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Case study on Web Analytics at Quality Alloys, Inc.

Group No. 6 –

Darshan Dalvi

Sakshi Kalani

Hooman Vakil

Khushali Parmar

Prof Tavrez Julio

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INTRODUCTION

Quality Alloys, Inc. is a small US- based distributor of different grades of a variety of alloys being used in industrial manufacturing. The products delivered to customers are customized based on their needs. Also, QA has expert knowledge regarding the reliability of alloys provided by suppliers, this implies that their processes are well functioning. In mid-2008 QA decided to extend company web presence by launching a website. The prime goal of the launch was to increase the sales along with providing product information. As QA is a B2B distributor, there is no way of tracking online interest and converting online customer behaviour into macro conversions like revenue and profits due to absence of the shopping cart. This behaviour of B2B model makes demonstrating revenue elusive. Data of over 16 month period is available to analyze the value of the website through translational metrics, in addition to the affiliated financial measures of sales, profit and amount of merchandise sold. The given graph of Revenue shows that in spite of investing \$25K in the promotions, there was no increase in the revenue. This phenomenon questions the effectiveness of promotions. A major focus of this report, is determining the ways to promote the Quality Alloys Inc., assess the worth of their recent promotional efforts and to boost sales.

DATA ANALYSIS

After analyzing the data captured by Google Analytics from period May 25, 2008 – August 29, 2009 we found the time frame is divided into four sections- Initial period, Pre-Promotion, Promotion and Post-Promotion. The fact that the jump in Promotional period is not some seasonal variation is worth noticing.

In Fig 1. We have plotted the means of the 4 periods using Revenue and Profit as the variables and we see that starting from Initial period the revenue starts to decrease and even after the introduction of promotions it is consistently dwindling. We also see this same anomaly happening with Profit as they also continue to reduce with Revenue over the given time frame. But the rate of decrease in Profit is not the same as the that in decrease in Revenue.

In Fig 2. We have plotted the means of the 4 periods using Visits as the variable. We can clearly infer that the introduction of Promotions was a success in terms of generating more Visits and marketing but it didn't help in generation of more Revenue or increase Profit.

In Fig 3. & Fig 4. We have created scatter plots for Revenue and Profit against Pounds Sold. We see that the revenue increases as the sales that is number of pounds sold, increases, we found that the correlation between Pounds sold and Revenue is 86%(0.8689) which is quite high. Same goes for Profit as it increases too, we found the correlation between Pounds sold and Profit is 71%(0.7197), which is also good but not as high as compared to that of Revenue and we can also see some outlines in the Fig 4. This is quite natural in any business organization as the sales is directly proportional to the revenue generated.

In Fig 5. Shows the scatter plot for Revenue and Visits to the website. Examining the scatter plot, we come to know that the revenue decreases as the number of visits on the website increases. This is very unusual for a

business organization having an online environment. This shows that the revenue of Quality Alloys does not depend on the number of people visiting their websites.

In Fig 6. We plotted the Visits against Pounds Sold to further examine the irregularity we found in Fig 5. And we can conclude with confidence that the Visits are not related to Pounds Sold as they have negative correlation of 4% and as the growth in visits doesn't increase the number of Pounds sold.

In Fig 7. We check to see why isn't the Visits affecting other factors like Revenue and so we plotted the New User Percentage against the Bounce Rate and found that the Bounce Rate is quite high and that it is almost following with the New User.

In Fig 8. We analyzed the Average time on website against Visits and we see that as the number of Visits Increases the Average time on site decreases. It can be inferred as even though people are visiting their website, they aren't engaged on it for much time.

In Fig 9. To further Analyze this we plotted Avg of PageView against Avg of Revenue and we can see the it is a very randomly scattered plot with most revenues being generated between pageviews 1000-3000.

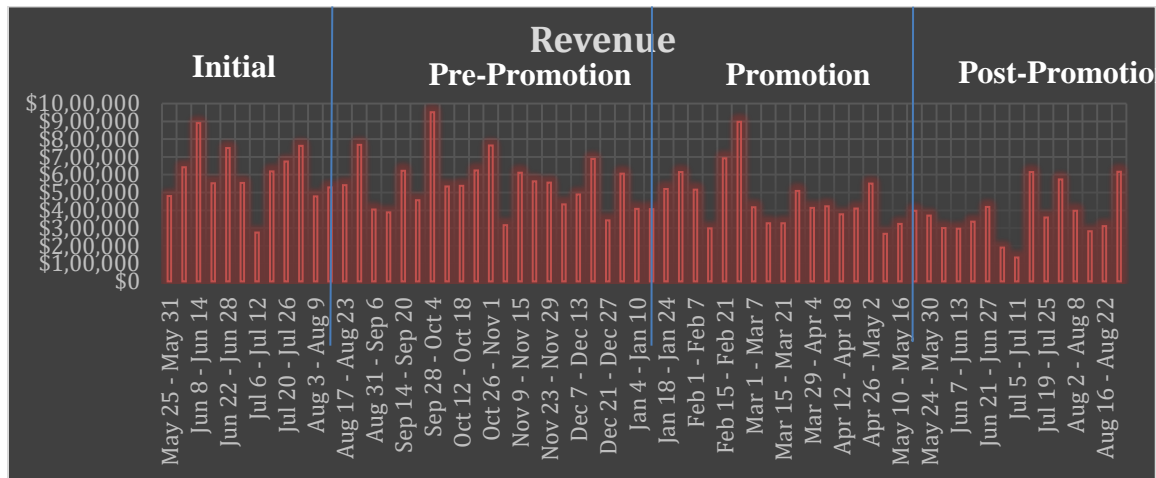
In Fig 10. We created a histogram for the data of Pounds sold from 2005-2009 on weekly basis. The histogram appears to be in a bell shaped. Therefore it follows normal distribution. The histogram is positively skewed. Skewed distribution bring a certain philosophical complexity to the very process of estimating a "typical value" for the distribution. This distribution appears more normal than the Daily Visits distribution of histogram provided in the case study.

