

MEASURING METRICS FOR SUCCESS

Key Performance Indicators for the Standard Business Funnel



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Measuring Metrics for Success: KPIs, Analytics and Benchmarks

INTRODUCTION

It all started because of an article we wrote for Search News Central about analytics and business funnels. Although the article was fair sized, we'd barely scratched the surface of the subject by the time it was over. That just wouldn't do. After all, Level343 has built a reputation of providing in depth information, "how to" advice and other tasty info-morsels to the table.

-And so, the *Measuring Metrics for Success* series was born.

In this eBook, we've pulled together the six posts that went into the series, from the original on [Search News Central](#) to the final wrap up on the [Level343 SEO Article Archive](#). We hope, as all business publishers hope, that you find this eBook informative, helpful and enlightening.

To Your Success!

The Level 343 Team

MEASURING METRICS FOR SUCCESS



Welcome to the information buffet. Today, we're serving up a bite-sized info-morsel on business funnels, metrics and Key Performance Indicators for your consumption. It's a hefty meal, but the summary is this: quite simply, one can glean a ton of information from the data provided on web analytics programs. That data can lead to exciting – and productive – change for your online business.

Although data is abundant through various tracking programs, the problem for the uninitiated is the struggle to answer these questions: "What data is important?" and "Which metrics should I use?" Most importantly, "What can I do with the data?"

THE STANDARD BUSINESS FUNNEL

Successful entrepreneurs don't always start with college-level training. In fact, many don't. Because of this, many entrepreneurs may be unaware of the simplest of business processes when they first start out. One example is the fact that **every business goal has a business funnel**. Although various places add in or take away part of the funnel, the standard is:

AWARENESS



Awareness (or Reach) is pretty self-explanatory. Simply put, you can't move people through the business funnel if they've never heard of your business. Examples of awareness might be:

Word of Mouth (WoM)

Seeing your company's site in the SERPs

Newspaper, magazine or website ads

However an individual might hear about your company

ACQUISITION



Acquisition, according to [InvestorWords](#), is "acquiring control of a corporation, called a target, by stock purchase or exchange, hostile or friendly. Also called a takeover." In online business, acquisition is that moment in time when your *potential* visitor becomes an *actual* visitor, via click through from the SERPs, another site, an ad placement or the indefinable... "other". It's also when your company gathers a social network connection or any other act that brings your company into contact with the consumer.

ENGAGEMENT



Engagement is "*a response that **does not** actively and directly affect the company's business goals.*" This is a rather broad definition, and one that can be somewhat tricky. For example, you might not automatically think of YouTube comments as directly contributing to sales. However, a YouTube comment could draw attention to your product, which causes a visit to your site, which causes sales conversion, which in turn causes a regular customer. In this case, did the YouTube comment *directly* contribute to your company's business goals?

The short answer is: no. There were a lot of steps between point A and point Z. Although the YouTube comments may have started a process that ended in sales, there are too many points in our imaginary sales funnel where things might negatively or positively affect the conversion process. Therefore, examples of engagement might be consumers:

- Sharing with a friend
- Viewing your video, listening to your podcast, etc.
- Talking about your company, articles, blogs, website
- Addressing you in social media

CONVERSION



Conversion is similar to engagement. However, the definition differs slightly: "*a response that actively and directly affects the company's business goals.*" If one of the business goals of your site is to gain more leads, then a visitor contacting your company for a proposal is a conversion. If you want visitors to share their personal information to receive downloadable resources and they do so, *this* is a conversion.

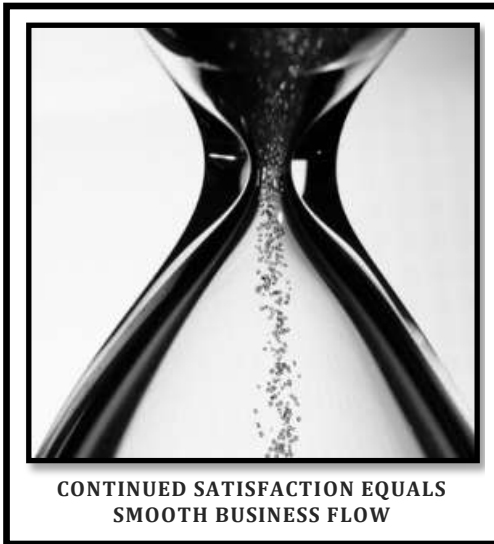
Not too long ago, conversion meant sales. With multiple touch points, processes and various offerings a single site might have today, a conversion is simply when the visitor does what you want them to do, whatever that might be.

RETENTION



Retention is the recurring activities of repeat customers or visitors. If one of your visitors converts and becomes a client, they fall under the "retention" section. If a customer becomes a repeat customer, this is retention. If the open rate on your email newsletters maintains a steady rate, you've retained that size of readership. In other words, if they shop again, they've completed the short form of the business funnel.

THE ADVANCED BUSINESS FUNNEL



The average business funnel leaves out a few things, such as satisfaction. At each point of the standard funnel, there is a brief moment in time when the individual subconsciously answers the question: am I satisfied with this step?

Think about it. Although you may not consciously say, "I'm going to buy this product," when you see a comment on YouTube, you're subconsciously asking the question, "Is this product worth buying?" We're a very savvy consumer society; unlike cows to the slaughter, we know when we've stepped into a funnel and entered the sales process.

Let's use the YouTube example.

AWARENESS & SATISFACTION

You, the potential consumer, read the YouTube comment about our XYZ product. As you enter into our business funnel through word of mouth, you become the target acquisition. The comment will have to produce something that satisfies your instinctual aversion to marketing.

If the comment appears legitimate (i.e. not spam) and the information is inviting enough, the WoM has succeeded and you'll proceed to the next step in the business funnel. Notice, however, that satisfaction is mandatory.

ACQUISITION & SATISFACTION

Your curiosity from the YouTube comment has caused you to search for our XYZ product. Our site appears in the search results for your query. Here, let's pause for a moment of potential satisfaction.

