MKT 6352

Marketing Web Analytics and Insights

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Agenda

- **Company Introduction**

- **Business Objectives**

- **Key Performance Indicators**
  - **Revenue**
  - **Conversion Rate**
  - **Average Order Value**
- **Recommendations**

- **Waterfall Table Analysis**

Company: Target

- **General merchandise retailer** with stores in all the US states

- Tagline: **'Expect More. Pay Less.'**

- A total of **1954** stores in the USA

- Teamed up with **Apple, Ulta Beauty, Starbucks, Levi, Strauss & Co** to create innovative new in-store and digital shopping experiences

- There are **45+ owned brands** unique to target

- **5%** of Target's profits go back to the community

Business Objectives

- Increasing **Revenue** across all geographical locations in the US, channels and device categories.

- Increasing the **percentage of website visitors** who will make more purchases and enhance overall business growth.

- Increasing **Average Order Value** across different states in the US and across all visitors that come into our website.

Key Performance Indicators

Revenue

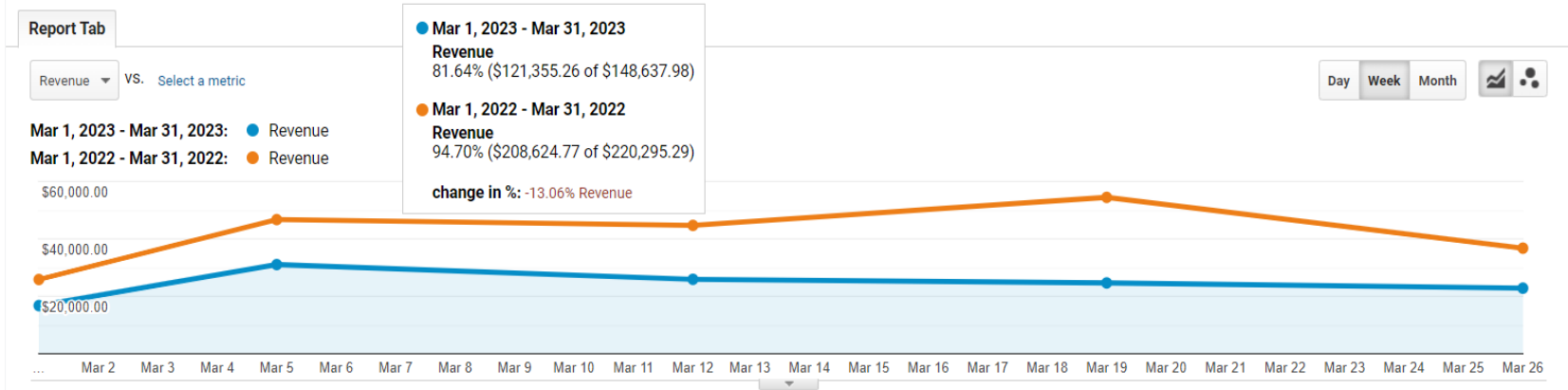**Conversion Rate**
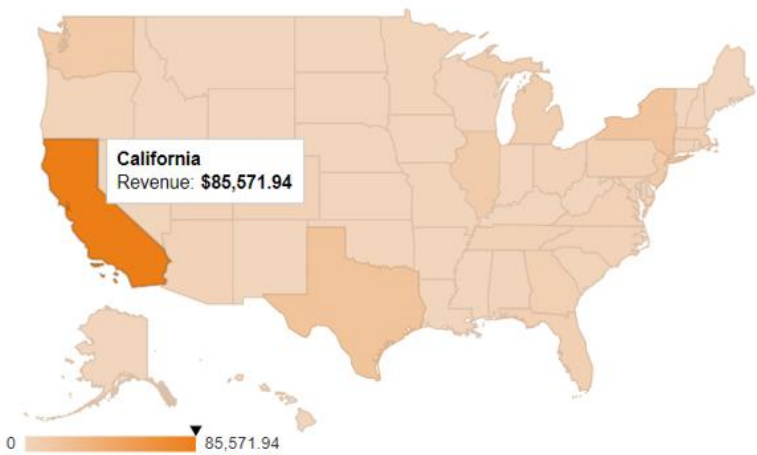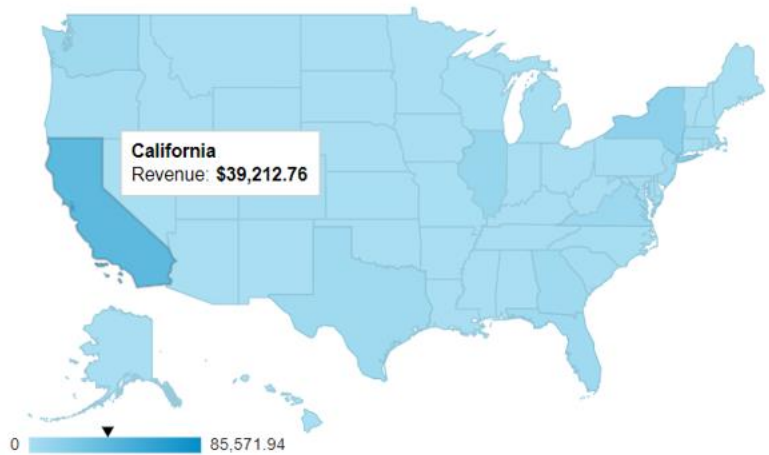
Average Order Value (AOV)