In Fig 11, 12 ,13 & 14 we have forecasted the variables Revenue, Profit , Pounds sold and Visits. We have predicted them using 4 point moving average method and it can be observed that the forecasts for Revenue, Profit and Pounds show that there is going to be an increase in them where as the forecast for visits is done on daily visit date so it more accurate that the other graphs in forecasting the future visits.

RECOMMENDATIONS

How should QA market themselves in a more efficient way?

The graph of Revenue shows that even after investing 25K \$ in the promotions, there was no increase in the revenue. These are the possible reasons for it: Ineffective website design, more turnaround time from the Marketing team. Also, 2007-2008 was the time when the World faced a massive financial crisis, which turned out to be the worst economic disaster since the Great Depression of 1929. It led to great recession which led to alarming unemployment percentage and falling of the housing prices by 31.8% for the following two years. This could be the reason that revenue fell prodigiously during the financial crisis, and the promotion period happened to just overlap with that. ⁽⁶⁾



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KPIs: Visitor Demographics, Page Visits, Inquiries

Content Marketing: It is a kind of marketing that is focused on online outreach in order to stimulate interest in the brand. It is a significant part of brand building. Almost two-thirds (63%) of North American B2B marketers and 78% of top performers among them say they are much more or somewhat more successful with their content marketing now than they were a year ago. ⁽¹⁾ A good content will lead to brand awareness, even affinity, at a similar level to traditional advertising. A clearly defined audience is one of the foundations of a successful content program to be successful in a B2B environment which can be garnered from content marketing. QA can implement content marketing by designing a Content Strategy Plan. It will include identifying 1. the target audience, 2. the problem it will solve for audience, 3. Uniqueness of content, 4. the formats to be focused on along with 5. scheduling and managing the content. ⁽²⁾ QA should plan to increase spending (6-7% of the revenue) on social media marketing, content marketing, personalization, video advertising, and online lead generation as almost 50% of the competitors plan to increase their spending in social media marketing. ⁽⁷⁾

Call to Action: According to reports ⁽³⁾, if a company has a call to action and social media presence, it is already doing better than 70% and 82% of the competitors in the B2B sector. Examples of call to action are subscription to e-mails, request a demo or special offers. 92% of the top-performing B2B content marketing programs say they are focused on building audiences. 74% of B2B marketers agree their organization values creativity and craft in content creation and production (compared with 88% of top performers). While some B2B websites have direct commerce with customers, more than likely a B2B website doesn't expect visitors to buy something online on the first visit. Rather, the goal is to establish a connection with interested Web visitors. Later on try to turn those visitors into customers ⁽⁴⁾ So, QA should consider having call to action on their website. This can be done by redesigning the portal after conducting a customer survey of what call to action widget they would like to view on the website by creating an exit survey.

¹ <https://www.marketingprofs.com/charts/2017/32864/b2b-content-marketing-2018-benchmarks-budgets- and-trends>

² <https://blog.hubspot.com/marketing/content-marketing- plan>

³ <https://smallbiztrends.com/2013/08/b2b-small-business-websites-lack-call-to-action.html>

⁴ <https://www.marketingprofs.com/charts/2017/32864/b2b-content-marketing-2018-benchmarks-budgets-and-trends>

⁵ <https://www.prepare1.com/5-linkedin-practices/>

⁶ <https://www.thebalance.com/2008-financial-crisis-3305679>

⁷ <https://www.webstrategiesinc.com/blog/how-much-budget-for-online-marketing-in-2014>

How to increase website traffic and generate Leads ?

KPIs: Tracking code, Referrer, Visits, Inquiries

Use of LinkedIn to drive Traffic

Mainstream social media may or may not serve well for a B2B business such as Quality alloys. So quality alloys Inc. should target channels where the buyer would spend time. For example, to use LinkedIn. “LinkedIn is responsible for 80% social media leads. All the other social media platforms put together only amount to 19.67% of leads.” Also, 44% of B2B marketers have generated leads via LinkedIn.¹ Quality alloys can put up a good attractive pitch for their company, they can publish content, they can start and interact with groups, thereby creating networking opportunities for themselves.

Use of SEO

Search engine optimization (SEO) is the process of increasing the visibility of your website so you can get more organic, or free, traffic. By using SEO tactics, like using keywords and updating your website often, you can help search engine crawlers find your website and realize its importance, relevance, and value. Businesses that have a strong keyword in the business name rank 1.5 spots higher than if there is no keyword in the name.²

Pay-Per-Click Advertising

There is a quicker and easier way to get your website on the first page of search engines for specific keywords, though. It's pay-per-click (PPC) advertising.

On average, PPC advertising can increase your B2B traffic by about 25% when it is integrated with SEO³. Though these ads do work, especially when you want to see results quickly, they're no replacement for organic traffic from SEO. Also, Businesses make an average of \$2 in income for every \$1 they spend in AdWords.⁴

Mobile Optimization

Number of people using mobile or tablets to search for information online has increased significantly in last few years. Nearly 75% percent of internet use was on mobile in 2017, up from 71% in 2016⁵. To make each user's search experience more positive, Google has changed its algorithm to effectively block websites that aren't mobile optimized from showing up in mobile search engine result pages.⁶ Optimizing your website for mobile viewing can ensure that you don't miss out on these huge opportunities for B2B traffic. 62% of B2B marketers and 51% of B2C marketers have optimized their blogs for mobile in order to improve SEO.⁷

Although, Research has to be done in order to keep ROI in harmony with the cost being invested in making the website mobile optimized.

How should QA Demonstrate ROI?

As QA is a B2B distributor, there is no way of tracking online interest and converting online customer behaviour into macro conversions like revenue and profits due to absence of the shopping cart. Though B2B marketers collect mounds of data, they struggle to find effective ways to demonstrate ROI.

