences that draw favorable attention or interest. The challenge in the context of measurement is that favorable attention or interest which is hard to measure. Websites have to be designed such that they engage customers.

Engagement is the number of times someone visits the web site, and also the frequency of Visits, which helps to understand the degree of Engagement. For example, Visitors visit Oracle.com to search their terms 15 times in a day. The challenge lies in identifying whether those 15 visits were good or bad.

User Engagement is defined as the quality of user experience focusing on the positive aspects of interaction. The Quantitative data in web analytics is limited to measure the degree of Engagement.

- Degree – It is the degree of positive or negative Engagement ranging from low to high involvement.
- Kind Customers - They can be positively or negatively engaged with a company or product. The content is usually a mixture of emotional states and rational beliefs, such as in the case of positive engagement.

The more pages a visitor sees implies that the deeper their visit, the higher the degree of engagement. Some other metrics and tasks that can capture the degree of engagement are Time on Site, registering on the site, subscribing to newsletter or comment, or downloading the content.

It is difficult to derive the kind of visitor engagement to be either positive or negative using web analytics only. Hence customer engagement also has to be considered. When creating or deriving own metrics to measure an engaging experience, using web analytics data to measure degree of engagement, and also other sources to measuring the kind of engagement is essential.

Since each business has unique objectives, it requires knowing what the competitor is doing or measuring. A good engagement definition will measure a good outcome. A high degree of engagement, will give a definite outcome for the business.

Some guidelines for measuring the engagement that visitors had on the web site are as follows:

- Using online or on-exit surveys and asking the customers to obtain qualitative data.
- Doing a long-term analysis for customer retention. Analysis of customers who come back again or make repeat purchases. It requires taking out a huge data and segmenting for online and offline.
- Going for an indirect approach with the surveys by measuring the likelihood to recommend as a metric. Likelihood to recommend is a strong proxy for engagement because it can obtain the voice of customers. The customers will recommend the business to others.
- Using primary market research to reach out to the customers, asking them brief qualitative questions, and reporting back with the kind of engagement that the customers have with the business.
- Since the business will always require engaging with the customers, the goal is to use the right metric and make the metric be actionable. Engagement is Qualitative.

Retaining the Existing Followers and Customers

Through the social media engagement, many businesses enable sharing content that attracts and engages new followers and customers. At the same time care must be taken to ensure the engagement required to retain existing followers.

Following the users back is a great way to show the appreciation. An even better way would be to share their content with their own followers. Sharing a piece of relevant content from a new follower

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Following the users back is a great way to show the appreciation. An even better way would be to share their content with their own followers. Sharing a piece of relevant content from a new follower.

In social media engagement, if time is spent to reach out to people and starting conversations, and ensure that no question goes unanswered, the clients will take notice. It can be a focus of the social media strategy, and it can also impact the business goals.

Strategically aligned KPIs and Tactics to find Best Web and Social Metrics



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- Strategically aligned KPIs gives the business organization a powerful tool to use when implementing changes to the business
- KPIs are the key performance indicators used to identify if the adopted strategy and process is working towards the business objective.

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Figure 3-40. Strategically aligned KPIs and Tactics to find Best Web and Social Metrics

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Notes:

Strategically aligned KPIs and Tactics to find out Best Web and Social Media Metrics

Strategically aligned KPIs give the business organization a powerful tool to use when implementing changes to the business. KPIs are the key performance indicators used to identify if the adopted strategy and process is working towards the business objective. It is required to adopt a strategy or workflow to achieve the business outcome, and KPIs are defined to monitor the progress and performance.

A strategic goal can be set to improve customer satisfaction levels and some metrics and KPIs can be tied to achieve those goals and the desired strategic outcomes. The customers use the KPIs to achieve strategic objectives and goals. They define driver KPIs and correlate them with outcomes. They know what behaviors drive desired outcomes and set targets accordingly.

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Unit 3. KPIs / Metrics 3-61

KPI's Goals and Targets



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- The goals that are set with KPIs are known as targets

- The KPI's can derive the following types of targets:

- Achievement - Performance should reach or exceed the target
- Reduction -Performance should reach or be lower than the target
- Absolute - Performance should equal the target
- Min/max - Performance should be within a range of values.
- Zero - Performance should equal zero, which is the minimum value possible

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Figure 3-41. KPI's Goals and Targets

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Notes:

Goals and Targets

The goals that are set with KPIs are known as targets. This is because they specify a measurable outcome. Business personnel and managers collectively set the targets during strategic, planning, or budget discussions. Such a type of collaboration ensures buy-in and more accurate targets. A KPI team can also set the targets with translating strategic objectives into a performance plan. The KPIs can derive the following types of targets:

- Achievement - Performance should reach or exceed the target. For example, revenues and satisfaction.
- Reduction -Performance should reach or be lower than the target. For example, overtime and attrition.
- Absolute - Performance should equal the target. For example, on-time delivery.
- Min/max - Performance should be within a range of values. For Example, mean time between repairs.
- Zero - Performance should equal zero, which is the minimum value possible. For Example, product defects.

A metric or KPI should be framed in such a way that it is simple, relevant, timely and useful. The metrics or KPIs need to be measured and the data that has been collected needs to be analyzed before you take action.

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To summarize, some specific rules for revolutionaries looking to create magnificent dashboards:

- Dashboards are not reports. Don't load with data but include insights. Include recommendations for actions. Include business impact.
- Do not leave data interpretation to the executives but they can share their opinion on the recommendations for actions with the benefit of their wisdom and awareness of business strategy.
- When it comes to key performance indicators, segments and recommendations, ensure they cover the end-to-end acquisition, behavior and outcomes.
- Great dashboards leverage targets, benchmarks and competitive intelligence to deliver context.