Our search snippet will again have to satisfy the instinctual aversion to marketing. At this moment in time, you're still in the "informational" stage, and our business funnel should account for that. Assuming all is well, our search snippet satisfies and you click through to our site, becoming an acquisition.



"At each point of the standard funnel, there is a brief moment in time when the individual subconsciously asks and answers the question: am I satisfied with this step?"

ENGAGEMENT & SATISFACTION

As you look over the well-written landing page, you're looking for elements specific to your needs and expectations. You need a question answered and haven't immediately found the answer. A small, timed-response pop-up in the right-hand corner asks you if you'd like to speak to a sales representative. You ask your question, the sales representative answers and you are satisfied with the answer. Or not, and you fall out of the funnel. Satisfaction is crucial to the road you take.

CONVERSION & SATISFACTION

If you've stayed in the business funnel, you now buy our XYZ product. You have officially converted. You're happy. We're happy. - BUT -

Our goal, as is the goal of most businesses, is to create return customers. For you to become a return customer, our reaction to the conversion has to satisfy you. You have to enjoy our product, like how we dealt with you and so on.

RETENTION & SATISFACTION

We are pros at providing top-notch customer service. Our product is excellent and exactly what you wanted. You couldn't be happier. We couldn't be happier, either. You've reached the finish line of the business funnel and retention is achieved. We have a new repeat customer. Win. Win... Win.

However, you now have expectations about our company and about our product. Each time you interact with us, we will need to satisfy those expectations. As you can see, satisfaction is still an integral part of the funnel.

DEFINING & USING THE IMPORTANT DATA



JUST BECAUSE IT'S DATA,
DOESN'T MEAN IT'S IMPORTANT DATA

At each point of the business funnel is a node of important data. Your mission, should you choose to accept it, is to define what that important data is for your site and business goals. This data, in turn, is used to define trackable metrics.

You need to answer the question: "What data is being returned that is important to the success of this step, and which metrics reflect that data?"

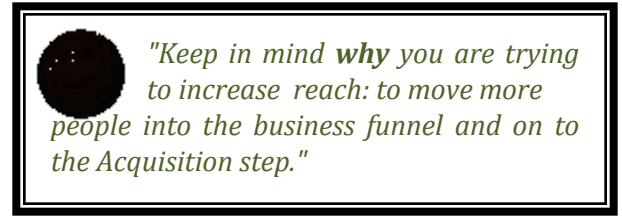
Let's look at Facebook as an example:

Facebook Insights says your "Friends of Fans" is 430,281. Your total Likes are 710. Your site receives approximately 50 visits per month from Facebook.

At this point, it's just data. The numbers are just sitting there, soaking up white space. You have to ask yourself:

What part of the funnel does this data fall under? Those 400,000+ Friends of Fans are part of your reach, or Awareness. In other words, this is the first step of your business funnel! That's a lot of pressure on your Facebook page, but any campaign that targets this section has the potential of exponential goodness for your ultimate business goal of success.

Can I convert this data into an actionable plan? Yes! It might start out as something as simple as, "If I could reach even half of those 400,000+ people..." A brief action plan might be "Increase Facebook reach by 10% with a dedicated FB campaign targeted to entice shares and likes."



What metrics will the campaign/changes affect? (i.e. Which metrics should I track to provide the best information on success?) In this example, metrics might be "Friends of Fans" and Likes, since both increase reach. You might start watching how many people see each post – not as a metric, but due to the potential of finding out more about your audience and which posts received more shares.

However, you have to keep in mind *why* you're trying to increase reach: to move more people into the business funnel and on to the Acquisition step. With this in mind, a Key Performance Indicator, or KPI, to track would be the metric that tracks whether people move into that step. In this case, the KPI would be visits to your website from Facebook.

REMEMBERING SATISFACTION

Satisfaction. It isn't guaranteed. However, as pointed out above, it's crucial to the success of your business goals. As you move on with the provided example and expound it to meet your goals, remember that each step has a level of satisfaction that *must be met* for the consumer to move further through your funnel.

MEASURING AWARENESS WITH CAREFUL KPIS: AN INFO MORSEL ON METRICS



SearchSOA defines *Awareness*, or *Reach*, like so:

“In Internet marketing, reach is how many different people visit a Web site to see an ad and also what percentage of these people fall into the audience to which an ad is targeted. A common measure of reach for a Web site is its ‘unique visitors per month.’”

-But is this true reach? We don't think so. To be honest, we agree more with the Business Dictionary's definition:

“Estimated number of the potential customers it is possible to reach through an advertising medium or a promotional campaign.”

Let's pull out some important parts of this definition.

Estimated number – The number will never be exact. Why? Here's an example: even if you have a group of 30 people where 10 are not your target audience, this doesn't mean the 10 *won't* buy. It just means they aren't *likely* to buy.

Potential customers – You have current, loyal customers. You love your customers. They pay your bills. However, *current* customers only play their part in reach by how many people they come in contact with. In other words, reach looks at that big, exciting “potential” pie.

Promotional campaign – This is important because of the word promotional. When you think *promotional*, you might think *advertisement* as well. However, we live in the digital age of communication. If you're using Twitter and Facebook to build your audience and customer base, they are promotional campaigns. So are:

- Newsletters
- Ads on other sites
- Guest blogging
- Social media activity
- Offline flyers
- Newspaper ads
- Direct marketing

MARKET SEGMENTATION



If you've done your marketing research, you should already know who your target market is. What if you're trying to reach a broad audience, though? Well, this is where segmentation comes in.

Segments can include:

Age (kids, teens, adults, elderly?)

Gender

Education (high school, Associates, Bachelors, Masters?)

Income level

Marital status (single, married, divorced, significant other?)

Family situation (newly married, married for a long time, kids, no kids?)