Possible Ways to Demonstrate ROI in effective ways:

KPIs: Revenue, ROI, COI, Profit

- Focus on ROI vs COI - Fundamentally, you're really trying to understand just three things
 - a) A clear definition of the strategy in question, so that it can be repeated.
 - b) The financial cost of putting the strategy in place.
 - c) The financial gain as a result of the strategy.
- Defining a Strategy -
Clearly Defining a Strategy is very important to measure the impact of it. You can experiment and approach your strategy creatively, but if you don't announce and measure the impact of those changes, you will never be able to separate them from the noise.
- Measuring the cost of your Strategy (Up Front)
- Separating the signal from the noise
Control variables: Control variables are the ones influencing the traffic and revenue. The more control variables you can account for, the surer you can be that *you* are responsible for the financial gains.
Cohorts analysis: Using cohort analysis, you can demonstrate that your strategies are creating more lifetime value than the typical site visitor.
- Reporting: When measuring the ROI, always tie your strategy to numbers. Especially to Pounds Sold, Revenue, Profits in our case. ⁽⁸⁾

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CONCLUSION

The traditional marketing strategies used by Quality Alloys which includes direct mail, advertising in trade magazines and paid postings on GlobalSpec and ThomasNet seems to be sufficient for generating the revenues. Therefore, we think QA should continue with its current marketing strategy and make some additional changes like focus on content marketing, social media outreach and call on action, increasing visibility in order to attract more web traffic.

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¹ <https://www.prepare1.com/5-linkedin-practices/>

² Local SEO Guide, 2016

³ <https://searchengineland.com/ppc-seo-match-made-marketing-heaven-259693>

⁴ [Google](#)

⁵ Reuters, 2016

⁶ <https://techcrunch.com/2016/03/16/googles-makes-having-a-mobile-friendly-site-more-important-get-page-one-listing-seo/>