Revenue – Overall Analysis

- **California** has retained its top spot as the state with the highest revenue for the month of March in year 2022 and 2023.

- According to the line graph, the United States' overall revenue was around **41% lower** in 2023 than it was in 2022 for March.

- There was a significant change in revenue difference ratio after a first fortnight and at the conclusion of month, it retained the original ratio.

Revenue – Channel Grouping

	Total
Default Channel Grouping	**Revenue** ↓
1. Direct	
Mar 1, 2023 - Mar 31, 2023	$103,655.14
Mar 1, 2022 - Mar 31, 2022	$183,425.28
% Change	-43.49%
2. Paid Search	
Mar 1, 2023 - Mar 31, 2023	$17,643.32
Mar 1, 2022 - Mar 31, 2022	$21,791.49
% Change	-19.04%
3. Display	
Mar 1, 2023 - Mar 31, 2023	$56.80
Mar 1, 2022 - Mar 31, 2022	$0.00
% Change	∞%
4. Affiliates	
Mar 1, 2023 - Mar 31, 2023	$0.00
Mar 1, 2022 - Mar 31, 2022	$3,408.00
% Change	-100.00%

Default Channel Grouping	Revenue ▾	↓	Revenue ▾
	41.83% ▼ $121,355.26 vs $208,624.77		**41.83%** ▼ $121,355.26 vs $208,624.77
1. Direct			
Mar 1, 2023 - Mar 31, 2023	$103,655.14		85.41%
Mar 1, 2022 - Mar 31, 2022	$183,425.28		87.92%
2. Paid Search			
Mar 1, 2023 - Mar 31, 2023	$17,643.32		14.54%
Mar 1, 2022 - Mar 31, 2022	$21,791.49		10.45%
3. Display			
Mar 1, 2023 - Mar 31, 2023	$56.80		0.05%
Mar 1, 2022 - Mar 31, 2022	$0.00		0.00%
4. Affiliates			
Mar 1, 2023 - Mar 31, 2023	$0.00		0.00%
Mar 1, 2022 - Mar 31, 2022	$3,408.00		1.63%

● Direct channel is the primary driver of revenue for the website, as it consistently generates the most revenue in both March 2022 and March 2023

● Paid Search generates a smaller portion of the revenue, but it still plays an important role in driving traffic to the website.

● Display and Affiliates channels generated minimal revenue in both March 2022 and March 2023. This suggests that the website may not be putting enough resources into these channels.

Revenue – Device Category

Device Category	Revenue ∨ ↓	Revenue	Contribution to total: Revenue ∨
	41.83% ⬇ $121,355.26 vs $208,624.77	**41.83%** ⬇ $121,355.26 vs $208,624.77	
1. ■ desktop			**Mar 1, 2023 - Mar 31, 2023**
Mar 1, 2023 - Mar 31, 2023	$114,861.06	94.65%	
Mar 1, 2022 - Mar 31, 2022	$199,855.64	95.80%	
2. ■ mobile			94.6%
Mar 1, 2023 - Mar 31, 2023	$5,917.20	4.88%	
Mar 1, 2022 - Mar 31, 2022	$8,533.65	4.09%	**Mar 1, 2022 - Mar 31, 2022**
3. ■ tablet			
Mar 1, 2023 - Mar 31, 2023	$577.00	0.48%	
Mar 1, 2022 - Mar 31, 2022	$235.48	0.11%	95.8%

- Revenue from **Desktop traffic** was much greater for both years than from Mobile and Tablet traffic. It consumed almost **95%** of the entire revenue.

- **Mobile and Tablet traffic** dramatically underperformed Desktop in terms of revenue. Especially, Tablet had a **negligible income** for year 2022 than 2023.