Lifestyle (conservative, trendy, thrifty, on the edge)

Example:

You sell a wide variety of sports and athletic equipment. Your entire audience, then, has only one thing in common: the urge to be athletic. Note that they don't actually have to *be* athletic; they just have to *want to be*. However, you already have segmentation: those that are athletic, and those that want to be. Within these two segments, you might have:

Young, newly married couples with a medium income level, who enjoy rock climbing, cross-country skiing and extreme sports

Moms/dads with school age kids who play sports. This can further segment into things like:

Married or single moms/dads with low incomes who are thrifty

Married or single moms/dads with medium or high incomes who look at quality over cost

Single/married men who want to buff up

Single/married women who want to lose weight

HOW IT APPLIES

Once you've segmented your target audience, you need to find them. Where are they? Where do they hang out? For example, if your market segment is single men and women who want to tone and lose weight, you can increase your market reach via ads on:

Dating sites

Health and nutrition sites

Niche exercise sites

Facebook is a great place for the family-oriented. Twitter is great for business and family. Google + is great for business-minded IT folks. LinkedIn is all business. YouTube is fantastic for "how to" videos and other viral goodness (thrifty or DIY people often visit here).

KEY PERFORMANCE INDICATORS – WHAT METRICS DO I TRACK?



When you're tracking KPIs (**Key Performance Indicators**), you want to make sure you have the right metrics. Tracking the wrong metrics can give you such inaccurate data that you'd think a campaign was failing when it was succeeding and vice versa.

The first question when defining KPIs for any stage of the funnel is, "What do I expect to happen from this activity?" In other words, what's the hoped for result? Awareness is at the beginning of the business funnel. The hoped for result is that your target audience takes the next step of Acquisition:

- Follow you on your social networks
- Visit your site
- Call your number

Based on these three, your Key Performance Indicators would be:

INCREASED NUMBER OF FOLLOWERS ON SOCIAL NETWORKS:

Generally, we wouldn't recommend follower numbers as a metric. However, the purpose of the Awareness stage isn't to engage. Not yet. The purpose is to increase the *potential* level of engagement. The more followers you have on your networks, the wider your potential reach is, if you use social wisely.

NUMBER OF UNIQUE (NEW) VISITORS TO YOUR SITE FROM YOUR CHOSEN REFERRAL:

In your analytics dashboard, mark the sites you're actively using to reach your target market. For example, if you've posted a guest post on LiveStrong.com, you'll want to mark the URL. You'll want to mark visits from social networks, the niche exercise sites and so on. Keep in mind, however, that you're looking at new visitors, not return visitors. The purpose is to *increase*, not *maintain*, your reach.

NUMBER OF PEOPLE WHO CALL:

Call tracking is a booming business for one big, whopping reason. It helps businesses keep better track of where the sales are coming from. It can be expensive, but with call tracking solutions such as [ReachLocal](#), [Twilio](#), and [CallTracks](#) (among many others), there are plenty of options to choose from.

THE TIP OF THE METRIC ICEBERG

Not everyone sells sports equipment, and not everyone has a broad audience, so this eBook is a guideline, not a systematic guide. Take the time to exercise critical thinking; how would this process work for you and your business? How far can your market be segmented before it ceases to make sense? Where can you target each segment to gain the best reach? What places have you missed that might bring high returns?

ACQUISITION AND THE KPIS TO TRACK IT: METRIC MEASURING PART DEUX



TRACKING YOUR KPIS...

Acquisition is the second stage of the business funnel after a potential consumer finds out about your company. As described earlier in *Measuring Metrics for Success*, it's the point when your *potential* visitor becomes an *actual* visitor.

This is the point where contact is made and they follow you on social networks. Or the point when they walk into your physical store for the first time (for this to be reliably measured, your metrics have to cover first time visitors only).

THE REALITY OF ERROR

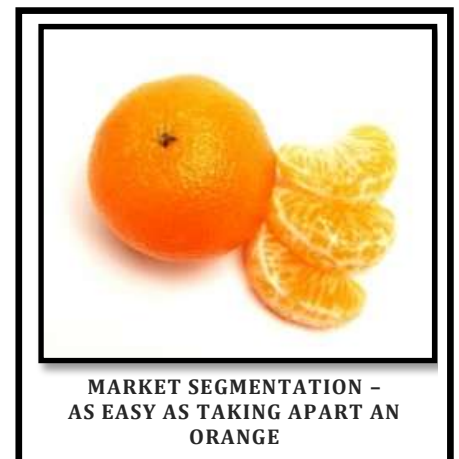
It seems easy to track. After all, people either follow you or they don't. They either visit your site, or call, or not. However, if you count every visit, every call and every follow, you'll skew the numbers from reality.

The reality is one of error. People accidentally follow you and then quickly unfollow when they realize their mistake. Individuals may accidentally click on your search result. They may click and, upon landing on your page, return the SERPs because it wasn't what they thought it was. Phone numbers can be accidentally dialed. Keep that in mind when looking at the numbers.

MARKET SEGMENTATION

You've already seen how market segmentation applies in the Awareness stage. If you have a broad audience, you aren't going to catch them all by using a single social network, lone T.V. channel or radio station. Direct mail flyers sent to one zip code have little chance of reaching other neighborhoods.

Market segmentation not only allows you to decide how to best reach a niche audience (i.e. parents whose school age kids play sports), it also allows the tracking of that segmentation. In this way, you gain much better insight and a narrower view of each campaign, no matter where that campaign is.



MARKET SEGMENTATION -
AS EASY AS TAKING APART AN
ORANGE

HOW IT APPLIES

You have a bustling business and website that sells sports and athletic equipment. You're getting ready to run a series of TV ads targeting parents with school age kids. You *could* run the ad and see an increase in visits to the site around the same time the ad airs, and then assume the entire increase comes from the ads. On the other hand, you could make sure your returns are traceable...

Set up an exclusive action on your site for use during those ads:

“Visit sports.com; click ‘MyKids’ (picture shown of where this button is) for a 10% discount and free shipping on all of our high school sports products!”

Include a unique visitor TV page cookie

Track the visitor using the cookie all the way through to the sale

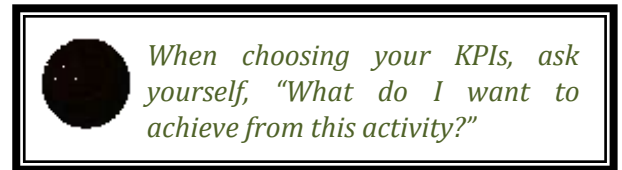
“Use code ‘MyKids’ at checkout for a 10% discount and free shipping on all of our high school sports products!”