⁷ Social Media Examiner, 2016

⁸ <https://www.crazyegg.com/blog/measure-marketing-roi/>

APPENDIX

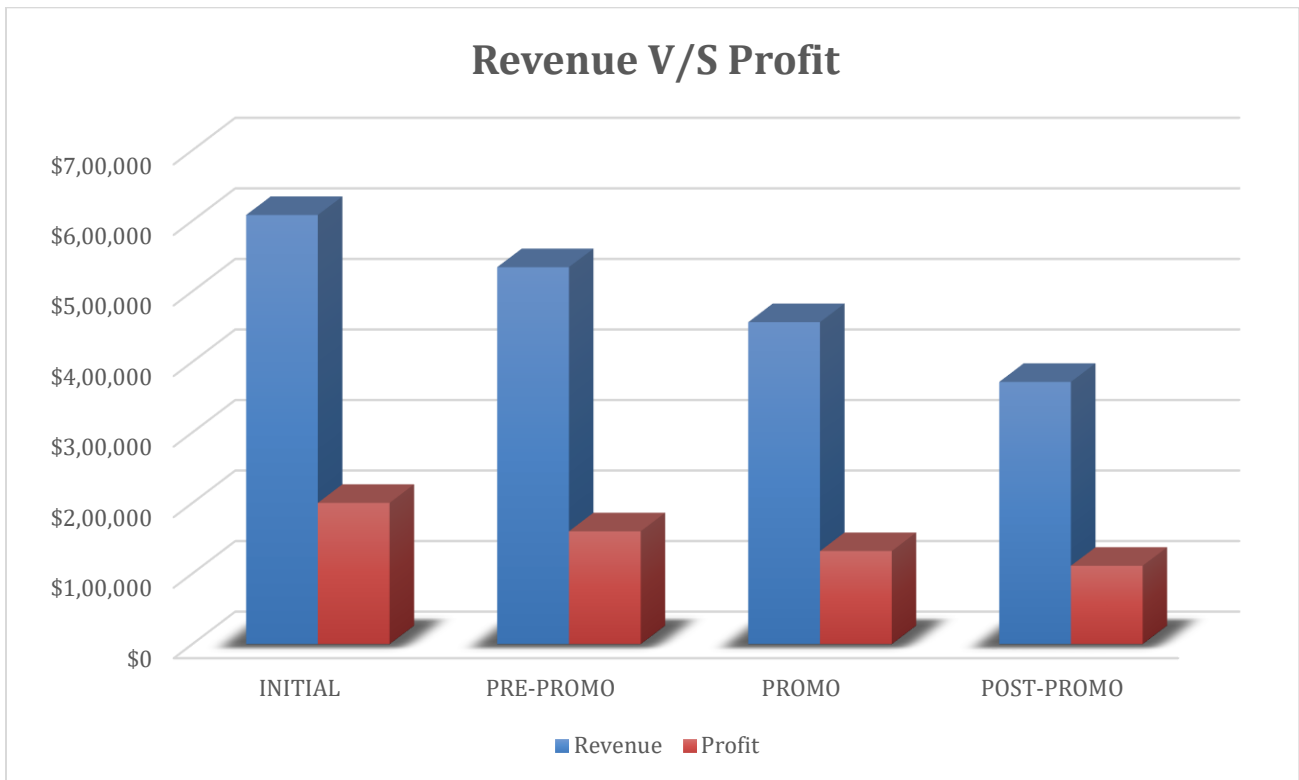


FIG 1

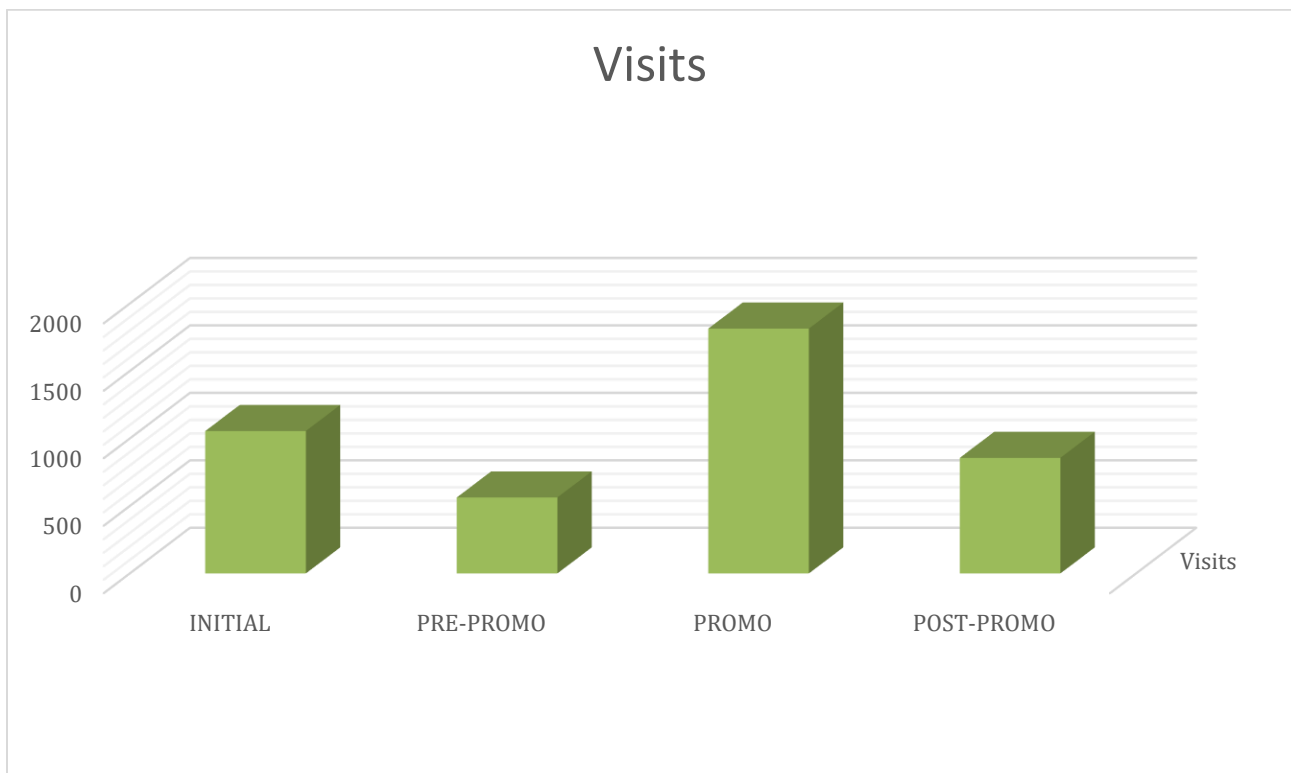


FIG 2

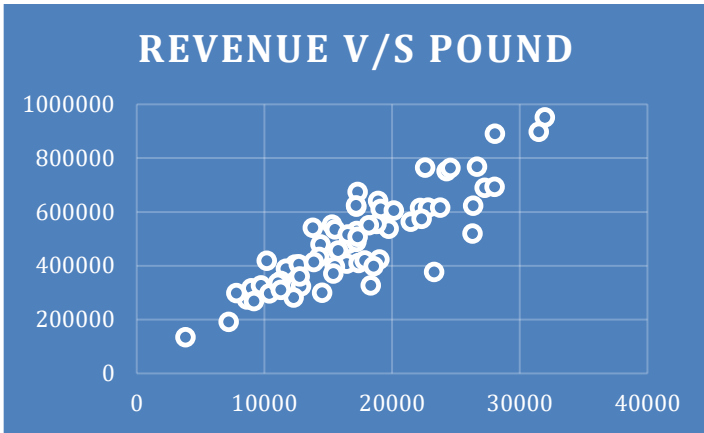


FIG 3

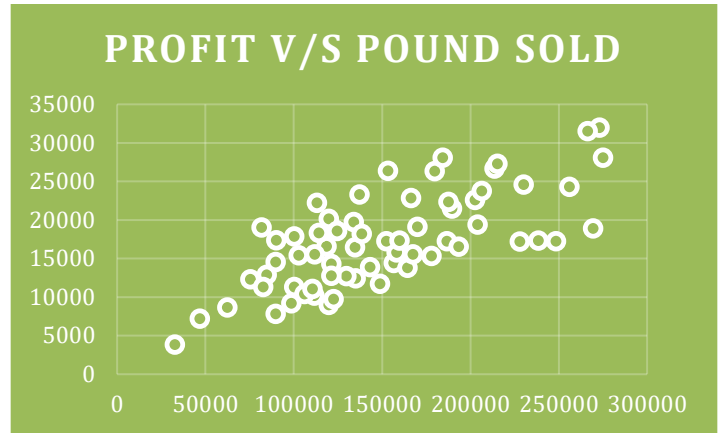


FIG 4

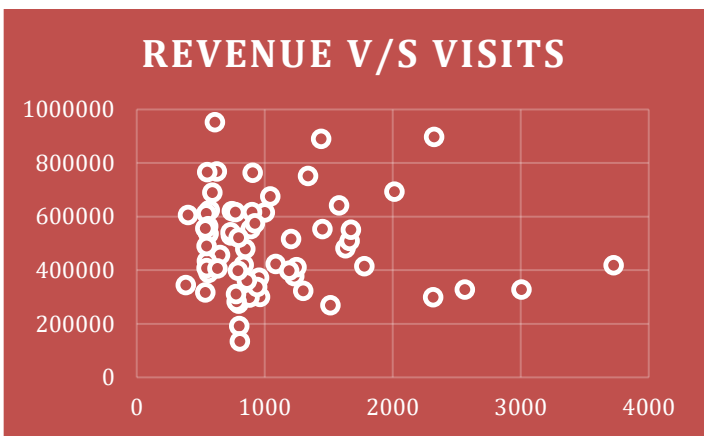


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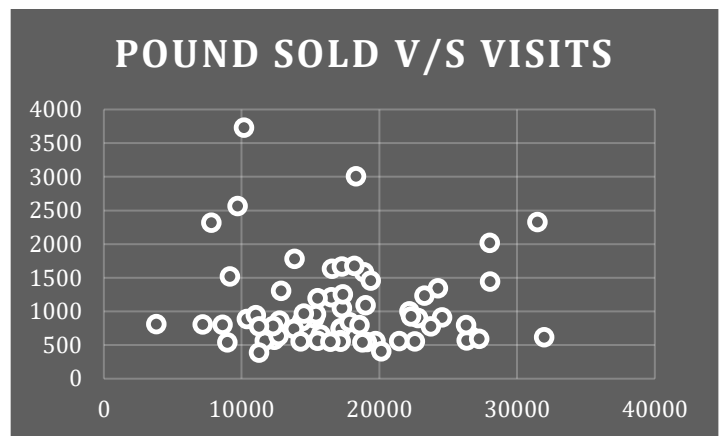