Recommendations

- ✓ **Focus on the Direct channel**: It consistently generates the most revenue for the website. By providing these customers with personalized user experiences and incentives to refer their friends, the website can retain them and increase revenue.

- ✓ **Allocate more resources towards improving Paid Search**: The website should allocate more resources toward Paid Search to improve its effectiveness. This can be done by optimizing ad copy, bidding strategies, and targeting to reach potential customers.

- ✓ **Optimizing the Display and Affiliate channels**: It can increase their revenue potential. The website should focus on targeting relevant audiences, optimizing ad placements, and improving the user experience to increase engagement and revenue from these channels.

- ✓ **Invest in improving the website's mobile and tablet experience**: Optimizing the website's design and functionality for smaller screens, improving page load speed, and ensuring a smooth user experience to increase revenue from these channels.

Conversion Rate
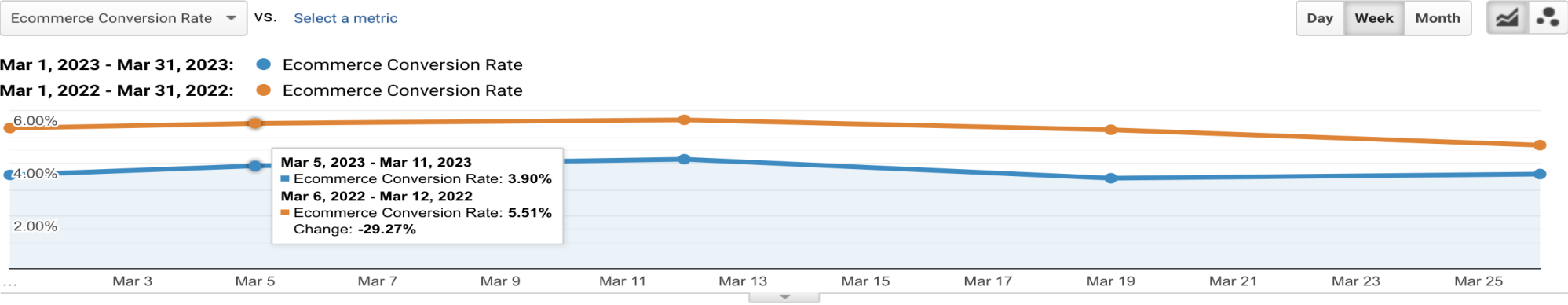
Default Channel Grouping	Country ⊗	Users ↓	Ecommerce Conversion Rate
		23.20% ▼ 20,401 vs 26,564	29.47% ▼ 3.74% vs 5.30%
Direct	🇺🇸 United States		
Mar 1, 2023 - Mar 31, 2023		15,684 (76.18%)	4.06%
Mar 1, 2022 - Mar 31, 2022		20,005 (75.53%)	6.06%
% Change		-21.60%	-33.00%
Paid Search	🇺🇸 United States		
Mar 1, 2023 - Mar 31, 2023		4,844 (23.53%)	2.75%
Mar 1, 2022 - Mar 31, 2022		3,357 (12.67%)	4.52%
% Change		44.30%	-39.20%

Conversion rate has gone down by **29.47%** in 2023.

A further breakdown reveals that direct search, which accounts for most visits has seen less decline in conversion rate compared to paid search
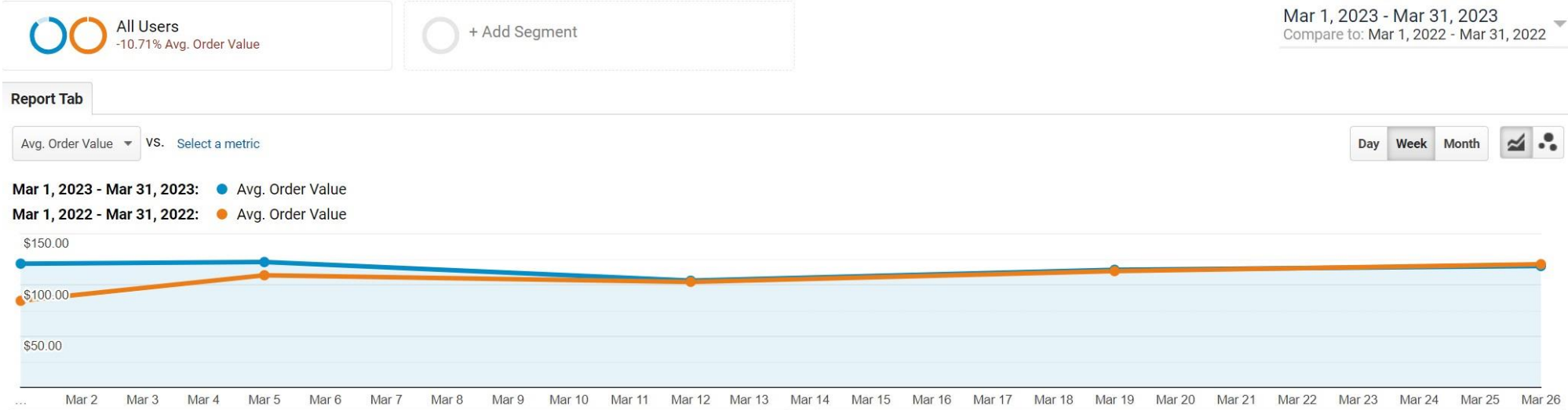
Conversion Rate