The primary purpose of a dashboard is not to inform, and it is not to educate. So list the next steps and assign responsibility for action items to people. Prioritizing and computing the business impact is essential.

Measuring Macro & Micro Conversions



IBM ICE (Innovation Centre for Education)

- Website conversion rates are the KPIs used by a business to measure the success of their web properties
- The conversions to which is paid the most attention are called macro conversions
- Site owners can track one or more macro conversions that are directly tied to the primary purpose of the site

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Figure 3-52. Measuring Macro & Micro Conversions

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Notes:

Measuring Macro & Micro Conversions

Website conversion rates are the Key Performance Indicators (KPIs) used by a business to measure the success of their web properties. The conversions to which is paid the most attention are called macro conversions. Site owners can track one or more macro conversions that are directly tied to the primary purpose of the site.

For web sites focusing on selling items, then completed purchases are a macro conversion on the site. For collecting leads for sales, then the submitted lead forms are a macro conversion. Else if the purpose of the site is to encourage people to attend an event, then completed registrations are a macro conversion.

Only a small fraction of site visitors complete a macro conversion. For example, the conversion rate of most ecommerce sites hovers around 3%. But, many more users than that interact with the pages and features of the site. It is not true that all the remaining 97% of visits are totally worthless and should be thrown into one big bucket for analytics purposes.

Micro Conversions are classified into two types.

- Process Milestones are conversions that represent linear movement toward a primary macro conversion. Monitoring these will help you define the steps where UX improvements are most needed.
- Secondary Actions are not the primary goals of the site, but they are desirable actions that are indicators of potential future macro conversions.

Process Milestones

If running experiments to test design changes within steps of a process or a linear interaction, looking for statistically significant changes in macro-conversion rates can be fruitless and can lead to discarding good design ideas.

In an environment where users undertake multiple actions to eventually reach a macro-conversion event, there are many junctions at which the design can be improved. Micro conversions help identify where UX improvements are most needed. They also help to determine if UX changes are having the desired impact.

Secondary Actions

Macro conversions that require significant user commitment are often preceded by a series of desirable actions that build trust and preference over time and across sessions. One or more of these actions may predict future macro conversions.

Types of secondary actions can be subscribed to newsletters, alerts, or updates, Shared content or posted a comment or followed a topic or watched a video.

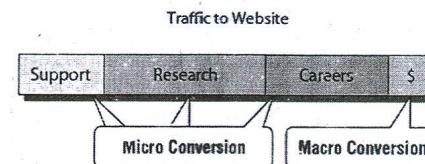
Some Micro Conversions are:

- Call Avoidance: This is the number of Visitors who see the phone number page (hypothesis: if the site is good, this amount goes down over time).
- Content Consumption: This is the number of Visits over time to each technical support core area (for example, different products or types of problems).
- Tickets Opened: This is the number of technical support tickets opened on the website (and over time compared to those opened over the phone)

Measuring Macro & Micro Conversions



- Focus on measuring the Macro (overall) Conversions, but for optimal awesomeness, identify and measure the Micro Conversions as well
- The one primary goal of a site is the Macro Conversion



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Figure 3-53. Measuring Macro & Micro Conversions

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Notes:

Focus on measuring the Macro (overall) Conversions, but for optimal awesomeness, identify and measure the Micro Conversions as well. The one primary goal of your site is the Macro Conversion. But, all the other jobs your site does are Micro Conversions.

Micro Conversions



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- The value or benefits gained from measuring Micro Conversions are:
 - Focusing on more than just the main reason the site was created.
 - Measuring the multichannel impact well beyond the website.
 - Understanding the multiple personas on the website. It will encourage segmenting Visitors, their behavior, and Outcomes.

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Figure 3-54. Micro Conversions

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Notes:

The value or benefits gained from measuring Micro Conversions are:

- Focusing on more than just the main reason the site was created.
- Measuring the multichannel impact well beyond the website. Most people do not get budgets for web analytics because all they focus on is measuring what happens during a small percentage of visits.
- Understanding the multiple personas on the website. It will encourage segmenting Visitors, their behavior, and Outcomes.

Measuring any Outcome is great progress. The management team is highly enabled by measuring the complete success of the website. The other upside is that it can better value the website and deliver better customer experiences.

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Quantify Economic Value



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- The term economic value is the imputed value of an action taken by someone on the website.
- Analyzing if there was any value created for the business as a result of an action by a Visitor.
- For example, increase the number of followers or clicks

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Figure 3-55. Quantify Economic Value

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Notes:

Quantify Economic Value

The term economic value is the imputed value of an action taken by someone on your website. Analyzing if there was any value created for the business as a result of an action by a Visitor. For example, increase the number of followers or clicks.

To compute the economic value, for a blog scenario, to find out the cost for new subscribers requires finding the list of people. Assuming a mailing list cost of \$5 per email address, then for 100 new subscribers., the total cost incurred is $100 \times 5 = \$500$.

For computing the economic value of a food chain business which is accepting applications for franchisees on the website, ask the finance department for the Conversion Rate of offline franchisee applications and the lifetime value of a franchisee. Apply that information on the web site.

Getting help from the offline team and ensuring or tracking offline conversions in the CRM system for the applications received online can be done to help compute real economic value from the online applications.