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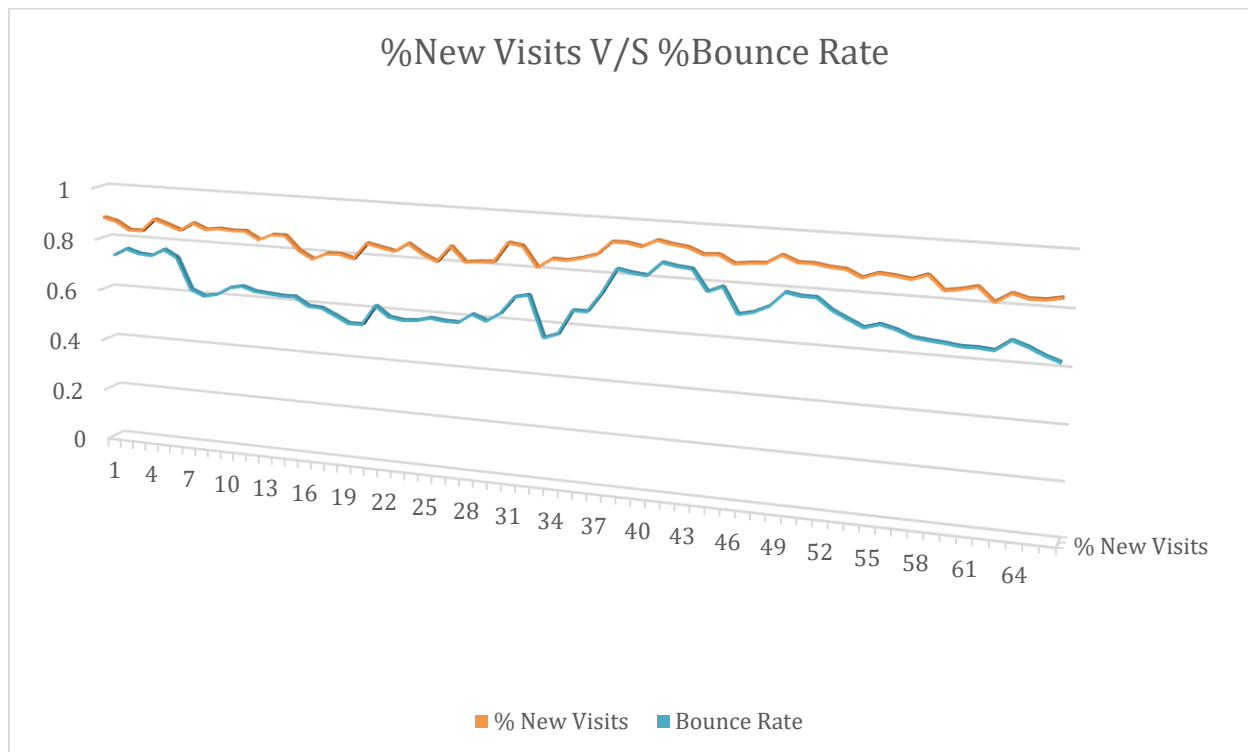