Default Channel Grouping	User Type	Ecommerce Conversion Rate
		29.47% 🔻
		3.74% vs 5.30%
. Direct	Returning Visitor	
Mar 1, 2023 - Mar 31, 2023		**6.44%**
Mar 1, 2022 - Mar 31, 2022		**9.77%**
% Change		**-34.09%**
2. Paid Search	Returning Visitor	
Mar 1, 2023 - Mar 31, 2023		**5.02%**
Mar 1, 2022 - Mar 31, 2022		**10.72%**
% Change		**-53.15%**
3. Direct	New Visitor	
Mar 1, 2023 - Mar 31, 2023		**2.65%**
Mar 1, 2022 - Mar 31, 2022		**3.53%**
% Change		**-24.84%**

Recommendations

- ✓ **Increased user convenience**: By making the **checkout process as easy and seamless** as possible with reduced number of steps required to complete a purchase; it can be possible to increase the degree of user friendliness

- ✓ **Adding Incentives: Coupons or discounts** can be offered to customers who abandon their carts, to encourage them to return and complete the purchase

- ✓ **Enhanced lead generation: Customer reviews and ratings** can be used to show social proof and build trust with potential customers. Detailed breakdown about **shipping and return policies** can also be provided to reduce uncertainty and build trust

- ✓ **Retargeted campaigns: Social media retargeting ads** can be used to reach customers who have visited the website but did not make a purchase. **Abandoned cart emails** can be sent to customers who leave items in their cart but do not complete the checkout process.

Average Order Value

○ + Add Segment

Mar 1, 2023 - Mar 31, 2023
Compare to: Mar 1, 2022 - Mar 31, 2022

Report Tab

Avg. Order Value ▼   VS.   Select a metric

Day | Week | Month

Mar 1, 2023 - Mar 31, 2023: ● Avg. Order Value
Mar 1, 2022 - Mar 31, 2022: ● Avg. Order Value

$150.00

$100.00

$50.00

... Mar 2 Mar 3 Mar 4 Mar 5 Mar 6 Mar 7 Mar 8 Mar 9 Mar 10 Mar 11 Mar 12 Mar 13 Mar 14 Mar 15 Mar 16 Mar 17 Mar 18 Mar 19 Mar 20 Mar 21 Mar 22 Mar 23 Mar 24 Mar 25 Mar 26

Plot Rows | Secondary dimension ▼ | Sort Type: Default ▼ | advanced

	Year	Avg. Order Value
		8.19% ▲ $115.58 vs $106.82
☐ 1.	2023	
	Mar 1, 2023 - Mar 31, 2023	$115.58
	Mar 1, 2022 - Mar 31, 2022	$0.00
	% Change	∞%
☐ 2.	2022	
	Mar 1, 2023 - Mar 31, 2023	$0.00
	Mar 1, 2022 - Mar 31, 2022	$106.82
	% Change	-100.00%

Average Order Value has **gone up by 8.19%** compared to March 2023. Even though it seemed like the AOV was dropping in the second week of March 2023, it ultimately stays a little higher at $115**.**