Track ad success based on code use

Either way, the main goal is to track their entrance, behavior and exit based on the specific ad. How you do that is up to you and your marketing team.

KEY PERFORMANCE INDICATORS – WHAT METRICS DO I TRACK?

When choosing your KPIs, ask yourself, “What do I want to achieve from this activity?” Quite simply, now that you’ve caught their attention and they’re on your site, following your networks or calling your phone number, you want them to engage with you.



You expect them to:

Talk with you, retweet, share, like, etc. on your social networks

Read your blog and talk about it, comment, share it, etc.

Visit your product pages or otherwise interact with your site

Interact with customer service on the phone

Based on these actions, your Key Performance Indicators might be:

The number of new followers that retweet, share, like or contact you on social networks. Track using platforms such as:

[Hootsuite](#)

[Facebook Insights](#)

[Monittor](#)

Number of citations since tracking began. Track using platforms such as:

[Blog Search](#)

[Social Mention](#)

[Spiral 16](#)

Average shares, comments, etc. on your blog

Visits to your product pages based on various referrals (using exit, entrance paths and others to track)

Question/answer with customer service on the phone, answering the question, “how did you hear about us?”

Of course, the above are only examples. You know what you want your site and campaigns to achieve. Make sure your KPIs stay in line with that.

MEASURING AND METRIC CAVEATS

Let's be blunt, m'kay? A computer program is only as good as its programmer and is only as useful as its user knows how to make it. Analytics programs of any type, whether they're site analytic programs or social monitoring programs, are subject to error. With that said, make sure you read the documentation and help files of any analytics and/or tracking program you're going to rest the success of your business on.

MOVING FORWARD

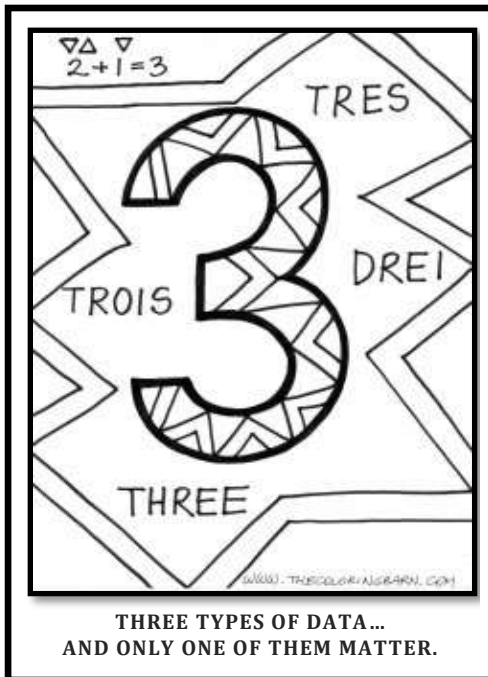


You'll be gaining a lot of information as you begin to set up and implement the various tracking sections and funnels. That's okay; don't let it get overwhelming. To keep that from happening, maintain a list of goals and steps per funnel. For example, in Awareness, the goals are to get them to connect with you in some manner. The result is following, visiting, calling.

If the expected result doesn't happen, there's something wrong in that part of the funnel. –And this is really what tracking is all about. At some point in time, you aren't going to meet the expected level of satisfaction as much as you'd like to. You'll see this when you notice that the result, and thus the next point of the funnel, isn't being reached.

Use your metrics and the data you've gathered to find out why. Start A/B testing, use short surveys, whatever, but find out how you can better satisfy your customer base at each level.

MEASURING ENGAGEMENT AND KPIS



If you were to pull together all the data from your online marketing efforts, you'd be scratching your head in confusion very shortly. Why? Because it's too much. You'll come across three data types in your analytics travels:

The important kind

The kind that's nice to have

The filler that only data analysts and numbers freaks will enjoy pouring over although it really isn't helpful

If you can't learn how to distinguish them, you'll quickly become overwhelmed. This is where KPIs come in.

Choosing KPIs is part training, part common sense and part intuition. It's also having an understanding of what a Key Performance Indicator *is*, and what it is *not*. A KPI *is* a performance metric, but it is *not* just **any** performance metric or bit of measurable data. In online marketing, ***this important performance indicator helps us learn and improve upon our marketing efforts.***

With all the data pouring in to your analytics, how can you narrow the choices? By asking yourself these questions:

Is this information actually important to have? For example, it's important to know 500 people visited your site from Poland last month. However, if you're strictly located in a 300-mile radius from your home base, does it *really* matter what those people in Poland actually did on your site? Probably not. What matters is that you figure out why Poland is giving you better returns than the U.S., and how to change your campaign to compensate.

What question are you trying to answer? One of the most frustrating things about KPIs for the non-initiated is the fact that they change depending on what you're trying to find out. For example, would you track how successful a Facebook campaign was by looking at visits from search? No, because search and social are two different things.

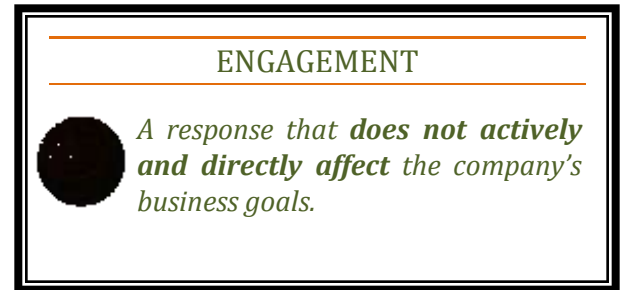
What goals are you trying to track? You can't have a Key Performance Indicator if you don't have something that you want to perform in the first place. You have to have a goal to know what questions to ask to know whether the information is important. It's a vicious cycle of common sense that isn't so common.

Why are we covering basics like these in the middle of this eBook? Because we're moving on to stage 3, where the most data comes flooding in...