FIG 7

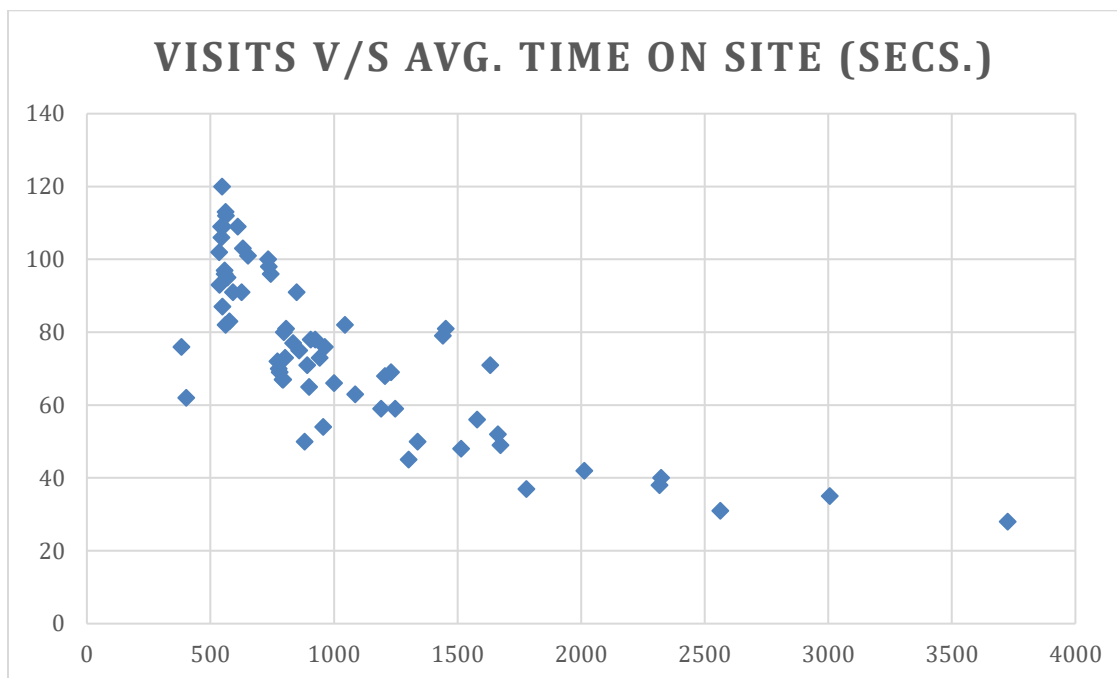


FIG 8

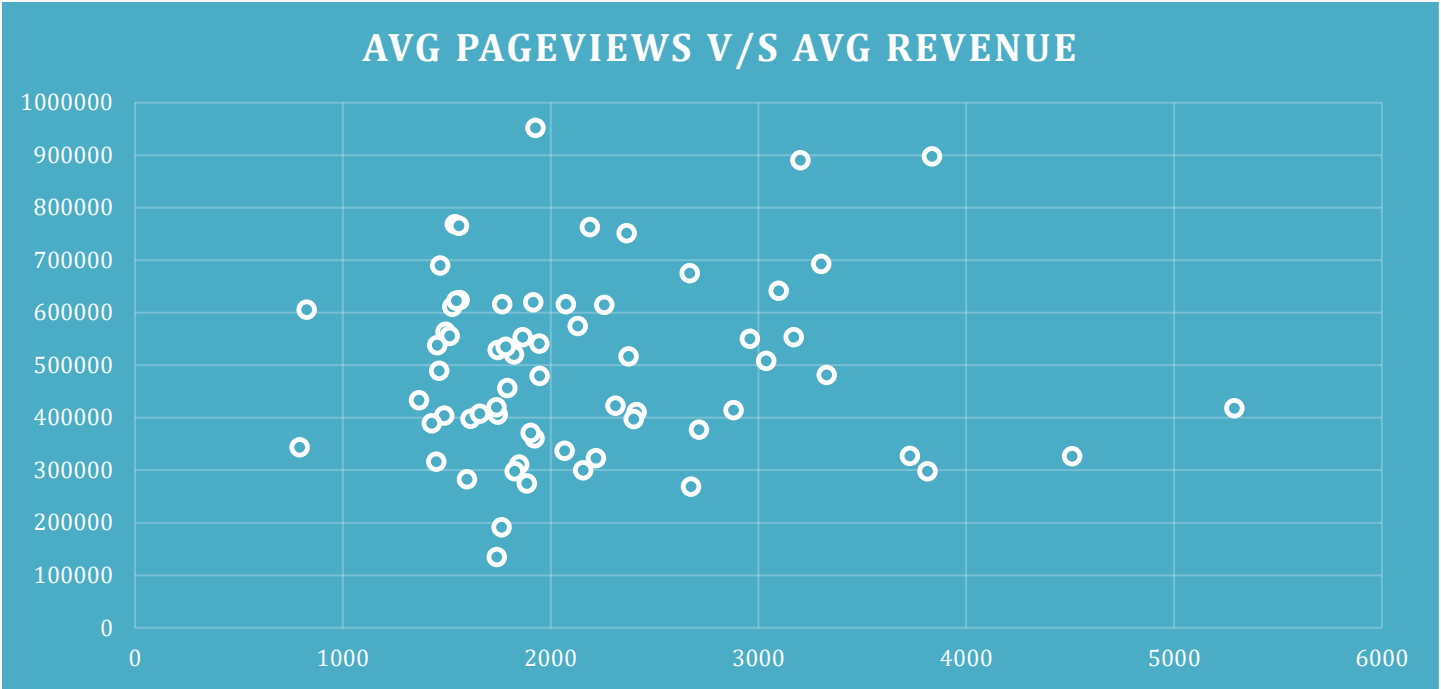


FIG 9

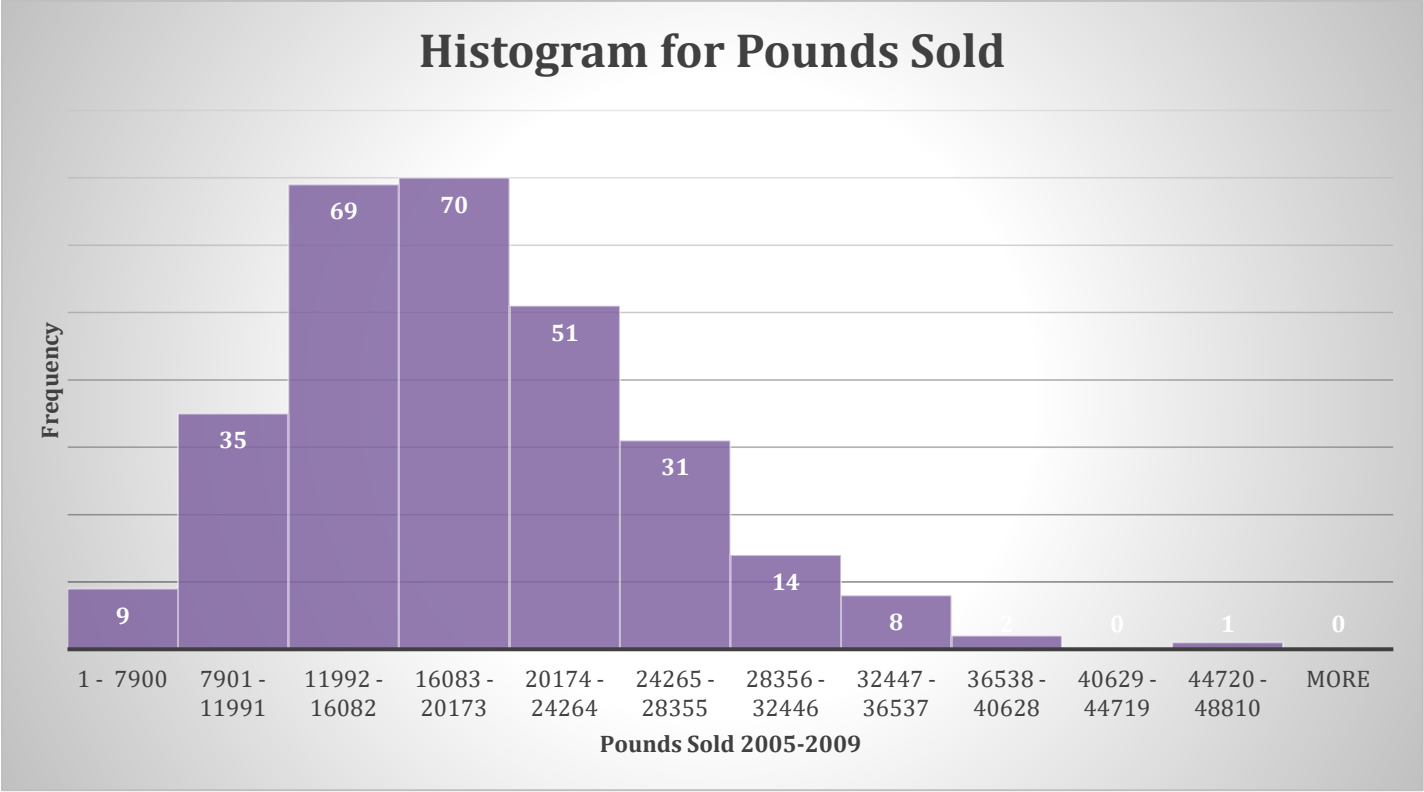