Average Order Value

Mar 1, 2022 - Mar 31, 2022

Avg. Order Value

Mar 1, 2023 - Mar 31, 2023
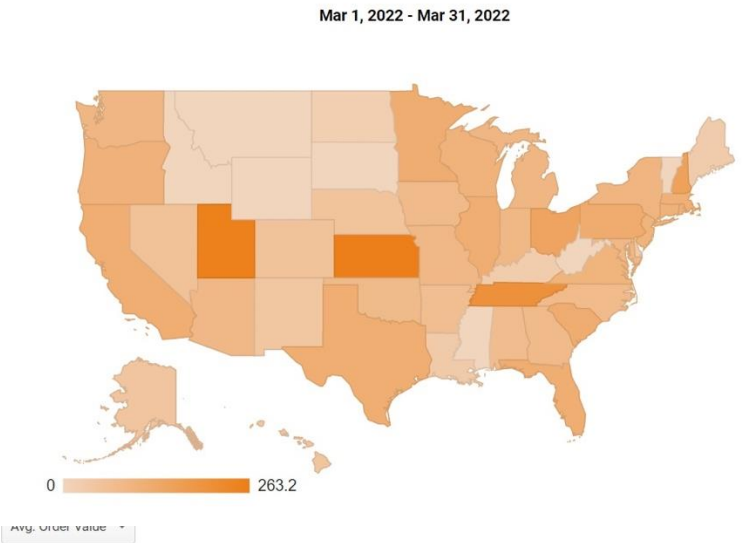
REGION	AOV 2022	AOV 2023	% CHANGE
TEXAS	$118.39	$78.12	-34.02%
FLORIDA	$118.31	$182.80	54.51%
NEW JERSEY	$100.70	$170.49	69.31%
PENNSYLVANIA	$124.94	$67.34	-46.10%
OHIO	$145.38	$78.00	-46.35%
TENNESSEE	$204.45	$85.38	-58.24%
SOUTH CAROLINA	$120.90	$235.42	94.72%
UTAH	$255.35	$94.67	-62.92%
NEW HAMPSHIRE	$154.73	$85.60	-44.68%
HAWAII	$48.75	$180.00	269.23%
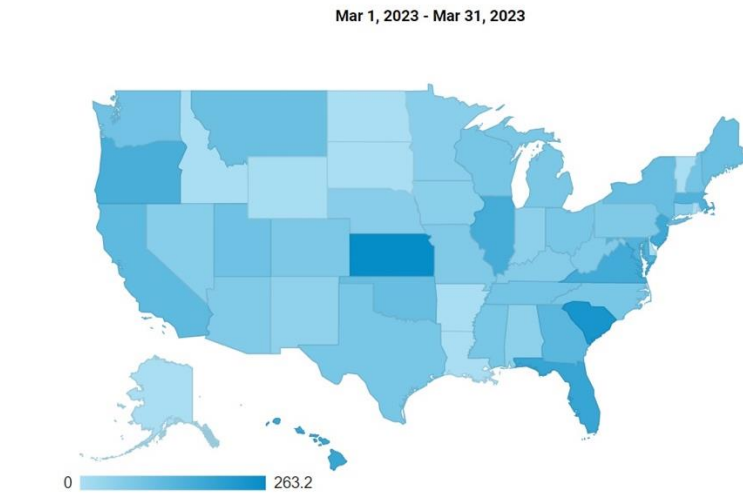
Alarming drops in: Texas, Pennsylvania, Ohio, Tennessee, Utah, New Hampshire

Notable increase in: Florida, New Jersey, South Carolina and Hawaii

Recommendations

- ✓ **Offer Product Bundles:** Creating product bundles can encourage customers to buy more items at once and increase the AOV. Bundling complementary products that customers typically purchase together and offering a discounted price for the bundle.

- ✓ **Upsell and Cross-Sell:** Suggesting complementary products or upgrades to customers during the checkout process or on product pages. For example, if a customer is buying a camera, suggest a camera bag or additional lenses to go with it.

- ✓ **Implement a Loyalty Program:** Rewarding customers for spending more with a loyalty program. Offering discounts, free items, or exclusive access to products for customers who reach certain spending thresholds.

Waterfall Table

	Mar-23	Mar-22	% Change vs LY	# Change vs LY
Revenue	$ 121,355	$ 208,625	-41.83%	$ (87,269.51)
Visits	28065	36815	-23.77%	-8750
AOV	$ 115.58	$ 106.82	8.20%	$ 8.76
Conv	3.74%	5.30%	-29.43%	-0.016

	Impact on Revenue	Ratio	Adjusted Impact on Revenue
Visits	$ (49,537.78)	0.53	$ (46,092.06)
AOV	$ 17,092.47	-0.18	$ 15,903.56
Conv	$ (61,348.22)	0.65	$ (57,081.01)
	$ (93,793.53)		

● **Decrease in conversion rate** has been the biggest driver of decrease in revenue with an adjusted impact of approximately ($57k)

● **Increase in AOV** had a positive impact on revenue with adjusted impact of approximately $15k

● **Decrease in number of visits** had a negative impact on revenue with adjusted impact of approximately ($46k)

Thanks! 👍