ENGAGEMENT – STAGE 3 OF THE STANDARD BUSINESS FUNNEL

We used YouTube comments as an example in the Awareness stage, but the long of the short of it is this: if it isn't the *actual conversion*, it's engagement. Examples of the engagement stage could include:

- Clicking through the pages of your website
- Watching a video you posted on YouTube
- Commenting on your blog post
- Asking you a question on Twitter



Now, these are just examples that could change drastically depending on your goal. For example, if the business goal you're trying to track is to have more people ask you questions on Twitter, then this action is a conversion, not engagement.

MARKET SEGMENTATION

By now, we hope you have a better understanding of how market segmentation works in business and analytics. The sum of it is that each segment of your market (i.e. parents, single, married, significant others, engaged are all market segments) will have their own reasons for using your product. Because their reasoning differs, you may find yourself needing a range of marketing tactics in order to reach the widest audience array.

For example, a TV ad aimed at kids might be great on PSKids or DisneyTV, but you sure wouldn't spend the marketing dollars to run it on ESPN, would you? No. As you segment your market into various demographics and created targeted campaigns for each demographic, you could very easily be tracking hundreds, if not thousands of metrics. Therefore, doesn't it make sense to keep your tracking segmented?

HOW IT APPLIES

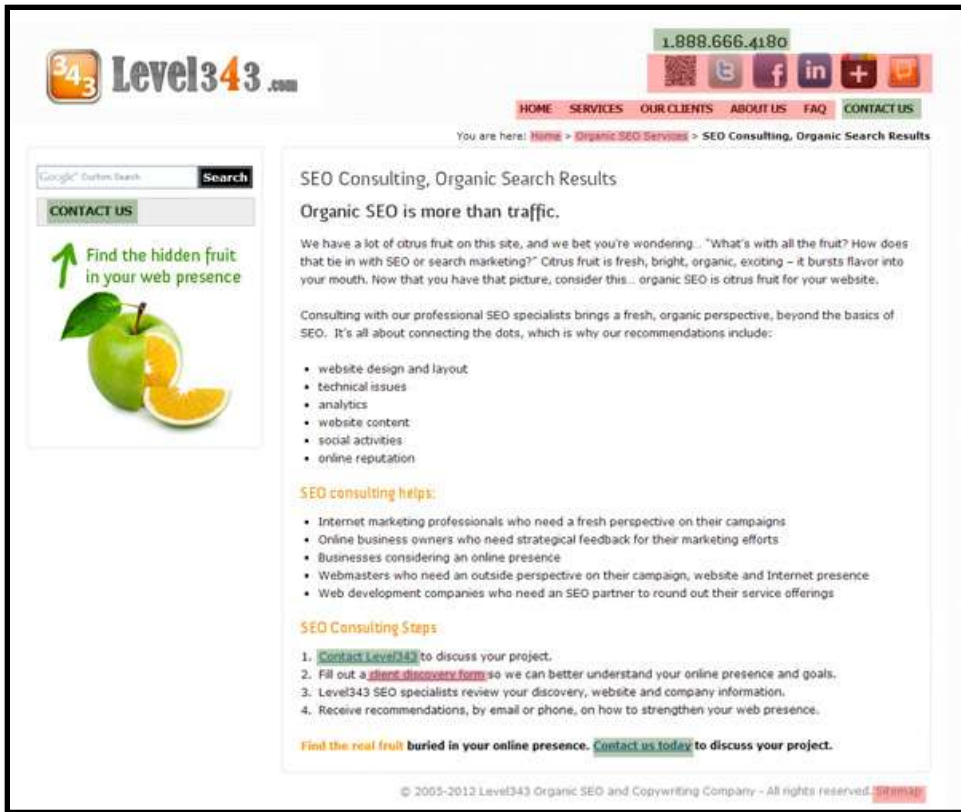
Market segmentation helps you define which demographics perform better, but performance can't be perceived by demographics alone. Non-performance could be the wrong audience, or it could be the wrong ad for the right audience. It could be a confusing business funnel after the ad. It could be the inability to find a "buy now" button on the website. There *has* to be more than demographics, there *is* more, and they're called Key Performance Indicators.

KEY PERFORMANCE INDICATORS – WHAT METRICS DO I TRACK?

You know your website best. You know what marketing strategies you have in the works. You know what your hoped for return is. To find your KPIs for the Engagement stage, you have to look at what you want to accomplish.

Let's look at a single page as a very simplified example for a campaign (for a live version, please visit our [consulting page](#)). Your entire campaign is geared towards pushing traffic to this page. You need to make sure your marketing dollars are doing what they're supposed to do, right? Right. What do you want your dollars to do? Two things:

1. Bring engagement and interaction with your consumer base for building brand recognition/brand activists
2. Increase conversions in order to increase the company's bottom line



Looking at the possible actions on this page, where are the conversions? Where are the opportunities for engagement or further interaction?

Quite simply, we have one call to action. Contact us. We want you to click the link to our contact page or dial the number on your screen. That's it. Anything else is either: a) engagement/increased interaction with the company or b) falling out of the funnel.

Some of the actions available on this page, such as clicking on our social networks, are not immediately trackable through analytics. A little tweaking will need to be done using **onClick event tracking**.

(Google has an [in depth guide on event tracking](#) for Google Analytics, but if it reads too geeky for you there's always the [Idiot's Guide to Event Tracking](#).)

For this page, our KPIs would be segmented because, although we want conversions, we also want interaction:

KPI Segment 1: Interaction/Engagement (highlighted in red in the image)

- onClick events to Twitter, Facebook, LinkedIn, Google+ or our blog
- on page movement to one of our other menu items
- clicking on the discovery form link
- clicking on the sitemap link
- using the search function

KPI Segment 2: Conversion (highlighted in green in the image)

- Clicking on one of the contact us links
- Calling our number and talking to a representative

HOW TO USE THESE METRICS



Data is only as good as the use you put it to. For example, it does you no good to know that 20 people used the search function. What does do you good is knowing *why* they used the search function. What were they looking for? (To find out, visit **Content > Site Search > Overview**. Take a look and then dig deeper into **Search Term** and so on.)