FIG 10

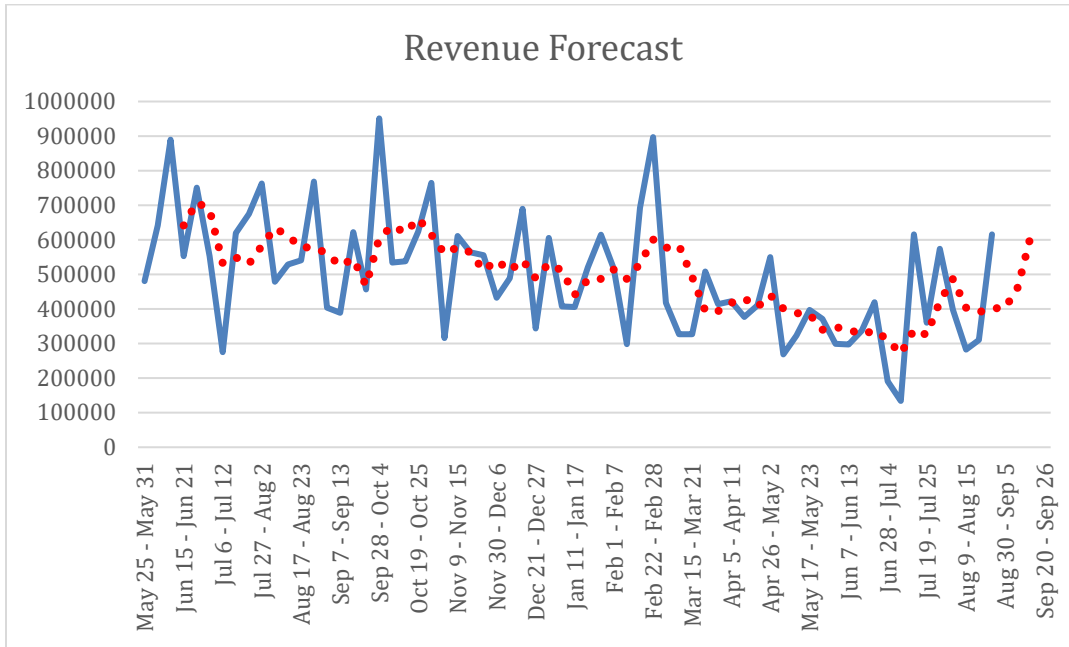


FIG 11

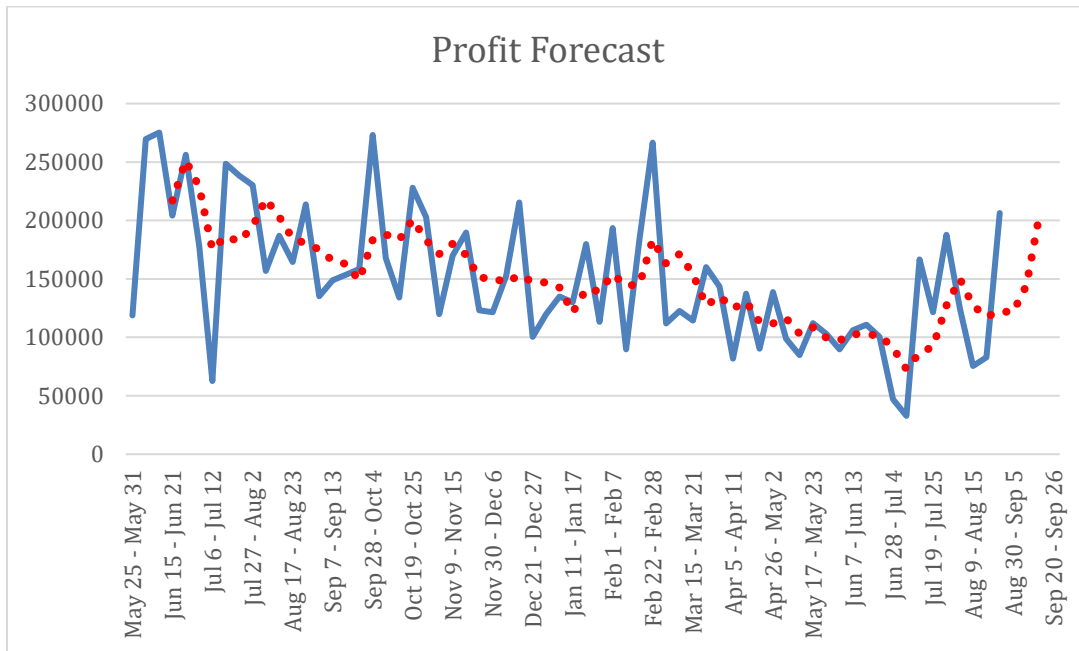


