

# Chapter 47

## Potential Benefits of Analyzing Website Analytic Data

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### INTRODUCTION

This article presents an overview of the potential benefits of analyzing website analytic data. During the last several years I have gained first-hand knowledge of Internet marketing programs of a variety of companies ranging from national name brands to small businesses. In addition, I have been active in the local chapter of the American Marketing Association. During this time, it has become clear to me that many small business owners and marketing managers at various size companies lack a basic understanding of the potential benefits of analyzing website analytic data. This article introduces the basics of website analytics and the potential benefits derived from analyzing that data.

The objectives of this article include:

- Define the following terms: website analytics, Internet marketing, bounce rate,

information architecture, Web 1.0, Web 2.0, and search engine spider.

- This article presents potential benefits of analyzing website analytic data, including: discovering traffic trends, target market segmentation, developing best practices, optimizing landing pages, and improving conversion rates.

### BACKGROUND

Currently there is great interest in Internet marketing as Internet usage continues to increase. According to Internetworldstats.com (2009) world Internet usage has grown 338.10% from 2000 to 2008. Internet marketing offers both Business to Consumer (B to C) and Business to Business (B to B) companies a way to drive high-quality, low-cost traffic to their website(s). Internet marketing can include a mix of paid and unpaid media along with website adjustments and strategies to drive quality traffic

DOI: 10.4018/978-1-61520-611-7.ch047

to a website and improve conversion rates. The Internet marketing mix may include but is not limited to: Pay Per Click (PPC), Search Engine Optimization (SEO), banner advertising, landing pages, link building, and email campaigns.

Internet marketing is continuously evolving and offers substantial website statistical data to develop an understanding of return on investment (ROI) of Internet marketing strategies. It is crucial for companies to monitor their website analytic data and develop a baseline report to continually monitor and have the website evolve based on consumer usage of the site. While a percentage of businesses have embraced Web 2.0 trends, a larger percentage of businesses have not yet successfully harnessed the power of or comprehended Web 1.0. Web 1.0 refers to the first versions of websites that were and are basically online brochures. Web 2.0 refers to a website that has evolved past Web 1.0 and includes consumer-generated-content and/or user reviews that allow website visitors to interact with the site.

Website analytics are programs that capture website user data that can be analyzed to develop an understanding of website trends and website strategy ROI. The information varies depending on the analytic program being used but generally includes the total number of visitors to a site along with other data that can be analyzed for trends. Many analytic programs are available and each has its own list of advantages and disadvantages. The two analytic programs that are used for the purpose of this article are Google Analytics and AW Stats.

Google Analytics (2009) website states: "Use Google Analytics to learn which online marketing initiatives are cost effective and see how visitors actually interact with your site. Make informed site design improvements, drive targeted traffic, and increase your conversions and profits." An advantage of using Google Analytics is that it is continuously updated to include advanced reporting tools. A disadvantage is that by offer-

ing the product for free, Google also has access to the data.

AW Stats (2009) website states: "AW stats is a free powerful and feature full tool that generates advanced web, streaming, ftp or mail server statistics, graphically. This log analyzer works as a CGI or from command line and shows you all possible information your log contains, in few graphical web pages." An advantage of using AW stats is that it captures the search engine spider visits. A disadvantage is that it lacks in-depth reporting tools. Search engine spiders are bots (search engine robots) sent from the various search engines to crawl the pages of a website and index the pages based on what they find. It is important to note that search engines do not index a whole website but rather individual pages of a website.

Developing a routine analysis of a website will most likely lead to new ideas for improving the overall user site experience and improving conversion rates. The analysis can easily identify problem areas of the website that might otherwise be overlooked.

## **WEBSITE ANALYTICS DATA ANALYSIS**

By professionally analyzing the marketing data available via an analytics program on a regular basis, new ideas for improved graphics, copy, and calls to action are likely to be developed. Generally the goal of Internet marketing options such as PPC, SEO, link building, banner advertising, and email campaigns is to drive low-cost, high-quality traffic to a website. Upon entry to the site, their job is done. It is up to the website to convert the consumer. Now that the consumer is on the site, it is up to an analytics program to offer insights into what the consumer is actually doing on the site.

It is crucial for companies to monitor their website analytic data and develop a baseline

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