Another example is the sitemap link. When people click on the sitemap, what you're really seeing is a confused visitor. This number isn't so much a metric of success as it is an indication of confusion on the visitor's part. The page is not performing in the best way possible to move the visitor further down the business funnel.

REMEMBER THE TRUE PURPOSE OF THE KPI

The job of a Key Performance Indicator is to point out areas **that need improvement**. If you have 430 visitors hit your home page and a steady 50% drop off for each click after that, you can't afford too many clicks, can you? By the time the visitors are 4 clicks deep, you only have 26 left! –And, those 26 visitors still have to finish the buy now or contact us process, don't they?

Here's the deal. If this is happening to you and you aren't tracking anything, all you know is that you have a marketing bucket full of holes. You can shove a ton of money into the bucket, but unless you fill the holes it'll all leak out. If we worked like that our clients would quickly run the other way, and rightly so.

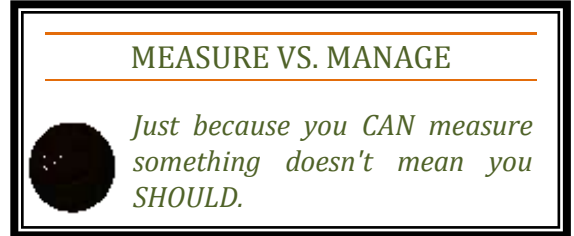
If you *are* tracking, but you aren't *segmenting*, you'll have a bunch of data piled up in the big old laundry basket of analytics. Unless you take each piece out and look it over, you'll never know what all is in that basket. If you're segmenting, but you aren't tracking the right KPIs, you may very well be tweaking the wrong things, or tossing successful campaigns because they looked like they were crashing.

Correct KPI tracking will give you the ability to dig into each step of the failing process and pinpoint where it's failing. In other words, it provides smart management for your marketing efforts. It provides a birds-eye view as well as an in depth view of how well your business funnel is working, every stage of the way.

MEASURING METRICS WALKTHROUGH: KPIS, BENCHMARKS AND ANALYTICS

"What gets measured gets managed" is a popular Peter Drucker quote. It's been reused and modified to include such wonderful wisdom as:

You can't manage what you don't measure
What can be measured can be managed
If it isn't measured, it can't be managed



(sigh) Yes, Originality 'R Us...

As soon as you start looking at metrics and the massive amount of data that pours in from a well monitored site, you start to realize something is missing in the measure = manage equation. Just because you *can* measure something, doesn't mean you *should*. More specifically, just because you're getting data back doesn't mean all the data is important at that particular moment.

As mentioned in the *Measuring Engagement and KPIs* section, one of the hardest parts of analytics is that it's easy to get overwhelmed. You have all these numbers:

Time on site	Click through rate	Overall visitors
Bounce rate	Exit rate	Average sales
Entrance rate	Cost per click	Goal completion rate
Unique visitors	Search engine vs referral vs direct visits	Cost per acquisition

EGADS. The metrics multiply like rabbits. The data increases exponentially the more you track (you should see some of the raw files we dig through before pulling a report together for a client). Insanity looms close. Therefore, we discover and define Key Performance Indicators, or KPIs, in order to make sense of what we're seeing (and save ourselves from padded rooms).

Throughout this eBook, we've given you some potential KPIs to use as indicators of success. Obviously, you need to look at the tips and pointers we give in the light of your own business, but they should give you ideas at the very least. Each section talks about market segmentation, why it matters for that part of the funnel, and so on. It's time to go a little deeper into that.

DEFINING KPIS? GOALS MATTER!



When testing computer performance, testers have a baseline. The number one goal for the computer is to achieve that baseline. Surpassing the baseline is a good thing. Below the baseline is a bad thing.

However, that goal is actually made up of several goals. The CPU's ability to complete mathematical operations, how quick the disk reads/writes/seekes files and how efficient the memory is are just a few. Without a goal, none of that data would mean anything.

The same can be said for your marketing campaigns. You have to have a goal, as well as a baseline, before the data means anything. For example, if you're trying to get a video to go viral on YouTube, would knowing the number of Twitter referrals coming to your site help you measure the success of the "viral video" campaign?

This is why Key Performance Indicators are fluid. They show the success of a particular action, and *only* the success of that particular action. They are *forward-looking*, not *present-based*.

In the standard business funnel, the chosen KPIs should answer the question: Was this step successful?

Awareness – The chosen KPIs will show the amount of people *acquired*, based on the focus of the campaign. How many people responded to the TV ad, Facebook or Twitter campaign, newspaper ad, and so on?

Acquisition – The chosen KPIs will show how many people *engaged* with the campaign's point of focus (i.e. clicked around the website, made a blog comment, responded on social, made a phone call...)

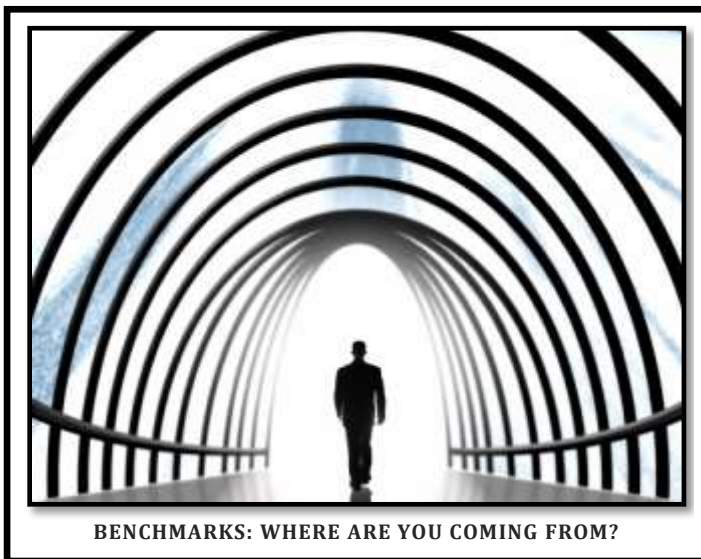
Engagement – The chosen KPIs will show how many people *began the conversion process*, based on the campaign's point of focus (i.e. began filling out a form for more information, started into the shopping cart funnel, etc.)