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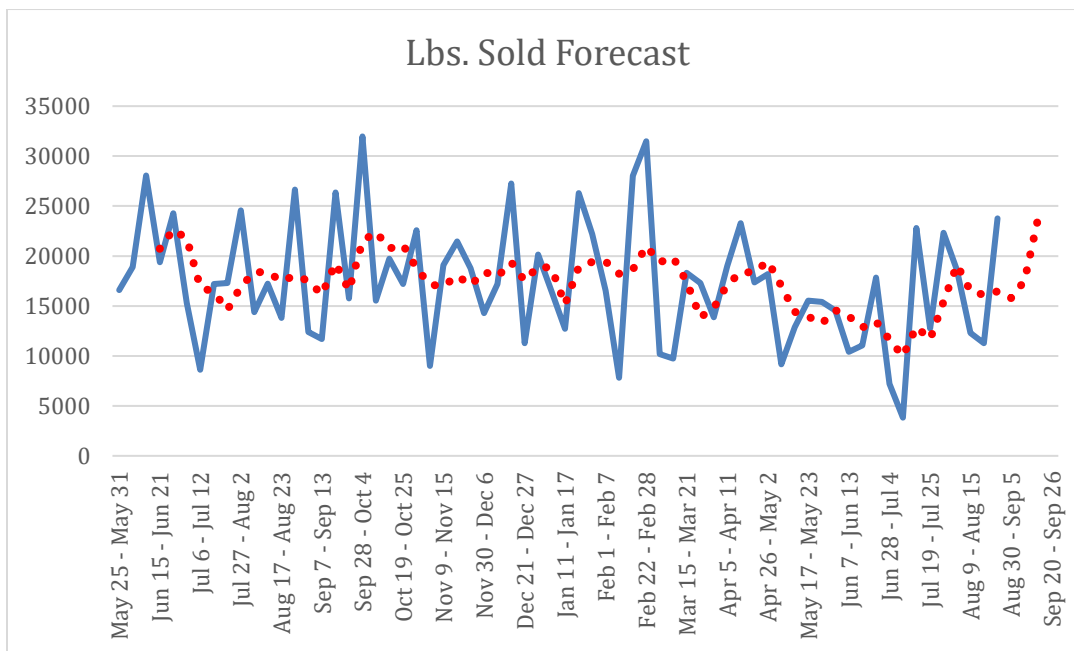


FIG 13

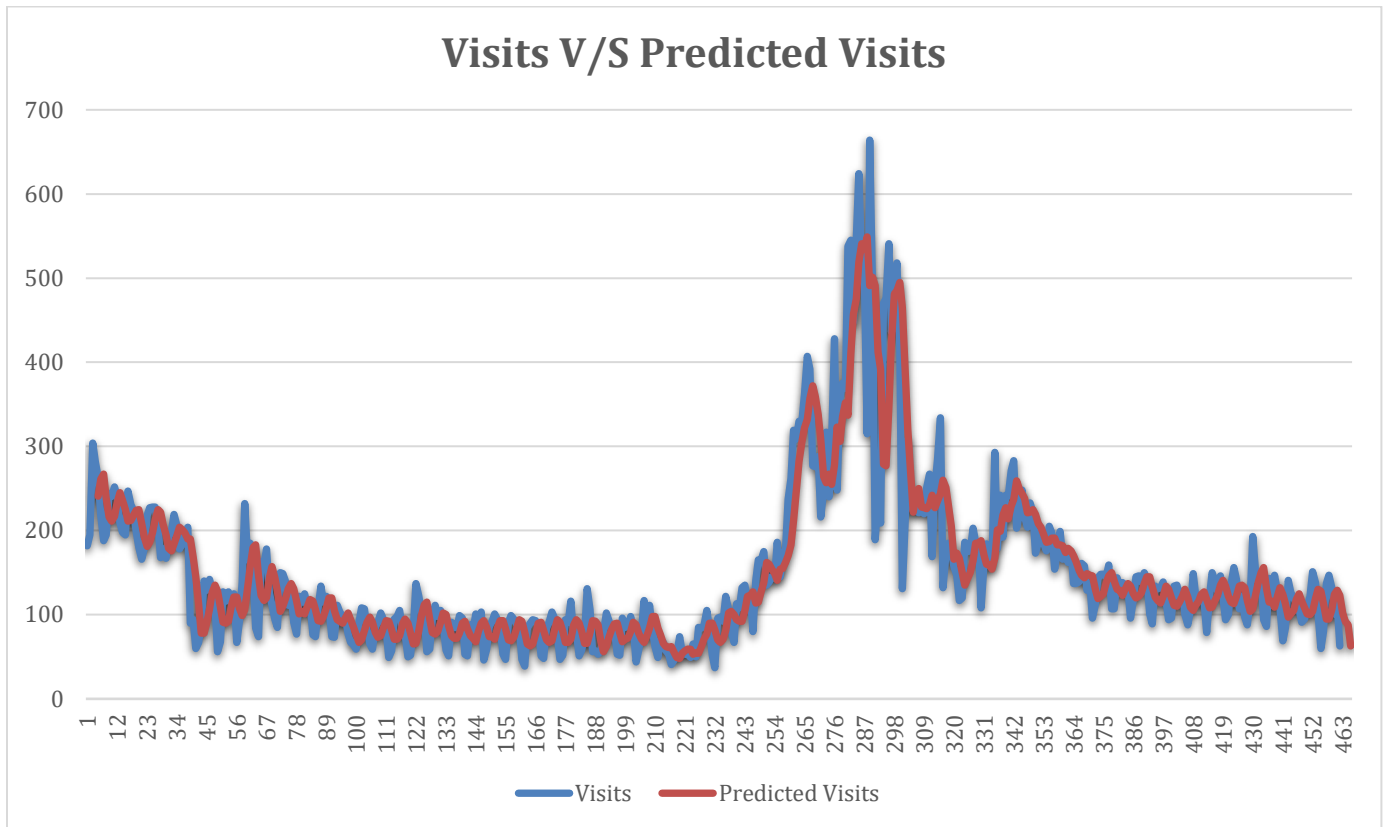


FIG 14