Conversion – The chosen KPIs will show how many people *finished the conversion process* (i.e. visits to the "thank you page", money in your account, information in your email, etc.)

Retention – The chosen KPIs will show how many *return to repeat the process* in some way (i.e. continue to engage on social, become repeat customers, return visitors to your site, etc.)

Once you define those KPIs, it's time to set the benchmarks.

BENCHMARKS – YOU ARE HERE



We've written about benchmarks before, although it's been quite awhile. You can read more about them with [SEO Campaigns, Analytics, Benchmarks and Changes](#) and [SEO Campaigns and the Ever Essential Benchmark](#). Simply, you can't know how well a campaign is succeeding if you don't know what results you had before the campaign started. This is why benchmarks are handy. (We've created a simplified [benchmark and KPI cheat sheet](#) to walk you through a basic benchmark/performance tracking set up.)

The scenario:

You want to start a 1-month dedicated Facebook campaign with an exclusive offer to your FB following. The offer is for 10% off the total amount of their order or free shipping if they use the code FAN ME at check

Measuring Metrics for Success: KPIs, Analytics and Benchmarks

out. What are you going to use to track the success of this campaign? If you just use the final step (the thank you page with the FAN ME code) and the campaign fails, how are you going to know why it failed? -Or will you, like so many others, just assume that Facebook won't work for you?

You also want to pay attention to more than just an individual stage. For example, in the imaginary scenario, your FB campaign brought 5 less than the benchmark average of 25. Hmm. Although that's not necessarily a failure, it doesn't bode well, does it?

Campaign	Stage of Funnel	Key Performance Indicator(s)	Benchmark	Month 1	Change
1-month dedicated Facebook campaign: 10% off total amount or free shipping for code FAN ME					
Awareness		People talking about this (FB insights)	0	30	30
		Referrals from facebook and m.facebook	25	20	(5)
Acquisition		Clicked around on the site and looked at products from FB referral	20	20	-
Engagement		Started into the shopping cart funnel from FB	5	15	10
Conversion		Thank you page from code FAN Me	0	10	10
		Thank you page from FB referral	2	14	14
Retention		FAN ME user creates user account	0	8	8
		FB user creates user account	2	3	3

However, on average, 5 drop out of the funnel before they ever really get started, where as all 20 referrals stayed on the site in the month of the campaign. 15 found a product they wanted to buy and started into the shopping cart funnel from FB. 1 drops out, leaving 14 that complete the buying process from Facebook. 10 are clearly from the FAN ME campaign.

The exciting part comes down to the Retention stage. Of the 10 users, 8 of them are new. They create a user account, which then goes into your customer database where they become repeat customers. As a bonus, you also gain 3 FB customers that may or may not have come from the FAN ME campaign (you don't know for sure, because they didn't use the code).

Now, hopefully your campaigns will bring more than 14 sales (although, depending on the average product price, you could be looking at hundreds of dollars). If it doesn't, you'll at least have a clear understand of what stage (or stages) the campaign failed.

SETTING UP ANALYTICS FOR KPI TRACKING

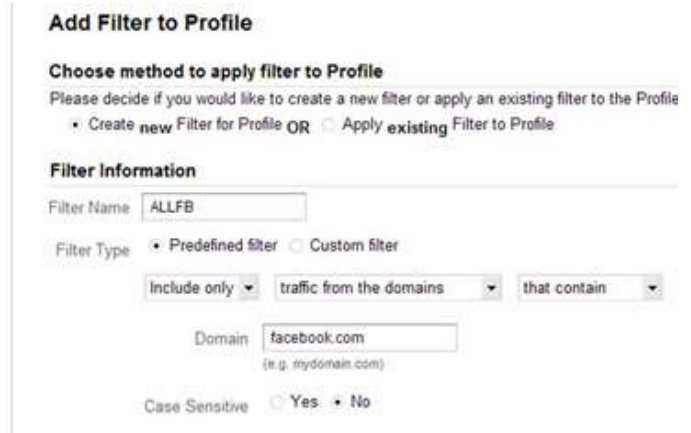
Of course, before you can fill out the parts of the cheat sheet, you have to have the numbers, right? –And it's much easier to garner the numbers if you already have them set apart for easy retrieval, right? Right. So let's do that.

New Profile

Create a new profile called "Facebook Campaign" (don't worry – you can delete the whole bit after you've done the walk through).

Add Filter

1. Profile > Filters > Add Filter
2. Make sure the profile name is "Facebook Campaign".
3. Click "Filters"
4. Select "Create new Filter for Profile"
5. Name the filter "ALLFB"
6. Choose "Custom Filter"
7. Include Campaign Name in the Filter Field, with the Filter Pattern set to FANME
8. Make sure it's not case sensitive and save.

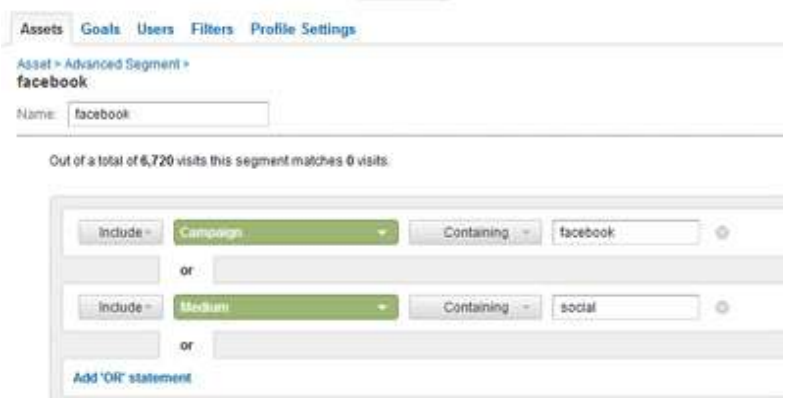


Create URL

1. Create a trackable URL using [Google Analytics URL Builder](#). For example, you might use:
Website URL: <http://mysite.com/facebook> (directs to an FB specific page)
Campaign Source: facebook
Campaign Medium: social
Campaign Name: FANME

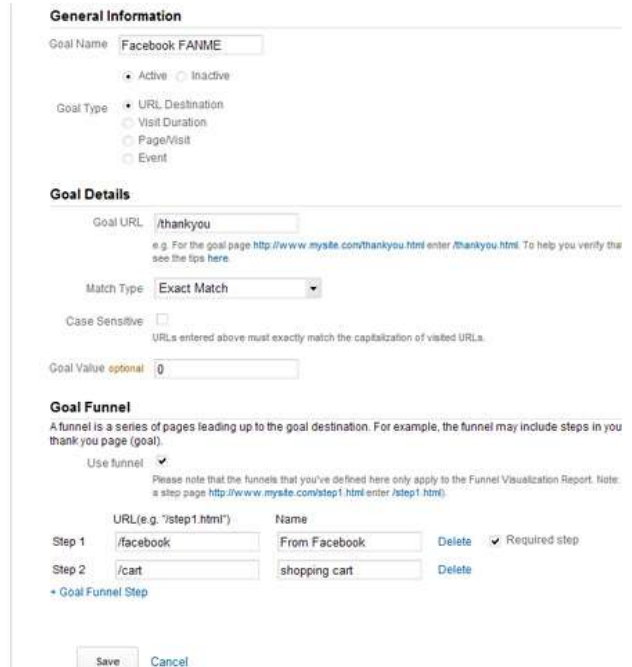
Advanced Segments

1. Under "Assets", click "Advanced Segment".
2. Name it "Facebook" (remember, we're original here). Include a source containing facebook.com OR m.facebook.com.
3. Name it "Facebook". Include a campaign containing "facebook" OR a medium containing "social".
4. Save.



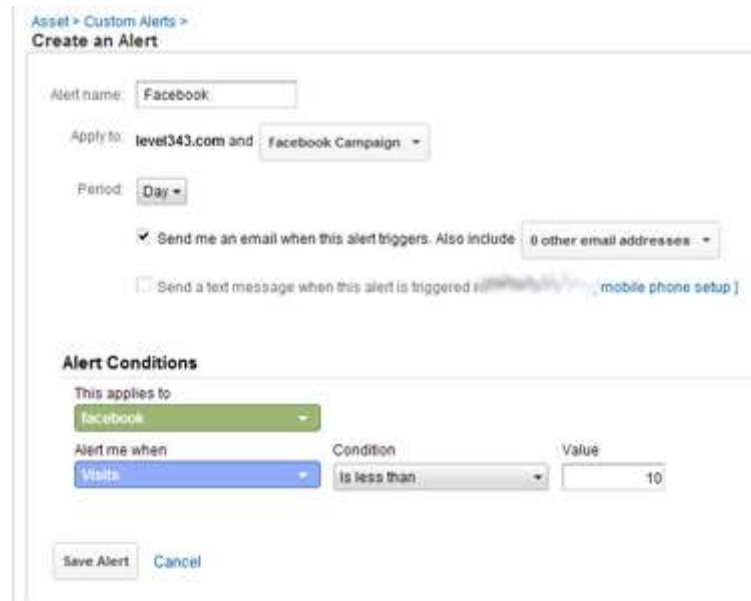
Setting Up Goals

1. Under "Goals", click + Goal.
2. Name it "Facebook FANME" (for an original flavor). Make sure it's active.
3. Choose "URL Destination" and enter the final "thank you" page.
4. Set your first step in the goal funnel as the link to the facebook specific page on your site (as listed in step 2 of this walkthrough), as set it as a required step.
5. Set your second step in the goal funnel as your shopping cart page.
6. Save.



Custom Alerts

1. Under "Assets", click "Custom Alerts".
2. Name it "Facebook" and apply it to the Facebook Campaign profile you created in step one.
3. Choose to send you an email, text message or neither when the alert triggers (if it's neither, you'll just see it in the reporting).
4. Set Alert Conditions to the "facebook" segment when visits are less than 10.
5. Save the alert.
6. Set Alert conditions to "FANME" goal conversion rate of less than 5.
7. Save the alert.



Now, once you start the campaign, you'll use the URL you created for your Facebook link.

FINDING THE DATA

Now that everything is in order, you'll want to be able to see everything, right? Right. So, how do you do that? In your profiles list, you will now find "Facebook Campaign". On the Dashboard section, you can add widgets that will give you data at a glance; each widget links back to the data section.

As you click through the familiar pages of the Audience, Advertising, Traffic Sources, Content and Conversions tabs, you'll start to see "Facebook" crop up everywhere. For example, you'll see the goal funnel under Goals > Funnel Visualization. Under Traffic Sources > Sources > Referrals, you'll find Goal Sets with the Facebook FANME designation. Under Traffic Sources > Sources > Campaigns, it will say "FANME".

In other words, there won't be the distractions of your every day average data. The Facebook Campaign Profile will give you all FB data, all the time.

THE ICEBERGS ARE PROFUSE



We finish many articles with "and that's just the tip of the iceberg". We'll be doing the same here in this eBook. Analytics, optimization, the [three T's \(testing, tracking, tweaking\)](#)... it takes a bit of delving in and getting dirty. There's much to learn, and a majority of it comes from practice and continual use.

The most important thing when doing anything in analytics is not to panic. Don't freak out over the amount of data you see originally. Take your time:

1. Define your goals.
2. Define the steps to those goals.
3. Define your Key Performance Indicators.
4. Set your benchmarks.

Once those four steps are done, the rest will come a little easier.

We hope you've gleaned some useful information from the Measuring Metrics for Success eBook. We hope you're able to turn this walkthrough into successful tracking implementation, as well as strong marketing campaigns. Finally, we invite you to return to the Level343 SEO Article Archive for more tips, tricks and industry bits.

Thanks for staying with us. To your success!